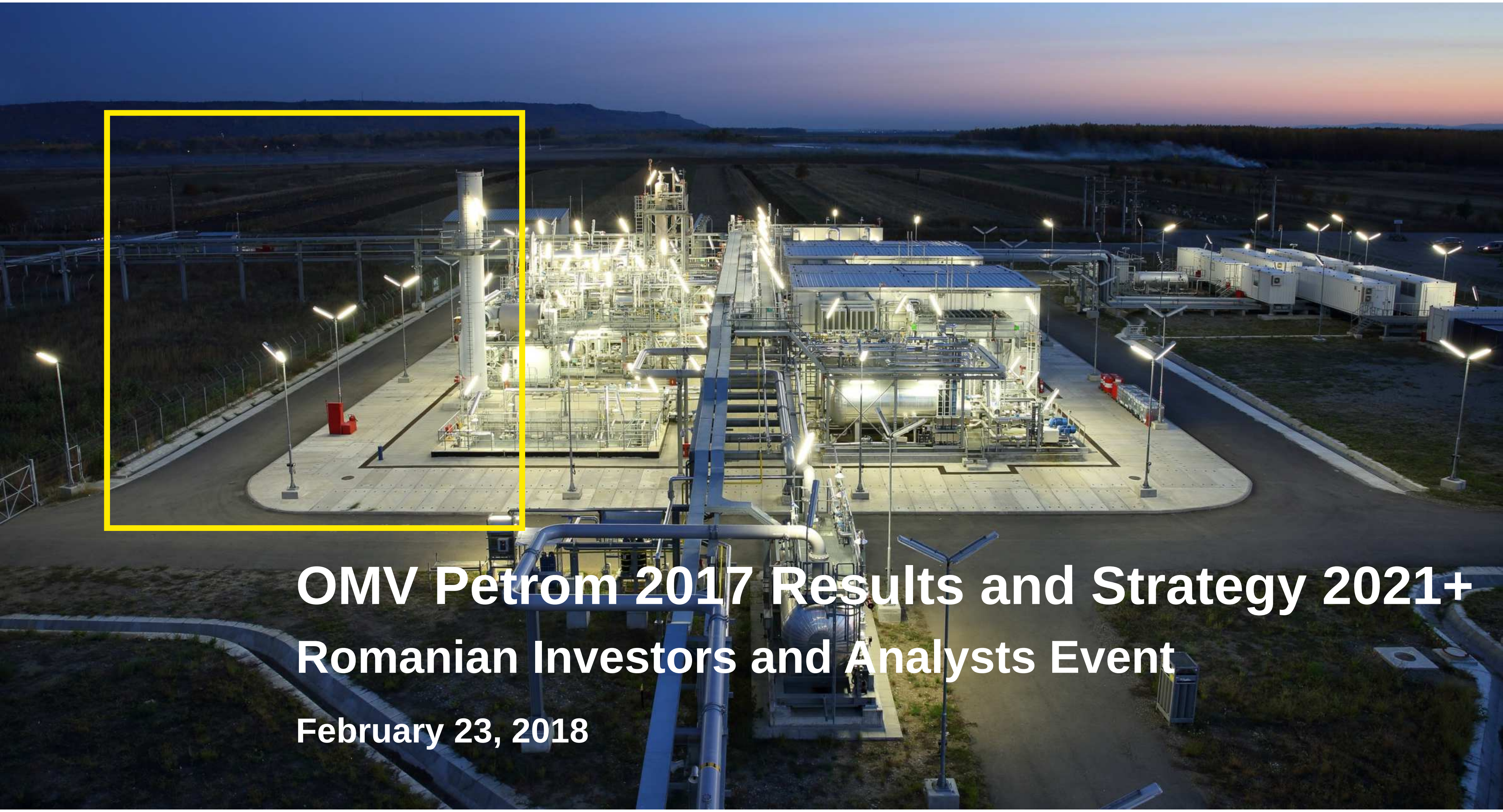

OMV Petrom 2017 Results and Strategy 2021+

Romanian Investors and Analysts Event

February 23, 2018

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Agenda

10:00 – 10:55	OMV Petrom Strategy 2021+ progress – Mariana Gheorghe
10:55 – 11:40	Q&A – all EB members
11:40 – 11:50	Break
11:50 – 12:35	OMV Petrom Q4 & FY 2017 results and Outlook 2018 – Stefan Waldner
12:35 – 13:20	Q&A – all EB members
13:20 – 14:30	Networking lunch

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OMV Petrom 2017 Results and Strategy 2021+

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Mariana Gheorghe, CEO

Global trends shaping the future of energy

Structural changes

Population growth
Urbanization
Dynamic demand and supply changes
Regulatory and geopolitical challenges
Sustained lower oil prices

Technology and Digitalization

Automation on a large scale
Big data analytics
Internet of Things
Machine learning
Artificial intelligence, robotics

Behavioral changes

Connected lifestyles
Convenience and immediacy in brand interaction
Sharing and experience economy
New customer experience

Mobility trends

Vehicle electrification
Autonomous vehicles
Increased connectivity
Shared mobility

Changes in energy market

Decarbonisation
Energy efficiency
Alternative clean technologies, renewables
Environmental regulations

Labor market changes

Education systems reforms
Ageing populations
Labor flexibility
Job redundancy through new technology
Talent management challenges

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OMV Petrom’s strategic directions 2021+

Attractive shareholder return

Sustainable access to energy for everyday modern life

Enhancing competitiveness

- Highest integration value
- Operational excellence
- Improved recovery
- Streamlined producing portfolio

Developing growth options

- 100% Reserves Replacement Rate
- Exploration portfolio
- Enhanced offer
- Customer experience
- Technological opportunities

Regional expansion

- Selective investments
- Regional gas player

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First progress towards achieving strategic objectives

2017 highlights

Enhancing competitiveness

- Drilling campaign ramped-up
- Operational efficiency increased
- Costs optimized
- Portfolio streamlining initiated

Developing growth options

- Development concept selected for Neptun[1]
- Moving towards higher value product mix
- Developing retail offer

Regional expansion

- Opportunities in selected areas screened

Strong performance and attractive return

- **9.8%** Clean CCS ROACE
- **EUR 584 mn** FCF after dividends
- **33%** yoy dividend growth[2]
- **6.8%** increase in share price[3]

[1] Development subject to confirmation of commercial viability; [2] Executive Board's proposal subject to approvals of the Supervisory Board and Annual General Meeting of Shareholders on April 26, 2018; [3] share price as of December 29, 2017 compared with share price as of December 30, 2016, adjusted for EUR/RON exchange rate

Upstream: maximize economic recovery to realize the potential of our current assets

