Investor News

November 6, 2014, 8:30 am (local time), 7:30 am (CET), 6:30 am (GMT)

OMV Petrom S.A.

OMV Petrom Group: results[1] for Q3 and January – September 2014,

including interim financial statements as of September 30, 2014

Q3/14 vs Q3/13

- **Clean CCS EBIT 4% down, mainly due to lower crude prices**
- **Hydrocarbon production in Romania was broadly flat**
- **Strong profitability in refining, mainly driven by the improvement in the Petrobrazi refining margin post modernization**
- **Black Sea: Domino-2 drilling finalized; Pelican South-1 well is being drilled to test a new geological structure of the Neptun Block**

Mariana Gheorghe, CEO of OMV Petrom S.A.:

"Our sound financial discipline in the last years and the strict capital allocation allowed us to deliver on our targets for the first nine months, despite recent oil price volatility. In E&P, we managed to broadly stabilize production in Romania and implemented our planned CAPEX projects. This year we have made the largest investments in the exploration activity since privatization, running a complex exploration program onshore and offshore, with 9 exploration wells drilled so far. In the Black Sea, we are processing the data from Domino-2, while the Ocean Endeavour rig is drilling the Pelican South-1 exploration well, to test a new geological structure of the Neptun Block. The completion of the Petrobrazi refinery modernization is delivering the planned increase of USD 5/bbl in the indicator refining margin which contributed to the improved R&M result. In turn, in the G&P business challenges remained due to lower gas market demand and depressed electricity prices.
In light of the volatile and weaker market fundamentals we are reviewing our investment plans for 2015, which will be announced together with the Group's fourth quarter and 2014 preliminary results on February 19, 2015. A stable and predictable investment-friendly fiscal and regulatory environment remains a key prerequisite for our future CAPEX program."

Q2/14	Q3/14	Q3/13	∆%	Key performance indicators (in RON mn)	9m/14	9m/13	∆%
626	1,352	1,585	(15)	EBIT	3,449	4,556	(24)
1,147	1,552	1,619	(4)	Clean CCS EBIT [2]	4,176	4,637	(10)
311	1,020	1,272	(20)	Net income attributable to stockholders [3]	2,407	3,663	(34)
827	1,189	1,301	(9)	Clean CCS net income attributable to stockholders [2, 3]	3,096	3,731	(17)
0.0055	0.0180	0.0225	(20)	EPS (RON)	0.0425	0.0647	(34)
0.0146	0.0210	0.0230	(9)	Clean CCS EPS (RON) [2]	0.0547	0.0659	(17)
1,318	1,589	2,399	(34)	Cash flow from operating activities	4,979	6,207	(20)

[1] The financials are unaudited and represent OMV Petrom Group's (herein after also referred to as "the Group") consolidated results prepared according to IFRS; all the figures refer to OMV Petrom Group, unless otherwise stated; financials are expressed in RON mn and rounded to closest integer value, so minor differences may result upon reconciliation; OMV Petrom uses the National Bank of Romania exchange rates for its consolidation process

[2] Adjusted for exceptional, non-recurring items; Clean CCS figures exclude special items and inventory holding effects (CCS effects) resulting from R&M

[3] After deducting net income attributable to non-controlling interests

Financial highlights

Q2/14	Q3/14	Q3/13	Δ%	in RON mn	9m/14	9m/13	Δ%
5,423	5,475	6,574	(17)	Sales [1]	16,195	18,150	(11)
836	1,355	1,539	(12)	EBIT E&P [2]	3,564	4,263	(16)
(13)	(106)	(2)	n.m.	EBIT G&P	(82)	103	n.m.
60	179	111	61	EBIT R&M	311	279	12
(59)	(41)	(20)	109	EBIT Co&O	(110)	(59)	87
(199)	(36)	(44)	(17)	Consolidation	(234)	(30)	n.m.
626	**1,352**	**1,585**	**(15)**	**EBIT Group**	**3,449**	**4,556**	**(24)**
(535)	**(75)**	**(29)**	**161**	**Special items [3]**	**(611)**	**(70)**	**n.m.**
(1)	(75)	(4)	n.m.	thereof: Personnel and restructuring	(78)	(4)	n.m.
(491)	(4)	(25)	(85)	Unscheduled depreciation	(495)	(66)	n.m.
(43)	3	-	n.a.	Other	(38)	-	n.a.
14	(125)	(5)	n.m.	CCS effects: Inventory holding gains/(losses)	(116)	(10)	n.m.
1,330	1,433	1,544	(7)	Clean EBIT E&P [2, 4]	4,134	4,267	(3)
(14)	(107)	(2)	n.m.	Clean EBIT G&P [4]	(81)	144	n.m.
46	303	141	115	Clean CCS EBIT R&M [4]	424	314	35
(16)	(41)	(20)	108	Clean EBIT Co&O [4]	(68)	(59)	14
(199)	(36)	(44)	(17)	Consolidation	(234)	(30)	n.m.
1,147	**1,552**	**1,619**	**(4)**	**Clean CCS EBIT [4]**	**4,176**	**4,637**	**(10)**
571	1,276	1,530	(17)	Income from ordinary activities	3,187	4,396	(28)
312	1,020	1,273	(20)	Net income	2,407	3,666	(34)
311	1,020	1,272	(20)	Net income attributable to stockholders [5]	2,407	3,663	(34)
827	**1,189**	**1,301**	**(9)**	**Clean CCS net income attributable to stockholders [4, 5]**	**3,096**	**3,731**	**(17)**
0.0055	0.0180	0.0225	(20)	EPS (RON)	0.0425	0.0647	(34)
0.0146	0.0210	0.0230	(9)	Clean CCS EPS (RON) [4]	0.0547	0.0659	(17)
1,318	1,589	2,399	(34)	Cash flow from operating activities	4,979	6,207	(20)
0.0233	0.0280	0.0423	(34)	CFPS (RON)	0.0879	0.1096	(20)
1,084	1,062	568	87	Net debt	1,062	568	87
4	4	2	75	Gearing (%) [6]	4	2	75
1,657	1,575	1,407	12	Capital expenditure	4,480	3,487	28
-	-	-	n.a.	ROFA (%)	15.2	20.9	(27)
-	-	-	n.a.	ROACE (%)	13.2	18.8	(30)
-	-	-	n.a.	Clean CCS ROACE (%) [4]	15.7	20.2	(22)
-	-	-	n.a.	ROE (%)	13.3	19.6	(32)
45	20	17	20	Group tax rate (%)	24	17	47
19,428	18,210	20,017	(9)	OMV Petrom Group employees at the end of the period	18,210	20,017	(9)

Figures in this and the following tables may not add up due to rounding differences.
[1] Sales excluding petroleum excise tax; [2] Excluding intersegmental profit elimination shown in the line "Consolidation"; [3] Special items are added back or deducted from EBIT; for more details please refer to each specific segment; [4] Adjusted for exceptional, non-recurring items; Clean CCS (current cost of supply) figures exclude special items and inventory holding effects (CCS effects) resulting from R&M; [5] After deducting net income attributable to non-controlling interests; [6] Net debt divided by equity.

