



REPORT OF THE ADMINISTRATORS

2019, H1

**Period
(January - June 2019)**

prepared in compliance with Art. 223 of the
ASF Regulation no. 5/2018 and Art. 55 of the
EGO 109/2011 regarding the corporate
governance of the public enterprises

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COMPANY PRESENTATION

1.1. Report and issuer identification data

Quarterly Report
Prepared in compliance with:

Articles 65 of Law no. 24/ 2017 regarding the issuers of financial instruments and market operations;
Annex 14 of Regulation on 5/10.05.2018 on the issuers of financial instruments and market operations;
EGO 109/2011 regarding the corporate governance of the public enterprises (amended pursuant to Law no. 111/2016).

Date of the report

8/12/2019

Company's name

CONPET S.A.

Registered Offices

No. 1-3, Anul 1848 Street, Ploiesti Prahova County, Zip Code 100559,

Telephone/facsimile Number

0244 401360/0244 516451

E-mail/Internet

conpet@conpet.ro/www.conpet.ro

Trade Identification Number at the Trade Register Office

1350020

Trade Registry Number

J29/6/22.01.1991

The regulated market trading the issued securities

Bucharest Stock Exchange, Premium category

Subscribed and entirely paid-up share capital

28,569,842.40 RON

Main features of the issued securities

8,657,528 shares with a nominal value of 3.3 RON/share

Total market value

690,870,734 RON (79.80 RON/share at 28.06.2019)

Applied accounting standard

International Accounting Standard no. 34 - „Interim Financial Reporting”

Auditing

Interim financial statement drafted at 30.06.2019 are being revised

1.2. Main activities

CONPET is a strategic company, part of the architecture of the national energy system, being the operator of the crude oil National Transport System via pipelines. CONPET is a publicly owned company, listed at the Bucharest Stock Exchange, under COTE symbol.

Since 2002, CONPET is the concessionaire of the operation of the crude oil, rich gas, condensate and ethane National Transport System, based on the oil Concession Agreement concluded with the National Agency for Mineral Resources, approved pursuant to. 793/25.07.2002.

The National Transport System (NTS) of crude oil, rich gas, condensate and ethane is being defined and regulated by the Oil Law no.238 from June 7, 2004 and the Methodological Norms for the enforcement of the Oil Law approved by GD no.2075/2004 and is part of the state's public property, bearing strategic impact.

1.3. The company's mission vision and values

CONPET mission is the operation of the National Transport System via Pipelines under safe and secure conditions, free access to the system's available capacity to all the inquirers, authorized legal persons, under equal conditions, on a non-discriminatory and transparent basis as well as accessing the related markets corresponding to the segments of the value chain of the oil industry.

CONPET vision targets the maintenance of its position of strategic player in the Romanian oil industry, acting as crude oil, ethane and rich gas carrier via pipelines and by rail.

The company's Values: professionalism, effectiveness and performance, social awareness and respect for the environment, ongoing training, adaptability and qualitative increase.

1.4. Shareholding

Shareholding's synthetic structure at the reference date 30.06.2019 reveals the followings:

- 58.7162% - the Romanian State by the Ministry of Energy;
- 41.2838% - Free float

Shareholder's Name	Number of shares	Percentage%
The Romanian State by the Ministry of Energy	5,083,372	58,7162%
Legal persons	2,360,557	27,2659%
Natural Persons	1,213,599	14,0178%
Total	8,657,528	100,0000%

Table 1 - CONPET S.A. Shareholding Structure at June 30st, 2019

The share capital of CONPET at June 30st, 2019 is of 28,569,842.40 RON and is divided into 8,657,528 nominative shares, each share with a nominal value of 3.3 RON/share.

CONPET did not perform transactions having as scope its own shares, consequently the company does not hold own shares.

1.5. Company Organization

CONPET was established 1990, based on the Government Decree no. 1213/1990 regarding the set-up of joint-stock companies in the industry, by taking-over the entire assets and liabilities of I.T.T.C. Ploiești, being the first company established in the oil industry in Romania.

Following the take-over of all assets and liabilities of I.T.T.C. Ploiești, CONPET became the operator of the crude oil, rich gas, condensate and ethane National Transport System.

CONPET supplies transport services for its clients both via the National Transport System concessioned based on the Oil Concession Agreement of the National Transport System of crude oil, rich gas, condensate and ethane via pipelines, as well as by rail, from the loading ramps to the refineries, for the oil areas not connected to the major transport pipelines.

The company CONPET performs its activity in:

- registered offices is Ploiesti Municipality, No. 1-3, Anul 1848 Street, Prahova County;
- Address of the registered offices is Ploiesti Municipality, No. 8, Tanks Street, Prahova County;
- 56 work sites located in 24 counties.

The operational and administrative activities covering 24 counties are organized in divisions, and inside the divisions in business sectors, according to their territorial spread.

1.6. Development Strategic Objectives

The Administration Plan of the Board of Administration of CONPET, for the period 2018-2022 is based on a detailed analysis of the company's activities, on its business segments.

The formulation of the strategic objectives focused on the conclusions of the diagnostic analysis and strategic analysis of the competitive environment, in view of identification and capitalization of the opportunities and strengthening the strong points existing at the level of the company;.

The strategic objectives for the period 2018 -2022, established and assumed by the administrative management by the administration component were defined in strong correlation with the strategic directions, the vision and expectations of the tutelary authorities, namely the one of the shareholders and the contextual lines of the Energy Strategy of Romania along 2018-2030, envisaging the years 2050 and are the followings:

- increasing efficiency and improvement of the activity performance;
- development of new activities, related and non related to the core business;;
- defining the Company as a regional player;
- outstanding management of the human resources;
- implementation and development of the corporate government principles.

2. CONPET- EXECUTIVE SUMMARY

2.1. Operating Activity Indicators

The evolution of the product volumes (crude oil, condensate and rich gas), transported via the National Transport System (NTS), during January-June 2019, as compared to the Budget and the same period of 2018, by transport subsystems, is presented being below:

Indicators (thousand tons)	Achieved Semester I 2019	Revenues and Expenditure Budget Semester > 2019	Achieved Semester I 2018	Variation%	
				Achieved/Budget 2019	2019/2018
Quantities transported on the domestic subsystem	1,734	1,699	1,758	▲ 2,1%	▼ 1.4%
Quantities transported on the import subsystem	1,695	1,386	1,540	▲ 22.3%	▲ 10.1%
Total	3,429	3,085	3,298	▲ 11.2%	▲ 4.0%

Table 2 - Evolution of the volumes transported in 2019 H1 as compared to Budget 2019 and the similar period in 2018

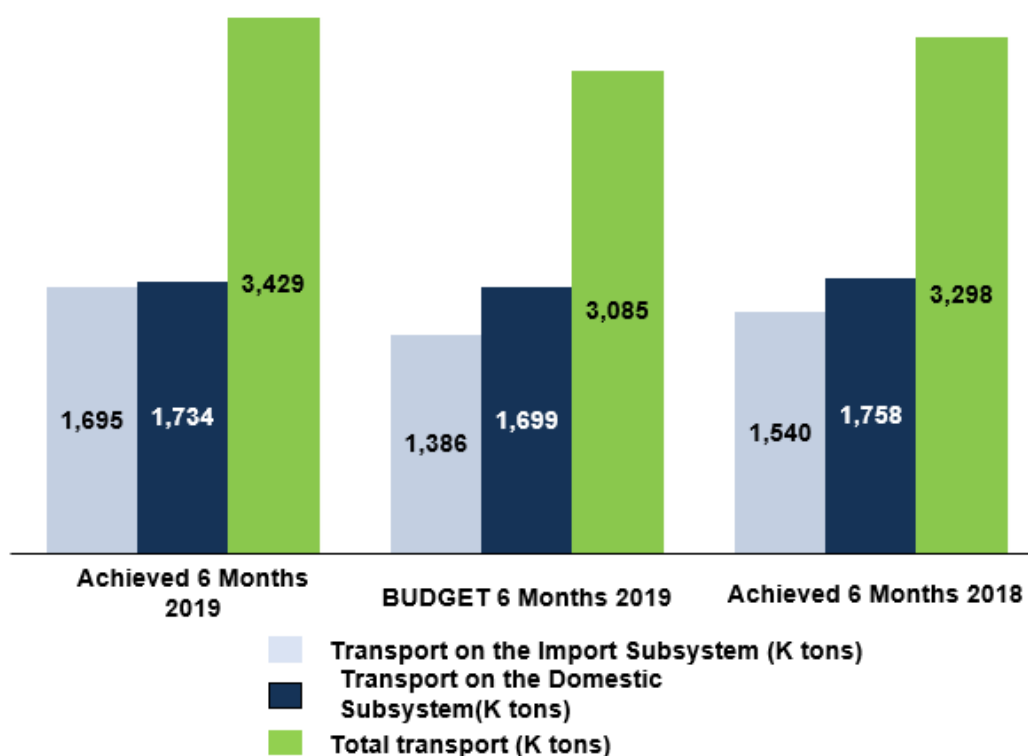


Chart 1 - Evolution of the quantities transported on the domestic and import subsystems (thousand tons)

2.2. Economic-financial indicators

The main economic-financial Indicators of the company achieved during January - June 2019, as compared to the ones foreseen in the Budget and to the similar period in 2018, are presented in the table below, as follows:

Indicators	2019 H1			Achieved Semester I 2018	Variation% Achieved 2019/ Achieved 2018
	Achieved	Revenues and Expenditure Budget	Variation (%) Achieved/ Budget		
Turnover (thousand RON)	200,617	187,022	▲ 7.3%	184,931	▲ 8.5%
Operating Revenues (thousand RON)	216,285	202,304	▲ 6.9%	199,976	▲ 8.2%
Operating Expenses (thousand RON)	183,208	182,698	▲ 0.3%	176,703	▲ 3.7%
Operating Profit (EBIT) (thousand RON)	33,077	19,606	▲ 68.7%	23,273	▲ 42.1%
Operating profit margin (% Operating Revenues)	15,3%	9,7%	▲ 5.6 p.p.	11,6%	▲ 3,7p.p.
EBITDA (thousand Lei)	55,911	42,242	▲ 32.4%	45,515	▲ 22.8%
Operating Expenses (%Turnover)	91.3%	97,7%	6.4p.p.	95.6%	▼ 4,3p.p.
Total Revenues (thousand RON)	220,388	203,950	▲ 8.1%	202,350	▲ 8.9%
Total Expenses (thousand RON)	183,250	182,718	▲ 0.3%	176,708	▲ 3.7%
Gross profit (thousand RON)	37,138	21,232	▲ 74.9%	25,642	▲ 44.8%
Net profit (thousand RON)	31,180	17,506	▲ 78.1%	21,626	▲ 44.8%
Average number of employees(pers.)	1,607	1,625	▼ 1.1%	1,660	▼ 3.2%
Productivity (thousand RON/employee)	135	124	▲ 8.9%	120	▲ 12.5%

Table 3 - The main economic-financial Indicators achieved in 2019 H1 vs Budget and the ones achieved in the same period of 2018

2.3. Investments

The investment program related to 2019 continued to focus on the rehabilitation of the major transport pipelines of crude oil and rich gas, as well as investment works on installations, equipment and endowments associated to the Oil National Transport System.

During the six months period ended June 30 2019, CONPET S.A. has achieved investments in amount of 33,375 thousand RON.

Investments (Thousand RON)	Revenues and Expenditure Budget YEAR 2019	2019 H1			2018 H1		
		Achieved	Program	Degree of achievement %	Achieved	Program	Degree of achievement %
Total investments, out of which:	86,000	33,375	28,920	115,4%	32,317	35,495	91,0%
Public domain	70,420	30,473	24,829	122,7%	30,121	32,902	91,6%

Operating domain	15,580	2,902	4,091	70,9%	2,196	2,593	84,7%
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Chart 4 - Evolution of the investments achieved in Sem I 2019 as compared to the program and the same period of the year 2018

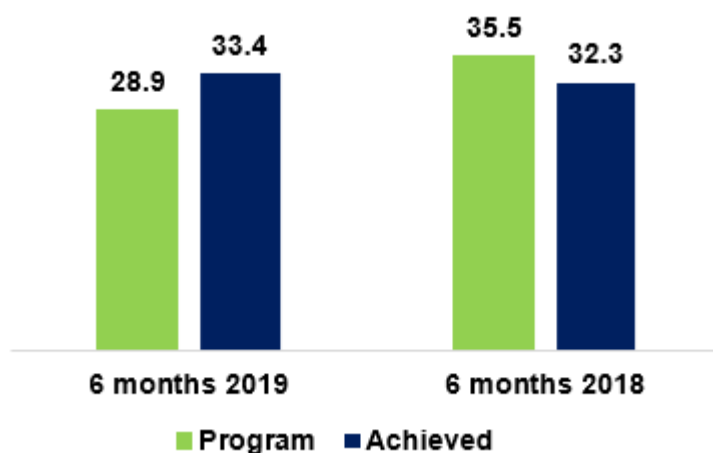


Chart 2 - Evolution of the total investments achieved as compared to 2019 H1 program

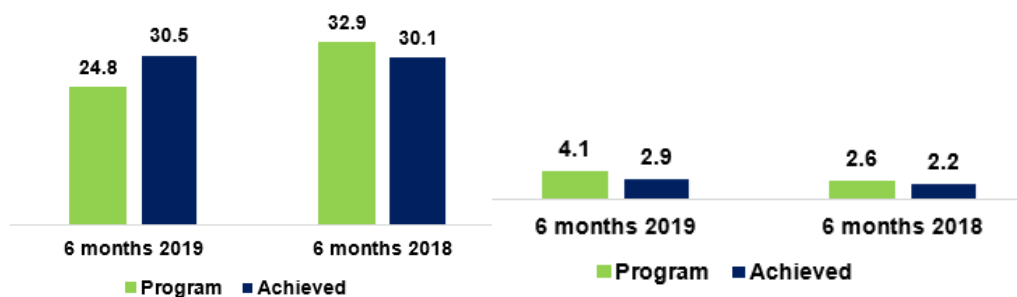


Chart 3 - Evolution of the investments in the public domain achieved in the operating domain as compared to Sem. program I 2019

Chart 4 - Evolution of the investments achieved in Sem. I 2019 as compared to Semester I 2018

2.4. Company's Stock Market Indicators

At 30.06.2019, CONPET S.A. had a market capitalization of 690.87 million RON (145.9 million Euro), ranking 20 in "Top 25 issuers according to capitalization".

The company CONPET S.A. is included in 7 out of the total of 9 stock indices of the Bucharest Stock Exchange, respectively *BET*, *BET-TR*, *BET-XT*, *BET-XT-TR*, *BET-BK*, *BET-NG* and *BET Plus*, as well as *FTSE Frontier Markets index*.

In the first Semester of 2019, 5,820 stock transactions have been recorded, with a traded volume of 378,178 shares, the total value of the transactions being 29,994,662 RON. All along this time, the minimum trading price amounted to 76.40 RON/share, and the maximum price of 82.80 RON/share. On average, have been traded 3,100 shares/day, the average value of a trading day amounting to 245,858 RON/day (122 days).

During the review period, the share price of CONPET has raised by 2.7%.

3. ANALYSIS OF THE COMPANY'S BUSINESS

3.1. Analysis of the operating activity

3.1.1. Regulation Framework

CONPET S.A. is the operator of the Crude Oil, Rich Gas, Condensate and Ethane Pipeline Transport System (NTS) as defined and regulated by Law no. 238/07.06.2004 - Oil Law and the Methodological Norms for the enforcement of the Oil Law approved under GD no. 2075/2004.

CONPET S.A. Supplies transport services for its clients both via the National Transport System concessioned according to the Oil Concession Agreement of the National Transport System of crude oil, gasoline, condensate and ethane, as well as via railway tanks, from the loading ramps to the refineries, for the oil areas not connected to the transport major pipelines.

The transport services are being contracted based on a frame contract approved by the National Agency for Mineral Resources, the practiced transport tariffs being regulated and approved by the same authority.

3.1.2. The crude oil, condensate and rich gas business

The company holds a monopoly position on the market of crude oil transport via pipelines, having no competitors in its core business.

The transport services supplied by CONPET SA are addressed to a reduced number of potential beneficiaries; consequently, the volume thereof is closely related to the trade policy applied by the beneficiaries of the supplied services. A situation of significant dependency is being recorded in relation to OMV Petrom, which is the main client when referring to the domestic crude oil transport and the only client for the transport of rich gas and condensate.

The National Transport System was built for satisfying the transport needs from all the oil fields to the refineries. The system operation is being made based on the local dispatch centers, coordinated from the Company's Central Dispatch.

The pipelines transport system is approximately 3,800 km in length, out of which, to date 3,161 km of pipelines are being used for the transport of crude oil, rich gas, condensate.

The available throughput represents the difference between the total physical throughput of the system and the crude oil scheduled for transport in the given year.

The Crude Oil, Rich Gas, Condensate and Ethane Transport System via pipelines has in composition transport subsystems, grouped according to the transported products, as follows:

- The domestic crude and condensate transport subsystem, having in composition pipelines covering approx. 1,540 km, for the transport of crude oil and condensate from the production units of OMV Petrom operating areas throughout the country, to the refineries. The domestic crude oil and condensate production is transported via pipelines, by railway tanks, or combined (rail and pipelines).

- The rich gas transport sub-system is meant for the rich gas transport from the rich gas separation units in Ardeal and Oltenia to Petrobrazi refinery.
- The ethane transport sub-system provides the ethane transport from Turburea ethane separation platform to Arpechim Pitesti refinery. Currently, due to the lack of operability of Arpechim refinery, the sub-system is not used and only one portion of the pipeline is used for the transport of condensate from Totea warehouse to Petrobrazi refinery.
- The sub-system for the import crude transport provides the transport of crude oil from Oil Terminal Constanta to the refineries in Ploiești, Arpechim-- Pitești and Midia.

The transport contracts signed with the beneficiaries of the services are compliant with the regulated frame-contract approved by NAMR and provides the legal framework for the supply of the transport services.

The crude oil transport throughput is being performed from the sites of delivery by the producers/importers, from the extraction areas, or from Oil Terminal, to the processing plants (refineries) by the use of certain facilities both in the pumping sites, as well as all in the receipt sites and from crude oil and rich gas loading and unloading ramps and rail tanks.

These facilities contain, mainly, the crude oil and condensate storage tanks, rich gas storage tanks, the technological pipes inside the pumping/receipt deposits, pumping aggregates (booster pumps, main pumps, actuators).

The state of the transport activity, per types of transported products, in Sem I 2019, as compared to the transport program and the same period of 2018 reveals the followings:

Transport Subsystems	Indicators and products	Achieved Semester I 2019	Achieved Semester I 2018	Variation % 2019/2018
DOMESTIC	Domestic crude oil, condensate and light condensate			
	- programmed quantities (thousand tons)	1,689	1,693	▼ 0.2%
	- achieved quantities (thousand tons)	1,723	1,748	▼ 1,4%
	- degree of achievement	102.0%	103,3%	-1.3p.p.
	- degree of use of the transport throughput	56.8%	57,6%	-0.8p.p.
	Rich gas			
	- programmed quantities (thousand tons)	9.8	9.9	▼ 1.0 %
	- achieved quantities (thousand tons)	10.2	10.2	-
	- degree of achievement	104.1%	103,0%	+1.1 p.p.
	- degree of use of the transport throughput	17.6%	17,7%	-0.1 p.p.
	Total domestic subsystem			
	- programmed quantities (thousand tons)	1,699	1,703	▼ 0.2%
	- achieved quantities (thousand tons)	1,734	1,758	▼ 1,4%
	- degree of achievement	102.1%	103,3%	-1.2 p.p.
	- degree of use of the transport throughput	56.0%	56,8%	-0.8p.p.

Transport Subsystems	Indicators and products	Achieved Semester I 2019	Achieved Semester I 2018	Variation % 2019/2018
IMPORT	Crude oil			
	- programmed quantities (thousand tons)	1,386	1,514	▼ 8.5%
	- achieved quantities (thousand tons)	1,695	1,540	▲ 10.1%
	- degree of achievement	122.3%	101,7%	+20.6p.p.
	- degree of use of the transport throughput	29.0%	26,3%	+2.7p.p.
TOTAL	- programmed quantities (thousand tons)	3,085	3,217	▼ 4.1%
	- achieved quantities (thousand tons)	3,429	3,298	▲ 4.0%
	- degree of achievement	111.2%	102,5%	+8.7p.p.
	- degree of use of the transport throughput	38.3%	36,9%	+1.4p.p.

Table 5 - Transported quantities by types of products and by transport subsystems Semester I 2019 - Semester I 2018

The Evolution of the volume transported on transport subsystem is the following:

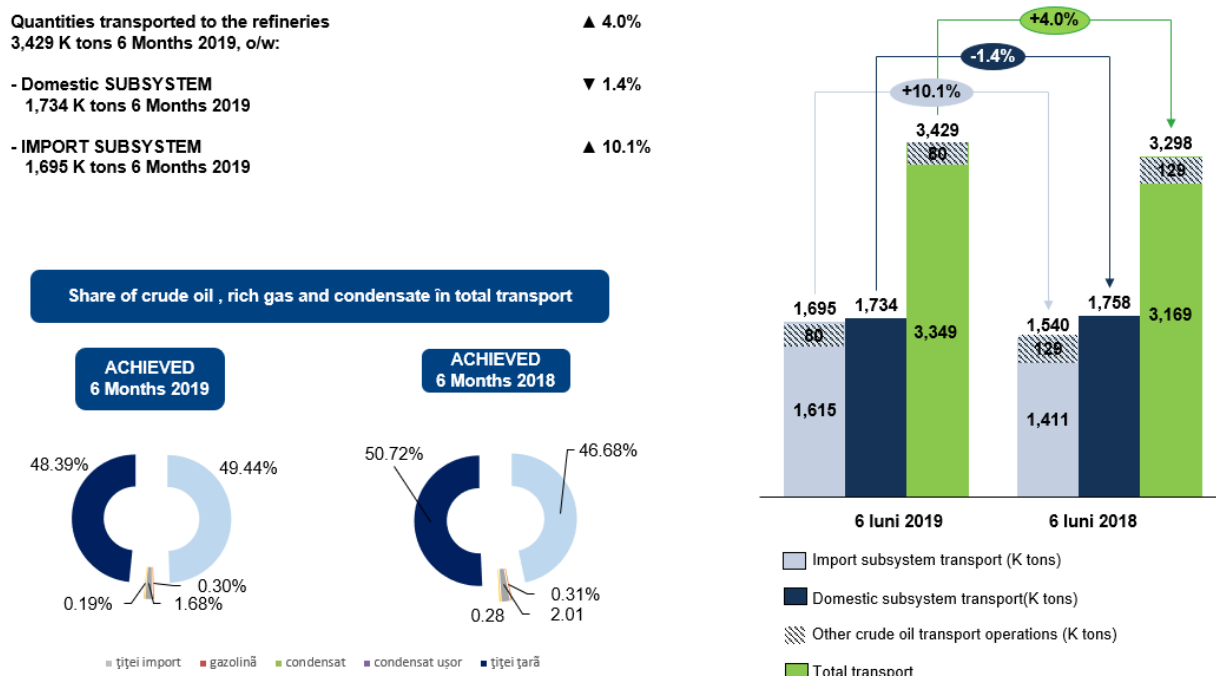


Chart 5 - Quantities transported on the transport subsystems

The total quantity transported during January-June 2019 was bigger with approx. 131 thousand tons as compared to the same period of 2018. In 2019 S1, the quantity transported on the domestic subsystem has increased by 155 thousand tons (10.1%), and on the Domestic Subsystem transport subsystem lowered by 24 thousand tons (1.4%).

Between January - June 2019, from a total of 1,734 thousand tons of crude oil, rich gas and condensate from the indigenous production transported and delivered, 582 thousand tons were transported by rail (33.6% of the total transported quantity on the domestic sub-system), of which:

- directly to the refineries - 523 thousand tons, (90% of the transported quantity by rail);
- from Barbatesti ramp- 58 thousand tons, (10% of the transported quantity by rail).

The degree of use of the transport system in SI 2019 was of 38.3%, increasing by 1.4 pp as compared to S1 2018 (36.9%), as effect of the transported volume increase, by 4.0%.

Transport Tariffs

The tariffs for the supply of crude oil, rich gas, condensate and ethane are regulated by the NAMR and are distinguished per transport sub-systems, as such:

- For the supply of the transport system on the domestic subsystem has been practiced, up to June 18, 2018 the tariff of 79.75 RON/ton, approved by NAMR by Order no.32/2016 and;
- Starting June 19, 2018 the company has practiced, for the supply of the transport service on the domestic subsystem the tariff of 84.37 RON/ton approved by NAMR by Order no.117/2018.
- For the supply of transport services on the import transport subsystem have been used, up to June 18, 2018 the transport tariffs approved by NAMR by Order no.32/2016, and, after this date, the tariffs for the supply of transport services on the import transport subsystem were the ones approved by NAMR by Order no.117/2018.

The tariffs for the import transport subsystem varies depending on the transported installment quantity practicing the bracketing tariff model, and refinery-transfer point. The tariffs practiced during 01.01.2018-30.06.2019 are being revealed in the table here-below:

Period	Installments	Arpechim Refinery	Ploiesti Basin (Petrobrazii and Petrotel Lukoil refineries)	Petromidia Refinery
	Thousand tons/month	RON/ton	RON/ton	RON/ton
January 1st, 2018 - June 18th, 2018	< 100	38.85	38.00	8.00
	>100	16.60	16.00	7.33
Starting June 19th, 2018	< 120	38.85	38.00	27.00*)
	>120	16.60	16.00	24.74*)

Table 6 - Import transport tariffs on installments and refineries

*) Starting 14.03.2019 for the transport relation with Petromidia refinery has been approved by NAMR Order no.172/2019 a tariff of 14.00 RON/ton for the tranche up to 120 thousand tons and 12.00 RON/ton for the tranche bigger than 120 thousand tons.

The transport tariffs include a modernization quota meant exclusively for the financing of the investments related to the National Transport System.

The total value of the services VAT excluded, invoiced to the beneficiaries during January - June 2019 is in amount of 196.519 thousand RON and in detail by every beneficiary, is as follows:

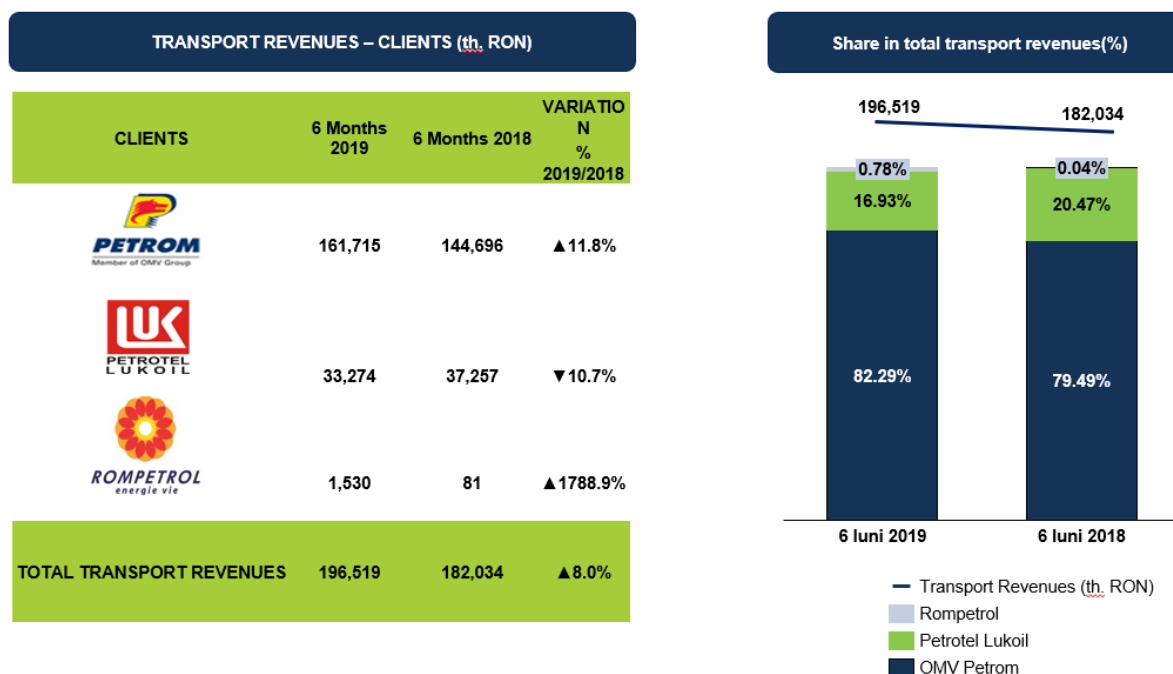


Chart 6 - Share of transport revenues per refineries in total transport revenues

Other activities

Revenues from other activities represent 2% of the company's turnover and are made up of: revenues out of leases of lands and telecommunication equipment, rail shunting services, revenues from sales of pipe material etc.

3.1.3. Assessment of the operating activity

In the table below is being presented the evolution of the transport services supply for S1 2019, as compared to S1 2018 and as compared to the provisions in the budget for the same period of 2019.

Indicators (Thousand RON)	Achieved Semester I 2019	Revenues and Expenditure Budget Semester I 2019	Achieved Semester I 2018	% Variation Achieved/Budget 2019	Variation% Achieved 2019/ 2018
Revenues on the domestic transport subsystem	146,934	144,096	143,199	▲ 2.0%	▲ 2,6%
Revenues on the import transport subsystem	49,585	41,646	38,835	▲ 19.1%	▲ 27,7%
Total	196,519	185,742	182,034	▲ 5.8%	▲ 8.0%

Table 7 - Statement of the transport revenues

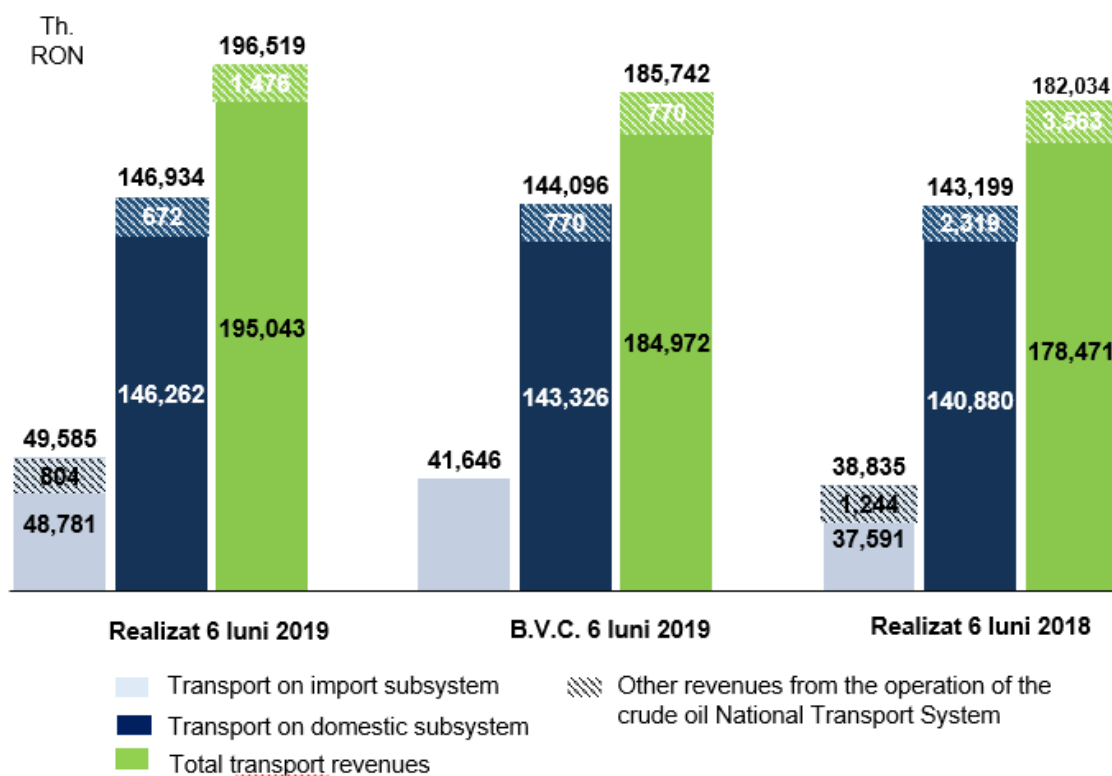


Chart 7 - Evolution of the transport revenues per subsystems

Procurement

The procurement of products, services and works is being performed as per the provisions of the Procurement Internal Norms of CONPET S.A. and the internal procedures.

Along the 6 months period 98 acquisitions have been initiated, following the requests promoted by the entities inside the company and have been completed 55 procurement procedures by conclusion of contracts in amount of 350 mRON.

At the end of June a number of 26 acquisitions were in progress, in a total estimated value of 20.6 m RON, respectively:

- 4 tendering procedures in total estimated amount of 5.8 mRON;
- 13 simplified procedures in total estimated amount of 13.7 mRON;
- 2 simplified procedures in total estimated amount of 0.8 mRON;
- 7 direct acquisitions in total estimated amount of 0.4mRON.

At 31.06.2019, the structure of the ongoing contracts is as follows:

- 138 works contracts, of which: 33 ongoing and 105 with completed works, being in the performance security period;
- 178 services contracts, of which: 134 ongoing and 44 with completed works facing performance security period;
- 159 products supply contracts facing performance security period; 35 ongoing and 124 completed, facing performance security period;
- 84 utilities procurement contracts.

The services procurement contracts with a value higher than 100,000 EURO and the works procurement contracts with a value higher than 500,000 EURO are being presented in annexes 5 and 6 to this report.

3.1.4. Legal acts concluded in the conditions of Art.52 Para (1) and (3) of EGO no.109/2011

Following the approval by the company's shareholders of the transaction with SNTFM CFR Marfă S.A. (OGMS meeting dated 26.03.2019) the contract S-Ca no.57 was concluded on March 28, 2019, having as scope rail transport services of crude and rich gas from the loading ramps to the destinations set out by CONPET S.A.

The contract concluded with SNTFM CFR Marfă S.A. has a total value of 242,420,640 RON and 4 years duration, starting 01.04.2019 up to 31.03.2023.

The performance guarantee is in quantum of 500,000 RON and the payment term is of 30 days from the invoice receipt. In the contract was provided also the delay penalties calculation in quantum of 0.03%/day. In what concerns the delay penalties, in the contract are being provided the followings:

- Should CONPET S.A. not honor the invoices within the payment deadline provided in the contract, it has the obligation to pay penalties in quantum of 0.03%/day, calculated at the outstanding amount, starting the first day of the maturity date.
- If the provider SNTFM CFR Marfa SA does not provide the rail tanks necessary for the achievement of the respective transport program, for the delay with more than one day compared to the schedule, CONPET S.A. Is entitled to claim penalties in quantum of 0.03% per day, calculated at the value of the transport service related to the outstanding quantity, not taken over, starting the first day of delay.

3.1.5. Company mergers and reorganizations, procurements and disposals of assets during 2019 H1

During January-June 2019 there were no mergers.

The company has no open subsidiaries in Romania or abroad.

Purchases of tangible and intangible assets in 2019 were made in accordance with the investment program and the approved revenues and expenditure budget and are intended for deployment and modernization.

Also, there were no disposals of assets, except of the ones decommissioned under the law.

3.1.6. Assessment of human resources and social dialog activity

The actual number of employees on June 30, 2019 was of 1,627 people, with 53 employees less as compared to the personnel registered at 30.06.2018 and 30 employees less than that registered on 31.12.2018.

• For the achievement of the objective regarding the *reshape and ongoing adaptation of the human resources in correlation with the technical - economic requirements and realities of the company*, it has been monitored and was tracked the adaptation of the necessary of human resources, considering:

- the efficient use of personnel;
- providing business continuity, within the conditions required by the permanent fluctuations in the production activity;

- Providing balance between the personnel number and the real technical-economic needs and administrative of the company.

In view of optimizing the activity, the company's management has approved, starting 01.05.2019, the termination of a number of 29 positions within certain organizational entities, triggering individual redundancy of the employees holding those positions, for reasons not connected to the person itself.

The elimination of the 29 positions triggered mainly the reshaping of the resource necessary to achieve the set objectives, expenses reduction, as well as optimization of the necessary of personnel within the functional structures, adapted at the current company needs.

The personnel structure according to the level of studies and gender, at Sunday, June 30, 2019 is exposed in the table below:

Studies	Total	% in total employees	Women	% in total employees	Men	% in total employees
General education (8-10 grades)	122	7.5%	12	0,7%	110	6,8%
Secondary education	961	59,1%	84	5,2%	877	53.9%
Higher education	544	33,4%	196	12,0%	348	21,4%
Total	1,627	100,0%	292	17,9%	1,335	82,1%

Table 8 - Personnel structure by education and gender

Chart 8 - Level of studies employees (women/men)

The employees of the company, at a rate of 99.45%, are members of the Free Union of Conpet. During January - June 2019 there were no elements of confrontational nature between the employees and the company's management.

The Personnel Risk and the Waging System

At June 30, 2019 the age group with the largest share in the company was held by the personnel with the age comprised between 51-60 years (43.76%), 41-50 years (34.91%) and between 31-40 years (12.17%).

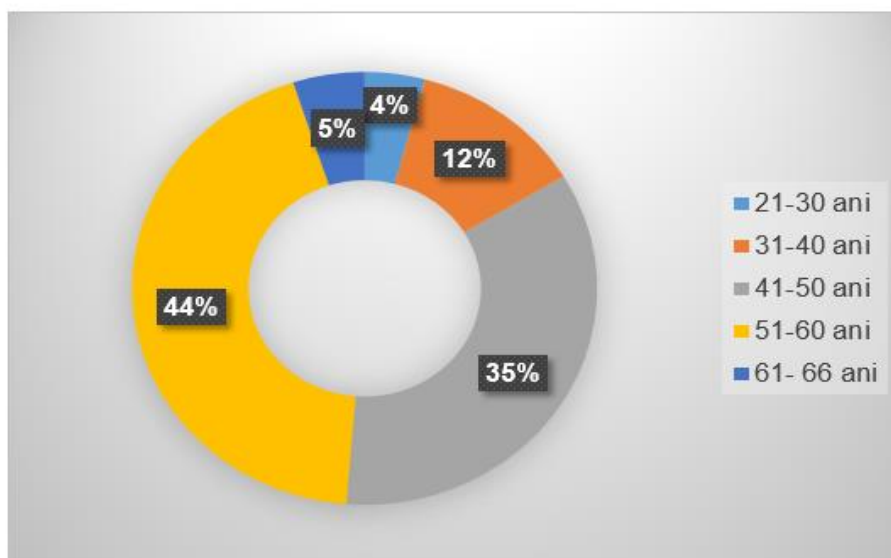


Chart 9 - Structure by age groups

The average age of CONPET personnel is quite high (48.7 years), fact representing an advantage, considering that 54.08% of the personnel has an experience of over 20 years within the company, which indicates both and mainly a high degree of professionalism among the employees.

The personnel-related risk is being represented by the fact that, in the future, the company can face lack of specialized personnel due to the retirement of the experienced employees.

The average age of the personnel employed in the last two years is 39.9 years, with an average work experience of 14.8 years.

The Collective Labor Agreement

The Collective Labor Agreement, applicable starting 01.01.2019, for a period of 2 years, has been approved by the Board of Administration by Decision no.33/18.12.2018 and was registered at Prahova Labor Inspectorate, under no.341/27.12.2018.

The rights of the employees existing in the new labor agreement have been negotiated so that the business profitability be ensured, as well as a balance between the interests of the two parties, the Management and the Union, considering that the interests of the employees and the company's management cannot be divergent, as well as the fact that the most important resource of the company is the human resource.

The Activity of Professional Training and Authorization

The training and professional authorization of the company's employees were carried out based on the Authorization and Personnel Training Programs drawn and approved in this respect for the year 2019, following the identification of professional training needs and the personnel authorization necessities, in correlation with the attributions in the job description, in view of maintaining/developing the aptitudes, specialized knowledge and the necessary skills related to the position held.

We mention that the professional authorization of the employees is periodically required, in case of activities regulated by normative acts, for maintaining a higher level of training in various

professional domains (CF and non-CF) to ensure the right of the employees to exercise certain tasks or specific works, compliant with the skills necessary for exercising their positions.

In the first Semester of the year 2019 the following professional authorization activities have been carried out:

- Non CF authorizations - 109 employees;
- CF Authorizations (railways) - 140 employees;
- Internal authorizations - 161 employees

The carry-out of the training and professional authorization programs has been achieved in compliance with the budget allocated in this respect for the year 2019.

Following the approaches carried out in view of identifying certain non-repayable financing sources applicable to some project for the development/modernization of the company's activity, Conpet S.A., in partnership with Prahova Chamber of Commerce and Industry, namely OK Services, has implemented the project named " High Performance Human Resource - strategic vector for the increase of company's competitiveness" - POCU 227/3/8/117913, project co-financed through the European Social Fund - Human Capital Operational Program 2014-2020, priority Axis 3.

Thus, following these approaches, in the first Semester of the year 2019, a number of 51 employees of CONPET S.A., holding management positions, benefited from professional training in view of increasing competitiveness and implicitly, has improved the management act at the level of the company. The general scope of the project has been represented by the development of professional skills, being organized and carried out three professional training programs for managers, as follows:

- Process Improving Manager - 23 employees
- Management Coaching - 22 employees
- Communication and negotiation - 6 employees

In this context, from the data supplied by our partners who delivered these professional training courses (Prahova Chamber of Commerce and Industry, namely OK Services), the employees of CONPET S.A. benefited from professional training programs from non-repayable financing sources amounting 47mRON.

