Petrom Investor News

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Results[1] for Q4 and January - December 2009 reflect the decisive management action taken in response to the challenging economic environment

- **Q4/09 EBIT was slightly positive and well above the level of Q4/08, which was negatively impacted by one-off items and a sharp oil price decline; Q4/09 was the second quarter since privatization with negative net profit due to FX losses and interest expenses**
- **Despite lower volumes, production costs in RON/boe were down by 11% in Q4/09 compared to Q4/08 due to the successful implementation of cost reduction initiatives and the integration of E&P Services; for the full year, the reserve replacement rate in Romania was successfully maintained at 70%**
- **Total marketing sales decreased in line with market by 21% in Q4/09 compared to Q4/08, mainly driven by lower export sales and due to the challenging Romanian economic environment**
- **Outlook for 2010: we expect market conditions to remain challenging; we continue our restructuring efforts and focus on strict cost management; priority for 2010 is to secure cash flow for future investments, both to maintain business sustainability and achieve growth potential**

Mariana Gheorghe, CEO of Petrom: "Despite the worsening economic environment, 2009 marked the achievement of several milestones. In E&P, several key projects were put on stream. We commissioned the new gas processing plant in Midia, successfully started production at the Komsomolskoe field in Kazakhstan and at two offshore wells in Romania and we maintained the domestic reserve replacement rate at 70%. Moreover, we significantly improved our cost base and we are on track to deliver on our Petromservice acquisition target to achieve an additional reduction of production cost of 1.5 USD/ boe thanks to the successful integration of E&P Services. As gas and fuels market conditions deteriorated over the course of the year, we swiftly adapted our value chain and reviewed our refining and chemicals strategy accordingly. Therefore, we decided to run operations at Arpechim and Doljchim solely on an "as needed" basis and to close Doljchim by the end of 2010. Going forward, we will continue to focus on efficiency and restructuring measures while enhancing capital measures to maintain our business sustainability and achieve our growth potential."

Q3/09	Q4/09	Q4/08	∆%	Key performance indicators (RON mn)	2009	2008	∆%
705	38	(1,200)	n.m	EBIT	1,197	1,309	(9)
1,139	575	(664)	n.m	EBITDA	2,950	3,565	(17)
615	(171)	(1,269)	87	Net profit	1,368	1,022	34
3,530	3,387	3,744	(10)	Net turnover	12,842	16,751	(23)
675	1,432	1,766	(19)	Investments*	4,145	6,404	(35)
28,215	27,470	33,311	(18)	Employees at the end of period	27,470	33,311	(18)

**Investments also include increases of participations in other companies*

[1] *The financials are unaudited and prepared according to RAS; all figures refer to Petrom SA unless otherwise stated; within the report, figures are expressed in millions and rounded-off, so minor differences may result upon reconciliation*

PETROM
Member of OMV Group

Significant events in Q4/2009

On **October 20**, an Extraordinary General Meeting of Petrom's Shareholders was held, which approved the amendments to the Articles of Association of the company. The amendments were proposed mainly to ensure alignment of the Articles with the European and domestic legal framework and also as a result of the expiry of a term (i.e. five years as of Closing / 31 December 2009) stipulated in the Privatization Contract. The approved amendments came into force on January 1st, 2010.

On **October 29**, Petrom inaugurated a new gas processing plant in Midia, near Constanta. The new unit has a daily gas processing capacity of 3.8 mn cbm/d, more than twice as much capacity as the old installation, and can process the entire offshore gas production of Petrom. This new plant has a 99% efficiency rate in the recovery of heavy components from gas.

On **December 16**, Petrom's supervisory board announced the review of its strategic development options and the financial implications in light of both prevailing market conditions and the particularly weak long-term demand outlook in refining. Several decisions have been made in order to adapt Petrom's value chain to the challenging environment and to adjust production to the significantly altered supply and demand fundamentals. In this regard, Petrom has redefined the framework for its future refining strategy while also deciding to exit the chemicals sector by the end of 2010.

On **December 18**, Petrom finalized negotiations with Oltchim, leader in the petrochemicals market in Southeastern Europe, implying the transfer of assets related to the petrochemical activities of Arpechim. The transaction took effect at the beginning of 2010, after the necessary authorizations from fiscal and competition authorities were obtained.