Business segments

Exploration and Production (E&P)

Q2/14	Q3/14	Q3/13	Δ%	in RON mn	9m/14	9m/13	Δ%
836	1,355	1,539	(12)	EBIT [1]	3,564	4,263	(16)
(493)	(77)	(4)	n.m.	Special items	(571)	(4)	n.m.
1,330	1,433	1,544	(7)	Clean EBIT [1]	4,134	4,267	(3)

Q2/14	Q3/14	Q3/13	Δ%	Key performance indicators	9m/14	9m/13	Δ%
16.36	16.39	16.78	(2)	Total hydrocarbon production (mn boe)	49.11	49.98	(2)
180	178	182	(2)	Total hydrocarbon production (kboe/d)[2]	180	183	(2)
7.69	7.68	8.12	(5)	Crude oil and NGL production (mn bbl)	23.20	24.08	(4)
1.33	1.33	1.33	0	Natural gas production (bcm)	3.97	3.97	0
46.89	47.04	46.84	0	Natural gas production (bcf)	140.07	140.15	0
108.20	100.93	110.63	(9)	Average Urals price (USD/bbl)	105.44	108.09	(2)
96.95	89.77	98.10	(8)	Average Group realized crude price (USD/bbl)	94.13	96.54	(2)
329	370	108	243	Exploration expenditures (RON mn)	799	365	119
90	28	84	(67)	Exploration expenses (RON mn)	161	354	(54)
18.70	16.37	14.94	10	OPEX (USD/boe)	17.36	14.76	18

[1] Excluding intersegmental profit elimination; [2] Production figures in kboe/d are rounded

Third quarter 2014 (Q3/14) vs. third quarter 2013 (Q3/13)

- **Clean EBIT impacted by lower oil prices**
- **Group hydrocarbon production slightly below Q3/13, but broadly stable in Romania**
- **OPEX in USD/boe increased mainly triggered by the new construction tax in Romania**
- **Exploration license for nine blocks was renewed**
- **Biggest investments in exploration activity since privatization**
- **Neptun Deep: Domino-2 drilling operations finalized; Ocean Endeavour rig testing a new geological structure**

In Q3/14, the average Urals crude price decreased to USD 100.93/bbl, 9% lower compared to Q3/13. The average realized crude price also decreased by 8% to USD 89.77/bbl.

Clean EBIT decreased by 7% to RON 1,433 mn in Q3/14, mainly due to lower oil sales and slightly unfavorable FX rates (USD 1% weaker against RON) which offset the effect of the slightly higher gas sales and lower exploration expenses. When accounting for special items, mostly restructuring charges, reported EBIT stands at RON 1,355 mn, 12% below the level of Q3/13.

Group production costs (OPEX) in USD/boe went up 10%, mainly triggered by higher costs in Romania and lower production in Kazakhstan. In Romania, production costs increased by 11% in USD/boe, while in RON terms they were 10% above the Q3/13 level mostly reflecting the new construction tax introduced in 2014.

Exploration expenditures increased to RON 370 mn mainly related to the drilling of Domino-2 in the deep offshore Black Sea (using the Ocean Endeavor drilling rig) and successful drilling of Marina-1 well in the shallow waters. Exploration expenses amounted to RON 28 mn, 67% lower than in Q3/13, as the latter was related mostly to the relinquishment of some exploration blocks.

In September, the exploration license for nine blocks covering an area of approx.19,000 km^2 has been prolonged until September 2017 and one block was relinquished. All nine blocks currently in exploration are under a single concession agreement for exploration, development and production. OMV Petrom has entered into partnerships with Hunt Oil for 2 blocks, and respectively with Repsol for 4 blocks.

Group daily hydrocarbon production was 178.1 kboe/d (of which 169.9 kboe/d in Romania) and total production stood at 16.4 mn boe, 2.4% below Q3/13, mainly reflecting lower production in Kazakhstan. In Romania, total oil and gas production stood at 15.63 mn boe, 0.8% below the Q3/13 level (15.75 mn boe). Domestic crude oil production was 7.0 mn bbl, 3.3% below the Q3/13 level (7.23 mn bbl) due to planned workovers. Domestic gas production was slightly higher at 8.6 mn boe, mostly supported by the new wells put on stream in the Totea and Mamu fields. In Kazakhstan, production amounted to 0.76 mn boe, 26% lower compared to the same period of 2013, mainly reflecting pipeline integrity issues as well as natural decline of key fields. Hydrocarbon sales volumes have decreased by 4% compared to Q3/13, as the slightly higher gas sales volumes in Romania were counterbalanced by the lower volumes in Kazakhstan and lower oil and NGL sales in Romania.

In Q3/14, we finalized the drilling of 56 new wells and sidetracks, compared to 48 new wells performed in the same quarter last year.

Third quarter 2014 (Q3/14) vs. second quarter 2014 (Q2/14)

Clean EBIT increased by 8% in Q3/14 mostly due to lower operating costs, lower exploration expenses and favorable FX rates (USD 3% stronger against RON). Reported EBIT, advanced by 62% compared to Q2/14, the latter reflecting special items of RON (493) mn, mainly in relation to the impairment in Kazakhstan triggered by unsuccessful field redevelopment results in the TOC fields.

Group production costs in USD/boe decreased by 12% compared to Q2/14 level. Production costs in Romania decreased by 14% when expressed in USD/boe, and by 12% in RON/boe terms (RON 52.61/boe) mainly due to lower personnel costs, as Q2/14 was mainly influenced by costs (including one-offs) related to collective labor agreement negotiations.

Exploration expenditures increased by 13% to RON 370 mn on higher exploration activity mainly in the Black Sea.

Group daily production stood at 178.1 kboe/d while total production was 16.39 mn boe (Q2/14: 16.36 mn boe), with almost unchanged production in Romania and 6.7% higher production in Kazakhstan. Group sales volumes slightly decreased by 1% compared to the Q2/14 level, largely due to lower oil sales in Kazakhstan and Romania partly offset by higher NGL sales in Romania and higher gas sales in Kazakhstan.

Gas and Power (G&P)

Q2/14	Q3/14	Q3/13	∆%	in RON mn	9m/14	9m/13	∆%
(13)	(106)	(2)	n.m.	EBIT	(82)	103	n.m.
1	1	-	n.m.	Special items	0	(42)	n.m.
(14)	(107)	(2)	n.m.	Clean EBIT	(81)	144	n.m.

