OMV Petrom results

January – March 2016

May 11, 2016

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Business environment and operational highlights

Mariana Gheorghe, CEO

OMV Petrom

Business environment in Q1 2016

International environment

- **Urals price:** - 39% yoy
- **Oil demand and supply in Europe**[1]**:** demand +1% yoy, supply +1% yoy
- **European gas** demand[2]: broadly flat yoy
- **European refining margins** decreased compared to 2015 record levels
- Strong **USD** against EUR and RON

Romania: good macroeconomics

- **2015 GDP growth**[3]: +3.8%
- **CPI annual inflation**: -3% end-March; 12-month average: -1.4%
- **Budget balance**: +0.4% of GDP end-March
- **FDI**: EUR 2.8 bn in 2015, 2% higher vs 2014
- **Investment grade rating** stable

[1] EIA International Energy Statistics; [2]Data from IHS Cera, European Gas Supply and Demand Tracker report, April 2016; [3] Romanian National Institute of Statistics, preliminary data

Dynamics of the Romanian energy sector

Demand and prices Q1/16 vs Q1/15

- **Demand**[1]
  - Fuels[2] +7%; Gas -6%; Power[3] stable
- **Prices**
  - Urals: -39%
  - Gas: HH[4] +13%, deregulation continued; NHH[5] under pressure
  - Power[6]: -14%

Fiscal framework

- **Taxation**
  - Tax on constructions kept at 1%
  - Supplementary taxation[7] extended until end-2016
  - Engagement with stakeholders on taxation and regulatory framework

[1] OMV Petrom's estimates based on preliminary market data available; [2] Fuels refer only to retail diesel and gasoline; [3] According to preliminary data available from the grid operator
[4]Households; [5] Non-households; [6] OPCOM average spot base load; [7] Introduced at the beginning of 2013 simultaneously with the start of gas price liberalization

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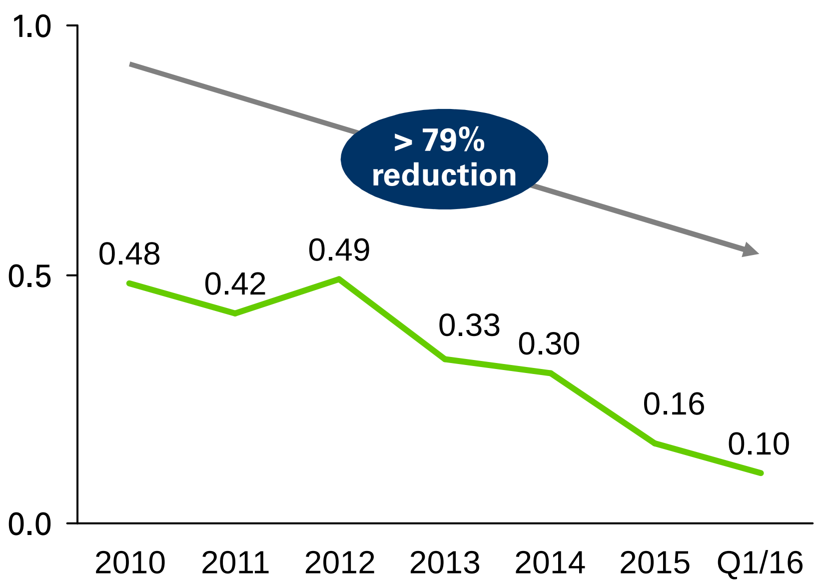
Safety and efficiency focus

LTIR[1] Romania



- **Operational safety – our top priority**
- **LTIR substantially improved**
  - Q1 2016: the lowest level since privatization
  - Lower than IOGP[2] international benchmark

[1] Lost time injury rate (employees and contractors) for OMV Petrom Group, excluding Kazakhstan;
[2] International Association of Oil & Gas Producers