On **December 21**, Petrom announced it had secured a new credit facility at the amount of EUR 500 mn for a period of 3 years, with the purpose of maintaining its strong financial position. The loan will be used to fund future investments, general corporate activities and potential repayments of the existing liabilities.

In **December**, Petrom finalized the acquisition of Korned LLP in Kazakhstan. Korned LLP holds an exploration license including the undeveloped Kultuk oilfield, located only 34 km away from Petrom's Komsomolskoe field.

Outlook 2010

For 2010, we expect the oil price to remain volatile trading within a range of USD 60 to 80 per barrel. The FX rates relevant to our business (USD/RON, EUR/RON, EUR/USD) are anticipated to fluctuate around the average levels of 2009. The market for refined products is forecast to remain challenging throughout the year 2010, with a deeply depressed margin environment given the overcapacity in the industry not only in Romania, but in all of Europe. Marketing volumes and margins are expected to remain under pressure until the economy shows clearer signs of improvement.

The Romanian economy is expected to return to a marginal rate of growth in 2010. However, the rate of unemployment in both the public and private sector is likely to increase throughout the year, increasing social benefit costs for the authorities and putting pressure on private consumption. Continuing efforts to reduce the state budget deficit are going to restrict government spending severely.

To help protect the company's cash flow in 2010, Petrom entered into crude oil hedges in Q2/09 for a volume of 38,000 bbl/d, securing a price floor of USD 54/bbl via the sale of a price cap of USD 75/bbl (zero-cost structure).

Over the last five years, the average annualized investments amounted to around EUR 1 bn. In order to maintain business sustainability and to achieve our growth potential, we have to raise this level of investment. For this purpose, we would need significant annualized investments of around EUR 1.2-1.5 bn in Romania over the next few years. So far, we have optimized our cash flow management and secured a solid basis for financing our key strategic projects through external loans. However, in order to ensure the necessary funds to finance such an ambitious investment program, there is a reasonable probability that we will seek to raise additional capital in 2010.

Given the higher liquidity level required to sustain our investment needs, management's proposal is that no dividends should be distributed for 2009. The Company's investment budget and dividend proposal are subject to further approval by the General Meeting of Shareholders, on April 29, 2010. In addition, we will discuss with the Romanian authorities and major stakeholders how to capitalize on gas price alignments and access to fresh equity.

In **E&P**, in order to cope with the challenging economic environment and the volatility of the international oil price, the focus on strict cost management and organizational streamlining will continue. In addition, the completion of the gas de-bottlenecking project in Hurezani as well as the identification, planning and execution of field re-development projects will be two additional focal points in E&P.

In 2010, our investment program will focus on the optimization of gas delivery at Hurezani, drilling of development and production wells, well workovers, production facilities and infrastructure. Our efforts to minimize the natural decline of production will focus on reservoir management initiatives, infill drilling and maintaining the workover program at around the same number of operations as in 2009. Exploration activity is expected to increase in 2010 compared to 2009. The drilling program includes drilling of 11 exploration and appraisal wells, with a focus on larger, high impact prospects located in deeper more frontier areas. The 3D seismic data acquired in the offshore Neptun area explored in joint venture with ExxonMobil will be processed and evaluated in 2010 to identify potential commercial prospects. In **E&P Services (EPS)**[2], the turnaround program will continue in 2010 and will support E&P to achieve its production and cost targets. In **Kazakhstan**, the Komsomolskoe oil field will be on stream for the full year and is expected to contribute significantly to overall production by reaching its plateau production of 10,000 boe/d in the course of 2010. Appraisal of the recently acquired Kultuk oilfield will commence with 3D seismic acquisition.

In **Refining**, given the currently depressed margin environment and a medium-term outlook of overcapacity in the European industry, the scope of the original investment plan has been changed. As a result, capacity of the Petrobrazi refinery will be adjusted to 4.2 mn tonnes per year and some EUR 750 mn will be invested between 2010 and 2014 in modernizing and maintaining the facility. The main scope of the envisaged modernization is to enable the processing of 100% of Romanian crude production. In 2010, we mainly intend to progress with the modernization of the crude distillation unit. During the second quarter, we will execute a cycle-end turnaround at Petrobrazi to perform mechanical inspection and reauthorization works. The turnaround is scheduled to last for one month, starting early April.

The Arpechim refinery – depending on the prevailing margin and supply conditions – will operate solely on an "as needed" basis during 2010 and alternative options will be assessed thereafter.