Q2/14	Q3/14	Q3/13	∆%	Key performance indicators	9m/14	9m/13	∆%
1,031	798	1,043	(23)	Gas sales volumes (mn cbm) [1]	3,079	3,633	(15)
11.24	8.68	11.24	(23)	Gas sales volumes (TWh) [1]	33.39	39.13	(15)
51.8	53.3	48.5	10	Average regulated domestic gas price for households (RON/MWh)	51.9	46.6	11
89.4	89.4	63.4	41	Average regulated domestic gas price for non-households (RON/MWh)	83.6	55.5	51
116	104	129	(19)	Average import gas price (RON/MWh) [2]	116	132	(12)
0.11	0.08	0.78	(89)	Net electrical output (TWh)	0.78	1.83	(57)
143	139	173	(20)	OPCOM spot average electricity base load price (RON/MWh) [3]	142	151	(6)
169	161	215	(25)	OPCOM average electricity peak load price (RON/MWh) [3]	174	191	(9)

[1] *Including internal transfers within OMV Petrom S.A. (e.g. Brazi power plant)*
[2] *Represents ANRE assumptions*
[3] *Q3/14 and 9m/14 data are preliminary*

Third quarter 2014 (Q3/14) vs. third quarter 2013 (Q3/13)

- **Clean EBIT deteriorated due to negative contribution of both gas and power businesses**
- **Gas sales volumes below Q3/13 level, mainly due to lower demand from wholesalers**
- **Negative spark spreads led to low Brazi power plant utilization**

Clean EBIT deteriorated significantly compared to Q3/13, reflecting the negative contribution of both gas and power businesses, triggered by adverse market conditions. In Q3/14, the gas business result was also impacted by the RON 6/MWh transportation tariff enforced by ANRE as of August 1, 2014 in connection with the gas volumes injected into storage, as well as by the RON 30 mn provisions booked for outstanding receivables.

National estimated gas consumption decreased by 9%, while OMV Petrom's gas sales volumes dropped by 23% compared to Q3/13, when the company's sales exceeded the average level for the period. The higher demand from the fertilizer industry and a broader portfolio of customers could not offset the lower demand from large wholesalers and the reduced Brazi power plant utilization compared to Q3/13.

At the end of Q3/14, the total volume of natural gas stored by OMV Petrom amounted to 552 mn cbm compared to 279 mn cbm at the end of Q3/13.

In Q3/14, the regulated domestic gas price for the non-household sector was set at RON 89.4/MWh, being at the same level as in Q2/14, while increasing to RON 53.3/MWh for household consumers. The average import gas price based on ANRE assumptions was USD 340/1,000 cbm (or the equivalent of RON 104/MWh).

In compliance with a new obligation in force as of July 15, 2014, gas producers started to sell a certain fraction of their domestic gas production on the Romanian centralized trading platforms.

The average import quota set by ANRE for the non-household sector was 4% in Q3/14, significantly lower compared to an average of 20% in Q3/13.

Romania's estimated gross electricity production increased by almost 16% versus Q3/13 and the estimated national electricity demand by 2%, with record high power exports (2.3 TWh estimated export – import net balance) in Q3/14.

According to preliminary data published by OPCOM, the base load electricity price averaged RON 139/MWh, while the peak load electricity price averaged RON 161/MWh. The lower day-ahead market prices cumulated with the increased gas price due to the liberalization process led to negative spark spreads throughout the entire period. In this context, despite maximum plant availability, the Brazi power plant reached a net electrical output of 0.06 TWh.

In Q3/14, the Dorobantu wind park had a net availability of 91% and delivered a net electrical output of 0.01 TWh, 14% lower than in Q3/13. For the electricity produced and delivered to suppliers, OMV Petrom Wind Power S.R.L. received ~21,500 green certificates, half of which will become eligible for sale after January 1, 2018 (Q3/13: ~25,000 green certificates, half of them eligible for sale).

Third quarter 2014 (Q3/14) vs. second quarter 2014 (Q2/14)

Compared to Q2/14, Clean EBIT significantly deteriorated in Q3/14, due to the negative contribution of the gas business.

Estimated national gas consumption seasonally decreased by 24% versus Q2/14, while OMV Petrom's gas sales volumes dropped by 23%.

The net electrical output of the Brazi power plant decreased by 31% compared to Q2/14 due to further deteriorated spark spreads. Net electrical output of the wind park Dorobantu seasonally decreased by 16%.

Refining and Marketing (R&M)

Q2/14	Q3/14	Q3/13	Δ%	in RON mn	9m/14	9m/13	Δ%
60	179	111	61	EBIT	311	279	12
-	1	(25)	n.m.	Special items	3	(25)	n.m.
14	(125)	(5)	n.m.	CCS effect: Inventory holding gains/(losses) [1]	(116)	(10)	n.m.
46	303	141	115	Clean CCS EBIT [1]	424	314	35

Q2/14	Q3/14	Q3/13	Δ%	Key performance indicators	9m/14	9m/13	Δ%
(1.88)	5.11	(4.31)	n.m.	Indicator refining margin (USD/bbl) [2]	0.36	(2.30)	n.m.
0.68	1.19	1.03	16	Refining input (mn t) [3]	2.87	3.00	(4)
59	103	90	14	Refinery utilization rate (%)	85	90	(5)
1.11	1.28	1.46	(12)	Total refined product sales (mn t) [4]	3.50	3.91	(10)
0.83	0.94	1.03	(9)	thereof Marketing sales volumes (mn t) [5]	2.49	2.69	(7)
782	779	785	(1)	Marketing retail stations	779	785	(1)

[1] *Current cost of supply (CCS): Clean CCS EBIT eliminates special items and inventory holding gains/losses (CCS effects) resulting from R&M*
[2] *The indicator refining margin is based on the international quotations for products [Augusta] and Urals crude and a standard yield set typically for Petrobrazi refinery; as of Q3/14, the standard yield for the calculation of the indicator refining margin has been updated following the finalization of the Petrobrazi modernization program; previously reported figures were not adjusted; the actual refining margins realized by OMV Petrom may vary from the indicator refining margin as well as from the market margins due to factors including a different crude slate, product yield and operating conditions*
[3] *Figure includes crude and semi-finished products, in line with OMV Group reporting standard*
[4] *Includes all products sold by OMV Petrom Group*
[5] *Excludes export sales which are included in total refined product sales*

Third quarter 2014 (Q3/14) vs. third quarter 2013 (Q3/13)

- **Clean CCS EBIT significantly improved on strong contribution from refining**
- **Record high refining margins, reflecting updated standard yields and higher product cracks**
- **Marketing result was supported by strict cost management, in spite of increased competition and higher fuels taxation**

In Q3/14, clean CCS EBIT increased by RON 162 mn to RON 303 mn, supported by strong refining margins, improved operational performance after the refinery modernization and good marketing result. Decreased crude oil prices and lower product quotations led to a negative CCS effect of RON (125) mn, resulting in a reported EBIT of RON 179 mn.

Following the finalization of the Petrobrazi refinery modernization program, the opportunity has been taken to adapt the standard yield for the calculation of the indicator refining margin in Q3/14. The successful completion of this program added approx. USD 5/bbl to the standard profitability of the refinery prior to modernization (previously reported figures were not adjusted). The updated standard yield combined with higher spreads of all fuel products, mainly gasoline, brought the indicator refining margin at USD 5.11/bbl level.

The refinery utilization rate increased to 103% (90% in Q3/13), reflecting the temporarily higher throughput run after the scheduled refinery turnaround in Q2/14. Consequently, the total quantity of refining input increased in Q3/14 by 16% compared to the level recorded in Q3/13. Total refined product sales decreased by 12% as a result of lower market demand and optimization along the value chain after the completion of the planned shutdown in Q2/14.