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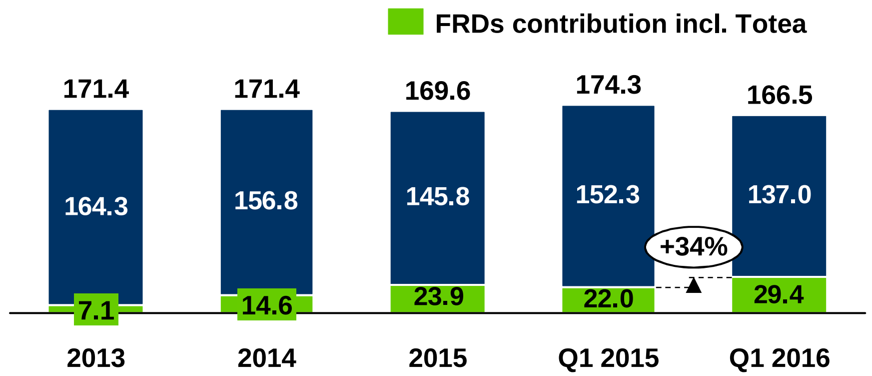
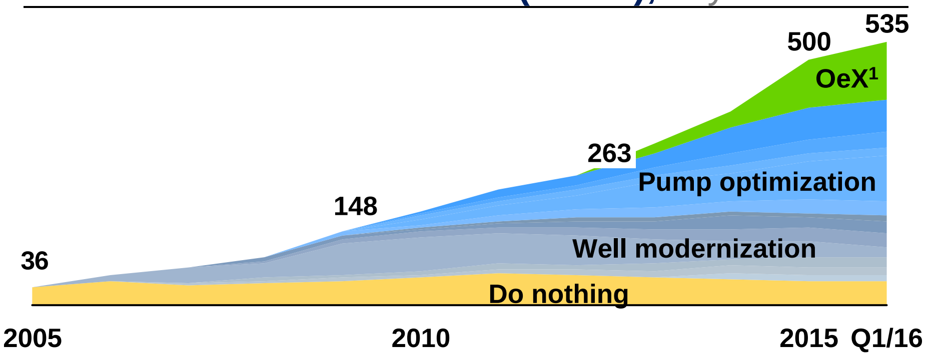
Upstream – KPIs

Hydrocarbon production Romania, kboe/d



Mean Time between Failure (MTBF), days



Q1/16 vs Q1/15

Group

- **Total hydrocarbon production** dropped by 3% due to reduced investments, increased number of uneconomic wells and planned maintenance at key wells

Romania

- **~34%** more production from FRDs (including Totea Deep)
- **Operational excellence:** MTBF reached 535 days in Q1/16 vs 467 days in Q1/15; number of well interventions reduced by ~30%
- More efficient **workover** activity: higher contribution to daily production (+2.1 kboe/d), in spite of lower number of jobs

[1] Operational Excellence integrated approach

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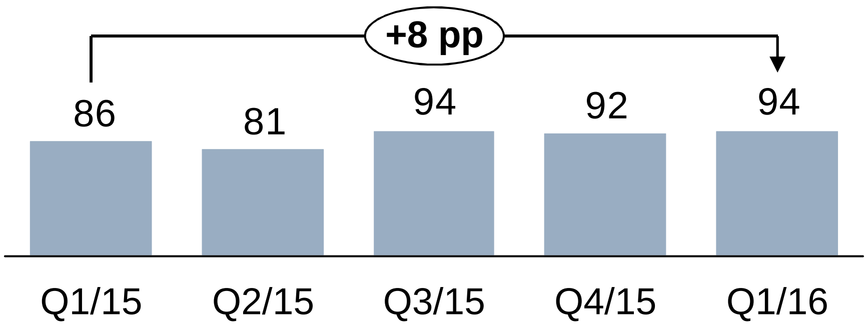
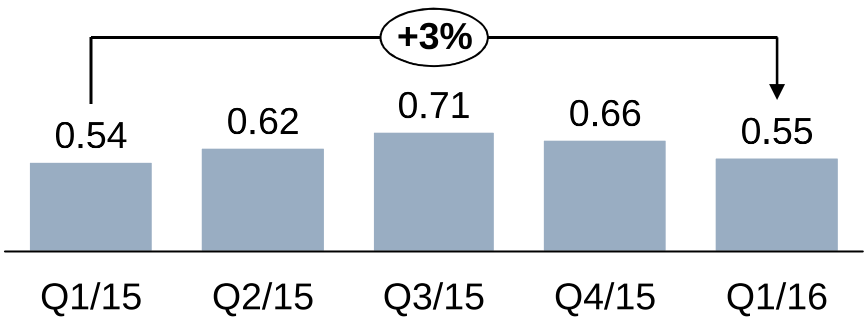
Downstream Oil – KPIs

Refinery utilization rate (%)



Group retail sales volumes (mn t)