The training seminars /refreshers targeted the acknowledgment, improvement and strengthening of the knowledge and the skills necessary for the development of the activity in domains such as:

- ✓ *Prevention expert - reduces technological risks;*
- ✓ *Ethics integrity corruption fighting ;*
- ✓ *Management SSM,ISO,45001;*
- ✓ *Patrimony management and administration;*
- ✓ *Electrician EMJT, technical PSI;*
- ✓ *Internal auditor, SMI*
- ✓ *The communication and conflict management in organizations, the financial analysis etc.*

The assessment of the professional performance of the employees

Based on the decision no.164/18.03.2019 issued by the director general, starting March 25, 2019, it has been carried on the process of assessment of the professional performance of the employees of the company for the activity performed in 2018. The results of the evaluation for the current evaluation system have been consigned in report no.18935/15.05.2019 on the

assessment of the employees professional performance.

Settlement of objectives and performance individual indicators for employees with management positions in vie of enhancing the employees evaluation system.

Considering the development Program for the year 2019 of the *Management Internal Control System* within CONPET S.A., which, for the implementation of Standard 3, *Competence performance* comprises, among other actions, that for the settlement of individual objectives for the employees holding management positions,; the coordinators of the working groups designated in this respect have analyzed. At 31.05.2019 the individual proposals objectives and performance indicators for the management positions and have established the final form of the individual objectives and performance indicators, the target values and the shares related thereto, as it results from report no.21289/31.05.2019 submitted to the General Director for analysis and approval.

In this context, for an objective assessment of the employees performance, until the end of 2019, the Human Resources Department envisages the revision of the Rules for the evaluation of the employees professional performance CONPET S.A. - annex 1 to the Internal Regulation to include the individual objectives, SMART, as well as evaluation criteria in compliance with the nature of the activity carried out by the employees.

3.2.Investments achieved in 2019 H1 as compared to the program of 2019 H1

The investment projects within Conpet mainly target the increase of the efficiency of the transport activity. The capacity to invest represents the key parameter of the company's strength and credibility, the ration between the volume of the investments and the turnover, the equities and profits obtained being revealing in this respect.

CONPET finances its investments activity from the modernization quota and from other own financing sources which provide for the company a total degree of financial autonomy, the use of loans being unnecessary.

Out of the modernization quota, CONPET finances the investment objectives within the rehabilitation, modernization and development programs agreed with the National Agency for Mineral Resources as per "The Oil Agreement for the concession of the operation activity related to the national transport system of crude oil, rich gas, condensate and ethane, here included the major pipelines and the installations, equipment and related endowments.

In the first semester of the year 2019 have been achieved investments amounting to 33,375 thousand RON, as compared to a half-yearly scheduled of 28,920 thousand RON and an annual of 86,000 thousand RON, in percentage of 39% of the annual program.

On financing sources the situation is the following:

- modernization quota achieved 30,473 thousand RON
- own sources achieved 2,902 thousand RON

In the same period of the year 2018 have been achieved investments amounting to 32,317 thousand RON, as compared to a quarterly schedules of 35,495 thousand RON and an annual of 76,625 thousand RON, in percentage of 42% of the total annual program.

The value of the investment objectives achieved in 2019 H1, on types of assets' membership, as

compared to the program for the first semester and the same period of 2018, is as follows:

Investments (thousand RON)	Revenues and Expenditure Budget YEAR 2019	2019 H1			Revenues and Expenditure Budget YEAR 2018	2018 H1		
		Achieved	Program	Level of Achievement		Achieved	Program	%
Total investments, out of which:	86,000	33,375	28,920	115,4%	76,625	32,317	35,495	91.0%
Public domain	70,420	30,473	24,829	122,7%	64,521	30,121	32,902	91,6%
Operating domain	15,580	2,902	4,091	70,9%	12,104	2,196	2,593	84,7%

Table 9 - Investments achieved in Semester I 2019 as compared to the Budget and the same period of 2018

The investments achieved in SI 2019, as compared to the program and the same period of the previous year, on financing sources, are being presented in the chart below:

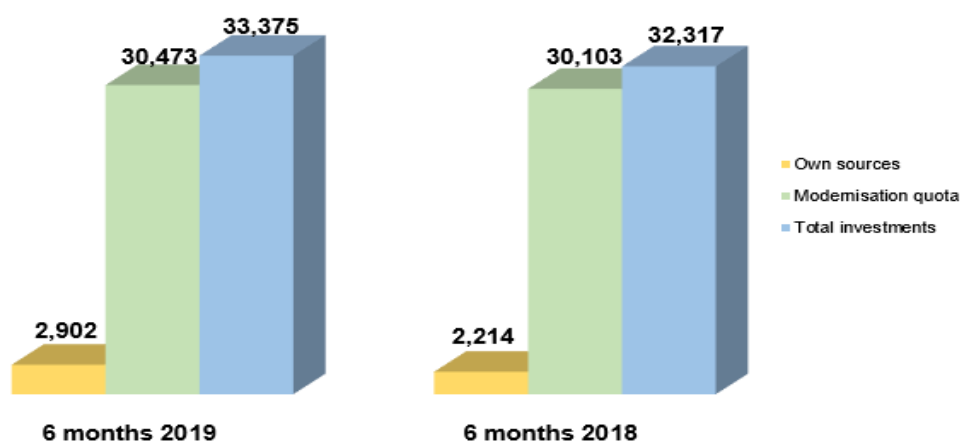


Chart 10 - Investments achieved by financing sources

The statement of the investments achievement in the first half of 2019 is the following:

A. Investment objectives – Public Domain

In the first half have been achieved investments amounting to 30,473 thousand RON, 5,644 RON higher as compared to the program, representing 43% of the annual program.

The main investment works started in the previous years and continued in 2019:

- **Replacement of Ø10 3/4" F1 + F2 crude oil pipeline Silistea Ploiesti, L= 2 x 3481m, in the areas Ilfoveni-Padure Iuda, Racovita valley way, Habeni-Comisani, Mija.**
Ongoing execution contract. Up to June 30 has been executed the replacement of the pipeline on both wires, over a length of 3,066m.
- **Safe disposal works for the aerial crossing of Prahova river with the 12 3/4" and 14 3/4" pipelines Cartojani-Ploiesti, Stejaru village, Brazi commune, Prahova County**
Ongoing project, there have been completed stages I and II and stage three is under execution
- **The modernization of the cathodic protection system of the pipelines part of NTS (National Transport System) domestic and import**
The execution of the system in 53 location has been completed and there has been performed the reception on the completion of works and the commissioning thereof.

The contract of performance concluded in 2018 for other 16 locations is under execution. At the reporting date have been handed over the establishments for all the 16 locations and 8 of these have already been completed; it follows the performance of the reception upon the completion of works and the commissioning, and 8 are under execution.

- **Pilot system for detecting and locating leaks of product from the crude oil major pipeline transport system Poiana Lacului - Siliște - Ploiesti**

The carry out of the objective execution is being performed pursuant to the terms provided in the contract. At the date of the report the tests have been finished, there following the reception.

- **Crude oil tank R3 Calareti station**

The contract of performance is in progress, the works being 70% executed; the project is to be completed by the end of 2019.

- **Optimization of SCADA system and Hardware and Software of the Remote Transmission Units (RTU)**

In September, 2017 has been initiated the implementation of the SCADA System optimization and the Hard and Soft upgrade of the data and automation Transmission System and it contains several stages, as follows:

Stage I - Technical project and execution details - within 9 months starting the signing of the contract.

Stage II – Personnel training, procurement, configuration/testing in the factories, site installation and testing of the first 3 stations – within 5 months as of the date of approval of the technical documentation in the Technical and Economic Committee (Rom.CTE).

Stage III - Procurement, configuration/testing in the factory, installation and site testing in 9 stations – within 8 months from the completion of stage II.

Stage IV - Procurement, configuration/testing in the plant, installation and site testing in 9 stations - within 8 months as of the completion of stage III.

Stage V - Procurement, configuration/testing in the factory, installation and site testing in 8 stations – within 8 months as of the completion of stage IV.

Stage VI – commissioning of the entire system – within 4 months as of the completion of stage V.

Stage VII – Operational acceptance – in 6 months from the date of completion without objections of the reception protocol on commissioning.

During 2017-2018 have been completed stages I and II and in the first half of 2019 has been performed and completed stage III.

In the first half of 2019, CONPET specialist have analyzed 18 design works and there have been endorsed in the Technical-Economic Council 8 works with a total value of the investments objectives of 23,8 mRON, as follows:

- Repl
acement of the crude oil pipeline "Ø8" Nou Rafinărie Vega-Brazi", in the area Petrobrazi - Skids keyboard, along approximately 800 m and replacement of cleaning installation, with a value estimated by the designer of 2 mRON.

- Repl
acement of the crude oil pipeline "Ø10" F2 Siliște-Ploiești", in the area Brazi Stadium -

interior refinery Petrobrazi, on a length of approximately 1170 m and replacement of cleaning installation, estimated value by the designer of 5.7mRON.

- Repl
acement of the crude oil transport pipeline Ø 12 ¾" și Ø14 ¾" Cartojani- Ploiesti, in the area Bâldana locality Dâmbovița, on a length of approximately 530 m, with a value estimated by the designer of 1.5 mRON;
- New
tank for condensate (V-500, m3), in Barbatesti pumping station, Gorj county, with a value estimated by the designer of 2.1 mRON).
- The
modernization of the crude oil pumping system in Potlogi Station, Dambovita county, with a value estimated by the designer of 3.4 mRON.
- The
modernization of the the crude oil pumping system iin Ochiuri Station, Dambovita county, with a value estimated by the designer of 3.1 mRON;
- Mod
ernization building administrative headquarters CONPET S.A. from Independentei Blvd. no.7, Ploiesti, inventory number 110410, with a value estimated by the designer of 5.3 mRON;
- Hea
ting system modernization - Calareti crude oil automated station, with a value estimated by the designer of 0.6 mRON.

In the first half of the year 2019 have been obtained building authorizations for a number of 9 investment objectives, of which 3 for pipelines rehabilitation works, an authorization for energy works and 5 authorizations for mechanical works.

Within the implementation of the investment projects, the stage related to the obtaining of the permits and the conclusion of the agreements for the access and temporary use of various land areas in view of obtaining building permits necessary for the performance of the works contained in the investment program lasts long, in most cases, due to the difficulties faced in relation with the landowners and administrators, as follows:

- Obtaining the permits for the works which are to be executed in the vicinity of the national roads, with reference to the conditional conclusion of the Contract of Use of the road area all along the lifespan of the crude oil SNTP pipeline;
- The conditioning related to the issuance of the permits for temporary inhabiting the lands in the forest fund, private property, of presentation on the technical documentation of the owner's consent in original, required by the Forestry Guard;
- The conditioning related to issuance of permits by "CFR" National Rail Freight Company in what concerns the conclusion of the Hire Contract of the support consisting of embankment for the overcrossing of the Rail line;

The delay settlement of these situations unfavorably influences the achievement level of the investment program for 2019.

The application of the provisions of the Emergency Ordinance no.114/2018 with regards to the settlement of several measures in public investment domain and of some fiscal-budgetary measures making reference to the increase of the country minimum gross basic salary certified in payment in the construction field, at 3,000 RON monthly (without benefits and other supplements), had a financial impact in the investment program 2019, translated into the increase of the works cost for a number of 18 investment objectives, by approximately 1mRON. The necessary financing sources for the value addition of these works has been comprised in 2019 rectified investment program.

B.Investment objectives – Operator Domain

In S1 2019 have been achieved investments in the operator domain amounting to 2,902mRON, representing 71% of the program for this period and 19% of the annual program.

In the first six months have been endorsed, within the Technical-Economic Council, the scopes of work for a number of 44, investment objectives, here included endowments and independent equipment.

During the same period, was finalized the procurement procedure for 24 investment objectives, here-included independent machinery and equipment.

Commissioning achieved within the first six months of 2019 amounted to 30,944 thousand RON, out of which, per financing sources:

- 28,222 thousand RON out of the modernization quota;
- 2,722 thousand RON out of other own sources;

The main investment objectives commissioned in the first 6 months of the year are the followings:

- • Replacement pipeline Ø 14" C2– C3, on 8 segments, in the area Balta Ialomitei, Ialomita county, on a length of about 4,037 m;
- Modernization of the cathodic protection system related to SNT domestic and import– 53 locations;
- Safety disposal for no.2 undercrossing of Ø10¾" pipeline Potlogi – P.F. Arges, Sabar river, Gaiseni locality, Giurgiu county, on a length of 350 m;
- • Upgrade Moreni pumping system;
- • Upgrade Madulari pumping system.

In order to provide the achievement of the investment objectives contained in the program, there were organized periodic meetings with the builders in view of settling with celerity various issues occurring in the contract execution process and with the authorities issuing permits/licenses/agreements for the clarification and speed up in solving the requests thereof.

3.3. Analysis of the Financial Business

The financial information presented in this report have been supplied based on the interim financial statements for the six months period ended June 30, 2019, prepared in compliance with the International Accounting Standard no. 34 - „Interim Financial Reporting”

3.3.1. Basis of the Report

The bi-annual report of the Board of Administration for the period January - June 2019 is prepared in compliance with the provisions of Article 65 of Law no. 24/2017 regarding financial instruments issuers and market operations and Annex no. 14 of ASF Regulation no.5/2018 regarding issuers and securities operations;

3.3.2. Statement of the Financial Standing at June 30, 2019

In the synthesis, the statement of the Financial Standing at June 30, 2019 is as follows:

Name of the element (thousand RON)	30.06.2019 (revised)	31.12.2018 (audited)	Variation 2019/2018
Intangible assets	448,368	437,351	▲2,5%
Current assets	289,145	313,777	▼7.9%
Total Assets	737,513	751,128	▼1.8%
Equities	627,798	661,552	▼5.1%
Accrued revenues	1,130	1,188	▼4.9%
Total current liabilities	108,585	88,388	▲22.9%
Total equity and liabilities	737,513	751,128	▼1.8%

Table 10 - Synthesis of the company's financial standing at 30.06.2019 as compared to 31.12.2018

The extended version of the financial standing at June 30, 2019 is presented in Annex no. 1.

The total assets decreased by 1.8% (13,615 thousand RON) as compared to the level recorded at December 31, 2018 following the decrease of the current assets.

The intangible assets recorded, at 30.06.2019 an increase by 2.5% as compared to December 31, 2018, generated by input of fixed assets by procurement in a value higher than the amortization registered in the first 6 months, by 11mRON.

The current assets lowered by 7.9% (24,632 thousand RON), from 313,777 thousand RON, level achieved at the end of 2018, to 289,145 thousand RON, value registered at June 30, 2019. The reduction of the value of current assets was mainly generated by the reduction of the available cash (22 mRON). Trade receivables and other receivables recorded a decrease of about 2.3 mRON.

At 30.06.2019, the cash balances in the modernization quota in bank accounts were amounted to 178,010 thousand RON, lower by 5,442 thousand RON as compared to 31.12.2018. The cash representing the modernization quota has a special use regime, this being destined exclusively to the financing of the modernization works and development works related to the goods

belonging to the public domain.

The equities lowered by 5.1% (33,754 thousand RON) as compared to December 31, 2018 reaching 627,798 thousand RON, the decrease being determined by the following amendments:

- Equity element - the result of the year records a total decrease in amount of 29,496 mRON determined by the net profit reported for different periods (6 months 2019, respectively 12 months 2018);
- The retained earnings is lowering by 723 thousand RON The decrease of the reported result has been determined by the approval of the distribution of the existing result in balance at 31.12.2018, as dividends:
- Other reserves own financing sources register a reduction of 991 thousand, mainly following the distribution as dividends of a share of 35% of reserves - own financing sources established out of the amounts distributed from the net profit of the previous years.
- The revaluation reserves have lowered by the amount of 2,544 thousand RON mainly out of the revaluation surplus .

Current liabilities, in amount of 93,045 thousand RON, are increasing by 20,311 thousand RON as compared to December 31, 2018, mainly due to the increase of the dividends payable and to the provisions for untaken annual leaves.

Structure of Debts

At June 30, 2019 and December 31, 2018, the trade receivables and other receivables look as follows:

Debts (thousand RON)	31.12.2018	June 30 2019	Maturity date for the balance at June 30, 2019		
			Under 1 year	1-5 years	Over 5 years
Trade liabilities	20,047	32,783	31,876	907	-
Other liabilities, here included fiscal debts and social insurances related debts	40,485	46,057	46,057	-	-
Total	60,532	78,840	77,933	907	-

Table 11 Statement of Liabilities at June 30, 2019 vs. 31.12.2018

The statement of the personnel -related debts, fiscal debts and other maturity date debts look as follows:

Debts (thousand RON)	31.12.2018	June 30, 2019	Maturity term for the balance at June 30, 2019		
			Under 1 year	Between 1-5 years	Over 5 years
Salaries and assimilated debts	5,164	6,323	6,323	-	-
Salaries contributions	4,987	6,714	6,714	-	-
Ordinary Corporate Tax	3,786	2,753	2,753	-	-
Royalty due to the State Budget	7,902	7,817	7,817	-	-
VAT payable	3,561	2,884	2,884	-	-
Other interests and debts -	885	2,525	2,525	-	-

State Budget					
Dividends Payable	13,920	16,554	16,554	-	-
Other liabilities	280	489	489	-	-
Total	40,485	46,057	46,057	-	-

Table 12 Statement of other liabilities, here included the fiscal debts and social insurances related debts

The company did not use bank loans and has no debts towards bank institutions.

The debts recorded in the balance at 30.06.2019 stand for current liabilities, within the maturity term.

3.3.3. Profit & Loss Account for the period January - June 2019

Within the six months period ended June 30, 2019 CONPET S.A. has obtained a net profit of 31,180 thousand RON, 9,554 thousand RON higher than the first Semester of 2018 (21,626thousand RON).

The financial result achieved in 2019 H1, as compared to the Budget and the achievements of the period similar to 2018 are the followings:

Indicators (thousand RON)	Achieved Semester I 2019	Revenues and Expenditure Budget Semester I 2019	Achieved Semester I 2018	Variation	
				Achieved 2019 vs Revenues and Expenditure Budget 2019	Achieved 2019 vs 2018
Turnover	200,617	187,022	184,931	▲ 7.3%	▲ 8.5%
Total Operating Expenses	216,285	202,304	199,976	▲ 6.9%	▲ 8.2%
Total operating expenses	183,208	182,698	176,703	▲ 0.3%	▲ 3.7%
Operating Profit (EBIT)	33,077	19,606	23,273	▲ 68.7%	▲ 42.1%
EBITDA	55,911	42,242	45,515	▲ 32.4%	▲ 22.8%
Financial Revenues	4,103	1,646	2,374	▲ 149.3%	▲ 72.8%
Financial Expenses	42	20	5	▲ 110.0%	▲ 740.0%
Financial profit	4,061	1,626	2,369	▲ 149.8%	▲ 71.4%
Total revenues	220,388	203,950	202,350	▲ 8.1%	▲ 8.9%
Total expenses	183,250	182,718	176,708	▲ 0.3%	▲ 3.7%
Gross Profit	37,138	21,232	25,642	▲ 74.9%	▲ 44.8%
Net Profit	31,180	17,506	21,626	▲ 78.1%	▲ 44.2%

Table 13 - The main economic-financial Indicators achieved in 2019 H1 vs Budget 2019 and the same period of 2018

Evolution of the financial results during January-June 2019, as compared to the same period of the year 2018 is being represented in the chart below:

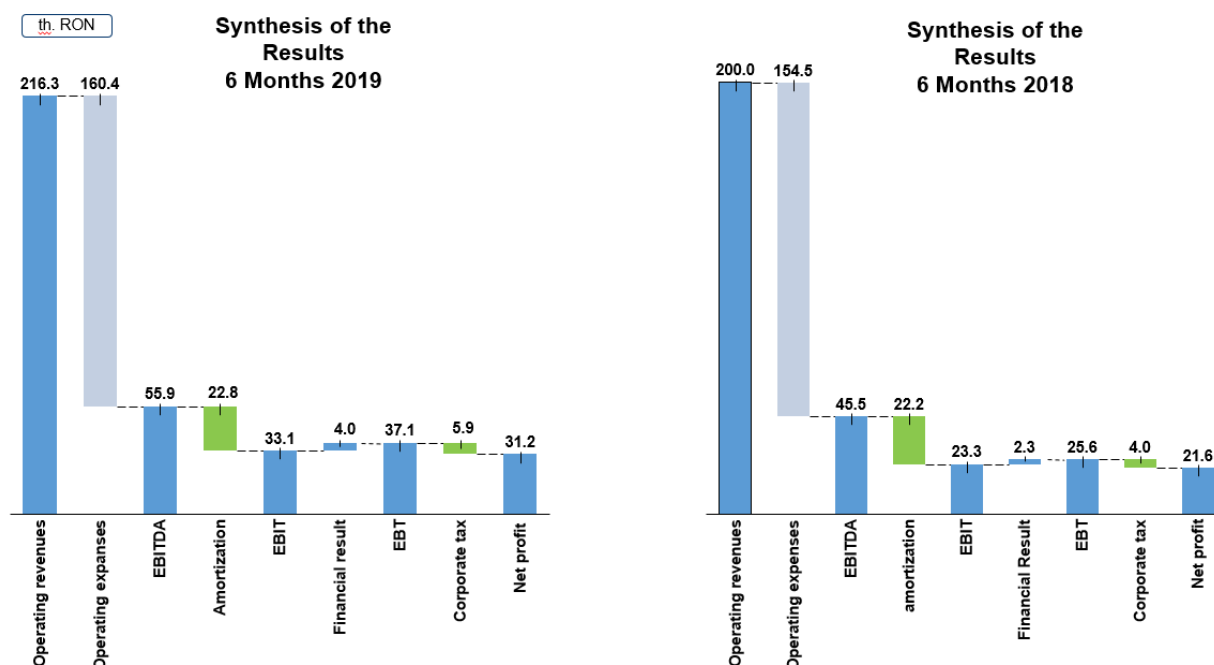


Chart 11 - Synthesis of the financial results in Semester I of 2019/2018

Operating Revenues

As compared to the budget approved and the same period of the previous year, the total revenues of the operational activity during 6 months 2019 is the following:

Achieved Semester I 2019	Revenues and Expenditure Budget Semester I 2019	Variation% Achieved/ Revenues and Expenditure Budget 2019	Indicators (thousand RON)	Achieved Semester I 2019	Achieved Semester I 2018	Variation % 2019/2018
196,519	185,742	▲ 5.8%	Total revenues from transport services	196,519	182,034	▲ 8.0%
4,098	1,280	▲ 220.2%	Other Turnover Revenues	4,098	2,897	▲ 41.5%
200,617	187,022	▲ 7.3%	Turnover	200,617	184,931	▲ 8.5%
15,513	15,135	▲ 2.5%	Write-back to revenues of the reserve constituted based on the expenses with the modernization quota	15,513	14,198	▲ 9.3%
155	147	▲ 5.4%	Other operating revenues	155	847	▼ 81.7%
216,285	202,304	▲ 6.9%	Total Operating Expenses	216,285	199,976	▲ 8.2%

Table 14 - Statement of the operating revenues

Revenues from transport have a share of 98% in turnover.

Other income related to turnover represents revenues from: land rental and telecommunications equipment, shunting cars, sale of tubular material etc.

The company recognizes monthly, in the operating revenues, reserves from the modernization quota at the level of the amortization of the tangible assets financed therefrom. Within the first 6 months of 2019, the value of these revenues is of 15,513 thousand RON.

The operating expenses achieved within January-June 2019, as compared to the same period of the previous year and the budgeted provisions look as follows:

Semester I 2019		Variation n%	Indicators (thousand RON)	Semester I 2019	Semester I 2018	Variation %
Achieved	Revenues and Expenditure Budget	Achieved/Budget				% 2019/2018
3,404	4,317	▼ 21.2%	Material expenses, out of which:	3,404	3,269	▲ 4.1%
1,860	2,249	▼ 17.3%	-expenses with consumables	1,860	1,824	▲ 2.0%
995	1,020	▼ 2.5%	- fuel expenses	995	930	▲ 7.0%
6,583	6,592	▼ 0.1%	Other external Expenses (with energy and water)	6,583	5,949	▲ 10.7%
79,244	81,799	▼ 3.1%	Personnel expenses	79,244	65,958	▲ 20.1%
22,834	22,636	▲ 0.9%	Expenses with the amortization of tangible and intangible assets	22,834	22,242	▲ 2.7%
53,074	52,376	▲ 1.3%	Expenses with external services, out of which:	53,074	48,817	▲ 8.7%
1,367	1,886	▼ 27.5%	Maintenance(maintenance, current and capital repairs)	1,367	1,118	▲ 22.3%
29,665	26,705	▲ 11.1%	- expenses with the crude oil transport by rail	29,665	27,681	▲ 7.2%
235	722	▼ 67.5%	- expenses with decontamination works	235	353	▼ 33.4%
15,173	14,662	▲ 3.5%	- oil royalty	15,173	14,016	▲ 8.3%
6,634	8,401	▼ 21.0%	-other services performed by third parties	6,634	5,649	▲ 17.4%
1,458	-1,218	-	Provisions and Impairments of the current assets	1,458	3,784	▼ 61.5%
16,611	16,196	▲ 2.6%	Other operating expenses, out of which:	16,611	26,684	▼ 37.8%
15,176	14,197	▲ 6.9%	- modernization quota expenses	15,176	25,326	▼ 40.1%
183,208	182,698	▲ 0.3%	Total operating expenses	183,208	176,703	▲ 3.7%

Table 15 - Statement of the operating expenses

Within the first 6 months of 2019 , the operating expenses are in amount of 183,208 thousand RON, registering a 3.7% increase as (6,505) compared to the ones registered in the same period of 2018, mainly due to the salary increases and the provision expenses related to untaken annual leaves and employees share of profit.

A part of the personnel expenses increase (5,084 thousand) was triggered by the payment to the employees of the share of profit fund within different time frames (in 2019, the share of profit fund was paid in June and in 2018 the payment was made in July and amounted to 2,969 thousand RON). The impact of the payment of the share of profit fund in the profit and loss account reaches 0, as the company has registered at the same level revenues out of write-back

of provision.

Also, the amount of 1,456 thousand RON, out of the increase with optional pensions expenditure and voluntary health insurance represents expenditure with optional pensions – Pillar III paid in first half of 2019 and is generated by the fact that, the amounts payable related S1 2018 have been provided in the Budget for S2 2018, upon the rectification thereof and approval thereof by the OGMS in September, 2018.

In the first quarter of 2019 were recorded values below the budgeted level for the following categories of expenses:

- Personnel expenses: 2,555 thousand RON (3.1%);
- material expenses: 913 thousand RON (21.2%).

The operating profit achieved at 30.06.2019, as compared to the same period of 2018 has recorded an increase by 9,804 thousand RON (42.1%).

EBITDA Value 10,396 thousand RON (22.8%) higher than the previous year.

As compared to the budget provisions, the operating profit registers 68.7% increase and the EBITDA indicator reflects a degree of achievement of 132.4%.

The financial profit recorded in the first six months is increasing by 2,435 thousand RON compared to the budgeted.

The gross profit and net profit recorded, in turn, increases of 11,496 thousand (44.8%), respectively 9,554 thousand RON (44.2%) as compared to Semester I, 2018.

The statement of the profit and loss account for the six months period ended June 30, 2019 is presented in detail in annex no. 2.

The 3.3.4.Profitability of the transport subsystems is as follows:

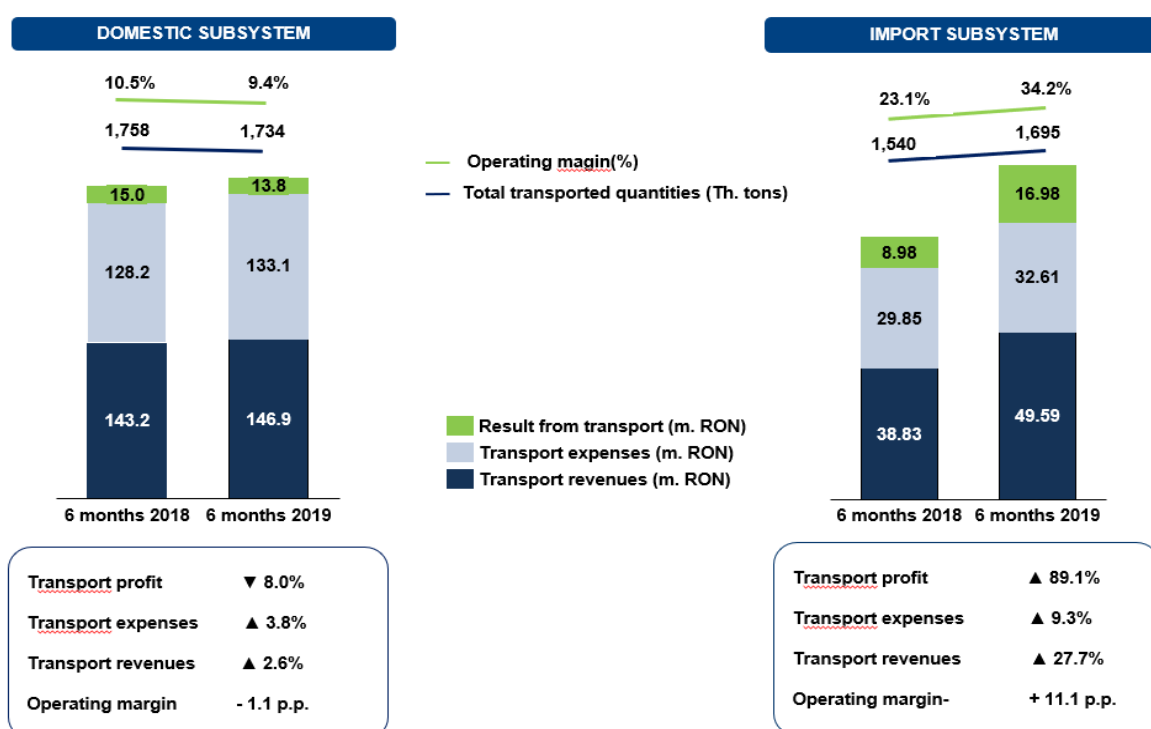


Chart 12 - Profitability of the transport subsystems

In the analyzed period, the profit resulting from transport activity on the two subsystems (domestic and import) increased over the same period last year, with 6.8 million lei, from 23.97 million lei to 30.77 million RON. The profit margin on the domestic subsystem reaches the level of 9.4%, decreasing by 1.1. p.p. as compared to 6 months 2018 and 34.2% on the import subsystem, increasing by 11.1 p.p.

The import subsystem profit realized in the first six months of 2019 increased by 8.0 mRON mainly due to the increase by 10.76 mRON of the revenues out of transport services

3.3.5. The main economic-financial indicators

Name of the indicator	Calculation formula	Achieved June 30 2019	Achieved June 30 2018
Current liquidity indicator	Current assets/Current Debts	3.11	3.64
The indicator of the level of debt	(Borrowed capital/equity)x100	0	0
Debit rotation speed clients (days)	(Average balance/ Turnover (inclusive of VAT) x180 days	31	30
Fixed assets speed of rotation (no. of times)	Turnover/fixed assets	0.45	0.44

Table 16 - Main economic-financial indicators

Current liquidity indicator measures the company's ability to perform its short-term obligations. The indicator reflects a good company's ability to cover the current liabilities on account of current assets. The decrease in the level of the indicator in 2019 is determined by the diminution of the value of the current assets and the increase of the value of current debts.

The indicator of the indebtedness ratio: the company has not engaged loans and, consequently, there are no risks related to a potential failure to honor the obligations of this kind.

Customer debit speed of rotation expresses the effectiveness of the company in collecting the trade receivables. The indicator registers a slight increase, materialized in the proceeding of the receivable in maximum 31 days.

The rotation speed of intangible assets assesses the effectiveness of the activity of the intangible assets, by examination of the value of turnover generated by a certain quantity of intangible assets. The level of this indicator is 0.45 rotations related to the year 2019 H1.

3.3.6. Cash Flow

The statement of cash flows for the period of six months ended June 30, 2019 reveals the followings:

(DIRECT METHOD)

	Name of the Element (thousand RON)	January- June 2019	January-June 2018
A	Net cash from operating activity	49,505	31,700
B	Net cash from investment activity	(13,355)	(13,980)
C	Net cash from financing activities	(58,001)	(61,115)
	Net increase of the cash and cash equivalents=A+B+C	(21,851)	(43,395)
D1	Cash and cash equivalents at the beginning of the	259,682	209,846

	period		
D2	Cash and cash equivalents at the end of the period	237,831	166,451
	to which is being added:		
	Government securities as government bonds and treasury bills		70,310
	Total cash at the end of the period	237,831	236,761

Table 17 - Synthesis of the cash-flows for the six months period ended June 30, 2019, compared to June 30, 2018

The value of net cash flows from operating activities at June 30, 2019, records an increase of 17.8 m RON as compared to June 30, 2018, which comes from higher proceeds from the transport activity.

Cash outflows for payment of assets generated a net negative cash flow from investing activities in amount of 13.4. m RON As compared to the same period last year, the net cash flow recorded a negative value decrease of about 0.6 m RON.

The net cash from the financing activity recorded in both periods compared negative amounts determined by the payment of dividends to shareholders.

The cash representing the modernization quota, of total cash in balance at 30.06.2019 is of 178mRON. Cash from the modernization quota has special use regime, respectively for investment related payments related to the National Transport System.

3.3.7. Related Parties Transactions

In the first Half of 2019, the Company has carried out the following procurement from related parties:

Partner	Unsettled amounts at December 31, 2018	Procurement during 01.01.2019 - 30.06.2019	Settlements During 01.01.2019 - 30.06.2019	Unsettled amounts at 30.06.2019
SNTFM CFR Marfă S.A.	3,320,405	35,226,441	31,609,427	6,937,419

*The amounts are VAT inclusive.

Table 18 - Procurement from related parties

3.4. Other Aspects

3.4.1.Statement of the lands not included in the share capital

At 30.06.2019 CONPET has registered in the company's patrimony lands with surface of 733,648.93 Sq.m, with a fair value of 22,584,099 RON, held based on the land ownership Certificated (709,949.07 sq.m) and sales contracts (23,699.86 Sq.m).

The company has augmented the share capital with some part of the lands held based on the land ownership certificates (Ro. CADP), not being included in the share capital lands with a surface of 554,537.62 Sq.m, being comprised in 48 CADP. The land ownership certificates for these lands have been obtained during 2001-2005 and the value assessed at the date of acquiring the certificates, set out in compliance with GD no.834/1991 is of 26,708,233 RON. These lands have been obtained in the company patrimony on the expense of other equity reserves. The fair value of these lands at 30.06.2019 is of 12,348,115 RON.

The Board of Administration has undertaken all steps in view of augmentation of the share

capital by the value of land held based on the land ownership certificates.

Thus, under the lands appraisal reports, in compliance with the provisions of Art. 6 Para (3) of GD no.834/1991 ulterior completions and amendments, drafted by expert valuer, the Board of Administration has summoned the Extraordinary General Meeting of Shareholders, on 19.05.2016, in first call, namely 20.05.2016, in second call. At both EGMS meetings the quorum has not been met.

Although there have been convened two general meetings of shareholders, the Board of Administration has summoned a new EGMS for 5.07.2016, with the same Agenda. Following the cast of vote by the shareholders present and represented, the proposal to augment the share capital has not been approved, due to the lack of necessary quorum for approval votes.

Subsequently, there have been undertaken all necessary steps for the augmentation of the share capital, on 26.03.2019, the EGMS has approved the initiation of the procedure for the augmentation of the share capital and the appointment by O.R.C. of an expert authorized to assess the lands brought as contribution to the share capital.

Based on the new appraisal report has been convened the EGMS, on 04.07.2019 in first call and 05.07.2019 in second call, with the Agenda - the Approval of the augmentation of the share capital by maximum value of 101,763,954.60 RON, representing contribution in kind (lands) in amount of 59,751,935.10RON and cash amounting to maximum 42,012,019.50 RON, from the current value of 28,569,842.40 RON at the value of maximum 130,333,797 RON, by issuing a number of maximum 30,837,562 new shares, registered. Uncertificated, at a price of 3.3 RON/share, equal with the nominal value, without share premium.

In both EGMS meetings has not been met the attendance quorum provided by the law, needed for the augmentation of the share capital with contribution in kind.

3.4.2. Litigations

The most important disputes in which the company is involved are presented below:

a) Litigations regarding the ownership of tangible assets of the company

CONPET S.A. is involved in a single process regarding the claim of ownership of certain real estate, respectively:

Case File no.2782/229/2018 - Fetești Court - pending

Trial stage: First court

Parties: Conpet S.A. – complainant

Zacon Trandafir - defendant

Object: Conpet S.A. has summoned the so-called Zacon Trandafir for the court to find the absolute nullity of the sale-purchase contract no. 1047 / 03.02.1999, concluded between Conpet S.A., as a seller and Zacon Trandafir as a buyer, ordering the defendant to pay the costs. In the alternative, Conpet requests the defendant Zacon Trandafir to pay the value of the building at the fair market value established following the administration of a judicial technical expertise.

Court hearing: 12.09.2019

b) Litigations related to the owners claims of the land transited by the National Oil Transport System.

On 30.06.2019 CONPET S.A. had a number of 17 files before the courts in different procedural stages, having as subject the claims of the landowners related to the lack of use of the owned lands transited by the master pipelines that are part of the National Oil Transport System. Of these, we list a number of 8 cases that we consider to be important in terms of the amount of the applicants' claims and representative through the legal content of the applications (the rest of the cases outlining some of the types of legal proceedings listed below):

• **Case File no.3451/108/2016 * - pending**

Trial stage: appeal - reconsideration

By Decision no. 761 / 23.11.2017 the Court of Appeal of Timișoara admits the appeal of the applicant U.A.T. Pecica, Arad County, annuls the appealed judgment and refers the case for reconsideration to the Arad Tribunal. Decision no. 761 / 23.11.2017 was appealed by CONPET S.A. at The High Court of Cassation and Justice.

Clarifications: ATU of the city of Pecica has filed a petition requesting the court to order the obligation of the defendant CONPET S.A. to divert the crude oil pipeline that crosses a number of 22 plots of building land, intended for housing construction, to pay the amount of 65,000 euros representing the value of the house located in the plot no. A141.7760 / 5/174, registered in the Land Register no. 306869, because this can no longer be used, to pay an annual rent, during the existence of the pipeline, as a result of the enclosing of the areas shown above by the right of legal servitude exercised by CONPET S.A. and to compel the defendant CONPET S.A. to pay compensation for the period 31.10.2014-31.05.2016 as a result of the limitation of the attributes of the ownership of the 22 plots of building land and the decrease of the fair market value of the land in the real estate market due to the restrictions imposed by Order no.196 / 2006 of ANRM regarding constructions. At the same time, he requested that the defendant CONPET S.A. be ordered, from 3 to 3 years, to adapt the amount of the damages to the value of circulation at that time of similar lands and of the provisions of the future orders of the A.N.R.M.

Through the Report dated 07.06.2018 the High Court of Cassation and Justice found the inadmissibility of the Conpet appeal, being promoted against a final decision, that does not fit in the hypothesis regulated by art. 483 para. 1 of the Civil Procedure Code. By the Conclusion of 10.10.2018 ICCJ admits in principle the appeal declared by the appellant-defendant Conpet S.A. against the Civil Decision no. 761 / A of November 23, 2017, pronounced by the Court of Appeal of Timisoara - Civil Division II.

By Decision no. 615 / 22.03.2019 ICCJ admits the appeal declared by the appellant-defendant Conpet S.A., cancels the appealed decision and refers the case for a retrial to the same court of appeal - Court of Appeal of Timișoara.

• **Case File no.1372/212/2017 - Constanta Court - pending**

Trial stage: First court

Cruceanu Alin Florinel filed a petition against CONPET S.A. requesting the court to rule the obligation of Conpet SA to pay damages equal to the market value of the real estate property with a surface of 460 sqm located in Lazu commune, Luceafărului street no. 29, Constanța county and of the real estate property with a surface of 460 sqm located in Lazu commune, Luceafărului str. 31, Constanța county, the value assessed at the amount of 30,000 euros, the 134,700 equivalent in lei; to rule the obligation of Conpet SA to pay the value of the lack of use of the land in the form of an annual rent for the last three years; to rule the obligation of Conpet SA to pay the court costs for the resolution of the present petition.

Subsequently, the claimant specified his action regarding the second head of claim, requesting the court to order Conpet SA to pay the amount representing the lack of use of the two real estate properties for the period between 10.12.2015 and the date of the final judgment through which the first head of claim was allowed.

Conpet filed a counterclaim requesting that the claimant be forced to allow CONPET S.A. the exercise of the right of legal servitude established by the provisions of art. 7 et seq. of Law no. 238/2004 on the two lands owned by the claimant Cruceanu Alin Florinel, located in Agigea commune, Lazu village, Luceafărului street no. 29 respectively 31, Constanța county. Conpet filed a counterclaim by which it requested the court to oblige the claimants to allow CONPET S.A. the exercise of the right of legal servitude established by the provisions of art. 7 et seq. of Law no. 238/2004 on the two plots of land owned by the claimants. The exercise of the right of legal servitude is to be done on a 2.4 meter wide corridor located along the Ø 20 " major transport pipelines for crude oil of Constanța-Bărăganu for the purpose of permanent access to the pipeline for the day-to-day inspection of the pipeline condition, for performing any repairs and also for establishing the amount of the annual rent provided by law owed by us, the undersigned, to the claimant in exchange for exercising the right of legal servitude.

Court hearing: 12.09.2019

• **Case File no.18344/212/2017 - Constanta Court – pending**

Trial stage: First court

Mitu Dumitru and Mitu Rodica initiated a law suit requesting the court to rule the obligation of Conpet to pay damages for the two plots of land located in Lazu village, Constanța county affected by the route of some pipelines that transport oil products, as well as ordering the defendant to pay an annual rent for the lack of use of the land affected by the exercise of the right of legal servitude, starting with 20.06.2014 and of compensation in the form of an annual payment for affecting the use of the part of the land on which the pipeline is not located, with the obligation to pay the court costs.