Total group marketing sales volumes in Q3/14 were 9% below the Q3/13 level. Group retail sales, which accounted for 71% of total group marketing sales, decreased by 6% compared to Q3/13, mainly impacted by increased fuels taxation in Romania and higher competition. Commercial sales dropped by 16% compared to the same quarter last year, reflecting lower sales of diesel due to competition and a challenging bitumen market in the region.

At the end of Q3/14, the total number of filling stations operated within OMV Petrom Group decreased by 6 units to 779 compared to Q3/13 mainly as a result of retail network optimization in Bulgaria.

Third quarter 2014 (Q3/14) vs. second quarter 2014 (Q2/14)

Clean CCS EBIT increased by RON 257 mn compared to Q2/14, as a result of better refinery operational performance after the planned shutdown, increased refining margins and seasonally higher marketing sales volumes.

The indicator refining margin increased to USD 5.11/bbl in Q3/14 from USD (1.88)/bbl in Q2/14 mainly as a result of improved refinery yield after the finalization of the Petrobrazi modernization program.

The marketing business result improved in Q3/14 due to seasonally higher demand.

Outlook 2014

Market, regulatory and fiscal environment

For 2014 as a whole, we expect the Brent oil price to average around USD 100/bbl, despite recent volatility in the market, whilst the Brent-Urals spread is anticipated to stay relatively tight.

OMV Petrom guidance with regards to the 2014 CAPEX plans and production targets remains broadly unchanged. Due to the recent lower oil prices, we have started a process of reviewing our CAPEX projects, which will be announced together with the Group's fourth quarter and 2014 preliminary results on February 19, 2015.

The gas and power regulatory framework is undergoing significant changes, with a strong impact on the company's financial and operating results.

In Romania, the **gas** price for domestic production to be paid by regulated non-household customers in Q4/14 was set at RON 89.4/MWh (EUR 20.3/MWh), unchanged since April 1, 2014. The price for the regulated household segment for Q4/14 has been frozen at the Q3/14 level, i.e. RON 53.3/MWh (EUR 12.1/MWh). According to a new ANRE order the gas price deregulation for non-household consumers will be finalized until December 31, 2014, whereas the new deadline for gas price liberalization in the household sector foreseen by the Electricity and Natural Gas Law is June 30, 2021, instead of December 31, 2018. In 2014, gas demand in Romania is expected to be below 2013, and not to recover in the short term, which, combined with the lack of interconnections with neighboring countries, might put pressure on gas producers.

In the **power** market, prices continue to be under pressure in the context of overall stable electricity demand and increased production from renewables

According to new legal provisions in force, OMV Petrom must build and maintain increased levels of compulsory stocks of oil products, which exceed our current optimal inventory levels, with an impact on our net working capital.

Marketing volumes are expected to be challenged by increased competition and fuels taxation in Romania.

Given the long term cycle of investments in the oil and gas sector, the changes in the fiscal regime have a direct impact on the company's business. The fuels excise increases implemented in January and April 2014 put additional pressure on marketing volumes in Romania. The new tax of 1.5% applied to the gross value of constructions creates difficulties for oil and gas investment; in this respect the authorities are considering reducing it to 1% from January 1, 2015.

We anticipate discussions with the Romanian authorities to achieve a long term, stable and investment-friendly taxation and regulatory framework, discussions that will tackle hydrocarbon taxes and the new supplementary taxation.

OMV Petrom Group

- OMV Petrom plans to invest over EUR 1.3 bn in 2014, of which approximately 85% will be dedicated to E&P (drilling development wells, field redevelopment projects, workover activities / subsurface operations and the Neptun Deep project);
- OMV Petrom strives for high HSSE standards and aims to continue reducing the lost-time injury rate.

Exploration and Production

- In order to stabilize production in Romania, we will further progress field redevelopment, drilling and workovers as well as operational excellence initiatives, also taking into account the operating environment;
- Continue our intensive operational activities: perform more than 1,400 workovers; Deliver approximately 140 new wells, out of which almost 50% are part of complex field redevelopment projects and exploration wells within the onshore partnerships;
- In Kazakhstan – further pursue water injection schemes in both the TOC and Komsomolskoe fields in order to secure reservoir pressure support and slow down the natural decline of production;
- Drill 10 conventional onshore and shallow offshore exploration wells, including exploration drilling under partnerships with Hunt Oil and Repsol;
- Joint-ventures with ExxonMobil: Neptun Deep – Drilling of the Domino-2 exploration well finalized and data from the well are being evaluated; results are expected in early 2015; Ocean

Endeavour rig is currently drilling the Pelican South-1 exploration well; Midia – ongoing 3D seismic data interpretation.

Gas and Power

- The gas value chain will be optimized in an integrated manner so as to dynamically address challenges in the market and maximize value creation;
- We anticipate continued pressure on spark spread leading to a negative result of the power business in 2014; we aim to mitigate this by further exploring the opportunities offered by the ancillary services and balancing markets, capitalizing on the power plant's operational flexibility.

Refining and Marketing

- We will further capitalize on the successful completion of the Petrobrazi modernization along the whole value chain in R&M; moreover, the refinery will continue to deliver on energy efficiency improvement measures;
- We will continue our fuel terminal network optimization program: reconstruction works at the Cluj terminal started at the beginning of June with the aim of being finalized end of 2015;
- Further pursue cost discipline and optimization of the downstream business.

Group interim financial statements and notes

(condensed, unaudited)

Legal principles and general accounting policies

The interim condensed consolidated financial statements for the nine months ended September 30, 2014 have been prepared in accordance with IAS 34 Interim Financial Statements.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as of December 31, 2013.

The accounting policies and valuation methods adopted in preparation of the interim condensed consolidated financial statements are consistent with those followed in preparation of the Group's annual financial statements for the year ended December 31, 2013.

The detailed structure of the consolidated companies in OMV Petrom Group at September 30, 2014 is presented in the Appendix 1 to the current report.

The interim condensed consolidated financial statements for 9m/14 are unaudited and an external review by an auditor was not performed.

Changes in the consolidated Group

In 9m/14, the associated company OMV Petrom Global Solutions S.R.L. was consolidated in the Group by equity method of accounting.

On July 31, OMV Petrom sold its 28.59% interest in the non-core gas distribution and supply company Congaz SA to GDF SUEZ Energy Romania SA.

Seasonality and cyclicality

Seasonality is of particular significance in G&P and R&M; for details please refer to the relevant section in the business segments.

In addition to the interim financial statements and notes, further information on main factors affecting the interim financial statements as of September 30, 2014, is given as part of the description of OMV Petrom Group's business segments performance.

Exchange rates

OMV Petrom uses the National Bank of Romania (NBR) exchange rates in its consolidation process. Income statements of subsidiaries are translated to RON using average exchange rates published by the National Bank of Romania, detailed below.

Statements of the financial position of foreign subsidiaries are translated to RON using the closing rate method based on exchange rates published by the National Bank of Romania, detailed below.

