Mariana Gheorghe

Chief Executive Officer and President of the Executive Board

Stefan Waldner

Chief Financial Officer

The spoken word applies. Check against delivery.

Mariana Gheorghe - OMV Petrom - CEO

Slide 1 – Intro

Good afternoon, ladies and gentlemen, and a warm welcome from my side. As this is my last quarterly results presentation before handing over to Christina Verchere as the new CEO, I am particularly proud to be able to present to you an excellent set of results and would like to take the opportunity to finish with a short update on the progress of our strategy implementation.

Legal Disclaimer

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Slide 2 – Legal Disclaimer

Before we start the actual presentation, please let me draw your attention to our Legal Disclaimer, which you can read in detail on slide 2.

Key messages Q4/17

Free cash flow of RON 664 mn

Clean CCS Operating Result at RON 573 mn

Clean CCS EPS up 65% yoy

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

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

Upstream: production 165 kboe/d, -3% yoy; OPEX USD 12.4/boe, +7% yoy

Downstream Oil: refining margins USD -1.0/bbl yoy; retail sales volumes +4% yoy

Downstream Gas: gas sales volumes -5% yoy; net electrical output +29% yoy

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

Slide 3 – Key messages Q4/17

Let me start with some key highlights for Q4/17 at slide 3.

In this quarter, we enjoyed increased demand for fuels and electricity, as well as higher commodity prices.

Broader market conditions were somewhat mixed, with increased oil, gas and electricity prices, while refining margins were in decline.

As a result, we generated **free cash flow** of around RON 660 million.

Our **Clean CCS Operating Result** went up 26% year-on-year to around RON 570 million, with Downstream contributing approximately 60% of the total.

The **Clean CCS EPS** was up by 65% compared to Q4/16.

Based on the preliminary results and strong free cash flow we generated in 2017, the Executive Board proposes a dividend of RON 0.02/share for the 2017 financial year, 33% higher year-on-year. This proposal is subject to the approval of the Supervisory Board and General Meeting of Shareholders, which will take place in April.

Let me briefly comment on the **business segments**. In Upstream, we had a lower production and higher OPEX/boe. While the 3% lower production is mainly due to natural decline (as was the case in previous quarters), the 7% OPEX/boe increase was mainly due to one-off personnel-related expenses.

In Downstream Oil, we faced a decline in refining margins by about USD 1/bbl; but we achieved 4% year-on-year growth in retail sales volumes due to the previously-mentioned higher demand.

In Downstream Gas, we reported a 5% year-on-year decrease in gas sales volumes, the higher offtake by the Brazi power plant partly counterbalancing the lower sales volumes to third parties. We also had a significantly higher net electrical output after the Brazi power plant became fully operational in mid-November, supported by higher spark spreads.

As for the **lost time injury rate** at Group level, I am particularly proud to report that this reached 0.17 in 2017 and compares positively with both our performance in 2016 and the industry benchmark.

Romanian environment

Macroeconomic environment

2017 GDP growth[1]: 7% yoy;
Q4/17 GDP growth: 7% yoy

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

Demand:

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

Fiscal framework

Supplementary gas taxation[5] extended

Tax on special constructions eliminated starting January 1, 2017

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

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

Slide 4 – Romanian environment

On slide 4, we provide some **macroeconomic highlights** for Romania. Romania had another quarter of solid economic performance, with impressive GDP growth, although its sustainability is questionable given the recent generous stimulating fiscal measures and the latent upside pressures on the government deficit. The increase in inflation is yet another sign for the need of a more disciplined fiscal policy with firmer budgetary constraints.

Looking at the **Romanian energy sector**, we are pleased to report that **market demand** for our products has improved in 2017. The demand for **fuels**, and here I refer only to retail diesel and gasoline sales, increased by around 7% year-on-year. The demand for **gas** increased by 5%, as per our estimates, mainly due to a colder winter in Q1/17. **Power** demand increased year-on-year, by around 4%, according to preliminary data available.

As for demand in Q4/17, there was a somewhat more mixed picture. While demand for fuels and electricity followed the annual trend, there was a decrease in gas by around 9% year-on-year in Q4/17, as per our internal estimates, mainly due to the milder winter.

