Petrom Investor News

Bucharest
August 8, 2012
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Petrom Group: results[1] for Q2 and January – June 2012
including interim financial statements as of June 30, 2012

- Q2/12 vs. Q2/11: Clean CCS EBIT at RON 1,059 mn, down 16%, while clean CCS net income attributable to stockholders decreased by 18% to RON 769 mn
- Gearing ratio increased to 14% vs. 12% in Q2/11, triggered by lower cash flow from operations and dividend payment; CAPEX increased by 13% vs. Q2/11 to reach RON 1,180 mn
- E&P result slightly higher vs. Q2/11 supported by the stronger USD against RON
- G&P continued to benefit from the positive contribution of the gas business and Dorobantu wind park
- Petrobrazi refinery six-week planned shutdown enables Petrom to process its entire domestic crude production

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

"In the first half of 2012 we achieved better financial performance compared with the same period in 2011, thanks to marginally higher crude price and favorable FX environment. Q2/12 operational result was burdened by lower hydrocarbon production due to the decline at some key fields in Romania and the Petrobrazi refinery six-week planned shutdown to upgrade the crude vacuum distillation unit which enables the processing of Petrom's entire domestic crude production while increasing middle distillates yield and reducing energy consumption. This June, the Supervisory Board has approved Petrom's strategic directions for 2021. Petrom remains committed to delivering sustainable performance and focusing on potential upstream growth opportunities. This will require continuing our investments in the range of EUR 0.8-1.2 bn p.a. in the next years, assuming robust market fundamentals and investment-friendly regulatory and fiscal environment."

Q1/12	Q2/12	Q2/11	Δ%	Key performance indicators (in RON mn)	6m/12	6m/11	Δ%
1,794	909	1,224	(26)	EBIT	2,703	2,416	12
1,646	1,059	1,266	(16)	Clean CCS EBIT [2]	2,705	2,459	10
1,384	643	903	(29)	Net income attributable to stockholders[3]	2,027	1,744	16
1,260	769	935	(18)	Clean CCS net income attributable to stockholders [2,3]	2,029	1,776	14
0.0244	0.0114	0.0159	(28)	EPS (RON)	0.0358	0.0308	16
0.0222	0.0136	0.0165	(18)	Clean CCS EPS (RON) [2]	0.0358	0.0314	14
1,962	1,084	2,016	(46)	Cash flow from operations	3,046	3,282	(7)

[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*

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Financial highlights

Q1/12	Q2/12	Q2/11	∆%	in RON mn	6m/12	6m/11	∆%
6,005	6,197	5,293	17	Sales [1]	12,202	10,271	19
1,704	1,192	1,170	2	EBIT E&P [2]	2,896	2,431	19
136	29	(9)	n.m.	EBIT G&P	165	24	n.m.
86	(198)	57	n.m.	EBIT R&M	(111)	4	n.m.
(12)	(37)	(11)	231	EBIT Co&O	(49)	(32)	51
(121)	(78)	17	n.m.	Consolidation	(199)	(11)	n.m.
1,794	**909**	**1,224**	**(26)**	**EBIT Group**	**2,703**	**2,416**	**12**
-	**(128)**	**(86)**	**49**	**Special items**[3]	**(128)**	**(192)**	**(34)**
-	(64)	(5)	n.m.	thereof: Personnel and restructuring	(64)	(6)	n.m.
-	-	0	n.a.	Unscheduled depreciation	-	-	n.a.
-	-	0	n.a.	Asset disposal	-	-	n.a.
-	(64)	(81)	(21)	Other	(64)	(187)	(66)
147	(22)	44	n.m.	CCS effects: Inventory holding gains/(losses)	125	149	(16)
1,704	1,315	1,260	4	Clean EBIT E&P [2, 4]	3,019	2,521	20
136	28	(9)	n.m.	Clean EBIT G&P [4]	164	24	n.m.
(61)	(176)	9	n.m.	Clean CCS EBIT R&M [4]	(237)	(43)	450
(12)	(30)	(11)	175	Clean EBIT Co&O [4]	(42)	(31)	37
(121)	(78)	17	n.m.	Consolidation	(199)	(11)	n.m.
1,646	**1,059**	**1,266**	**(16)**	**Clean CCS EBIT** [4]	**2,705**	**2,459**	**10**
1,655	793	1,121	(29)	Income from ordinary activities	2,448	2,133	15
1,385	643	903	(29)	Net income	2,027	1,744	16
1,384	643	903	(29)	Net income attributable to stockholders[5]	2,027	1,744	16
1,260	769	935	(18)	Clean CCS net income attributable to stockholders [4,5]	2,029	1,776	14
0.0244	0.0114	0.0159	(28)	EPS (RON)	0.0358	0.0308	16
0.0222	0.0136	0.0165	(18)	Clean CCS EPS (RON) [4]	0.0358	0.0314	14
1,962	1,084	2,016	(46)	Cash flow from operations	3,046	3,282	(7)
0.0346	0.0191	0.0356	(46)	CFPS (RON)	0.0538	0.0579	(7)
1,304	3,109	2,364	32	Net debt	3,109	2,364	32
6	14	12	20	Gearing (%) [6]	14	12	20
1,148	1,180	1,046	13	Capital expenditures	2,328	1,680	39
-	-	-	n.a.	ROFA (%)	19.3	19.1	1
-	-	-	n.a.	ROACE (%)	17.0	17.8	(5)
-	-	-	n.a.	ROE (%)	19.0	18.6	2
16	19	19	(2)	Group tax rate (%)	17	18	(6)
22,366	22,105	23,693	(7)	Petrom Group employees at the end of the period	22,105	23,693	(7)

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] *Net debt divided by equity*

Business segments

Exploration and Production (E&P)

Q1/12	Q2/12	Q2/11	Δ%	in RON mn	6m/12	6m/11	Δ%
1,704	1,192	1,170	2	EBIT [1]	2,896	2,431	19
-	(123)	(89)	38	Special items	(123)	(89)	38
1,704	1,315	1,260	4	Clean EBIT [1]	3,019	2,521	20