Q1/16 vs Q1/15

- **Refinery utilization rate** improved to 94%, optimized to capitalize on market demand and to prepare for the planned shutdown in Q2/16
- **Fuel and losses** at ~9% in Q1/16
- **Group retail sales volumes** reflected improved product demand in the operating region

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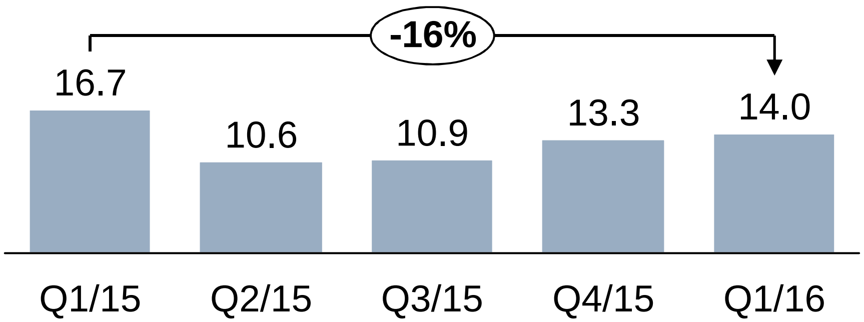
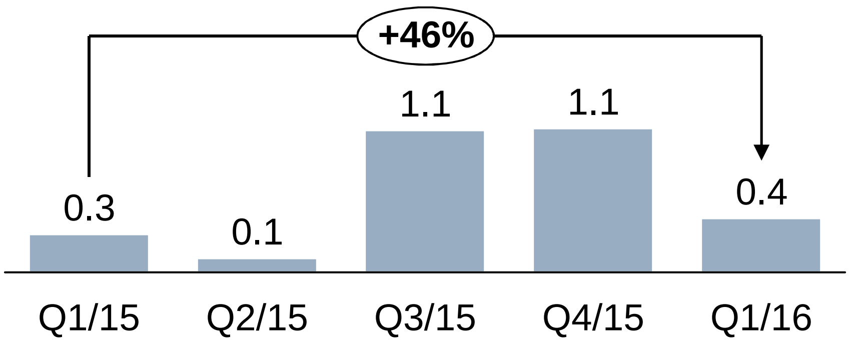
Downstream Gas – KPIs

Gas sales[1] (TWh)



Net electrical output (TWh)



Q1/16 vs Q1/15

- **Gas sales** impacted by lower volumes in storage and the ~6% decline[2] of national demand
- Gas sales volumes towards **end-customers** kept stable
- **Net electrical output** increased, capitalizing on the forward position

[1] Including internal transfers within OMV Petrom S.A. (e.g. Brazi power plant); [2] Company estimation

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Financial highlights and priorities

Andreas Matje, CFO

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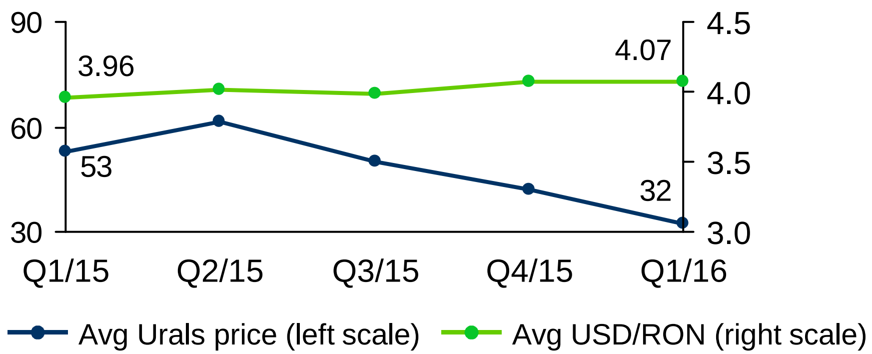
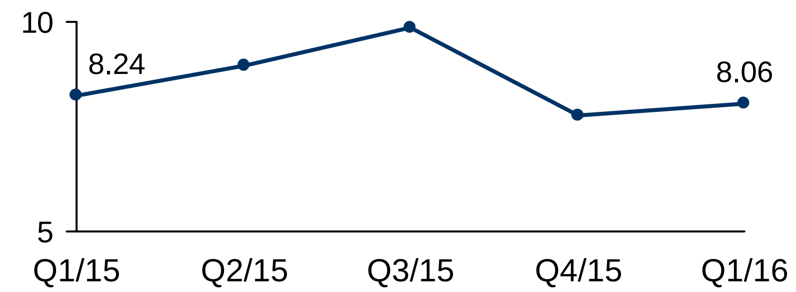
Economic environment

