Petrom Investor News

Bucharest
May 14, 2013
8:30 am
7:30 am (CEST), 6:30 am (BST)

Petrom Group: results[1] for January – March 2013
including interim financial statements as of March 31, 2013

- **Q1/13 vs Q1/12: Clean CCS net income attributable to stockholders increased 5% to RON 1,328 mn**
- **Clean CCS EBIT of RON 1,579 mn, down 4% influenced by intensive Black Sea seismic campaigns**
- **Gearing ratio improved further to 4% at the end of Q1/13**
- **Stable daily production in E&P and intensified exploration activities both offshore and onshore**
- **Lower gas sales vs. Q1/12 due to warmer weather and positive contribution of power business**
- **Improved refining margins vs. Q1/12, marketing volumes still under pressure**

Mariana Gheorghe, CEO of OMV Petrom S.A.: "In the first quarter of 2013, we continued the good financial and operational performance, reflecting a still high crude price and relatively stable local macroeconomic environment. In E&P, we managed to keep hydrocarbon production stable and intensified our exploration activities. Offshore, we are close to completing the largest seismic program in the Black Sea. Onshore, we signed a partnership with Repsol to jointly explore deep areas in Romania. G&P performance reflects higher contribution from power assets, but also the challenging market environment, with subdued market demand and low electricity prices. In R&M, refining margins improved and we see the retail business showing signs of recovery in Romania. On April 22, 2013 our shareholders approved the dividend distribution of RON 1,586 mn (EUR 360 mn) from the 2012 profits. Going further, we will continue our significant annual investment program of more than EUR 1 bn, a prerequisite to maintaining our sustainable performance, which will allow us to support potential upstream growth opportunities in the Black Sea."

Q4/12	Q1/13	Q1/12	Δ%	Key performance indicators (in RON mn)	2012	2011	Δ%
1,673	1,582	1,794	(12)	EBIT	5,662	4,936	15
1,824	1,579	1,646	(4)	Clean CCS EBIT [2]	5,855	5,475	7
1,056	1,330	1,384	(4)	Net income attributable to stockholders[3]	3,953	3,757	5
1,362	1,328	1,260	5	Clean CCS net income attributable to stockholders [2,3,4]	4,307	4,206	2
0.0186	0.0235	0.0244	(4)	EPS (RON)	0.0698	0.0663	5
0.0240	0.0234	0.0222	5	Clean CCS EPS (RON) [2, 4]	0.0760	0.0743	2
2,804	1,845	1,962	(6)	Cash flow from operating activities	7,185	6,442	12
-	-	-	n.a.	Dividend per share (RON)	0.028	0.031	(10)

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

[4] Excludes additional special charges of RON 209 mn recorded in 2012 following fiscal review and reflected in the financial result

PETROM
Member of OMV Group

Financial highlights

Q4/12	Q1/13	Q1/12	∆%	in RON mn	2012	2011	∆%
7,073	5,789	6,005	(4)	Sales [1]	26,258	22,614	16
1,281	1,417	1,704	(17)	EBIT E&P [2]	5,467	5,236	4
135	113	136	(17)	EBIT G&P	360	149	142
(18)	96	86	11	EBIT R&M	138	(187)	n.m.
(39)	(15)	(12)	26	EBIT Co&O	(117)	(79)	48
313	(29)	(121)	(76)	Consolidation	(185)	(183)	1
1,673	**1,582**	**1,794**	**(12)**	**EBIT Group**	**5,662**	**4,936**	**15**
(117)	**(42)**	-	**n.a.**	**Special items** [3]	**(362)**	**(852)**	**(57)**
(15)	-	-	n.a.	thereof: Personnel and restructuring	(80)	(18)	353
(39)	(42)	-	n.a.	Unscheduled depreciation	(39)	(151)	(74)
-	-	-	n.a.	Provision for Competition Council fine	-	(504)	n.a.
(62)	-	-	n.a.	Other	(242)	(178)	36
(34)	44	147	(70)	CCS effects: Inventory holding gains/(losses)	169	312	(46)
1,329	1,417	1,704	(17)	Clean EBIT E&P [2, 4]	5,754	5,432	6
136	155	136	13	Clean EBIT G&P [4]	359	150	139
80	52	(61)	n.m.	Clean CCS EBIT R&M [4]	31	152	(79)
(33)	(15)	(12)	27	Clean EBIT Co&O [4]	(104)	(76)	37
313	(29)	(121)	(76)	Consolidation	(185)	(183)	1
1,824	**1,579**	**1,646**	**(4)**	**Clean CCS EBIT** [4]	**5,855**	**5,475**	**7**
1,329	1,584	1,655	(4)	Income from ordinary activities	4,826	4,609	5
1,055	1,332	1,385	(4)	Net income	3,946	3,759	5
1,056	1,330	1,384	(4)	Net income attributable to stockholders [5]	3,953	3,757	5
1,362	**1,328**	**1,260**	**5**	**Clean CCS net income attributable to stockholders** [4,5,6]	**4,307**	**4,206**	**2**
0.0186	0.0235	0.0244	(4)	EPS (RON)	0.0698	0.0663	5
0.0240	0.0234	0.0222	5	Clean CCS EPS (RON) [4,6]	0.0760	0.0743	2
2,804	1,845	1,962	(6)	Cash flow from operating activities	7,185	6,442	12
0.0495	0.0326	0.0346	(6)	CFPS (RON)	0.1269	0.1137	12
1,711	1,079	1,304	(17)	Net debt	1,711	1,955	(13)
7	4	6	(26)	Gearing (%) [7]	7	9	(21)
1,424	1,001	1,148	(13)	Capital expenditure	4,930	4,803	3
-	-	-	n.a.	Dividend per share (RON)	0.028	0.031	(10)
-	18.8	21.0	(10)	ROFA (%) [8]	19.8	19.2	3
-	15.7	19.1	(18)	ROACE (%) [8,9]	16.5	17.3	(4)
-	17.6	20.5	(14)	Clean CCS ROACE (%) [4, 8, 9]	18.0	19.3	(7)
-	17.2	21.2	(19)	ROE (%) [8]	17.9	19.2	(7)
21	16	16	(3)	Group tax rate (%)	18	18	(1)
21,650	20,790	22,366	(7)	Petrom Group employees at the end of the period	21,650	22,912	(6)

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 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] Excludes additional special charges of RON 209 mn recorded in 2012 following fiscal review and reflected in the financial result; [7] Net debt divided by equity; [8] Starting with Q4/12, calculated on a rolling basis based on the previous four consecutive quarters. Historic figures were adjusted accordingly; [9] Starting with Q4/12, the definitions for NOPAT and capital employed were adjusted. Please see section "abbreviations and definitions" for details. Historic figures were adapted accordingly.