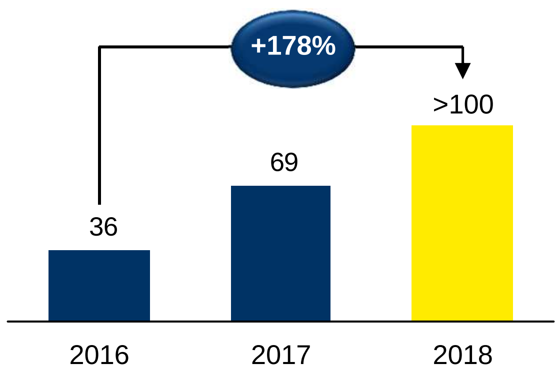
Highlights 2017

- Drilling activities ramped-up, 14 drilling rigs being active in December 2017
- Over 1,000 workover jobs performed in 2017
- Field Development Totea Deep and FRD[1] Lebada East fully operational at the end of 2017
- First gas through Madulari gas treatment plant

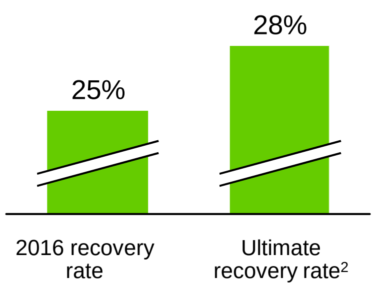
Going forward

- Mature 100 mn boe from resources into reserves, excluding deep water
- Drill 100 - 150 new development wells per year
- Maintain high workover activity mitigating natural decline

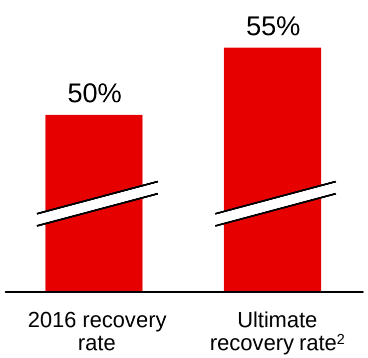
No. of drilled wells



Oil recovery rate



Gas recovery rate



[1] Field Redevelopment; [2] Life of field including strategic ambitions

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Upstream: streamline producing asset portfolio to focus on most profitable barrels

Highlights 2017

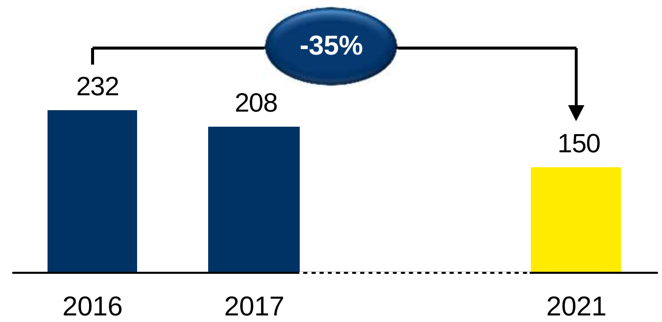
- 5 commercial fields relinquished
- Mazarine transaction finalized, 19 marginal fields divested
- New round of divestment initiated

Going forward

- Simplify footprint and reduce complexity, approx. 50-60 fields to be divested
- Expect production loss of up to 6 kboe/day
- Focus on value over volume

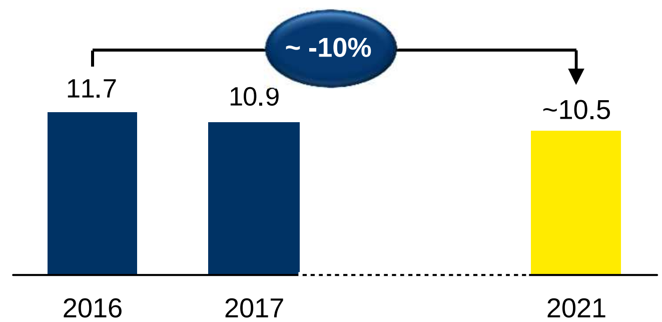
Footprint development

(no. of fields)



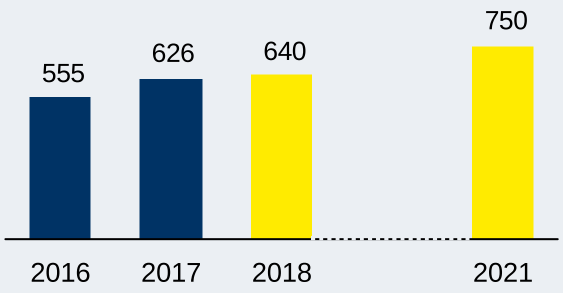
Unit cost development

(USD/boe)

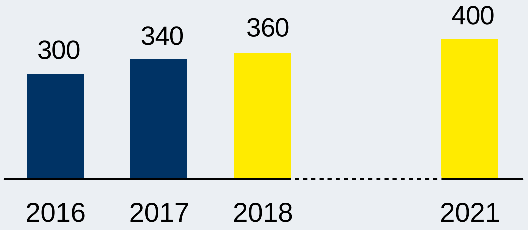


Upstream: continued operational excellence

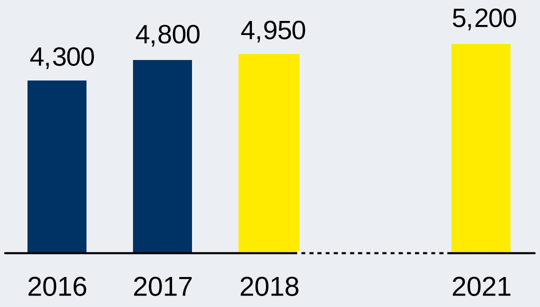
Increased MTBF[1]
(days)



Modernized facilities
(no. of modernized facilities[2])



Automated wells[3]
(no. of automated wells)



Going forward

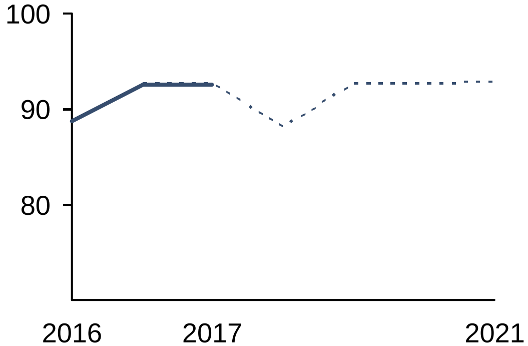
- Maintain competitive cost base
- Be committed to operational excellence
- Increase degree of automation and digitalization
- Modernize and simplify facilities
- Implement cost savings initiatives

[1] Mean time between failures; [2] all numbers are rounded; [3] oil and gas producing and water injection wells

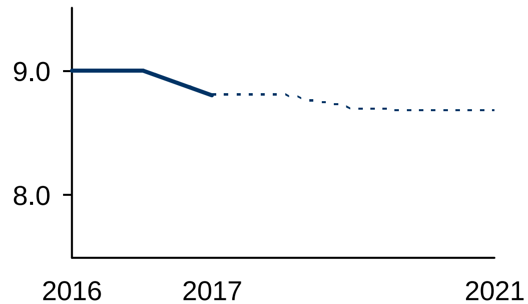
Downstream Oil: high level of performance

Refining

Utilization rate (%)