In **Marketing**, the focal points of this year's activities are the operations' optimization, efficiency increase, finalization of construction of the Brazi terminal and commencing construction of the third part of our Terminal Modernization Program – the Isalnita storage. The significant decline in fuels demand recorded at the end of 2009 gained in intensity at the beginning of 2010; further on, the fuels market is expected to be challenging, in line with the development of the Romanian economy.

In **G&P**, the focus will remain on expanding the gas value chain, by continuing the construction of the power plant at Brazi according to plan, with the commissioning phase expected to complete in 2011. Moreover, Petrom is considering entering the renewable energy sector, with specific focus on wind power. In the Gas business, total gas consumption in Romania is anticipated to stagnate in 2010. Currently, the domestic gas price stands at around half the import gas price. Therefore, the alignment of the domestic and imported gas price will be a priority topic in our discussions with the Romanian authorities. The consolidation of the gas supply and sales activities within Petrom Gas SRL will be a focus point in 2010. In line with management's decision to exit non-core segments, Petrom will close Doljchim by the end of 2010 and until then will run the operations on an "as needed" basis and according to the company's integration needs. The dismantling and decontamination of the plant will be started, in compliance with European environmental standards.

[2] *The E&P Services division (EPS) was created for the purpose of integrating the oil services business acquired in February 2008 from Petromservice*

Exploration and Production (E&P)

Q3/09	Q4/09	Q4/08	∆%	in RON mn	2009	2008	∆%
775	619	(500)	n.m	EBIT[1]	2,366	3,139	(25)
1,101	999	(92)	n.m	EBITDA[1]	3,649	4,401	(17)
514	1,065	990	8	Investments[2]	2,806	4,524	(38)

[1] *Excluding intersegmental margin elimination; for reasons of comparability 2008 numbers are adjusted accordingly*
[2] *Investments also include increases of participations in other companies and investments during the year in exploration wells that proved unsuccessful*

Q3/09	Q4/09	Q4/08	∆%	Key performance indicators	2009	2008	∆%
16.43	16.46	17.09	(4)	Total production (mn boe)	66.00	68.98	(4)
178,630	178,879	185,737	(4)	Total production (boe/day)	180,815	188,476	(4)
1,100	1,102	1,139	(3)	Crude and NGL production (kt)	4,386	4,541	(3)
7.91	7.92	8.19	(3)	Crude and NGL production (mn bbl)	31.54	32.66	(3)
1,303	1,305	1,360	(4)	Gas production (mn cbm)	5,268	5,553	(5)
67.88	74.27	54.65	36	Average Urals price in USD/bbl	61.18	94.77	(35)
61.47	67.96	46.70	46	Average realized crude price in USD/bbl*	54.99	84.11	(35)
183.59	198.77	142.05	40	Average realized crude price in RON/bbl*	167.62	211.95	(21)
167.48	171.38	170.75	0	Regulated gas price for domestic producers in USD/1,000 cbm	162.38	195.59	(17)
14.64	15.40	17.04	(10)	Domestic production cost (USD/boe)	14.61	18.00	(19)
43.21	44.6	49.98	(11)	Domestic production cost (RON/boe)	44.54	45.35	(2)

**Realized price excluding hedge result*

Fourth quarter 2009 (Q4/09)

- **Q4/09 results mainly driven by the favorable oil price environment; oil and gas production was slightly above the level of Q3/09, mainly as result of production increase from the new offshore wells Delta 6 and Lebada Vest 4**
- **Despite lower volumes, production costs in RON/boe were down by 11% in Q4/09 compared to Q4/08 thanks to the successful implementation of cost reduction initiatives and the integration of E&P Services**
- **2009 domestic reserves replacement rate successfully maintained at 70%, while Group's reserves replacement rate increased from 70% in 2008 to 73% in 2009**
- **Kultuk oilfield from Kazakhstan was acquired at the end of December 2009**

The **domestic realized crude price in USD** increased by 46% compared to Q4/08, in line with higher oil prices. In RON terms, the domestic realized crude price increased by only 40%, as the USD weakened against the RON. The average gas price for domestic producers remained stable.

EBIT had a strong performance in Q4/09 compared to Q4/08, thanks to the favorable oil price environment as well as the costs reduction program. E&P's EBIT does not include the positive hedging effect, which is reported in the financial result, according to Romanian Accounting Standards.