Business segments

Exploration and Production (E&P)

Q4/12	Q1/13	Q1/12	∆%	in RON mn	2012	2011	∆%
1,281	1,417	1,704	(17)	EBIT [1]	5,467	5,236	4
(48)	-	-	-	Special items	(287)	(195)	47
1,329	1,417	1,704	(17)	Clean EBIT [1]	5,754	5,432	6

Q4/12	Q1/13	Q1/12	∆%	Key performance indicators	2012	2011	∆%
16.84	16.46	16.71	(1)	Total hydrocarbon production (mn boe)	66.87	67.77	(1)
183	183	184	0	Total hydrocarbon production (kboe/day)[2]	183	186	(2)
8.09	7.99	8.17	(2)	Crude oil and NGL production (mn bbl)	32.49	33.08	(2)
1.34	1.30	1.31	(1)	Natural gas production (bcm)	5.27	5.32	(1)
47.34	45.85	46.21	(1)	Natural gas production (bcf)	186.04	187.69	(1)
109.32	111.37	117.49	(5)	Average Urals price (USD/bbl)	110.76	109.60	1
93.61	99.37	98.33	1	Average Group realized crude price (USD/bbl) [3]	94.00	93.30	1
194	187	267	(30)	Exploration expenditures (RON mn)	530	436	21
159	190	18	n.m.	Exploration expenses (RON mn)	328	420	(22)
15.51	14.92	15.37	(3)	OPEX (USD/boe)	15.37	16.22	(5)

[1] Excluding intersegmental profit elimination; [2] Production figures in kboe/day are rounded; [3] Realized price includes hedging result (for years 2011 and 2012)

First quarter 2013 (Q1/13) vs. first quarter 2012 (Q1/12)

- **Group hydrocarbon production stable mainly helped by workovers and drilling activities**
- **Production costs in USD/boe decreased by 3%**
- **Largest 3D seismic campaign in the Black Sea: finalized in the shallow waters and steady progress in the 6,000 km^2 deep-water sector of the Neptun block**

In Q1/13, the crude price environment remained supportive, while still below the Q1/12 level, as the average Urals crude price decreased by 5% to USD 111.37/bbl. Average realized crude prices increased by 1% to USD 99.37/bbl as Q1/12 reflected hedging losses of RON (159) mn while no hedges were entered for the year 2013.

Clean EBIT decreased by 17% compared to Q1/12 to RON 1,417 mn, mainly due to higher exploration expenses and lower oil sales volumes, partly counterbalanced by lower production costs. Reported EBIT stands at the same level as Clean EBIT as no special items were recorded in Q1/13.

Group production costs in USD/boe decreased by 3% compared to Q1/12 despite slightly lower production volumes. In Romania, production costs in USD/boe decreased by 3% compared to Q1/12, reaching USD 14.51/boe. When expressed in RON terms, production costs in Romania decreased also by 3% to RON 48.21/boe (Q1/12: RON 49.54/boe), due to strict cost management. This has more than offset higher personnel expenses following the finalization of the collective labor agreement negotiations from Q1/13.

Exploration expenditures amounted to RON 187 mn, 30% lower compared to Q1/12 as the latter reflected the costs associated with the exploration well drilled in the Black Sea. Exploration expenses amounted to RON 190 mn, significantly higher compared to Q1/12. This reflects the intensified seismic activity with the largest 3D seismic acquisition program ever performed in the Black Sea ongoing during the quarter and to a small extent the write-off of two unsuccessful onshore exploration wells. The 3D seismic study for Neptun block commenced in December 2012, for approximately 1,600 km^2 in the shallow water sector and approximately 6,000 km^2 in the deepwater sector. The seismic data acquisition for the shallow water was completed already in Q1/13 while a similar exercise for the deep-water sector of the Neptun block was ongoing at the end of Q1/13.

In Q1/13, the drilling program comprised 44 new wells in Romania, compared to 31 new wells in Q1/12.

Group daily hydrocarbon production was broadly stable at 183 kboe/d (of which 171 kboe/d in Romania) helped by workovers, drilling and field redevelopment activities. Overall group oil and gas production amounted to 16.5 mn boe in Q1/13, 1% lower compared to Q1/12 due to lower oil production in Romania, which was only partly counterbalanced by slightly higher oil production from Kazakhstan. In Romania, total oil, gas and NGL production decreased by 1.6% to 15.4 mn boe (leap day in Q1/12). Domestic crude oil production was 7.0 mn bbl, 2.5% below the Q1/12 level, mainly triggered by lower volumes in the Suplacu and Videle fields. Domestic gas production reached 8.3 mn boe, 0.8% below the Q1/12 level, as the decline in the Bulbuceni, Radinesti and Mamu fields was partially compensated by the incremental production in the Totea field. In Kazakhstan, oil and gas production was almost stable compared to the same period of 2012, at 1.1 mn boe.

Sales volumes decreased by 3% compared to Q1/12 due to lower oil sales, partly counterbalanced by higher gas sales in Romania.

First quarter 2013 (Q1/13) vs. fourth quarter 2012 (Q4/12)

Clean EBIT increased by 7% compared with the Q4/12 level, mainly driven by lower production costs and higher realized oil and gas prices. The Q4/12 result reflected a negative hedging impact of RON (84) mn. Reported EBIT increased by 11%, as no special items were recorded in Q1/13.

Daily oil and gas production in Q1/13 was stable in Romania and on a Group level as higher oil production offset a gas production decrease in Romania.

Group production costs in USD/boe decreased by 4%, mainly driven by lower total production costs in local currency. In Romania, production costs expressed in USD/boe were 3% lower compared to Q4/12, due to lower materials costs, which more than offset FX effect (5% weaker USD against RON). When expressed in RON/boe, domestic production costs decreased by 8% to 48.21 RON/boe compared to Q4/12 level, which included the provisions for obsolete materials. Group sales volumes decreased by 2% compared to the Q4/12 level due to lower gas and NGL sales in Romania.