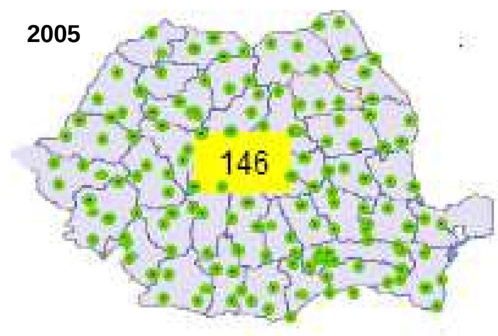
Fuels and losses (%)



Going forward

- Focus on operational excellence
- Improve refinery operations to international benchmarks
- Maintain cost discipline
- Perform the planned turnaround in 2018, scope dimensioned for a 4-years' timeframe
- Implement digital technologies in refinery to automate processes for turnaround coordination, maintenance and operations
- Conclude modernization of fuel storage network by finalizing Arad depot

Fuel storage network



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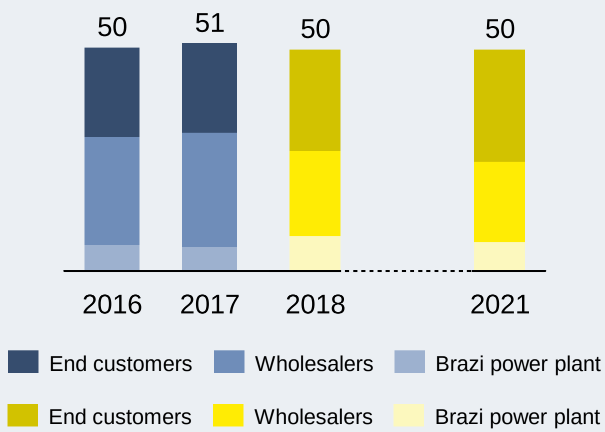
Downstream Gas: consolidate leading position in Romanian gas market

Stable gas sales (TWh)



Capture the highest integrated gas and power value

- 150 new end customers added to the portfolio with 1.6 TWh gas and power sales
- Net electrical output of 2.6 TWh for Brazi power plant despite its limited availability

Optimize business portfolio. Focus on core activities

- Dorobantu Wind park divested

Going forward

- Enhance offer and customer experience
- Improve agility, automate processes
- Be the supplier of choice for the large industrial gas consumers
- Maximization of availability and utilization of Brazi power plant

Upstream: Neptun Deep opportunity, the most important growth option

- OMV Petrom (50%), ExxonMobil (50%, Operator)
- First exploration drilling campaign in 2011 – 2012
  - Domino-1 well gas discovery: a play opener
- Two seismic acquisition campaigns: 2009; 2012 – 2013
- Second exploration drilling campaign 2014 - 2016
  - Seven wells drilled; most of them encountered gas
  - Successful well test of Domino structure
- Matured through concept selection phase
- Potential FID[1,2] in the second half of 2018
- Key contributor to RRR[3] target[2]

[1] *Final Investment Decision;* [2] *If commercially viable;* [3] *Reserves Replacement Rate*

Downstream Oil: growth and technological opportunities in refining

Polyfuel project

- Increase output of high-demand and high-value products
- Total investment estimated at approx. EUR 60 mn
- Construction started in 2017
- Fully operational in 2019

Explore technological opportunities capitalizing on skills and assets in Petrobrazi

- 100 kt aromatics exploit capacity
- Evaluate petrochemical potential

Downstream Oil: enhance offer and customer experience in retail

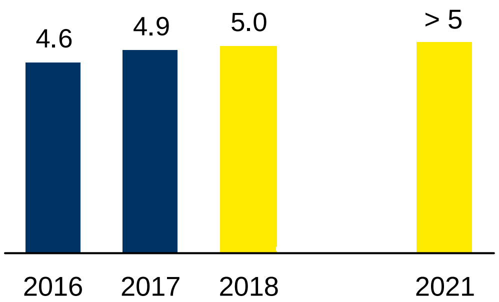
Secure strong positioning on the retail market by clearly differentiating two brands

Value for money

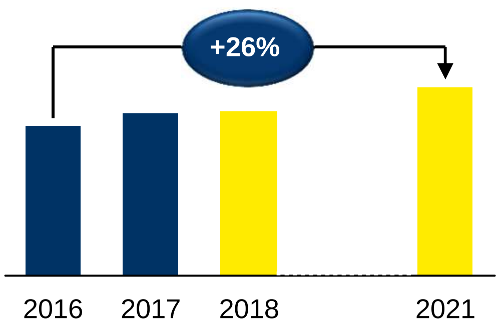
Diversification of the services offered

- Strategic partnerships and programs generating additional benefits and increasing customer loyalty
- Auchan: 15 convenience stores in pilot phase
- Subway: 9 locations opened, 4 locations planned
- Ford: newly produced cars supplied with Petrom fuels

Increase throughput per filling station in Romania (mn l)



Non-oil Business sales



High quality leader

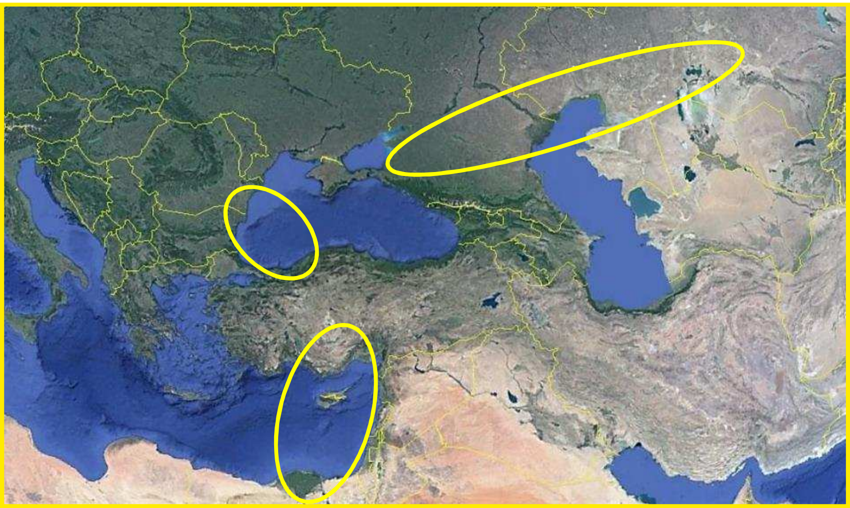
We care more

- OMV MaxxMotion quality-differentiating fuels
- “VIVA” experience - refreshed gastro concept
- Environmentally friendly car wash services
- Additional services (e.g. banking)

Regional expansion to complement portfolio

Leverage our local know-how

Upstream



- Capture synergies with existing operations
- ~80 mn boe reserves targeted from near-term acquisitions
- Prioritise Caspian and Western Black Sea

Downstream Gas

- Diversify sales channels for current production (subject to interconnectors' development)
- Grow regionally with Neptun[1] volumes monetization