Conpet filed a counterclaim by which it requested the court to oblige the claimants to allow CONPET S.A. the exercise of the right of legal servitude established by the provisions of art. 7 et seq. of Law no. 238/2004 on the two plots of land owned by the claimants. The right of legal servitude shall be exercised on a 2.4 meter wide corridor located along the Ø 20 " major transport pipelines for crude oil of Constanța-Bărăganu for the purpose of permanent access to the pipeline for the day-to-day inspection of the pipeline condition, for performing any repairs and also for establishing the amount of the annual rent provided by law owed by us, the undersigned, to the claimant in exchange for exercising the right of legal servitude. Conpet also formulated a petition of summoning in guarantee of the Ministry of Public Finance and the National Agency for Mineral Resources (A.N.R.M.) so that if CONPET S.A. Ploiesti falls in claims regarding the claims of the claimants formulated in the legal petition to compensate us with the amount that we shall be obligated to pay the claimants.

Court hearing: 04.09.2019

• **Case File no. 14960/280/2015 – Pitești Court– pending**

Trial stage: First court

Cîrstea Stelian and Cîrstea Gherghina initiated a lawsuit requesting the court to order the Conpet defendant to pay the lack of use from the date of acquisition of the land property - more precisely from October 6, 2014, the lack of use that is provisionally evaluated at the sum of 1,000 lei - to be increased the amount of the court request after the administration of the probation and the

obligation of CONPET SA to lift its pipelines and related installations on the claimant's property and to the extent that it is not possible to compel the defendant to pay a monthly amount equivalent to the amount of rent for the land affected by the pipelines and installations on it - at the level of rents practiced on the free market.

Court hearing: 24.09.2019

- **Case File no. 220/262/2017 – Moreni Court**– pending

Trial stage: First court

Chivu Ion filed a petition requesting the court to order the obligation of Conpet SA to divert the crude oil pipeline passing through his property in surface of 1,753 square meters located in Ocnița commune T14, P11, to order the establishment of the access location with the obligation of Conpet SA to pay an annual rent related to both the access road and the pipeline that damages the land; - to rule damages for the land affected by the pipeline.

Court hearing: 24.09.2019

- **Case File no. 21382/281/2015 - Ploiești Court** – pending

Trial stage: First court

By the Conclusion of 02.05.2017 the Ploiești Court suspended the judgement of the case under Art. 242 (1) of the Civil Procedure Code. (neîndeplinirea de către reclamant a obligațiilor impuse de instanță). In December 2017 the case was reinstated. Iordache Margareta initiated a legal suit requesting the court to rule the obligation of the respondent Conpet to pay the value for the lack of the claimant's property, land located in Blejoi commune, Ploiesti village, Prahova county for the last three years prior to the introduction of the action.

Court hearing: 18.09.2019

- **Case File no. 5413/204/2017 – Ploiești Court** – pending

Trial stage: Appeal

Dobrogeanu Dumitru and Dobrogeanu Paun Ioan filed a lawsuit requesting the Court that by the decision to be pronounced, shall order the defendant to pay an annual rent for the land plots occupied by the two oil products pipelines (crude oil) starting with 01.07.2014 and in the future for the entire duration of the pipelines, shall order the defendant to the payment of the losses incurred by the failure of economic objectives on the remaining area between the two pipes after their restriction and the area along the DN1 (E60) and the payment of the court fees. The first head of claim has been estimated by the complainants to the sum of 48,000 euros/year (RON 220.000), and the second head of claim reaches the amount of RON 25,000/year.

By the sentence no. 2446 / 28.08.2018 the Prahova Tribunal admits the exception of the lack of passive procedural quality, invoked by the defendant A.N.R.M. Dismisses the claim, contrary to this defendant, as being made against a person without a procedural quality. Admits the exception of res judicata. Dismisses the application against the defendant Conpet S.A., because there is res judicata. It finds that the defendants have not applied for court costs. The decision was appealed by Dobrogeanu Dumitru.

Court hearing: 18.09.2019

- **Case File no. 1122/284/2019 – Răcari Court** – pending
- **Trial stage:** First court

Sotir Mădălina Rebeca filed a lawsuit requesting the court to order Conpet SA to compensate her with the amount of 25,000 euros for the land area of 523 sqm, construction yards category,

land surface of the claimant located in Cojasca commune, Dâmbovița county having the cadastral no. 72587, sub-crossed by the Conpet pipeline.

Conpet SA has filed a counterclaim requesting:

1. The obligation of the claimant Sotir Mădălina Rebeca to allow CONPET S.A. the exercise of the right of legal servitude established by the provisions of art. 7 et seq. of Law no. 238/2004 on the land owned by the claimant, located in Cojasca commune, Cojasca village, Dâmbovița county. The right of legal servitude shall be exercised on a 2.4 meter wide corridor located along the Ø 20 " major transport pipelines for crude oil of Constanța-Bărăganu for the purpose of permanent access to the pipeline for the day-to-day inspection of the pipeline condition and for performing any repairs. The exercise of the right of servitude shall be carried out throughout the existence of the pipeline located on the claimant's land but not later than the date of the termination of the concession oil agreement concluded by us, undersigned CONPET S.A., with the Romanian State.

2. The establishment of the annual rent amount provided by the law owed by us, the undersigned CONPET SA, to the claimant Sotir Mădălina Rebeca in exchange for exercising the right of legal servitude starting with the date of the final decision given in the present case, rent consisting in the value of the annual use of the land affected by the exercise of servitude.

Court hearing: 17.09.2019

c) litigations brought before the administrative court

CONPET S.A. has 3 litigations pending before courts, respectively:

- **Case File no. 6575/105/2017 – Prahova Tribunal – pending**

Trial stage: First court

By intermediate Decision No. 442/23.02.2018, the Prahova Tribunal rejected the request of CONPET S.A. to suspend the measures of the Court of Auditors established by Decision No. 14/21.06.2017 to send the amount of RON 927.154,06 representing income to the state budget of exploiting the tubular material resulting from the decommissioning of parts of the tangible assets owned by the state public domain, together with interest and penalties relating thereto, up-to-date at the time of payment and sending to the state budget, the discounted value, of the amounts identified in view of the enlargement of the checks on the net amounts resulting from the exploit of materials related to tangible assets belonging to the state public domain, dismantled and decommissioned. CONPET S.A. appealed the intermediate Decision No. 442/23.02.2018 at the Court of Appeal in Ploiesti.

By sue petition, CONPET S.A. appealed against the Conclusion no. 78/09.08.2017 issued by the Court of Auditors of Romania requesting that the sentence of the Court orders:

1. Cancellation of the Conclusion no. 78 / 09.08.2017 issued by the Romanian Court of Auditors respectively:

- ***Recital 2 regarding Point II of the Opposition no. 27718 / 10.07.2017 (regarding the measures no. 1.2 and 1.3 of the Decision no. 24 / 21.06.2017, for removing the deviation presented in points 2 and 3 of the same decision), the findings of point A and B.2.***

2. Cancellation of a part of the conclusion no. 14/21.06.2017 issued by the Court of Auditors of Romania, respectively:

- **The findings given in point 2** of the decommissioning and recovery of certain sections of the pipe belonging to the national transport system - part of the public domain of national interest, without prior adopting of government decision of passing it from the state public domain to the field of private sector, with a view on drawing up documentation for decommissioning and disposal.
- **The findings given in point 3** related to the fact that in the year 2016 a buried recoverable pipe was valued by auction in accordance with the procedure for exploiting approved by the Regulation concerning the conditions of participation in the auctioning procedure and the conducting of the auction for exploiting the overground and underground metallic tubular material. The exploiting was carried out before the adoption of a decision by the government to approve the transition from the state public domain in the field of private sector in view on exploit, according to the law;
- **Measure no. 2 concerning the carrying out** of the inventory for the identification of portions in the National Transport System that have been abandoned or dismantled as a result of investments made at the National Transport System within the framework of the programs of rehabilitation and modernization and development carried out and the transmission of the results ANMR for initiating the government decision for the approval of the transition from the state public domain in the private field of the state with a view to their removal from service. The regulation by internal procedure of the way of removing, dismantling and capitalizing the decommissioned parts of the National Transport System following the work of rehabilitation, modernization and development carried out by the sole concessionaire;
- **Measure no. 3 regarding the transfer of the amount of 927,154.06 RON** representing income to the state budget by exploiting the tubular material resulted from the decommissioning of parts of the tangible assets belonging to the state public domain, together with interest and penalties relating thereto, up-to-date at the date of payment. Extension of the check-ups in order to identify all net amounts resulting from exploiting tangible assets belonging to the state public domain dismantled, and turning them to the state budget, for the updated value.

3. Suspension of the measures established by Decision no. 14 / 21.06.2017, issued by the Chamber of Auditors of Prahova county, points no. I.2 and I.3, 2 and 3 respectively, until the final settlement of the case.

By the Conclusion of 23.02.2018 the Prahova Tribunal rejects the request to suspend the execution of the administrative act, as unfounded. The decision was appealed by Conpet SA. By the decision no. 2946 / 19.09.2018 the Court of Appeal of Ploiesti admits the appeal. It removes in all the appealed sentence and sends the case for retrial to the same first court. The file regarding the application for suspension was registered at the Prahova Tribunal under no. 6575/105/2017 /? 1 *. By the Conclusion no. 1850 / 09.11.2018 the Prahova Tribunal admits the request, orders the suspension of the execution of measures 2 and 3 established by Decision no. 14 / 21.06.2017, issued by the Prahova Chamber of Auditors until the final settlement of the case. Enforceable. The judgment was appealed by the Court of Auditors. By the Decision no. 145 / 15.02.2019 the Court of Appeal dismisses the appeal as unfounded. Final.

Case File no. 6575/105/2017 is in the course of settlement. The court hearing is on: 20.09.2019

- **Case File no. 689/42/2017 – High Court of Cassation and Justice** – pending

Trial stage: First court

CONPET S.A. has raised a complaint against fiscal administrative documents released by the National Agency for Fiscal Administration - the General Direction for the Settlement of Disputes -

Regional Director General ate of Public Finances in Galati - the administration of public finances in Buzau County by which tax obligations were settled in the total amount of RON 5.505.101, which shall consist of: RON 3,088,868 profit tax; RON 1,528,159 delay interest/increase; RON 432,274 delay penalties; RON 283,613 VAT; RON 130,782 delay interest/increase and RON 41,405 delay penalties (interest rate increases according to the delay time and the penalties have been calculated up to the date of 31.12.2015), respectively to the :

- Decision no. 114/06.04.2017 issued by the National Agency for Fiscal Administration - the general direction of the settlement of disputes, with headquarters at no. 17, Apolodor street, 5th District, postcode 050741, Bucharest, represented by Mirela Calugareanu, and Alin Ghiurca;
- Decision of Imposition no. F-BZ 436/31.10.2016, regarding the payment of additional tax obligations settled by the tax inspection to legal persons, issued by the Regional Director General ate of Public Finances in Galati County - the administration of public finances in Buzau, both of them being part of the National Agency for Fiscal Administration;
- Fiscal Inspection report No. F-BZ 584/ 31.10.2016, concluded by the inspectors of the National Agency for Fiscal Administration - Regional Director General ate of Public Finances in Galati - the administration of public finances in Buzau County - Tax Inspection Service,
- Decision of Imposition no. F-BZ 436/31.10.2016.

Clarifications: By Sentence no. 24 / 01.02.2019 The Court of Appeal of Ploiești admits in part the request for a trial. It orders the partial annulment of the Tax Inspection Report F BZ 584 of 31.10.2016, of the Tax Decision F BZ 436 / 31.10.2016 and of the Decision 114 / 06.04.2017 regarding the following findings: - point I regarding the tax on profit amounting to 2,435,078 lei related to sponsorship expenses - point X - tax and profit amounting to 12,915 lei related to advertising and advertising expenses in the amount of 80,719 lei and VAT related to 19,372 lei. - point XI- tax and profit related to the expenses for the promotion and advertising in the related amount of 1,129,500 lei. - point XII - tax and profit regarding the expenses for rents in the related amount of 442,545 lei - point XIII - tax on profit related to the expenses for external trips in the amount of 207,614 lei. It retains otherwise the contested documents. The decision was appealed by CONPET S.A., DGRFP Galati through AJFP Buzau and ANAF.

Court hearing: --

- **Case File no. 1474/105/2019 – Prahova Tribunal – pending**

Trial stage: First court

The municipality of Ploiești filed a petition requesting the court that, by the decision which it shall pronounce, to order:

- the obligation of Conpet to pay the amount of 17,748 lei/month, representing the value for the lack of use, starting with the date of 30.03.2016 and until the moment of concluding a contractual form with the defendant, an amount that will be updated with the inflation index communicated by the National Institute of Statistics;
- the obligation of Conpet to pay the equivalent in lei of the amount of 72,110.17 euros (excluding VAT), at the official leu/euro exchange rate, communicated by BNR, valid at the date of payment, representing the value for the lack of use for the period of 29.03.2013 - 29.03. 2016 - the obligation of Conpet to pay the costs incurred by this trial.

By the Civil Sentence no. 908 / 06.06.2019 the court admitted the exception of functional incompetence of the Prahova Tribunal - Second Civil Section of Administrative and Fiscal Contentious and declined the case having as subject the action of tort liability in favor of the Prahova Court - Civil Section I.

Court hearing:--

d) Litigations related to the structure of the share capital**Case File no. 5212/105/2018 –Prahova Tribunal**

Trial stage: First court

Fondul Proprietatea S.A. filed a petition requesting the court to order:

1. The obligation of Conpet to pay the amount of 734,747.04 lei, representing the net value of the dividends related to a share of 6% of the share capital of Conpet, respectively for a number of 524,366 shares held by the claimant on the registration date of AGOA Conpet from 25.04. 2007 (ie 14.05.2007), related to the financial year 2006,
2. The obligation of Conpet to pay damages, respectively the legal interest related to the dividends from the date of the maturity of the amount requested in point 1 and until the date of filing the petition (i.e. 09.11.2018), in an amount of 579.015.97 lei.
3. The obligation of Conpet to pay the legal interest related to the net value of the dividends, from the date of the petition filing and until the actual payment of the requested amounts,
4. The obligation of Conpet to pay the costs of this litigation.

Clarifications: Conpet S.A. filed a Call on Guarantee of the Ministry of Finance and A.A.A.S.

By the conclusion of 25.06.2019 the Prahova Tribunal rejected as inadmissible the request for a Call on Guarantee of the Authority for the Administration of State Assets, formulated by the defendant Conpet S.A. Conpet appealed against this court decision within 5 days from its pronouncement. By the same Conclusion from 25.06.2019 the court admitted in principle the request for a Call on Guarantee of the Romanian State through the Ministry of Public Finance, formulated by the defendant Conpet S.A. and rejected as unfounded the exception of lack of passive procedural quality of the Romanian State through the Ministry of Public Finance.

Court hearing: 20.09.2019

3.5. Analysis of the Corporate Business**3.5.1. Capital Market Business**

The shares issued by CONPET S.A. are traded on the regulated market administered by Bucharest Stock Exchange, on the Principal segment, at Equity sector - category Premium, under "COTE" symbol.

At the end of the 1st Half of 2019, the trading price of CONPET shares recorded an increase by 2.70% compared to the closing price of the first trading day of the previous year.

In summary, the transactions recorded with CONPET shares on Bucharest Stock Exchange during January - June 2019 are as follows:

- 5,820 transaction have been performed, 23% lower YoY (7,558 transactions). The total volume of the traded shares was of 378,178 shares, 73.84% lower than the volume registered in the period January - June 2018 (1,445,574 shares);
- The total value of the transactions was of 29.994.662 RON, 5 times lower than the value registered in the same period of 2018 (147,893,292 RON);
- The average trading price was of 79.31 RON/share, lower by 23 Ron/share versus the average price of the shares registered during the same period of 2018 (102.31 RON/share);
- The maximum level registered by the trading price was of 82.80 RON/share and has been reached in the first half of June;

- At 29.05.2019 was registered a trading peak, when it was traded a total volume of 21,701 shares, amounting to 1,739,064 RON representing 5.74% of the total volume of COTE shares traded during January - June 2019;
- the market capitalization at the end of Half I 2019 was of 690,870,734 RON, lowering by 11.33% YoY (779,177,520 RON). At 28.06.2019, as per TOP 100 issuers according to capitalization, CONPET ranked 20.

Main trading indices of the period January - June 2019 for the shares issued by CONPET S.A. are presented in the table below:

Indices Month	Average price (RON/share)	No. of transactions	No. of traded shares	Value of trades (RON)
January	79.37	688	39,482	3,133,573
February	79.27	940	80,227	6,359,528
March	78.75	930	66,775	5,258,419
April	78.64	707	37,596	2,956,367
May	79.57	1,196	67,998	5,410,416
June	79.86	1,359	86,100	6,876,359
Cumulated	79.31	5,820	378,178	29,994,662

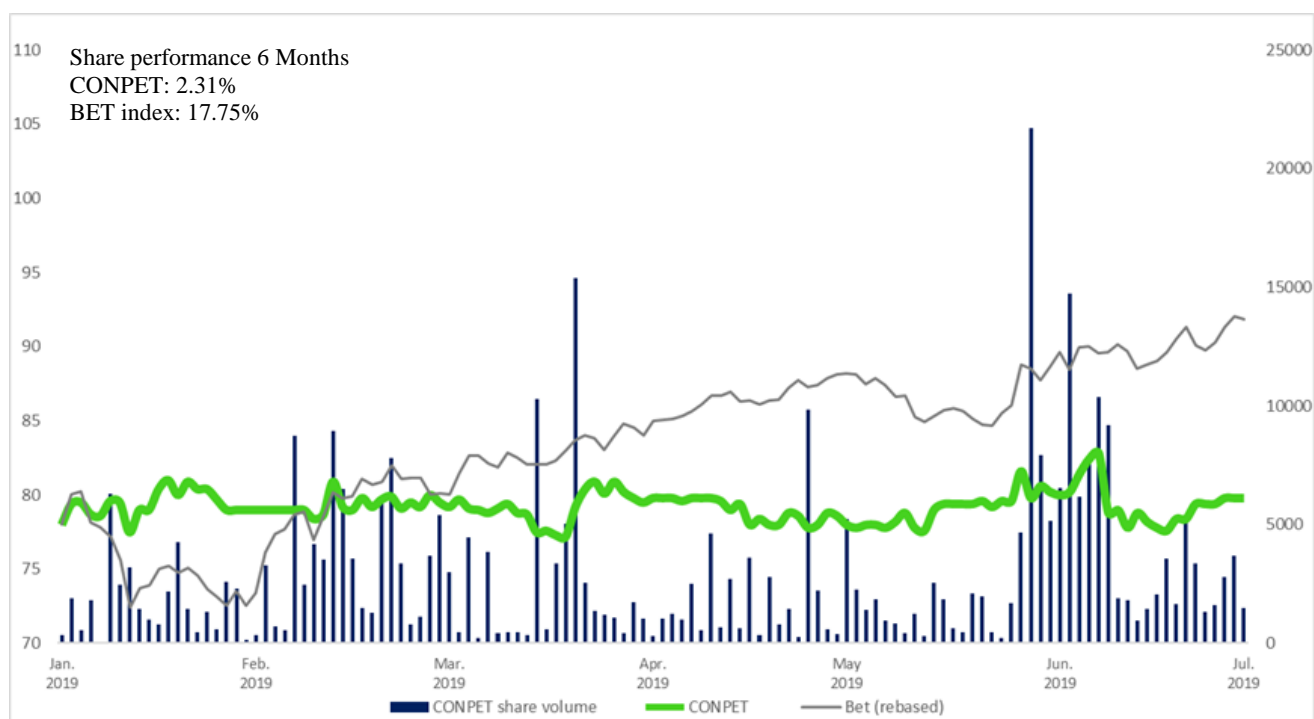
Table 19 - Main trading indices

The evolution of the average trading price of CONPET S.A. shares, during January- June 2019, is the following:

Chart 13 - Evolution of the average trading price of the shares

During January - June 2019 the average trading price of CONPET share followed a constant trend, recording small fluctuations. Within the first 6 months of 2019, the average trading price of CONPET shares was below the values recorded within the same period of the previous year.

The Company CONPET S.A. is being included in 7 indices out of 9 of the Bucharest Stock Exchange, namely BET, BET-TR, BET-XT, *BET-XT-TR*, *BET-BK*, *BET-NG* și *BET Plus*.



Graphic 14 - Evolution of COTE shares vs BET index (rebased)



Graphic 15 - Evolution of COTE share vs stock Indices (rebased) where is being included in Half I, 2019

Own shares, issuance of bonds or other debt instruments

CONPET S.A. did not perform transactions having as scope the buy of own shares and does not hold own shares at the end of Half I of 2019. CONPET S.A. has not issued bonds or other debt instruments.

Dividends

The company does not hold a dividend policy because it is a majority state-owned company and the profit distribution is made pursuant to the Government Ordinance no.64/2001 on the distribution of profits to national companies and fully or majority state-owned companies, subsequent amendments.

Over the last 3 years, CONPET has distributed dividends in a ratio comprised between 91.5%-93.5% of the net profit. For the 2018-2020 period, the forecast is for a rate of 85% of the net profit.

The shareholders entitled to receive the dividends distributed out of the net profit following the end of the financial year are those registered in the Consolidated Registry at the registration date approved by the General Meeting of Shareholders.

At 23.04.2019, the Ordinary General Meeting of Shareholders has approved the distribution as dividends of the amount of 64,652,923 RON, coming from:

a) the distribution of the profit of the Financial Year 2018:	59,242,229 RON
b) the distribution of the retained earnings representing surplus	
Achieved out of revaluation reserves	4,304,887 RON
c) distribution as dividends of other reserves	1,105,807 RON

The aggregate value of the gross dividend is 7.46782718 RON/share.

The evolution of the gross dividend per share within the financial years along the last 5 years is the following:

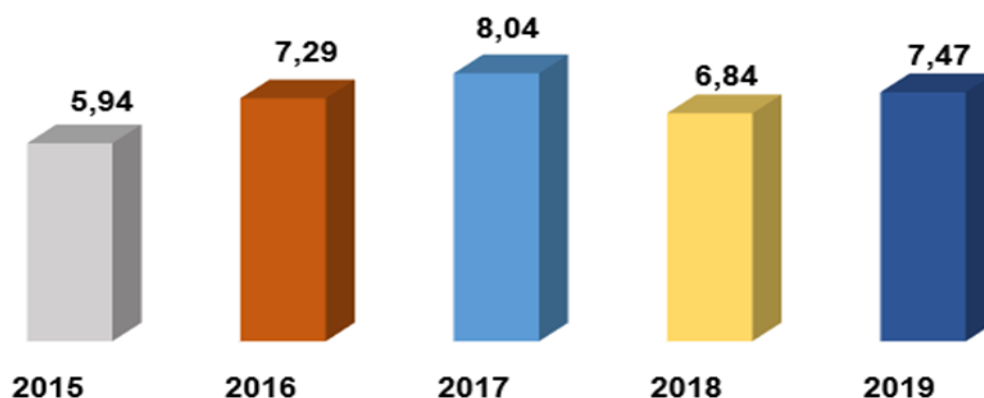


Chart 16 Evolution of the dividend per share during 2015– 2019

3.5.2. Corporate Governance

The corporate governance at the level of CONPET is organized and implemented in accordance with the Romanian legislative framework, namely the Companies Act no. 31/1990 and the Government Emergency Ordinance no. 109/2011 on corporate governance of the public enterprises.

CONPET S.A. shares are traded, since September 5, 2013, on the regulated market managed by Bucharest Stock Exchange (BSE) at category I, under the COTE symbol.

CONPET's corporate governance system is constantly improved, as to be compliant with the rules and recommendations applicable to a company listed at the BSE.

Among the first measures implemented for a transparent and fair information, there have been:

- The presentation in the administrators' annual report of a chapter devoted to corporate governance with reference, inter alia, to the information related to the Board of Administration and the established consultative committees;
- The diversification of communication with shareholders and investors through the inclusion on the own web page of the releases addressed to market participants, half-yearly and quarterly financial statements and annual reports, procedures to be followed in order to access and participate in the GMS;
- The establishment of a specialized entity dedicated to the relationship with investors and shareholders.

The Corporate Governance Rules

CONPET S.A. developed the Corporate Governance Regulation of CONPET, in accordance with the Governance Code of the BSE, which was approved by the Board of Administration in the meeting held on March 27, 2014.

The regulation is published on the company's website under the link <http://www.conpet.ro/guvernanta-corporativa/regulament-de-guvernanta-corporativa/>.

Actions for further improvement of CONPET corporate governance

Along with its listing at BSE, CONPET has undertaken the implementation of the Corporate Governance Code of Bucharest Stock Exchange and, therefore, of the highest corporate governance standards currently existing in Romania.

One of the goals of the company CONPET S.A. is to increase the transparency and visibility of the company on the stock market and to ensure greater openness to shareholders and investors in order to increase the credibility of the company.

Transparency, information and communication

The Board of Administration has monitored the achievement of full and accurate information of all shareholders and investors by including on the web page the communications addressed to

the participants in the capital market, the half-yearly and quarterly financial statements, the annual reports and the procedures to be followed for access and participation in GMS.

As a company listed in the Premium category of Bucharest Stock Exchange, CONPET fully complies with the obligations of reporting to the investors and the market in general, drafting and submitting the periodic and current reports required by the regulations of the Exchange. The company has also implemented a strategy of communication to other stakeholders (authorities and local communities, media, etc.).

As a company that operates in an activity area of national interest and strategic importance, CONPET seeks to achieve the appropriate balance between the information of a confidential nature and that of public interest. Internal regulations have been adopted for the dissemination of information and compliance with confidentiality.

In accordance with the Corporate Governance Regulation, at the beginning of 2019, the company published the calendar of annual, quarterly and half-yearly financial reports and announced the schedule of meetings with analysts and investors.

The financial reports drafted in 2019 were published according to the data in the financial calendar. In the first half of 2019, two telephone conferences were organized with financial analysts from the capital market, in which the periodic reports of the company were debated. On each financial report, financial analysts were provided with a presentation material of the reported data, in summary, in order to analyze the published reporting. The presentation materials prepared for the conference were published on the company's website.

Also, a special importance was given to the relationship with the shareholders and the investors, showing a greater transparency. The representatives of the company responded positively to all the requests of the participants in the capital market.

For an efficient communication with the investors, the company has provided a contact number and an email address (infoinvestitori@conpet.ro), through which they can clarify certain aspects or address various questions, thus getting in direct contact with the investor relations team of the company.

The evolution of CONPET S.A. share is monitored by the research departments of the major financial investment services companies from the Romanian capital market. The entity that manages the relationship with the investors maintains a permanent connection with all financial analysts in the capital market.

Corporate governance structures

At CONPET level, the corporate governance structures are:

- The General Meeting of Shareholders;
- the Board of Administration and the Consultative Committees;
- The Director General.

The General Meeting of Shareholders;

The shareholding structure, corresponding to the consolidated synthetic structure of the shareholders on 30.06.2019, was as follows:

➤ The Romanian State, represented by the Ministry of Energy (the line ministry or its successors, according to the law)

• Number of shares:	5,083,372
• Value of contribution to the share capital (RON)	16,775,128
• Share on profit and loss (%):	58.7162

➤ Legal persons (92 shareholders)

• Number of shares:	2.360.557
• Value of contribution to the share capital (RON)	7.789.838,1
• Share on profit and loss (%):	27,2659

➤ Natural persons (12,854 shareholders)

• Number of shares:	1.213.599
• Value of contribution to the share capital (RON)	4.004.876,7
• Share on profit and loss (%):	14,0178

The majority shareholder of CONPET is the Romanian State. The rights and duties of the Romanian State, as a majority shareholder, are exercised in the General Meetings of the Shareholders, by the Ministry of Energy, the supervisory authority of the company, through specially designated representatives.

The shareholders exercise their rights in the General Meeting of Shareholders ("GMS"), which is the highest decision-making body of the company. The powers of approval of the General Meeting of Shareholders, the organization and validity conditions of these meetings are set out in the Articles of Incorporation of the company, in accordance with the applicable regulations, and are supplemented with the incident legal provisions. Both the Articles of Incorporation of the company and shareholders' rights are posted on the company's website at the following addresses: <https://www.conpet.ro/wp-content/uploads/2015/11/Act-Constitutiv-la-17.05.2018.pdf>
<http://www.CONPET.ro/relatia-cu-investitorii/info-actionari/>

Under the law, each subscribed and paid share gives the holder the right to one vote in the General Meeting of Shareholders, the right to elect and to be elected to the governing bodies, the right to participate in the distribution of dividends according to the provisions of the Articles of Association and of the legal dispositions, as well as other rights provided for by these.

Shareholders are entitled to a fair and complete information in the General Meeting of Shareholders regarding the company's situation.

In order to ensure equal treatment and full and fair exercise of all shareholders' rights, the CONPET makes available to them all relevant information regarding the GMS and adopted decisions, according to the law, both through mass media and in the special section, opened on its own website.

CONPET shall make all the necessary efforts, in accordance to the requirements of the legislation in the area, to ease the participation of the shareholders in the sessions of the General Meetings, as well as for the full exercise of the rights thereof. The shareholders may take part and vote, in person, in the General Meeting of Shareholders, but also have the possibility to exercise the vote by representation or by correspondence.

The General Meeting of Shareholders is opened and presided by the Chairman of the Board of Administration or, in his absence, by another administrator appointed by the Chairman of the Board of Administration.

During the General Meetings of Shareholders, the dialog between the shareholders and the members of the Board of Administration and/or the Director General is allowed and encouraged. Each shareholder may address questions to the administrators regarding the company activity, according to the legal provisions.

The decisions taken by the General Meetings of the Shareholders within the limits of the law and the Articles of Incorporation are mandatory even for the shareholders who did not take part in the meeting or voted against.

The decisions of the General Meeting of Shareholders contrary to the law or the Articles of Incorporation can be challenged in court, according to the law.

The Board of Administration

The company is managed by a Board of Administration composed of 7 administrators, elected by the Ordinary General Meeting of Shareholders for a period of 4 years, with the possibility of being re-elected for new periods of 4 years. The administrators may be shareholders.

The members of the Board of Administration were elected by the Decision of the Ordinary General Meeting of Shareholders no. 5 / 22.08.2018, in compliance with the provisions applicable to the companies admitted to trading, being selected as a result of the recruitment and selection process in accordance with the legal provisions stipulated in GEO no. 109/2011 regarding the corporate governance of public enterprises.

The Chairman of the Board of Administration was elected by the members of the Board of Administration by Decision C.A. no 20 / 28.08.2018, according to the provisions of art. 140 ^ 1 paragraph (1) of Law no. 31/1990 regarding the companies, republished, as amended and supplemented and the provisions of art. 19 paragraph (3) of the Articles of Incorporation of the company.

The current composition of the Board of Administration is as follows:

- Gheorghe Cristian - Florin, Romanian citizen;
- Albulescu Mihai - Adrian, Romanian citizen;
- Iacob Constantin - Ciprian, Romanian citizen;
- Claudiu Popa - Aurelian, Romanian citizen;
- Gavrilă Florin - Daniel, Romanian citizen;
- Meșca Darius - Dumitru, Romanian citizen;
- Buică Nicușor - Marian, Romanian citizen (appointed as provisional administrator by Decision of the BoA no. 17 / 04.07.2019, until the meeting of the OGMS, on the vacant place following the resignation of Mrs. Paval Karina in the mandate and as administrator - according to the notice registered at CONPET SA under no. 21798 / 04.06.2019). The appointment of the provisional administrator is carried out in accordance with the provisions of art. 1372 para. 1 of Law no. 31/1990 on companies, republished, as amended and supplemented, of art. 19 paragraph (4) of

the Articles of Incorporation of CONPET S.A., following the receipt of the Notice registered under no. 26647 / 04.07.2019 from the shareholder DEDEMAN S.R.L.

The structure of the Board of Administration is diverse, with different professions (Engineers, Jurists and Economists) with professional experience in the energy, banking, investments, consultancy domains.

The CV's of the members of the Board of Administration of CONPET S.A. are available on the company's website <https://www.conpet.ro/en/corporate-governance/board-of-administration/>.

The administrators do not hold shares in CONPET S.A.

The Articles of Incorporation of the company CONPET S.A., updated on 18.12.2018 regulates the attributions, responsibilities and competencies of the Board of Administration.

The Board of Administration carries out its activity based on the Organizational and Operational Regulation established in accordance with the provisions of Law no. 31/1990 of the companies, republished, as amended and supplemented and with the Articles of Incorporation of CONPET S.A ..

The terms of reference of the Board of Administration may be consulted at the web page: <https://www.conpet.ro/wp-content/uploads/2015/10/Regulament-de-Organizare-si-Functionare-al-Consiliului-de-Administratie1.pdf>

Consultative Committees

For the observance of the legal provisions specific to the capital market, the Board of Administration has established Consultative Committees in the following structure:

- The Audit Committee;
- The Nomination and Remuneration Committee;
- The Committee for Development and Relation with the Authorities

The Consultative Committees have attributions established by the Internal Regulation for the Organization and Functioning of the Consultative Committees set up at the Board of Administration level and are liable for the performance of analyses and preparation of recommendations for the Board of Administration in the specific areas, submitting reports to the latter regarding the activities carried out.

The consultative committees meet whenever necessary, at the President call, and the proposals/recommendations formulated by the Board of Administration (for the substantiation of its resolutions made) adopt by majority of expressed votes. The attributions and responsibilities of the consultative committees are being established by the Board of Administration.

The Board of Administration may constitute as well, by decision, other consultative committees, in different areas of activity, in accordance with the company's necessities and the management strategy thereof. At least one member of each consultative committee should be non-executive independent administrator.

The audit and remuneration committees are made up exclusively of non-executive administrators.

The internal regulation regarding the organization and functioning of the Consultative Committees can be consulted at: <https://www.conpet.ro/wp-content/uploads/2015/10/Regulament-intern-regarding-organizing-and-functioning-Committees-Consultative.pdf>.

During the period January - June 2019, the Board of Administrators organized 16 meetings, and the Consultative Committees had 20 meetings held.

The meetings of the Board of Administration took place according to the agenda transmitted to the administrators, the main decisions made having as object the followings:

- Endorsement of 2019 Income and Expenditure Budget
- Endorsement of Investments Program for 2019;
- Analysis of the business report presented by the executive management in the monthly reports
- Regular monitoring of the mode of physical and value performance of the Investment Program for 2019;
- Analysis and endorsement / approval of the monthly reports of the Consultative Committees, if necessary;
- Approval of the GMS meeting notices and endorsing the materials related to their agenda;
- Approval of sponsorship requests and periodic monitoring of the sponsorship contracts concluded by the company;
- Approval of proposals concerning CONPET capacity of member within employer's/professional bodies, non-governmental associations and payment of related membership fees, for 2019;
 - Approval of the new organizational structure of CONPET and amendment of the Organizational and Operational Regulation of CONPET and of the staff establishment, correlated with the new organizational structure;
- Amendment of the staff establishment applicable at the company level and the approval of the delegation of the Director General for the subsequent necessary amendments;
- Approval of the resizing of the personnel need by abolishing 29 positions within some organizational entities of the company, with the consequence of the individual dismissal of the employees, for reasons not related to their person;
- Amendment of the Staff establishment applicable at the company level and the approval of maintaining the delegation to the Director General of the competence regarding the approval of the new resulting Staff establishment as well as of its subsequent amendments, in compliance with the organizational structure that entered into force on 01.04.2019 and with the classification in the personnel number approved by the Board of Administrators;
- Monitoring the way of achieving the fulfillment / the stage of the fulfillment of the measures stipulated by the Decisions of BoA.
- Approval of the preliminary Report on the economic - financial activity of CONPET S.A. between January and December 2018, accompanied by the unaudited preliminary financial statements at the date and for the financial year ended on December 31, 2018;
- Approval of the results of the annual inventory of the elements similar to assets, liabilities and equities, held by the company;
- Approval of 2019 annual procurement program;

- Recurrent information on the state of achievement of the measures disposed by the decisions of the Board of Administrators;
- Periodic monitoring of the implementation stage of the Procurement Program for the year of 2019;
- Approval of the Directors' Report with a mandate contract on the activity for the period ended on 31.12.2018;
- Endorsement of the annual financial statements at the date and for the financial year concluded on December 31.12.2018;
- Approval of the Annual Administrators' Report for the financial year ended 31.12.2018;
- Endorsement of the proposals of the executive management to OGMS for the distribution of the net profit for the financial year 2018 and for some amounts from the deferred result and from other reserves, fixing the gross dividend per share and the date of payment of the dividends to the shareholders; approval of the Annual Report of the Nomination and Remuneration Committee to OGMS regarding the remuneration and other advantages granted to the administrators and directors with a mandate contract, during the financial year 2018;
- Approval of the Activity Report of the Board of Administrators to OGMS for the period between 23.08.2018 - 31.12.2018 regarding the implementation stage of the strategic objectives contained in the Management Plan related to the 2018 mandate period necessary for the evaluation of the activity of the administrators appointed by OGMS Decision no. 5 / 22.08.2018;
- Endorsement of the Annual Report of the Nomination and Remuneration Committee to OGMS regarding the total degree of fulfillment (102.67%) of the key performance indicators (ICP) financial and non-financial for the year 2018, approved for the administrators by the OGMS Decision no. 7 of 18.12.2018 and granting the variable component due to the administrators for 2018, pro-rata depending on the period performed from the mandate in 2018, respectively for the number of days from 23.08.2018 - 31.12.2018;
- Endorsement of the executive management proposals to OGMS regarding the professional liability insurance of the administrators (setting the maximum limit of the annual insurance premium concluded by the company and the minimum amount insured);
- Approval of the decommissioning of assets from the patrimony of the company whose maintenance is no longer justified and approval of the modalities of exploiting them proposed by the executive management;
- approval of the Directors Report with a mandate contract (to the Director General, Deputy Director General and the Economic Director), regarding the activity of CONPET S.A. for the first quarter of 2019;
- Approval of the Quarterly Report on the economic and financial activity of CONPET S.A. for the period ended on 31.03.2019, accompanied by the Interim Financial Statements at the date and for the 3 months period ended 31.03.2019, prepared in compliance with IAS 34;
- Approval of the Quarterly Report on the monitoring of the key financial and non-financial performance indicators and of the total degree of their fulfillment for the administrators (104.41%) and the Directors with a mandate contract (108.42%) for the period 01.01.2019 - 31.03.2019 .
- Approval of conclusion of certain Addenda to the Collective Labor Agreement of CONPET.
- Approval of conclusion of certain Addenda to the mandate contracts of the Directors having as object some modifications / completions of the contractual provisions (eg

approval of the method of calculation and granting of the variable component of the remuneration of Directors).

Implementation of the obligations stipulated in the mandate contracts of the Directors

The directors with a mandate contract (Director General, Deputy Director General and the Economic Director) were selected following the recruitment and selection procedure carried out in accordance with the provisions of the GEO no. 109/2011 *regarding the corporate governance of public enterprises*.

The appointment of the directors in office was made by the decision of the Board of Administration no. 27 from 06.11.2018, for:

- Mister. Chis Timur - Vasile as Director General of CONPET SA, starting with 07.11.2018, with a mandate of 4 years, respectively until 06.11.2022 (inclusive), delegating the management of the company in accordance with the legal provisions in force, with the Articles of Incorporation and the mandate contract.

- Mrs. Sanda Toader as Economic Director of CONPET SA, starting with 07.11.2018, with a mandate of 4 years, respectively until 06.11.2022 (inclusive), delegating the company's management in accordance with the legal provisions in force, with the Articles of Incorporation and the mandate contract,

By the decision of the Board of Administration no. 5 of 18.02.2019 was named Mrs. Dumitrache Mihaela - Anamaria as Deputy Director General starting with 18.02.2019, with a mandate for a period of 4 years, respectively until 17.02.2023 (inclusive), delegating the company's management in accordance with the legal provisions in force and with the Mandate Contract.

The directors with a mandate contract have the attributions stipulated in the Articles of Incorporation and in the mandate contracts, supplemented with the applicable legal provisions.

The directors with a mandate contract provide the Board of Administration, regularly and comprehensively, with detailed information on all the important aspects of the company's activity. In addition, any major event is immediately communicated to the Board of Administration.

Also, any member of the Board of Administration may request from the Director General and the other directors with a mandate contract, information on the operational management of the company.

The governing and the administrative bodies are active, have the independence to make the decisions they deem appropriate, understand their role and are permanently able to support their decisions in front of the administrative structures or other interested parties who have the right to obtain them such information.

The directors with a mandate contract have exercised their duties in accordance with the legal regulations and within the limits of the mandate contracts.

- ✓ The Director General presented monthly to the Board of Administration the Report on the stage of the fulfillment of the measures stipulated by the Decisions of BoA;
- ✓ The Directors prepared and presented monthly to the Board of Administration, a Report on the activity carried out during the reported and cumulative period, which contains information on the operational and investment activity of the company, data on the economic-financial situation, the enforcement of the revenue and expenses budget. etc .