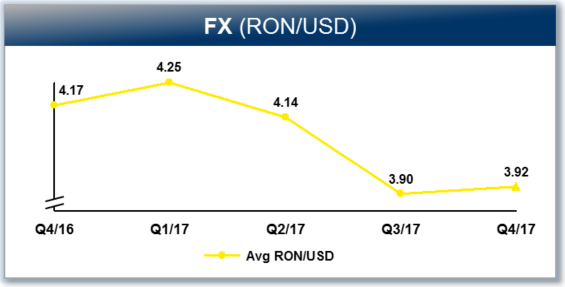
On the regulatory front there are a number of recent changes at various stages of approval and implementation. The government approved a new draft Offshore Law, covering operational issues and taxation. The law has passed the Senate, a step forward in the Parliamentary approval process.

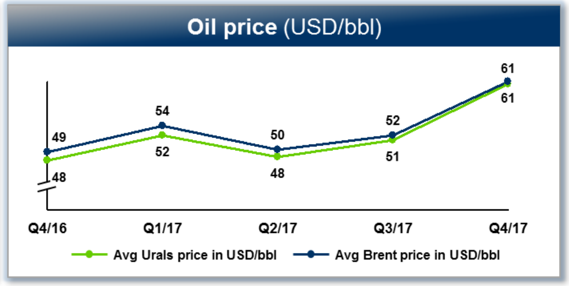
In October 2017, the Ministry of Economy published a draft Royalty Law, providing for royalties regime for oil, gas, coal and other natural resources, but has withdrawn the document at the end of December. Since January 2018 we have a new cabinet and, based on the updated government program, we expect a new draft law to be issued for public consultation this year.

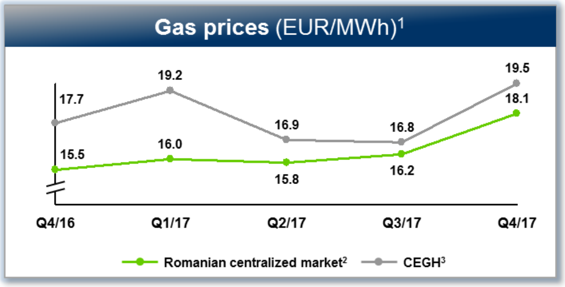
The supplementary taxation of revenues following gas price liberalization has been amended by Parliament and is to become permanent legislation. The tax rate is to increase from 60% to 80% for realized gas prices higher than RON 85/MWh (the higher rate being applied to the difference between the realized price and RON 85/MWh). The draft law is expected to enter into force soon.

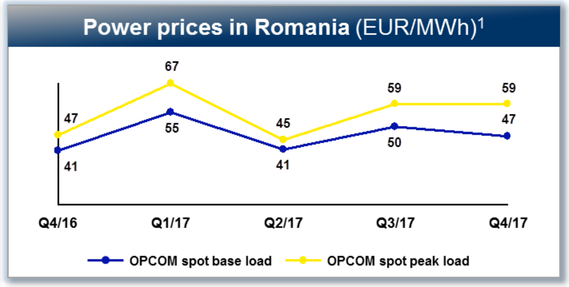
Finally, the methodology for gas reference price to be used for the calculation of gas royalties was approved by the National Agency for Mineral Resources (ANRM) and entered into force as of the publication date, February 12, 2018; the reference price will be linked to CEGH gas prices in Austria.

Economic environment









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

Slide 5 – Economic environment

On page 5, let me provide you with an overview of the **pricing environment** in our industry.

The upper left chart shows the exchange rate development: in Q4/17 **USD was weaker versus the RON** by some 6% year-on-year.

In the chart on the upper right, you can see the **Urals** price, shown in green, which in Q4/17 averaged USD 61/bbl, higher year-on-year by 27%. A similar trend can be seen for **Brent**, shown by the blue line, with an increase of 24% year-on-year. The price spread between Brent and Urals has significantly narrowed by the end of 2017.

The lower left chart shows, in green, the **gas price on the Romanian centralized market**, which averaged RON 84/MWh (or EUR 18.1/MWh) for transactions closed in Q4/17 (12 TWh) with delivery until end-2018. Please note that prices on centralized platforms refer to various products in terms of storage costs, flexibility and timing.