Gas and Power (G&P)

Q4/12	Q1/13	Q1/12	∆%	in RON mn	2012	2011	∆%
135	113	136	(17)	EBIT	360	149	142
(1)	(42)	-	n.m.	Special items	1	(1)	n.m.
136	155	136	13	Clean EBIT	359	150	139

Q4/12	Q1/13	Q1/12	∆%	Key performance indicators	2012	2011	∆%
1,344	1,527	1,616	(5)	Gas sales volumes (mn cbm) [1]	4,841	5,055	(4)
14.44	16.39	17.32	(5)	Gas sales volumes (TWh) [1]	52.16	54.17	(4)
45.7	45.7	45.7	0	Average regulated domestic gas price for households (RON/MWh) [2]	45.7	45.7	0
45.7	47.9	45.7	5	Average regulated domestic gas price for non-households (RON/MWh) [2]	45.7	45.7	0
134	130	155	(15)	Average import gas price (RON/MWh) [3]	143	127	13
0.77	0.82	0.03	n.m.	Net electrical output (TWh)	1.68	0.32	428
196	155	249	(38)	OPCOM spot average electricity base load price (RON/MWh) [4]	217	221	(2)
258	200	316	(37)	OPCOM average electricity peak load price (RON/MWh) [4]	275	262	5

[1] *Include internal transfers within OMV Petrom S.A. (e.g. Brazi power plant)*
[2] *According to gas price liberalization roadmap enforced by the Government starting February 1, 2013*
[3] *Q1/13 data is estimated based on ANRE assumptions*
[4] *Q1/13 data is preliminary*

First quarter 2013 (Q1/13) vs. first quarter 2012 (Q1/12)

- **Clean EBIT increased due to higher contribution of power business and cost optimization**
- **Lower gas sales, in line with the general decline of gas consumption mainly due to warmer weather**
- **Petrom covered approximately 5% of Romania's electricity production in Q1/13**

Clean EBIT generated by the G&P business in Q1/13 increased compared to Q1/12, driven by the contribution of the power business and cost optimization. Gas business contribution to EBIT in Q1/13 was below the similar period of last year, affected by lower gas sales volumes. Moreover, Q1/12 reflected better commercial terms for domestic gas sale, above the RON 45.7/MWh officially introduced baseline for regulated domestic gas price starting February 1, 2013.

The G&P reported result stood at RON 113 mn, reflecting net special charges of RON 42 mn related to non-core assets impairment.

Estimated natural gas consumption in Romania decreased by 5% in Q1/13 as compared to the same period of the previous year, mainly due to milder winter. Petrom's gas sales volumes decreased by 5%, in line with the market.

At the end of Q1/13, the total volume of natural gas in storage owned by Petrom amounted to 28 mn cbm compared to 51 mn cbm at the end of Q1/12.

For February-March 2013, the regulated domestic gas price was set at RON 49.0/MWh for the non-household sector and RON 45.7/MWh for households. In Q1/13, the estimated average import gas price based on ANRE assumptions was USD 420/1,000 cbm (or the equivalent of RON 130/MWh).

In Q1/13, the average import quota set by ANRE for the non-household sector was 31% (with a maximum of 40% in January), significantly lower compared to 53% in Q1/12.

In Q1/13, estimated Romanian gross electricity production decreased by approximately 3% versus Q1/12, while estimated gross consumption decreased by approximately 4%. According to preliminary data published by OPCOM, electricity prices on the Romanian day ahead market averaged RON 155/MWh for base load and RON 200/MWh for peak load in Q1/13.

With an availability of almost 98%, the net electrical output of the Brazi power plant (on stream starting Q3/12) was 0.78 TWh, of which 44% was sold on the regulated market at the price of RON 169/MWh. Starting March 30, the Brazi plant entered a one month planned shut down for the installation of a gas treatment plant.

In Q1/13, with almost 100% availability, the Dorobantu power plant delivered a net electrical output of 0.04 TWh, 15% above Q1/12, for which Petrom received 71,028 green certificates.

In Q1/13, Petrom covered approximately 5% of Romania's electricity production.

First quarter 2013 (Q1/13) vs. fourth quarter 2012 (Q4/12)

Compared to Q4/12, clean EBIT increased by 14%, mainly driven by the contribution of the power business. Petrom's gas sales volumes increased by 13%, which is below the 16% increase in estimated Romanian gas consumption, as the majority of Petrom's customers purchase domestic gas only. The net electrical output of the Brazi power plant was 5% higher than in Q4/12, when it was impacted by the extended repair works performed by the national grid operator in its switchyard as well as some scheduled preventative maintenance works at one gas turbine. This increase was supported by favorable forward sales contracts, leading to a higher power result, despite lower spot electricity prices in Romania. The net electrical output of the Dorobantu wind park seasonally increased by 61% as compared to Q4/12, leading to a corresponding increase in the number of green certificates received.

Refining and Marketing (R&M)

Q4/12	Q1/13	Q1/12	∆%	in RON mn	2012	2011	∆%
(18)	96	86	11	EBIT	138	(187)	n.m.
(63)	-	-	-	Special items	(63)	(651)	(90)
(34)	44	147	(70)	CCS effect: Inventory holding gains/(losses) [1]	169	312	(46)
80	52	(61)	n.m.	Clean CCS EBIT [1]	31	152	(79)

Q4/12	Q1/13	Q1/12	∆%	Key performance indicators	2012	2011	∆%
(2.51)	(0.88)	(3.58)	(75)	Indicator refining margin (USD/bbl) [2]	(1.39)	(2.40)	(42)
1.05	0.94	0.93	2	Refining input (mn t) [3]	3.34	3.79	(12)
93	86	79	9	Refinery utilization rate (%) [4]	73	79	(8)
1.38	1.11	1.14	(2)	Total refined product sales (mn t) [5]	5.00	5.23	(4)
0.97	0.73	0.80	(8)	thereof Marketing sales volumes (mn t) [6]	3.83	4.07	(6)
798	796	792	1	Marketing retail stations	798	793	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 typical for Petrobrazi refinery as of Q1/11 (indicator expected to be adapted after completion of Petrobrazi modernization program); actual refining margins realized by 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] Reflects Petrobrazi refinery nameplate capacity adjustment to 4.2 mn t/y starting Q3/12 (previously 4.5 mn t/y)
[5] Includes all products sold by Petrom Group
[6] Excludes export sales which are included in total refined product sales

First quarter 2013 (Q1/13) vs. first quarter 2012 (Q1/12)

- **Higher result driven by improved operational performance in both refining and marketing**
- **Refining margin indicator increased mainly driven by higher gasoline cracks and lower crude quotations**
- **Marketing volumes still under pressure as economic recovery in the operating region remains weak**

Clean CCS EBIT improved compared to Q1/12 to RON 52 mn, mainly due to incremental improvements in yield structure and recovering retail business. The rising crude oil and product quotations over the first two months of 2013, though partially compensated by falling prices in March, led to inventory gains (CCS effects) of RON 44 mn.