Q1/12	Q2/12	Q2/11	Δ%	Key performance indicators	6m/12	6m/11	Δ%
16.71	16.57	16.98	(2)	Total hydrocarbon production (mn boe)	33.28	33.76	(1)
184,000	182,000	187,000	(2)	Total hydrocarbon production (boe/day)[2]	183,000	187,000	(2)
8.17	8.11	8.35	(3)	Crude oil and NGL production (mn bbl)	16.28	16.62	(2)
1.31	1.30	1.32	(2)	Natural gas production (bcm)	2.61	2.63	(1)
46.21	45.80	46.66	(2)	Natural gas production (bcf)	92.01	92.71	(1)
117.49	106.71	114.21	(7)	Average Urals price (USD/bbl)	112.28	108.29	4
98.33	92.50	95.72	(3)	Average Group realized crude price (USD/bbl) [3]	95.53	92.92	3
149.05	143.20	172.11	(17)	Average gas price for domestic producers in Romania (USD/1,000 cbm)[4]	146.18	165.95	(12)
267	(9)	96	n.m.	Exploration expenditure (RON mn)	259	210	23
18	81	205	(60)	Exploration expenses (RON mn)	100	339	(71)
15.37	15.96	16.11	(1)	OPEX (USD/boe)	15.66	16.39	(4)

[1] Excluding intersegmental profit elimination; [2] Production figures in boe/day are rounded; [3] Realized price includes hedging result; [4] For detailed information see G&P section on page 5

Second quarter 2012 (Q2/12) vs. second quarter 2011 (Q2/11)

- **Clean result burdened by lower oil price and sales volumes, which were however offset by favorable FX development**
- **Group oil and gas production below Q2/11 due to lower production volumes in Romania**
- **Production costs in USD/boe decreased by 1% driven by stronger USD**

In Q2/12, results were mainly influenced by a less favorable crude price environment as the average Urals crude price reached USD 106.71/bbl, 7% below the Q2/11 level. The average realized crude price decreased by 3% to USD 92.50/bbl, reflecting lower losses from the hedging result.

Clean EBIT increased by 4% compared to Q2/11, to RON 1,315 mn, mainly driven by the favorable FX effect due to a stronger USD against RON, lower losses from hedging and lower exploration expenses. The result from hedging had a negative impact on EBIT of RON (68) mn (Q2/11: RON (134) mn). When accounting for special items, mostly restructuring charges, reported EBIT shows a 2% increase against Q2/11.

Group production costs in USD/boe decreased by 1% compared to Q2/11, mainly due to positive FX effects, which compensated for lower production volumes. In Romania, production costs in USD/boe also decreased by 2% compared to Q2/11, reaching USD 15.59/boe, as the favorable FX effect (stronger USD against RON) more than offset the lower production volumes effect and the increase in nominal production costs. When expressed in RON terms, production costs in Romania increased by 17% to RON 53.77/boe (Q2/11: RON 45.82/boe), mainly due to higher personnel expenses related to the finalization of the collective labour agreement negotiations in Q2/12 as well as lower production and higher service costs.

Exploration expenditure recorded a negative RON 9 mn due to the reclassification of one development well. Exploration expenses include the write-off of one exploration well (3700 Deep Moinesti) and were 60% lower compared to Q2/11 which included the impairment of Kultuk license costs in Kazakhstan.

Group oil, gas and NGL production in Q2/12 amounted to 16.6 mn boe, lower by 2% compared to Q2/11. In Romania, total oil, gas and NGL production dropped 3% to 15.4 mn boe. Domestic crude oil production was 7.2 mn bbl, 3% below the Q2/11 level, due to natural production decline in two key fields (Suplac and Videle). Domestic gas production reached 8.3 mn boe, down 2% compared to Q2/11 (8.5 mn boe), mainly due to the high decline in two key fields (Bulbuceni and Mamu). In Kazakhstan, in Q2/12 oil and gas production slightly increased compared to the same period of 2011, to 1.1 mn boe, mainly due to higher gas production in the Tasbulat and Turkmenoi fields and higher oil and gas production in Komsomolskoe. In Q2/12, the drilling program in Romania comprised 22 new wells, compared with 30 in Q2/11. Sales volumes decreased by 3% compared to Q2/11, broadly in line with the production decline.

Second quarter 2012 (Q2/12) vs. first quarter 2012 (Q1/12)

Compared to Q1/12, clean EBIT decreased by 23%, mainly due to the lower oil price, lower oil sales, higher production costs and higher exploration expenses. The hedging result was RON (68) mn, an improvement on that recorded in Q1/12 (RON (159) mn). Reported EBIT is 30% below Q1/12 due to special charges, mainly related to restructuring charges. Despite the positive FX effect (USD stronger by 4% against RON), Group production costs in USD/boe increased by 4%, due to higher costs in Romania. Production costs in Romania, expressed in USD/boe, were 5% higher compared to Q1/12 mainly due to higher personnel costs. Domestic production costs expressed in RON/boe increased by 9%, to 53.77 RON/boe compared to 49.54 RON/boe in Q1/12 mainly due to higher personnel expenses related to the finalization of the collective labour agreement negotiations in Q2/12. Group oil, gas and NGL production decreased by 1% compared to Q1/12 due to reduced output in Romania despite higher production in Kazakhstan. Total oil, gas and NGL production in Romania was lower by 1 % compared to Q1/12. Sales volumes decreased by 4% compared to Q1/12 mainly as a result of the Petrobrazi refinery shutdown.

January to June 2012 (6m/12) vs. January to June 2011 (6m/11)

In 6m/12, results were driven by the favorable crude price environment as the average Urals crude price reached USD 112.28/bbl, 4% over 6m/11. The average realized crude price increased by only 3% to USD 95.53/bbl, reflecting the negative hedging result. Clean EBIT increased by 20% compared to 6m/11, mainly driven by the higher oil price and favorable FX effect (stronger USD against RON), partly offset by higher production costs and higher hedging losses. The result from hedging had a negative impact on EBIT amounting to RON (227) mn (6m/11: RON (189) mn). Reported EBIT included special items of RON (123) mn mainly relating to restructuring provisions.

Exploration expenditures increased by 23% compared to 6m/11, amounting to RON 259 mn, due to the drilling of the first deep offshore well in the Black Sea. In 6m/12, exploration expenses amounted to RON 100 mn, 71% lower compared to 6m/11 (RON 339 mn), which included the write-off of seven unsuccessful exploration wells (Romania) and the impairment of the Kultuk exploration license (Kazakhstan).