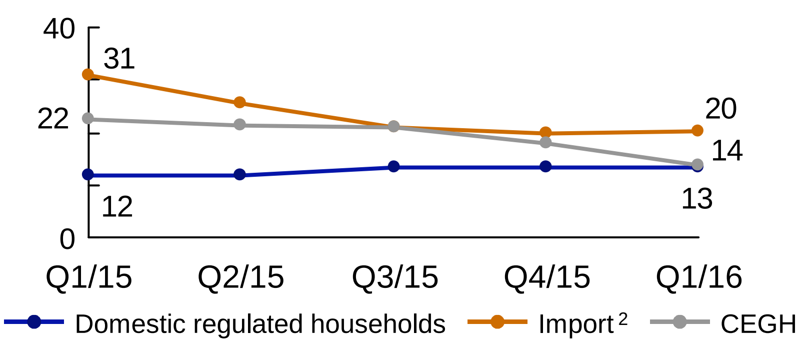
Oil price (USD/bbl) and FX (USD/RON)



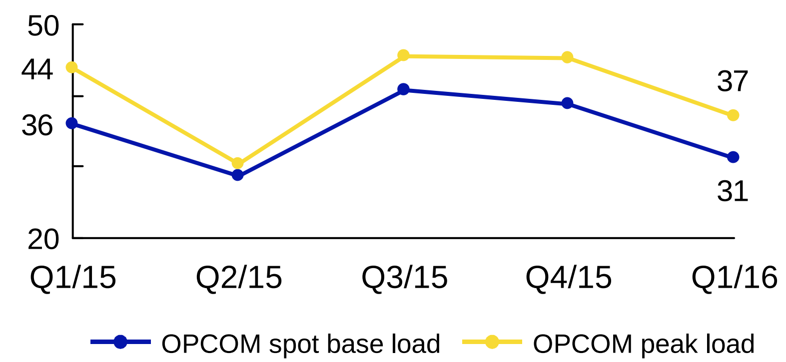
OMV Petrom Indicator refining margin (USD/bbl)



Gas prices (EUR/MWh)[1]



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



[1] Converted from RON into EUR, FX rate: 4.491; [2] Final prices published by ANRE; Q1/16 price is an extrapolation of December 2015 price (latest available)

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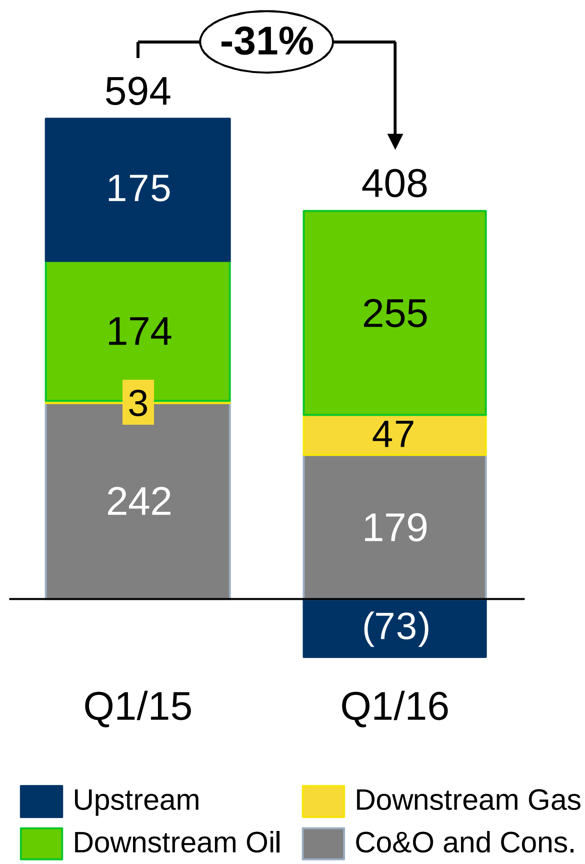
Q1/16 overview