The refining result contributed positively, driven by incremental yield structure improvements after the scheduled six-week shutdown of the Petrobrazi refinery in Q2/12 and higher product cracks. The indicator refining margin improved to USD (0.88)/bbl in comparison to USD (3.58)/bbl in Q1/12, mainly due to higher gasoline cracks and lower crude prices.

The total quantity of refining input in Q1/13 was slightly higher compared to the level recorded in Q1/12. Total refined product sales decreased by 2% impacted by lower marketing sales.

Refinery utilization increased to 86%, compared with 79% in the same period of last year, following the nameplate capacity adjustment to 4.2 mn t/y after the modernization of the crude vacuum distillation unit performed in Q2/12 (previously 4.5 mn t/y).

With a positive contribution, the marketing result was higher compared to Q1/12, mainly triggered by improved retail margins and good cost management. Total marketing volumes decreased by 8%, mainly due to lower commercial sales in a persisting unfavorable market environment with slow economic recovery. Group retail sales amounted to 70% of total group marketing sales and were just slightly below the level recorded in Q1/12, although still in line with the retail market development. Commercial sales fell by 22% compared with Q1/12, due to the sales portfolio optimization and the weak economic environment, with lower volumes in all products except gasoline. Furthermore, to a relatively large extent, the decrease is also attributable to the completion of the LPG business divestment at the beginning of January 2013. Following the completion, LPG sales are reflected in total refined product sales instead of marketing sales. At the end of March 2013, the number of filling stations operated within Petrom Group was 796, four units more than in the similar period last year.

First quarter 2013 (Q1/13) vs. fourth quarter 2012 (Q4/12)

Despite an improved performance of the refining business, clean CCS EBIT came in at RON 52 mn, lower compared to RON 90 mn in Q4/12 due to seasonally lower contribution from marketing. The Petrobrazi utilization rate decreased to 86% (Q4/12: 93%) due to lower market demand and commissioning of the coker modernization project. The indicator refining margin improved to USD (0.88)/ bbl in Q1/13 from USD (2.51)/ bbl in Q4/12, mainly due to better cracks for gasoline.

The marketing business result decreased compared to Q4/12, mainly due to lower margins and seasonally lower retail and commercial volumes.

Outlook 2013

Market environment

For 2013, we expect the average Brent oil price to remain above USD 100/bbl and the Brent-Urals spread to stay relatively tight.

In the local gas market, we anticipate stable demand, albeit not without challenges. The effects of the fragile economic growth are expected to be counterbalanced by the industry's efficiency improvement measures, in the context of gas price liberalization. In terms of gas prices, the Government enforced a roadmap for the gradual increase of regulated domestic gas prices during 2013-2014. Two increases have already been implemented since the beginning of 2013 (starting February 1 and April 1), applying to the non-household sector. The roadmap entails two further increases for both non-household and household sectors this year (in July and October). Starting February 2013, the Government also introduced a package of fiscal measures that impacts oil and gas producers, imposing a 60% tax on additional revenues resulting from domestic gas price liberalization net of incremental royalties and upstream investments (the latter capped at 30% of the additional revenues) and a 0.5% tax on extraction of crude. Some progress has been made in defining the secondary legislation for the functioning of the gas market during the gas prices deregulation process, which still needs to be approved. We do not expect a substantial impact on the 2013 result from gas price liberalization and the implementation of the new fiscal and regulatory measures. This is mainly due to the fact that the Petrom 2012 results already reflected better commercial terms for domestic gas sales, above the officially introduced baseline of RON 45.7/MWh for regulated domestic gas prices. The two measures are enforced until the end of 2014, which coincides with the expiry of the current oil and gas taxation regime.

In the power market, prices are expected to be under pressure due to supply dynamics, with additional capacity coming on stream from renewables, as well as low demand, which reflects fragile economic growth and prospective energy efficiency measures.

In Refining and Marketing, margins and volumes are expected to be further challenged by high price levels for international crude and oil products and the marginal economic recovery in our operating region.

Petrom Group

- OMV Petrom S.A. investment plan for 2013 of over EUR 1 bn
- Strive for high HSSE standards including zero fatalities and to continue reducing the lost-time injury rate
- Focus on growth opportunities in E&P and on implementing performance improvement initiatives throughout the organization
- Engage in discussions with the Romanian authorities to define a long term, stable and investment-friendly taxation and regulatory framework

Exploration & Production

- In order to ensure production stability in Romania, we will further progress several field redevelopment projects focusing on drilling, workovers, water and steam injection
- Plan for five field redevelopment projects in implementation phase by year-end
- Drill more than 110 wells, of which two will be appraisal wells in the Totea field
- E&P capital expenditure will represent approx. 80% of Group CAPEX; we foresee higher exploration and appraisal expenditure vs. 2012. The bulk of E&P CAPEX will be directed to the Neptun Deep, Totea Deep and field redevelopment projects, as well as drilling development wells
- In Romania, a large 3D seismic survey of the Neptun block is expected to be completed by end of May. Following data interpretation, further exploration is anticipated to start towards the end of 2013
- Kazakhstan - implement water injection scheme in Komsomolskoe field and carry out TOC (Tasbulat, Aktas, Turkmenoi) field redevelopment plan to sustain production levels
- Pursue growth opportunities via exploration acreage acquisition in the Black Sea: finalize Transfer Agreement for the purchase with ExxonMobil of an 85% interest in the Midia Block (Romania); Production Sharing Agreement for Skifska block (Ukraine) is being negotiated
- Drive operational excellence through long-term partnerships

Gas & Power

- Maintain the leading position in the free gas market whilst adapting sales strategy to the expected liberalization under new energy law
- Enhance the value of equity gas by further optimizing operations at the gas-fired power plant Brazi and consolidating its position in the market
- Realize synergies by bundling electricity sales with natural gas sales to existing customer base
- The Brazi power plant resumed operations at the end of April, after a one month shutdown for the installation of a gas treatment plant

Refining & Marketing

- Implement further steps within the Petrobrazi refinery modernization program, due for completion in 2014: pursue new Gas Desulfurization unit commissioning by end of Q2/13 and progress the Vacuum Gas Oil conversion project
- Continue energy efficiency improvements and reduce CO_2 emissions
- Finalize Bacau terminal modernization by the end of 2013 and commence operations at the beginning of 2014
- Further pursue stringent cost management and business optimization of the underlying operational performance 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 three months ended March 31, 2013 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, 2012.