Group oil and gas production decreased by 3% compared to Q4/08, to 17.17 mn boe. **Oil and gas production in Romania** amounted to 16.46 mn boe in Q4/09, 4% lower than in Q4/08. **Group oil production** reached 8.54 mn bbl, 1% lower compared to Q4/08, as a result of the lower level of oil production in Romania. In Q4/09, **domestic oil production** amounted to 7.92 mn bbl, 3% lower compared to Q4/08, due to the natural decline and the reduced number of new wells drilled. **Domestic natural gas production** was 4% lower compared to Q4/08, mainly determined by the significant reduction of demand throughout the year due to partial shutdown of local fertilizer plants and of other industrial consumers. Production was further impacted by the delay in the completion of key wells, such as Mamu 4335 and 4338, which as a result were not available to counter natural decline of production. **Oil and gas production in Kazakhstan** amounted to 715 thousand boe in Q4/09, 28% higher compared to Q4/08, mainly as result of the production start of the Komsomolskoe field.

Domestic production costs in RON/boe decreased by 11% compared to Q4/08, despite lower production volumes. This reduction was driven by lower material and service costs, which was achieved through strict cost savings measures and the successful integration of E&P Services. Expressed in USD/boe, domestic production costs registered a 10% decline due to the FX effect.

E&P investments were 8% higher compared to the same period in the previous year. Investments focused on the drilling program, workovers and optimization of the gas delivery at Hurezani. Petrom SA **exploration expenditure** amounted to RON 80 mn in Q4/09, of which RON 45 mn was expensed and RON 35 mn was capitalized. Additionally, RON 2 mn was expensed for wells that commenced drilling in 2008, but were evaluated as not successful.

In Q4/09, the **Drilling Program** registered a total number of 39 new wells drilled, which was considerably lower compared to the same period of the previous year. **The development of the Delta offshore** project was completed. At the end of 2009, **Delta 6** produced 2,500 boe/d while **Lebada Vest 4** reached a production level of approximately 1,000 boe/d. Both wells account for over 10% of Petrom's offshore production. The upgrade of the existing Madulari gas treatment facilities for the **Mamu gas field** was completed, but the key wells 4335 and 4338 faced problems arising from geological uncertainty. Technical reviews that are currently being conducted will determine the course of repair program in 2010. During Q4/09, the construction works for **the future Hurezani Gas Compressor** station progressed as scheduled.

In **Kazakhstan**, the **Komsomolskoe** field development made further progress; the average production level fluctuated due to start-up activities reaching an average level of 3,100 boe/d. On 31st December 2009, the acquisition of Korned LLP was completed. Korned LLP owns an exploration license for the Kultuk oilfield, located 34 km North West of Komsomolskoe field. In **Russia**, the technical evaluation of the data acquired continued after a well test confirmed both oil and gas in the Saratov region.

E&P Services (EPS) continued the successful implementation of projects contributing to increase the service quality and efficiency, such as measures aimed at improving the availability of E&P production equipment by increasing the mean time between failures in Maintenance. The successful integration of EPS was a key driver of the significant production cost reduction and we are on track to deliver on our Petromservice acquisition target to achieve an additional reduction of production cost by 1.5 USD/ boe.

Compared to Q3/09, the domestic realized crude price in USD strengthened by 11%, in line with higher prevailing oil prices. In RON terms, the domestic realized crude price increased by only 8%, as the USD weakened against the RON. **EBIT** decreased by 20% compared to Q3/09, mainly due to higher depreciation. **Domestic production costs** in RON/boe increased by 3% compared to Q3/09. Expressed in USD/boe the increase by 5% against Q3/09 reflects RON appreciation versus the USD. **E&P investments** doubled compared to Q3/09 due to the increased amounts invested in optimizing the gas delivery at Hurezani and in drilling development wells. **Total oil and gas production in Romania** slightly increased by 0.1% compared to the level reached in Q3/09. The increase was mainly driven by higher production from the offshore wells Delta 6 and Lebada Vest 4. **Oil and gas production in Kazakhstan** was 20% higher compared to Q3/09, benefiting from the additional quantity from the Komsomolskoe field.

January - December 2009

The **domestic realized crude price in USD** fell by 35% to 54.99 USD/bbl compared to 2008. The domestic realized crude price in RON/bbl terms decreased by 21% compared to 2008, due to the strengthening of the USD against the RON. **EBIT** decreased by 25% compared to 2008, due to the significantly lower oil price for the entire year, as well as increased depreciation.