Clean CCS EBIT, RON mn

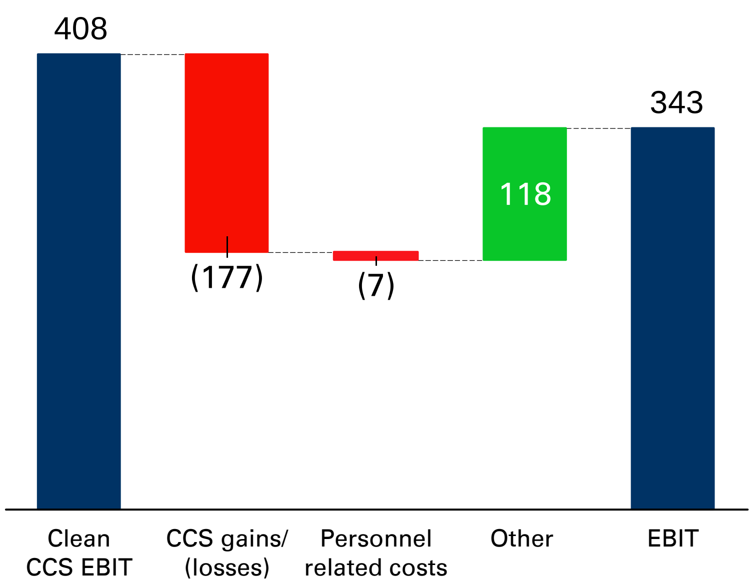


Q1/16 vs Q1/15

- Average Urals crude prices down 39% to USD 32.29/bbl
- RON weaker vs USD by 3%
- Group production at 175 kboe/d
- Indicator refining margin at USD 8.06/bbl
- Group retail sales volumes up 3%
- Favorable development of provisions for outstanding receivables in Downstream Gas

Special items and CCS effect

Q1/16 (RON mn)



- CCS effect: RON (177) mn due to lower crude oil prices
- Other: mainly related to the final court decisions to reduce fines imposed by the Competition Council in 2011

RON mn	Q1/16	Q1/15
Clean CCS EBIT	**408**	**594**
CCS gains/ (losses)	(177)	(92)
Clean EBIT	**231**	**502**
Personnel related costs	(7)	(8)
Other impairments	-	(3)
Other	118	3
Total special items	**111**	**(8)**
Reported EBIT	**343**	**494**

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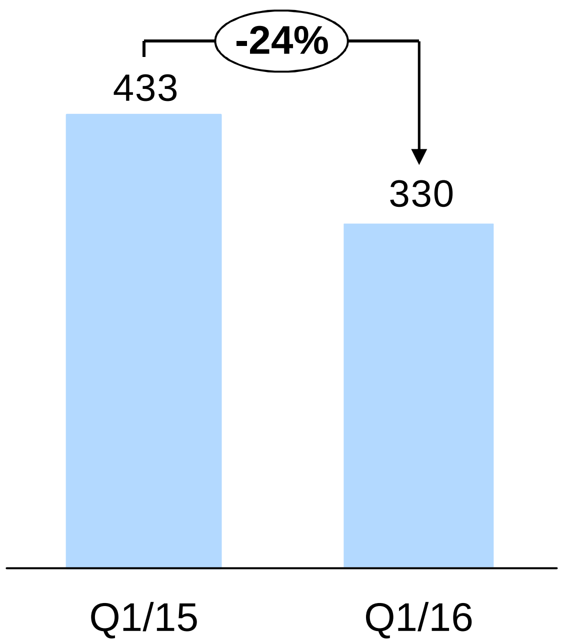
Clean CCS net income

Clean CCS net income attributable to stockholders (RON mn)



RON mn	Q1/16	Q1/15	Δ
EBIT	343	494	(31)%
Financial result	0	(22)	n.m.
Taxes	(55)	(127)	(57)%
Effective tax rate	16%	27%	(41)%
Net income	288	345	(17)%
Minorities	(2.32)	(3.56)	(35)%
Net income attributable to stockholders[1]	**291**	**349**	**(17)%**
EPS (RON)	0.0051	0.0062	(17)%
Clean EBIT[2]	231	502	(54)%
Clean CCS EBIT[2]	**408**	**594**	**(31)%**
Clean CCS net income attributable to stockholders[1,2]	**330**	**433**	**(24)%**
Clean CCS EPS (RON)[2]	0.0058	0.0076	(24)%

Figures in this and the following tables may not add up due to rounding differences

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

[2] Adjusted for exceptional, non-recurring items; clean CCS figures exclude special items and inventory holding effects (CCS effects) resulting from Downstream Oil