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, 2012, except as described herein.

The amendments to IAS 1 "Presentation of Financial Statements" and the Improvements to IFRSs (2009 – 2011) have been implemented since January 1, 2013, without material impact for the condensed interim financial statements.

The detailed structure of the consolidated companies in Petrom Group at March 31, 2013 is presented in the Appendix 1 to the current report.

The condensed interim consolidated financial statements for Q1/13 are unaudited and an external review by an auditor was not performed.

Changes in the consolidated Group

During Q1/13, OMV Petrom disposed of Petrom LPG S.A.

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 March 31, 2013, is given as part of the description of Petrom Group's business segments performance.

Exchange rates

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.

Q4/12	Q1/13	Q1/12	Δ%	NBR FX rates	2012	2011	Δ%
4.527	4.385	4.353	1	Average EUR/RON FX rate	4.457	4.238	5
3.492	3.322	3.319	0	Average USD/RON FX rate	3.470	3.048	14
4.429	4.415	4.379	1	Closing EUR/RON FX rate	4.429	4.320	3
3.358	3.446	3.281	5	Closing USD/RON FX rate	3.358	3.339	1

Income statement (unaudited)

Q4/12	Q1/13	Q1/12	Consolidated income statement (in RON mn)	2012	2011
7,072.85	5,788.93	6,004.99	Sales revenues	26,258.13	22,613.65
(180.57)	(162.60)	(193.80)	Direct selling expenses	(696.04)	(564.14)
(4,396.10)	(3,382.06)	(3,570.36)	Production costs of sales	(17,305.65)	(14,320.74)
2,496.18	**2,244.27**	**2,240.83**	**Gross profit**	**8,256.44**	**7,728.77**
50.13	55.78	37.16	Other operating income	186.58	432.51
(335.86)	(299.40)	(273.56)	Selling expenses	(1,172.77)	(1,160.71)
(67.14)	(45.28)	(55.48)	Administrative expenses	(242.12)	(237.36)
(159.24)	(189.95)	(18.32)	Exploration expenses	(327.72)	(420.25)
(310.91)	(183.76)	(137.09)	Other operating expenses	(1,038.41)	(1,407.20)
1,673.16	**1,581.66**	**1,793.54**	**Earnings before interest and taxes (EBIT)**	**5,662.00**	**4,935.76**
(1.61)	1.56	2.24	Income from associated companies	2.18	3.12
22.77	65.86	17.24	Interest income	59.86	47.23
(345.55)	(97.50)	(86.96)	Interest expenses	(825.59)	(380.11)
(19.70)	32.08	(70.83)	Other financial income and expenses	(72.19)	2.59
(344.09)	**2.00**	**(138.31)**	**Net financial result**	**(835.74)**	**(327.17)**
1,329.07	**1,583.66**	**1,655.23**	**Profit from ordinary activities**	**4,826.26**	**4,608.59**
(274.56)	(252.15)	(270.70)	Taxes on income	(880.16)	(849.97)
1,054.51	**1,331.51**	**1,384.53**	**Net income for the period**	**3,946.10**	**3,758.62**
1,056.40	**1,330.06**	**1,383.84**	**thereof attributable to stockholders of the parent**	**3,953.31**	**3,756.75**
(1.89)	1.45	0.69	thereof attributable to non-controlling interests	(7.21)	1.87
0.0186	**0.0235**	**0.0244**	**Basic earnings per share (RON)**	**0.0698**	**0.0663**
-	-	-	**Dividend per share (RON)**	**0.028**	**0.031**

Statement of comprehensive income (unaudited)

Q4/12	Q1/13	Q1/12	Consolidated statement of comprehensive income (in RON mn)	2012	2011
1,054.51	**1,331.51**	**1,384.53**	**Net income for the period**	**3,946.10**	**3,758.62**
(7.21)	0.94	(1.73)	Exchange differences from translation of foreign operations	3.79	(10.78)
96.72	-	(371.36)	Gains/(losses) on hedges	151.89	(151.89)
89.51	**0.94**	**(373.09)**	**Total of items that will be reclassified ("recycled") subsequently to the income statement**	**155.68**	**(162.67)**
(11.60)	(2.34)	59.42	Income tax relating to components of other comprehensive income	(25.61)	24.30
77.91	**(1.40)**	**(313.67)**	**Other comprehensive income for the period, net of tax**	**130.07**	**(138.37)**
1,132.42	**1,330.11**	**1,070.86**	**Total comprehensive income for the period**	**4,076.17**	**3,620.25**
1,132.89	**1,329.49**	1,069.66	**thereof attributable to stockholders of the parent**	**4,083.30**	**3,619.42**
(0.47)	0.62	1.20	thereof attributable to non-controlling interests	(7.13)	0.83

Notes to the income statement

First quarter 2013 (Q1/13) vs. first quarter 2012 (Q1/12)

Consolidated sales in Q1/13 decreased by 4% compared to Q1/12, amounting to RON 5,789 mn, driven by lower product sales and lower gas sales volumes. R&M represented 75% of total consolidated sales, G&P accounted for 20% and E&P for approximately 5% (sales in E&P being largely intra-group sales rather than third-party sales).

The Group's EBIT amounted to RON 1,582 mn, 12% lower than the result recorded in Q1/12 (RON 1,794 mn), mainly due to significantly higher exploration expenses triggered by the intensive seismic acquisition campaign in Q1/13 and lower oil sales volumes. Clean CCS EBIT of RON 1,579 mn is 4% below the value of RON 1,646 mn recorded in Q1/12. The clean CCS EBIT is stated after eliminating inventory holding gains of RON 44 mn and net special charges of RON 42 mn related to impairment of non-core assets in G&P segment.

The net financial result of RON 2 mn significantly improved compared to RON (138) mn in Q1/12, mainly as a consequence of FX gains in Q1/13 (on USD loans granted by Petrom to its Kazakh subsidiaries due to appreciation of USD against RON, as well as on EUR bank loans received due to the depreciation of the EUR against RON in Q1/13).