- ✓ In accordance with the provisions of art. 54 of GEO no. 109/2011, the Director General, together with the directors with a mandate contract, presented the following reports: the activity report for the year 2018 (within the BoA meeting of 19.03.2019); the activity report for the first quarter of 2019 (during the BoA meeting on May 14, 2019);
- ✓ During the meeting of the Board of Administration from 19.03.2019, the financial statements concluded on the date and for the financial year ended December 31, 2018, the report of the financial auditor for 2018 and the activity report for 2018 were presented;
- ✓ During the meeting of the Board of Administration from 27.02.2019, there was presented the draft of the *Income and expenditure budget* for 2019 and the estimates for the period between 2020-2021;
- ✓ During the meeting of the Board of Administration from 14.05.2019, there was presented the quarterly report regarding the monitoring of the key performance indicators - financial and non-financial and of the total degree of their fulfillment for the directors and the directors with a mandate contract for the period 01.01.2019-31.03.2019;
- ✓ The activities specific to the preventive financial control are exercised by the persons appointed based on the decision of the Director General. They operate in accordance with the agreement issued by the Ministry of Energy. Preventive Financial Control is exercised in accordance with GD No. 119/1999, O.M.F.P. no. 923/2014 and based on the Decision of the Director General no.960 / 20.12.2018 as well as the operational procedure "Organization and exercise of preventive financial control". In the first semester of 2019, no visa for the preventive financial control was registered.
- ✓ Individual objectives and performance indicators for management positions, target values and their associated weights were elaborated and approved on May 31, 2019.
- ✓ Actions have been undertaken during the first semester of 2019 to ensure that the tasks set out in the Organizational and Operational Regulations of the subordinated entities are fulfilled.
- ✓ In the first half of 2019, the amounts due to the consolidated state budget were paid on time.
- ✓ The circuit of the supporting documents underlying the accounting records is provided in the "Chart on the circuit of the financial - accounting documents, annexed to the internal procedure regarding the Organization and the exercise of the Preventive financial control.
- ✓ The competencies for signing documents and correspondence that go out of the company CONPET SA are established by the document "Centralizing and levels of competences" approved by the Director General.
- ✓ The preservation and archiving of documents is carried out based on internal procedures approved by the Director General.

The directors with a mandate contract are not allowed to disclose the data and information to which they have access regarding the company and its activity. This obligation remains in force even after the termination of the mandate, for a period of 5 years. They must also comply with

the inside information regime provided in the incidental regulations.

Actions carried out in view of achieving the strategic objectives contained in the Administration Plan

The Administration Plan of the Board of Administration of CONPET, for the period 2018-2022 is based on a detailed analysis of the company's activities, on its business segments.

The formulation of the strategic objectives focused on the conclusions of the diagnostic analysis and strategic analysis of the competitive environment, in view of identification and capitalization of the opportunities and strengthening the strong points existing at the level of the company;

The strategic objectives for the period 2018-2022, set out and undertaken by the administrative management inside the administration component have been defined in close connection to the strategic directions, the vision and expectations of the shareholders and in the context of the Energy Strategy of Romania for the period 2018-2030 and are the followings:

- 1 Increasing efficiency and improvement of the business performance
- 2 Development of new activities, related and non related to the core business;
3. Defining the company as regional player
- 4 Outstanding management of the human resources
- 5 The implementation and development of the corporate governance principles

The strategic objectives comprised in the company's administration Plan for the period 2018-2022 derive from the expectations Letter of the major shareholder, the Romanian State, by the Ministry of Energy and target the increase of business efficiency and the improvement of business performance, optimization of the operating expenses, the development of new activities related and non-related to the core business, definition of the company as regional payer, efficient management of human resources and the implementation and development of the corporate governance principles.

The actions undergone in 2019 for the achievement of the objectives in the administration Plan - the management and administration component.

Objective 1 INCREASING THE EFFICIENCY AND IMPORVEMENT OF BUSINESS PERFORMANCE

Actions :

1.1. Redefinition of the necessary of the transport infrastructure

In March, 2019 was concluded the services supply contract (beneficiary NIS Petrol Romania SRL) for the take-over and temporary storage of the crude oil and condensate produced from exploitations in Timis county for a period of 1 year. There have been initiated discussions with NIS representatives, a.d. Serbia (the company holding the refineries in Pancevo and Novi Sad) in view of performing the crude oil transport produced by the branch NIS Petroleum Romania SRL at Pancevo refinery, discussions that led to the conclusion of a services supply contract for the transport of crude oil by rail tanks on the route Biled ramp - Romania-Serbia border, for a period of 1 year.

Also, there were held discussions with the representatives of Serinus Energy related to the possibilities to transport the condensate from the exploitations located in the Western part of the

country (Muftiu-Carei) area to Marghita ramp (road freight), as well as related to the possibility to take over the production, the temporary storage and the transport to Petrobrazi refinery, which finalized with the conclusion of a services supply contract for a period of 1 year.

In view of identifying potential collaboration domains within the oil industry value chain, CONPET S.A. has submitted, in June 2019 letters for initiating collaboration meetings with the representatives of the companies: MOL România Petroleum Products SRL, SOCAR Petroleum SA, OSCAR Downstream S.R.L și Societatea Națională de Gaze Naturale ROMGAZ S.A..

1.2 Multiannual Investment Program

Within the multiannual investment program 2019-2021 are planned for inline inspections with intelligent pig the pipelines Ø 28" Constanța – Bărăganu (in progress since 2018), Ø 24" Bărăganu-Călăreți-Pietroșani and the pipelines 2 x Ø 12" Călăreți – Ploiești (Petrotel).

1.3. Continuation of the project "Pipelines leaks location and detection System"

As per 2019-2021 multiannual investment program, project completion is scheduled for quarter III - 2019

1.4 – Optimization of SCADA System and Hardware and Software of the Remote Transmission Units (RTU)

There have been completed and received SCADA system optimization works and upgrade Hard and Hardware and Software of the Remote Transmission Units (RTU), for a number of 12 locations out of a total of 29.

1.5. Modernization and Monitoring of the Cathodic Protection System related to the National Transport System via Pipelines

The project performance is structured in two stages, as follows:

Stage 1 -51 locations (completion Quarter III, 2019)

Stage 2 - 16 locations (the initiation of works in Quarter IV, 2019, completion in 2020)

1.6 Implementation of a GIS System

The feasibility study for the implementation of a patrimonial geographic evidence system has been completed and launched the procurement process for technical assistance services for system implementation management.

1.7. ERP Upgrade

The scope of work for the analysis related to the determination of new business requirement of the company CONPET S.A. is under progress.

1.8 Rehabilitation of the Pipelines under crossing Dunarea River and Borcea Arm

In view of rehabilitation of the pipelines undercrossing Dunarea River and Borcea Arm a feasibility study is under progress, study that will be completed in Quarter IV, 2019. The initiation

of the execution of the pipelines to overcross Dunărea/Borcea, in the configuration resulting from the completion of the solution study is scheduled for the period 2020-2025.

1.9 The implementation of a system for the teletransmission and telemetering of the electric power consumptions in CONPET locations:

The implementation of the telemetering system will be performed in 19 locations (oiana Lacului, Cartojani, Videle, Lucăcești, Imeci, Moreni, Siliștea, Cireșu, Băicoi, Bărbătești, Țicleni, Orlești, Ghercești, Otești, Biled, Pecica, Marghita; Constanța Sud, Călăreți).

The installation of the system consists of equipping with control, monitoring and metering system provided with data communication interfaces connected to a Management and Control Console. With the help of this equipment the energy management system can meet the company's strategy with regards to the management of the allocated energy resources.

The technical -economic effects and for the environment of the work:

By using the telemetering system for the energy consumptions will be obtained an operational efficiency by monitoring the consumptions, the tracking of the compliance with the allocated consumption budgets and the quick identification of the increased consumptions being however the key instrument for the provision of a high performance energy management.

In view of execution of the system has been drawn the technical project, which, at the date of the report is under analysis.

Objective 2 DEVELOPMENT OF NEW RELATED AND NON-RELATED TO THE CORE BUSINESS

Actions:

2.1 The development of storage activities/ crude oil and oil products handling for third parties

It was submitted to information and approval by the Board of Administration the report no.10046/13.03.2019 that has comprised also the storage/ handling of crude oil and oil products for third parties.

The Strategic Projects Department has continued the market monitoring and the assumptions taken into consideration within Deloitte study in 2017. Until the end of June 2019 it has not been publicized the set-up and operating modality of the Central Storage Entity.

2.2. Assessment of the opportunity/feasibility of the increase efficiency related scenarios of the Rail transport activities

It has been assessed the possibility of recommissioning of the Rail ramp in Astra Refinery (under suspension), the action being justified by the discharge and shunting delays in the Rail ramp in Brazi refinery. It is estimated that in July 2019 to be initiated the feasibility study for the rehabilitation of the loading/unloading ramp.

In view of reducing the fuel consumption and the maintenance repairs and repairs of the existing locomotives in the Rail park following a feasibility study, in the multiannual investment program has been planned the conversion of 6 hydraulic diesel locomotives 9LDH,1250,CP) in electric

locomotives with electric actuation LEA (spread on 7 years, starting in 2019)., hydraulic diesel locomotives (LDH, 700, CP) in electric diesel locomotives LDE (spread over 7 years, starting in 2019).

2.3 Assessment of the feasibility of the development of transport for atypical products;

In May 2019 has been concluded a transport contract for the condensate associated to the exploitation in Muftiu-Carei are (Beneficiary Serinus Energy).

There are being held discussions with Mazarine energy representatives with regards to the take-over of the crude oil/condensate production in Ghelnita area and the transport to CF (Rail) ramp Imeci.

It is being analyzed the possibility to supply, to the benefit of Romgaz SA, the services of take-over, temporary storage and transport condensate from the well, associated to the biggest natural gas deposit in the last 30 years in Romania.

2.4. Electric power production from renewable resources (pilot project);

Upon the request of the Board of Administration is under progress and is to be completed the analysis cost-benefit in what regards the identification of the opportunity and feasibility of implementation of the activity of production of electric power out of renewable resources.

2.5. The Monitoring of the Operational Programs and Priority Axis in view of accessing European Funds and other non-refundable financing forms

At the company's level have been identified the following projects for which it is targeted the obtaining of the non-refundable financing from European programs:

- Leak Detection and Location System
- The modernization and monitoring of the Cathodic Protection System related to the National Transport system via Pipelines
- Rehabilitation of the pipelines under crossing Dunarea river and Borcea Arm
- Electric power production out of renewable resources (development of photovoltaic park, namely installation of aeolian turbine)
- The implementation of a system for the teletransmission and telemetering of the power consumptions in CONPET locations:
- The construction of floating membrane and aluminum roof tanks
- The modernization of the locomotives park used in the crude oil rail transport

In view of identification of the financing programs of the company's modernization projects there have been analyzed financing programs and mechanisms:

- Large Infrastructure Operational Program 2014-2020
- Technical Assistance Operational Program 2014-2020
- Competitiveness Operational Program 2014-2020
- Regional Operational Program 2014-2020
- Human Capital Operational Program 2014-2020
- "Orizont" Program 2020
- Dunărea Transnational Program 2014-2020

- The Grants of the European Economic European Space (SEE) and Norwegian
- State Aid Schemes

In what concerns the human resources the company has implemented, in partnership with Prahova Trade and Industry Chamber the project "The highly efficient human resource - strategic vector for the increase of firms' competitiveness" - POCU 227/3/8/117913, co-financed through the European Social Fund - the Human Capital Operational Program 2014-2020, priority Axis 3. Therefore, a number of 51 employees of the company, holding leading and management positions have participated to professional skills training and development courses within three programs in process improvement management, management coaching and communication/negotiation.

In June 2019 took place the meeting of the company's representatives with the representatives of the European Funds Accessing Directorate within the Ministry of Environment, at the meeting being presented the projects identified at the level of the company, bearing a major impact on the environment in view of including these projects in the future non-refundable financing programs/categories of eligible beneficiaries.

Objectives 3 DEFINING THE COMPANY AS REGIONAL PLAYER

Undertakings:

3.1. Identification and materialization of the opportunities regarding the NTS connection with the pipeline transport regional systems.

The company supported all the actions coordinated by the Ministry of Energy for the carry out of the works of the Mixed Intergovernmental Commissions of bilateral cooperation in the energy sector, both by the participation of the company's representatives in the official delegation occasioned by the visit of the Foreign Minister in Turkmenistan (June 2019), as well as by the preparation of the representation within the join Work Group in the energy sector Romania - Polonia (May 2019).

The company's specialist participated to the regional initiatives of collaboration in the energy sector, in this respect being mentioned the support in what concerns the construction of the bidirectional flow interconnection pipelines Constanța – Pitești-Pancevo within the collaboration format the Initiative of the 3 Seas (Bucuresti, April 2019).

The company's representatives had such meetings and discussions with regards to the collaboration possibilities with the companies Transnafta Serbia și NIS a.d. Serbia, concerning various projects for the transport of crude oil and end products via pipelines or by rail cars.

In what concerns the monitoring of the action plan at the level of EU on the European and regional interconnections is being expected the following revisions of the list of projects of joint interest that, as per EC rules - The General Directorate for Energy shall take place by the end of 2019.

Strategic Objectives 4 HIGH PERFORMANCE MANAGEMENT OF THE HUMAN RESOURCES

Undertakings***4.1. Resizing and permanent compliance of the human resources in relation to the requirements and technical-economic realities of the company***

For the rational sizing of the resources needed for the achievement of the settled objectives, for reducing the expenses and for the compliance of the functional structures with the current needs of the company, starting May 2019 has been dissolved a number of 29 positions. Consequently, the employees holding these positions have been dismissed.

In March 2019, the Board of Administration has approved a new organizational structure in view of a better organization and operation of the entire organizational system of the company.

4.2. - The Development of the Specific Skills and Basic Abilities of the Human Capital

There have been elaborated and approved the Authorization and Professional Training Programs for the year 2019 in view of maintaining and development of the aptitudes, expert knowledge and necessary skills.

The internal professional training is being organized by internal trainers and/or the specialists inside the company who managed to train/re-train/internal qualify the employees with various responsibilities (receivers deliverers fluid products, micro SCADA, rail safety, IT etc). There is a permanent concern for the extension of the trainers body in other domain as well, such as ethics and integrity and GDPR.

4.3- Development of the System related to Employees' Results Assessment

The coordination of the working groups designated by decision of the director general have analyzed the proposals of individual objectives and the performance indicators for the leading positions submitted by each working group and have established the final form of the individual objectives and performance indicators, the target values and the shares associated thereto. The company intends to implement new Regulations for the evaluation of the professional performance of the employees, which is to be in compliance with the provisions of Order SGC no.600/20.04.2019 on the approval of the Internal Management Control Code, Law no.53/2003 republished - Labor Code, as well as the requirements of the board of Administration and will focus on the employee's professional performance.

4.4. - The Negotiation of the Collective Labor Agreement so that it should be ensured the achievement of the performance indicators annex to the mandate contracts and the compliance with the budget approved

- The new Labor Agreement, applicable as of 01.01.2019 for a 2 years period has been approved by Decision of the Board of Administration no.33/18.12.2018 and has been registered at Prahova Labor Inspectorate under no.341/27.12.2018.

Objective 5 IMPLEMENTATION AND DEVELOPMENT OF THE PRINCIPLES OF CORPORATE GOVERNANCE**Undertakings*****5.1- Issue of a Code of Ethics and Integrity***

The measure is being fulfilled, the Code of Ethica and Integrity of CONPET SA having been approved by the Board of Administration on 13.11.2018.

5.2. - Active involvement in corporate social responsibility

In the first Semester of the year 2019 there have been concluded 13 sponsorship contracts in total amount of 213.5 thousand RON, representing 35.6% of the total amount approved in the Budget for sponsorship.

There have been carried out social activities, namely projects, competitions, exhibitions and internal manifestations specific to the organizational culture.

In what concerns the environment it has been performed the action of improvement of the environment quality and the space where CONPET employees perform their activity. In S I 2019 there have been planted approx. 820 ornamental and fruit trees in CONPET working sites

There have been undertaken demonstrative actions - anti terrorist intervention exercises, in collaboration with county institutions, components of the National Prevention and Countering Terrorism System (RO. SNPCT).

5.3. The development of the reporting, control and risk management capability

The commission for monitoring the internal/management control system performed the annual update of the Program related to the development of the internal/management control in compliance with the legal requirement in force. The actions set out in the Program related to the development of the internal/management control have been fulfilled.

5.4 Implementation of SR ISO 37001:2017 requirements Anti-bribery management systems

The measure contains a series of actions schedules starting 20120, as follows:

- Implementation of SR ISO 37001:2017 requirements Anti-bribery management systems
- The elaboration of the standard implementation program - 20121
- The achievement in due term of the standard requirements implementation program (as per the data set out in the implementation program).

Key financial and non-financial performance indicators

The financial and non-financial performance indicators of the administrators have been approved in the OGMS meeting dated December 18, 2018.

In accordance with the administration Plan of CONPET, chapter 7 “performance indicators and criteria”, during 2018-2022, the performance indicators and objectives are being defined and set out as follows:

Crt .no	Performance indicators	Performance objective	M.U.	Target values					KPI weights fro the settlement of the remuneration ratio
				2018	2019	2020	2021	2022	
A. Financial Key Performance Indicators: 25%									
1.	Outstanding payments	Level zero	Thous and RON	0	0	0	0	0	2%
2.	The decrease of the operating expenses = (Operating expenses– Impairments of assets and impairments of provisions)/ Turnover	The maintenance of the share of expenses in the turnover at the level assumed thorough the Administration Plan	%	80.8%	82,6%	82%	81,5%	81.3%	8%
3.	Adjusted EBITDA = Operating profit - write-back of the reserve out of the modernization quota + Expenses regarding the settlement of the modernization quota + Impairments of tangible and intangible assets, here included the revaluation differences.	The realization of adjusted EBITDA target assumed by the Administration Plan	Thous and RON	108,443 thousand RON	90,316 Thousand RON	95,987 Thousand RON	98,872 Thousand RON	101,785 Thousand RON	10%
4.	Labor Productivity	Realization of the labor productivity level provided in the annual approved Budget	Thous and RON pers	100% According to Annual Budget	100% according to Annual Budget	100% According to Annual Budget	100% According to Annual Budget	100% According to Annual Budget	5%
B. KEY PERFORMANCE NON-FINANCIAL INDICATORS 75%									
B1 OPERATIONAL: 25%									
5.	Framing within the specific consumptions for the crude oil transport (does not include the crude oil quantity lost during provoked breakdowns or in case of breakage resulting in contamination, where the owners do not ease access for remedy) .	The target value lower than the value of the maximal technological consumption, for crude oil	%	Domestic crude ≤ 0,361% Import crude Lukoil ≤ 0.29% Import crude Petrom ≤ 0,143% Midia imported crude oil ≤ 0,108%					3%
6.	Monitoring of the annual electricity average specific consumption for technological purposes	Maintenance of the annual electricity average specific technological consumption at a level of Max 3.3 Kwh/to	Kwh/to	Max 3.3 Kwh/to	Max 3.3 Kwh/to	Max. 3.3 Kwh/to	Max. 3.3 Kwh/to	Max. 3.3 Kwh/to	2%
7.	Achievement of the investments financed out of the modernization quota	Min. Achievement 95% of the annual Investments Plan financed out of the Modernization Quota	%	≥95 %	≥95%	≥95%	≥95%	≥95 %	20%
B2 OF CORPORATE GOVERNANCE: 50%									

8.	Implementation/development of the internal management/audit system in compliance with the legal requirements in force	100% achievement of the actions included in the program	%	100%	100%	100%	100%	100%	20%
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Cr t. no .	Performance indicators	Performance objective	M.U.	Target values					KPI weights from the settlement of the remuneration ratio
				2018	2019	2020	2021	2022	
9.	Duly reporting of the degree of achievement of the performance indicators of the company	Framing within the reporting due deadlines	%	100%	100%	100%	100%	100%	20%
10.	Boost institutional integrity by inclusion of the measures to mitigate corruption as an element of the management plan	Minimum 90% achievement of the measures assumed by the approved Integrity Plan	%	≥90 %	≥90 %	≥90 %	≥90 %	≥90 %	10%

Table 20 - Performance indicators and objectives

The target values of key performance indicators approved by OGMS for the year 2018, the achieved level of these indicators in 01.01.2019 – 30.06.2019 and the fulfillment degree are presented in the table below:

OBJECTIVES AND FINANCIAL AND NON-FINANCIAL KEY PERFORMANCE INDICATORS OF THE ADMINISTRATORS achieved during 01.01.2019-30.06.2019							
Crt. no.	Performance indicator	PERFORMANCE OBJECTIVE	MU	(Period 01.01 - 30.06.2019)			Degree of achievement (%)
				According to Annex 1 to the Contract of Mandate		Achievements	
A. Financial Key Performance Indicators: (25%)							
1	Outstanding payments	Level zero	thousand RON	0	0	100.0%	
2	The decrease of the operating expenses = (Operating expenses– Impairments of assets and impairments of provisions)/ Turnover	The maintenance of the share of expenses in the turnover at the level assumed by the Administration Plan	%	86.20%	79.20%	108.1%	
3	Adjusted EBITDA= Operating profit - write-back of the reserve out of the modernization quota + Expenses regarding the settlement of the modernization quota + Impairments of tangible and intangible assets, here included the revaluation differences).	Realization of adjusted EBITDA target assumed by the Administration Plan	Thousand RON	41,304	55,574	134.5%	
4	Labor Productivity	Realization of the labor productivity level provided in the annual approved Budget	Thousand RON/person	124	135	108.9%	
B. NON- FINANCIAL KEY PERFORMANCE INDICATORS: 75%							
B1 OPERATIONAL: 25%%							
5.	Framing within the specific consumptions for the crude oil transport (does not include the crude oil quantity lost during provoked breakdowns or in case of breakage resulting in contamination, where the owners do not ease access for remedy).	The target value lower than the value of the maximal technological consumption, for crude oil	%	Target domestic crude oil ≤ 0.361% Achieved = 0.296% Lukoil imported crude oil ≤ 0.29% Achieved 0.098% Petrom imported crude oil ≤ 0.143% Achieved 0.138% Midia imported crude oil ≤ 0.108% Achieved 0.094%	0.304%*)	0.199%	134.50%
6	Monitoring the electricity average annual specific consumption for technological purposes	Maintenance of the annual electricity average specific technological consumption at a level of max 3.3 Kwh/to	Kwh/to	Max3.3 Kwh/to	3.3	2.68	100.00%
7	Achievement of the investments financed out of the modernization quota	Min. Realization 95% of the annual Investments Plan financed out of the Modernization Quota	%	≥95 %	95%	200.8%	100%
B2 OF CORPORATE GOVERNANCE: 50%							
8	Implementation/development of the internal control management system in compliance with the legal requirements in force	100% achievement of the actions included in the program	%	100%	100%	100%	100%
9	Duly reporting of the degree of achievement of the performance indicators of the company	Framing within the reporting due deadlines	%	100%	100%	100%	100%
10	Growth of institutional integrity by inclusion of the measures to mitigate corruption as an element of the management plan	Minimum 90% achievement of the measures assumed by the approved Integrity Plan	%	≥90 %	90%	100%	100%

Table 21 - Key financial performance indicators

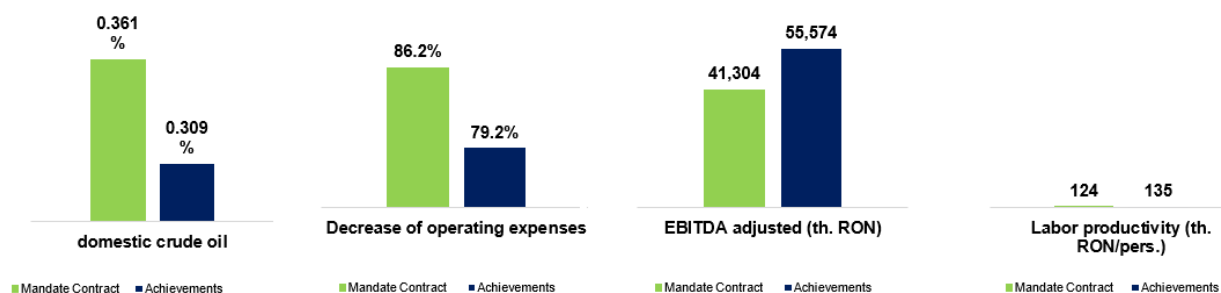


Chart 17 - Key financial performance indicators

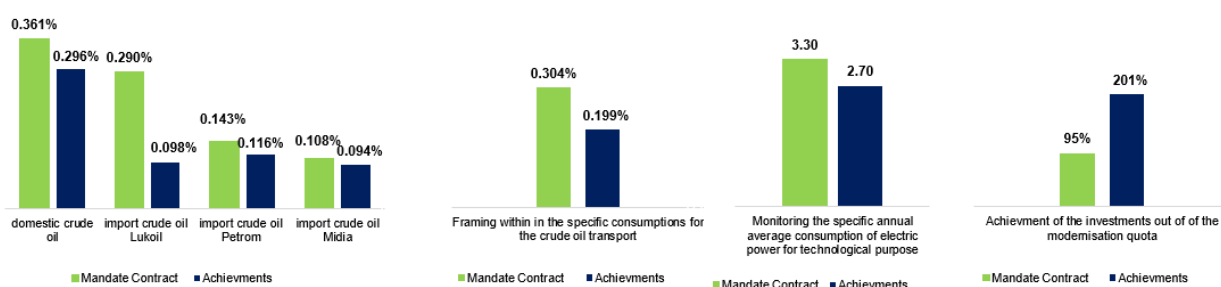


Chart 18 - Key non-financial operational performance indicators



Chart 19 - Key non-financial governance performance indicators

A) Key Performance Financial Indicators

Outstanding Payments Indicator

At 30.06.2019 the company has not recorded outstanding payments. As compared to the scheduled values, the indicator has been 100% achieved.

Indicator Decrease of Operating Expenses

The objective of this performance indicator is the decrease of the operating expenses share in the turnover. The turnover increase by 6.9% has favorably influenced the achieved level if the indicator, the achievement degree in SI 2019 being of 108.1%;

The indicator **EBITDA Adjusted** has recorded an increase by 14,270 thousand RON (134.5%) achieved mainly at the expense of the operating profit (increase by 68.7%).

Labor Productivity Indicator

The increase of labor productivity by 8.9% as compared to the scheduled has been achieved at

the expense of the increase of operating revenues, by 7% and the decrease of the personnel average number with 18 persons.

B) Non-Financial Key Performance Indicators

B1) Operational

The achieved level of the operational indicator “**Framing in the specific consumptions for crude oil transport**” is being determined based on the quarterly reported data by the Transport Operations Unit.

In structure, the achievement of specific consumption for the crude oil transport on crude oil types and refineries for Semester I 2019, as well as the average consumption reveals the followings: :

Targets Semester I 2019		Achievement Semester I 2019		Indicator's Achievement Degree
Domestic crude oil $\leq 0,361\%$	0,304 %*)	Domestic crude oil = 0,296%	0.199%	134.5%
Lukoil imported crude oil $\leq 0.29\%$		Lukoil imported crude oil = 0,098%		
Petrom imported crude oil = 0,143%		Petrom Imported crude oil $\leq 0,116\%$		
Midia imported crude oil $\leq 0,108\%$		Midia imported crude oil = 0,094%		

*) Average technological consumption (calculated according to the share of each transport type).

Table 22 The specific consumption for the crud oil transport on crude oil types and refineries

At June 30, 2019 the average specific transport consumption was lower by 34.5% as compared to the scheduled target

The operational indicator “Monitoring of the annual average specific consumption of electric power for technological purposes

The objective related to this indicator is represented by the maintenance of the annual average of electric power technological consumption at a maximum level of 3.3 KWh/to.

This indicator is deemed achieved if the achieved level thereof has a lower value or equal with 3.3 KWh/to, and then, in this case, the achievement degree is 100%. In case the achieved value of the indicator is higher than 3.3 Kwh/to, then the achievement degree of this indicator is 0.

The average specific consumption of electric power in technological purpose achieved in Half I 2019 was of 2.68 Kwh/to, under the target level of 3.3 kwh/to, consequently, the achieved indicator is 100%.

Achievement of the investment financed out of the modernization quota

The objective of this indicator is being represented by the achievement of the investments financed out of the modernization quota of minimum 95% of the modernization quota.

The indicator's realization degree is being determined based on the formula: Value of investments financed out of the modernization Quota, achieved/Value modernization quota achieved in the reporting year (modernization quota recognized in the expenses) X 100

This indicator is deemed achieved if the level achieved by the indicator is higher or equal to 95% and the indicator's achievement degree is of 100%. In case the indicator is achieved under 95%, the achievement degree of the indicator is 0.

The achieved level of this indicator in Half I 2019 is of 200.8%, which represents an achievement

degree of the performance indicator of 100%.

B2) Corporate Governance Indicators

Implementation/Development of the management control system in compliance with the legal requirements in force

The objective of this indicator is being represented by the 100% achievement of actions provided in the development program for the internal/management control system

The calculation formula of this indicator is: number of shares realized/number of shares planned as per the "Program for the development of the internal/management control system of CONPET S.A.) *100.

The achievement degree of the indicator assumed by the Administration Plane is being determined as follows:

- If the achieved indicator is equal to 100%, then the indicator's achievement degree is 100%.
- If the achieved indicator is lower than 100%, then the indicator's achievement degree is 0%.

In Half I 2019 all the shares in the development program of the internal control management system of CONPET S.A., with achievement due term in Semester I have been achieved, consequently the achievement degree is 100%.

Boost institutional integrity by inclusion of the measures to mitigate corruption as an element of the management plan

The objective of this indicator is to fulfill the measures undertaken by the integrity Plan approved to the extent of minimum 90%.

The value of this indicator is being determined by the formula: number of measures fulfilled in due term/number of measures proposed X 100

The achievement degree of the indicator assumed by the Administration Plane is being determined as follows:

- If the indicator is 90% achieved and over 90%, then the achievement degree of the indicator is 100%.
- If the achieved indicator is lower than 90% , then the achievement degree of the indicator is 0.

In Half I 2019 the level of this indicator was of 100% (23 measures fulfilled up to 30.06.2019/23 measures proposed in the integrity Plan).

The achievement degree of the indicator in Half I 2019 is of 100%.

Indicators" Duly reporting of the degree of achievement of the performance indicators of the company"

The objective of this indicator is represented by the timely reporting of the degree of achievement of the performance indicators of the company

The achievement degree of this indicator is being determined based on the formula: number of timely reporting/total number of duly reporting x 100

The achievement degree of the indicator assumed by the Administration Plane is being determined as follows:

- If the achieved indicator is equal to 100%, then the indicator's achievement degree is 100%.
- If the achieved indicator is lower than 100%, then the indicator's achievement degree is 0%.

As per OMPF no.1952/2019 on the regulation of the monitoring procedure related to the implementation of the EGO no.109/2011 on corporate Governance of the Public Enterprises, the state of achievement of the key-performance indicators in the mandate contracts are being communicated by reporting S1100 containing the following annexes:

- Annex no.1. "Monitoring the application of the provisions of EGO no.109/2011",
- Annex no.2 "Auditing the annual financial statements . The state of achievement of the key performance indicators to the mandate contract "
- Annex no.3 "The List of the administrators of the public enterprises"

Annexes of the reporting S1100 are being submitted at different terms, as follows:

- a) up to July 20, the annexes no.1 and e for H1 of the reporting year and annex no.2 for the previous reporting year;
- b) up to January 20 of the year following the completion of the reporting period, annexes no.1 and 3 for Half II of the previous reporting year.

Annexes 1 and 3 for Half II 2018 have been submitted to the Ministry of Energy in due term, on January 16 2019, with the address no.190146 prior to the deadline.

Annexes 1 and 3 for Half I 2019, namely Annex 2 for the year 2018 have been submitted to the Ministry of Energy on July 01, 2019, with address mo.192173.

Consequently, the achievement degree of the indicator in Semester I 2019 is of 100%.

For the H1 2019, the degree of achievement of the performance indicators was of 105.6%.

The financial and non- financial performance indicators for the Director General and the Economic Director have been approved by Decision of the Board of administration no.33/18.12.2018 and for the Deputy Director General have been approved by BoA Decision no.8/19.03.2019; the targets and shares thereof for the period 2018-2022 are provided in Annex no.1 to the Addendum no.1 to the directors mandate contracts, are being individually calculated based on the calculation model contained in Report no.49228/17.12.2019.

For H I 2019, the degree of achievement of the performance indicators was of 110.7%.

The remuneration policy of the members of the Board of Administration and the directors with mandate contracts

The Board of Administration

As per the dispositions of art.37, Para (1) and (2) and respectively art.38, para (2) of the government Emergency Ordinance no.109/2011 on corporate governance of public enterprises, subsequent amendments and completions, the administrators and director receive for the performed activity a monthly fix allowance and a variable component.

The monthly fix allowance granted to the members of the Board of Administration, equal twice the average on the last 12 months of the monthly gross average earnings for the activity carried out as per the core business registered by the company, at level of class pursuant to the

classification of the activities in the national economy, communicated by the National Institute of Statistics prior to the appointment has been recalculated as per the provisions of EGO no.79/2018 for the amendment and completion of Law 227/2015 on Fiscal Code. The gross fixed allowance in quantum of 13,022 RON, has been approved by GMS at 22.08.2018.

The gross fixed allowance due to the members of the BoA for the period 01.01.2019 - 30.06.2019 was of 546,924 RON.

The variable component of the remuneration of the members of the board of administration is being granted annually, according to the level of achievement of the objectives contained in the administration plan and the achievement degree of the financial and non-financial performance indicators approved by the general meeting of shareholders, annex to the mandate contract.

At the meeting date 07.06.2019, the OGMS has approved the total achievement degree (102.67%) of the key performance financial and non-financial indicators for the year 2018, based on the monitoring report on the framing of the performance indicators within the limits approved by OGMS for the year 2018, as per the provisions of the mandate contract. The gross variable component related to 2018, paid in June 2019 was in amount of 392,581 RON.

The Directors with mandate contracts

The remunerations of the directors with mandate contracts are set out in compliance with the provisions of EGO no.109/2011, within the general limits approved by the General Meeting of Shareholders. The remuneration is made up of a fix monthly allowance set out within the limits provided at Art.37, para (3) and of a variable component consisting of a stake share to the net profit of the company based on the level of achievement of the performance indicators.

The director general has the gross monthly fix allowance in quantum of 40.416 RON, representing 6 times the average on the last 12 months of the gross average earnings for the activity carried out as per the core business registered by the company, at level of class pursuant to the classification of the activities in the national economy, communicated by the National Institute of Statistics prior to the appointment, with applicability as of the date of execution of the addendum to the mandate contract.

The Deputy Director General has the gross monthly fix allowance in quantum of 35.290 RON, representing 5 times the average on the last 12 months of the gross average earnings for the activity carried out as per the core business registered by the company, at level of class pursuant to the classification of the activities in the national economy, communicated by the National Institute of Statistics prior to the appointment, with applicability as of the date of execution of the addendum to the mandate contract.

The Economic Director has the gross monthly fix allowance in quantum of 33.680 RON, representing 5 times the average on the last 12 months of the gross average earnings for the activity carried out as per the core business registered by the company, at level of class pursuant to the classification of the activities in the national economy, communicated by the National Institute of Statistics prior to the appointment, with applicability as of the date of execution of the addendum to the mandate contract.

The gross monthly fix allowance due to the directors with mandate for the period 01.01.2019 - 30.06.2019 was of 601,617 RON.

The general limits of the variable component have been approved by the OGMS at the meeting dated April 23, 2019. The variable component is being paid following the approval of the annual financial statements, according to the degree of achievement of the key performance indicators:

At the meeting dated 04.07.2019, the Board of Administration has approved the total achievement degree of the key financial and non-financial performance indicators for the year 2018, of 105.04%, based on the monitoring report related to the framing of the key performance indicators within the limits approved by the BoA and the granting of the variable component due to the directors for the mandate period carried out in 2018 pursuant to the provisions of the mandate contract and the general limits of the variable components approved by OGMS in the meeting dated 23.04.2019.

The variable component due to the directors with mandate contracts for the mandate period carried out in 2018 was paid in July, 2019.

The management of Conflicts of Interest

During Half I 2019, at the level of CONPET S.A. Have not been registered conflicts of interest, as it results from the declarations of interest submitted by the leading personnel and the BoA members in the application of Law 176/2010 regarding the integrity in exercising the public positions and dignities , for the amendment and completion of Law no.144/2007 on the set-up, organization and operation of the National Integrity Agency, as well as for the amendment and completion of other normative acts.

In view of implementation of the National Anticorruption Strategy 2016-2020, to which CONPET S.A. has adhered, in 2017, has been approved the Integrity Plan, document upgraded in 2018 by decision of the Director General of CONPET s.a. - which details, in a personalized manner, the measures applicable to CONPET S.A., subsumed to the general and specific objectives provided in SNA for the identification of risks, vulnerabilities and specific intervention needs.

Subsequent to the education and acknowledgment charges of CONPET S.A. personnel in the integrity and Anticorruption issues, the Integrity Bureau has initiated a series of activities related to information of employees, by elaboration, presentation and dissemination of informative materials, with reference to the provisions of the Anticorruption National Strategy 2016-2020 and the Integrity Plan adopted at the company's level and specific to the corruption crimes provided by the Criminal Code.

The first material in this category, elaborated and disseminated during 2019 has been entitled "the Conflict of interest - between theory and practice", in view of increasing the level of knowledge and awareness of CONPET s.a. personnel with regards to the situations of conflict of interest that may occur in relation to professional activities, here included the business environment.

The administrator or the director general having, in a certain operation, directly or indirectly, interests contrary to the company , who must notify in relation thereto the other administrators and the internal auditor and not take part to any deliberation regarding this operation. The same obligation has the administrator or the director general having, in a certain operation, directly or indirectly interests contrary to the company, who must notify in relation thereto the other administrators and the internal auditor and not take part to any deliberation regarding this operation.

The members of the Board of Administration keep the confidentiality on any facts, data or information they have acquired in the course of exercising their responsibilities and understand that they have no right to use or disclose them during the activity or after cease of the activity.

In order to avoid the occurrence of the conflict of interest, the company has set-out a series of deontological rules that need to be observed both by the members of the Board of Administration as well as by the directors of the company, in correlation with the applicable legal provisions.

Both in the Rules of Organization and Operation of the Board of Administration of CONPET S.A., as well as the Corporate Governance Rules there are dispositions with regards to the management of the conflicts of interests and tradings with involved persons. In practice, the members of the Board of Administration shall inform the Board of any conflicts of interest that have arisen or may arise and shall refrain from attending the discussion and voting for the adoption of a ruling on the matter giving rise to the conflict of interest concerned.

As per EGO no.109 from November 30, 2011 on the corporate governance of public enterprises and within the Program for the development of the management internal control system elaborated in compliance with the O.S.G.G. no. 600/2018, considering the necessity of building an integrity culture inside CONPET S.A., in 2018 has been drafted and approved by the Board of Administration (in the meeting dated 31,11,2018), a new Ethic and Integrity Code and a new Ethic Advisor has been appointed within the Integrity Bureau.

The entire personnel of CONPET S.a. has been trained with regards to the company's institutional strategy, related to the expectations in conduct matters as per the Code of Ethics and Integrity, as well as related to the rights and obligations of the personnel in ethics and compliance matters.

The organization of the training program operates under the assumption that, if the company ensures the efficient operation of the promotion of an ethical conduct, determining behavioral change among its personnel, then the system can be limited to internal conflicts, thefts of company's goods and frauds, the use of the company's resources for purposes other than for the purposes they are meant for, the use of the company's image in own benefit or the sabotage of the company's interests by inadequate conduct of the employees in relation to the clients or business partners, namely corruption etc. All these facts are measured in money. The operation of such a system contributes to the consolidation of the internal integrity system and the feeling of safety of the employee, at the identification of the latter with the company's values, which translates into higher performance, thus higher profit.

The Executive Management

During 01.01.2019-30.06.2019 the executive management had the following constituency:

Directors:

Position	Name and Surname	Observations
Director General	CHIȘ TIMUR Vasile	Mandate contract starting 07.11.2018
Deputy Director General	DUMITRACHE Mihaela - Anamaria	from 01.01.2018 up to 17.02.2019 as per the Director General's decision no.948/20.12.2018
		mandate contract starting 18.02.2019
Economic Director	TOADER Sanda	mandate contract starting 07.11.2019
Deputy Director General 2	DRAGNE Laurențiu Marian	starting 03.04.2019 cas per Director General's decision no. 198/02.04.2019

Heads of Units

Position	Name and Surname
Head of Transport Operations Unit	Eng. STOICA Narcis Florin
Head of Maintenance Development Unit	eng. BUZATU Dan
Head of Critical Infrastructures Unit	Eng. NECȘULESCU Radu Florentin
Head of Corporate Governance, Communications and Public Relations Unit	Eng. PINȚOIU Toma

Head Engineers

Position	Name and Surname
Head Production Engineer	Eng. BACIU Dan-Silviu
Head Development-Maintenance Engineer	Eng. VLĂDESCU Robert Gheorghe

3.5.3. Activity related to the sponsorship concluded in 2019 H1

CONPET S.A. has supported, by sponsorship actions, non-profit organizations and institutions for the achievement, at county and national level, of some projects of tradition and with impact at the community level, and also supported smaller scale requests subject to ideas, actions or individual performance.

For Semester I 2019, in the Income and Expenditure Budget of CONPET S.A. Have been provided expenses with sponsorship amounting to 260,000 RON.

At the company's Board of Administration meetings there have been approved, up to date, sponsorship amounting to 213, 496RON, as follows:

- 186,215 RON - "Education, schooling and sports";
- 15,000 RON - " Medical care and health"
- 12,281 RON - "Other actions and activities"

4. Relevant corporate events in semester I 2019

March 26, 2019

The General Meeting of Shareholders has approved the transaction with SNTFM CFR Marfă S.A. for the conclusion of a contract having as scope transport services by rail of crude oil and rich gas from the loading ramps to the destinations set by CONPET SA"

March 26, 2019

The Extraordinary General Meeting of Shareholders has approved the initiation of the procedure for the augmentation of the company's share capital, by the value of the land plots held based on 48 land ownership certificates.

April 9, 2019

The General Meeting of Shareholders approved the Revenues and Expenditure Budget and the Investment Program related to 2019;

April 23, 2019

The Ordinary General Meeting of Shareholders approved the annual financial statements for the financial year 2018 and the net profit distribution related to the financial year 2018.