[1] if commercially viable

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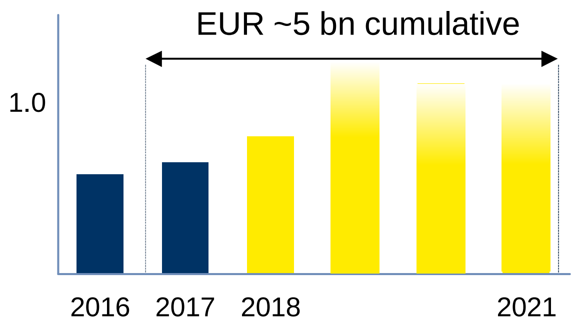
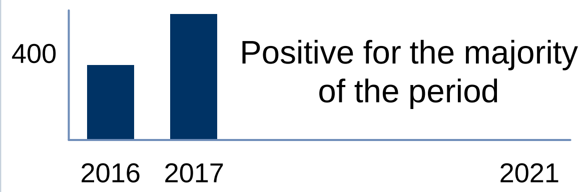
2021 Clear targets sustained by high investments

CAPEX (EUR bn)



FCF after dividends (EUR mn)



Clean CCS ROACE[1], %

> 10%

Strong net cash position supporting Neptun Deep and regional expansion investments as well as an attractive dividend

[1] *Clean Current Cost of Supply Return on Average Capital Employed*

Success built on three core strategic enablers

People and Organizational Culture

We are the energy

Sustainability

Respect the future

Technology and Innovation

Innovate for the future

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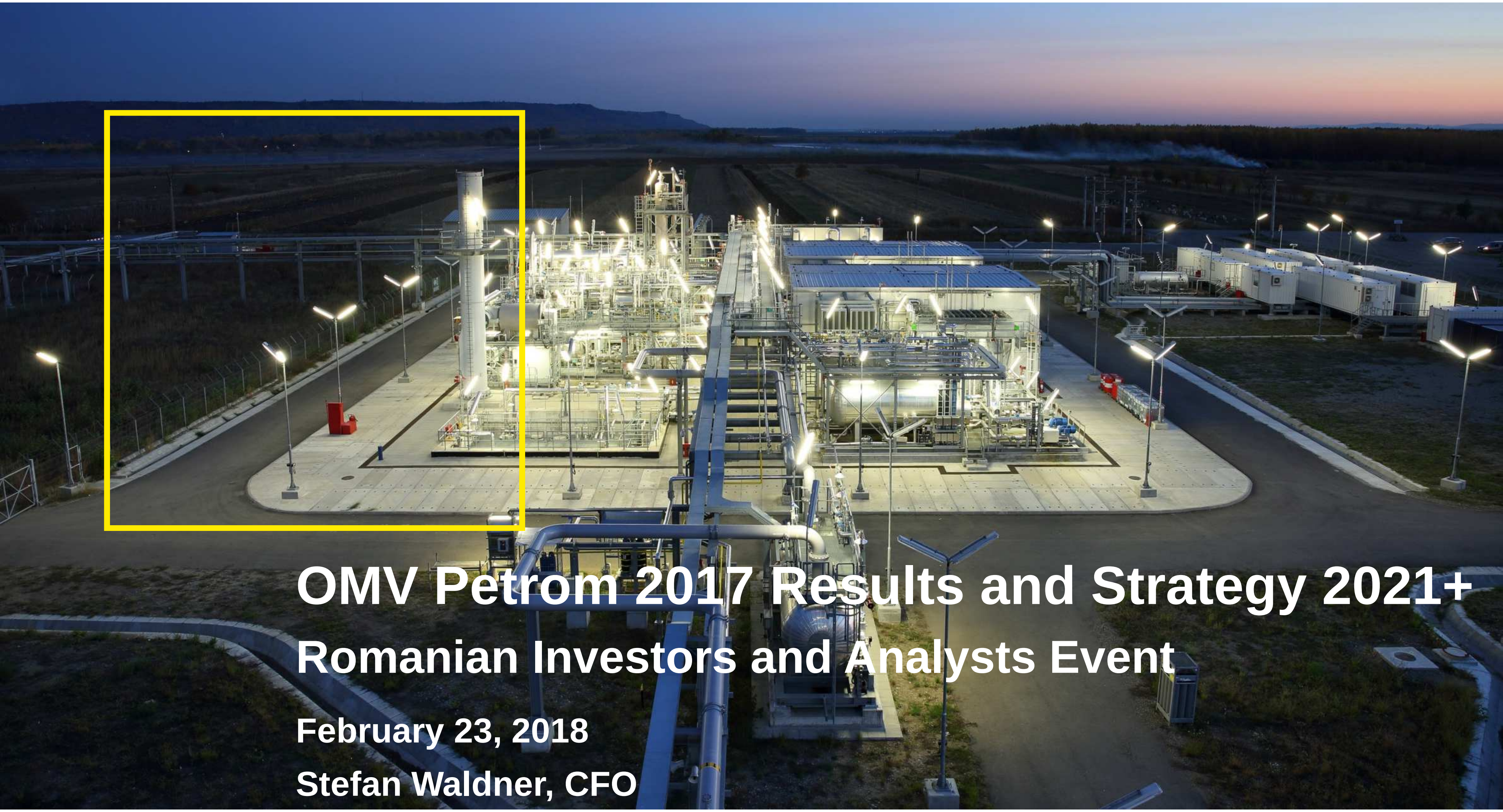
Q&A



OMV Petrom 2017 Results and Strategy 2021+

Romanian Investors and Analysts Event

February 23, 2018

Stefan Waldner, CFO

OMV Petrom

Key messages 2017

Free cash flow of RON 2.7 bn **after** RON 0.8 bn **dividend** paid

Clean CCS Operating Result at RON 3.3 bn

Clean CCS EPS up > 2 times yoy

Dividend proposal[1]: RON 0.02/share, 33% higher yoy

2017 **LTIR**[2] at 0.17 (2016: 0.21)

Upstream: production 168 kboe/d, -4% yoy; OPEX USD 10.9/boe, -7% yoy

Downstream Oil: refining margins USD +0.8/bbl yoy; retail sales volumes +6% yoy

Downstream Gas: gas sales volumes +2% yoy; net electrical output: -7% yoy

[1] Executive Board's proposal subject to approvals of the Supervisory Board and Annual General Meeting of Shareholders on April 26, 2018; [2] Lost time injury rate (employees and contractors) for OMV Petrom Group

Romanian environment

Macroeconomic environment

2017 GDP growth[1]: 7% yoy;

Q4/17 GDP growth: 7% yoy

CPI annual inflation: 3.3% end-Dec; 12-month average: 1.3%

Demand:

	2017 yoy	Q4/17 yoy
Fuels[2]	+7%	+6%
Gas[3]	+5%	-9%
Power[4]	+4%	+5%

Fiscal framework

Supplementary gas taxation[5] extended

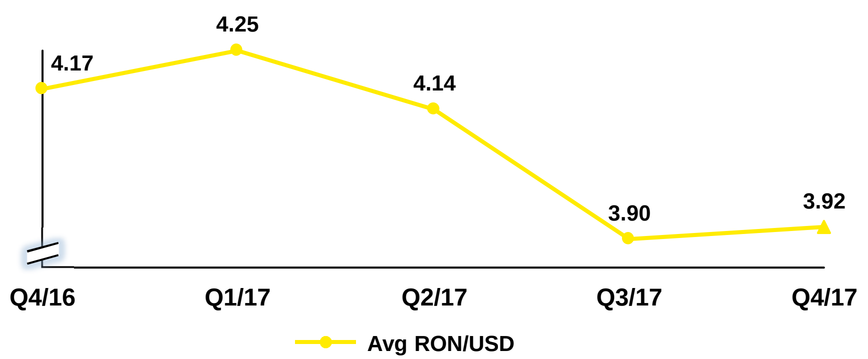
Tax on special constructions eliminated starting January 1, 2017

Engagement with stakeholders on **Upstream taxation and regulatory framework**

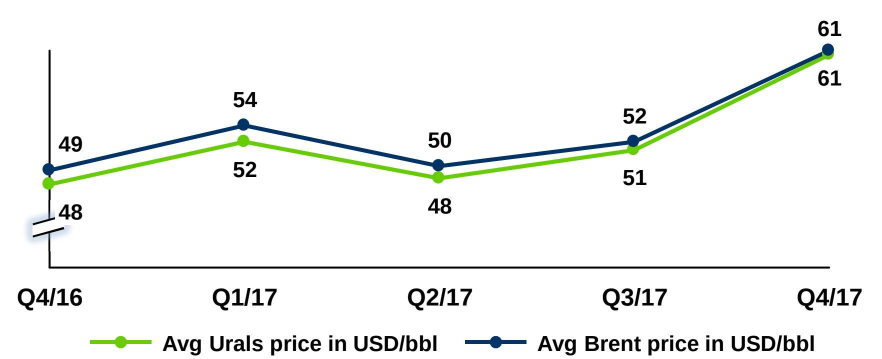
[1] Romanian National Institute of Statistics; [2] Fuels refer only to retail diesel and gasoline; OMV Petrom estimates based on Romanian National Institute of Statistics data; [3] According to company estimates; [4] According to preliminary data available from the grid operator; [5] Introduced at the beginning of 2013 simultaneously with the start of gas price liberalization

Economic environment

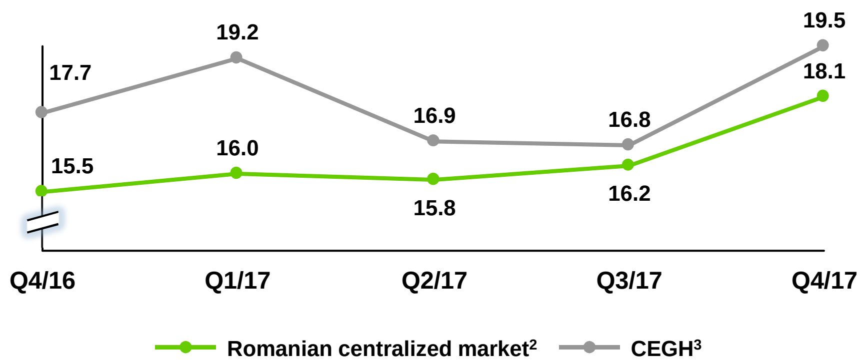
FX (RON/USD)



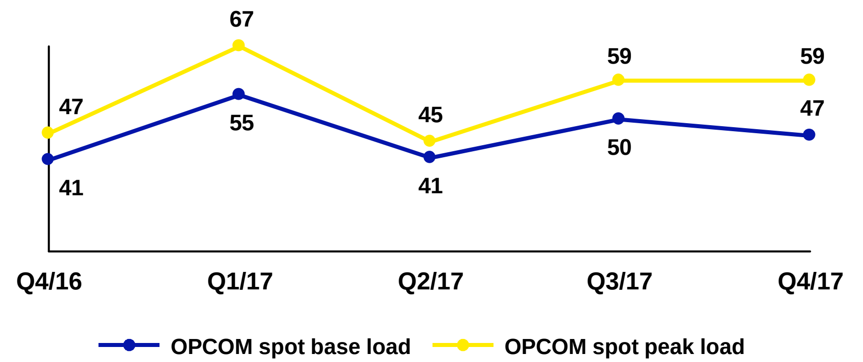
Oil price (USD/bbl)



Gas prices (EUR/MWh)[1]



Power prices in Romania (EUR/MWh)[1]



[1] Prices estimated by OMV Petrom based on available public information; the prices in EUR/MWh are translated at the exchange rate 4.5 RON/EUR until Q1/17 and at the NBR average RON/EUR rate afterwards; [2] All transactions concluded in the respective quarter, irrespective of delivery period and product type; [3] Day-ahead market Central European Gas Hub

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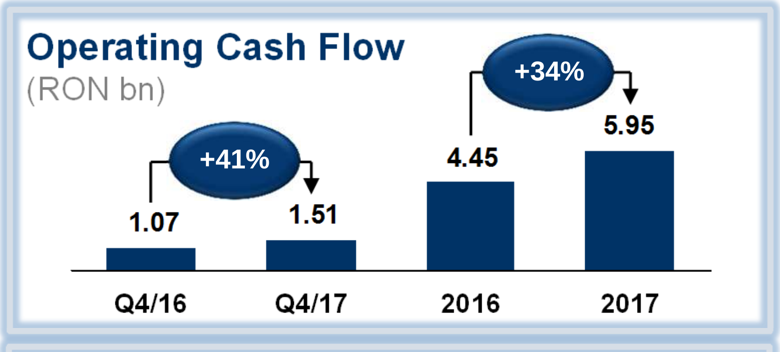
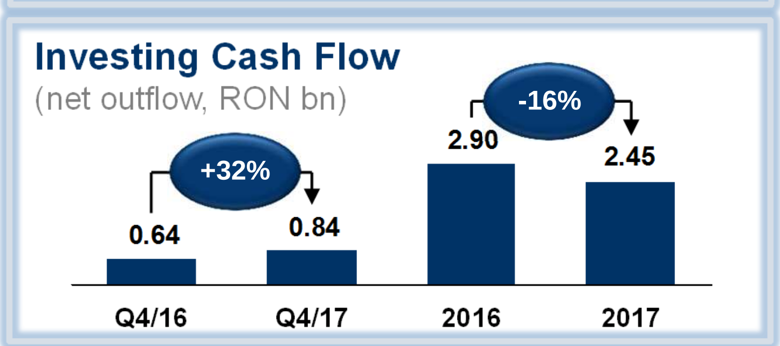
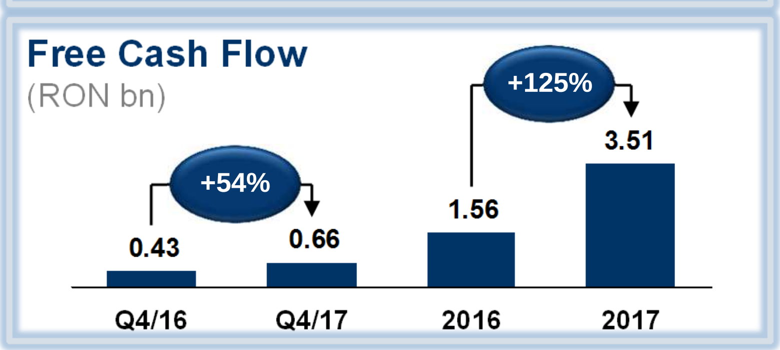
Cash Flow highlights