The profit from ordinary activities amounted to RON 1,584 mn and corporate income tax was RON 252 mn in Q1/13. Current tax expenses on the Group's income were RON 241 mn and deferred tax expenses amounted to RON 11 mn. The effective tax rate in Q1/13 was 16% as in Q1/12.

Net income attributable to stockholders (i.e. net income attributable to stockholders of the parent) was RON 1,330 mn, 4% lower than RON 1,384 mn in Q1/12. Clean CCS net income attributable to stockholders was RON 1,328 mn. EPS was RON 0.0235 in Q1/13, versus RON 0.0244 in Q1/12, while clean CCS EPS was RON 0.0234 compared to RON 0.0222 in Q1/12.

First quarter 2013 (Q1/13) vs. fourth quarter 2012 (Q4/12)

Compared to Q4/12 sales decreased by 18%, mainly due to seasonally lower volumes sold in R&M, which were only to a small extent offset by increasing electricity sales in Q1/13. The negative effect of lower quantities of petroleum products sold were partially offset by lower operating expenses in Q1/13 and led to an EBIT decrease of 5% to RON 1,582 mn (Q4/12: RON 1,673 mn). Clean CCS EBIT decreased by 13% compared to Q4/12 and reached RON 1,579 mn (Q4/12: RON 1,824 mn). The net financial result significantly improved to RON 2 mn in Q1/13 from RON (344) mn in Q4/12, as Q4/12 included special charges for alleged late payment interest following the receipt of the preliminary results of the fiscal review for the years 2009 and 2010. Also, a positive impact from foreign exchange differences due to USD appreciation against RON further improved the current quarter financial result.

The corporate income tax amounted to RON 252 mn (Q4/12: RON 275 mn). The effective corporate tax rate decreased from 21% to 16% in Q1/13, as the result in Q4/12 was burdened by the non-deductible special charges for the fiscal review in OMV Petrom. Net income attributable to stockholders was RON 1,330 mn, 26% higher than the RON 1,056 mn in Q4/12, while clean CCS net income attributable to stockholders decreased by 3% from RON 1,362 mn in Q4/12 to RON 1,328 mn in Q1/13.

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

Consolidated statement of financial position (in RON mn)	March 31, 2013	Dec 31, 2012
Assets		
Intangible assets	886.70	966.51
Property, plant and equipment	28,864.52	28,512.59
Investments in associated companies	41.00	39.44
Other financial assets	2,360.62	2,357.23
Other assets	31.69	34.72
Deferred tax assets	859.41	866.16
Non-current assets	**33,043.94**	**32,776.65**
Inventories	1,942.75	2,250.54
Trade receivables	1,994.94	1,968.09
Other financial assets	90.16	98.93
Other assets	207.66	210.82
Cash and cash equivalents	1,279.52	666.65
Assets held for sale	76.26	172.94
Current assets	**5,591.29**	**5,367.97**
Total assets	**38,635.23**	**38,144.62**
Equity and liabilities		
Capital stock	18,983.37	18,983.37
Reserves	5,784.39	4,454.90
Stockholders' equity	**24,767.76**	**23,438.27**
Non-controlling interests	(32.30)	(32.93)
Equity	**24,735.46**	**23,405.34**
Provisions for pensions and similar obligations	240.33	241.33
Interest-bearing debts	1,685.88	1,717.05
Provisions for decommissioning and restoration obligations	5,854.53	5,866.10
Other provisions	599.25	644.88
Other financial liabilities	171.11	168.29
Deferred tax liabilities	10.76	8.24
Non-current liabilities	**8,561.86**	**8,645.89**
Trade payables	2,535.37	2,880.08
Interest-bearing debts	533.50	524.64
Current income tax payable	270.97	261.21
Other provisions and decommissioning	786.76	1,210.27
Other financial liabilities	343.61	360.85
Other liabilities	867.56	764.96
Liabilities associated with assets held for sale	0.14	91.38
Current liabilities	**5,337.91**	**6,093.39**
Total equity and liabilities	**38,635.23**	**38,144.62**

Notes to the statement of the financial position as of March 31, 2013

Capital expenditure decreased to RON 1,001 mn (Q1/12: RON 1,148 mn) influenced by substantially lower CAPEX in G&P and R&M.

Investments in E&P activities (RON 872 mn) represented 87% of total CAPEX for the first quarter in 2013 and were focused on activities related to the drilling of development wells, workover activities and sub-surface operations, surface facilities, field redevelopment initiatives, as well as investments related to the Totea Deep project.

Investments in G&P in the first quarter (RON 7 mn) were significantly below Q1/2012, as the Brazi power plant started commercial operations in August 2012, leaving only a small remaining part to be spent in 2013, mainly for a gas treatment plant.

R&M investments (RON 115 mn) were mainly related to the Petrobrazi refinery modernization program (including the modernization of the Gas Desulfurization with Sulfur Recovery unit and of the Vacuum Gas Oil conversion). 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 7 mn, mainly referring to investments directed to IT projects.

Compared to the year-end 2012, total assets increased by RON 491 mn, to RON 38,635 mn. The change was mainly driven by the increase in cash and cash equivalents by RON 613 mn and also by the net increase of RON 272 mn in property, plant and equipment and intangible assets, as the investments exceeded depreciation and impairments. This increase was partially offset by the decrease of inventories driven by lower gas and petroleum products and also by the decrease of assets held for sale following the finalization of the sale of Petrom LPG subsidiary in January 2013.

Equity increased to RON 24,735 mn as of March 31, 2013, as a result of the net profit generated in the current period. The Group's equity ratio[1] increased to 64% at the end of March 2013, higher compared to the level recorded at the end of December 2012 (61%).

Total interest bearing debt decreased from RON 2,242 mn as of December 31, 2012 to RON 2,219 mn as of March 31, 2013, mainly as a result of reimbursements made in Q1/13.

The Group's liabilities other than interest bearing debt decreased by RON 817 mn, mainly due to decrease in trade payables and also due to the payments made in Q1/13 in relation to the results of the fiscal review for the years 2009 and 2010. In this respect, OMV Petrom started necessary legal steps to contest the result of the fiscal review.

Petrom Group's net debt[2] shows a decrease to RON 1,079 mn, compared to RON 1,711 mn at the end of 2012. As of March 31, 2013, the gearing ratio[3] decreased to 4.36 %, from 7.31% in December 2012, being positively influenced by the increase of cash and cash equivalents in the first quarter of 2013 and also by the current period results.