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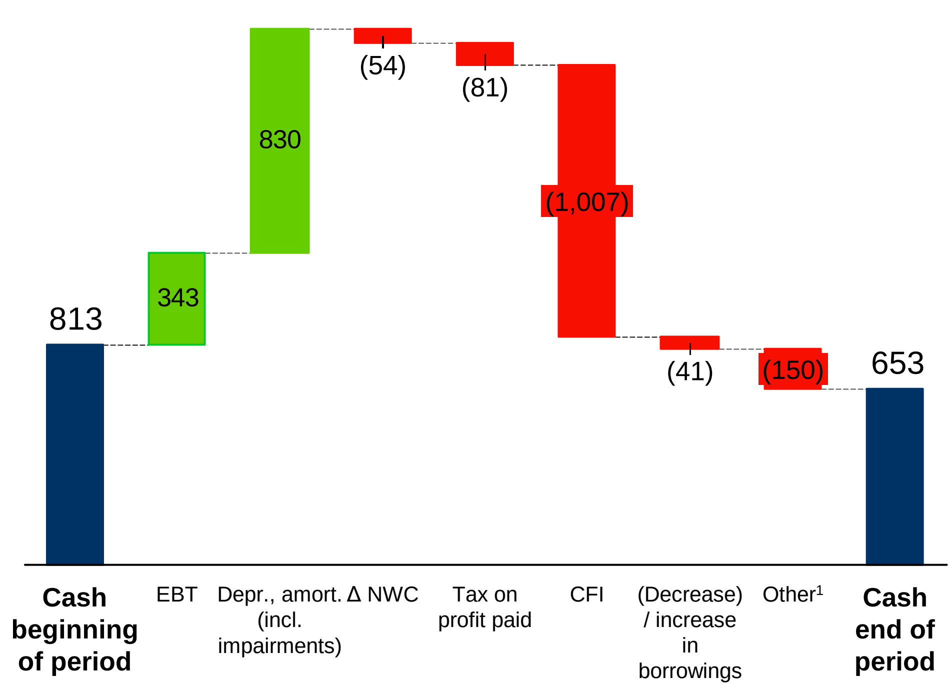
Cash flow

Q1/16 (RON mn)



in RON mn	Q1/16	Q1/15	Δ
Profit before tax	**343**	**472**	**(27)%**
Depreciation, amortization and impairments	830	873	(5)%
Net interest paid	(13)	(17)	(27)%
Tax on profit paid	(81)	(274)	(70)%
Other	(138)	(280)	(51)%
Sources of funds	**942**	**775**	**22%**
Change in net working capital (NWC)	(54)	16	n.m.
Cash flow from operating activities (CFO)	**888**	**791**	**12%**
Cash flow from investing activities (CFI)	**(1,007)**	**(1,382)**	**(27)%**
(Decrease) / increase in borrowings	(41)	(29)	41%
Dividends paid	(0)	(1)	(68)%
Cash flow from financing activities (CFF)	**(41)**	**(30)**	**39%**
Cash and cash equivalents at end of period	**653**	**655**	**(0)%**

[1]Includes: dividends, net change in provisions, losses/(gains) on the disposals of non-current assets, net interest paid, proceeds from sales of non-current assets, effect of FX changes and other adjustments

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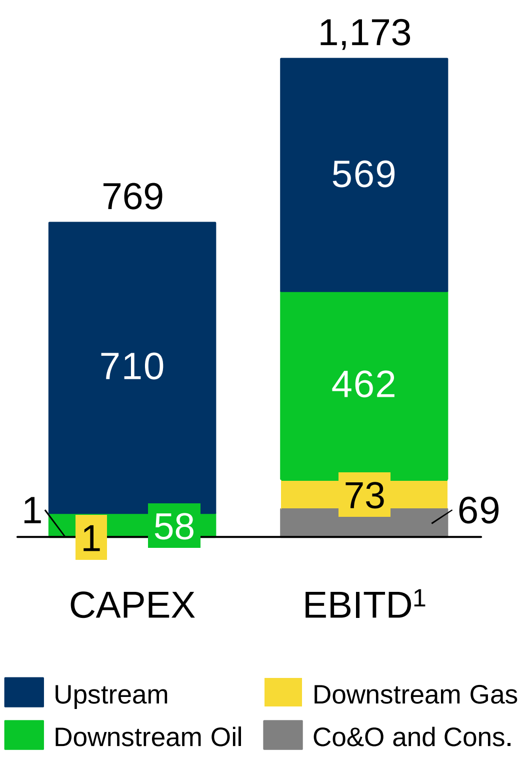
CAPEX and EBITD