Q2/14	Q3/14	Q3/13	Δ%	NBR FX rates	9m/14	9m/13	Δ%
4.429	4.414	4.440	(1)	Average EUR/RON FX rate	4.448	4.407	1
3.228	3.326	3.354	(1)	Average USD/RON FX rate	3.281	3.348	(2)
4.389	4.415	4.460	(1)	Closing EUR/RON FX rate	4.415	4.460	(1)
3.224	3.483	3.305	5	Closing USD/RON FX rate	3.483	3.305	5

Income statement (unaudited)

Q2/14	Q3/14	Q3/13	Consolidated income statement (in RON mn)	9m/14	9m/13
5,423.33	5,475.30	6,574.20	Sales revenues	16,194.56	18,150.31
(117.04)	(106.08)	(180.91)	Direct selling expenses	(355.49)	(472.78)
(4,174.59)	(3,541.62)	(4,300.28)	Production costs of sales	(10,986.11)	(11,508.85)
1,131.70	**1,827.60**	**2,093.01**	**Gross profit**	**4,852.96**	**6,168.68**
52.91	125.68	58.64	Other operating income	248.55	160.49
(237.58)	(285.94)	(300.07)	Selling expenses	(760.40)	(850.23)
(48.26)	(49.85)	(43.28)	Administrative expenses	(141.59)	(139.30)
(89.65)	(27.56)	(84.22)	Exploration expenses	(160.94)	(353.71)
(183.20)	(238.38)	(138.59)	Other operating expenses	(589.46)	(430.14)
625.92	**1,351.55**	**1,585.49**	**Earnings before interest and taxes (EBIT)**	**3,449.12**	**4,555.79**
10.04	5.98	0.12	Income / (loss) from associated companies	9.21	5.80
17.16	28.80	98.40	Interest income	63.97	182.69
(74.23)	(164.85)	(97.65)	Interest expenses	(363.49)	(285.64)
(7.48)	54.17	(56.66)	Other financial income and expenses	27.85	(62.81)
(54.51)	**(75.90)**	**(55.79)**	**Net financial result**	**(262.46)**	**(159.96)**
571.41	**1,275.65**	**1,529.70**	**Profit from ordinary activities**	**3,186.66**	**4,395.83**
(259.46)	(255.93)	(256.78)	Taxes on income	(779.98)	(730.10)
311.95	**1,019.72**	**1,272.92**	**Net income for the period**	**2,406.68**	**3,665.73**
311.10	**1,020.14**	**1,272.06**	**thereof attributable to stockholders of the parent**	**2,406.68**	**3,663.16**
0.85	(0.42)	0.86	thereof attributable to non-controlling interests	0.00	2.57
0.0055	**0.0180**	**0.0225**	**Basic earnings per share (RON)**	**0.0425**	**0.0647**

Statement of comprehensive income (condensed, unaudited)

Q2/14	Q3/14	Q3/13	Consolidated statement of comprehensive income (in RON mn)	9m/14	9m/13
311.95	**1,019.72**	**1,272.92**	**Net income for the period**	**2,406.68**	**3,665.73**
(5.73)	(18.04)	(4.25)	Exchange differences from translation of foreign operations	(31.04)	(3.49)
(5.73)	**(18.04)**	**(4.25)**	**Total of items that may be reclassified ("recycled") subsequently to the income statement**	**(31.04)**	**(3.49)**
0.48	(11.21)	2.92	Income tax relating to components of other comprehensive income	(10.38)	1.39
(5.25)	**(29.25)**	**(1.33)**	**Other comprehensive income for the period, net of tax**	**(41.42)**	**(2.10)**
306.70	**990.47**	**1,271.59**	**Total comprehensive income for the period**	**2,365.26**	**3,663.63**
305.70	**993.56**	**1,269.68**	**thereof attributable to stockholders of the parent**	**2,367.66**	**3,660.56**
1.00	(3.09)	1.91	thereof attributable to non-controlling interests	(2.40)	3.07

Notes to the income statement

Third quarter 2014 (Q3/14) vs. third quarter 2013 (Q3/13)

Consolidated sales in Q3/14 amounted to RON 5,475 mn and were 17% below Q3/13 value, mainly due to lower sales volumes of petroleum products and electricity. R&M represented 83% of total consolidated sales, G&P accounted for 14% and E&P for 3% (sales in E&P being largely intra-group sales rather than third-party sales).

The Group's EBIT amounted to RON 1,352 mn, 15% lower compared to the result recorded in Q3/13 (Q3/13: RON 1,585 mn) mostly due to lower sales triggered by challenging market environment and by the increase in excise. Also, the introduction of the new tax on construction in Romania negatively affected the result and offset the positive impact from transfer of non-current assets and lower exploration expenses.

Clean CCS EBIT of RON 1,552 mn is also below the value recorded in Q3/13 of RON 1,619 mn, due to unfavorable crude price environment and introduction of the construction tax. Clean CCS EBIT is stated after eliminating net special charges of RON 75 mn and inventory holding losses of RON (125) mn.

The net financial result of RON (76) mn deteriorated compared to RON (56) mn in Q3/13, mainly as a result of higher net interest expense in relation to the discounting effects of receivable, although Q3/14 was positively influenced by foreign exchange rate gains on USD loans given to Kazakh subsidiaries following the appreciation of USD against RON in the current quarter.

The profit from ordinary activities amounted to RON 1,276 mn and corporate income tax was RON 256 mn in Q3/14. Current tax expenses on the Group's income were RON 285 mn and deferred tax revenues amounted to RON 29 mn. The effective tax rate in Q3/14 was 20%, negatively influenced mainly by the nondeductible expenses and forex effect in Kazakhstan.

Net income attributable to stockholders (i.e. net income attributable to stockholders of the parent) was RON 1,020 mn, 20% lower than RON 1,272 mn in Q3/13. Clean CCS net income attributable to stockholders was RON 1,189 mn. EPS was RON 0.0180 in Q3/14, versus RON 0.0225 in Q3/13, while Clean CCS EPS was RON 0.0210 compared to RON 0.0230 in Q3/13.

Third quarter 2014 (Q3/14) vs. second quarter 2014 (Q2/14)

Compared to Q2/14, sales slightly increased by 1%, due to seasonal increase in sales volumes of petroleum products, almost entirely compensated by lower quantities of crude oil and gas sold. EBIT significantly increased to RON 1,352 mn (Q2/14: RON 626 mn), as the Q2/14 result was burdened by the impairment of one of the assets in Kazakhstan, by the Petrobrazi shutdown and by higher exploration expenses. The planned one month shutdown of the refinery led also to a negative impact in the consolidation line in Q2/14, derived by significant quantities of crude oil in stock at the end of the period.

Clean CCS EBIT increased by 35% compared to Q2/14 (Q2/14: RON 1,147 mn).

The net financial result deteriorated to RON (76) mn in Q3/14 compared to RON (55) mn in Q2/14, as the positive impact from foreign exchange rate gains was overrun by interest expenses mainly represented by the discounting effect of receivable.