Group oil and gas production decreased by 4% compared to 2008, to 68.3 mn boe (187,107 boe/d) as a consequence of lower oil and gas production in Romania. Group oil production was down by 3% compared to 2008, reaching 33.49 mn bbl. **Total oil and gas production of Petrom SA in Romania** amounted to 66 mn boe, 4% lower versus 2008. **Crude oil production of Petrom SA in Romania** was 31.54 mn bbl, 3% lower than the level recorded in 2008. The decrease was mainly due to the reduced number of new wells drilled and the delay of key wells, mainly Delta 6. **Domestic natural gas production** reached 5,268 mn cbm, lower by 5% compared to 2008. The 2009 gas production level was affected by the reduction of demand. Furthermore, the delay in the completion of key producers such as Mamu 4335 and 4338, which as a result were not available to counter the natural decline of production, led to a lower level of gas production.

Domestic production costs were USD 14.61/boe, 19% lower compared to 2008 which is due to strict cost management, successful integration of EPS as well as the appreciation of USD against RON. Domestic production costs in RON/boe decreased by 2% compared to 2008.

As of December 31, 2009, **Petrom Group's total proved oil and gas reserves** amounted to 854 mn boe (Romania 823 mn boe), while the proved and probable oil and gas reserves amounted to 1,254 mn boe (Romania 1,176 mn boe). The domestic reserves replacement rate was successfully maintained at 70%, as a result of the continuous revisions of mature fields and the efficient drilling program combined with the diversification of the recovery mechanisms applied in 2009. The Group's reserve replacement rate reached 73% in 2009, 3% above the level reached in 2008.

Onshore, Petrom acquired 1,195 km of 2D seismic data and 475 km^2 of 3D seismic data in 2009. The largest 3D seismic acquisition program ever undertaken in Romania was completed in November. The survey represented the initial work of the deepwater offshore exploration in Neptun Block, in partnership with ExxonMobil and covered an area of approximately 3,200 km^2. Petrom SA **exploration expenditure** amounted to RON 200 mn in 2009, of which RON 156 mn were expensed and RON 44 mn were capitalized. Additionally, RON 35 mn was expensed for wells that commenced drilling in 2008 and evaluated as being unsuccessful.

E&P investments were 38% lower compared to 2008 that included the acquisition cost of the oil services business of Petromservice.

Refining and Marketing (R&M)

Q3/09	Q4/09	Q4/08	∆%	in RON mn	2009	2008	∆%
(42)	(392)	(993)	n.m	EBIT	(828)	(1,895)	n.m
29	(270)	(903)	n.m	EBITDA	(511)	(1,055)	n.m
66	156	611	(74)	Investments	559	1,297	(57)

Q3/09	Q4/09	Q4/08	∆%	Key performance indicators	2009	2008	∆%
1,348	1,172	1,551	(24)	Crude input (kt)	5,161	6,121	(16)
242	127	493	(74)	thereof imported crude (kt)	815	1,831	(55)
67	58	77	(25)	Utilization rate (%)	65	77	(16)
(0.92)	(1.74)	3.95	n.m	Refining margin indicator (USD/bbl)	0.02	1.43	(99)
1,301	1,092	1,388	(21)	Marketing sales (kt)	4,823	5,210	(7)
307	169	416	(59)	thereof export (kt)	1,080	1,649	(35)

Fourth quarter 2009 (Q4/09)

- **Weak economic conditions and the very depressed margin environment continued to negatively impact results in Q4/09, being partly mitigated by the more efficient refineries operation and the positive effect of restructuring our petrochemicals business**
- **Total marketing sales decreased 21% compared to Q4/08, mainly driven by lower export sales**
- **Retail sales volumes decreased 6% against Q4/08 due to weakening market conditions as the estimated decrease in the retail market demand is around 10%**

R&M EBIT recorded in Q4/09 was RON (392) mn, which improved compared to Q4/08 due to the positive effect from the inventory holdings valuation and more efficient refinery operations that helped mitigate the very poor refining margin environment. In this context, the Arpechim bulk refinery was shut down in November. The Q4/09 result was burdened by an impairment amounting to RON 266 mn, which was booked following the revision of the original investment plan relating to costs already incurred. For comparison, the Q4/08 result was hit by litigation provisions and impairment for our petrochemicals business, as well as the steep decline of crude prices.