5. EVENTS SUBSEQUENT TO THE COMPLETION 2019 H1

Thursday, July 4, 2019

It took place the Extraordinary General Meeting of Shareholders with the agenda: The approval of the augmentation of the share capital by maximum value of 101,763,954.60 RON representing contribution in kind (the lands(amounting to 59,751,935.10 RON; and cash amounting to 42,012.019.50 RON, from the actual value of 28,569,842.40 RON to the value of maximum 130,333,797 RON by issuance of a maximum number of 30,837,562 new shares, registered, dematerialized, at a price of 3.3 RON/share, equal with the nominal values, without share premium, of which:

i) 18,106,647 new shares amounting to 59,751,935.10 RON representing the contribution in kind of the Romanian

State by representative the Ministry of Energy with lands in total area of 554,537.61 Sq.m subject to the 48 land ownership certificates for which CONPET has obtained, during 2001-2005 land ownership certificates.

(ii) 12,730,915 new shares in amount of 42,012,019.50 RON that will be offered, once with the exercising of the pre-emption right, for subscription, in return for the contribution in kind of the Romanian State represented by the Ministry of Energy to the other shareholders of CONPET, namely to the persons holding the quality of shareholder, in view of maintaining the stakes shares held within CONPET at the registration date.

EGMS has not met the presence quorum provided by the law needed for the augmentation of the share capital by contribution in kind.

Friday, July 5, 2019

As the quorum has not been met for holding the Extraordinary General Meeting of Shareholders on July 4, 2019, the meeting has been reconvened for July 5, 2019, with the same agenda.

Not having met the attendance quorum at this second call as well, the general meeting could not validly deliberate with regards to the proposal to augment the share capital by the value of land held based on the land ownership Certificates.

6. PRESENTATION OF THE INTERIM FINANCIAL STATEMENTS

The interim financial statements at 30.06.2019 and for the 6 months period ended 30.06.2018 were prepared in compliance with IAS 34 - Interim Financial Reporting.

The interim financial statements do not include all information and elements published in the annual financial statements and must be read together with the annual financial statements, prepared December 31, 2018.

The simplified interim financial statements at the date and for the period of 6 months ended June 30, 2019 included in this report have been revised by the external auditor BDO Audit SRL.

Accounting Policies

The accounting policies and the evaluation methods adopted in view of preparing the interim financial statements are the same with those used at the preparation of the financial statements concluded at December 31, 2018.

Annexes:

Annex no. 1 Interim Statement of the Financial Standing at June 30 , 2019;

Annex no.2 Interim statement of the global result for the six months period ended June 30, 2019;

Annex no. 3 Interim cash-flow statement for the 6 months period ended June 30, 2019;

Annex no. 4 Execution of the Revenues and Expenditure Budget at June 30, 2019;

Annex no.5. Statement of the contracts for the procurement of works and products with values higher than 500,000 EURO, concluded during 01.01.2019-30.06.2019.

Annex no. 6 Statement of services procurement contracts with values higher than 100.000 Euro, concluded during 01.01.2019-30.06.2018;

Annex no. 7 Situation of litigations at 30.06.2018.

**Chairman of the Board of Administration
CONPET S.A.**

Gheorghe Cristian - Florin

Annex 1

INTERIM STATEMENT OF THE FINANCIAL STANDING AT JUNE 30, 2019

	-RON-	
	June, 30 2019 (revised)	December, 31 2018 (Audited)
ASSETS		
Intangible assets		
Tangible assets	441,615,081	430,599,587
Intangible assets	2,326,070	2,843,604
Financial Assets	860,682	860,582
Receivables related to the deferred corporate tax	3,566,022	3,047,153
Non-current assets	448,367,855	437,350,926
Current assets		
Stocks	8,816,110	9,168,429
Trade receivables and other receivables	40,865,056	43,155,623
Cash and cash equivalents	237,831,201	259,682,354
Prepaid expenses	1,632,382	1,770,972
Total current assets	289,144,749	313,777,378
TOTAL ASSETS	737,512,604	751,128,304
Equities and liabilities		
Equities		
Subscribed and paid-up share capital	28,569,842	28,569,842
Legal reserves	5,713,968	5,713,968
Revaluation reserves	23,266,778	25,810,840
Other reserves	495,101,123	496,092,345
Retained earnings	43,966,486	44,689,400
Year's Result	31,180,013	60,676,014
Total Equities	627,798,210	661,552,409
Accrued revenues		
Investment Subsidies	1,120,886	1,178,489
Accrued revenues	9,020	9,849
Total Accrued Revenues	1,129,906	1,188,338
Long-term liabilities		
Short-term provisions	14,633,426	14,760,148
Long-term trade liabilities	906,544	892,912
Total long-term liabilities	15,539,970	15,653,060

	June, 30 2019 (revised)	December, 31 2018 (Audited)
Current liabilities		
Trade liabilities	31,876,397	19,154,131
Ordinary Corporate Tax	2,752,867	3,786,286
Other liabilities	43,304,390	36,699,081
Short-term provisions	15,110,864	13,094,999
Total current liabilities	93,044,518	72,734,497
Total current liabilities	108,584,488	88,387,557
Total Equities AND LIABILITIES	737,512,604	751,128,304

Annex no. 2

INTERIM STATEMENT OF THE GLOBAL RESULT FOR THE SIX MONTHS PERIOD ENDED
JUNE 30, 2019

	6 months ended at June 30, 2019 (revised)	6 months ended at June 30, 2018 (revised)
Operating Revenues		
Turnover	200,616,993	184,931,130
Other revenues	15,652,511	15,045,242
Earnings from disposal of assets	15,924	-
Total Operating Expenses	216,285,428	199,976,372
Operating Expenses		
Expenditure on stocks	3,403,834	3,269,384
Expenses with energy and water	6,582,865	5,948,665
Personnel expenses	79,244,144	65,958,492
Value adjustments on current, non-current assets	22,834,354	22,241,734
Impairments of current assets	(431,046)	(96,920)
Expenses related to external services	53,074,322	48,817,415
	16,610,921	26,632,668
Losses from disposal of assets	-	50,665
Impairments related to provisions	1,889,143	3,881,331
	183,208,537	176,703,434
	33,076,891	23,272,938
Financial Revenues	4,103,524	2,373,563
Financial Expenses	42,218	4,333
Financial profit	4,061,306	2,369,230
Profit before corporate tax	37,138,197	25,642,168
Expenses with ordinary income tax	6,420,613	5,164,647
Expenses with (revenues from) deferred corporate tax	(462,429)	(1,148,091)
Profit of the period	31,180,013	21,625,612
TOTAL GLOBAL RESULT	31,180,013	21,625,612
	3.60	2.50

Annex no. 3

INTERIM CASH-FLOW STATEMENT FOR THE 6 MONTHS PERIOD ENDED JUNE 30, 2019
(revised);

	NAME OF THE ELEMENT	6 Months 2019 revised	6 Months 2018 revised
	Cash flows from operating activities		
+	Proceeds from services supply	223,289,593	193,137,048
+	Proceeds from interests related to banking placements	1,418,870	768,064
+	Other proceeds	3,562,954	2,131,735
-	Payments to goods and services suppliers	53,075,352	53,182,508
-	Payments to and on behalf of the employees	74,939,500	64,185,854
-	VAT Payments	24,091,451	20,434,472
-	Corporate tax payments	7,454,032	6,315,952
-	Other payments related to the operating activity	19,206,000	20,218,298
A	Net cash from operating activity	49,505,082	31,699,763
	Cash flows from investment activities		
+	Proceeds from sale of tangible assets	29,520	6,570
+	Proceeds from modernization quota	15,175,542	25,326,114
+	Proceeds from interests related to banking investments	2,811,104	1,189,676
-	Payments for purchase of tangible assets	31,371,385	40,502,097
B	Net cash from operating activity	(13,355,219)	(13,979,737)
	Cash flows from financing activities:		
+	Proceeds of dividends transferred to Depozitarul Central	2,786,508	5,891,170
-	Paid dividends	60,787,524	67,005,869
	Net cash from operating activity	(58,001,016)	(61,114,699)
	Net increase of the cash and cash equivalents cash=A+B+C=D2-D1	(21,851,153)	(43,394,673)
	Cash and cash equivalents the beginning of the period	259,682,354	209,845,721
D2	Cash and cash equivalents end of the period	237,831,201	166,451,048
<i>to which is being added:</i>			
	<i>Government securities as government bonds</i>	-	70,309,618
	Total availabilities at the end of the period	237,831,201	236,760,666

Annex no. 4

EXECUTION OF THE REVENUES AND EXPENDITURE BUDGET AT Sunday, June 30, 2019

- thousand RON-

INDICATORS (thousand RON)	Achieved Semester I 2019	Revenues and Expenditure Budget Semester I 2019	Degree of achievement %
I. TOTAL REVENUES	220,389	203,950	108,1%
1.1 Total Operating Revenues	216,285	202,304	106,9%
1.2 Financial revenues	4,104	1,646	249,3%
II. TOTAL EXPENSES	183,251	182,718	100,3%
2.1. Operating expenses	183,209	182,698	100,3%
Goods and Services Expenses	48,026	48,884	98,2%
Taxes, fees and similar related installments	16,224	15,926	101,9%
Personnel expenses, out of which:	79,244	81,799	96,9%
Salary related expenses:	72,388	74,093	97,7%
- salaries expenses	61,617	63,218	97,5%
- Bonuses	10,771	10,875	99,0%
Other personnel expenses	1,514	1,782	85,0%
- Severance payment expenses related to personnel layoffs	1,514	1,782	85,0%
Expenses related to management and audit bodies, BoA and GMS	1,541	1,980	77,8%
Expenses with contributions due by the Employer	3,801	3,944	96,4%
Other operating expenses	39,715	36,089	110,0%
Financial expenses	42	20	210,0%
GROSS RESULT (profit/loss)	37,138	21,232	174,9%
CORPORATE TAX	5,958	3,726	159,9%
ACCOUNTING PROFIT REMAINING AFTER THE DEDUCTION OF THE INCOME TAX	31,180	17,506	178,1%
INVESTMENT FINANCING SOURCES	33,375	28,920	115,4%
EXPENSES FOR INVESTMENTS	33,375	28,920	115,4%
SUBSTANTIATION DATA			
No. of personnel	1,627	1,628	99,9%
Total average number of employees	1,607	1,625	98,9%
Outstanding payments	0	0	-
Outstanding receivables	113	288	39,2%

Annex no.5

STATEMENT OF CONTRACT OF WORKS AND PRODUCTS WITH VALUES HIGHER THAN 500,000 EURO, CONCLUDED DURING 01.01.2019 - 30.06.2019

-RON-

Crt. no.	Name of the Contractor	Scope of Contract	Title of the Contract	The applied procurement procedure	Name of the beneficiary (if different from the contracting authority)	Number of the notice/invitation of participation	Initial contract value (RON)	- value after potential addenda (RON)	Start of the contract	Initially set contract duration (in months)	Final contract duration (in months)
QUARTER I - 0 CONTRACTS VALUE QUARTER I = 0 RON											
QUARTER II - 7 CONTRACTS VALUE QUARTER II = 56,873,919.16 RON											
1	ARGENTA SRL CONSTANTA	Execution tank construction works for the crude oil storage, 2,500 cm, inside the pumping Stations Orlesti and Poiana Lacului	L-CA 136/30.06.2019	Tender		9222/07.03.2017	12,776,354.35		Jul-3-19	18 months from establishment handover	
2	INVEST GENERAL CONSTRUCT SRL	Design and execution of crude oil pipeline replacement 24 Călăreți-Pietroșani (7 routs) in total length of 5920ml	L-CA 116/22.05.2019	Tender		12524/28.03.2019	12,182,310.10		Jun-21-19	10.5 months from establishment handover	
3	EUROSTING AAW INDUSTRY S.R.L.	Rehabilitation crude oil loading ramp Berca and rehabilitation crude oil loading ramp Ciresu	L-CA 75/03.04.2019	Tender		5396/11.02.2019	9,316,695.88		May-3-19	30 months from establishment handover	
4	EUROSTING AAW INDUSTRY S.R.L.	Rehabilitation crude oil loading ramp Marghita and rehabilitation crude oil loading ramp Imeci	L-CA 95/23.04.2019	Tender		5401/11.02.2019	9,054,032.56		May-6-19	24 months from establishment handover protocol	

Crt. no.	Name of the Contractor	Scope of Contract	Title of the Contract	The applied procurement procedure	Name of the beneficiary (if different from the contracting authority)	Number of the notice/invitation of participation	Initial contract value (RON)	- value after potential addenda (RON)	Start of the contract	Initially set contract duration (in months)	Final contract duration (in months)
5	CEZ SALE	Electricity Supply Batch 1	P-CA 168 / 26.06.2019	Tender		19159/16.05.2019	5,624,621.03		Jul-1-19	12	
6	ROADS AND BRIDGES RAIL CONSTRUCTIONS	Design and execution safety disposal works for Prahova river above ground crossing with the 12 3/4" and 14 3/4" pipelines Cartojani Ploiesti, Stejaru village, Brazi commune, Prahova County	L-CA 148/ 10.06.2019	Tender		16839/ 24.04.2019	5,449,500.00		Jun-26-19	8.5 months from establishment handover protocol	
7	TINMAR ENERGY S.A.	Natural Gas Supply	P-CA 94 / 07.03.2019	Tender		10817/ 19.03.2019	2,470,405.24		April -24- 19	12	
CUMULATED TOTAL - 7 CONTRACTS Cumulated value =56,873,919.16 RON											

Annex no. 6

Statement of Services Procurement Contracts with Values Higher than 100.000 Euro, concluded during 01.01.2019-30.06.2019

RON-

Crt. no.	Name of the Contractor	Scope of Contract	Title of the Contract	The applied procurement procedure	Name of the beneficiary (if different from the contracting authority)	Contract notice number/invitation of participation	Initial contract value (RON)	Contract value after potential addenda (in RON) (RON)	Start of the contract	Initially set contract duration (in months)	Final contract duration (in months)
1	BRILIANT TECHNOLOGIES S.R.L.	Integrated Satellite Surveillance and Monitoring System, GPS, for the auto fleet and the locomotives park of CONPET S.A.	S-CA 61/4/1/2019	Tender		43245/07.11. 2018	704,160.00		April -01--19	37	
2	SERVICE FAUR SRL.	RR planned repair to locomotive LDH 92530810803, -2	S-CA 68/4/4/2019	Tender		4719/06.02.2019	499,916.00		Apr-04-19	12	
3	SERVICE FAUR SRL.	RG planned repair to locomotive LDH 92530810834, -7	S-CA 69/4/4/2019	Tender		4719/06.02.2020	535,618.00		Apr-04-19	12	
4	ROMÂNIA EUROEST S.A.	RR-type reparation services and compliance of a locomotive LDH, 1250 PH for electric action	S-CA 100/06.05.2019	Tender		10390/15.003.2019	2,821,000.00		May -06 -19	12	
5	PETROSTAR S.A.	Solution study and design regarding the layout of a pig receive in Pietroșani area, along the pipeline 24" Călăreți- Pietroșani and optimization of connections between this pipeline and line 1 and 2, 12"- Teleajen	S-CA 115/22.05.2019	Tender		10392/15.03.2019	549,000.00		22-May -19	3.5	

Crt. no.	Name of the Contractor	Scope of Contract	Title of the Contract	The applied procurement procedure	Name of the beneficiary (if different from the contracting authority)	Contract notice number/institution of participation	Initial contract value (RON)	Contract value after potential addenda (in RON) (RON)	Start of the contract	Initially set contract duration (in months)	Final contract duration (in months)
6	DIRECTOR SPECIAL TROOPS D.S.T. S.R.L.	Providing security, protection, intervention services in relation to CONPET SA objectives and assets	S-CA 146/ 07.06.2017	Tender		14563/ 10.04.2019	1,716,854.40		June - 07 - 19	24	
7	ENVIROTECH S.R.L.	Frame-contract of services related to the recovery of the environment and contaminated water courses, take-over contaminated field	S-CA 149/ 11.06.2019	Tender		17287/ 06.05.2019	4,734,628.64		June - 11 - 19	26	
8	SNTFM CFR Marfă S.A.	Transport services by rail of the crude oil and rich gas from the loading ramps to the destinations settled by CONPET	S-CA 57/ 28.03.2019	Negotiation		OGMS no.1/26.03. 2019	242,420,640		April -01-- 2019	48	
9	ENVIROTECH S.R.L.	Subsequent contract of services related to the recovery of the environment and contaminated water courses, take-over contaminated field	S-CA 150/ 11.06.2019	Tender		17287/ 06.05.2020	2,185,213.95		June - 11 - 19	12	
10	RELOC S.A.	Transformation LDH locomotive, 700HP, in LDE with electric transmission	S-CA 157/ 6/21/2019	TENDER		15218/ 4/15/2019	3,736,600.00		June - 21 - 19	10	
11	METROSENZOR S.R.L.	Functional verification, repair and metrological verification electronic weighing systems of the rail tanks	S-CA 162/ 24.06.2019	TENDER		17802/ 08.05.2019	508,920.00		June - 24 - 19	36	

Crt. no.	Name of the Contractor	Scope of Contract	Title of the Contract	The applied procurement procedure	Name of the beneficiary (if different from the contracting authority)	Contract notice number/invitation of participation	Initial contract value (RON)	Contract value after potential addenda (in RON) (RON)	Start of the contract	Initially set contract duration (in months)	Final contract duration (in months)
CUMULATED TOTAL - 11 CONTRACTS Cumulated value =260,412,550.99 RON											

**STATEMENT
of files pending at 30.06.2019**

**List of files pending before the courts on 30.06.2019
where CONPET S.A. is plaintiff**

1. File no. 11921/105/2011 - Court of Bacău

Parties: Conpet S.A. - plaintiff
Biodiesel S.R.L. - defendant

Object: Claims. Conpet S.A. files a petition for legal action requesting:

- Order the defendant Biodiesel S.R.L. to pay to Conpet S.A. the amount of 216,821.44 RON, representing the rent for the period June 2009 - April 2011;
- Order the defendant Biodiesel S.R.L. to pay to Conpet S.A. the default penalties owed by the defendant under Art. 11 of the Contract no. ADM 89/27.04.2009 concluded between the parties as a result of the defendant's failure to pay the rent.

Conpet asks the defendant to pay the late payment penalties from the due date to the effective payment date (the date of fulfilment of the obligation to pay the principal debit amount representing rent due for May 2009 - April 2011). Please note that until 11.11.2011 the amount due by the defendant as late payment penalties is in the amount of 30,653.77 RON;

- Order the defendant to pay damages for the failure to use the land from the expiry date of the contract (28 April 2011) and until now. When assessing damages for the failure to use, we considered the amount of rent agreed with the defendant under the lease agreement no. ADM 89/27.04.2009;
- Order the defendant Biodiesel S.R.L. to pay the costs which we will advance in the present case.

Specifications: By the **sentence no. 445/04.03.2015** the Moinesti Court rejects the exception of the failure to perform the contract. In part, it admits the application made by the applicant Conpet SA Ploiești against Biodiesel SRL. It orders the defendant to pay the amount of 191,554.60 RON representing the rent. Orders the defendant to pay the plaintiff the amount of 106,026.58 RON representing penalties for late payment, which will be due from 20.11.2014 until the actual payment of the rent equivalent. Rejects the head of claim for damages. Orders the defendant to pay to the plaintiff the amount of 10,599.31 RON representing the legal stamp duty in the admission of the action and the expert fees. The decision was appealed against by Conpet and Biodiesel.

Through the **Decision of 08.03.2016** the Bacău Tribunal ordered the suspension of the appeal in accordance with art. 244(1)1 Code of Civil Procedure (old), pending the final settlement of the file no. 5119/260/2014. Conpet appealed against the suspension. It will be on Court hearing with the Bacău Court of Appeal. Through the decision of 07.09.2016 the appeal was dismissed.

Procedural status: Appeal - Suspended

Court hearing: -

2. File no. 19024/281/2009 - Ploiești District Court

Parties: Conpet S.A. - plaintiff
Compania de Transport Feroviar S.A. Ploiești - defendant

Purpose: Conpet files a writ of summons requesting the defendant to pay the amount of 50,511.6 RON representing the payment difference in consideration of the repair of the locomotive engine LDH 70-675 in the amount of 60,381.60 RON, as well as the court costs.

Specifications: Through the decision of 02.09.2011 the court **suspended** the case under art. 36 of Law 85/2006.

Procedural status: Merits - Suspended

Court hearing: --

3. File no. 6179/105/2009 - Prahova Tribunal

Parties: Conpet S.A. - creditor
Petroconduct S.A. - debtor

Object: Bankruptcy. Conpet S.A. by the Statement of Claim no. 5949/23.02.2010 requested the enrollment at the creditor's list with the amount of 202,890.47 RON representing penalties for non-performance of the obligations assumed under contract no. L45/18.03.2004 and MST9/09.06.2004, tubular material, transport costs, loaded, tubular material, court costs. Conpet SA was entered on the creditors' list

of the debtor S.C. Petroconduct S.A. with the amount of 62,739.06 RON.

Specifications: The legal liquidator of the debtor registered the company on the debtor's preliminary list only with a part of the claim claimed by Conpet, respectively 62,739.06 RON of the total amount of the claim in the amount of 216,412.56 RON, although our company has formulated all the remedies at its disposal.

Court hearing: 04.10.2019

4. File no. 3033/105/2012 –Prahova Tribunal

Parties: Conpet SA – creditor

Vasrep Petro Construct SRL – debtor

Object: Bankruptcy. Conpet SA filed an application for admission of the claim claim requesting the registration on the creditors' list Vasrep Petro Construct SRL with the amount of 126,877 RON, including VAT, representing the cost of the material, labor and equipment expenses necessary to bring the pipeline to the state before the illicit deed was committed by the debtors, an act consisting in the destruction and unlawful removal of two sections of 4.120 ml of the pipeline Ø 10¾" Iancu Jianu – Ghercești. Conpet files appeal against the measure for non-listing Conpet SA on the Preliminary Table with this claim, which is the subject of the file No. 3033/105/2012/a1. By sentence No. 1958/19.11.2012, Prahova dismissed Conpet's appeal. Conpet files appeal. The Ploiești Court of Appeal admitted the appeal, quashed the sentence pronounced and sent it for a reCourt hearing.

Through sentence no. **1008/17.09.2014** (file no. 3033/105/2012/a1*) The Prahova Tribunal admits the appeal to the preliminary title. It orders the registration of the appealing creditor Conpet S.A. in the final debts table of the debtor with the amount of 1,473,628 RON for materials, labor and equipment and lei 120 judicial stamp for appeal and 2500 RON expert fee. Vasrep filed appeal.

By **decision no. 141/15.01.2015** the Ploiești Court of Appeal dismisses the appeal as unfounded.

Procedural stage: merits

Court hearing: 24.10.2019

5. File no. 2803/120/2013 – Dâmbovița Tribunal

Parties: Conpet SA – creditor

Ecprod SRL - debtor

Object: Insolvency. Request for the admission of claim. Conpet SA filed a claim for the admission of a claim on the debtor Ecprod's assets in the amount of 25,728.89 RON. Conpet is listed on the Creditors' list with the amount of 25,728.89 RON.

Procedural stage: Merits

Court hearing: 21.10.2019

6. File no. 7932/118/2013* - Constanța Tribunal

Parties: Conpet SA – civil party

Bivolaru Gabriel, Chihaiia Marin, Mangalea Gheorghe, Arhire Adrian, Poenaru Marius Ciprian, Boamfa Paul, Luca Viorel, Meridicos Romeo Ovidiu, Dimofte Petronel, Matei Marius Ionut, Ahălanei Ioan - defendants

Romeo International Service Company SRL Năvodari - defendant

Romeo International Service Company SRL Năvodari represented by Nicolaidis Constantin - defendant

Public Finances Ministry - ANAF – civil party

DGFP – civil party

Object: Tax evasion offenses (Law 87/1994, Law 241/2005), art. 323 Penal Code, Qualified theft (art. 208-209). Conpet SA established itself as civil party for the amount of 928,785.94 RON, representing the equivalent of the amount of stolen crude oil (277 tons), pipeline remediation works and laboratory analyses.

Specifications: Through the **sentence no. 472 / 17.12.2015** the Constanța Tribunal admits the civil action filed by the civil party Conpet SA. Ploiesti. The defendants Bivolaru Gabriel, Chihaiia Marin, Mangalea Gheorghe, Ahalanei Ioan, Arhire Adrian, Poenaru Marius Ciprian, Boamfa Paul, Merdicos Romeo Ovidiu, Dimofte Petronel, Luca Viorel and Matei Marius Ionut are jointly and severally liable to the civil party Conpet SA for the amount of 90,814,50 RON (c/val 30 tons of crude stolen on 27.05.2013). The defendants Bivolaru Gabriel, Chihaiia Marin, Mangalea Gheorghe, Ahalanei Ioan, Arhire Adrian, Poenaru Marius Ciprian, Boamfa Paul, Merdicos Romeo Ovidiu, Dimofte Petronel, Luca Viorel and Matei Marius Ionut are jointly and severally liable to the civil party Conpet SA for the amount of 93,841.65 RON (c/val. of 31 tons of crude oil stolen on 31.05.2013). The defendants Bivolaru Gabriel, Chihaiia Marin, Mangalea Gheorghe, Ahalanei Ioan, Arhire Adrian, Poenaru Marius Ciprian, Boamfa Paul, Merdicos Romeo Ovidiu, Dimofte Petronel, Luca Viorel and Matei Marius Ionut are jointly and severally liable to the civil party Conpet SA of the amount of 111,027.27 RON (c/val of 36 tons of crude oil stolen on 03.06.2013). The defendants Bivolaru Gabriel, Chihaiia Marin, Mangalea Gheorghe, Ahalanei Ioan, Arhire Adrian, Poenaru Marius Ciprian, Boamfa Paul, Merdicos Romeo Ovidiu, Dimofte Petronel, Luca Viorel and Matei Marius

Ionut are jointly and severally liable to the civil party Conpet SA of the amount of 585,977,25 RON (c/val of 190 tons of crude oil stolen on 04.06.2013 and 05.06.2013). The defendants Bivolaru Gabriel, Chihaiia Marin, Mangalea Gheorghe, Ahalanei Ioan, Arhire Adrian, Poenaru Marius Ciprian, Boamfa Paul, Merdicos Romeo Ovidiu, Dimofte Petronel, Luca Viorel and Matei Marius Ionut are jointly and severally liable to the civil party Conpet SA for the amount of 17,289,32 RON representing the amount of works for the decommissioning of the artisanal installation and for bringing the pipeline into the initial state. The defendants Bivolaru Gabriel, Chihaiia Marin, Mangalea Gheorghe, Ahalanei Ioan, Arhire Adrian, Poenaru Marius Ciprian, Boamfa Paul, Merdicos Romeo Ovidiu, Dimofte Petronel, Luca Viorel and Matei Marius Ionut are jointly and severally liable to the civil party Conpet SA for the amount of 9,576.84 RON representing the counter-value for the laboratory analysis for 17 oil samples. It notes that the civil party Conpet SA. has waived the civil claims in the amount of 20,268.11 RON for the act from 03.08.2013 because the damage was fully recovered. The judgment was appealed by the defendants.

Through the decision no. 675/10.06.2016 The Constanța Court of Appeal admits the appeals made by the Prosecutor's Office attached to the Constanța Tribunal and the defendants Bivolaru Gabriel, Chihaiia Marin, Mangalea Gheorghe, Arhire Adrian, Poenaru Marius Ciprian, Boamfă Paul, Luca Viorel, Meridicos Romeo Ovidiu, Dimofte Petronel, Matei Marius Ionut, Ahălanei Ioan and SC Romeo International Service Company SRL Năvodari. It fully abolishes the criminal sentence no. 472/17.12.2015 pronounced by the Constanța Tribunal in the file no. 7932/118/2013 and orders the case to be referred back to the Constanța Tribunal. Here it receives * and orders the case to be referred to the preliminary chamber judge (7932/118/2013*/a1).

Through the **decision no. 93/28.02.2017** The Constanța Tribunal dismisses as unfounded the claims and the exceptions made by the defendants Bivolaru Gabriel, Chihaiia Marin, Merdicos Romeo Ovidiu, Arhire Adrian and Mangalea Gheorghe. Finds the legality of the court's notification with the Indictment no. 569/P/2013 dated 30.08.2013 issued by the Prosecutor's Office attached to the Constanța Court of Appeal, whereby the defendants were sued. It ascertains the lawfulness of the administration of the evidence and the conduct of the criminal prosecution. It orders the beginning of the justment of the case. The conclusion was challenged with a statement, rejected by CA Constanța.

Also, by the **decision no. 28.02.2017** The Constanța Tribunal finds admissible the exception of unconstitutionality. It notifies the Constitutional Court with the settlement of the exception of unconstitutionality invoked by the defendant Bivolaru Gabriel, file no. 7932/118/2013* of the Constanța Tribunal, on the unconstitutionality of the disputed provisions art. 280, paragraph 1, art. 281 paragraph 1 and art. 282 paragraph 1 and 2 of the Criminal Procedure Code - file no. 812D/2017 - term: 14.12.2017. The exception was rejected as inadmissible.

Stadiu procesual: Referral

Termen: 04.09.2019

7. File no. 1862/114/2014 – Buzău Tribunal

Parties: Conpet SA – creditor

Geluval Stor SRL – debtor

Object: Conpet SA formulated a petition for the admission of the debt requesting the inscription on the creditors' table of Geluval Stor SRL, with the amount of 1,440.90 RON, representing late payment penalties due for the payment beyond the deadline set in the contract of the value of 7 invoices issued by Conpet for the services rendered on the basis of Contract no. STA 101/20.03.2012 concluded with the defendant, the amount to which the debtor was ordered by the Court Order no. 8867/16.06.2014 ruled by the Ploiești Court in court file no. 109/281/21014, remaining final by non-appealing. Conpet was entered on the preliminary creditors' debts table against the debtor Geluval Stor SRL with the amount of 1,440.90 RON.

Procedural status: Merits

Court hearing: 12.02.2019

8. Case File no. 6625/120/2013 – Ploiești Court of Appeal

Parties: Conpet SA - injured party

Dumitru Nica Constantin, Dumitru Nica Gheorghe, Marasescu Marian, Vlada Aurica, Aslan Razvan Aurel, Grigorascu Dominel Ion, Georgescu Anda, Stanca Ion, Constantin Andrei Marius, Maricescu Constantin, Duniag Instal SRL through the legal representative Dumitru Nica Gheorghe, Anaver Vila Grup SRL through the legal representative Dumitru Nica Gheorghe – defendants

MECMA for Petrotrans SA Ploiești through the Liquidator Rominsolv SPRL - injured party
OMV Petrom SA Asset 6 Muntenia Central - injured party
Mayor's Office Bucșani - injured party
Mayor's Office Șotânga - injured party
Romtelecom S.A. – South East Operations Division – Dâmbovița Telecommunication Centre - injured party

Object: Qualified theft. Conpet constituted itself as civil party for the amount of 2,083.20 RON, representing the equivalent of 350 l. m. stolen from the pipe Ø 10 "F2 Siliște - Ploiești. By the Decision no. 1284/05.11.2018 The Dâmbovița Court for the deed committed in September 2010 in the area of Bucșani locality, jointly charges the defendants: Dumitru Nica - Constantin, Dumitru Nica - Gheorghe, S.C. Duniag Instal S.R.L., S.C. Anaver Vila Grup S.R.L., Grigorașcu Dominel Ion, Georgescu Anda and Marasescu Marian to pay the amount of 2,083.20 RON to CONPET S.A. The judgment was appealed by Conpet, the defendants and the Public Prosecutor's Office.

Court hearing stage: Appeal

Court hearing: 18.09.2019

9. Case File no. 1510/262/2014 – Moreni Court

Parties: Conpet SA - plaintiff

Pîrvu Gheorghe – defendant

Pîrvu Nicolae - defendant

Grigorescu Gabriel - defendant

Zlăteanu Dragoș Marian - defendant

Dărmănești Commune, legally represented by the Mayor of the Dărmănești Commune - defendant

SC Nimb Dâmbovița SA –defendant

Object: Conpet formulated a law suit requesting the Court to rule the obligation of the that defendants to pay jointly to Conpet the amount of 34,944.18 RON for civil damages - representing the value of the works for remediation of the pipeline and the cable of fiber optic Link 14, destroyed on 03.06.2011, within the area of Dărmănești commune, Dâmbovița County, works necessary to bring them to the initial state of before the commission of the deed, i.e. in good operation order, amount plus legal interest starting from the date of the final judgment which remained final of the present case and the date of actual payment; the payment of the court costs.

Clarifications: By the Conclusion of 08.01.2015 the Moreni Court suspended the judgement of the case in relation with the defendant SC Nimb Dambovita SA. It disjointed the case related to the other defendants and ruled the formation of a new file (184/262/2015).

Trial stage: Merits - Suspended

Court hearing: --

10. Case File no. 6819/118/2013 – Constanța Tribunal

Parties: Conpet SA – creditor

Tobias SRL – debtor

Object: Bankruptcy. Conpet S.A. requested the inscription of the creditors' table of the debtor with the amount of 663 RON representing the equivalent of 230 kg of aluminium (575 RON) and 110 kg of scrap iron (88 RON), handed over to Tobias SRL on 04.06.2013, under the contract of sale and purchase of waste no. 2013/ADM/15.02.2013 between Conpet and Tobias.

The petition of Conpet was partly admitted by the judicial administrator, in the sense that our company was inscribed on the creditors' table with the debt amounting to 643.11 RON, the difference of 19.89 RON representing 3% environment fund and owed to the Administration of the Environment Fund.

Trial stage: Merits

Court hearing: 19.09.2019

11. Case File no. 717/105/2015 - Prahova Tribunal

Parties: Conpet SA - creditor

Fotbal / Soccer Club Petrolul Ploiești SA - debtor

Object: Bankruptcy. Conpet filed a petition by which it requested the inscription in the creditors' table of the debtor Fotbal/Soccer Club Petrolul Ploiești SA with a debt in the amount of 14,465.33 RON. Conpet was inscribed in the creditors' table of the debtor with the requested amount.

Clarifications: By the Court Order no. 821/22.06.2016 the Prahova Tribunal admitted the request of the judicial administrator. It approved the conclusions of the Judicial Administrator's report. It ruled the dissolution of the debtor company and the annulment of the debtor's right of administration. It ruled the sealing of the assets from the debtor's estate and the execution of the other liquidation operations.

Trial stage: Merits

Court hearing: 04.09.2019

12. Case File no. 13386/3/2015 – Bucharest Tribunal

Parties: Conpet SA – creditor

Perfect Metal SRL – debtor

Object: Bankruptcy. Conpet S.A. requested the inscription in the creditors' table of the debtor with the amount of 221,189.85 RON representing penalties for late payment, damages, interest and court costs. The petition was admitted, but Conpet was listed in the table as a chirographic creditor and not as a guaranteed creditor, as it should, considering the content of our petition for inclusion on the creditors' preliminary table. Conpet attacked with appeal the preliminary debts table, which constitutes the object of case file no. 13386/3/201/a1 with court hearing on 18.09.2015. By the Decision no. 7106/18.09.2015 the Bucharest Tribunal rejected the contestation as ungrounded.

Trial stage: Merits

Court hearing: 13.09.2019

13. Case File no. 19602/3/2015 – Bucharest Tribunal

Parties: Conpet SA – creditor

Top Birotica SRL – debtor

Object: Bankruptcy. Conpet S.A. requested the inscription on the creditor's table of the debtor with the amount of 2,258.72 RON representing delay penalties due for delayed delivery of the equipment that constituted the object of the contract P-CA 438/17.11.2014.

Trial stage: Merits

Court hearing: 04.09.2019

14. Case File no. 2899/62/2015 – Brașov Tribunal

Parties: Conpet SA – creditor

Condmag SA - debtor

Object: Bankruptcy. Petition for the admission of Conpet's debt against the estate of the debtor Condmag SA – 42.950.85 RON representing penalties, consisting of the secured claim of 40.927.28 RON and the unsecured claim of 2.023.57 RON.

Trial stage: Merits

Court hearing: 19.11.2019

15. Case File no. 8156/281/2014 – Ploiești Court

Parties: Conpet SA – civil party

Matei Marinel – plaintiff in revision

Object: Qualified theft. Revision. Matei Marinel formulated a request for revision of the criminal decision no. 1383/14.10.2013 pronounced by the Ploiești Court of Appeal in file no. 19230/281/2011.

Trial stage: Merits

Court hearing: 05.09.2019

16. Case File nr. 310/120/2016 – Dâmbovița Tribunal

Parties: Conpet SA – civil party

OMV Petrom SA – civil party

SNTGN Transgaz SA – civil party

Gruia Gheorghe, Vasile Valentin, Ciobanu Viorel, Dudas Pavel, Tudorache Marius, Parvu Valentin, Georgescu Anda, Manda Marin – defendants

Object: Constitution of an organised criminal group (Article 367 of the NCP). Conpet constituted itself as civil party for the amount of 405,536.24 RON, representing the value of the stolen pipes.

Clarifications: By the Conclusion of 31.05.2016 the Dâmbovița Tribunal returned to the public prosecutor's office the case started by the indictment drafted in the criminal pursuit file no. 124/D/P/2013 of the Prosecutor's Office within to the High Court of Cassation and Justice - DIICOT - BT Dâmbovița regarding the defendants GG, VV, CV, DP, TM, PV, GA, MM, the injured parties being OMV Petrom SA, CONPET SA, National Company for Gas transport "Transgaz" SA. Against the Conclusion the Prosecutor's Office filed a contestation, on the docket of the Ploiești Appellate Court. By the Conclusion of 13.10.2016 the Ploiesti Court f Appeal admitted the contestation filed by the Prosecutor's Office within the High Court of Cassation and Justice - DIICOT - Dâmbovița Territorial Office, annulled the attacked conclusion and, by re-judging, found the legality of the Dâmbovița Tribunal's notification by the indictment no. 124/D/P/2013 of the Prosecutor's Office within the High Court of Cassation and Justice - DIICOT - Dâmbovița Territorial Office, the administration of evidence and the execution of criminal prosecution acts. It ruled the commencement of the trial.

Through the **sentence no. 366/09.05.2019** the Dâmbovița Tribunal admits the civil actions formulated in the case by the civil parties civile Societatea Națională de Transport Gaze Naturale „TRANSGAZ” S.A., S.C. CONPET S.A., and S.C. OMV PETROM S.A., specified during the legal prosecution and orders thedefendants to pay damages, the following way: a) for the acts committed in damage to the civil party Societatea Națională de Transport Gaze Naturale „TRANSGAZ” S.A., it jointly ordersthe defendants: GRUIA GHEORGHE, VASILE VALENTIN, CIOBANU VIOREL, DUDAȘ PAVEL to pay damages in the amount of lei 51.588; b) For the acts committed in damage to the civil party S.C. CONPET S.A. it jointly orders the defendants: GRUIA GHEORGHE, VASILE VALENTIN, GEORGESCU ANDA to pay the amount of lei 869,084.26 RON; c) for the acts committed in damage to the civil party S.C. OMV PETROM S.A. it jointly orders the defendants: GRUIA GHEORGHE, VASILE VALENTIN to pay the amount of 28,134.11 RON; It rejects the civil action formulated by Amuza Daniel, as unfounded. The decision was attacked with appealby the defendants.

Trial stage: Appal

Court hearing: --

18. Case File no. 1450/214/2016 – Argeș Tribunal

Parties: Conpet SA – civil party

Șerban Ilie, Dobre Marin, Naicu Ion Marian – defendants

Object: Theft. Conpet constituted itself as civil party for the amount of 133,147.97 RON representing the equivalent of the quantity of stolen crude oil, of the repair works at the damaged pipeline and of the AND expertise carried out in the case.

Clarifications: By the Conclusion of 18.08.2016 the Costesti Court rejected as ungrounded the claims and the exceptions invoked by the defendants, found the competence and the legality of the court notification, of the administration of the evidence and of the execution of the other acts of criminal prosecution and ruled the commencement of the trial. The Conclusion was appealed. By the Conclusion no. 194/13.10.2016 the Argeș Tribunal rejected the contestation as unfounded.

Through the sentence **69/19.03.2019** The Costesti court partly admits the civil action exercised by the civil party Conpet SA and orders the defendants, jointly, to pay to the civil party Conpet SA the amount of 14,676.82 RON as material damages, amount to which the legal interest shall be added. It also dismisses the civil action as unfounded. The judgment was appealed against by the defendants.

Trial stage: Appeal

Court hearing: --

18. Case File no. 8529/281/2016 – Ploiești Court

Parties: Conpet SA – civil party

Constantin Costel, Matei Marian, Stan Mihai Catalin, Matei Valentin Dumitru – defendants

Object: Qualified theft. Conpet constituted itself as civil party for the amount of 158,780.39 RON composed of:

- 24,691.2 RON (VAT included) representing the value of 30,000 litres stolen between September and October 2015 by the defendants Stan Mihai Catalin, Matei Marian and Matei Valentin Dumitru
- 128,394.0 RON (VAT included) representing the value of 156,000 litres stolen between September and October 2015 by the defendants Constantin Costel, Stan Mihai Catalin and Matei Marian.
- 5,695.19 RON (including VAT) representing the value of the pipeline rehabilitation works, necessary to bring it to the initial condition before the crime, that is to say in operational order.

Trial stage: Merits

Court hearing: 11.09.2019

19. Case File no. 8262/281/2016 – Ploiești Court

Parties: Conpet SA – creditor

Association Fotbal Club Conpet - debtor

Object: Dissolution of legal person. Petition for debt admission. Conpet SA filed a petition for the admission of the debt on the estate of the debtor Association Fotbal Club Conpet, against which the dissolution was ruled by the Civil Court Order no. 8683/04.10.2016 pronounced by the Ploiești Court in case file no. 8262/281/2016, requesting the court to admit the petition for registration in the creditors' table of the debtor Fotbal Club Conpet with the amount of 424.94 RON, as a certain, liquid and exigible debt, born before the admission of the dissolution request, representing residual payment penalties, according to invoice no. 1653/31.05.2015, calculated for the late payment of the obligations arising from the Rental Contract no. ADM 366/23.10.2012, concluded by Conpet SA with the Association Fotbal Club Conpet.