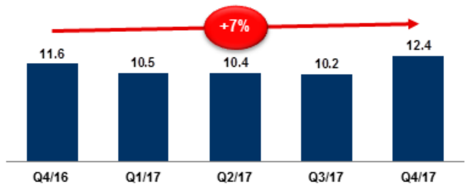
In 2017, sales on the centralized markets in Romania have become more meaningful: 66.4 TWh of gas were sold during the year, with delivery until end-2018.

For reference, the grey line shows the gas price in Austria, which is the **average day-ahead CEGH price**, at EUR 19.5/MWh, being higher by some 10% versus Q4/16.

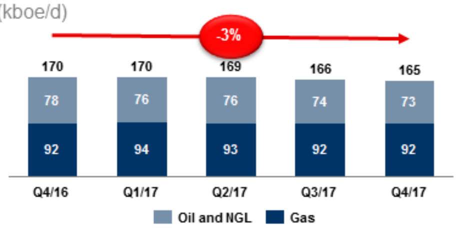
Finally, on the lower right, you can see that the base load **power prices** in Romania were up by 17% year-on-year.

Upstream KPIs: OPEX/boe impacted by one-offs

OPEX[1]
(USD/boe)



Hydrocarbon production
(kboe/d)



Key drivers Q4/17 vs. Q4/16

Higher OPEX, in USD/boe terms, +7%:

- One-off personnel-related expense, USD 1.2/boe
- Unfavorable FX development, USD 0.7/boe
- Abolition of tax on special constructions, USD 0.9/boe

Total Upstream production -3%, due to:

- Natural decline
- Marginal fields' divestment
- Interventions at key wells in Kazakhstan
- Successful workover campaigns

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

Slide 6 – Upstream KPIs: OPEX/boe impacted by one-offs

And now, I would like to present to you some operational KPIs for each business segment.

Let me start with **Upstream** on slide 6.

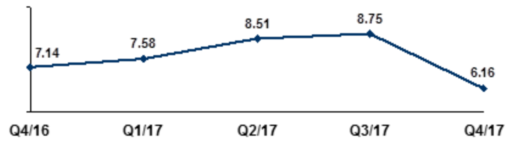
In Q4/17, **average unit production cost** reflected a one-off personnel-related expense following the conclusion of the Collective Labor Agreement. This negatively impacted production cost by USD 1.2/boe. The FX development was also unfavorable, with an impact of USD 0.7/boe. On the other hand, we had the benefit of USD 0.9/boe from the abolition of the tax on special constructions.

Overall, production cost reached a level of USD 12.4/boe, which was higher by 7% compared to Q4/16.

Hydrocarbon daily production was down by 3% in Q4/17 versus Q4/16. The decrease was mainly due to natural decline, marginal fields' divestment and interventions at key wells in Kazakhstan. Natural decline in the main gas fields was partially offset by the positive impact from successful workover campaigns.

Downstream Oil KPIs: Q4/17 decline of refining margins and strong retail sales

OMV Petrom Indicator refining margin
(USD/bbl)



Key drivers Q4/17 vs. Q4/16

- Refining margin -14% yoy
- Refinery utilization rate at 91%

Retail sales volumes
(mn t)

- Refined product sales -1%
  - Non-retail sales -6%
  - Growth in retail sales of 4% yoy

Slide 7 – Downstream Oil KPIs: Q4/17 decline of refining margins and strong retail sales

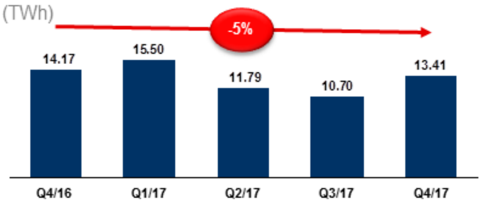
Continuing with **Downstream Oil KPIs** at slide 7, as a general observation we had lower refining margins, but higher retail sales.

The **OMV Petrom refining margin indicator** decreased in Q4/17 by 14% year-on-year, to USD 6.16/bbl. This decrease was mainly the effect of the higher cost of crude.

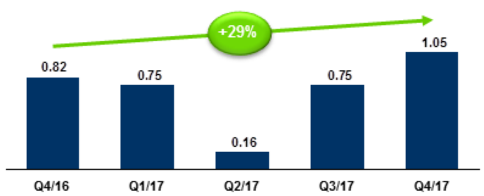
In turn, we had an increase in **retail sales** volumes by 4%, supported by higher demand in our main market, Romania. **Non-retail sales volumes** in Q4/17 decreased as we continued to optimize our sales channels.