Group production costs in USD/boe were 4% lower compared to 6m/11, mainly due to the positive FX development (USD stronger by 14% against the RON). Production costs in Romania expressed in USD terms improved due to the stronger USD against RON to USD 15.26/boe in 6m/12 (USD 16.10/boe in 6m/11). These positive effects were counterbalanced by higher costs associated with production enhancement contracts (enhanced tariffs for incremental production), higher personnel costs, higher electricity costs and lower production volumes.

Group oil, gas and NGL production in 6m/12 amounted to 33.3 mn boe, lower by 1% compared to the same period of 2011. Total oil, gas and NGL production in Romania amounted to 31.0 mn boe, lower by 2% compared with the level in 6m/11. Crude oil production was 14.4 mn bbl, 2% lower than the level recorded in 6m/11, mainly due to harsh winter conditions in January and February 2012 and natural decline at key fields. Gas production reached 16.7 mn boe, lower by 1% compared to 6m/11, negatively influenced by harsh winter conditions and lower contribution from key fields. Oil and gas production in Kazakhstan increased by 4% compared to 6m/11 reaching 2.2 mn boe, mainly due to the gas production increase in TOC fields.

Sales volumes decreased by 1% compared to 6m/11, in line with the production decrease.

Gas and Power (G&P)

Q1/12	Q2/12	Q2/11	∆%	in RON mn	6m/12	6m/11	∆%
136	29	(9)	n.m.	EBIT	165	24	n.m.
-	1	-	n.m.	Special items	1	-	n.m.
136	28	(9)	n.m.	Clean EBIT	164	24	n.m.

Q1/12	Q2/12	Q2/11	∆%	Key performance indicators	6m/12	6m/11	∆%
1,616	1,026	1,112	(7)	Consolidated gas sales (mn cbm)	2,642	2,653	0
17.3	11.2	12.0	(7)	Consolidated gas sales (TWh)	28.5	28.5	0
149	143	172	(17)	Average gas price for domestic producers in Romania (USD/1,000 cbm)	146	166	(12)
495	495	495	0	Average gas price for domestic producers in Romania (RON/1,000 cbm)	495	495	0
497	458	415	10	Import gas price (USD/1,000 cbm)[1]	487	406	20

[1] The actual import gas prices published retrospectively by ANRE on a monthly basis are presented in the table. As of the date of this report, the latest available data is for April 2012, hence the Q2/12 and 6m/12 figures are Petrom's estimates.

Second quarter 2012 (Q2/12) vs. second quarter 2011 (Q2/11)

- **Consolidated gas sales volumes 7% lower than in Q2/11 mainly due to lower gas demand**
- **EBIT substantially increased compared to Q2/11 mainly due to positive contribution from wind power park and better terms for domestic gas sales**
- **Brazi power plant started commercial operation on August 1**

In Q2/12, estimated natural gas consumption in Romania decreased by 4% as compared to the same period of the previous year due to lower industry demand. Petrom's consolidated gas sales volumes decreased by 7%, mainly due to weaker gas demand and lower domestic gas quantities available for sale.

Clean EBIT generated by the G&P business in Q2/12 substantially increased compared to Q2/11, driven by better terms for domestic gas sales and favorable changes in bad debt provisions due to improved management of receivables. In addition, the Dorobantu wind park, put on stream in Q4/11, had a positive contribution.

The domestic gas price recognized by ANRE remained unchanged at RON 495/1,000 cbm (or the equivalent RON 45.71/MWh). The actual import price published by ANRE for April 2012 (latest available data), was USD 458/1,000 cbm (or the equivalent RON 144.04/MWh).

In Q2/12, the average import quota set by ANRE for the non-household sector stood at 23% (with a maximum of 30% in April), while in Q2/11 the import quota for the Romanian gas market averaged 18% (with a maximum of 22% in June).

In Q2/12, all cleaning works were completed at the Brazi power plant and performance testing was undergone. A reliability test run was performed in July and the power plant started commercial operation on August 1.

Petrom received 38,733 green certificates for the net electrical output of 0.02 TWh generated by the Dorobantu wind park which were mainly used to cover the regulated quota for the electricity supply of Petrom Group.

In line with management's decision to exit the chemicals business, Petrom continued the closure of Doljchim and made further progress with the dismantling and decontamination of the plant in compliance with European environmental and safety standards.

Second quarter 2012 (Q2/12) vs. first quarter 2012 (Q1/12)

Compared to Q1/12, clean EBIT decreased by 80%, mainly due to seasonally lower gas sales volumes and margins. Petrom's consolidated gas sales volumes decreased by 36%, while estimated Romanian total consumption decreased by 51% compared to Q1/12. The lower than market decrease of Petrom gas sales quantities reflects the Group's customer profile – mainly large customers supplying mostly domestic gas from Petrom. The net electrical output of the Dorobantu wind park seasonally decreased by 37% in Q2/12 as compared to Q1/12, which led to a 37% decrease in the number of green certificates received by Petrom.

January to June 2012 (6m/12) vs. January to June 2011 (6m/11)

In 6m/12, Petrom's consolidated gas sales were broadly in line with 6m/11, while estimated total gas consumption in Romania decreased by 3%.

At the end of June 2012, total volume of natural gas in storage owned by Petrom amounted to 220 mn cbm compared to 232 mn cbm at the end of June 2011.

Clean EBIT generated by the G&P business significantly increased as compared to 6m/11, driven by better terms for domestic gas sales, higher gas quantities extracted from storage in Q1/12 and favorable changes in bad debt provisions due to improved management of receivables. In addition, the Dorobantu wind park, put on stream in Q4/11, had a positive contribution. In 6m/12, the net electrical output of Dorobantu reached 0.05 TWh, for which Petrom received 100,496 green certificates.