Q1/16 (RON mn)



Key investment projects

- **Upstream:** Field redevelopments, workover and drilling activities, surface facilities modernization, as well as investments related to the Neptun Deep project
- **Downstream Oil:** Projects related to the refinery planned turnaround as well as running business and environmental projects

[1]Specific Upstream taxes in Romania for Q1/16 amounted to RON 290 mn, representing 19% of total Upstream hydrocarbon revenues, and include royalties (RON 137 mn), supplementary oil & gas taxation (RON 100 mn) and construction tax (RON 53 mn)

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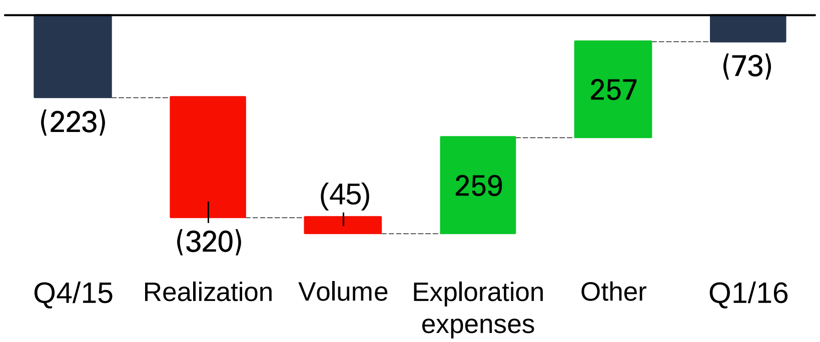
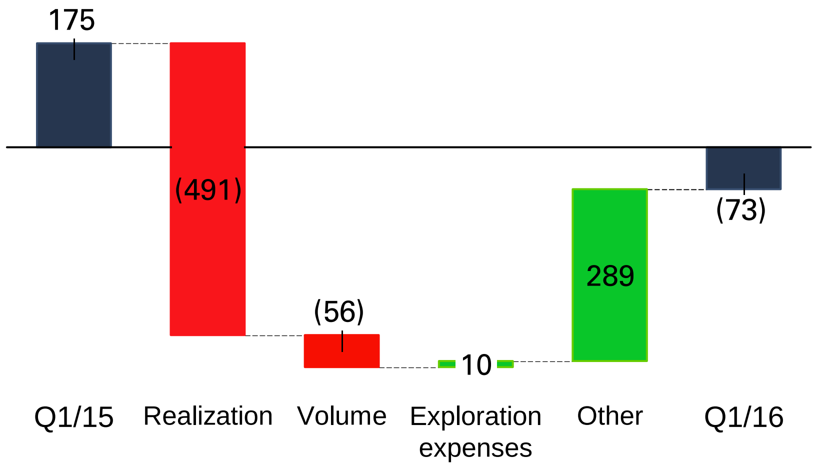
Upstream – Clean EBIT

Q1/16 vs Q4/15 (RON mn)



- Realized oil price in USD/bbl down by 26%
- Group hydrocarbon oil sales decreased by 3%
- Lower exploration expenses mainly due to write off of wells in Q4/15
- Other: lower depreciation and lower services and materials costs

Q1/16 vs Q1/15 (RON mn)



- Significantly lower realized oil price
- Lower sales volumes in Romania
- Exploration expenses decreased mainly due to lower G&G[1] costs
- Other: OPEX in USD/boe down 14%, lower royalties and lower depreciation

[1] Geological and geophysical

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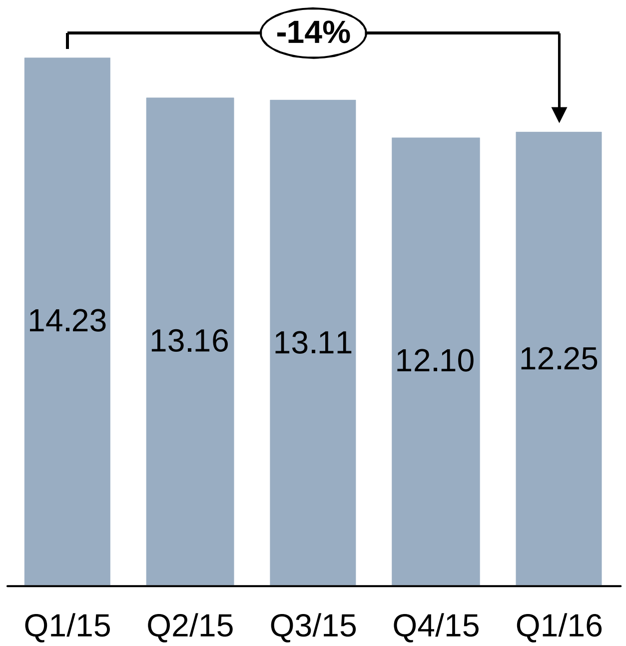
Upstream – Production costs