Trial stage: Merits

Court hearing: --

20. Case File no. 3666/281/2017 – Prahova Tribunal

Parties: Conpet – plaintiff

GENERAL REMAT SORT SRL

Object: Claims. Conpet filed a lawsuit requesting the court to rule the obligation of General Remat Sort SRL to pay the amount of 7,200.9 RON (2,286 RON unpaid invoice and 4,914.90 RON penalties for late payments calculated until 31.12.2016).

Clarifications: By the **sentence no. 864/08.02.2018** The Ploiești Court of Appeal admits the writ of summons filed by the plaintiff CONPET S.A., against the defendant GENERAL REMAT SORT S.R.L., and work point located in Constanța, Constanța County. It requests the defendant to pay to the plaintiff the amount of 2,286 RON representing unpaid non-ferrous waste, according to ADM contract no. 132/23.04.2015. It requests the defendant to pay to the plaintiff the amount of 4,914.90 RON representing late payment penalties, according to art. 9.1 of the ADM contract no.132/23.04.2015, calculated up to 31.12.2016. It requests the defendant to pay to the plaintiff the amount of 1,065 RON in court costs, out of which the amount of 465 RON representing the judicial stamp duty and the amount of 600 RON representing accounting expertise fee. The judgment was appealed by Conpet.

By **decision no. 2667/14.11.2018** the Prahova Tribunal admits the appeal, partially amends the appealed sentence and consequently: It requests the defendant to pay to the plaintiff the amount of 8,206.74 RON, representing late payment penalties calculated until 15.10.2017. The judgment may be appealed after communication.

Trial stage: --

Court hearing: --

21. Case File no. 1656/295/2017 – Timișoara Court of Appeal

Parties: Conpet – plaintiff

Emiliana West Rom SRL – defendant

Zeri Andrea – defendant

Object: Claims. Conpet SA filed a lawsuit requesting the court to rule the joint obligation, of the defendants SC EMILIANA WEST ROM SRL and ZERI ANDREA to pay to Conpet SA the amount of **197,301.36 RON** as civil compensation - representing the value of the tubular material, of the materials and works necessary for the reconstruction of the Ø 6 ½ "Valcani - Teremia" crude oil pipeline, destroyed on 07.07.2014 by the dismantling of a portion of 460 lm, amount to which will be added legal interest from the date of the criminal deed up to the date of full payment of the principal debt.

Clarifications: By the **sentence no. 132/12.02.2018** the Sânnicolaul Mare Court rejects the writ of summons formulated and specified by the plaintiff Conpet SA, against the defendant Zeri Andrea and PFA Zeri Andrea, having claims as subject-matter. It rejects the application for granting the court costs as claimed by the defendants Zeri Andrea and PFA Zeri Andrea as unfounded. The judgment was appealed against by Conpet.

By decision no. 381/09.05.2019 The Timis Court rejects the appeal. Conpet SA is ordered to pay Emiliana West Rom SRL the costs of appeal in the amount of 5000 RON. The judgment was appealed against by Conpet.

Trial stage: Appeal

Court hearing:

22. Case File no. 789/105/2017 – Prahova Tribunal

Parties: ICIM SA through the administrator CITR Bucharest - debtor

Conpet SA- creditor

Object: Insolvency proceedings. Conpet requests the inscription in the creditors' table of the company ICIM SA represented by the judicial administrator CITR FILIALA BUCUREȘTI/BUCHAREST BRANCH SPRL, with a total debt in the amount of 393,934.37 RON representing delay penalties, court costs, execution costs.

A) 50,094.8 RON representing the value of the works for remediation of the pipe Ø 6 RA Moreni-Ploiești and of the lost crude oil, the legal interest, the court costs and the execution costs established by the executory title - the civil court order no. 1014/28.01.2015 ruled in Case File no. 113/281/2014, remaining final and corrected by the Conclusion of correction of the material error of 06.06.2016, by which the Ploiești Court admitted the lawsuit petition introduced by the plaintiff Conpet S.A.

B) 343,839.57 RON, consisting in the amount of 331,271.57 RON representing delay penalties in accordance with the provisions of art. 8.1 of the contract 0135/1995 (as amended by art. 5 of the addendum no. 9/2005 and the addendum no. 10/2006), as well as the amount of 12,568 RON representing the judicial stamp fee, judicial stamp and expert fees.

Conpet was entered on the table with the requested amount. ICIM filed a contestation which constituted the object of case file no. 789/105/2017/a1 and requested:

- in principal the partial amendment of the preliminary debts table in the sense of rejecting of petition for the inscription of the debt in the amount formulated by Conpet
- in subsidiary, the partial amendment of the preliminary debts table in the sense of inscribing the debt of Conpet under a condition.

Trial stage: Merits

Court hearing: 24.10.2019

23. Case File no. 6575/105/2017 – Prahova Tribunal

Parties: Conpet SA – plaintiff

The Court of Accounts of Romania – defendant

Object: Conpet attacked with appeal the Conclusion no. 78/09.08.2017 ruled by the Court of Accounts of Romania, so that the court rules:

1. The partial annulment of the Conclusion no. 78/09.08.2017 issued by the Romanian Court of Accounts, namely

- Consideration 2 related to Point II of Complaint no. 27718/10.07.2017 (regarding the measures No I.2 and I.3 of the Decision no. 24/21.06.2017, for the removal of the deviations presented in points 2 and 3 of the same decision), the findings from letters A and B.

2. The partial annulment of the Decision no. 14/21.06.2017, issued by the Chamber of Accounts Prahova, namely:

- The findings set out in point 2 regarding the decommissioning and capitalization of some pipeline sections of the National Transport System - part of the public domain of national interest, without a prior government decision to transfer from the State Public Domain to the private domain, in order to draw up the documentation for decommissioning and scrapping
 - The findings presented in point 3 regarding the fact that in 2016 a recovered buried pipe was capitalised by tender for recoverable buried pipe according to the recovery procedure approved by the Regulation on the conditions for participation in the tender and the modality of organising the tender for the capitalization of buried and/or overground metal tubular material. The capitalization was made prior to the adoption of a governmental decision approving the transition from the public domain of the state to the private domain for the purpose of capitalizing, according to the law;
 - Measure no. 2 regarding the execution of the inventory to identify portions of the National Transport System that were abandoned or decommissioned as a of the investments made in the National Transport System within the programs for rehabilitation, modernization and development and the transmission of the results of ANRM for the initiation of the government decision for the approval of the transfer from the public domain of the state to the private domain of the state with a view to their removal from operation. The regulation through internal procedure of the manner of dismantling, scrapping and capitalization of parts of the National Transport System dismantled following the rehabilitation, upgrading and development work carried out by the concessionaire;
 - Measure no. 3 regarding the transfer of the amount of 927,154.06 RON representing income to the state budget from the capitalization of the tubular material resulted from the decommissioning of some parts from the tangible assets belonging to the public domain of the state, together with the interest and related penalties, updated on the date of payment. The expanding of the checks to identify all net amounts arising from the capitalization of dismantled asset items belonging to the public domain of the state, decommissioned and transferred to the budget, at the updated value.
3. The suspension of the measures established by Decision no. 14/21.06.2017, issued by the Chamber of Accounts Prahova, points no. I.2 and I.3, respectively, measures 2 and 3 thereof until the final settlement of the case.

Clarifications: By the **conclusion of 23.02.2018** the Prahova Court rejects the application for the suspension of the execution of the administrative act as unfounded. The judgment was appealed by Conpet SA.

By **decision no. 2946/19.09.2018** the Court of Appeal of Ploiești admits the appeal. It quashes the decision under appeal in full and sends the case back to the same court of law.

By **decision no. 1850/09.11.2018** The Prahova Tribunal admits the application, orders the suspension of the execution of the measures 2 and 3 established by the decision no. 14/21.06.2017, issued by the Prahova Chamber of Accounts until the final settlement of the case. Enforceable.

Trial stage: Merits

Court hearing: 20.09.2019

24. Case File no. 689/42/2017 – The High Court of Cassation and Justice

Parties: Conpet SA – plaintiff

National Agency of Fiscal Administration - General Division for Complaint Resolution - defendant

General Regional Division of Public Finances Galați – County Administration of Public Finances Buzău – defendant

Object: **Contestation against a fiscal administrative act.** Conpet SA filed a law suit requesting the court:

1. to rule the annulment of the **Decision no. 114/06.04.2017** issued by ANAF - General Division for Complaint Resolution;

2. to rule the cancellation of the **Tax Decision no. F-BZ 436/31.10.2016**, regarding the

payment additional tax obligations established by the Tax Inspection for Legal Persons issued by the General Regional Department of Public Finances Galați - the County Administration of Public Finances Buzău;

3. to rule the cancellation of the Tax Inspection **Report no. F-BZ 584/31.10.2016**, concluded by the inspectors of the National Agency for Fiscal Administration - General Regional Department of Public Finances Galați - County Administration of Public Finances Buzău - Fiscal Inspection Service.

4. to rule the obligation of the defendants to pay the court costs

By **sentence no. 24/01.02.2019** the Ploiesti Court of Appeal partially admits the petition for legal action. It orders the partial annulment of the tax inspection report F BZ 584 dated 31.10.2016, of the tax decision F BZ 436/31.10.2016 and of the decision 114/06.04.2017 regarding the following findings: - point I on the profit tax in the amount of 2,435,078 RON related to the sponsorship expenses - point X - tax and profit in the amount of 12,915 RON for the advertising and publicity expenses in the amount of 80,719 RON and the related VAT in the amount of 19,372 RON - point XI - tax and profit related to advertising and publicity expenses in the amount of 1,129,500 RON – point XII - tax and profit related to the rent expenses in the corresponding amount of lei 442,545 RON - point XIII - tax on the external travel expenses in the amount of 207,614 RON. It maintains the contested documents. The judgment may be appealed after communication.

Trial stage : Appeal

Court hearing : --

25. Case File no. 31709/212/2017 – Constanța Court

Parties: Conpet – petitioner

SPIT Constanța – appellee

Object: Contraventional complaint. Conpet filed a contraventional complaint against the report of contravention finding and sanctioning no. EPJ0001652 of 16.10.2017 concluded by the Public Service of Taxes and Fess Constanța requesting the admission of the complaint, the annulment of the report and the exoneration of our company from the payment of the fine (1,500 RON), and in subsidiary the replacement of the fine by a formal warning.

Clarifications: By the conclusion of **20.03.2018** the Constanța Court suspends, pending the final settlement of the files no. 2768/118/2017 and no. 4323/118/2017 - pending before the Constanța Tribunal, the judgement on the contravention complaint. The conclusion was appealed by SPIT Constanța. By the decision no. 21/05.09.2018 the Constanța Court admits the appeal. It quashes the decision under appeal in full and considering it again for judgement, it rules: it rejects the request for the suspension of the case under the provisions of art. 413 par. 1 point 1 Code of civil procedure. Final.

By sentence **no. 5785/22.05.2019** The Constanța Court rejects the contraventional complaint as unfounded. It orders the petitioner to pay the amount of 1,071 RON representing court costs. The judgment may be appealed after communication.

Trial stage:

Court hearing: --

26. Case File no. 23486/281/2017 – Prahova Tribunal

Parties: Conpet SA – claimant

Consultanță pentru Infrastructuri terestre CONSIT SA

Object: Claims. Conpet instituted a lawsuit against the plaintiff CONSULTANȚA PENTRU INFRASTRUCTURI TERESTRE CONSIT S.A. requesting the court to order the defendant to pay the following amounts:

- 2,700 RON representing damages according to the provisions of art. 17.3 of Contract no. S-CA 85/21.03.2016 communicated through the notice of termination no. 21580/30.05.2017;
- 14,715 RON representing penalties for delay, according to Contract no. S-CA 85/21.03.2016 calculated until 07.06.2017 the date of termination of the contract.
- court costs.

Remarks: By the **sentence no. 874/08.02.2019** the Ploiești Court admits the action. It orders the defendant to pay the amount of 14,040 RON. It orders the defendant to pay the amount of 1,975.75 RON in court costs. The judgment was appealed by Consultanță Pentru Infrastructuri Terestre CONSIT SA.

Trial stage: Appeal

Court hearing: --

27. Case File no. 9696/315/2017 – Târgoviște Court

Parties: Conpet SA – plaintiff

Crețu Cătălin – defendant

Crețu Gheorghe – defendant

Niță Ionuț – Bogdan – defendant

Roman Lucian – Marin – defendant

Vasile Andrei – defendant

Dumitrică Aurelian – defendant

Object: Conpet SA filed a law suit requesting the court to rule the joint obligation of the respondents to pay the amount of **37,872.18 RON** with the title of civil damages - representing the value of the replacement work of the stolen pipeline (5,472.32 RON) and the repairs of the fiber optic cable destroyed by the respondents (32,054 RON), works necessary for their restoration to the condition before the criminal deed, that is to say in operational order as well as the value of the travel to the place of the deed in order to ascertain its consequences 345.86 RON). It also required that this amount be updated at the legal rate on 10.04.2011, the date of the deed and up to the actual payment date. He also asked the respondents to pay the costs advanced in the case.

Clarifications: By the sentence no. 2539/24.07.2018 the Targoviste Court of Appeal admits the action. It orders the respondents to jointly and severally pay to the claimant the amount of 37,872.18 RON in respect of civil damages representing the value of the travel to the place of the deed for the finding purposes, the work to replace the pipe removed and the fiber optic remediation works, as well as the payment of the legal interest related to the main debit, calculated from 10.04.2011, the date of the offense and up to the actual payment date. It orders the respondents to jointly and severally pay to the claimant the amount of 1,742 RON as court costs representing the the judicial stamp duty. The judgment may be appealed after communication.

Trial stage: --

Court hearing: --

28. File case no. 4991/281/2018 –Ploiești Court

Parties: Conpet SA – plaintiff

Dobrogeanu Dumitru –defendant

Object: Conpet SA filed an appeal against enforcement against the execution acts drafted by the Bailiffs Civil Professional Company Goslan și Stângă as follows:

- Decision dated February 6th, 2018;
- Notification dated February 6th, 2018;
- Specifying address dated March 1st, 2018, of the Summons dated February 6, 2018.

and asks:

1. Cancellation of the decision of February 6th, 2018, issued in file no. 4526/2017 on the determination of forced execution costs.
2. Cancellation of the notice of February 6th, 2018 issued in file no. 4526/2017 regarding the initiation of the forced prosecution against CONPET in order to update with the inflation rate of the debt established in the enforceable title represented by the Civil Decision no. 669/20.12.2011, from 20.11.2011 until the date of the actual payment, pronounced by the Prahova Tribunal in file no. 14660/281/2005;
3. Cancellation of the explanatory address dated March 1st, 2018 of the order dated February 6th, 2018, issued in file no. 4526/2017, regarding the payment by CONPET of only the update of the claim in the amount of 53,116.00 RON for the year 2014.
4. Returning the execution by restoring to the previous situation.
5. Court costs.

Precizări: Prin **Încheierea nr. 1515/19.06.2018** Judecătoria Ploiești admite excepția netimbrării cererii de chemare în judecată, invocată din oficiu. Anulează cererea ca netimbrată. Hotărârea poate fi atacată cu apel după comunicare.

Clarifications: By the **decision no. 1515/19.06.2018** The Ploiesti Court of Appeal admits the exception of the non-stamping of the petition for a summons, invoked *ex officio*. Cancels the request as unstamped. The judgment may be appealed by appeal after communication.

Trial stage: --

Court hearing: --

29. Case file no. 14772/281/2018 –Ploiești Court

Părți: Conpet SA – plaintiff

Valin Construction Project SRL – defendant

Object: Conpet has filed a sue petition asking the court to:

- order the respondent to pay to Conpet SA the amount of 529.80 RON according to invoice no. PH CON FA 3378/26.04.2016, representing the value of the rental on 24.04.2016 of the special vehicle of TATRA mobile make with registration number PH-58-ZZZ, which is a Conpet property;
- order the respondent to pay to Conpet SA legal penalties in the amount of 114.06 RON, calculated until 02.07.2018, and to continue to pay them until the full payment of the debit;
- Order the respondent to pay the court costs.

Clarifications: By the Decision no. 148/11.01.2019 The Ploiesti Court of Appeal admits the above-mentioned summons. It requests the respondent to pay the claimant the sum of 120.95 lei as default penalties, calculated from the due date until 13.09.2018, the date of payment of the main debit in the amount of 529.80 RON according to the invoice no. CON FA 3378/26.04.2016. The respondent is ordered to pay to the claimant the amount of 62.08 RON as court costs for the stamp duty. The decision may be appealed after communication.

Trial Stage: --

Court Hearing: --

30. Case file no. 2782/229/2018 –Fetești Court

Părți: Conpet SA – plaintiff

Zacon Trandafir – defendant

Object: Conpet SA has filed a sue petition against Zacon Trandafir so that based in the evidence to be administered, the court shall pronounce a decision by which:

- to find the absolute nullity of the sale-purchase agreement no. 1047/03.02.1999, concluded between Conpet SA as the seller and Zacon Rose as buyer;
- to order the respondent to pay the court costs.

Subsidiarily, the respondent Zacon Trandafir is required to pay the value of the property at the fair market value determined by the report of a judicial technical expertise.

Trial stage: Merits

Court hearing: 12.09.2019

31. File case 4562/105/2018 –Prahova Tribunal

Parties: Conpet SA – plaintiff

Agentia Județeană Pentru Ocuparea Forței De Muncă Prahova

Object: Administrative act cancellation. Conpet filed a petition to sue by requesting the annulment of the administrative act represented by the AJOFM provision no. 223/27.02.2018 by which it rejected Conpet's request to benefit from the subsidy granted to trainees

Clarifications: By the sentence **no. 144/07.02.2019** The Prahova Tribunal dismisses the action as unfounded. The judgment may be appealed after communication.

Trial stage: --

Court hearing:

32. Case file no. 24107/281/2018 –Ploiești Court

Părți: Conpet SA – plaintiff

Dobrogeanu Dumitru – defendant

Object: Conpet files a sue petition asking the court that by its decision to order the return of forced execution under the enforceable title represented by the decision no. 669 from 20.12.2011 of the Prahova Tribunal in the execution file no. 15/2013 of B.E.J. Goslan Mihai, by partially restoring the situation prior to the execution, in order to oblige the defendant Dobrogeanu Dumitru (under Article 723 of the Civil Procedure Code) to pay the following amounts to the undersigned:

- **8,202.82** RON representing the amount received unduly as the amount for the lack of use related to the period 16.08.2012 - 31.12.2012, updated with the inflation index for the period 01.01.2013 - 21.03.2013;
- **298.99** RON representing the fee received unduly by the Bureau of the Judicial Executor Mihai Goslan;
- **1,000** RON, representing the lawyer's fee.

It also requests the updating of the amounts of 8,202.82 RON, 298.99 RON and lei 1,000 RON with the default interest starting with 15.04.2013 (the date of the Minutes for the release of amounts in the execution file No. 15/2013) to day and further until the date of actual payment.

Trial stage: Merits

Court hearing: Ruling delayed on 16.07.2019

33. Case file no. 27022/3/2018 – București Tribunal

Parties: Conpet – creditor

PETROCONSTRUCT GROUP S.R.L – debtor

Object: Bankruptcy. Conpet SA filed an application for the admission of the claim for the amount of 17,176.14 RON (debts and penalties) for the renting of the spaces according to the agreement ADM

803/05.12.2017 and renting of a vehicle according to the order.

Trial stage: Merits

Court hearing: 01.10.2019

34. Case file no. 28232/281/2018 –Ploiești Court

Parties: Conpet SA –plaintiff

Mihoc Oil SRL – defendant

Object: Conpet SA filed a sue petition requesting the court by its decision:

1. To order the defendant MIHOC OIL S.R.L. to pay to CONPET S.A. the amount of lei 57,450 representing damages in the amount of 20%, due according to art. 17 of the service agreement no. S-CA 47/28.01.2016, following the termination of the agreement by the default of the defendant.
2. To order the defendant to pay the court costs.

Trial stage:

Court hearing: --

35. File case no. 8312/281/2019 –Ploiești Court

Părți: Conpet SA – plaintiff

AXATEL SERVICE SRL - defendant

Object: Conpet SA makes a claim for damages by requesting the court to order Axatel Service SRL to pay the amount of lei 1.690,50, representing penalties for late execution of the obligations under the service contract no. S-CA-CD 252/30.05.2018 and the payment of costs.

Clarifications: By the sentence no. 5440/03.07.2019 The Ploiesti Court rejects the request as being left with no object. The judgment may be appealed after communication.

Trial stage:

Court hearing: --

36. File case no. 12243/212/2019 –Constanța Court

Părți: Conpet SA – plaintiff

Prosecutor's Office attached to Constanta Tribunal – defendant

Object: Conpet complains against the Complaint Rejection Ordinance no. 199/II/2/2018 ruled on 12.03.2019 by the first Prosecutor of the Prosecutor's Office attached to the Constnța Tribunal, which wrongly rejected the Conpet S.A.'s complaint against the Classification Order ruled on 20.11.2018 by the Prosecutor's Office attached to the Constanta Court in the file no. 11569/P/2006 approving the admission of the complaint, the abolition of the Ordinances, the continuation of the criminal prosecution and the investigations in order to identify the offenders and make them liability for the deed notified on 15.06.2015, consisting in damage, for the purpose of stealing oil, to the oil transport pipeline Midia Navadori-Constanta, in the Constanta area.

Clarifications: --

Trial stage: merits

Court hearing: Ruling postponed on 22.07.2019

37. File case no. 12440/281/2019 – Ploiești Court

Părți: Conpet SA – plaintiff

Prosecutor's Office attached to the Ploiesti Court – defendant

Object: Conpet complains against the Complaint Rejection Ordinance no. ordered on 22.04.2019 by the first prosecutor of the Prosecutor's Office attached to the Ploiesti District Court, by which it was wrongly rejected the Conpet S.A.'s complaint against the Classification Order ordered on 27.11.2018 by the Prosecutor's Office attached to the Ploiesti Court in file no. 10108/P/2018 requesting the admission of the complaint, the abolition of the Ordinances, the continuation of the criminal prosecution and the investigations in order to identify the offenders and make them liability for the deed notified on 04.10.2010 consisting in damage, for the purpose of oil stealing, to the oil transport pipeline of Calareti-Lukoil

Carifications:--

Trial date: 13.08.2019

38. File case no. 5629/318/2019 –Târgu Cărbunești Court

Părți: Conpet SA – plaintiff

ITM Gorj – defendant

Object: Conpet formulates an appeal against the minutes of finding and sanctioning offences GJ series no. 00014239/06.03, by which CONPET was sanctioned with the amount of 1,500 RON. The court was asked to find that the sanction applied was unjustified in relation to the act found by the labor inspectors.

Clarifications: By the decision no. 3546/27.05.2019 The Târgu Jiu Court accepts the exception of the lack

of territorial jurisdiction of Tîrgu Jiu Court, invoked by the court *ex officio*. Refers the jurisdiction for the settlement of the case in favour of Tg-Cărbunesti Court of Appeal and orders to send the file to the competent court immediately. With no appeal.

Trial stage: Merits

Court hearing:--

39. Cas file no. 5627/318/2019 –Târgu Cărbuneşti court

Părţi: Conpet SA – plaintiff

ITM Gorj – defendant

Object: Conpet formulates an appeal against the minutes of finding and sanctioning offenses GJ series no. 00014332/06.03.2019 through which CONPET S.A. was sanctioned with a fine of 10,000 RON. It was requested the replacement of the contravention fines applied in the minutes of finding and sanctioning of the offenses GJ series no. 14332/06.03.2019 with the sanction of warning.

Clarifications: By the decision no. 3545/27.05.2019 The Târgu Jiu Court accepts the exception of the lack of territorial jurisdiction of the Târgu Jiu Court, invoked by the court *ex officio*. It refers the jurisdiction to the Tg-Cărbunesti Court of Appeal and orders the file to be sent to the competent court immediately. No appeal.

Court hearing:--

40. File case no. 1334/105/2019 –Prahova Tribunal

Părţi: Conpet SA – creditor

IPM Partners România SA – debtor

Obiect: Insolvenţă. Cerere admitere creanţă. Conpet SA a formulat cerere admitere creanţă asupra averii debitorului IPM Partners România SA în cuantum de 30,546.40 RON.

Object: Insolvency. Request for the admission of a claim. Conpet SA filed a request for the admission of a claim on the debtor IPM Partners Romania SA's patrimony amounting to 30,546.40 RON.

Clarifications: --

Trial stage: Merits

Court hearing: 26.09.2019

41. File case no. 13717/281/2019 –Ploieşti court

Părţi: Conpet SA – creditor

Dobrogeanu Dumitru – debtor

Object: Conpet makes an application for the invalidation of the forced execution by requesting the court that through the decision it shall pronounce to order the invalidation of the forced execution made under the enforceable title represented by the decision no. 669 from 20.12.2011 of the Prahova Tribunal in the enforcement file no. 20/2016 of B.E.J. Divoiu Maria, by partially restoring the situation prior to the enforcement, in order to order the defendant DOBROGEANU DUMITRU (under Article 723 of the Civil Procedure Code) to pay the following amounts to the undersigned:

- 5.930 RON, amount representing the difference between the amount actually executed and the debt we owe;

- 576 RON as court costs consisting of stamp duty and countervalue of the xerocopies of the execution file. It also requests updating with the legal penalty amounting to 5,930 RON as of 11.04.2016 to date and subsequently to the actual payment date.

Clarifications: --

Trial stage: Merits

Court hearing: --

42. File case no. 1789/229/2019 – Feteşti court

Părţi: Conpet SA – plaintiff

Prosecutor's Office attached to Călăraşi Tribunal

Object: Conpet submits complaint against the Ordinance rejecting the complaint dated 25.05.2019 by the First Prosecutor of the Prosecutor's Office attached to the Ialomiţa Tribunal by which it was wrongly rejected the Conpet S.A.'s complaint against the Classification Order ordered on 26.03.2019 by the Prosecutor's Office attached to the Fetesti Court in file no. 1944/ P/2016 requesting the admission of the complaint, the abolition of the Ordinances, the continuation of the criminal prosecution and the investigations in order to identify the offenders and their liability for the offense notified on 04.11.2014 consisting in damage, for the purpose of stealing oil, to the oil transport pipeline within the city of Fetesti.

Clarifications: -

Court hearing: 05.07.2019

43. File case no. 12243/212/2019 –Constanța

Părți: Conpet SA – plaintiff

Prosecutor's Office attached to Constanta Tribunal – defendant

Object: Conpet complains against the Complaint Rejection Ordinance no. 199/II/2/2018 ruled on 12.03.2019 by the first Prosecutor of the Prosecutor's Office attached to the Constanța Tribunal, which wrongly rejected the Conpet S.A.'s complaint against the Classification Order ruled on 20.11.2018 by the Prosecutor's Office attached to the Constanta Court in the file no. 11569/P/2006 approving the admission of the complaint, the abolition of the Ordinances, the continuation of the criminal prosecution and the investigations in order to identify the offenders and make them liability for the deed notified on 15.06.2015, consisting in damage, for the purpose of stealing oil, to the oil transport pipeline Midia Navadori-Constanta, in the Constanta area.

Clarifications: --

Trial stage: merits

Court hearing: Ruling postponed on 22.07.2019

List of files pending before the courts on 30.06.2019 where CONPET S.A. is respondent

1. Case File no. 8296/281/2007 – Ploiești Court

Parties: Cornea Rodica Aurora – plaintiff

Conpet S.A., Petrotrans S.A., Regionala Transgaz București/Ministry of Finances – defendants

Object: Cornea Rodica Aurora requests the court to rule the joint obligation of the defendants to pay civil damages in the amount of 74,000 euros representing the prejudice and damage caused by the presence of certain pipes belonging to the defendants in the basement, the plaintiff's property and the payment of civil damages assessed provisionally at the amount of 10,000 RON for the period February 2004 - February 2006 as a result of the use of pipes that traversed the plaintiff's property.

Clarifications: The case is suspended acc. to art. 36 of Law no. 85/2006.

Trial stage: Merits

2. Case File no. 8297/281/2007 – Ploiești Court

Parties: Rusu Mihaela – plaintiff

Conpet S.A., Petrotrans S.A., Regionala Transgaz București, Ministry of Finances – defendants

Object: Rusu Mihaela requests the court to rule the joint obligation of the defendants to pay civil damages in the amount of 74,000 euro representing the damage caused by the presence of certain pipes belonging to the defendants in the basement of the plaintiff's property.

Clarifications: The case is suspended acc. to art. 36 of Law no. 85/2006.

Trial stage: Merits

3. Case File no. 6544/105/2011* - Prahova Tribunal

Parties: Conpet S.A. - defendant

ICIM S.A. - defendant

E.T.H. Arhitectural Systeme S.R.L. through the Legal Liquidator Company Dăscălescu & Co – plaintiff

Object: Claims. E.T.H. Arhitectural Systeme S.R.L. initiated a legal suit requesting the court:

1. to rule the obligation of the defendant ICIM in principal, and to the extent that, as a general contractor, it has not received yet the full value of the contract from the beneficiary Conpet, to obligate Conpet to pay the sum of 325,378.20 RON representing the value of the works executed and not paid, as well as the payment of the penalties related to this amount until the actual payment according to the contractual provisions;

2. to rule the obligation of the defendant ICIM in principal, and to the extent that, as a general contractor, it has not received yet the full value of the contract from the beneficiary Conpet, to obligate Conpet to pay delay penalties of 0.05% per day of delay, applied to the amount of unpaid invoices;

3. to rule the obligation of the defendant ICIM in principal, and to the extent that, as a general contractor, it has not received yet the full value of the contract from the beneficiary Conpet, to obligate the beneficiary to pay the amount of **696,577.60** RON according to the fiscal invoice no. 0002/27.06.2011 representing the value of the additional works executed, amount paid up to date with the inflation rate as well as the obligation to pay the interest/penalties related to this amount from the due date until the actual payment to be calculated according to art. 371 ind. 2 para. 2 of the Civil Procedure Code;

4. to rule the obligation of the defendant ICIM to return the performance bond in the total amount of 232,017.18 RON retained under the contract;

5. to mainly rule the obligation of the defendant ICIM, and to the extent that as a general contractor

it has not received yet the full amount of the contract from the beneficiary Conpet, to request the beneficiary to pay the amount of 124,828.9 RON as penalties to the performance bond, namely:

a) interests/penalties for the amount constituted as performance bond which had to be 50% reimbursed in the amount of 105,166.90 RON;

b) interests/penalties for the amount constituted as performance bond which had to be 30% reimbursed in the amount of 19,662 RON and court costs.

Clarifications: By the Conclusion of 11.04.2017 ruled by the Prahova Tribunal, based on the provisions of art. 262 para. 4 of Law no.85/2014, suspended the judgment. The conclusion was attacked with recourse. This constitutes the object of the case file no. 6544/105/2011*/a1 on the docket with the Ploiești Court of Appeal. By the decision **no.1728/28.09.2017** the Ploiești Court of Appeal admitted the recourse. It modified in part the attacked conclusion and sent the case back for the continuation of the judgement of the action formulated in contradictory only with the defendant SC Conpet SA, and against ICIM SA the case remained suspended.

By decision no. **894/23.04.2018** The Prahova Court admits the exception to the lack of right to stand trial invoked by the defendant Conpet SA. Rejects the action as being submitted by person without right to stand trial. The judgment was appealed against by E.T.H. Arhitectural Systeme SRL.

By decision **no. 80/27.02.2019** The Ploiesti Court of Appeal rejects the appeal as unfounded. The judgment may be appealed after communication.

Trial stage: --

Court hearing: --

4. File no. 5248/111/2014 – Alba Iulia Court of Appeal

Parties: Conpet SA – defendant

Poenar loan – plaintiff

Object: Obligation to do.

Specifications: By the decision no. 27/08.01.2015 The Bihor Court admits the exception of the functional incompetence of the Civil Section II, invoked by the court ex-officio. Transmits the action brought by the plaintiff to the Section III of the Administrative and Tax Litigation (where it receives*).

By the decision no. 1238/16.04.2015 The Bihor Tribunal recognizes the exception of the lack of competence of the territorial sales. Declines jurisdiction to resolve a specific request in favour of the Hunedoara Court.

By **the decision no. 196/16.02.2017** the Hunedoara Tribunal dismisses the action in administrative litigation formulated by the plaintiff Poenar loan in contradiction with the defendants Conpet SA and the General Regional Directorate of Public Finances Timișoara through the County Administration of Public Finance. The judgment was appealed against by Poenar loan.

CA Alba Iulia admits the appeal, quashes the contested judgment and sends the case to the Hunedoara Tribunal.

By **the decision no. 372/14.03.2019** the Hunedoara Tribunal dismisses the action in administrative litigation formulated by the plaintiff Poenar loan in contradiction with the defendants SC Conpet SA and the Regional General Directorate of Public Finances Timișoara through the County Administration of Public Finance Hunedoara. The judgment was appealed against by Poenar John.

Procedural stage: Appeal

Court Hearing:

5. File no. 5119/260/2014 - Ploiești Court of Appeal

Parties: Conpet SA – defendant

Biodiesel SRL – plaintiff

Object: Biodiesel SRL filed a petition for the court requesting the court to declare the rental agreement nr. ADM 89 / 27.04.2009 null and void, and order Conpet to pay the court costs.

Specifications: By the decision no. 1415/17.09.2015 the Onești Court dismisses the case in favor of the Ploiesti Court.

By the civil sentence no. 9266/16.11.2016 The Ploiești Court rejects the exception of the limitation of the substantive right to action invoked by the defendant as being unfounded. It dismisses the petition for legal action as unfounded. It takes note that no court costs are required. The decision was appealed against by Biodiesel SRL.

By the **decision no. 436/14.02.2019** The Prahova Tribunal dismisses the appeal as unfounded. The judgment was appealed against by Biodiesel SRL.

Procedural stage: Appeal

Court Hearing: -

6. File no. 14960/280/2015 – Pitești Court

Parties: Conpet – defendant

Cîrstea Stelian - plaintiff

Cîrstea Gherghina – plaintiff

Object: Obligation to do + Claims. The petitioners filed a petition for a lawsuit requesting the court to order Conpet SA to:

1. Pay the non-use from the date of acquisition of the land - 06.10.2014, non-use which is provisionally assessed at the amount of 1000 RON.
2. The installations of the pipelines and installations on the land owned by the okaintiffs and, in so far as it is not possible for Conpet to be required to pay a monthly amount equivalent to the rent of the land affected by the pipelines and installations on it - at the level of the rents practiced on the free market.
3. Pay the court costs.

The plaintiffs increased their claims to the amount of 525,690 RON representing the non-use from 06.10.2014 until 31.12.2016.

Trial stage: Merits

Court Hearing: 24.09.2019

7. File no. 21382/281/2015 - Ploiești Court

Parties: Conpet - defendant

lordache Margareta – plaintiff

Object: lordache Margareta formulates a petition for summons requesting the obligation of the Conpet defendant to pay the equivalent of the non-use of the immovable property of the plaintiff, land located in Blejoi village, sat Ploiestiori, tarlăua 24, parcela 187/15, for the last three years prior to the introduction of the action.

Clarifications: By the conclusion of 02.05.2017 the Ploiești Court suspends the case under Art. 242 paragraph (1) of the Code of Civil Procedure. The conclusion may be appealed for as long as the suspension of the Court Hearing process lasts. The case was reinstated on 28.11.2017.

Trial stage: Merits

Court Hearing: 18.09.2019

8. File no. 3451/108/2016* –Timișoara Court of Appeal

Parties: Conpet SA – defendant

UAT Orasul Pecica – plaintiff

Object: UAT of Pecica city has filed a petition for summons by which it requested:

Mainly:

-to rule the obligation of the defendant Conpet S.A. to divert the crude oil pipeline traversing a number of 22 urban plots of land intended for the construction of dwellings owned by us, with a total surface of 20.287 sqm.

- to rule the obligation of the respondent Conpet S.A. to pay the amount of 65,000 euro representing the value of the house located in plot no. A141.7760/5/174, registered with the Land Register under no. 306869 because it can no longer be capitalized and traded by the undersigned.

Subsidiarily:

- to rule the obligation of the defendant Conpet S.A. to pay an annual rent, during the existence of the pipeline, as a result of the encumbrance of the areas shown above with the legal servitude right exercised by Conpet SA;

- to rule the obligation of the defendant Conpet S.A. to pay compensations for the period 31.10.2014 - 31.05.2016 as a result of the limitation of the ownership rights of the 22 urban plots and the decrease of the circulation value of the plots of land on the real estate market due to the restrictions imposed by the Order 196/2006 of A.N.R.M with regard to construction;

- to rule the obligation of the defendant Conpet S.A. as to adjust every 3 years the amount of compensations to the circulation value at that time of similar plots of land and to the provisions of the future orders of ANRM;

- to rule the establishment of the due date at which the compensations will be paid annually, and to rule that the failure to pay on the date set by the court shall trigger the payment of the legal interest afferent to the sum received as compensation for the period of delay;

- to rule the award of the court costs incurred in case of opposition.

Clarifications: By the Conclusion of 07.12.2016, the Arad Tribunal found and ruled the functional non-

competence of the First Civil Section of the Arad Tribunal and declined in favour of the Second Civil Section of the Arad Court the judgement of the action introduced by the plaintiff Pecica Administrative Territorial Unit.

By the Conclusion no. 40/26.01.2017 the Arad Tribunal rejected the request of identifying the holder of the right formulated by the defendant Conpet SA in contradictory with the plaintiff Pecica Administrative Territorial Unit and the Romanian State through the MFP and the National Agency for Mineral Resources. The conclusion was attacked with appeal by Conpet (Case File no. 3451/108/2016 * / a1 - Timisoara Court of Appeal, court hearing: 14.03.2017). By the Decision no. 211/20.03.2017 the Timișoara Court of Appeal rejected the appeal.

By the **Court Order no. 336/18.05.2017** the Arad Court rejected the civil action introduced by the plaintiff Pecica Administrative Territorial Unit in contradictory with the defendant SC Conpet SA having as object the obligation to do something and claims. Without court costs. The decision was attacked with appeal by Pecica Administrative Territorial Unit.

By the **Decision no. 761/23.11.2017** the Timișoara Court of Appeal admits the appeal. It cancels the appealed decision and sends the case for retrial with the Arad Tribunal. Conpet has submitted an appeal.

By the Report dated 07.06.2018 the High Court of Cassation and Justice declared Conpet's appeal as inadmissible, being promoted against a final judgment, which does not fit into the hypothesis regulated by Art. 483 par. 1 Code of Civil Procedure. The parties may submit a written opinion on the report within 10 days of its communication. By the conclusion of 10.10.2018 the ICCJ basically admits the appeal declared by the plaintiff-defendant Conpet S.A. against civil decision no. 761/A of November 23, 2017 issued by the Timișoara Court of Appeal – Second Civil Section. It sets a deadline for the settlement of the appeal on January 30, 2019, summoning the parties.

Trial stage: Appeal - retrial

Court hearing:

9. Case File no. 1978/223/2016 –Drăgășani Court

Parties: Conpet SA - defendant

Florea C. Nicolae – plaintiff

Object: Florea C. Nicolae instituted a legal suit requesting the court:

- to rule the obligation of Conpet to return to the previous situation the plot land in surface of 759 sqm situated in the outside of build up areas of Drăgoești commune, Vâlcea county, lot 65 plot 1/3 located at the point "Picătura", land affected by the oil products transported by the defendant; otherwise, it required the plaintiff to be authorized to perform these works at the expense of defendant Conpet. The value of these works was estimated at 1,000 RON;

- to rule the obligation of Conpet to pay the value of lack of use of the land for the past three years as well as for the period of time needed to restore the fertile layer and the land use category. It estimated the non-use to a value of 5,000 RON.

Trial stage: --

Court hearing: --

10. Case File no. 3581/281/2017 – Ploiești Court of Appeal

Parties: Conpet SA – defendant

Direcția Regională Drumuri și Poduri Iași – plaintiff

Object: Direcția Regională Drumuri și Poduri Iași has filed a petition requesting the court to rule the obligation of the defendant CONPET SA to pay the amount of 487.22 RON representing the value of the Placement Authorisation no. 310/04.07.2014 plus the court costs. The reasons for the legal suit are based on the fact that our company requested the issuance of the authorisation for the placement and execution of the works "Replacement of the Lucăcești - Vermești - Dărmănești refinery crude oil pipeline, in the valve crossing area railroad CF - Vasiești railroad halting point, along a length of 1.1 km, locality Moinești, Bacău county" - sub-crossing of national road DN 2G with natural gas pipe in the area DN 2G Km 51 + 261, locality Moinești, Bacău County, and then refusing to pay the Invoice no. 3630/13.11/2014 since the project was abandoned.

Clarifications: By the decision no. 3632 / 27.04.2018 The Ploiesti Court rejects the exception of the lack of capacity of C.N.A.I.R. S.A. through Direcția Regională Drumuri și Poduri Iași, invoked by the defendant Conpet SA. Admits the sue petition having the object "claims" brought by the plaintiff C.N.A.I.R. S.A. through Direcția Regională Drumuri și Poduri Iași in contradiction with the defendant Conpet SA. The respondent is obliged to pay to the plaintiff the amount of 487.22 RON representing the amount of the authorization no. 310/04.07.2014. The defendant is ordered to pay to the applicant costs of 38.97 RON representing stamp duty. The judgment was appealed by Conpet.

By decision no. **3188/19.12.2018** the Prahova Tribunal rejects the appeal as unfounded. It rejects the exception to the applicant's lack of active capacity to stand trial invoked by the plaintiff as unfounded. The judgment was appealed by Conpet.

Trial stage: --

Court hearing: --

11. Case File no. 220/262/2017 – Moreni Court

Parties: Conpet SA – defendant

Chivu Ion – plaintiff

Object: Chivu Ion filed a petition requesting the court:

- to rule the obligation of Conpet SA to divert the crude oil pipeline passing through his property in surface of 1,753 square meters located in Ocnița commune T14, P114;
- to rule the establishment of the access location with the obligation of Conpet SA to pay an annual rent related to both the access road and the pipeline that damages the land;
- to rule damages for the land affected by the pipeline.