Refining and Marketing (R&M)

Q1/12	Q2/12	Q2/11	Δ%	in RON mn	6m/12	6m/11	Δ%
86	(198)	57	n.m.	EBIT	(111)	4	n.m.
-	-	4	n.m.	Special items	-	(102)	n.m.
147	(22)	44	n.m.	CCS effect: Inventory holding gains/(losses) [1]	125	149	(16)
(61)	(176)	9	n.m.	Clean CCS EBIT [1]	(237)	(43)	450

Q1/12	Q2/12	Q2/11	Δ%	Key performance indicators	6m/12	6m/11	Δ%
(3.58)	1.16	(1.39)	n.m.	Indicator refining margin (USD/bbl) [2]	(1.28)	(1.13)	14
0.93	0.51	0.99	(49)	Refining input (mn t) [3]	1.44	1.95	(27)
79	43	83	(48)	Refinery utilization rate (%)	61	82	(26)
0.82	0.59	0.94	(37)	Refining output (mn t) [4]	1.41	1.85	(24)
1.14	1.20	1.30	(8)	Total refined product sales (mn t) [5]	2.34	2.45	(4)
0.80	0.97	0.97	1	thereof Marketing sales volumes (mn t) [6]	1.77	1.83	(3)
792	797	794	0	Marketing retail stations	797	794	0

[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 Petrom's refineries until 2010. As of Q1/11 the indicator has been adapted to reflect the planned closure of the Arpechim refinery and the changes in the yield structure. Prior periods have not been restated
[3] Figure includes crude and semi-finished products, in line with OMV Group reporting standard
[4] Represents Refining sales volumes excluding traded goods sourced externally by Refining
[5] Includes all products sold by Petrom Group
[6] Excludes export sales which are included in total refined product sales

Second quarter 2012 (Q2/12) vs. second quarter 2011 (Q2/11)

- **Petrobrazi refinery six-week planned shutdown impacted R&M performance**
- **Improved refining margin indicator on the back of better product cracks**
- **Marketing business burdened by challenging market conditions in the region with impact on retail volumes and margin**

In Q2/12, clean CCS EBIT was mainly affected by the six-week-long planned refinery shutdown and one-time costs which were only partially offset by improved refining margins, as well as slightly improved commercial margins. The decreasing crude oil price and product quotations over the running period contributed to CCS losses of RON 22 mn, resulting in a negative reported EBIT of RON (198) mn.

The indicator refining margin was USD 1.16/ bbl in Q2/12, exceeding the Q2/11 level of USD (1.39)/ bbl. The overall refining margin level improved due to higher product quotations, however this could not be fully exploited due to the Petrobrazi refinery six-week-long shutdown. As a result of the latter, the utilization rate recorded only 43% (83% in Q2/11). Due to the refinery shutdown, the total quantity of refining input in Q2/12 was almost half compared to the level recorded in Q2/11 while total refining output in Q2/12 was 37% lower compared to Q2/11. Total refined product sales dropped 8%, due to lower exports.

Total group marketing sales volumes in Q2/12 stood at 973 kt, 1% above Q2/11. Group retail sales amounted to 65% of total group marketing sales and were broadly in line with the Q2/11 level. At Group level, commercial sales were above the same quarter last year in diesel and bitumen while gasoline, jet and LPG saw lower volumes as a result of the refining shutdown.

Second quarter 2012 (Q2/12) vs. first quarter 2012 (Q1/12)

Compared to Q1/12, clean CCS EBIT decreased mainly due to the planned shutdown of the Petrobrazi refinery in Q2/12 as well as one-off costs. Moreover, the shutdown also prevented the refinery from benefiting from the strong recovery of refining margins compared to the previous quarter of the year, with both higher cracks for all products and a lower crude price.

The marketing business result improved in Q2/12 on the back of better crude price environment as well as seasonally higher demand, while in Q1/12 the demand was affected by extreme weather conditions in the first two months of the year in Romania, Bulgaria and Serbia.

January to June 2012 (6m/12) vs. January to June 2011 (6m/11)

Clean CCS EBIT was below 6m/11 mainly affected by the impact of the Petrobrazi shutdown on both margins and costs together with lower demand in Q1/12 due to extreme bad weather conditions as well as a challenging price environment.

The indicator refining margin was slightly lower than in 6m/11 as the higher gasoline and middle distillates cracks were fully offset by higher crude prices.

The utilization rate at the Petrobrazi refinery stood at 61% compared to 82% in 6m/11 due to the scheduled refinery shutdown and lower demand in Q1/12.

Total marketing sales volumes decreased by 3% compared to 6m/11. In retail, total sales volumes were 3% lower against 6m/11, mostly due to harsh winter conditions in the first two months and subdued demand given the high oil price environment. The commercial sales volume came in 3% lower than in 6m/11, mainly due to lower LPG, HFO and jet sales.

The clean marketing result decreased significantly compared to 6m/11 due to the difficult market environment which burdened retail margins and volumes.

Outlook 2012

Market environment

For 2012, we expect the average Brent oil price to be above USD 100/bbl and the Brent-Urals spread to remain tight. Based on the provisions of new electricity and gas law, the Romanian Energy Regulatory Authority published a roadmap for the gradual phasing out of regulated gas and electricity prices. For gas, the deadlines are end of 2014 for the non-household sector and end of 2018 for households. For electricity, the deadlines are December 2013 for the industry consumers and December 2017 for households. As stated by the Romanian authorities in the last Letter of Intent to the IMF, the Government envisages the preparation (in consultation with the oil and gas industry) of a draft package of tax, royalty and regulatory measures for the oil and gas sector by end-2012. So far, there are no specific measures to be reported. Refining margins, after the improvement recorded in Q2/12, are expected to deteriorate as crude prices recover from recent lows. Marketing margins and volumes will be further challenged by high crude price levels and the volatile economic environment in our operating region.

Group

- For 2012, Petrom entered into oil price swaps, locking in a Brent price of USD 101.0/bbl for a production volume of 30,000 bbl/d, which will expire at the end of the year
- OMV Petrom S.A. investment budget for 2012 amounts to RON 5.2 bn
- Strive for high HSEQ standards and to continue reducing the lost-time injury rate
- Focus on growth opportunities and identify performance improvement initiatives

Exploration & Production

- Further progress several field redevelopment projects, focusing on drilling, workovers, water and steam injection, to ensure production stability in Romania
- Black Sea Romania: proceed with further evaluation and additional appraisal work required to indicate if the deep offshore gas discovery Domino-1 is commercially recoverable; start acquisition of additional 3D seismic data in the Neptun offshore block
- Progress the appraisal drilling of the Totea field, which might confirm the most important onshore gas discovery in Romania in the past six years
- Further optimize gas production systems and modernize facilities and equipment in selected major fields
- Kazakhstan: pursue stabilization of production volumes at the Komsomolskoe field; redevelopment plan in the TOC fields (Tasbulat, Aktas, Turkmenoi), expected to contribute to the increase of production

Gas & Power

- Gas business focus to consolidate market share and further increase performance
- Commercial operations at the Brazi power plant started in August; we do not expect a material contribution from it this year

Refining & Marketing

- Following the upgrade of the crude vacuum distillation unit in Q2/12, starting Q3/12, Petrobrazi refinery capacity stands at 4.2 mn t/y (previously 4.5 mn t/y), allowing it to process 100% of Petrom's Romanian crude production while improving refinery utilization and product yields
- Completed construction at Isalnita terminal (capacity of approx. 11,000 cbm) and operations expected by end of 2012

Group financial statements and notes

(condensed, unaudited)

Legal principles and general accounting policies

The interim condensed consolidated financial statements for the six months ended June 30, 2012 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, 2011.