The total quantity of **crude processed** in Q4/09 amounted to 1,172 kt, 24% lower compared to Q4/08. Imported crude oil represented 11% of the total quantity of crude processed. Our refineries utilization rate was low, due to weakening market conditions.

During Q4/09, product cracks continued to be depressed, driving **refining margins** down to a very low level. The **refining margin indicator**[3] turned negative to an average value of USD (1.74)/bbl. **Diesel cracks** dropped to USD 81/t in Q4/09, USD 123/t lower than Q4/08. However, **gasoline cracks** improved in Q4/09, amounting to USD 139/t, which was USD 61/t higher than the comparable period of last year.

Petrochemical and special product sales dropped by 13% compared to the Q4/08 level, as the steam cracker unit in Arpechim remained offline in Q4/09.

Total marketing sales decreased by 21% compared with Q4/08, mainly due to lower export sales. **Exports** declined by 59% over the same period, as a result of the optimization of our refineries operation in response to current unfavorable market conditions. White product sales in the domestic market were 2% below the Q4/08 level: domestic gasoline sales were up by 8% compared to Q4/08, domestic diesel sales decreased by 8% and sales of aviation fuels recorded a 11% increase over Q4/08.

Retail sales decreased in comparison with Q4/08 by 6% to 544 mn liters (440 kt equivalent) due to weakening market conditions. **Total commercial and export sales** (652 kt) decreased by 29% compared to Q4/08, driven by lower exported quantities. **Commercial domestic sales** declined by 5% compared to Q4/08 to 483 kt. In Q4/09, commercial domestic sales of gasoline increased by 54% compared to Q4/08 while diesel commercial sales in the domestic market recorded a fall of 13% over the same period of the previous year due to lower demand coming from the commercial sector. HFO domestic sales registered a 12% increase compared to Q4/08, due to weather conditions. Exported quantities were 59% lower in Q4/09 compared to Q4/08, driven by the 49% decrease in exported gasoline, a 53% decrease in diesel and, notably, a 94% decrease in HFO exports.

Petrom's subsidiaries sold 339 mn liters of fuel to retail customers in Q4/09, 9% lower compared to Q4/08 due to weakening market conditions. International retail network sales represented 60% of total subsidiaries sales.

The **non-oil business** registered an increase, with total turnover increasing to RON 126 mn, which was 5% higher compared to Q4/08.

At the end of Q4/09, Petrom SA had 442 filling stations, while Petrom Group operated a total of 814

[3] *The refining margin indicator is based on the international quotations for products [Augusta] and Urals crude and a standardized yield set typical for Petrom's refineries.*

filling stations, of which 546 are in Romania and another 268 abroad: 113 in the Republic of Moldova, 96 in Bulgaria and 59 in Serbia.

R&M investments in Q4/09 were 74% lower compared to Q4/08. In **Refining**, only the ongoing operational investments were continued as the modernization program was under re-evaluation. Marketing investments focused almost entirely on Supply & Logistics investments.

Compared to Q3/09, EBIT recorded higher losses mainly due to the impairment of Petrom refining assets following the revision of the original investment plan announced in December and provisions related to the tax review. Flexible refinery operations (i.e. Arpechim economic shut down in November) helped to mitigate the very poor refining margins environment to a certain extent. Middle distillates cracks slightly improved while the **refining margin** indicator continued to deteriorate compared to the previous quarter, due to weak market conditions. The refineries' utilization was lower than that for Q3/09, impacted by the Arpechim economic shut down during November. Petrochemical and special product sales decreased by 20% compared to the previous quarter. **Total marketing sales** decreased by 16% compared to Q3/09 due to weakening demand across all sectors.

January - December 2009

R&M's EBIT in 2009 improved significantly compared to 2008 as refining operational performance was geared to mitigate the very poor refining margins environment through flexible refinery operations, including the Arpechim bulk refinery economic shut down during November and the restructuring of the petrochemicals business (petrochemicals remained offline throughout 2009). Positive effects for the R&M EBIT also came from the inventory holdings valuation and the improvements recorded in the marketing business as a result of the filling stations network optimization and reduced costs. However, the result was burdened by the impairments of Petrom refining assets as a result of the revision of the original investment plan announced in December. In comparison, the 2008 R&M EBIT was extremely low due to the impairment of Arpechim fuels refinery's book value in Q3/08, the booking of provisions for litigation and the impairment for our petrochemicals business.