Downstream Gas KPIs: significantly higher net electrical output

Gas sales volumes
(TWh)



Net electrical output
(TWh)



Key drivers Q4/17 vs. Q4/16

- Lower gas volumes to third parties in the context of decreased demand
- Larger volumes off-taken by Brazi power plant
- Brazi power plant fully operational starting mid-November
- Higher net electrical output supported by better market conditions

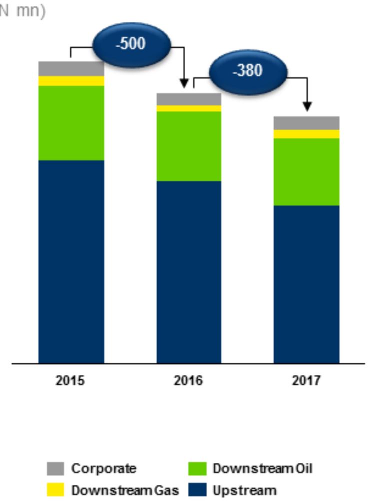
Slide 8 - Downstream Gas KPIs: significantly higher net electrical output

As to **Downstream Gas** on the next slide, our gas sales volumes in Q4/17 decreased by 5%, the higher offtake by the Brazi power plant and end-customers partly counterbalancing the lower sales volumes to wholesalers. The Brazi power plant became fully operational in mid-November and the total net electrical output increased by 29%, supported by higher spark spreads.

Cost efficiency and operational excellence

Total operating cost[1]

(RON mn)



Key drivers 2017 vs. 2015

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

[1] *On comparable basis with 2015*

Slide 9 - Cost efficiency and operational excellence

As the CEO of the company, I am very encouraged by the strong execution of our efficiency plans outlined at slide 9.

We had initiatives across all business segments: in Upstream we optimized material and energy costs, set up leaner operations and renegotiated the third party contracts. These all translated into a decline of our cost base (production costs and administrative expenses) by 22% in 2017 compared to 2015.

In Downstream, our direct cash costs were reduced by 11% over the same period, based on lower maintenance costs, renegotiations of third party contracts, as well as savings coming from energy efficiency improvements.

Corporate costs were also materially reduced by 6% and contributed to significant Group savings in 2017 vs. 2015.

Additional costs savings of RON 380 million in 2017 came on top of the RON 500 million saved in 2016. This includes RON 250 million from the tax on special constructions which was eliminated in January 2017.

Let me now hand over to Stefan, who will go into greater details of our financials and provide you with the outlook for 2018.

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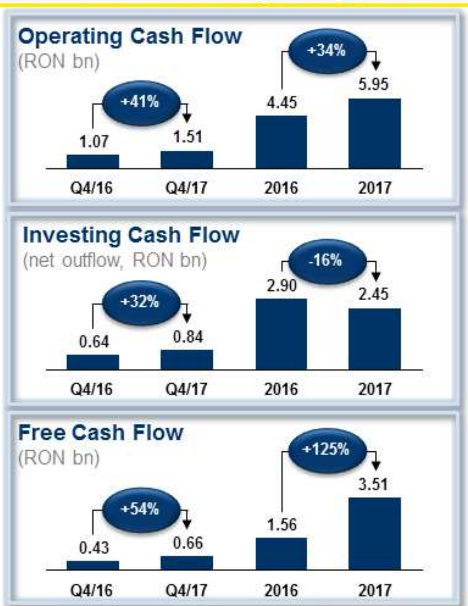
Cash Flow highlights



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

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

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

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

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Slide 11 – Cash Flow highlights

Thank you, Mariana, and good afternoon to you all.

On slide 11, I would like to start with highlights of our cash flow statement. In Q4/17, we achieved an **operating cash flow** of about RON 1.5 billion, mainly on the back of strong operating result. This, in turn, was supported by improved commodity prices and higher retail and electricity sales.