The accounting policies 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, 2011. The valuation methods in effect on December 31, 2011, remain unchanged. The detailed structure of the consolidated companies in Petrom Group at June 30, 2012 is presented in the Appendix 1 to the current report.

The interim consolidated financial statements for 6m/12 are unaudited and an external review by an auditor was not performed.

Changes in the consolidated Group

During Q2/12, there was no change in the consolidated Group structure.

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 June 30, 2012, 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.

Q1/12	Q2/12	Q2/11	Δ%	NBR FX rates	6m/12	6m/11	Δ%
4.353	4.425	4.133	7	Average EUR/RON FX rate	4.389	4.179	5
3.319	3.451	2.872	20	Average USD/RON FX rate	3.384	2.981	14
4.379	4.449	4.216	6	Closing EUR/RON FX rate	4.449	4.216	6
3.281	3.536	2.927	21	Closing USD/RON FX rate	3.536	2.927	21

Income statement (unaudited)

Q1/12	Q2/12	Q2/11	Consolidated statement of income (in RON mn)	6m/12	6m/11
6,004.99	6,196.99	5,292.99	Sales revenues	12,201.98	10,271.08
(193.80)	(157.59)	(124.10)	Direct selling expenses	(351.39)	(270.01)
(3,570.36)	(4,479.55)	(3,276.41)	Production costs of sales	(8,049.91)	(6,237.48)
2,240.83	**1,559.85**	**1,892.48**	**Gross profit**	**3,800.68**	**3,763.59**
37.16	42.49	88.23	Other operating income	79.65	202.31
(273.56)	(282.41)	(263.64)	Selling expenses	(555.97)	(511.47)
(55.48)	(63.02)	(64.33)	Administrative expenses	(118.50)	(117.02)
(18.32)	(81.49)	(204.91)	Exploration expenses	(99.81)	(338.65)
(137.09)	(266.37)	(223.69)	Other operating expenses	(403.46)	(582.98)
1,793.54	**909.05**	**1,224.14**	**Earnings before interest and taxes (EBIT)**	**2,702.59**	**2,415.78**
2.24	2.73	3.66	Income from associated companies	4.97	4.85
(69.72)	(187.89)	(49.99)	Net interest expense	(257.61)	(114.02)
(70.83)	69.08	(56.40)	Other financial income and expenses	(1.75)	(174.10)
(138.31)	**(116.08)**	**(102.73)**	**Net financial result**	**(254.39)**	**(283.27)**
1,655.23	**792.97**	**1,121.41**	**Profit from ordinary activities**	**2,448.20**	**2,132.51**
(270.70)	(150.40)	(218.11)	Taxes on income	(421.10)	(388.24)
1,384.53	**642.57**	**903.30**	**Net income for the period**	**2,027.10**	**1,744.27**
1,383.84	**642.91**	**903.32**	**thereof attributable to stockholders of the parent**	**2,026.75**	**1,743.51**
0.69	(0.34)	(0.02)	thereof attributable to non-controlling interests	0.35	0.76
0.0244	**0.0114**	**0.0159**	**Basic earnings per share in RON**	**0.0358**	**0.0308**

Statement of comprehensive income (unaudited)

Q1/12	Q2/12	Q2/11	Consolidated statement of comprehensive income (in RON mn)	6m/12	6m/11
1,384.53	**642.57**	**903.30**	**Net income for the period**	**2,027.10**	**1,744.27**
(1.73)	2.24	13.86	Exchange differences from translation of foreign operations	0.51	56.77
(371.36)	638.71	173.01	Unrealized gains/(losses) on hedges	267.35	(202.51)
59.42	(102.20)	(27.68)	Income tax relating to components of other comprehensive income	(42.78)	32.40
(313.67)	**538.75**	**159.19**	**Other comprehensive income for the period, net of tax**	**225.08**	**(113.34)**
1,070.86	**1,181.32**	**1,062.49**	**Total comprehensive income for the period**	**2,252.18**	**1,630.93**
1,069.66	1,183.75	1,062.57	thereof attributable to stockholders of the parent	2,253.41	1,627.76
1.20	(2.43)	(0.08)	thereof attributable to non-controlling interests	(1.23)	3.17

Notes to the income statement

Second quarter 2012 (Q2/12) vs. second quarter 2011 (Q2/11)

Consolidated sales in Q2/12 increased by 17% compared to Q2/11, amounting to RON 6,197 mn, driven by higher oil and product prices influenced significantly by the RON devaluation against USD, partially offset by lower gas quantities sold. R&M represented 85% of total consolidated sales, G&P accounted for 11% and E&P for approximately 4% (sales in E&P being largely intra-group sales rather than third-party sales).

The Group's EBIT amounted to RON 909 mn, 26% below the result recorded in Q2/11 (RON 1,224 mn), mainly driven by the six-week-long shutdown at the Petrobrazi refinery, special charges related to restructuring provisions and the negative effect from consolidation due to high stocks of crude generated by the refinery shutdown, which was partially offset by lower exploration expenses, as in Q2/11 the exploration license for the Kultuk field in Kazakhstan was impaired. Clean CCS EBIT of RON 1,059 mn is 16 % below the value of RON 1,266 mn recorded in Q2/11. The clean CCS EBIT is stated after eliminating inventory holding losses of RON (22) mn and special expenses of RON 128 mn.

The net financial result of RON (116) mn is slightly lower compared to the net financial loss recorded in Q2/11 amounting to RON (103) mn. The positive impact related to loans given by Petrom to its Kazakh subsidiaries, generated by the significant devaluation of RON against USD over the period, was more than offset by higher net interest expenses resulting from the discounting effect of receivables and unwinding of provisions.