Corporate income tax amounted to RON 256 mn (Q2/14: RON 259 mn) and the effective tax rate in Q3/14 was 20%, below the Q2/14 level of 45%, when it was higher mainly in relation to activities in Kazakhstan. Net income attributable to stockholders was RON 1,020 mn, higher than in Q2/14 (Q2/14: RON 311 mn), while Clean CCS net income attributable to stockholders increased by 44% from RON 827 mn in Q2/14 to RON 1,189 mn in Q3/14.

Statement of financial position, capital expenditure and gearing (unaudited)

Consolidated statement of financial position (in RON mn)	Sep 30, 2014	Dec 31, 2013
Assets		
Intangible assets	1,390.81	814.73
Property, plant and equipment	31,999.10	30,659.38
Investments in associated companies	33.84	42.71
Other financial assets	2,061.15	2,143.45
Other assets	20.29	22.34
Deferred tax assets	869.21	877.28
Non-current assets	**36,374.40**	**34,559.89**
Inventories	2,301.10	1,996.29
Trade receivables	1,700.12	1,429.24
Other financial assets	378.58	302.67
Other assets	419.86	314.67
Cash and cash equivalents	571.55	1,408.24
Current assets	**5,371.21**	**5,451.11**
Assets held for sale	13.97	35.87
Total assets	**41,759.58**	**40,046.87**
Equity and liabilities		
Capital stock	5,664.41	5,664.41
Reserves	21,629.13	21,006.10
Stockholders' equity	**27,293.54**	**26,670.51**
Non-controlling interests	(31.27)	(28.83)
Equity	**27,262.27**	**26,641.68**
Provisions for pensions and similar obligations	263.23	303.95
Interest-bearing debts	1,119.08	1,253.73
Provisions for decommissioning and restoration obligations	6,507.60	5,778.13
Other provisions	559.52	601.80
Other financial liabilities	272.69	289.28
Deferred tax liabilities	10.17	11.05
Non-current liabilities	**8,732.29**	**8,237.94**
Trade payables	2,893.11	2,958.26
Interest-bearing debts	226.59	189.04
Current income tax payable	378.28	258.76
Other provisions and decommissioning	722.02	651.84
Other financial liabilities	649.73	318.87
Other liabilities	895.29	790.37
Current liabilities	**5,765.02**	**5,167.14**
Liabilities associated with assets held for sale	0.00	0.11
Total equity and liabilities	**41,759.58**	**40,046.87**

Notes to the statement of financial position as of September 30, 2014

Capital expenditure increased to RON 4,480 mn (9m/13: RON 3,487 mn) influenced by substantially higher CAPEX in E&P and R&M.

Investments in E&P activities (RON 3,698 mn) represented 83% of total CAPEX for the first nine months in 2014 being 21% above the 9m/13 level and were focused on activities related to drilling development wells, workover activities and sub-surface operations, surface facilities, field redevelopment initiatives, as well as investments related to the Neptun Deep project.

R&M investments (RON 694 mn) were mainly related to the planned refinery shutdown for performing the works associated with the final milestones of the Petrobrazi refinery modernization program (Vacuum Gas Oil conversion project). In addition, investment funds were also directed to efficiency projects as well as to legal and environmental compliance.

CAPEX for the Corporate & Other (Co&O) segment was RON 87 mn, mainly referring to investments directed to IT projects and the financial investment in the newly created OMV Petrom Global Solutions SRL, a service center which provides multiple support services exclusively to OMV Group companies.

Compared to the year-end 2013, total assets increased by RON 1,713 mn, to RON 41,760 mn. The change was driven by the net increase of RON 1,916 mn in property, plant and equipment assets and intangible assets, as the investments exceeded depreciation and impairments. The significant increase of intangible assets is related to drilling operations in the Black Sea, under joint venture with ExxonMobil. The increase in inventories and other current assets was fully offset by the decrease in cash and cash equivalents as a result of dividends payments.

Equity increased to RON 27,262 mn as of September 30, 2014, as a result of the net profit generated in the current period, which was partially offset by the dividends distributed for the 2013 financial year (RON 1,745 mn). The Group's equity ratio[1] stood at 65% at the end of September 2014, slightly lower than the level of December 2013 (67%).

Total interest bearing debt slightly decreased from RON 1,443 mn as of December 31, 2013 to RON 1,346 mn as of September 30, 2014.

The Group's liabilities other than interest bearing debt increased by RON 1,189 mn, mostly due to the increase of decommissioning provisions (following parameters and discount rate changes) and increase in liabilities related to off-shore drilling activities.

OMV Petrom Group's net debt[2] shows an increase from RON 332 mn as of December 2013 to RON 1,062 mn as of September 2014. Consequently, the gearing ratio[3] increased to 3.89%, from 1.25% in December 2013.

[1] *Equity ratio is calculated as Equity/(Total Assets) x 100*
[2] *Net debt is calculated as interest bearing debt including financial lease liability less cash and cash equivalents*
[3] *Gearing ratio is calculated as Net debt/(Equity) x 100*

Cash flows (condensed, unaudited)

Q2/14	Q3/14	Q3/13	Summarized statement of cash flows (in RON mn)	9m/14	9m/13
571.41	**1,275.65**	**1,529.70**	**Profit before taxation**	**3,186.66**	**4,395.83**
(36.00)	15.23	(50.59)	Net change in provisions	16.07	(143.49)
32.67	(45.50)	1.46	Losses/(gains) on the disposal of non-current assets	(16.32)	(1.77)
1,335.05	797.86	867.15	Depreciation, amortization including write-ups	2,945.40	2,437.60
(20.15)	(10.33)	(8.33)	Net interest paid	(35.23)	(38.95)
(233.97)	(189.52)	(175.83)	Tax on profit paid	(652.58)	(663.31)
16.10	11.95	(14.32)	Other adjustments	106.57	11.31
1,665.10	**1,855.34**	**2,149.24**	**Sources of funds**	**5,550.57**	**5,997.22**
(176.83)	(71.33)	(29.66)	(Increase)/decrease in inventories	(320.24)	170.07
(329.30)	(51.65)	160.91	(Increase)/decrease in receivables	(411.59)	372.19
159.20	(143.55)	118.09	(Decrease)/increase in liabilities	160.13	(332.84)
1,318.18	**1,588.82**	**2,398.58**	**Net cash from operating activities**	**4,978.87**	**6,206.64**
(1,101.34)	(1,729.29)	(1,240.33)	Intangible assets and property, plant and equipment	(4,239.40)	(3,560.91)
(45.00)	-	-	Investments, loans and other financial assets	(45.28)	(0.10)
25.62	227.99	12.87	Proceeds from sale of non-current assets	261.09	35.54
-	-	-	Proceeds from sale of subsidiaries, net of cash disposed	15.99	53.76
(1,120.72)	**(1,501.30)**	**(1,227.46)**	**Net cash from investing activities**	**(4,007.60)**	**(3,471.71)**
122.78	(188.12)	(32.60)	Increase / (decrease) in borrowings	(98.33)	(290.04)
(1,656.36)	(59.19)	(35.09)	Dividends paid	(1,715.91)	(1,564.96)
(1,533.58)	**(247.31)**	**(67.69)**	**Net cash from financing activities**	**(1,814.24)**	**(1,855.00)**
(5.57)	15.00	(0.41)	Effect of exchange rate changes on cash and cash equivalents	6.28	(0.07)
(1,341.70)	**(144.79)**	**1,103.02**	**Net (decrease)/increase in cash and cash equivalents**	**(836.69)**	**879.86**
2,058.04	716.34	443.49	Cash and cash equivalents at beginning of period	1,408.24	666.65
716.34	**571.55**	**1,546.51**	**Cash and cash equivalents at end of period**	**571.55**	**1,546.51**

Notes to the cash flows

In 9m/14, free cash flow (defined as net cash from operating activities less net cash used for investing activities) showed an inflow of funds of RON 971 mn (9m/13: RON 2,735 mn). Free cash flow less dividend payments resulted in a cash outflow of RON 745 mn (9m/13: inflow of RON 1,170 mn).