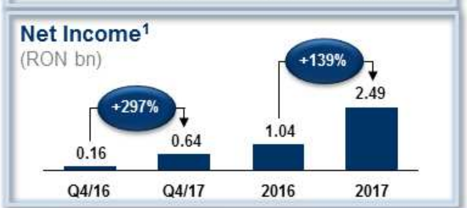
Higher sales in all business segments, together with our continued focus on efficiency improvements and cost discipline, resulted for the full year 2017 in a 34% increase in operating cash flow to almost RON 6 billion.

Net working capital in Q4/17 generated a cash outflow of RON 117 million. This mainly reflects the increase in receivables, due to the insurance claim in relation to the Brazi power plant, seasonally higher gas sales and higher electricity sales after the power plant became fully operational in mid-November.

As to **cash flow from investing activities**, at around RON 0.8 billion, the Q4/17 net outflow was 32% higher year-on-year. However, the full year 2017 net cash outflow from investments was down by 16% year-on-year at around RON 2.4 billion, despite a 15% CAPEX increase. This is due to the 2016 cash-out figure including higher payments related to the 2015 CAPEX.

To sum up, our **free cash flow** was RON 0.7 billion in Q4/17 versus RON 0.4 billion in Q4/16, while the 2017 figure was around 2.3 times higher year-on-year at RON 3.5 billion. After paying dividends for the 2016 fiscal year in Q2/17, our 2017 **free cash flow after dividends** reached RON 2.7 billion and our **net cash position** amounted to approximately RON 2.9 billion as of end of 2017.

Income Statement highlights



- Clean CCS Operating Result reflects:
  - Market conditions (prices, demand)
  - Higher exploration expenses
  - Insurance revenues related to power segment
- Clean CCS Net Income higher:
  - Effective tax rate decreased from 31% in Q4/16 to 6% in Q4/17
  - Financial loss higher in 2017 vs 2016
- Net Income includes:
  - Special charges
  - CCS effects

[1] Attributable to stockholders of the parent

Slide 12 – Income Statement highlights

On slide 12, I would like to discuss some highlights of the Income Statement, with a special focus on Q4/17 vs. Q4/16 developments.

Sales increased by 10% year-on-year, supported by higher commodity prices and increased electricity sales volumes, which was partly offset by lower sales volumes of natural gas and refined products.

While our Operating Result benefitted from better market conditions, as Mariana has mentioned before, it reflects also higher exploration expenses as well as strict cost management measures and the elimination of the tax on special constructions. In addition, the full year result benefitted from the insurance revenues for the Brazi power plant.

The Q4/17 **Clean CCS Operating Result** increased by 26% year-on-year. The very low effective tax rate in Q4/17 was mainly due to the fiscal effect coming from expenses related to a foreign subsidiary liquidation, whereas Q4/16 was impacted by non-deductible special charges.

The **net financial loss** in Q4/17 increased year-on-year to RON (134) million, reflecting mainly higher interest expenses in relation to the discounting of receivables.

As a result, the **net income attributable to stockholders** increased almost 4 times year-on-year on a reported basis and by 65% on a Clean CCS basis. The Q4/17 EPS was 0.0113 RON.

Special items and CCS effect

RON mn	Q4/17	Q4/16	2017	2016
Clean CCS Operating Result	**573**	**453**	**3,273**	**1,700**
CCS effects: Inventory holding gains / (losses)	103	75	102	-98
Special items	145	-193	-105	-127
Thereof Upstream	102	-87	-13	-174
Downstream Oil	50	-95	44	58
Downstream Gas	-7	-8	-134	-7
Operating Result	**820**	**335**	**3,270**	**1,476**

Q4/17

- Reversal of work litigation provision
- Gain from forward contracts for electricity
- Reversal of restructuring provision
- Impairment Brazi power plant

2017

- Provision for agricultural and forestry lands
- Impairment Brazi power plant
- Loss from forward contracts for electricity
- Reversal of work litigation provision

Slide 13 – Special items and CCS effect

On the next page, we bridge the Clean CCS Operating Result to the Reported Operating Result.

For Q4/17, we recorded inventory holding gains amounting to RON 103 mn due to increased crude prices over the quarter.