The profit from ordinary activities amounted to RON 793 mn and the corporate income tax was RON 150 mn in Q2/12. Current taxes on the Group's income were RON 197 mn and deferred tax expenses amounted to a negative value of RON (47) mn. The effective tax rate in Q2/12 was 19%.

Net income attributable to stockholders (i.e. net income attributable to stockholders of the parent) was RON 643 mn, 29% lower than Q2/11 at RON 903 mn. Clean CCS net income attributable to stockholders was RON 769 mn. EPS was RON 0.0114 in Q2/12, versus RON 0.0159 in Q2/11, while clean CCS EPS was RON 0.0136, compared to RON 0.0165 in Q2/11.

Second quarter 2012 (Q2/12) vs. first quarter 2012 (Q1/12)

Compared to Q1/12, sales slightly increased by 3%, mainly due to higher volumes of petroleum products sold, partially offset by the decrease of gas volumes sold. EBIT decreased significantly by 49% to RON 909 mn (Q1/12 RON 1,794 mn), this sharp decrease being the combined result of the lower R&M result and higher exploration expenses resulting mainly from impairment of unsuccessful exploration wells. Additional burden on EBIT in Q2/12 comes from the increase of special charges with restructuring provisions. Clean CCS EBIT dropped down by 36% from the Q1/12 value of RON 1,646 mn. The net financial result improved by 16% from RON (138) mn due to FX gains, partially offset by higher interest charges related to receivables discounting. Further to the profit from ordinary activities, corporate income tax amounted to RON 150 mn (Q1/12: RON 271 mn). The effective corporate tax rate increased to 19% (Q1/12: 16%) due to higher deferred tax charges in Kazakhstan. Net income attributable to stockholders was RON 643 mn, 54% lower than the RON 1,384 mn in Q1/12. A lower decrease of 39% affected also the clean CCS net income attributable to stockholders, leading to a result of RON 769 mn (Q1/12: RON 1,260 mn).

January to June 2012 (6m/12) vs. January to June 2011 (6m/11)

Consolidated sales for 6m/12 increased by 19% compared to 6m/11, to RON 12,202 mn, mainly driven by high crude and product prices. R&M represented 80% of total consolidated sales, G&P accounted for 16% and E&P for approximately 4% (sales in E&P being largely intra-group sales rather than third party sales).

The Group's EBIT amounted to RON 2,703 mn, 12% higher than 6m/11, mainly due to the positive price environment and lower exploration expenses in both Romania and Kazakhstan (impairment of the Kultuk exploration license in 6m/11).

Clean CCS EBIT increased to RON 2,705 mn in 6m/12. Clean CCS EBIT is stated after eliminating net special expenses of RON 128 mn and inventory holding gains of RON 125 mn.

The net financial result of RON (254) mn was positively influenced by FX effects, mainly related to USD loans given by Petrom to its Kazakh subsidiaries due to the appreciation of USD against RON in 6m/12 compared to the devaluation of USD in 6m/11. However, positive FX effects related to USD loans to Kazakh subsidiaries were partially offset by the increase in interest costs and negative FX effects related to the EUR bank loans as EUR appreciated against RON in 6m/12.
As a consequence of the increase in profits from ordinary activities in 6m/12 to RON 2,448 mn, the corporate tax charge also recorded an increase to RON 421 mn. The effective corporate tax rate was 17% (6m/11: 18%).
Net income attributable to stockholders (i.e. net income attributable to stockholders of the parent) was RON 2,027 mn, higher compared to 6m/11 (RON 1,744 mn). Clean CCS net income attributable to stockholders was RON 2,029 mn, 14% higher compared to 6m/11 (RON 1,776 mn). EPS was RON 0.0358 in 6m/12 (6m/11: RON 0.0308) and clean CCS EPS was RON 0.0358 (6m/11: RON 0.0314).

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

Consolidated statement of financial position (in RON mn)	June 30, 2012	Dec 31, 2011
Assets		
Intangible assets	1,035.23	1,120.98
Property, plant and equipment	27,665.35	26,334.28
Investments in associated companies	42.23	40.91
Other financial assets	2,877.94	2,669.22
Other assets	24.46	48.90
Deferred tax assets	825.92	807.22
Non-current assets	**32,471.13**	**31,021.51**
Inventories	2,518.91	2,349.04
Trade receivables	1,736.34	1,825.72
Other financial assets	203.02	112.10
Other assets	408.52	349.79
Cash and cash equivalents	336.11	753.84
Non-current assets held for sale	171.80	76.44
Current assets	**5,374.70**	**5,466.93**
Total assets	**37,845.83**	**36,488.44**
Equity and liabilities		
Capital stock	18,983.37	18,983.37
Reserves	2,616.48	2,119.03
Stockholders' equity	**21,599.85**	**21,102.40**
Non-controlling interests	(27.03)	(25.79)
Equity	**21,572.82**	**21,076.61**
Provisions for pensions and similar obligations	196.93	195.23
Interest-bearing debts	2,489.38	2,173.30
Provisions for decommissioning and restoration obligations	6,110.29	5,897.65
Other provisions	854.06	860.09
Other financial liabilities	105.49	148.54
Deferred tax liabilities	27.47	12.27
Non-current liabilities	**9,783.62**	**9,287.08**
Trade payables	3,117.45	2,982.58
Interest-bearing debts	884.47	463.95
Current income tax payable	189.16	276.05
Other provisions and decommissioning	1,185.43	1,311.45
Other financial liabilities	406.38	479.16
Other liabilities	637.77	611.56
Liabilities associated with assets held for sale	68.73	-
Current liabilities	**6,489.39**	**6,124.75**
Total equity and liabilities	**37,845.83**	**36,488.44**

Notes to the statement of the financial position as of June 30, 2012

Capital expenditure increased to RON 2,328 mn (6m/11: RON 1,680 mn) driven by substantially higher CAPEX in E&P and R&M.

Investments in E&P activities (RON 1,584 mn) represented 68% of total CAPEX for the first six months in 2012 and were focused on activities related to drilling development wells, workover activities and sub-surface operations and surface facilities, as well as investments related to the Neptun Deep Water and Totea Deep projects.

Approximately 5% of investments were realized in G&P (RON 117 mn) and were mainly focused on the Brazi power plant, which started commercial operation on 1 August.