Production costs, USD/boe



Q1/16 OPEX reduced by 14% vs Q1/15:

- Lower services, personnel and materials costs
- Favorable FX effects
- Shut-in of uneconomic wells
- Improved running time of pumping units
- Resizing of workover rig fleet
- Renegotiations of contracts

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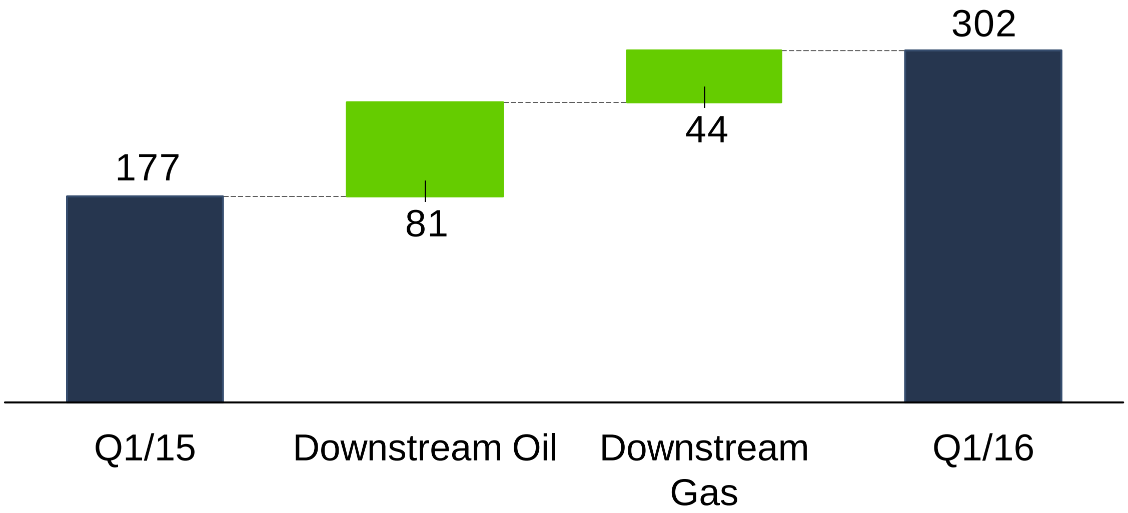
Downstream – Clean CCS EBIT

Q1/16 vs Q1/15 (RON mn)



- **Downstream Oil:** significantly increased result mainly driven by higher oil product sales and lower cost for own crude consumed
- **Downstream Gas:** improved result mainly due to a RON 15 mn reversal of provisions for outstanding receivables in Q1/16

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Management agenda for 2016

Mariana Gheorghe, CEO

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Outlook 2016

International market	**Oil price:**	Brent annual average estimated at USD 40/bbl
	Refining margin:	Expected to be below 2015 levels
Romanian market	**Fuels:**	Demand supported by low oil prices and increased private consumption; increased competition
	Gas:	Demand expected to decline, prices to be impacted by competitive imports
	Power:	Demand relatively stable yoy, weak spark spreads
OMV Petrom	**Investments:**	EUR ~0.7 bn, ~20% down yoy, with ~85% in Upstream
	Hydrocarbon production:	Up to 4% decline yoy due to lower investments and planned surface facilities upgrade at Totea Deep
	Capital discipline:	Continue optimization programs across all business segments

Management agenda for 2016

- **Capitalize on existing foundation** to deliver on strategic objectives, although impacted by adjustment to market downturn
- **Focus** on sustainable performance**,** profitability as well as optimization of asset portfolio and cash flow neutrality
- **Neptun Deep:** encouraging results to further assess commercial viability
- Address **challenges in the gas market**
- Public consultations on **taxation and regulatory framework**

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2016 Financial Calendar

August 10:	Q2 & HY 2016 results
November 9:	Q3 2016 results