The inflow of funds from profit before taxation, adjusted for non-cash items such as depreciation, net change of provisions and other non-cash adjustments, as well as net interest and income tax paid was RON 5,551 mn (9m/13: RON 5,997 mn).

Net working capital generated a cash outflow of RON 572 mn (9m/13: inflow of RON 209 mn), being influenced mainly by the increase in inventories due to the shutdown of the Petrobrazi refinery, and also the increase in receivables related to gas sales.

Net cash flow used for investing activities (outflow of RON 4,008 mn; 9m/13: RON 3,472 mn) mainly includes payments for investments in intangible assets and property, plant and equipment.
Net cash flow from financing activities shows an outflow of funds amounting to RON 1,814 mn (9m/13: RON 1,855 mn), mainly coming from payment of dividends in the amount of RON 1,716 mn.

Condensed statement of changes in equity (unaudited)

in RON mn	Share capital	Revenue reserves	Other reserves[1]	Treasury shares	Stockholders' equity	Non-controlling interests	Total Equity
January 1, 2014	**5,664.41**	**21,000.68**	**5.44**	**(0.02)**	**26,670.51**	**(28.83)**	**26,641.68**
Net income for the period	-	2,406.68	-	-	2,406.68	-	2,406.68
Other comprehensive income for the period	-	-	(39.02)	-	(39.02)	(2.40)	(41.42)
Total comprehensive income for the period	**-**	**2,406.68**	**(39.02)**	**-**	**2,367.66**	**(2.40)**	**2,365.26**
Dividend distribution	-	(1,744.63)	-	-	(1,744.63)	(0.04)	(1,744.67)
Adjustments to share capital and revenue reserves [2]	-	-	-	-	-	-	-
Purchase of own shares	-	-	-	-	-	-	-
Distribution of own shares	-	-	-	-	-	-	-
Change in interests	-	-	-	-	-	-	-
September 30, 2014	**5,664.41**	**21,662.73**	**(33.58)**	**(0.02)**	**27,293.54**	**(31.27)**	**27,262.27**

in RON mn	Share capital	Revenue reserves	Other reserves[1]	Treasury shares	Stockholders' equity	Non-controlling interests	Total equity
January 1, 2013	**18,983.37**	**4,396.08**	**58.84**	**(0.02)**	**23,438.27**	**(32.93)**	**23,405.34**
Net income for the period	-	3,663.16	-	-	3,663.16	2.57	3,665.73
Other comprehensive income for the period	-	-	(2.60)	-	(2.60)	0.50	(2.10)
Total comprehensive income for the period	**-**	**3,663.16**	**(2.60)**	**-**	**3,660.56**	**3.07**	**3,663.63**
Dividend distribution	-	(1,586.03)	-	-	(1,586.03)	(0.03)	(1,586.06)
Adjustments to share capital and revenue reserves [2]	(13,318.96)	13,318.96	-	-	-	-	-
Purchase of own shares	-	-	-	-	-	-	-
Distribution of own shares	-	-	-	-	-	-	-
Change in interests	-	50.83	(50.83)	-	-	0.01	0.01
September 30, 2013	**5,664.41**	**19,843.00**	**5.41**	**(0.02)**	**25,512.80**	**(29.88)**	**25,482.92**

[1] *Other reserves contain mainly exchange rate differences from the translation of foreign operations and reserves from business combinations in stages.*
[2] *Usage of the restatement of share capital arising from the first time adoption of IAS 29 "Reporting in hyperinflationary economics" to cover the accumulated loss resulted from IAS 29 implementation. This was approved at the Annual General Meeting of Shareholders held on April 22, 2013.*

Dividends

At the Annual General Meeting of Shareholders held on April 29, 2014, the shareholders of OMV Petrom S.A. approved the distribution of dividends for the financial year 2013 for the gross amount of RON 1,745 mn. Payment of the dividends started on June 5, 2014.

Segment reporting

Intersegmental sales

Q2/14	Q3/14	Q3/13	Δ%	in RON mn	9m/14	9m/13	Δ%
3,224.53	3,130.45	3,180.33	(2)	Exploration and Production	9,400.39	8,997.33	4
86.79	79.32	93.23	(15)	Gas and Power	272.88	334.10	(18)
42.71	39.45	45.40	(13)	Refining and Marketing	119.53	130.67	(9)
151.30	41.06	137.62	(70)	Corporate and Other	332.06	413.07	(20)
3,505.33	**3,290.28**	**3,456.58**	**(5)**	**Total**	**10,124.86**	**9,875.17**	**3**

Sales to external customers

Q2/14	Q3/14	Q3/13	Δ%	in RON mn	9m/14	9m/13	Δ%
222.31	180.08	305.44	(41)	Exploration and Production	666.45	853.03	(22)
961.52	752.11	858.35	(12)	Gas and Power	2,758.54	2,802.83	(2)
4,211.77	4,537.40	5,393.23	(16)	Refining and Marketing	12,710.88	14,442.65	(12)
27.73	5.71	17.18	(67)	Corporate and Other	58.69	51.80	13
5,423.33	**5,475.30**	**6,574.20**	**(17)**	**Total**	**16,194.56**	**18,150.31**	**(11)**

Total sales (not consolidated)

Q2/14	Q3/14	Q3/13	Δ%	in RON mn	9m/14	9m/13	Δ%
3,446.84	3,310.53	3,485.77	(5)	Exploration and Production	10,066.84	9,850.36	2
1,048.31	831.43	951.58	(13)	Gas and Power	3,031.42	3,136.93	(3)
4,254.48	4,576.85	5,438.63	(16)	Refining and Marketing	12,830.41	14,573.32	(12)
179.03	46.77	154.80	(70)	Corporate and Other	390.75	464.87	(16)
8,928.66	**8,765.58**	**10,030.78**	**(13)**	**Total**	**26,319.42**	**28,025.48**	**(6)**