R&M investments (RON 601 mn) accounted for 26% of total investments in the first six months of 2012, mainly related to the Petrobrazi modernization program (including modernization of the crude and vacuum distillation unit and coker installation). In addition, investment funds were also directed to efficiency projects, as well as to legal and environmental compliance projects.

CAPEX for the Corporate & Other (Co&O) segment was RON 26 mn, mainly referring to investments directed to IT projects.

Compared to the year-end 2011, total assets increased by RON 1,358 mn, to RON 37,846 mn. The change was mainly driven by the net increase of RON 1,245 mn in property, plant and equipment and intangible assets, as the investments exceeded depreciation and impairments. Increases were recorded also for inventories (mainly higher crude oil stocks due to the shutdown of the Petrobrazi refinery) and financial assets (partially related to fair value of hedging contracts), but these were almost compensated by the decrease in cash and cash equivalents resulting mainly from dividend payments.

Equity increased to RON 21,573 mn as of June 30, 2012, as a result of the net profit generated in the current period, which was partially offset by the dividends distributed for the 2011 financial year (RON 1,756 mn). The Group's equity ratio[1] stood at 57% at the end of June 2012, slightly lower than the level in December 2011 (58%).

Total interest bearing debt increased from RON 2,637 mn as of December 31, 2011 to RON 3,374 mn as of June 30, 2012, mainly as a result of drawings made in Q2/12. Furthermore, interest bearing debt increased following the RON depreciation versus EUR between the end of 2011 and end of Q2/12.

The Group's liabilities other than interest bearing debt increased by RON 125 mn, mainly resulting from the increase in trade payables and decommissioning provision, which was partially offset by the decrease of other provisions and income tax liabilities.

Petrom Group's net debt[2] shows an increase to RON 3,109 mn, compared to RON 1,955 mn at the end of 2011. As of June 30, 2012, the gearing ratio[3] increased to 14.41%, from 9.28% in December 2011, being negatively influenced by the increase of net debt accrued by the decrease of cash and cash equivalents in the first six months of 2012.

[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 (unaudited)

Q1/12	Q2/12	Q2/11	Summarized statement of cash flows (in RON mn)	6m/12	6m/11
1,655.23	792.97	1,121.41	Profit before taxation	2,448.20	2,132.51
(173.12)	(164.40)	(56.01)	Net change in provisions	(337.52)	(76.31)
(3.71)	(5.46)	0.13	Losses/(gains) on the disposal of non-current assets	(9.17)	(10.33)
616.59	710.29	759.37	Depreciation, amortization including write-ups	1,326.88	1,435.55
220.84	(52.84)	116.18	Other adjustments	168.00	299.36
2,315.83	**1,280.56**	**1,941.08**	**Sources of funds**	**3,596.39**	**3,780.78**
(44.70)	(166.36)	123.50	(Increase)/decrease in inventories	(211.06)	103.23
(168.15)	209.14	243.48	(Increase)/decrease in receivables	40.99	174.46
146.91	34.75	103.34	(Decrease)/increase in liabilities	181.66	(362.37)
2.63	(12.79)	(19.99)	Net interest received/(paid)	(10.16)	(11.10)
(290.17)	(261.32)	(375.09)	Tax on profit paid	(551.49)	(402.65)
1,962.35	**1,083.98**	**2,016.32**	**Net cash from operating activities**	**3,046.33**	**3,282.35**
(1,263.48)	(1,234.86)	(1,062.59)	Intangible assets and property, plant and equipment	(2,498.34)	(2,496.26)
11.09	15.06	5.64	Proceeds from sale of non-current assets	26.15	29.66
(1,252.39)	**(1,219.80)**	**(1,056.95)**	**Net cash used in investing activities**	**(2,472.19)**	**(2,466.60)**
(1.25)	690.04	6.18	(Decrease)/increase in borrowings	688.79	(980.37)
(0.45)	(1,685.35)	(960.55)	Dividends paid	(1,685.80)	(960.59)
(1.70)	**(995.31)**	**(954.37)**	**Net cash from financing activities**	**(997.01)**	**(1,940.96)**
0.24	4.90	3.29	Effect of exchange rate changes on cash and cash equivalents	5.14	(17.67)
708.50	**(1,126.23)**	**8.29**	**Net (decrease)/increase in cash and cash equivalents**	**(417.73)**	**(1,142.88)**
753.84	1,462.34	437.43	Cash and cash equivalents at beginning of period	753.84	1,588.60
1,462.34	**336.11**	**445.72**	**Cash and cash equivalents at end of period**	**336.11**	**445.72**

Notes to the cash flows

In 6m/12, free cash flow (defined as net cash from operating activities less net cash used in investing activities) showed an inflow of funds of RON 574 mn (6m/11: RON 816 mn). Free cash flow less dividend payments resulted in a cash outflow of RON 1,112 mn (6m/11: RON 145 mn).

The inflow of funds from profit before tax, adjusted for non-cash items such as depreciation, net change of provisions and other non-cash adjustments was RON 3,596 mn (6m/11: RON 3,781 mn). Net change in provisions shows a significant negative amount of RON 338 mn in 6m/12 mainly due to the payment of fines from the Competition Council amounting to RON 504 mn compensated by increase in other provisions, mainly unwinding of the decommissioning provision.

Net working capital, interest and taxes generated a cash outflow of RON 550 mn (6m/11: RON 498 mn).

Net cash flow from investing activities (outflow of RON 2,472 mn; 6m/11: RON 2,467 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 997 mn (6m/11: outflow of RON 1,941 mn), mainly coming from payment of dividends for the amount of RON 1,686 mn, which was partially offset by the increase in loans drawn by OMV Petrom S.A. The net inflow of loans reflects the drawings from the third club deal and Raiffeisen Bank, which were larger than repayments made to the EBRD and to the Black Sea Trade and Development Bank in Q2/12.