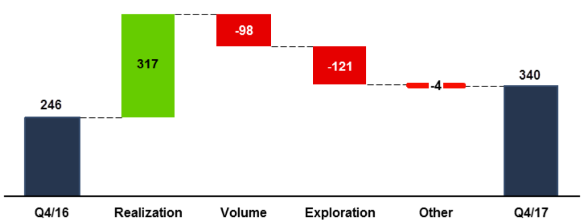
Looking at special items, in Q4/17 we had a special net income of RON 145 million. This was positively impacted first by the reversal of a work litigation provision, applied for all segments, resulting from a favorable outcome of various court cases; second, the gain from forward contracts for electricity; and third, the reduction of the restructuring provision, in line with our management plans. The negative impact came from the impairment booked for the Brazi power plant triggered by revised long-term market and operating assumptions.

The **Reported Operating Result** was up by 145% year-on-year.

Looking at the full year, in 2017 we recorded net special charges of RON (105) million. The main negative effect is the provision booked for the use of agricultural and forestry lands, due to legislative changes in 2017. At full year level, due to increased power prices during the year, we also incurred a loss from forward contracts for electricity.

Upstream Clean Operating Result supported by higher realized prices

Upstream Clean Operating Result
(RON mn)



Key drivers Q4/17 vs. Q4/16

- Higher realized oil prices, +27%
- Higher exploration expenses
- Sales volumes -3%
- Production costs impacted by one-off effects
- Negative FX development

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Slide 14 – Upstream Clean Operating Result supported by higher realized prices

Let me move on to page 14, which shows the major building blocks for the development of the Upstream Clean Operating Result in Q4/17.

With the **realized oil price** increasing by around 27% year-on-year to almost USD 53/bbl in Q4/17, there was a positive realization effect of RON 317 million. This includes also a negative FX effect.

Hydrocarbon sales were 3% lower, resulting in a negative volume effect of RON 98 million.

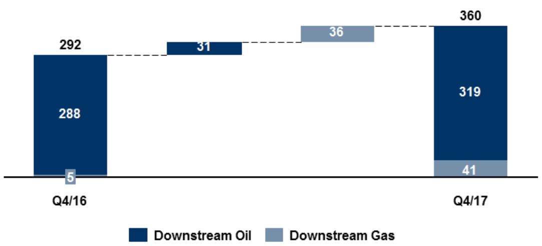
Exploration expenses were higher by RON 121 million, due to higher write-offs in Q4/17, mainly related to an onshore exploration well.

Under “other” factors the main difference is due to higher depreciation, partly offset by lower total production costs (the elimination of the tax on special constructions and continued cost reduction measures counterbalanced the negative effect of the one-off personnel expenses).

As a result, the Q4/17 Upstream **Clean Operating Result** increased by 38% year-on-year to RON 340 million.

Downstream Clean CCS Operating Result: improved performance in both segments

Downstream Clean CCS Operating Result
(RON mn)



Key drivers Q4/17 vs. Q4/16

- Higher sales revenues following increase in demand
- Improved non-oil business contribution
- Lower refining margins
- Improved power business performance
- Lower Brazi power plant depreciation
- Lower gas sales

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Slide 15 – Downstream Clean CCS Operating Result: improved performance in both segments

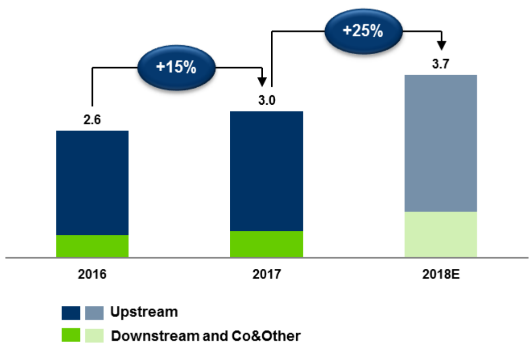
Moving to slide 15, the **Q4/17 Clean CCS Operating Result of Downstream** increased by 23%, reflecting the improved contribution of both segments.

We had a higher year-on-year contribution of **Downstream Oil,** despite the decrease in refining margins. We achieved higher segment sales, up 11% year-on-year, as a result of improved demand for our products and strong contribution of the non-oil business.

In **Downstream Gas**, we improved our power activity results on the back of stronger spark spreads and higher availability of the Brazi power plant. Power contribution in Q4/17 more than compensated for the lower contribution of the gas business.