Segment and Group profit

Q2/14	Q3/14	Q3/13	Δ%	in RON mn	9m/14	9m/13	Δ%
836.27	1,355.31	1,539.41	(12)	EBIT Exploration and Production	3,563.66	4,263.40	(16)
(12.64)	(105.61)	(1.84)	n.m.	EBIT Gas and Power	(81.62)	102.87	n.m.
59.92	179.38	111.22	61	EBIT Refining and Marketing	310.77	278.61	12
(58.62)	(41.18)	(19.75)	109	EBIT Corporate and Other	(110.14)	(59.03)	87
824.93	**1,387.90**	**1,629.04**	**(15)**	**EBIT segment total**	**3,682.67**	**4,585.85**	**(20)**
(199.01)	(36.35)	(43.55)	(17)	Consolidation: Elimination of intersegmental profits	(233.55)	(30.06)	n.m.
625.92	**1,351.55**	**1,585.49**	**(15)**	**OMV Petrom Group EBIT**	**3,449.12**	**4,555.79**	**(24)**
(54.51)	**(75.90)**	**(55.79)**	**36**	**Net financial result**	**(262.46)**	**(159.96)**	**64**
571.41	**1,275.65**	**1,529.70**	**(17)**	**OMV Petrom Group profit from ordinary activities**	**3,186.66**	**4,395.83**	**(28)**

Assets[1]

in RON mn	Sep 30, 2014	Dec 31, 2013
Exploration and Production	24,281.12	22,296.95
Gas and Power	2,841.58	2,948.54
Refining and Marketing	5,741.97	5,491.25
Corporate and Other	525.24	737.37
Total	**33,389.91**	**31,474.11**

[1] *Segment assets consist of intangible assets and property, plant and equipment*

Other notes

Significant transactions with related parties
Business transactions in the form of supplies of goods and services take place on a constant and regular basis with companies from OMV Group such as OMV Supply & Trading AG and OMV Refining & Marketing GmbH.

Financial Ratios (presented in accordance with National Securities Commission Instruction No. 1/2006 requirements)

Financial Ratio	Formula	Value
Current ratio	Current Assets / Current Liabilities	0.93
Gearing Ratio	Net debt / Equity*100	3.89%
Days in receivables	Receivables average balance / Turnover*270	26.09
Fixed assets turnover [1]	Turnover / Fixed assets	0.67

[1] *Fixed assets turnover is calculated based on turnover for Q3/14*(360/270) days.*

Subsequent events

On October 27, ExxonMobil Exploration and Production Romania Limited and OMV Petrom have started drilling the Pelican South-1 exploration well to test a new geological structure on the Neptun Block. The Ocean Endeavour rig is drilling the Pelican South-1 wildcat exploration well about 155 kilometers offshore in the Romanian sector of the Black Sea.
Earlier in October, the Ocean Endeavour rig finalized drilling the Domino-2 well and data from the well are being evaluated.

On November 5, OMV Petrom announced the replacement of the conventional lighting systems in 345 Petrom filling stations with a new LED based system (light emitting diode), following a EUR 2.1 mn investment.

Declaration of the management

We confirm to the best of our knowledge that the interim condensed consolidated financial statements for the period ended September 30, 2014, prepared in accordance with the International Financial Reporting Standards, offer a true and fair view of OMV Petrom Group's assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the statements of operations and the information presented in this report give a true and fair view of important events that have occurred during the first nine months of the financial year and their impact on the interim condensed consolidated financial statements.

Bucharest, November 6, 2014

The Executive Board

Mariana Gheorghe
Chief Executive Officer
President of the Executive Board

Andreas Matje
Chief Financial Officer
Member of the Executive Board

Gabriel Selischi
Member of the Executive Board
Exploration and Production

Cristian Secosan
Member of the Executive Board
Gas and Power

Neil Anthony Morgan
Member of the Executive Board
Refining and Marketing

Abbreviations and definitions

ANRE	Romanian Energy Regulatory Authority
bbl	barrel(s), i.e. 159 liters
bcf	billion cubic feet; 1 bcm = 35.3147 bcf for Romania or 34.7793 bcf for Kazakhstan
boe; kboe; kboe/d	barrels of oil equivalent; thousand barrels of oil equivalent; kboe per day
bn	billion
bcm	billion cubic meters
capital employed	equity including minorities plus net debt
cbm	cubic meters
CEO	Chief Executive Officer
Co&O	Corporate and Other
CAPEX	Capital expenditure
CCS	Current cost of supply
CFPS	Cash Flow Per Share
EBIT	Earnings before interest and tax
E&P	Exploration and Production
EPS	Earnings per share
EUR	euro
ExxonMobil	ExxonMobil Exploration and Production Romania Limited
FX	Foreign Exchange
G&P	Gas and Power
HSSE	Health, Safety, Security and Environment
IFRSs; IASs	International Financial Reporting Standards; International Accounting Standards
mn	million
MWh	megawatt hour
NBR	National Bank of Romania
NGL	Natural Gas Liquids
n.a.	not applicable/not available (after case)
n.m.	not meaningful i.e. deviation exceeds (+/-)500% or comparison is made between positive and negative values
NOPAT	Net Operating Profit After Tax. Profit on ordinary activities after taxes plus net interest on net borrowings, +/– result from discontinued operations, +/– tax effect of adjustments
OPCOM	The administrator of the Romanian electricity market
OPEX	Operating Expenditures
Q	quarter
ROACE	Return On Average Capital Employed = NOPAT/Average Capital Employed (%)
ROE	Return On Equity = Net Profit/Average Equity (%)
ROFA	Return On Fixed Assets = EBIT/Average Fixed Assets (%)
RON	Romanian leu
R&M	Refining and Marketing
S.A.; S.R.L.	Societate pe Actiuni (Joint-stock company); Societate cu Raspundere Limitata (Limited liability company)
TOC	Tasbulat Oil Corporation
t/y	tons/year
TWh	terawatt hour
USD	United States dollar

Appendix 1

Consolidated companies in OMV Petrom Group at September 30, 2014

Parent company
OMV Petrom S.A.

Subsidiaries

EXPLORATION & PRODUCTION		**REFINING & MARKETING**	
Tasbulat Oil Corporation LLP (Kazakhstan)[1]	100.00%	OMV Petrom Marketing S.R.L. (Romania)	100.00%
OMV Petrom Ukraine E&P GmbH	100.00%	OMV Petrom Aviation S.A. (Romania)	99.99%
OMV Petrom Ukraine Finance Services GmbH	100.00%	ICS Petrom-Moldova S.A. (Republic of Moldova)	100.00%
Kom Munai LLP (Kazakhstan)	95.00%	OMV Bulgaria OOD (Bulgaria)	99.90%
Petrom Exploration & Production Ltd.	50.00%	OMV Srbija DOO (Serbia)	99.96%
GAS & POWER		**CORPORATE & OTHER**	
OMV Petrom Gas S.R.L.	99.99%	Petromed Solutions S.R.L.	99.99%
OMV Petrom Wind Power S.R.L.	99.99%		

[1] *Owned through Tasbulat Oil Corporation BVI as holding company*

Associated company, accounted for at equity	
OMV Petrom Global Solutions S.R.L. (Romania)	25.00%

Contact

OMV Petrom Investor Relations
Tel: +40 372 088406; Fax: +40 21 30 68518
E-mail address: investor.relations.petrom@petrom.com

Next release:

The next results announcement for January – December and Q4 2014 will be released on February 19, 2015, presenting OMV Petrom consolidated preliminary results prepared according to IFRS.