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

Cash flows (condensed, unaudited)

Q4/12	Q1/13	Q1/12	Summarized statement of cash flows (in RON mn)	2012	2011
1,329.07	**1,583.66**	**1,655.23**	**Profit before taxation**	**4,826.26**	**4,608.59**
(10.80)	7.04	(173.12)	Net change in provisions	(227.36)	200.07
67.12	7.24	(3.71)	Losses/(gains) on the disposal of non-current assets	74.38	(4.68)
777.11	779.34	616.59	Depreciation, amortization including write-ups	2,852.22	2,830.21
(39.23)	(6.40)	2.63	Net interest received/(paid)	(67.79)	(99.70)
(234.99)	(232.19)	(290.17)	Tax on profit paid	(985.70)	(844.47)
368.98	(45.32)	220.84	Other adjustments	706.31	203.86
2,257.26	**2,093.37**	**2,028.29**	**Sources of funds**	**7,178.32**	**6,893.88**
446.35	270.02	(44.70)	(Increase)/decrease in inventories	(25.46)	33.61
74.86	(33.41)	(168.15)	(Increase)/decrease in receivables	(161.54)	(432.42)
25.61	(484.75)	146.91	(Decrease)/increase in liabilities	194.12	(53.45)
2,804.08	**1,845.23**	**1,962.35**	**Net cash from operating activities**	**7,185.44**	**6,441.62**
(1,269.53)	(1,264.46)	(1,263.48)	Intangible assets and property, plant and equipment	(5,129.65)	(5,264.87)
-	(0.10)	-	Investments, loans and other financial assets	-	-
19.30	8.10	11.09	Proceeds from sale of non-current assets	64.42	113.17
9.92	53.76	-	Proceeds from sale of subsidiaries, net of cash disposed	9.92	59.25
(1,240.31)	**(1,202.70)**	**(1,252.39)**	**Net cash used in investing activities**	**(5,055.31)**	**(5,092.45)**
(1,203.98)	(29.16)	(1.25)	(Decrease)/increase in borrowings	(478.15)	(1,199.23)
(3.64)	(0.78)	(0.45)	Dividends paid	(1,741.39)	(993.32)
(1,207.62)	**(29.94)**	**(1.70)**	**Net cash from financing activities**	**(2,219.54)**	**(2,192.55)**
(3.96)	0.28	0.24	Effect of exchange rate changes on cash and cash equivalents	2.22	8.62
352.19	**612.87**	**708.50**	**Net (decrease)/increase in cash and cash equivalents**	**(87.19)**	**(834.76)**
314.46	666.65	753.84	Cash and cash equivalents at beginning of period	753.84	1,588.60
666.65	**1,279.52**	**1,462.34**	**Cash and cash equivalents at end of period**	**666.65**	**753.84**

Note: Starting Q1/13, net interest received/(paid) and tax on profit were reclassified as sources of funds items. Historic figures were reclassified accordingly.

Notes to the cash flows

In Q1/2013, free cash flow (defined as net cash from operating activities less net cash used in investing activities) showed an inflow of funds of RON 643 mn (Q1/12: RON 710 mn). Free cash flow less dividend payments resulted in a cash inflow of RON 642 mn (Q1/12: RON 710 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 (paid)/received and income tax paid was RON 2,093 mn (Q1/12: RON 2,028 mn).

Net working capital generated a cash outflow of RON 248 mn (Q1/12: RON 66 mn), mainly due to the payments made following the receipt of the results of the fiscal review for the years 2009 and 2010, partially compensated by the decrease in inventories.

Net cash flow from investing activities (outflow of RON 1,203 mn; Q1/12: RON 1,252 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 30 mn (Q1/12: RON 2 mn), mainly coming from repayment of the tranche from the European Investment Bank that became due.

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, 2013	**18,983.37**	**4,396.08**	**58.84**	**(0.02)**	**23,438.27**	**(32.93)**	**23,405.34**
Net income for the period	-	1,330.06	-	-	1,330.06	1.45	1,331.51
Other comprehensive income for the period	-	-	(0.57)	-	(0.57)	(0.83)	(1.40)
Total comprehensive income for the period	**-**	**1,330.06**	**(0.57)**	**-**	**1,329.49**	**0.62**	**1,330.11**
Dividend distribution	-	-	-	-	-	-	-
Purchase of own shares	-	-	-	-	-	-	-
Distribution of own shares	-	-	-	-	-	-	-
Change in interests	-	50.83	(50.83)	-	-	0.01	0.01
March 31, 2013	**18,983.37**	**5,776.97**	**7.44**	**(0.02)**	**24,767.76**	**(32.30)**	**24,735.46**

in RON mn	Share capital	Revenue reserves	Other reserves[1]	Treasury shares	Stockholders' equity	Non-controlling interests	Total equity
January 1, 2012	**18,983.37**	**2,198.73**	**(79.68)**	**(0.02)**	**21,102.40**	**(25.79)**	**21,076.61**
Net income for the period	-	1,383.84	-	-	1,383.84	0.70	1,384.54
Other comprehensive income for the period	-	-	(314.18)	-	(314.18)	0.50	(313.68)
Total comprehensive income for the period	**-**	**1,383.84**	**(314.18)**	**-**	**1,069.66**	**1.20**	**1,070.86**
Dividend distribution	-	-	-	-	-	-	-
Purchase of own shares	-	-	-	-	-	-	-
Distribution of own shares	-	-	-	-	-	-	-
Change in interests	-	-	-	-	-	-	-
March 31, 2012	**18,983.37**	**3,582.57**	**(393.86)**	**(0.02)**	**22,172.06**	**(24.59)**	**22,147.47**

[1] Other reserves contain mainly exchange differences from the translation of foreign operations and unrealized gains and losses from hedges.

Dividends

At the Annual General Meeting of Shareholders held on April 22, 2013, the shareholders of OMV Petrom S.A. approved the distribution of dividends for the financial year 2012 at the amount of RON 1,586 mn. The payment of dividends will start on June 18, 2013.