The plaintiff has provisionally assessed his claims at 45,540 RON/year x 3 years (136,620 RON).

Clarifications:

Trial stage: Merits

Court hearing: 24.09.2019

12. Case File no. 5413/204/2017 – Ploiești Court of Appeal

Parties: Conpet SA – defendant

ANRM – defendant

Dobrogeanu Dumitru – plaintiff

Dobrogeanu Păun Ioan – plaintiff

Object: Claims. Dobrogeanu Dumitru and Dobrogeanu Păun Ioan have submitted a sue petition requesting the court to rule the obligation of the defendants:

1. To pay an annual rent for the land plots occupied by the two oil products pipelines (crude oil) starting with 01.07.2014 and in the future for the entire duration of the pipelines;
2. To pay the compensation for the losses incurred by not reaching certain economic objectives on the remaining area between the two pipes after their restriction and the area along the national road DN1 (E60);
3. The payment of court costs.

The first head of claim was estimated by the plaintiffs in the amount of 48,000 euro/year (220,000 RON), and the second in the amount of 25,000 RON/year.

Clarifications: By the **Decision no. 594/28.02.2018** the Câmpina Court admits the exception of the material lack of competence of the Câmpina Court, invoked by the Court *ex officio*. It declines the jurisdiction to resolve the claim in favor of the Prahova Court. Without possibility of appeal.

By the **Decision no. 2446/28.08.2018** The Prahova Tribunal admits the exception of the lack of passive capacity to stand trial, invoked by the defendant National Agency for Mineral Resources from Bucharest. It rejects the application, in contradiction with such defendant, as being formulated against a person without capacity to stand trial. It admits the exception of the case law. It rejects the request made against the defendant SC Conpet SA, as there is a case law. It finds that the respondents did not claim costs. The decision was appealed by Dobrogeanu Dumitru.

Trial stage: Appeal

Court hearing: 18.09.2019

13. Case File no. 1099/281/2018 – Ploiești Court

Parties: Conpet SA – intimated party

Dobrogeanu Dumitru – contestant

BEJ Petcu Alexandru – intimated party

Object: Dobrogeanu Dumitru formulates an appeal against the enforcement against the execution means issued by BEJ Petcu Alexandru in the forced execution file no. 224/2017 requesting the court:

- To request BEJ Petcu Alexandru to order the release of the amount of 2,096 RON representing an annual rent of 262 RON starting with 2006 until 01.07.2014 according to the agro expert report drawn up by the technical expert Voinea Adina, an integral part of the Decision no. 433/25.06.2014 pronounced by the Prahova Tribunal in the file no. 5216/204/2008* which completely changed the sentence no. 244/12.10.2011, pronounced by the Câmpina Court, according to the request for execution dated 16.06.2017 and the Conclusion no. 8544/06.11.2017 pronounced by the Ploiești

Court in file no. 12660/281/2017

- Complete annulment of the minutes concluded on 04.01.2018 and of the Conclusion no. 1 and the release of the amount made by forced execution dated 12.01.2018 which are not related to the forced execution which caused the forced execution request on 16.06.2017 - execution file no. 244/16.06.2017 and the conclusion no. 8544/06.11.2017 pronounced by the Ploiești Court in file no. 12660/281/2017
- Court costs

Clarifications: By the conclusion of 16.06.2018 the Ploiești court suspends the case according to art. 242 of the Code of Civil Procedure for the failure of the plaintiff to fulfil the obligations established under the resolution for setting the first term, namely to submit within 3 days a statement in writing indicating clearly the act or acts of execution which it challenges. Conclusion may be appealed against throughout the suspension.

By the decision no. 1792/06.03.2019 The Ploiesti Court of Appeal admits the exception of the obsolence invoked by the court ex-officio. Finds the receipt of the request. The judgment may be appealed after ruling.

14. Case File no. 4561/281/2018 – Prahova Court

Parties: Conpet SA - defendant

Ovidenie Dumitru – plaintiff

Object: Ovidie Dumitru has filed a sue petition, asking the court:

- to find that on the land of 335 sqm located in com. Brazi, T31, parcel 178/19, according to art.7 paragraph 1 of the Law no. 238/2004 updated, is established a right of legal servitude;
- to establish the annual rent for the plaintiff, according to provisions of Article 7 paragraph 2 of the Law no.238/2004, calculated at 5 Euro/mp;
- order the defendant to pay this rent for the past 3 years.”

Clarifications: --

Trial stage: Merits

Court hearing: 12.09.2019

15. Case file no. 2966/105/2018 – Prahova Tribunal

Parties: Conpet – defendant

Constantinescu Ion - Irinel – plaintiff

Aron Constantin – plaintiff

Object: Constantinescu Ion - Irinel and Aron Constantin have filed a sue petition requesting the court to declare that during the periods mentioned in the workbooks they were employed and actually worked 100% of the work program in the fields of the first and second occupational categories, namely special conditions, and consequently to request the defendant to issue the certificates.

Clarifications: By the **Decision no. 3718/13.12.2018** the Prahova Tribunal dismissed the action as unfounded. The judgment may be appealed after communication.

Trial Stage: --

Court hearing: --

16. Case file. 3056/105/2018 – Prahova tribunal

Parties: Conpet – defendant

Mihaila Georgiana - Zoe – plaintiff

Constantin Doru – plaintiff

Object: Mihaila Georgiana - Zoe and Constantin Doru have filed a sue petition requesting the court to declare that during the periods mentioned in the workbooks they were employed and actually worked 100% of the work program in the fields of the first and second occupational categories, namely special conditions, and consequently to request the defendant to issue the certificates.

Clarifications: By the **Decision no. 3720/13.12.2018** The Prahova Tribunal dismisses the action as unfounded. The judgment may be appealed after communication.

Trial stage: --

Court hearing: --

17. Case file no. 3055/105/2018 – Prahova Tribunal

Parties: Conpet – defendant

Voinescu Sorin – plaintiff
Manolache Cristian – plaintiff

Object: Voinescu Sorin and Manolache Cristian have filed a sue petition requesting the court to declare that during the periods mentioned in the workbooks they were employed and actually worked 100% of the work program in the fields of the first and second occupational categories, namely special conditions, and consequently to request the defendant to issue the certificates.

Clarifications: By the **Decision no. 3719/13.12.2018** The Prahova Tribunal dismisses the action as unfounded. The judgment may be appealed after communication.

Trial stage: --

Court hearing: --

18. Case File no. 2965/105/2018 –Prahova Tribunal

Părți: Conpet – defendant
Istrătescu Laurențiu – plaintiff
Petrescu Ioan – plaintiff

Object: Istrătescu Laurențiu and Petrescu Ioan have filed a sue petition requesting the court to declare that during the periods mentioned in the workbooks they were employed and actually worked 100% of the work program in the fields of the first and second occupational categories, namely special conditions, and consequently to request the defendant to issue the certificates.

Clarifications: By the **Decision no. 3736/14.12.2018** The Prahova Tribunal admits the action. It finds that the plaintiffs benefit 100% from the 1st occupation category for the activities carried out at the defendant unit for the periods specified in the expert report of Luca Marcel Constantin which is part of this communication. It requests the defendant to issue to the plaintiffs certificates showing the period, the occupation category and their working percentage. Please note that court costs are not being claimed. The decision may be appealed after communication.

Trial stage: --

Court hearing: --

19. Case file no. 3057/105/2018 –Prahova Tribunal

Parties: Conpet – defendant
Pelin Simona – plaintiff
Pelin Marian – plaintiff

Object: Pelin Simona and Pelin Marian have filed a sue petition requesting the court to declare that during the periods mentioned in the workbooks they were employed and actually worked 100% of the work program in the fields of the first and second occupational categories, namely special conditions, and consequently to request the defendant to issue the certificates.

Clarifications: By the **Decision no. 3737/14.12.2018** The Prahova Tribunal admits the action. It finds that the plaintiffs benefit 75%-100% of the first occupational category group, of the working program, as the case may be, for the activities carried out at the defendant during the periods expressly mentioned in the expert report drawn up by expert Luca Marcel Constantin, which is an integral part of this decision. It requests the defendant to issue to the plaintiffs certificates showing the period, the occupation category and their working percentage. Please note that court costs are not being claimed. The decision may be appealed after communication.

Trial stage: --

Court hearing: --

20. Case File no. 3060/105/2018 –Bihor Tribunal

Parties: Conpet – defendant
Pop Liviu – plaintiff
Ciordas Gheorghe – plaintiff

Object: Pop Liviu and Ciordas Gheorghe have filed a sue petition requesting the court to declare that during the periods mentioned in the workbooks they were employed and actually worked 100% of the work program in the fields of the first and second occupational categories, namely special conditions, and consequently to request the defendant to issue the certificates.

Clarifications: By the **Decision no. 3522/26.11.2018** The Prahova Tribunal admits the exception of territorial incompetence invoked by the court. Refers the case to the Bihor Tribunal for further settlement.

Trial stage: Merits

Court hearing: 19.09.2019

21. Case File no. 3996/105/2018 –Prahova Tribunal

Părți: Conpet – defendant
Ispas Gabriel – plaintiff

Object: Ispas Gabriel has filed a sue petition requesting the court to declare by its decision that Conpet SA shall be required to grant the first occupation category and to issue a certificate regarding the period for which the occupation category is granted: 13.10.1971-19.02.1974; 26.06.1975 - 29.08.1983.

Clarifications: By the decision no. 65/14.01.2019 the Prahova Tribunal rejects the application as unfounded. The judgment may be appealed after communication.

Trial stage: --

Court hearing: --

22. Case file 3997/105/2018 – Prahova Tribunal

Parties: Conpet – defendant
Mohora Cristina – plaintiff
Stănescu Nicolae Cristinel –plaintiff
Stănescu Doru Vasile – plaintiff

Object: Mohora Cristina, Stănescu Nicolae Cristinel and Stănescu Doru Vasile have filed a sue petition requesting the court to declare by its decision that Conpet SA shall be required to grant the second occupation category and to issue a certificate regarding the period for which the occupation category is granted, as follows: Mohora Cristina for the period 16.11.1998 – 01.01.2011, Stănescu Nicolae Cristinel for the period 27.06.1987 – 15.12.2008 and Stănescu Doru Vasile for the period 16.03.1987 – 23.09.1989; 05.10.1990 – 01.01.2011.

Clarifications: The action was split on Mohora Cristina (File No. 5308/105/2018) and on Stănescu Nicolae Cristinel (File No. 5308/105/2018). By sentence no. 66/14.01.2019 the Prahova Tribunal rejects the application as unfounded. The judgment may be appealed after communication.

Trial stage: --

Court hearing: --

23. Case file no. 3998/105/2018 –Prahova Tribunal

Părți: Conpet – defendant
Iacob Florica – plaintiff
Vasilaș Adrian –plaintiff
Dinu (former Ristache) Cristina – plaintiff

Object: Iacob Florica, Vasilaș Adrian și Dinu (former Ristache) Cristina have filed a sue petition requesting the court to declare by its decision that Conpet SA shall be required to grant the second occupation category and to issue a certificate regarding the period for which the occupation category is granted, as follows: Iacob Florica for the period 04.08.1980 – 27.03.1982; 01.12.1983 – 01.01.2011, Vasilaș Adrian for the period 02.09.1980 – 16.09.1980; 21.10.1981 – 17.04.1982; 14.12.1983 – 01.01.2011 and Dinu (former Ristache) Cristina for the period 16.11.1984 – 01.05.1985; 09.10.1985 – 21.07.1986; 17.02.1987 – 26.09.1987; 19.04.1989 – 01.01.2011.

Clarifications: By the Decision no. 238/30.01.2019 The Prahova Tribunal rejects the application as unfounded. The judgment may be appealed after communication.

Trial stage: --

Court hearing: --

24. File no. 10636/281/2018 –Ploiești Court

Parties: Conpet SA – intimated party
Grigorescu Gabriel- plaintiff

Object: Grigorescu Gabriel files an appeal against for the execution against the garnishment made by BEJ Petrov Sergiu Alexandru in the execution file no. 30/2018.

Clarifications: By the **Decision no. 2594/26.11.2018** The Ploiesti Court acknowledges the exception of the delay of the grounds of appeal against the execution, invoked by the additional application, an exception invoked by the court, *ex officio*. In that regard, it rejects the disputed execution as being submitted too late. It dismisses the appeal for the enforcement against the garnishment order dated 10.04.2018 as unfounded. The judgment may be appealed after communication.

Trial Stage: --

Court hearing: --

25. Case File no. 5212/105/2018 – Prahova Tribunal

Parties: Conpet SA – defendant

Fondul Proprietatea SA – plaintiff

Object: Fondul Proprietatea SA has filed a sue petition requesting the court:

1. To request Conpet to pay the amount of 734,747.04 RON, representing the dividends net value related to a percentage of 6% of Conpet's share capital, respectively for 524,366 shares held by the claimant by the registration date of AGOA Conpet on 25.04.2007 (namely 14.05.2007), for the financial year 2006,

2. To request Conpet to pay damages, namely the legal interest in respect of dividends from the due date of the amount requested in section 1 and up to the date of filing the sue petition (namely 09.11.2018) in the amount of 579,015.97 RON.

3. To request Conpet to further pay the statutory interest on the dividends net value from the date of filing of the sue petition and up to the actual payment of the amounts claimed,

4. To request Conpet to pay the costs of this dispute

Clarifications: --

Trial stage: Merits

Court hearing: 20.09.2019

26. Case File no. 27181/281/2018 – Ploiești Court

Parties: Conpet – intimated party

BEJ Petcu Alexandru – intimated party

Dobrogeanu Dumitru – plaintiff

Object: Dobrogeanu Dumitru formulates an appeal for the execution against the forced execution which is subject to the enforcement order Decision no. 669/20.12.2011 issued by the Prahova Tribunal in the case file no. 14660/281/2005 requesting the court:

1. The cancellation of the Official Report of accepting the actual payment offer concluded on 26.11.2018 at BEJ Petcu Alexandru, payment offer file no. 2/2018;

2. To order the payment for the lack of use for 2018 according to the decision 669/20.12.2011 issued by the Prahova Tribunal which presents the enforcement title by updating the claim amounting to 53,116 RON from the date of the decision until the effective payment thereof.

3. The costs of the proceedings.

Clarifications: By Conclusion no. 947/06.05.2019 the Ploiesti Court of Appeal dismisses the execution appeal as unfounded. The judgment may be appealed after communication.

Trial stage: --

Court hearing: --

27. Case file no. 5307/105/2018 –Prahova Tribunal

Parties: Conpet – defendant

Stănescu Nicolae Cristinel – plaintiff

Object: Split from the case file no. 3997/105/2018 Stănescu Nicolae Cristinel filed a sue petition requesting the court to declare by its decision that Conpet SA shall be required to grant the second occupation category and to issue a certificate regarding the period for which the occupation category is granted,as follows: the period 16.11.1998 – 01.01.2011,

Clarifications: By the Decision no. 67/14.01.2019 the Prahova Tribunal dismisses the application as unfounded. The decision may be appealed after communication.

Trial stage: --

Court hearing: --

28. Case file no. 7452/118/2018 –Constanța Tribunal

Parties: Conpet – defendant

Cristina Adrian – plaintiff

Object: Cristina Adrian appealed against the decision to apply the disciplinary sanction no. 818/06.11.2018 issued by Conpet SA, whereby the disciplinary sanction was applied on the grounds of art. 247 and art. 248 par. 3 sect. c of Law no. 53/2003 corroborated with art. 25 par. 1 sect. c of the collective employment contract and art. 10.5 (2) sect. c of the Internal Regulations, for the non-observance of the procedures in

chap. VI art. 6.5.8 section 1, section 12, section 14 of the Internal Regulation, in conjunction with chapter. IX art. 9.2 (1), section 9, section 47 of the Internal Regulation, basically reducing the basic salary for a 3-month period by 10%, requesting the annulment of the decision and ordering Conpet SA to pay the court costs.

Clarifications: --

Trial stage: Merits

Court hearing: 18.07.2019

29. Case file no. 5308/105/2018 – Prahova Tribunal

Parties: Conpet – defendant

Mohora Cristina – plaintiff

Object: Split from the case file no. 3997/105/2018. Mohora Cristina, Shas filed a sue petition requesting the court to declare by its decision that Conpet SA shall be required to grant the second occupation category and to issue a certificate regarding the period for which the occupation category is granted, as follows: the period 16.11.1998- 01.01.2011,

Clarifications: By the Decision no. 68/14.01.2019 the Prahova Tribunal dismisses the application as unfounded. The decision may be appealed after communication.

Trial stage: --

Court hearing: --

30. Case file no. 524/302/2019 –Bucharest Court of District 6

Parties: Conpet SA – intimated party

BEJ Răduță Nicoleta – intimated party

Dobrogeanu Păun Ioan – contestant

Object: Dobrogeanu Păun Ioan submits an appeal against the enforcement of the forced execution filed under forced execution file no. 16/2017 and against the forced execution documents, respectively: garnishment notice of 27.12.2018, the conclusion of 11.12.2018 on setting the additional execution costs and the garnishment address dated 11.12.2018, issued in the forced execution file no. 16/2017 requesting the annulment of the enforced execution and of the forced execution acts and ordering the creditor-intimated person Conpet SA and BEJ Răduță Nicoleta jointly and severally to pay the court costs.

Clarifications: By the sentence no. 799/07.02.2019 the Bucharets Court of District 5 admits the exception of the exclusive territorial jurisdiction of the Bucharest Court of District 5, exception invoked ex officio. Declines the jurisdiction to resolve the case in favour of the Bucharest Court of District 6.

By sentence no. **3819/29.05.2019** the Bucharest Court of District 6 admits the exception of the lack of passive capacity to stand trial of BEJ Răduță Nicoleta, invoked by her. Rejects the appeal against BEJ Răduță Nicoleta, for lack of passive procedural quality. Partially approves the appeal. Partially cancels the address for the establishment of the garnishment dated 11.12.2018 in the file no. 16/2017, regarding the main flow in the amount of 13220.50 RON. The judgment may be appealed after communication.

Trial stage: --

Court hearing: --

31. File no. 1474/105/2019 – Prahova Tribunal

Părți: Conpet SA – defendant

Municipiul Ploiești – plaintiff

Object: Ploiesti submits a petition for summons asking the court to order through its decision:

- order Conpet to pay the amount of 17,748 RON/month, representing the non-use value, starting with 30.03.2016 and until the conclusion of a contractual form with the defendant, which will be updated with the inflation index communicated by the National Institute of Statistics;

- order Conpet to pay the equivalent in RON of 72,110.17 EUR (excluding VAT) at the official RON/EUR exchange rate communicated by the National Bank of Romania, valid on the payment date, representing a non-use value for the period 29.03.2013 - 29.03. 2016

- order Conpet to pay the court costs of the proceedings

Clarifications: By the decision no. 908/20.06.2019 The Prahova Tribunal admits the exception of the functional incompetence of the Prahova Tribunal - the 2nd Contentious, Administrative and Tax Civil Division. Dismisses the cause of action in tort, in favour of the 1st Civil Division of the Prahova Tribunal. With no possibility to appeal.

Trial stage: Merits

Court hearing: --

1. Case File no. 378/105/2007 – Prahova Tribunal

Parties: Conpet S.A. – plaintiff-defendant

Petroconduct S.A. – defendant-reconvenient

Object: Conpet S.A. requested the obligation of the defendant Petroconduct S.A. Ploiesti to the following:

- the payment of the amount of 80,548.49 RON representing penalties for non-performance in due time of the obligations assumed in the contract no. L 45/18.03.2004 and in the contract no. M 59/9.06.2004
- the handing over of tubular material consisting of China steel pipe in the length of 504 m in value of 21,344.4 euro and China steel pipe in the length of 96 m in value of 4,366.08 euro or the payment to our Company of its value equivalent to 89,291.50 RON.
- the payment of the amount of 20,626 RON representing the costs for transport, loading, unloading of the tubular material
- the payment of court costs in the amount of RON 5,062.24 out of which RON 5,057.24 judicial stamp fee and 5.00 RON judicial stamp as well as other legal costs that we will bear in this process.

The company Petroconduct S.A. filed a reconventional petition/counterclaim/reconventional petition requesting the obligation of Conpet SA to pay the amount of 46,214.01 RON, representing the value of the works executed by it on the basis of works execution contracts no. L 45/18.03.2004 and no. MST 09/09.06.2004, in favour of the beneficiary Conpet SA.

Clarifications: On 22.02.2010, based on art. 36 of the Law no. 85/2006, the court ruled the suspension of the case.

Trial stage: Merits

Court hearing: Suspended

2. Case File no. 538/317/2014* – Târgu-Cărbunești Court

Parties: Conpet SA – defendant-reconvenient

Bălțoi Mariana – plaintiff-defendant

Object: Bălțoi Mariana initiated a law suit requesting the court to rule the obligation of Conpet to pay the civil compensation for the period 2011-2014 (January) in the amount of 500,000,000 old lei, and a monthly rent in the amount of 10,000 RON.

Conpet formulated a reconventional petition/counter-claim requesting:

1. The obligation of the plaintiff Bălțoi Mariana to allow Conpet SA to exercise the right of legal servitude established by the provisions of art. 7 and following of Law no. 238/2004 on the land owned by it. The exercise of the right of legal servitude will be made on a 2.4 meter wide corridor located along the oil transport pipeline that belongs to the National Oil Transport System and which is buried in the land of the plaintiff in order to acquire permanent access to the oil transport pipeline for the daily check of its technical condition and the execution of any repairs. The duration of the servitude shall be the same with the duration of the oil transport pipeline. We also request the court to set the amount of the annual rent stipulated by law due by us to the plaintiff in exchange for the exercise of the right to legal servitude thus established.
2. The establishment of a right of servitude over the plaintiff's land consisting in the right to use the land surfaces on which the installations and equipment belonging to the National Transport System (NTS) of oil are located on the surface of the soil. The duration of the servitude shall be the same as the duration of the equipment and installations concerned. At the same time one requested also the determination of the value of the land on which the servitude was instituted.

Clarifications: By the **Decision no. 128/20.01.2016** the Târgu Carbunesti Court of Appeal rejected the exception of the lack of procedural capacity of the plaintiff, invoked by the defendant. It admitted in part the counterclaim/reconventional petition. It ruled the obligation of the defendant - reconventional petitioner - to pay the plaintiff – defendant the amount of 184.25 RON as civil compensations representing the value of the lack of use afferent to the area of 268 square meters for the years 2011, 2012, 2013. It instituted in favour of the plaintiff-reconventional defendant, in total surface of 50 square meters, during the oil operations, land delimited by points 37-38-39-40-46-45-44-43, as identified by the topographer expert Gremada Constantin, in Annex 1 to the Expert Report. It ruled the obligation of the plaintiff – reconventional defendant to the payment to the plaintiff of the compensatory amount of 7 RON annually, representing the equivalent of the rent, during the period of servitude. It partially compensated the cost costs and ruled the obligation of the defendant reconventional plaintiff to pay to the plaintiff reconventional defendant of the sum of 825 RON representing court costs. The Decision was appealed by Bălțoi Mariana.

By the **Decision no. 633/15.11.2016** the Gorj Tribunal admitted the appeal, annulled the sentence and sent the case back to the same court.

Trial stage: Merits - retrial

Court hearing: 11.09.2019

3. File no. 1372/212/2017 - Constanta Court

Parties: Conpet SA - respondent-reconvenient

Cruceanu Alin Florinel - plaintiff-respondent

Subject: Alin Cruceanu Florinel has formulated request of claim asking the court to:

- order Conpet SA to pay damages equal to the market value of the building land of 460 sqm located in the Lazu commune, no. 29 Luceafărului street, Constanta county and the building land of 460 sqm located in Lazu village, no. 31 Luceafărului street, Constanta county, value estimated at the amount of 30,000 euro, equivalent to 134.700 RON;
- order Conpet SA to pay the value of the lack of land use in the form of an annual rent for the last three years;
- order Conpet SA to pay the costs occasioned by the present application. Subsequently, the complainant said action on the second head of claim asking the court:
 - to order Conpet SA to pay the amount of the loss of use of both building lands for the period between 10.12.2015 and the date of the final a decision that was upheld the first claim.

The lack of use has been provisionally estimated for stamping to the amount of 5,000 RON.

Conpet filed a counterclaim in which it requested:

- to order the plaintiff to allow the company Conpet SA the exercise of servitude established by art. 7 et seq. Law no. 238/2004 on the two land owned by the plaintiff Cruceanu Alin Florinel, located in Agigea commune, Lazu village, no. 29 and 31 Luceafărului street, Constanta County. The exercise of servitude is going to be done on a 2,4 m wide passage placed along the main crude oil transport pipe of Ø 20 "Constanta-Bărăganu" for permanent access to the pipeline in order to check the daily condition of the pipeline and execution of any repairs.
- Determining the amount of the statutory annual rent due to new applicant subscribed in exchange of the right of servitude.

Stage procedure: Merits

Deadline: 12.09.2019

4. Case File no. 18344/212/2017 – Constanța Court

Parties: Conpet SA – defendant-reconvenient

Mitu Dumitru – plaintiff-defendant

Mitu Rodica – plaintiff-defendant

Object: Obligation to do something. Mitu Dumitru and Mitu Rodica initiated a law suit requesting the court to rule the obligation of Conpet to pay damages for the two plots of land located in Lazu village, Agigea commune, Constanta county affected by route of certain oil products pipelines, as well as the obligation of the plaintiff to pay the defendant an annual rent for the lack of use over the land affected by the legal servitude right starting with 20.06.2014 and of compensations in the form of an annual payment for the affectation of the use of the part of land on which the pipe is not placed, with the obligation to pay the court costs.

The Plaintiffs assessed the claims brought before the court at the amount of 10,000 RON for the stamp fee for the claim showing that, after determining the values through expertise they will administer in the case, to pay the court fee difference.

Conpet formulated a counterclaim/reconventional petition requesting the court:

1. To rule the obligation of the plaintiffs to allow the company CONPET S.A. the exercise of the right of legal servitude instituted by the provisions of art. 7 and following of Law no. 238/2004 on the two lots of land owned by the plaintiffs. The right of legal servitude shall be exercised on a 2.4 meter wide corridor located along the F2 Ø 20 "Constanța-Bărăganu crude oil pipeline for the purpose of permanent access to the pipeline for the day-to-day inspection of the pipeline condition and for performing any repairs.
2. To set the amount of the annual rent prescribed by the law owed by Conpet to the plaintiffs in exchange for the exercise of the right to legal servitude.

Conpet also formulated a petition of summoning in guarantee of the MINISTRY OF PUBLIC FINANCES and the NATIONAL AGENCY FOR MINERAL RESOURCES (A.N.R.M.) so that if CONPET S.A. Ploiesti falls in claims regarding the claims of the plaintiffs formulated in the legal petition to compensate us with the amount that we shall be obligated to pay the plaintiffs.

Trial stage: Merits

Court hearing: 04.09.2019

5. File no. 2323/120/2018 –Dâmbovița Tribunal

Parties: Conpet SA – defendant-reconvenient

Buzatu Florin – plaintiff-defendant

Object: Buzatu Florin has filed a sue petition, asking the court:

1. Order the defendant Conpet SA to pay the plaintiff the amount of 150,000 EUR, payable at the NBR exchange rate on the day of the payment (amount to be reassessed upon completion of the expert real estate appraisal report to be carried out in probation, we shall resize and specify the value of the claims, corroborated with the appropriate adjustment of the stamp duty), representing the fair and equitable compensation for the damage suffered by restricting the possibility of exercising its right to property on the land area of 5980 sqm located in the urban space of Slobozia Moară, Dâmbovița County, having the cadastral number 70618, registered with the land registry under 70618/UAT Slobozia Moară, Dâmbovița County, on which are found the underground gas pipelines and the overground devices of the defendant, land that cannot be used for the purpose of constructing a building;

2. Order the defendant Conpet SA to pay a euro 1,000 monthly indemnity payable at the exchange rate of the NBR on the payment day, starting with the delivery of the Decision throughout the existence of the underground pipelines and overhead devices on the land owned by the defendant and to bear all the costs incurred by the claimant for the pre-authorization stages of the construction;

3. Subsidiarily, it orders the defendant to erect all the constructions built on the plaintiff's property, namely the gas pipelines and the overhead devices, to bring the land to its original condition or to enable the plaintiff to perform the obligation to do so, at the exclusive expense of the defendant;

4. Order the defendant Conpet SA to pay the costs of the judicial proceedings.
Conpet filed a counterclaim.

Trial stage: Merits

Court hearing: 10.07.2019

6. Case file no. 16016/281/2018 – Ploiești Court

Parties: Conpet SA – plaintiff

Protect Collector SRL – defendant

Object: Conpet has submitted a sue petition against Protect Collector S.R.L. asking the court to order:

1. Obligation of the defendant P-rotect Collector S.R.L. to pay to Conpet S.A. the amount of 26,626.70 RON representing damages in the amount of 20% due according to art. 16.6 of service agreement no. S-CA 124 / 27.04.2016.

2. Order the defendant to pay the court costs.

Protect Collector SRL has filed a counterclaim requesting the court to declare the absolute nullity of the service agreement no. S-CA 124/27.04.2016.

Clarifications: By the decision **no. 5310/28.06.2019** the Ploiești Court of Appeal admits, in part, the appeal brought by the plaintiff-defendant Conpet. Order the defendant to pay the plaintiff the amount of 19,970.02 RON, representing damages under contract no. S-CA 124/27.04.2016. It rejects the counterclaim as unfounded. Orders the defendant-plaintiff to pay to the plaintiff-defendant the court costs in the amount of 1,103.50 RON, representing a judicial stamp duty, within the limit of the admissible claims. The judgment may be appealed after communication.

Trial stage: --

Court hearing: --

7. File no. 1122/284/2019 – Răcari Court

Parties: Conpet SA – defendant

Sotir Mădălina Rebeca – plaintiff

Object: Sotir Mădălina Rebeca has filed a petition for summons to order Conpet SA to compensate her with the amount of 25,000 EUR for the land area of 523 m.p., the courtyard category, the land area of the applicant in the Cojasca commune, Dâmbovița County with cadastral no. 72587, subtraversed by the Conpet pipeline.

Conpet SA formulated a counterclaim requesting:

1. Order the applicant Sotir Mădălina Rebeca to allow CONPET S.A. the exercise of the right to legal servitude established by the provisions of art. 7 and following of Law no. 238/2004 on the land she owns, located in Cojasca commune, Cojasca village, Dâmbovița County. The exercise of the right of legal servitude is to be done on a 2,4 meter wide corridor located along the Ø 14 3/4" Cartojani- Teleajen Refinery (Lukoil) oil pipeline for the purpose of permanent access to the pipeline in order to perform the daily check of the pipeline status and for the execution of any repairs. The exercise of the right of servitude shall be carried out during the entire duration of the pipeline located on the plaintiff's land but no later than the date of conclusion of the oil concession agreement concluded by us, signed by CONPET S.A., with the Romanian State.

2. Determination of the amount of the annual rent stipulated by the law and owed by us, the undersigned CONPET SA, to the plaintiff Sotir Mădălina Rebeca in exchange for the exercise of the right to legal servitude from the date of the final judgment of this case, rent consisting of the equivalent of the annual use of the land affected by the exercise of servitude.

Clarifications: --

Trial stage: Merits

Court hearing: 17.09.2019

HEAD OF LEGAL DEPARTMENT
Legal Adviser Cornel Bănică

"I certify the reality and accuracy of the information"

FINANCIAL STATEMENTS
at the date and for the six months period ended
June 30, 2019

according to the Minister of Finance Order no. 2844/2016 and the International Accounting Standard 34 "Interim Financial Reporting"



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www.conpet.ro

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INTERIM STATEMENT OF THE FINANCIAL STANDING AT Sunday, June 30, 2019

	Note:	June 30 2019 (revised)	December 31st, 2018 (audited)
ASSETS			
Non-current assets			
Tangible assets	4	441,615,081	430,599,587
Intangible assets	5	2,326,070	2,843,604
Financial Assets	6	860,682	860,582
Receivables related to the deferred corporate tax	13	3,566,022	3,047,153
Total Non-current assets		448,367,855	437,350,926
Current assets			
Stocks	7	8,816,110	9,168,429
Trade receivables and other receivables	8	40,865,056	43,155,623
Cash and cash equivalents	9	237,831,201	259,682,354
Accrued expenses		1,632,382	1,770,972
Total current assets		289,144,749	313,777,378
TOTAL ASSETS		737,512,604	751,128,304
Equities and liabilities			
Equities			
Subscribed and paid-up share capital	10	28,569,842	28,569,842
Legal reserves	10	5,713,968	5,713,968
Revaluation reserves	10	23,266,778	25,810,840
Other reserves	10	495,101,123	496,092,345
Retained earnings	10	43,966,486	44,689,400
Year's Result	10	31,180,013	60,676,014
Total Equities		627,798,210	661,552,409
Accrued income			
Investment Subsidies		1,120,886	1,178,489
Accrued income		9,020	9,849
Total Accrued Income		1,129,906	1,188,338
Long-term liabilities			
Long-term provisions	12	14,633,426	14,760,148
Long-term trade liabilities	11	906,544	892,912
Total long-term liabilities		15,539,970	15,653,060

The Company CONPET S.A.

Interim Statement of the Financial Standing at June 30, 2019

*(All the amounts are expressed in RON, unless otherwise specified)***Current liabilities**

Trade liabilities	11	31,876,397	19,154,131
Current Corporate Tax	11	2,752,867	3,786,286
Other liabilities	11	43,304,390	36,699,081
Short-term provisions	12	15,110,864	13,094,999
Total current liabilities		93,044,518	72,734,497
Total liabilities		108,584,488	88,387,557
TOTAL EQUITIES AND LIABILITIES		737,512,604	751,128,304

These interim financial statements and the related notes, from page 1 to page 25 have been authorized for issue and signed by the company management at August 12, 2019.

Director General
PhD Eng. Timur-Vasile Chis

Economic Director,
Econ. Sanda Toader

The attached notes, from 1 to 19, are integral part of these financial statements.

**INTERIM STATEMENT OF THE GLOBAL RESULT FOR THE SIX MONTHS PERIOD ENDED
AT June 30, 2019**

	Note:	6 months ended at June 30, 2019 (revised)	6 months ended at June 30, 2018 (revised)
Operating Revenues	15		
Turnover Revenues		200,616,993	184,931,130
Other revenues		15,652,511	15,045,242
Earnings from disposal of assets		15,924	-
Total operating revenues		216,285,428	199,976,372
Operating Expenses	16		
Stocks Expenses		3,403,834	3,269,384
Expenses with energy and water		6,582,865	5,948,665
Personnel expenses		79,244,144	65,958,492
Value adjustments on current, non-current assets		22,834,354	22,241,734
Impairments of current assets		(431,046)	(96,920)
Expenses related to external services		53,074,322	48,817,415
Other expenses		16,610,921	26,632,668
Losses from disposal of assets		-	50,665
Adjustments related to provisions		1,889,143	3,881,331
Total operating expenses		183,208,537	176,703,434
Operating Profit		33,076,891	23,272,938
Financial Revenues		4,103,524	2,373,563
Financial Expenses		42,218	4,333
Financial profit	17	4,061,306	2,369,230
Profit before corporate tax		37,138,197	25,642,168
Expenses with current income tax	13	6,420,613	5,164,647
Expenses with (revenues from) deferred corporate tax		(462,429)	(1,148,091)
Profit of the period		31,180,013	21,625,612
TOTAL GLOBAL RESULT		31,180,013	21,625,612
Result per share		3.60	2.50

These interim financial statements and the related notes, from page 1 to page 25 have been authorized for issue and signed by the company management at August 12, 2019.

Director General,
PhD Eng. Timur- Vasile Chis

Economic Director,
Econ. Sanda Toader

The attached notes, from 1 to 19, are integral part of these financial statements.

INTERIM STATEMENT OF THE CHANGES IN EQUITIES AT JUNE 30, 2019 (revised)

	Share capital	Legal reserves	Revaluation reserves	Other reserves	Retained earnings	Year's profit or loss	Total Equities
Balance at January 1, 2019	28,569,842	5,713,968	25,810,840	496,092,345	44,689,399	60,676,014	661,552,408
Net result of the year						31,180,013	31,180,013
Net reduction of the modernization quota reserve	-	-	-	(337,729)	-	-	(337,729)
Surplus achieved from revaluation	-	-	(2,257,869)	-	2,257,869	-	-
Reunification reserve from revaluation of the land plots not included in share capital	-	-	(342,634)	452,314	(109,680)	-	-
Deferred corporate tax recognized at the expense equity	-	-	56,441	-	-	-	56,441
Dividends due to shareholders	-	-	-	(1,105,807)	(4,304,887)	(59,242,229)	(64,652,923)
Allocation of profit provided by law - exemption of reinvested profits	-	-	-	-	1,433,785	(1,433,785)	-
Balance at June 30, 2019	28,569,842	5,713,968	23,266,778	495,101,123	43,966,486	31,180,013	627,798,210

Note: The position "Other reserves" also contains the reserve representing the modernization quota , in amount of 458,604,096 RON at 30.06.2019, namely 458,941,825 RON at 01.01.2019. These reserves are considered monthly on expenses account, by applying the ratio of modernization quota specified in the tariff share on revenues of transport services. Reserves from the modernization quota decrease monthly , by the resumption of income amortization of fixed assets financed from this source.

The Company CONPET S.A.*(All the amounts are expressed in RON, unless otherwise specified)*

	Share capital	Legal reserves	Revaluation reserves	Other reserves	Retained earnings	Year's profit or loss	Total Equities
Balance at January 1st, 2018	28,569,842	5,713,968	31,016,763	478,500,458	40,211,069	74,387,774	658,399,874
Net result of the period	-	-	-	-	-	21,625,612	21,625,612
Augmentation of the reserve representing modernization quota fund	-	-	-	11,127,812	-	-	11,127,812
Write-back of surplus from revaluation	-	-	(2,670,782)	-	2,670,782	-	-
Dividends due to shareholders	-	-	-	-	-	(69,621,097)	(69,621,097)
Allocation from profit provided by law - exemption from the reinvested income tax	-	-	-	-	1,352,092	(1,352,092)	-
Other allocations from the preceding year's result	-	-	-	3,159,448	255,137	(3,414,585)	-
Balance at June 30, 2018	28,569,842	5,713,968	28,345,981	492,787,718	44,489,080	21,625,612	621,532,201

Note: The position „Other Reserves” also includes the reserve representing the modernization quota in amount of 457,070,983 RON at 30.06.2018, respectively 445,943,171 RON at 01.01.2018.

These financial statements and the related notes, from page 1 to page 25 have been authorized for issue and signed by the company management at August 12, 2019.

**Director General,
PhD. Eng. Timur-Vasile Chis**

**Economic Director,
Econ. Sanda Toader**

INTERIM CASH-FLOW STATEMENT FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2019

- RON-

	Name of the Item	6 months 2019 (revised)	6 months 2018 (revised)
	Cash flows from operating activities:		
+	Proceeds from services supply	223,289,593	193,137,048
+	Proceeds from interests related to banking placements	1,418,870	768,064
+	Other proceeds	3,562,954	2,131,735
-	Payments to the suppliers of goods and services	53,075,352	53,182,508
-	Payments by and on behalf of the employees	74,939,500	64,185,854
-	VAT Payments	24,091,451	20,434,472
-	Corporate tax payments	7,454,032	6,315,952
-	Other payments regarding operating activities	19,206,000	20,218,298
A	Net cash from operating activity	49,505,082	31,699,763
	Cash flows from investment activities:		
+	Proceeds from sale of tangible assets	29,520	6,570
+	Proceeds from modernization quota	15,175,542	25,326,114
+	Proceeds from interests related to banking placements	2,811,104	1,189,676
-	Payments for purchase of tangible assets	31,371,385	40,502,097
B	Net cash from investment activities	(13,355,219)	(13,979,737)
	Cash-flows from financing activities		
+	Proceeds of dividends transferred to Depozitarul Central	2,786,508	5,891,170
-	Paid dividends	60,787,524	67,005,869
C	Net cash from financing activities	(58,001,016)	(61,114,699)
	Net increase of the cash and cash equivalents cash=A+B+C=D2-D1	(21,851,153)	(43,394,673)
D1	Cash and cash equivalents at the beginning of the period	259,682,354	209,845,721
D2	Cash and cash equivalents at end of the period	237,831,201	166,451,048

to which is being added:

Government securities as government bonds

- 70,309,618

Total availabilities at the end of the period

237,831,201 236,760,666

The value of net cash flows from operating activities on June 30, 2019, records an increase of 17.8 m RON as compared to June 30, 2018, which comes from higher receipts from the transport activity.

Cash outflows for payment of property generated a net negative cash flow from investing activities in amount of 13.4 m RON as compared to the same period last year, the net cash flow recorded a negative value decrease of about 0.6 m RON.

The net cash from the financing activity recorded in both periods compared negative amounts determined by the payment of dividends to shareholders.

Cash representing the modernization quota, of total availability in the balance on 30.06.2019, is 178 m RON. Cash from the modernization quota has special use regime, respectively for investment related payments related to the National Transport System.

These financial statements and the related notes, from page 1 to page 25 have been authorized for issue and signed by the company management at August 12, 2019.

**Director General,
PhD. Eng. Timur-Vasile Chis**

**Economic Director,
Econ. Sanda Toader**

The attached notes, from 1 to 19, are integral part of these financial statements.

1. Business Description and General Information

The company "CONPET" S.A. ("The Company") is a joint-stock company, with a unitary system administration, as per Law no. 31/1990 on the companies, republished, subsequent amendments, is registered at the Prahova Trade Registry under no. J29/6/1991 and the Financial Supervisory Authority by the registration certificate no. 7227/1997.

Address of the registered offices is Ploiesti Municipality, No. 1-3, Anul 1848 Street, Prahova County.