- 2017 OCF[1] up due to higher Operating Result
- Q4/17 NWC[2]: cash outflow RON 117 mn
- 2017 NWC[2]: cash outflow RON 199 mn



- 2017 CAPEX higher 15% yoy
- 2016 CFI[3] higher due to payments related to 2015 CAPEX



- 2017 FCF[4] more than double yoy
- RON 0.8 bn dividend paid in 2017
- 2017 FCF[4] after dividends up 71%

[1] Operating Cash Flow; [2] Net Working Capital; [3] Cash flow from investing activities; [4] Free Cash Flow

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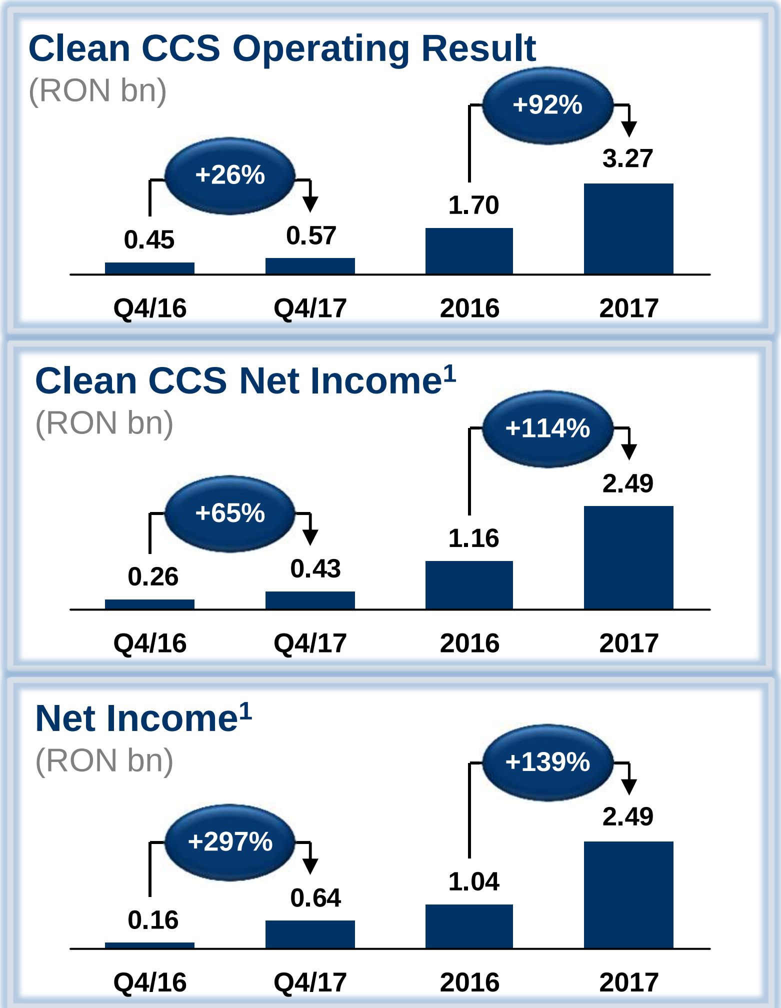
Income Statement highlights



- Clean CCS Operating Result reflects:
  - Market conditions (prices, demand)
  - Higher exploration expenses
  - Insurance revenues related to power segment
- Clean CCS Net Income higher:
  - Effective tax rate decreased from 18% in 2016 to 14% in 2017
  - Financial loss higher in 2017 vs 2016
- Net Income includes:
  - Special charges
  - CCS effects

[1] *Attributable to stockholders of the parent*

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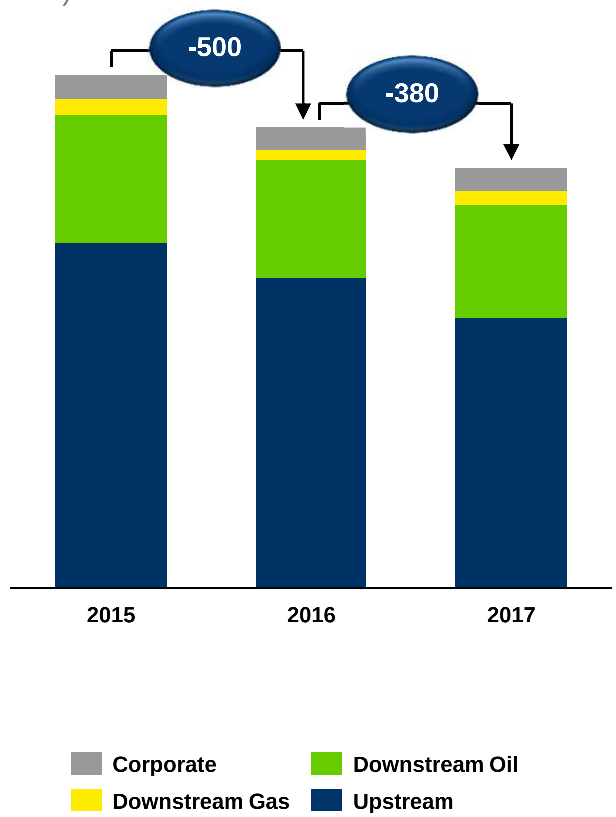
Cost efficiency and operational excellence

Total operating cost[1]

(RON mn)



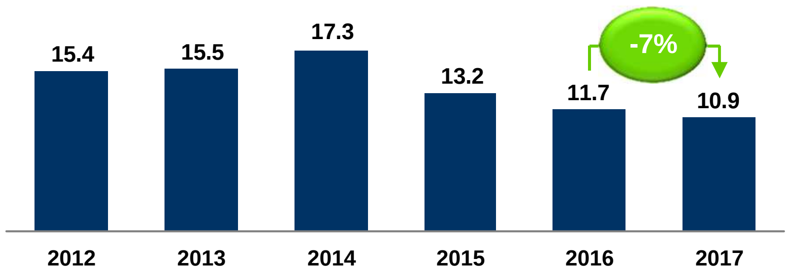
Key drivers 2017 vs. 2015

- **Upstream** cost base reduced with 22%
- **Downstream Direct Cash Costs:** reduced maintenance costs, energy efficiency improvements and 3rd party contracts renegotiation, -11%
- **Corporate Costs:** cutback of advertising and IT cost, -6%
- **Headcount:** further downsized, -14%