Segment reporting

Intersegmental sales

Q4/12	Q1/13	Q1/12	∆%	in RON mn	2012	2011	∆%
3,049.79	2,978.04	3,155.30	(6)	Exploration and Production	12,071.98	11,172.10	8
119.84	140.22	125.11	12	Gas and Power	446.63	436.24	2
42.64	45.37	47.49	(4)	Refining and Marketing	162.36	161.96	0
148.92	133.78	131.43	2	Corporate and Other	561.49	576.91	(3)
3,361.19	**3,297.41**	**3,459.33**	**(5)**	**Total**	**13,242.46**	**12,347.21**	**7**

Sales to external customers

Q4/12	Q1/13	Q1/12	∆%	in RON mn	2012	2011	∆%
207.28	313.23	234.53	34	Exploration and Production	919.94	571.34	61
1,031.10	1,136.58	1,273.01	(11)	Gas and Power	3,696.19	3,190.68	16
5,817.93	4,322.41	4,484.86	(4)	Refining and Marketing	21,587.19	18,795.16	15
16.54	16.71	12.58	33	Corporate and Other	54.81	56.47	(3)
7,072.85	**5,788.93**	**6,004.99**	**(4)**	**Total**	**26,258.13**	**22,613.65**	**16**

Total sales

Q4/12	Q1/13	Q1/12	∆%	in RON mn	2012	2011	∆%
3,257.07	3,291.27	3,389.83	(3)	Exploration and Production	12,991.92	11,743.44	11
1,150.94	1,276.80	1,398.12	(9)	Gas and Power	4,142.82	3,626.92	14
5,860.57	4,367.78	4,532.35	(4)	Refining and Marketing	21,749.55	18,957.12	15
165.46	150.49	144.01	4	Corporate and Other	616.30	633.38	(3)
10,434.04	**9,086.34**	**9,464.32**	**(4)**	**Total**	**39,500.59**	**34,960.86**	**13**

Segment and Group profit

Q4/12	Q1/13	Q1/12	∆%	in RON mn	2012	2011	∆%
1,281.34	1,416.81	1,704.18	(17)	EBIT Exploration and Production	5,466.57	5,236.32	4
135.40	113.02	136.27	(17)	EBIT Gas and Power	359.80	148.84	142
(17.71)	96.03	86.43	11	EBIT Refining and Marketing	137.52	(187.37)	n.m.
(38.77)	(15.27)	(12.11)	26	EBIT Corporate and Other	(116.52)	(78.98)	48
1,360.26	**1,610.59**	**1,914.77**	**(16)**	**EBIT segment total**	**5,847.37**	**5,118.82**	**14**
312.90	(28.93)	(121.23)	(76)	Consolidation: Elimination of intersegmental profits	(185.37)	(183.06)	1
1,673.16	**1,581.66**	**1,793.54**	**(12)**	**Petrom Group EBIT**	**5,662.00**	**4,935.76**	**15**
(344.09)	**2.00**	**(138.31)**	**n.m.**	**Net financial result**	**(835.74)**	**(327.17)**	**155**
1,329.07	**1,583.66**	**1,655.23**	**(4)**	**Petrom Group profit from ordinary activities**	**4,826.26**	**4,608.59**	**5**

Assets[1]

in RON mn	March 31, 2013	Dec 31, 2012
Exploration and Production	20,743.75	20,364.83
Gas and Power	3,069.08	3,146.14
Refining and Marketing	5,261.87	5,277.72
Corporate and Other	676.52	690.41
Total	**29,751.22**	**29,479.10**

[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	1.05
Gearing Ratio	Net debt / Equity*100	4.36%
Days in receivables	Receivables average balance / Turnover*90	30.81
Fixed assets turnover [1]	Turnover / Fixed assets	0.80

[1] *Fixed assets turnover is calculated based on turnover for Q1/13*(360/90) days.*

Subsequent events

On April 4, Petrom provided an update of the Neptun Deep exploration project. The 3D seismic survey on the Neptun Deep block is expected to be completed in Q2/13. ExxonMobil Exploration and Production Romania Limited and OMV Petrom expect to invest up to USD 1 bn in the exploration program, which comprises the ongoing 3D seismic survey and further exploration and appraisal drilling, expected to begin in late 2013 or early 2014. Further evaluation of the Domino-1 well results has enabled an initial pre-appraisal estimate of potential gas production from a future Domino development of approx. 630 mn cf/d (million cubic feet per day).

On April 22, the Ordinary General Meeting of Shareholders (OGMS) approved OMV Petrom S.A.'s Revenues and Expenditures Budget for the financial year 2013, with investments estimated at RON 6.4 bn. The OGMS also approved a gross dividend of RON 0.028/share for the financial year 2012, in total amount of RON 1,586 mn, corresponding to a 40% payout ratio. The OGMS appointed the new members of the Petrom Supervisory Board for a new term of four years (i.e. until April 28, 2017) and reappointed Ernst & Young Assurance Service S.R.L. as the company's financial auditor for 2013.

Declaration of the management

We confirm to the best of our knowledge that the condensed interim consolidated financial statements for the period ended March 31, 2013, prepared in accordance with the International Financial Reporting Standards, offer a true and fair view of 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 three months of the financial year and their impact on the condensed interim financial statements.

Bucharest, May 14, 2013

The Executive Board

Mariana Gheorghe
Chief Executive Officer
President of the Executive Board

Andreas Matje
Chief Financial Officer
Member of the Executive Board

Johann Pleininger
Member of the Executive Board
Exploration & Production

Cristian Secosan
Member of the Executive Board
Gas & Power

Neil Anthony Morgan
Member of the Executive Board
Refining & Marketing

Abbreviations and definitions

ANRE	Romanian Energy Regulatory Authority
bbl	barrel(s), i.e. 159 liters
bcf	billion cubic feet; 1,000 standard cubic meters = 35.3147 bcf for Romania or 34.7793 bcf for Kazakhstan
boe	barrels of oil equivalent
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
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
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 hours
USD	United States dollar

Appendix 1

Consolidated companies in Petrom Group at March 31, 2013

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%
Kom Munai LLP (Kazakhstan)	95.00%	Petrom Aviation S.A. (Romania)	99.99%
Petrom Exploration & Production Ltd.	50.00%	ICS Petrom-Moldova S.A. (Republic of Moldova)	100.00%
		OMV Bulgaria OOD (Bulgaria)	99.90%
		OMV Srbija DOO (Serbia)	99.96%
GAS & POWER			
OMV Petrom Gas S.R.L.	99.99%		
Petrom Distributie Gaze S.R.L.	99.99%	**CORPORATE & OTHER**	
OMV Petrom Wind Power S.R.L.	99.99%	Petromed Solutions S.R.L.	99.99%

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

Associated company, accounted for at equity	
Congaz S.A. (Romania)	28.59%

Contact details

Sorana Baciu
Strategy, Corporate Development & 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 Q2 and January – June 2013 will be released on August 13, 2013, presenting Petrom Group consolidated results prepared according to IFRS.