"CONPET" S.A. is the concessionaire of the crude oil, rich gas, condensate and ethane National Transport System, capacity acquired, in 2002, following the conclusion with the National Agency of Mineral Resources, the competent authority representing the State's interests in the oil resources sector, of an Oil Concession Agreement, approved by GD no.793/25.07.2002.

The company's shares are traded at the Bucharest Stock Exchange (BSE) on September 5, 2013, under the "COTE" symbol.

CONPET S.A. is included in 7 out of the total of 9 stock indices, respectively in **BET, BET-TR, BET-XT, BET-XT-TR, BET-BK, BET-NG and BET Plus indices**, starting March 2017.

At 30.06.2019, CONPET S.A. had a market capitalization of 690.8 million RON (146 million euro), ranking 18 in "Top 25 issuers according to capitalization".

Company Set-up

CONPET is set up based on GD 1213/20.11.1990 regarding the set-up of the joint stock commercial companies in the industry, pursuant to Law no.15/1990 regarding the reorganization of the public economic units as autonomous administrations and joint stock companies, by taking over all assets and liabilities of the former Crude Oil Pipeline Transport Enterprise (Rom.I.T.T.C.).

The shareholder structure and number of voting rights at 30.06.2019 are:

- The Romanian State by the Ministry of Energy, holding 5,083,372 shares representing 58.72% of the share capital,
- legal persons, with 2,360,557 shares representing 27.26 % and
- natural persons, with 1,213,599 shares representing 14.02 %.

Company's Mission

CONPET mission is the operation of the National Transport System of crude oil under safety and efficient conditions, free access to the available capacity of the system to all inquirers, authorized legal persons, under equal conditions, in a non-discriminatory and transparent manner.

Other Information on the Company's Business

As per the Articles of Incorporation, the company's core business is the transport of crude oil, rich gas, ethane and condensate via pipelines aiming at supplying the refineries with crude oil and derivatives out of domestic production, as well as with imported crude oil ((NACE code 4950-"transports via pipelines").

CONPET supplies transport services for its clients both via the National Transport System concessioned based on the oil concession agreement of the National Transport System of crude oil, rich gas, condensate and ethane, as well as by railway tanks, from the loading ramps to the refineries, for the oil areas not connected to the transport major pipelines.

The crude oil National Transport System represents the ensemble of the major interconnected

pipelines ensuring the collection of the oil extracted from the exploitation areas or of the imported, from the delivery sites to the processing units.

CONPET, as concessionaire of the crude oil National Transport System entitles as common carrier and has the obligation to provide, as per the legal provisions, free access to the system's available capacity to all the inquirers, authorized legal persons, under equal conditions, on a non-discriminatory and transparent basis.

The crude oil National Transport System belongs to the Romanian State public domain and is being administered by NAMR. (as per the Oil Law provisions). It comprises a pipeline system of approx. 3,800 km and a transport throughput of 18.5 million tons/year.

The Legal Environment

The activity in the oil sector is being regulated by the Oil Law no. 238/2004.

The National Agency for Mineral Resources (NAMR) represents State interests in oil resources domain and is the competent authority authorized to apply the dispositions of Law 238/2004.

As per the Oil Law, the National Agency for Mineral Resources entitles as Concession Provider of the goods belonging to the public domain, concessioned to the operators acting in the oil industry.

The main responsibilities of NAMR are the followings:

- negotiates and concludes, on State's behalf, oil agreements;
- awards mining concession licenses and exploitation permits;
- issues regulating acts, norms, instructions, orders and rules;
- controls the compliance by the holders of the concession agreements with the concession licenses and exploitation permits conditions;
- manages the Crude Oil and Natural Gas National Pipeline Transport Systems and regulates the exploitation activities thereof by the system's concession agreements concluded;
- annuls the concession acts/administration acts;
- approves the tariffs and the frame-contract for the transport of crude oil, rich gas, condensate and ethane.

The tariff for the supply of the transport service via the National Transport System of crude oil, rich gas, condensate and ethane

The transport tariff stands for the exchange value of the transport service supplied by the holder of the oil concession agreement - as common carrier, for the transport, via the crude oil National Transport System, of one ton of oil along the oil take-over sites from domestic producers or from import to the delivery sites at the refineries.

The transport rates are established in accordance with Order no.53/2008 for the approval of the guidelines regarding the criteria, methodology and settlement procedure of the regulated tariffs for the transport via the National Transport System are being prepared by ANRM, acting as competent authority.

The transport tariffs are differentiated on the two subsystems belonging to the National Transport System, namely the sub-system for the transport of the crude oil, rich gas, condensate and ethane from the domestic production and the sub-system for the transport of the imported crude oil. The tariffs practiced for the transport on the import subsystem are being established on refineries, according to the transported quantities, and on the bracket tariff model.

The transport tariffs are being determined by allocation of the value of the transport service to oil quantities transported for the beneficiaries, on the corresponding distances, by using a methodology based on service cost determination, defined as the overall necessary revenues for covering the system transport operations, here included:

- the operating cost, including: material expenses, personnel expenses, pipeline maintenance expenses, expenses with energy, gas and water, costs related to the amortization of the fixed assets, the royalty and other taxes applicable to the transporter, expenses related to the provision of pipeline guard, decontamination expenses, other expenses;
- modernization and development quota;
- reasonable profit margin.

2. Preparation Grounds

(a) Declaration of Conformity

The interim financial statements have been prepared pursuant to the Order of the Minister of Public Finances no. 2844/2016, for the approval of the accounting regulations compliant with the International Financial Reporting Standards (IFRS) ("OMFP 2844/2016) and IAS 34 - Interim Financial Reporting. They do not include all the necessary information in order to provide a complete set of financial statements in compliance with the International Financial Reporting Standards and must be read together with the annual financial statements of the Company, prepared at December 31, 2018. Nevertheless, certain selected explanatory notes have been included in order to explain the events and transactions significant for the understanding of the changes occurred in the financial standing and company performance since the last annual financial statements at the date and for the financial year ended December 31st, 2018.

The Company prepares quarterly interim financial statements and publishes them no later than 45 days after the end of each quarter.

The Interim Financial Statements at June 30, 2019, prepared in compliance with IAS 34 have not been audited, but have been revised by the financial auditor.

(b) Accounting Estimates and Professional Reasoning

The preparation of the financial statements implies the use, by the Company's management, of estimates, professional reasoning and hypotheses affecting the reported value related to assets, liabilities, revenues and expenses. The estimates and hypotheses are being permanently evaluated and are based on the historical experience, as well as on other factors, here included predictions of future events considered to be reasonable in certain circumstances. The results of these estimates set the grounds for the professional reasonings regarding the accounting value of the assets and liabilities that cannot be obtained from other information sources. The actual results may be different from the estimates values.

The significant reasoning used by the management for the application of the Company's accounting policies and the main sources of uncertainty regarding the estimates have been the same with those applied to the financial statements related to 2018.

3. Accounting Policies

The accounting policies applied in these interim financial statements are the same with those applied in the financial statements of the Company at the date and for the financial period ended at December 31, 2018, except for the adoption of new standards effective from January 1, 2019.

4. Tangible assets

In the first 6 months of the year 2019 the intangible assets have evolved as follows:

Name	Lands and land improvements	Buildings and special installation	Operating oil products	Machinery and equipment	Measuring and control devices	Means of transport	Other tangible assets	Tangible assets in progress	Total tangible assets
Gross accounting value at January 1, 2019	22,584,099	255,182,601	42,072,846	84,139,169	71,712,695	28,925,819	6,519,889	59,335,444	570,472,562
Aggregate amortization at January 1, 2019	-	(20,825,576)	-	(42,742,494)	(53,066,070)	(19,390,298)	(3,848,537)		(139,872,975)
Net accounting value at January 1, 2019	22,584,099	234,357,025	42,072,846	41,396,675	18,646,625	9,535,521	2,671,352	59,335,444	430,599,587
Tangible inputs	-	19,460,919	-	9,019,759	1,303,281	1,179,635	-	2,428,468	33,392,062
Tangible outputs	-	(2,154)	-	(6,224)	(31,689)	-	-	-	(40,067)
Amortization registered during the year	-	(11,455,155)	-	(4,544,593)	(4,432,809)	(1,529,153)	(374,791)	-	(22,336,501)
Net accounting value at June 30, 2019	22,584,099	242,360,635	42,072,846	45,865,617	15,485,408	9,186,003	2,296,561	61,763,912	441,615,081
Net accounting value at January 1, 2019	22,584,099	234,357,025	42,072,846	41,396,675	18,646,625	9,535,521	2,671,352	59,335,444	430,599,587
Net accounting value at June 30, 2019	22,584,099	242,360,635	42,072,846	45,865,617	15,485,408	9,186,003	2,296,561	61,763,912	441,615,081
Difference	-	8,003,610	-	4,468,942	(3,161,217)	(349,518)	(374,791)	2,428,468	11,015,494

The net value of the tangible assets at 30.06.2019 has increased as compared to the end of 2018 by the amount of 11,015,494 RON.

During the first six months of the year 2019 have been recorded tangible assets inputs amounting to 33,392,062 RON and outputs in remaining value of 40,067 RON. Depreciation of tangible assets for the period amounts to 22,336,501 RON.

The tangible assets put into use in the first six months of the year 2019 were of 30,963,594 RON. The depreciation method used is the linear one.

The lands held by the Company are located in Ploiesti, at the company's administrative offices, and in the 24 counties covered by the transport pipelines or where the crude oil tanks loading ramps are being located.

At 30.06.2019 CONPET has recorded in the company's patrimony lands in surface of 733,649 sq.m. with a fair value amounting to 22,584,099 RON, namely:

- 554,538 sq.m. stand for lands with a book value of 12,348,115 RON held based on 48 Land Ownership Certificates obtained during 2001-2005, appraised at the date of obtaining of the certificates, in compliance with GD no.834/1991 on the settlement and appraisal of various lands held by the state-owned commercial companies, at the value of 26,708,233 RON. These lands have been recorded in the company's patrimony on the expense of other equity reserves, without augmenting the share capital by the value inscribed in the land ownership certificates.
- 155,411 sq.m. stand for lands with a book value of 3,144,984 RON, held from 14 certificates obtained ownership until 2001. The share capital of the company was augmented by the amount of these lands;
- 23,700 sq.m. is land with a book value of 7,091 m RON, purchased by the Company under sale - purchase contracts. A part of the purchased lands are related to the administrative buildings and on the other purchased lands are being placed telecommunications towers in different locations over the country.

The tangible assets also include the oil operating product, evaluated in the statement of the financial standing at the cost determined from revaluation, retreated by the application of IAS 29 "The financial reporting in Hyper inflationary Economies". During the first six months there were no movements of oil, its value on 30.06.2019 is 42,072,846 RON.

Tangible assets in progress

At June 30, 2019, the value of the property in progress is 61,763,912 RON and includes investment objectives set out in the "Investment Program 2019" such as: replacements for portions of pipes on lengths and different routes, securing works of oil pipes on crossover or under crossing rivers, reservoirs upgrade, pumping stations and ramps upgrade, pumping systems upgrading, modernization of the cathodic protection systems and telecommunications works.

5. Intangible assets

Statement of intangible assets in the first six months of 2019 is as follows:

Name	Licenses and software	Other intangible assets	Total intangible assets
Inventory value at January 1, 2019	6,395,880	910,983	7,306,863
Aggregate amortization at January 1, 2019	(3,598,392)	(864,867)	(4,463,259)
Net accounting value at January 1, 2019	2,797,488	46,116	2,843,604
Input of intangible assets	6,789	-	6,789
Amortization registered during the year	(500,430)	(23,893)	(524,323)
Net accounting value at June 30, 2019	2,303,847	22,223	2,326,070
Net accounting value at January 1, 2019	2,797,488	46,116	2,843,604
Net accounting value at June 30, 2019	2,303,847	22,223	2,326,070
Difference	(493,641)	(23,893)	(517,534)

At 30.06.2019 the net value of intangible assets decreased by 517,534 RON as compared to January 1, 2019, due to amortization recorded during the six months period.

The depreciation method used is the linear one.

Intangible assets consist of software, software licenses, intangible assets of rights of use nature recorded for consideration expenses incurred by the company in connection to electricity and water.

6. Financial Assets

Within the first six months of 2019 the financial assets evolved as follows:

Name	Other fixed securities	Claims fixed	Total financial fixed assets
Net accounting value at January 1, 2019	5,000	855,582	860,582
Inputs	100	-	100
Outputs	-	-	-
Net accounting value at June 30, 2019	5,100	855,582	860,682
Difference	100	-	100

At 30.06. 2019, the value of financial assets increased compared to January 1, 2019 with 100 lei as a result of the association of the company with other companies to form the Romanian National Committee for World Petroleum Council (CNR-CMP) gaining associate membership. The company also holds equity in the equity capital of the independent monitor in amount of 5,000 RON.

The intangible assets contain also intangible receivables made up of refundable guarantees paid by the Company for the temporary removal from the agricultural circuit of certain land surfaces used in view of performing several investment works.

7. Stocks

Name	Consumables	Services in progress	Waste products	Total stocks
Gross accounting value at January 1, 2019	5,847,940	1,079,048	3,379,336	10,306,324
Adjustments for depreciation of stocks	(986,824)	-	(151,071)	(1,137,895)
Net accounting value at January 1, 2019	4,861,116	1,079,048	3,228,265	9,168,429
Stocks inflows during the period	3,464,939	1,455,027	822,901	5,742,867
Consumption/outputs of stocks during the period	(3,417,790)	(1,079,048)	(2,012,047)	(6,508,885)
Expense with (revenue from) adjustments for depreciation of stocks	327,436	-	86,263	413,699
Net accounting value at June 30, 2019	5,235,701	1,455,027	2,125,382	8,816,110
Net accounting value at January 1, 2019	4,861,116	1,079,048	3,228,265	9,168,429
Net accounting value at June 30, 2019	5,235,701	1,455,027	2,125,382	8,816,110
Difference	374,585	375,979	(1,102,883)	(352,319)

The stocks are made up of materials, spare parts and other materials that are to be used when performing the company's core business, including the ones comprising security and intervention stocks meant for the potential provoked and technical breakdowns. The stocks also contain waste products (recoverable) triggered by the pipelines replacement works and scrapping of fix assets.

The company registers in the services in progress the cost of the services not received by the beneficiary until the end of the period, on the account of the revenues related to services in progress.

8. Trade receivables and other receivables

At June 30, 2019 and December 31, 2018 the trade receivables and other receivables are the followings:

	June 30 2019	December 31st, 2018
Clients	37,522,114	37,830,093
Adjustments for depreciation of receivables	(716,200)	(716,044)
Other trade receivables	310,596	308,268
Subtotal trade receivables (net value)	37,116,510	37,422,317
Other receivables	7,551,673	9,553,936
Adjustments for Impairment of other receivables	(3,803,127)	(3,820,630)
Subtotal other receivables (net value)	3,748,546	5,733,306
Total receivables	40,865,056	43,155,623

Clients' structure per activities, is as follows:

	June 30 2019	December 31st, 2018
Clients-transport activity	36,358,189	36,816,552
Clients - other activities	1,163,925	1,013,540
Total	37,522,114	37,830,093

Trade receivables are no interest bearer and have an average day collection of 31 days.

The main trade receivables in balance at June 30, 2019 are to be received from: OMV PETROM S.A.: 31,798,810 RON (December 31, 2018: 32,003,643 RON), Petrotel Lukoil S.A.– 4,586,076 RON (December 31, 2018: 4,211,228 RON).

The transport services supplies performed by the clients hold a significant share (over 98%) in the Company's turnover.

The major client of the Company, OMV PETROM SA, holds approximately 78% of the total short-term receivables at June 30, 2019.

Other receivables, in amount of 7,551,673 RON mainly include , amounts to be recovered from various natural and legal persons, the majority thereof pending before law courts as litigations (2,195,107 RON, namely 29.07%), non-exigible VAT related to the unreceived invoices until 30.06.2019 (1,244,938 RON, namely 16.49%), amounts to be recovered from the budget representing allowances for sick leave (1,121,617 RON, namely 14.85 %), as well as the interest receivable related to the under 3 months maturity deposits (797,967 RON, namely 10.57%).

Impairments for the depreciation of trade receivables are recorded for the doubtful clients, involved in litigation or insolvency/bankruptcy, presenting default of collection thereof. At June 30, 2019 the value of these impairments amounts to 716,200 RON.

Impairments for the depreciation of other receivables are recorded for debits related to the legal files pending before the Law, paid fines and facing dispute. At June 30, 2019 the value of the impairments amounts to 3,803,127 RON, decreasing by 17,503 RON as compared to December 31, 2018.

The Company's policy is to register impairments for loss of value of 100% from the value of the receivable for the clients facing dispute, dissolution, bankruptcy and for other debits related to the established legal files or the fines facing appeal proceedings.

Statement of receivables according to age

Trade receivables

	June 30 2019	December 31st, 2018
Clients, o/w:	37,522,114	37,830,093
<i>Current and non-depreciated receivables</i>	36,692,594	37,016,470
<i>Current and depreciated receivables</i>	716,200	716,044
<i>Outstanding and non-depreciated receivables, o/w:</i>	113,320	97,579
- outstanding amounts less than 30 days	112,426	91,282
- outstanding amounts between 30 days and 60 days	96	1,657
- outstanding amounts between 60 days and 90 days	416	297
- outstanding amounts between 90 days and 1 year	382	4,343
Other trade receivables, out of which:	310,596	308,268
<i>Current and non-depreciated receivables</i>	310,596	308,268

Other receivables

	June 30 2019	December 31st, 2018
Current and non-depreciated receivables	3,748,546	5,733,306
Current and depreciated receivables	3,803,127	3,820,630
Total	7,551,673	9,553,936

9. Cash and cash equivalents

At June 30, 2019 and December 31, 2018, the cash and cash equivalents look as follows:

	June 30 2019	December 31st, 2018
Current bank accounts	4,388,490	5,843,515
Bank deposits with maturity \leq 3 months	233,404,025	253,818,238
Cash in the register	34,081	17,061
Other cash equivalents	4,605	3,540
Total	237,831,201	259,682,354

At June 30, 2019, cash and cash equivalents decreased by 9.19% as compared to December 31, 2018.

Availabilities in the accounts at June 30, 2019 include cash representing the modernization quota with special use provided by the GD. 168/1998, amounting to 178,009,673 RON. It is intended exclusively for funding the modernization and development of public property.

10. Equities

The Share capital

During the reporting period, the share capital of the company has not changed, remaining at the value of 28,569,842 RON, being divided into 8,657,528 ordinary shares with a nominal value of 3.3 RON/share and corresponds to the one registered at the Trade Register Office.

The structure of CONPET S.A. share capital and shareholding at June 30, 2019 reveals the followings:

Shareholders	June 30, 2019			Monday, December 31, 2018		
	Number of shares	Amount (RON)	(%)	Number of shares	Amount (RON)	(%)
Romanian State by the Ministry of Energy	5,083,372	16,775,128	58.7162	5,083,372	16,775,128	58.7162
Legal persons	2,360,557	7,789,838	27.2659	2,481,740	8,189,742	28.6657
Natural Persons	1,213,599	4,004,876	14.0179	1,092,416	3,604,972	12.6181
Total	8,657,528	28,569,842	100%	8,657,528	28,569,842	100%

Legal reserves

At June 30, 2019 the value of the legal reserve is of 5,713,968 RON (December 31, 2018: 5,713,968 RON).

The reserve is established at 20% of the share capital, according to Law. 31/1990 and the Article of Incorporation.

Other reserves

At June 30, 2019, Other reserves amounting to 495,101,123 RON, decreasing by the amount of 991,222 RON as compared to December 31, 2018, mainly due to dividend distribution in amount of 1,105,807 RON from reserves representing 35% reserves - own financing sources.

The reserve related to the modernization quota is in amount of 458,604,096 RON and holds the highest share in total other reserves (92.63%).

Revaluation reserves

Based on the provisions of Order no. 2844/2016 for the approval of accounting regulations compliant with IFRS in conjunction with the art. 210, paragraph (3) of Law no. 31/1990 on companies, republished, the company recognizes in the revaluation reserves favorable differences from revaluation of tangible assets.

At June 30, 2019, in the financial standing the revaluation reserves are being presented at the net value of 23,266,778 RON, resulting after the diminution of the gross value by the related deferred tax recognized directly in the equities, as per IAS 12.

Retained earnings

At June 30, 2019 the retained earnings amounts to 43,966,486 RON and contains mainly the difference in value of fixed assets, operating oil resulting from the application of IAS 29 for the first time, amounting to 41,818,297 RON.

Profit of the period

The year's profit achieved in the first six months of 2019 amounts to 31,180,013 RON, 44.18% higher than the one recorded in the first six months of the year 2018.

The Company did not pay dividends quarterly, based on interim financial statements.

11. Trade Liabilities and Other Liabilities

At June 30, 2019 and June 30, 2018, the trade receivables and other receivables look as follows:

Liabilities	December 31, 2018	June 30 2019	Maturity date for the balance at June 30, 2019		
			Under 1 year	1-5 years	Over 5 years
Trade liabilities	20,047,043	32,782,941	31,876,397	906,544	-
Other liabilities, here included fiscal debts and social insurances related debts	40,485,367	46,057,257	46,057,257	-	-
Total	60,532,410	78,840,198	77,933,654	906,544	-

The goods and services suppliers for the operating activity are mainly represented by: SNTFM CFR Marfa, Tinmar Energy, OMV Petrom, Edenred Romania S.R.L, Premier Energy, OMV Petrom Marketing, Prodiat Tour, Service Faur, Dinamic Consult, Quality Business, Afer, Con Metal CF, Cameleon Security Systems, Orange Romania, Mol Romania, Omniasig Vienna Insurance, Coral 33 All Prod, Termoklima. The value of the acquisitions from these suppliers in the first six months of 2019 has a share of 55.31 % in total acquisitions.

The value of acquisitions of property in the first quarter of 2019 accounts for 37.43% of total purchases.

The statement of the employee-related debts, fiscal debts and other maturity date debts look as follows:

Liabilities	December 31, 2018	June 30, 2019	Term of chargeability for the balance at June 30, 2019		
			Under 1 year	Between 1-5 years	Over 5 years
Salaries and assimilated debts	5,164,346	6,322,862	6,322,862	-	-
Salaries contributions	4,986,545	6,713,519	6,713,519	-	-
Ordinary Income Tax	3,786,286	2,752,867	2,752,867	-	-
Royalty due to the State Budget	7,901,592	7,816,709	7,816,709	-	-
VAT payable	3,561,409	2,883,925	2,883,925	-	-
Other interests and debts - State Budget	885,327	2,525,305	2,525,305	-	-
Dividends Payable	13,920,113	16,553,145	16,553,145	-	-
Other liabilities	279,749	488,924	488,924	-	-
Total	40,485,367	46,057,257	46,057,257	-	-

12. Provisions

	June 30 2019	December 31, 2018
Provisions for litigations	6,160,041	4,719,029
Provisions for Employees Benefits	23,276,855	22,707,083
Other provisions for risks and expenses	307,394	429,035
Total	29,744,290	27,855,147
<i>Long-term provisions</i>	<i>14,633,426</i>	<i>14,760,148</i>
<i>Short-term provisions</i>	<i>15,110,864</i>	<i>13,094,999</i>

Provisions for litigations

In detail, the provisions for litigations are:

	June 30 2019	December 31, 2018
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Litigations for civil compensations	3,688,002	3,348,725
Litigation for third parties failure to respect certain contractual clauses	46,214	46,214
Other litigations	2,425,825	1,324,090
Total	6,160,041	4,719,029

In the first six months of 2019, the provisions for litigations have registered an increase by 1,441,012 RON, following the registration of provisions for newly opened litigations during the year and differences resulting from updating provisions in the preceding period.

The company is involved in several litigations for damages required by several owners, natural and legal persons. Besides the compensations, they request either the payment of an annuity following the exercise, by the Company, of the easement right on the lands owned by the claimants, or by the retirement of the pipelines and installations to be found on lands thereof. Following the restitution of their property rights, they are bringing proceedings in Court against the Company, invoking the lack of land use due to the fact that they are being crossed by the crude oil transport pipelines belonging to the public domain.

Provisions for Employees Benefits

The changes registered in the structure of provisions for the employees benefits consisted in: decrease of the provisions constituted for the benefits granted upon retirement, for employees share of profit, for untaken annual leaves and for variable allowances granted to the members of the Board of Administration and the directors, as per the mandate contracts and the provisions of EGO no.109/2019 on corporate governance.

The highest share in the provisions for the employees benefits is being held by the provision for the benefits granted upon retirement, in amount of 15,035,835 RON, of which 14,633,426 RON stand for long-term liabilities, and 402,409 RON stand for short-term liabilities.

On 30.06.2019 the company has lodged provision for workers participation in profit for the period of six months of 2019, according to the amounts provided in the budget of revenues and expenditures in amount of 2,500,414 RON.

Provisions for untaken annual leaves recorded an increase of 2,774,255 RON for the holidays during the first six months of 2019 left to be carried out by the employees up to the end of the year.

The provision for variable payments given to members of the Board and directors in accordance with the contracts of mandate and GEO 109/2011 on corporate governance amounts to 1,624,096 RON.

Other provisions

The balance of the position "Other Provisions" in amount of 307,394 RON is being represented by the provisions related to environment expenses.

13. Ordinary and Deferred Corporate Tax

The expense with the current and deferred corporate tax of the company at June 30, 2018 and June 30, 2019 is being determined by a statutory rate of 16%.

	June 30 2019	June 30 2018
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Expenses with the ordinary corporate tax	6,420,613	5,164,647
Expense with /(revenues from) deferred corporate tax	(462,429)	(1,148,091)
Total	5,958,184	4,016,556

Reconciliation of the effective rate of taxation:

	June 30 2019	June 30 2018
Profit before tax	37,138,197	25,642,168
- Corporate tax at a statutory rate of 16%	5,942,112	4,102,747
Effect on the corporate tax, of:		
- Non-deductible expenses	1,518,761	884,263
Non-taxable revenues	(1,248,420)	(246,614)
Elements similar to the revenues	430,952	510,965
Elements similar to the expenses	(418)	(419)
Saved corporate tax	(106,665)	(62,291)
-Amounts representing sponsorship falling under the limits provided by law	(137,752)	(41,865)
* Specific tax	22,043	17,861
Expenses with the ordinary corporate tax	6,420,613	5,164,647

The deferred corporate tax

The deferred payable and recoverable taxes were calculated based on the temporary taxable and/or deductible differences determined for assets and debts as differences between the accounting value of the asset and/or the debt and the amount attributable in fiscal purposes. The company recognizes the deferred taxes on the account of an expense or an income except for the tax generated by an event directly accounted in the equities.

The statement of the movements related to the receivable/debt with the deferred income during the first Quarter of the year 2019 reveals the followings:

2019	Net value at 1 st of January	Deferred corporate tax recognized in the profit and loss account	Net value at June 30, 2019	
			Receivable related to the deferred corporate tax	Liability related to the deferred corporate tax
Reevaluation of tangible assets	(1,344,840)	515,326	3,394,857	(4,224,370)
Provisions	3,701,779	71,701	3,773,480	-
Adjustments of current assets	690,214	(68,159)	622,056	-
Deferred corporate tax before offsetting	3,047,154	518,868	7,790,392	(4,224,370)
Receivable/debt offsetting			(4,224,370)	4,224,370
Tax on net deferred profit (receivable)			3,566,022	-

The deferred tax payable at 30.06. 2019 is in amount of 4,224,370 RON, recognized on the account of the equity elements and the deferred tax recoverable recognized at 30.06.2019, and the statement of the global result is of 7,790,392 RON.

In conclusion, at 30.06.2019 the company has a net receivable related to the deferred corporate tax reaching 3,566,022 RON.

14. Result per share

The result per share in the first six months of the year 2019 , as compared to the same period of the previous year is the following:

	June 30 2019	June 30 2018
Profit of the Financial Year	31,180,013	21,625,612
Number of ordinary shares at the beginning and end of the period	8,657,528	8,657,528
Basic and diluted earnings per share (Lei/share)	3.60	2.50

15. Operating Revenues

a) Turnover

	June 30 2019	June 30 2018
Revenues from transport service, of which:	196,518,797	182,034,154
<i>Revenues from transport services on the Domestic Subsystem</i>	<i>146,933,571</i>	<i>143,199,317</i>
<i>Revenues from transport services on the Import Subsystem</i>	<i>49,585,226</i>	<i>38,834,837</i>
Revenues from rents	781,726	738,331
Other revenues	3,316,470	2,158,645
Turnover	200,616,993	184,931,130

Transport revenues are achieved out of the services supplied to clients for the transport of the crude oil, rich gas and condensate volumes at the tariffs approved by Order of the President of The National Agency for mineral Resources (NAMR).

In the first six months of 2019, the quantities transported on subsystems, as compared to the same period of the previous year are the followings:

	6 completed months June 30, 2019	6 completed months June 30, 2018
Domestic Subsystem	1,733,580	1,758,392
Import Subsystem	1,695,019	1,539,622
Total quantities (tons)	3,428,599	3,298,014

The total volume of transported products increased by 4% in the first six months of 2019 YoY, given the decrease by 1.4% of the quantity transported on the domestic transport subsystem and the increase by 10.1% of the quantity transported on the import subsystem.

The tariffs for the supply of crude oil, rich gas, condensate and ethane transport services are regulated by NAMR and are differentiated for each transport subsystem as follows:

- the tariff of 79.75 RON/ton for the transport service supply on the domestic subsystem was established by NAMR Order no. 32/2016 and has been practiced until June 18th, 2018;
- the tariff of 84.37 RON/ton for transport service supply on the domestic subsystem was established by NAMR Order nr.117/2018 and has been practiced until June 19th, 2018;
- the tariffs for transport services on import transport subsystem approved by NAMR Order no. 32/2016 were applied until June 18th, 2018;
- the tariffs for transport services on import transport subsystem approved by NAMR Order no. 117/2018 were applied until June 19th, 2018;

The tariffs applied for the import transport subsystem vary according to the tranche of transported

quantity, being practiced the bracketing tariff model and the refinery- the hand-over site. The tariffs practiced during 01.01.2018-30.06.2019 are being revealed in the table here-below:

Period	Installments	Arpechim Refinery	Ploiesti Basin (Petrobrazil and Petrotel Lukoil refineries)	Petromidia Refinery
	Thousand tons/month	RON/ton	RON/ton	RON/ton
January 1st, 2018 - June 18, 2018	< 100	38.85	38.00	8.00
	>100	16.60	16.00	7.33
Starting June 19th, 2018	< 120	38.85	38.00	27.00*)
	>120	16.60	16.00	24.74*)

*) Starting 14.03.2019 for the transport relation with Petromidia refinery has been approved by NAMR Order no.172/2019 a tariff of 14.00 RON/tom for the tranche up to 120 thousand tons and 12.00 RON/ton for the tranche bigger than 120 thousand tons.

b) Other operating revenues

	June 30, 2019	June 30, 2018
Revenues out of modernization quota consumption	15,513,271	14,198,302
Earnings from disposal of assets	15,924	-
Other revenues	139,240	846,940
Total other operating expenses	15,668,435	15,045,242

Other operating expenses have registered an increase by 4.14 % in the first six months of the year 2019 as compared to the same period of the previous year, from 15,045,242 RON to 15,668,435 RON.

Other operating revenues comprise, mainly, the revenues from the reserve related to the modernization quota at the levels of depreciation of fixed assets financed out of this source. The revenues representing modernization quota have increased by 9.26% in the first six months of 2019 compared to the same period of 2018.

16. Operating Expenses

a) Stocks and Utilities Expenses

	June 30, 2019	June 30, 2018
Expenses with consumables	2,855,142	2,753,933
Other material expenses	495,877	470,778
Other Expenses with energy and water	6,582,865	5,948,665
Merchandise expenses	52,815	44,673
Total Stocks and Utilities related Expenses	9,986,699	9,218,049

b) Personnel expenses

The personnel expenses include salaries expenses and the related contributions, the benefits and bonuses granted to the employees and the allowances related to the mandate contracts of the members of the Board of Administration and the Director General.

	June 30, 2019	June 30, 2018
Salary and related contributions expenses	63,441,958	58,455,578
Liabilities regarding the employees benefits	8,839,697	1,662,588
Liabilities regarding the employees' bonuses	5,421,367	5,099,374
Allowances of the directors with mandate and of the administrators	1,541,122	740,952
Total personnel expenses	79,244,144	65,958,492

The personnel expenses are detailed as follows:

	June 30, 2019	June 30, 2018
Salary and related contributions expenses	63,441,958	58,455,578
Total salaries and contributions	63,441,958	58,455,578

Provisions for the Employees' Benefits Salary

Pursuant to the provisions of the Collective Labor Agreement in force, the company has granted the following benefits to its employees: quarterly premiums, retirement support, marriage support, other benefits, as well as bonuses such as: holiday and treatment vouchers, including the transport, presents given to the employees, birth grants, funeral grants and serious diseases, humanitarian grants, meal vouchers, other bonuses.

The benefits granted to the employees, within the first six months of 2019, reveal the followings:

Liabilities regarding the employees benefits

	June 30, 2019	June 30, 2018
Rewards	1,000,000	499,361
Retirement support	208,404	245,830
Marriage support	57,890	7,564
Employees share of profit	5,083,747	-
The company's contribution to facultative pension schemes and voluntary health insurances	2,223,330	764,946
Other benefits	266,326	144,887
Total	8,839,697	1,662,588

Liabilities regarding the employees' bonuses

	June 30, 2019	June 30, 2018
Holiday and treatment vouchers	584,489	493,012
Presents granted to the employees and employees children	151,200	157,350
Grants related to birth, death, serious diseases	461,419	311,616
Food stamps	2,642,475	2,735,775
Other bonuses	1,581,784	1,401,621
Total	5,421,367	5,099,374

The value of employee benefits increased in the first six months of 2019 compared to the same period of 2018 due to the payment in June 2019 of the amounts of the profit employees (2018 amounts of the profit employees were paid in July). The effect in the income of employees' profit participation expense was compensated for the registration of the allowance in income in 2018.

Also, the amount of 1,455,831 RON, out of the increase with optional pensions expenditure and voluntary health insurance represents expenditure with optional pensions – Pillar III paid in first half of 2019 and is generated by the fact that, the amounts payable related S1 2018 have been provided in the Budget for S2 2018, upon the rectification thereof and approval thereof by the OGMS in September, 2018.

There has been an increase in spending on "other benefits", following the introduction of a new benefit of salary nature (after school) and increase of the amount of daily allowance from 80 lei to 100 lei starting 2019.

Waging system - the directors with mandate and the Board of Administration members

	June 30, 2019	June 30, 2018
Allowance of the directors with mandate	601,617	221,304

Allowances of the members of the Board of Administration	939,505	519,648
Total	1,541,122	740,952

The expenses with the allowances related to the contracts of mandate of the directors and the administrators register an increase as compared to the first six months of the year 2018 due to the conclusion of two new mandate contracts: for the Director Economic and the Deputy Director General.

c) Expenses related to external services

	June 30, 2019	June 30, 2018
Rail transport expenses	29,664,970	27,680,774
Expenses with royalties, commercial leasing and leases	16,049,976	14,830,088
Third-party pumping expenses	2,456,023	2,257,675
Maintenance and repair Expenses	1,366,998	1,117,979
Expenses with the decontamination, monitoring of the environmental factors	234,842	353,366
Travel, detachment and transfer expenses	737,873	348,817
Expenses related to the transport of goods and personnel	21,429	35,815
Postal and telecommunication expenses	260,916	274,216
Other expenses with services performed by third parties	2,281,295	1,918,685
Total expenses related to external services	53,074,322	48,817,415

The expenses with royalties, and rentals comprise the oil royalty representing the amount due by company, as holder of the oil agreement, the State budget, under the law, for the use of goods State public property related to oil operations.

It is being calculated according to the Oil Law no. 238/2004, by application of a quota of 10% of the value of gross income achieved out of oil transport and transit operations through the oil national transport systems, as well as related to the oil operations performed by oil terminals State public property.

d) Other expenses

	June 30, 2019	June 30, 2018
Taxes, fees and similar levies related expenses	1,050,114	1,100,748
Compensations, fines and penalties expenses	11,603	15,787
Donations granted (Sponsorship)	137,752	41,865
Environmental protection expenses	47,743	37,729
Expenses with the establishment of the modernization quota	15,175,542	25,326,114
Other operating expenses	188,167	110,425
Other expenses	16,610,921	26,632,668

Within the first six months of 2019, the expenses recorded with other taxes, fees and similar levies mainly include, the expenses with the local taxes and expenses with the contribution to the special fund, due under the Law no. 448/2006 regarding the protection and promotion of the disabled persons.

The company constitutes reserves regarding the modernization quota through other operating expenses in compliance with the provisions of the GD no. 168/1998 further amendments and with the provisions of the Fiscal Code approved pursuant to Law no. 227/2015, further amendments and updates.

17. Net Financial Result

	June 30, 2019	June 30, 2018
Revenues from interests	4,087,732	2,041,159
Revenues from operations with securities and other financial instruments	-	330,110
Other financial revenues	15,792	2,294
Total financial revenues	4,103,524	2,373,563
Other financial expenses	42,218	4,333
Total financial expenses	42,218	4,333
Net Financial Result	4,061,306	2,369,230

The financial revenues have increased by 72.88% in the first six months of the year 2019 YoY, while the financial expenses have maintained at a reduced level as compared to the revenues. Following this evolution, the net financial result has increased by 71.42% in the first six months of the year 2019 as compared to the same period of the year 2018.

18. Related Parties

In the first quarter of 2019, the Company performed the following significant transactions with related parties:

Procurement from related parties

Partner	Unsettled amounts at December 31st, 2018	Procurement Period 01.01-30.06.2019	Settlements Period 01.01-30.06.2019	Unsettled amounts at June 30, 2019
SNTFM CFR Marfă S.A.	3,320,405	35,226,441	31,609,427	6,937,419

*The amounts are VAT inclusive

Partner	Unsettled amounts at December 31st, 2017	Procurement Period 01.01-30.06.2018	Settlements Period 01.01-30.06.2018	Unsettled amounts at June 30, 2018
SNTFM CFR Marfă S.A.	6,080,039	33,130,516	33,540,176	5,670,379

*The amounts are VAT inclusive

19. Ulterior Events

At 04.07.2019 (in first call) and 05.07.2019 (in second call) was held the Extraordinary General Meeting of Shareholders with the agenda item on approval of the capital augmentation with the value of land for which they have obtained certificates of ownership in 2001-2005. At both meetings the quorum provided by law has not been met, quorum necessary for the capital augmentation through contribution in kind.

These financial statements from page 1 to 25 were authorized for issue and signed by the company management on August 12, 2019.

**Director General,
PhD. Eng. Timur-Vasile Chis**

**Economic Director,
Econ. Sanda Toader**

STATEMENT OF THE PERSONS IN CHARGE

**within CONPET S.A., in compliance with the provisions
of Art. 65 of the Law no. 24/2017 regarding the issuers of financial instruments and market
operations**

There were prepared the interim Financial Statements at the date and for the six months period ended June 30, 2019 for:

Entity	CONPET SA
County	PRAHOVA
Address	Ploiești No. 1-3, Anul 1848 Street
Trade Register Number	J29/6/1991
Type of ownership	26 - Publicly and privately owned companies with domestic and foreign capital
Main activity (NACE code)	4950 - Transport via pipelines
Tax Registration Number	1350020

The undersigned: Timur - Vasile Chiș, as Director General and Sanda Toader, as Economic Director are liable for the drafting of the interim financial statements at June 30, 2019 and confirm that:

- The accounting policies used in preparing the interim annual financial statements at June 30, 2019 are in accordance with the accounting applicable regulations, in force at the reporting date 30.12.2019 and confirm that:
- The interim annual financial statement at June 30, 2019 offer a correct image and compliant with the reality of the assets, obligations, financial standing, company's loss and profit account; and
- The report of the administrators accurately and completely presents the information about the company and the other information regarding the performed business;
- The company performs its business on going principle.

Director General
PhD. Eng. Timur-Vasile Chiș

Economic Director
Econ. TOADER Sanda

**Independent practitioner's review report
To the Shareholders of CONPET S.A.**

1-3 Anul 1848 St., Ploiești, Prahova County, Postal Code 100559, Romania
Registration: 1350020

We have reviewed the accompanying financial statements of CONPET S.A. (the Company), which comprise the statement of financial position as at June 30, 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for six months period then ended and other explanatory information.

The financial statements for the six months period ended 30 June 2019 are identified as follows:

- | | |
|----------------------------|-----------------|
| • Net assets/Total equity: | 627,798,210 RON |
| • Net profit for the year: | 31,180,013 RON |

Management's responsibility for the interim financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IAS 34 *Interim Financial Reporting* (IAS 34), and for such internal control as management determines is necessary to enable the preparation of the interim financial statements that are free from material misstatements, whether due to fraud or error.

Practitioner's responsibility

Our responsibility is to express a conclusion on the accompanying interim financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), *Engagements to review historical financial statements*, adopted by the Romanian Chamber of Auditors. ISRE 2400 (Revised) require us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not present fairly, in all material respects, the interim financial position of CONPET S.A. as at June 30, 2019, and of its financial performance and its cash flows for the six months period then ended in accordance with IAS 34 *Interim Financial Reporting*.

Other matters

This report is addressed exclusively to the Company's shareholders, as a body. Our review was undertaken in order to report to the Company's shareholders those aspects that we are required to state to them in a review report and for no other purposes whatsoever. To the extent permitted by law, we do not accept or take responsibility to anyone other than the Company and its shareholders, as a body, for our review work, for the report on the financial statements or for the conclusion we have formed.

For and behalf of BDO Audit SRL

Registered in the Public Electronic Registry of financial auditors and
audit firms with no. FA18

Partner's name: Vasile Bulata

Registered in the Public Electronic Registry of financial auditors and
audit firms with no. AF1480

Bucharest, Romania

12 August 2019