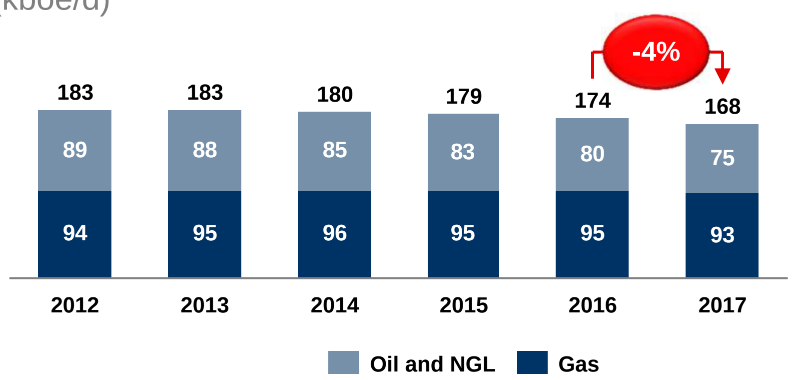
[1] On comparable basis with 2015

Upstream KPIs: improved OPEX/boe

OPEX[1]
(USD/boe)



Hydrocarbon production
(kboe/d)



Key drivers 2017 vs. 2016

Improved OPEX, in USD/boe terms, -7%:

- Abolition of tax on special constructions
- MTBF 626 days; lower services costs
- One-off personnel-related expense

Total Upstream production -4%, due to:

- Natural decline
- Maintenance works
- Interventions at key wells in Kazakhstan
- Fields divestments
- Successful workover campaign

[1] *OMV Petrom aligned the production cost definition with its industry peers. Administrative expenses and selling and distribution costs are excluded from 2017 onwards. 2016 OPEX figures were re-calculated accordingly.*

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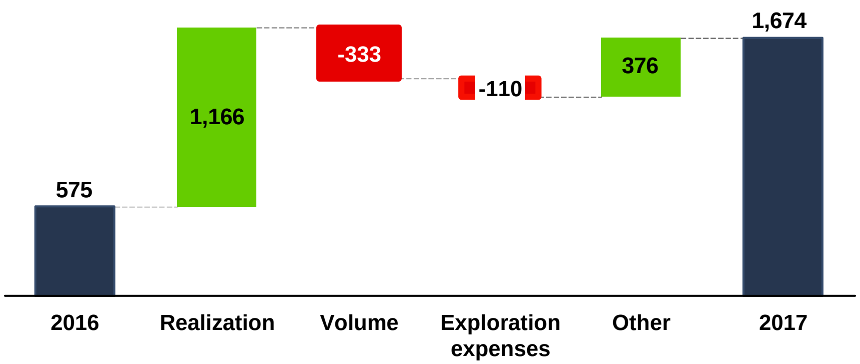
Upstream Clean Operating Result supported by higher realized prices

Upstream Clean Operating Result
(RON mn)



Key drivers 2017 vs. 2016

- Higher realized oil prices, +29%
- Decreased production costs and depreciation

- Sales volumes -3%
- Higher exploration expenses

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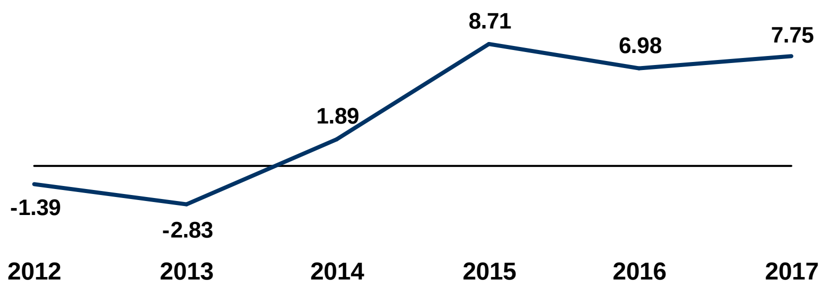
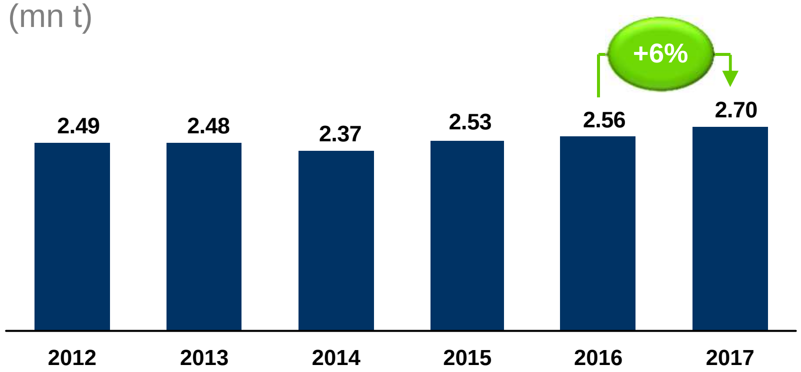
Downstream Oil KPIs: strong refining margins and sales

OMV Petrom Indicator refining margin
(USD/bbl)



Retail sales volumes
(mn t)



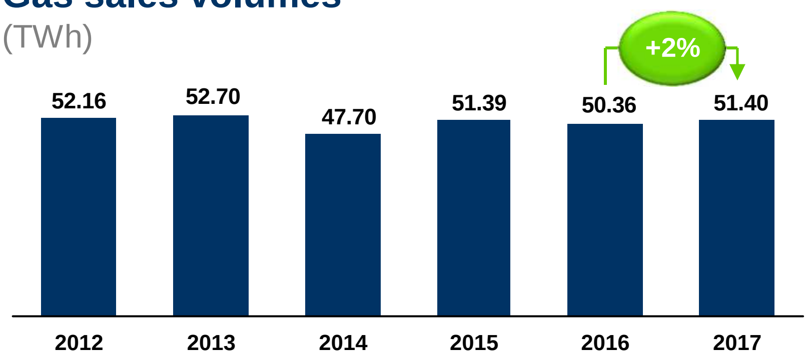
Key drivers 2017 vs. 2016

- Strong refining margin, +11% yoy
- Refinery utilization rate at 93%

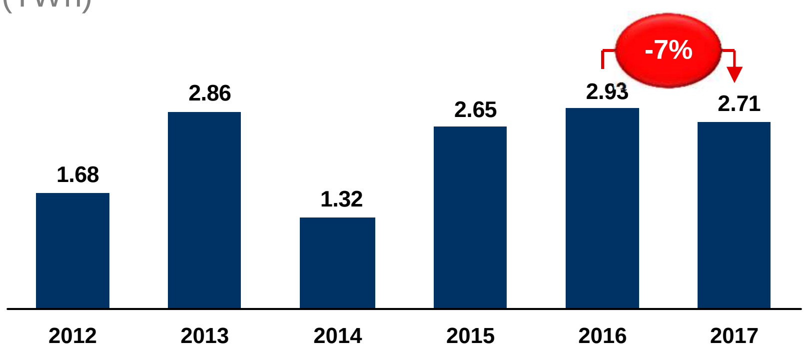
- Refined product sales up 3% following 2016 turnaround
- Retail sales up 6% yoy

Downstream Gas KPIs: higher gas sales volumes

Gas sales volumes
(TWh)