CAPEX and E&A

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



CAPEX incl. capitalized E&A

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

E&A expenditure

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

Slide 16 – CAPEX and E&A

Slide 16 provides an overview of CAPEX and E&A activities including an outlook for 2018. In 2017, our total **CAPEX** was around RON 3.0 billion.

The majority was dedicated to Upstream. We ramped up drilling activities, resulting in 14 active drilling rigs by December 2017. At that time, we had finalized the drilling of 64 new development wells and sidetracks and 5 exploration wells. This is almost twice the amount compared to 2016. More than 1,000 workover jobs were performed in 2017, resulting in 9 kboe/d contribution to production.

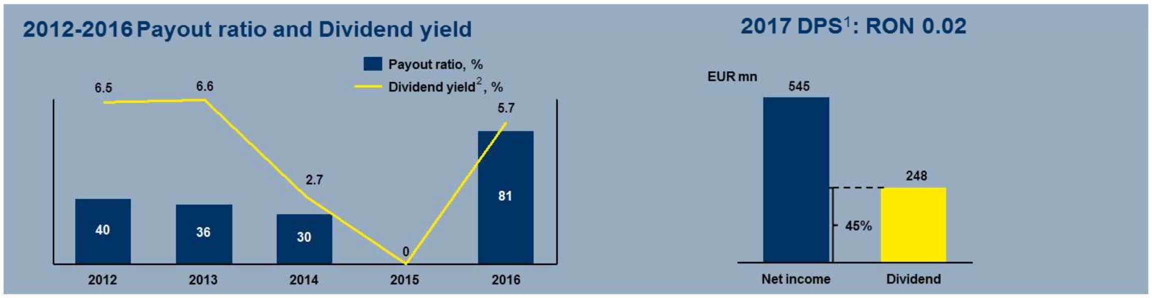
In 2018, our **CAPEX** will increase to around RON 3.7 billion. The majority will again be spent in Upstream: we plan to drill more than 100 new wells and sidetracks and to carry out around 1,000 workovers. About 25% of the CAPEX will be allocated to Downstream, where we will perform a 6 weeks' full site turnaround of the Petrobrazi refinery and also a planned 6 weeks' partial shut-down of the Brazi power plant. Finally, the majority of the construction work for the Polyfuel plant in the Petrobrazi refinery will be in 2018, with the plant becoming fully operational in early 2019.

Moving to **exploration activities**, in 2017 we spudded 7 wells, 5 of them finalized in 2017 and 2 of them finalized in early 2018. Of the 7 wells, 3 were discoveries, one sub-commercial and 3 dry.

Regarding **E&A activities in 2018**, we expect exploration expenditures to be around RON 230 million.

2017 Dividend proposal: EUR 248 mn

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



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

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Slide 17 – 2017 Dividend proposal: EUR 248 mn

On slide 17, let me highlight once more that we, as the Executive Board, are committed to delivering a competitive shareholder return by paying an attractive dividend.

Based on the results and strong free cash flow achieved in 2017, the Executive Board proposes a dividend of RON 0.02/share for the 2017 financial year, 33% up yoy. This translates into a payout ratio of 45% and dividend yield of 7%, calculated with the share price at the end of 2017.

For the 2012-2016 financial years, we have on aggregate returned to shareholders around EUR 1.1 billion through dividends. Looking ahead our aim is to continue to deliver an attractive return through the business cycle.

Outlook 2018

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

[1] Not including portfolio optimization initiatives

Slide 18 – Outlook 2018

Let me finish my part of the presentation with the outlook for the full year 2018, on page 18. Here I would like to highlight our main market assumptions as well as the targets we have set for 2018 and how they compare to the actual 2017 figures.

First of all, we expect an average **Brent oil price** of USD 60/bbl for the full-year 2018.

In Downstream Oil, we see declining refining margins due to the crude price recovery.

With regards to our targets for 2018, we aim to contain the hydrocarbon production decline versus 2017 at around 4%, not including portfolio optimization initiatives.

The **total CAPEX** for the Group will increase versus 2017, to around RON 3.7 billion.

We expect to have a positive free cash flow after dividends in 2018. While aiming to maintain a strong balance sheet, we are in a good position to ramp up investments, including large projects, such as Neptun Deep. However, despite these higher investments, we remain committed to offering an attractive dividend to our shareholders also in the future.

With this I give the floor back to Mariana, to finish with a review of major strategic developments in 2017.