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, 2012	**18,983.37**	**2,198.73**	**(79.68)**	**(0.02)**	**21,102.40**	**(25.79)**	**21,076.61**
Total comprehensive income for the period	-	2,026.75	226.66	-	2,253.41	(1.23)	2,252.18
Dividends distribution	-	(1,755.96)	-	-	(1,755.96)	(0.01)	(1,755.97)
Purchase of own shares	-	-	-	-	-	-	-
Distribution of own shares	-	-	-	-	-	-	-
Change in non-controlling interests	-	-	-	-	-	-	-
June 30, 2012	**18,983.37**	**2,469.52**	**146.98**	**(0.02)**	**21,599.85**	**(27.03)**	**21,572.82**

in RON mn	Share capital	Revenue reserves	Other reserves[1]	Treasury shares	Stockholders' equity	Non-controlling interests	Total equity
January 1, 2011	**18,983.37**	**(555.42)**	**57.65**	**(0.02)**	**18,485.58**	**(26.54)**	**18,459.04**
Total comprehensive income for the period	-	1,743.51	(115.75)	-	1,627.76	3.17	1,630.93
Dividends distribution	-	(1,002.60)	-	-	(1,002.60)	(0.08)	(1,002.68)
Purchase of own shares	-	-	-	-	-	-	-
Distribution of own shares	-	-	-	-	-	-	-
Change in non-controlling interests	-	-	-	-	-	-	-
June 30, 2011	**18,983.37**	**185.49**	**(58.10)**	**(0.02)**	**19,110.74**	**(23.45)**	**19,087.29**

[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 27, 2012, the shareholders of OMV Petrom S.A. approved the distribution of dividends for the financial year 2011 for the amount of RON 1,756 mn. The payment of the dividends started on June 18, 2012.

Segment reporting

Intersegmental sales

Q1/12	Q2/12	Q2/11	∆%	in RON mn	6m/12	6m/11	∆%
3,155.30	2,878.89	2,782.99	3	Exploration and Production	6,034.19	5,469.21	10
125.11	96.04	99.72	(4)	Gas and Power	221.15	210.51	5
47.49	36.35	42.36	(14)	Refining and Marketing	83.84	82.94	1
131.43	143.11	66.12	116	Corporate and Other	274.54	202.93	35
3,459.33	**3,154.39**	**2,991.19**	**5**	**Total**	**6,613.72**	**5,965.59**	**11**

Sales to external customers

Q1/12	Q2/12	Q2/11	∆%	in RON mn	6m/12	6m/11	∆%
234.53	238.15	99.65	139	Exploration and Production	472.68	292.96	61
1,273.01	674.28	649.49	4	Gas and Power	1,947.29	1,579.99	23
4,484.86	5,274.18	4,532.25	16	Refining and Marketing	9,759.04	8,380.94	16
12.58	10.39	11.60	(10)	Corporate and Other	22.97	17.19	34
6,004.99	**6,196.99**	**5,292.99**	**17**	**Total**	**12,201.98**	**10,271.08**	**19**

Total sales

Q1/12	Q2/12	Q2/11	∆%	in RON mn	6m/12	6m/11	∆%
3,389.83	3,117.04	2,882.64	8	Exploration and Production	6,506.87	5,762.17	13
1,398.12	770.32	749.21	3	Gas and Power	2,168.44	1,790.50	21
4,532.35	5,310.53	4,574.61	16	Refining and Marketing	9,842.88	8,463.88	16
144.01	153.50	77.72	98	Corporate and Other	297.51	220.12	35
9,464.32	**9,351.38**	**8,284.18**	**13**	**Total**	**18,815.70**	**16,236.67**	**16**

Segment and Group profit

Q1/12	Q2/12	Q2/11	∆%	in RON mn	6m/12	6m/11	∆%
1,704.18	1,192.02	1,170.42	2	EBIT Exploration and Production	2,896.20	2,431.03	19
136.27	28.88	(9.26)	n.m.	EBIT Gas and Power	165.15	24.04	n.m.
86.43	(197.67)	56.68	n.m.	EBIT Refining and Marketing	(111.24)	3.92	n.m.
(12.11)	(36.61)	(11.06)	231	EBIT Corporate and Other	(48.72)	(32.20)	51
1,914.77	**986.62**	**1,206.78**	**(18)**	**EBIT segment total**	**2,901.39**	**2,426.79**	**20**
(121.23)	(77.57)	17.36	n.m.	Consolidation: Elimination of intercompany profits	(198.80)	(11.01)	n.m.
1,793.54	**909.05**	**1,224.14**	**(26)**	**Petrom Group EBIT**	**2,702.59**	**2,415.78**	**12**
(138.31)	**(116.08)**	**(102.73)**	**13**	**Net financial result**	**(254.39)**	**(283.27)**	**(10)**
1,655.23	**792.97**	**1,121.41**	**(29)**	**Petrom Group profit from ordinary activities**	**2,448.20**	**2,132.51**	**15**

Assets[1]

in RON mn	June 30, 2012	Dec 31, 2011
Exploration and Production	19,555.11	18,716.01
Gas and Power	3,097.31	2,930.96
Refining and Marketing	5,340.09	5,079.04
Corporate and Other	708.07	729.25
Total	**28,700.58**	**27,455.26**

[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.

Declaration of the management

We confirm to the best of our knowledge that the condensed interim financial statements for the six-month period ended June 30, 2012, 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 six months of the financial year and their impact on the condensed interim financial statements.

Bucharest, August 8, 2012

The Executive Board

Mariana Gheorghe
Chief Executive Officer
President of the Executive Board

Daniel Turnheim
Chief Financial Officer
Member of the Executive Board

Johann Pleininger
Member of the Executive Board
Exploration & Production

Hilmar Kroat-Reder
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
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
H	Half year
IFRSs; IASs	International Financial Reporting Standards; International Accounting Standards
IT	Information Technology
LTIR	Lost Time Injury Rate
kboe/d	Thousand barrels of oil equivalent per day
kt	thousand tons
mn	million
NBR	National Bank of Romania
NGL	Natural Gas Liquids
n.a.	not applicable
n.m.	not meaningful i.e. deviation exceeds (+/-)500% or comparison is made between positive and negative values
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)
t	metric tons
TOC	Tasbulat Oil Corporation
TWh	Terawatt hours
USD	United States dollar
yoy	Year-on-year

Appendix 1

Consolidated companies in Petrom Group at June 30, 2012

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%
Korned LLP (Kazakhstan)	100.00%	Petrom Aviation S.A. (Romania)	99.99%
Kom Munai LLP (Kazakhstan)	95.00%	Petrom LPG 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%
GAS & POWER		OMV Srbija DOO (Serbia)	99.90%
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%

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Next release:

The next results announcement for Q3 and January – September 2012 will be released on November 7, 2012, presenting Petrom Group consolidated results prepared according to IFRS.