Net electrical output
(TWh)



Key drivers 2017 vs. 2016

- Higher gas volumes, built on sale portfolio optimization
- Higher spark spreads supported by baseload prices
- Lower net electrical output due to Brazi power plant limited availability

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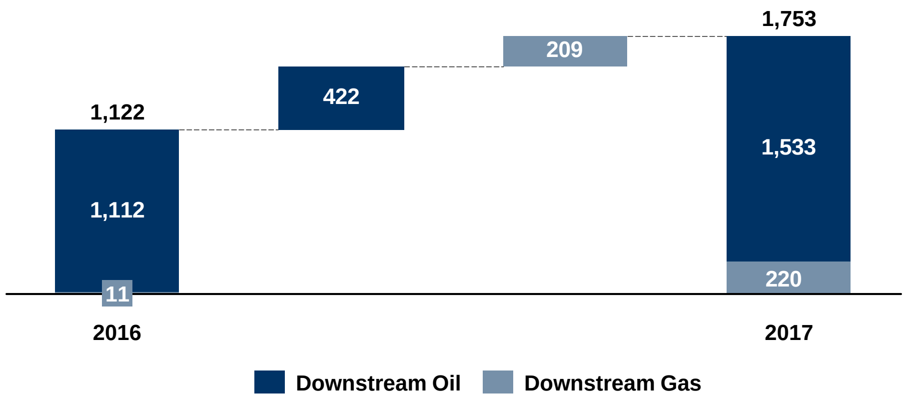
Downstream Clean CCS Operating Result Improved performance in both segments

Downstream Clean CCS Operating Result
(RON mn)

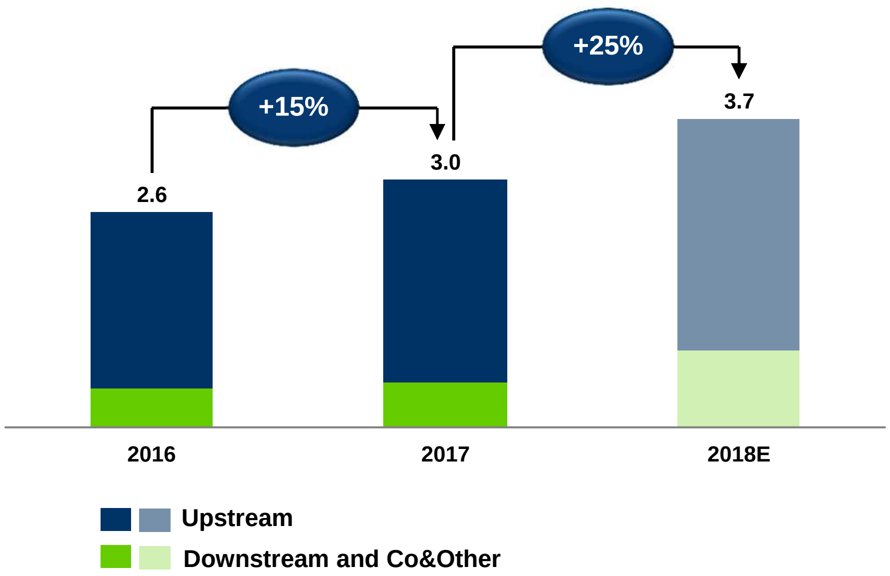


Key drivers 2017 vs. 2016

- Strong refining margins
- Low base effect from 2016 turnaround
- Higher retail sales volumes following increase in demand
- Improved non-oil business contribution
- Improved performance of both power and gas businesses
- RON 161 mn insurance revenues related to Brazi power plant, of which RON 137 mn in Clean Operating Result

CAPEX and E&A

Group CAPEX incl. capitalized E&A
(RON bn)



CAPEX incl. capitalized E&A

- **2017** at RON 3.0 bn:
  - 64 new development wells and sidetracks drilled
  - >1,000 workovers performed
- **2018** at RON 3.7 bn:
  - Drilling >100 development wells and sidetracks
  - ~1,000 workovers
  - Refinery turnaround; Polyfuel project
  - Planned partial shut-down Brazi power plant

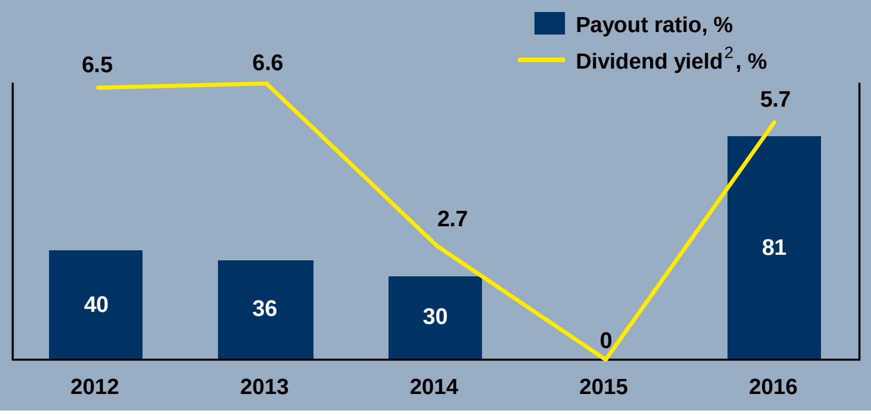
E&A expenditure

- 2017: 7 wells spudded
- 2018E exploration expenditure RON ~230 mn

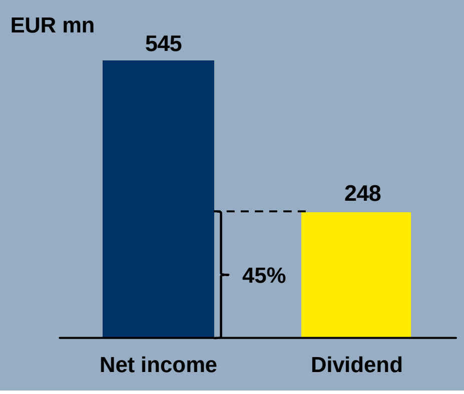
2017 Dividend proposal: EUR 248 mn

- DPS[1] 2017: RON 0.02
- Dividend yield[2] 2017: 7%
- EUR 1.1 bn returned to shareholders in the past five years

2012-2016 Payout ratio and Dividend yield



2017 DPS[1]: RON 0.02



[1] Executive Board's proposal subject to approvals of the Supervisory Board and Annual General Meeting of Shareholders on April 26, 2018; [2] Calculated based on the closing share price as of the last trading day of the respective year

OMV Petrom

Outlook 2018

Indicators	Actual 2017	Assumptions/Targets 2018
Brent oil price	USD 54/bbl	USD 60/bbl
Refining margin	USD 7.75/bbl	<USD 7.75/bbl
Production	168 kboe/d	~ -4% yoy[1]
CAPEX	RON 3.0 bn	RON 3.7 bn
FCF after dividends	RON 2.7 bn	positive

[1] *Not including portfolio optimization initiatives*

Q&A