OMV Petrom

First progress towards achieving our 2021+ strategic objectives

Sustainable access to energy for everyday modern life

Enhancing competitiveness	▪ Drilling campaign ramped-up ▪ Operational efficiency increased ▪ Costs optimized ▪ Portfolio streamlining initiated
Developing growth options	▪ Development concept selected for Neptun[1] ▪ Moving towards higher value product mix ▪ Developing retail offer
Regional expansion	▪ Opportunities in selected areas screened

Strong performance and attractive return

- **9.8%** Clean CCS ROACE
- **RON 2.7 bn** FCF after dividends
- **33%** yoy dividend growth[2]
- **6.8%** increase in share price[3]

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

Slide 20 – First progress towards achieving our 2021+ strategic objectives

Ladies and gentlemen, now I would like to take the opportunity to present to you the progress we made in executing our strategy 2021+. 2017 was an important year in OMV Petrom's corporate development, as we have set clear and more ambitious objectives for the next five years and beyond, and defined our path to long-term success. Our vision is to provide sustainable access to energy for everyday modern life. This requires a great sense of responsibility but, at the same time, opens new opportunities. We are committed to maintaining and strengthening our position as a leading integrated energy player in the region, focusing on our strong position in Romania while further enhancing customer experience and developing our portfolio through regional expansion. As shown on the slide, our strategy is centered on three main pillars: enhancing the competitiveness of the existing portfolio, developing growth options and regional expansion.

We have made progress in all strategic directions. First, we continued to improve competitiveness across all business segments, with a focus on value over volume, leading to increased operational efficiency and cost optimization. Our efforts are supported by the 2017 results:

- for **Upstream**, current production cost of 10.9 USD/boe, 626 days MTBF (mean time between failures), more than 40 facilities modernized and 500 wells automated in the year;
- in **Downstream Oil**, for the Petrobrazi refinery, a utilization rate of 93% and fuels and losses below 9%; in addition, construction begun for the revamp of the last fuel storage in Arad;
- for **Downstream Gas**, higher gas sales volumes of 51.4 TWh and an increased number of end customers, as well as a net electrical output of 2.6 TWh for the Brazi power plant;

In the pursuit of long-term sustainability, drilling activities were ramped up in 2017, 19 marginal fields were divested and a new divestment round, with approximately 50 - 60 fields, was initiated. The Dorobantu wind park was divested so that we can fully concentrate on our core activities.

Second, under the strategic direction of developing growth options, the Neptun Deep project has been matured through the concept selection phase. The potential development concept for gas discoveries at both

Domino and Pelican South was selected, continuing now with the commercial viability assessment. On the assumption of continued fiscal stability, clarity of the legal and regulatory framework and favorable gas market developments, the current schedule would enable us to come to a potential Final Investment Decision in the second half of 2018.

In Downstream Oil, the construction of the Polyfuel plant at the Petrobrazi refinery has made further progress and the unit will be fully operational in early 2019. This project will enable us to move towards higher value product mix. In the retail business, in 2017, we entered a partnership with Auchan Retail Romania to open convenience stores at Petrom branded filling stations. A pilot phase of the partnership is currently underway, targeting 15 such stores.

Finally, as part of the regional expansion being the third strategic pillar, we have started screening opportunities in the regions where our technical competence and experience represent a competitive advantage. In Downstream Gas, we are progressing on completing the milestones that enable the Final Investment Decision for Neptun and are related to long term sales and transportation agreements.

Strong operating results and cash flow generation are the foundation for delivering an attractive shareholder return. In 2017, we achieved a 10% ROACE. At the same time, we generated FCF after dividends of EUR 584 mn, with EUR 189 mn paid in dividends in 2017. With regards to Capex, we maintain our commitment to identify and develop value-adding projects in an aggregated amount of EUR 5 bn over the period 2017 – 2021.

Before starting our Q&A, let me say “thank you” to everybody for your support and interesting discussions over the last twelve years. For me it was a real pleasure to listen to your insights, being frequently challenged to think critically about our strategic steps going forward and gently nudged to reach out for the best benchmarks in our industry. I feel privileged to be able to hand over the helm at this period in time as the company is in excellent shape for which you as analysts and investors can take great credit.

We are now available for your questions.