The total quantity of **crude processed** was 16% lower compared to 2008, with imported crude oil representing only 16% of the total quantity of crude processed in 2009 as compared to 30% in 2008.

White product margins significantly deteriorated against 2008 values, with **diesel cracks** at USD 89/t, which is USD 161/t lower than the 2008 level. **Gasoline cracks** at USD 139/t were USD 8/t below 2008 level. Overall, the **refining margin indicator** dropped close to zero, as compared to last year's value of USD 1.43/bbl, mainly driven by deteriorated product spreads. Throughout the year, the margins were highly volatile, with critically low levels registered during the second half of 2009. The overall utilization rate of our refineries in 2009 was reduced to 65%, 16% lower than in 2008, while reducing the imports of crude under the low margins environment and with Arpechim in economic shut down throughout November 2009.

Petrochemical and special product sales were 28% lower than in 2008, as the steam cracker unit in Arpechim remained closed throughout 2009.

Total marketing sales stood at 4,823 thousand tons, a 7% decrease compared to 2008 sales. White product sales in the domestic market were 3% above the 2008 level driven by the upgrade of the filling station network and improved retail station management. Domestic gasoline sales were up by 11% compared to 2008, while domestic diesel sales were in line with 2008. Aviation fuel sales decreased by 6% compared to 2008.

Despite stagnant market conditions and an overall 30% decrease in new car registrations in Romania in 2009, **retail sales** increased by 12% over 2008, to 2,177 mn liters (1,762 kt equivalent). Substantial investments in the Petrom retail network between 2006 and 2008 ensured an optimal network that enabled us to achieve a better performance even under deteriorated economical conditions. Consequently, the average throughput per station increased by 12% over 2008 to a level of 4.8 mn liters. **Commercial domestic sales** amounted to 1,981 kt, in line with the 2008 level, with HFO sales in the domestic market registering a 65% increase compared to 2008 as the Russian-Ukrainian gas crisis at the beginning of the year forced district heating power plants to use HFO as substitute for gas. Excluding HFO sales, commercial domestic sales totaled 1,549 kt, 10% below the 2008 level. Exported quantities were 35% lower in 2009 compared to 2008, mainly due to lower HFO, diesel and gasoline exports.

Non-oil business turnover increased 9% compared to 2008 due to portfolio optimization and efficient marketing efforts.

R&M investments decreased by 57% compared to 2008. In Refining, we continued the re-evaluation of the modernization program, with our investments being mainly related to the Fluid Catalytic Cracker (FCC) gasoline post-treater project, the DCS (Distributed Control System) implementation and the systematization and revamp of the Refinery Tanks Farm. In Marketing, the focus of this year's investments was the operations' optimization, efficiency increase and the (re)construction of two terminals – Jilava, which began operations in November and the Brazi storage facilities, where construction was 60% complete by the end of 2009. Marketing investments during 2009 also included the acquisition of additional stakes in Petrom Aviation, resulting in an ownership of 95.6% of the company by the end of 2009.

Gas and Power (G&P)

Q3/09	Q4/09	Q4/08	∆%	in RON mn	2009	2008	∆%
(2)	(32)	18	n.m	EBIT	7	104	(93)
28	69	89	(22)	Investments	353	386	(9)

Q3/09	Q4/09	Q4/08	∆%	Key performance indicators	2009	2008	∆%
1,041	1,441	1,393	3	Consolidated gas sales (mn cbm)*	4,846	5,297	(9)
1,004	1,399	1,342	4	thereof Gas sales Petrom SA (mn cbm)	4,731	4,944	(4)
167.48	171.38	170.75	0	Average regulated gas price for domestic producers in USD/1,000 cbm	162.38	195.59	(17)
495.00	495.00	495.00	0	Average regulated gas price for domestic producers in RON/1,000 cbm	495.00	492.90	0
270	290	540	(46)	Import gas price in USD/1,000 cbm	353	440	(20)
101	42	104	(60)	Sales Doljchim (kt)	316	503	(37)

**Consolidated gas sales include the sales of Petrom SA, Petrom Gas SRL and Petrom Distributie Gaze as well as internal transfers to other segments*

Fourth quarter 2009 (Q4/09)

- **Higher consolidated gas sales volumes compared to Q4/08**
- **Decision to exit chemicals business by the end of 2010**
- **Brazi power plant construction continues according to schedule**

G&P EBIT dropped significantly as compared to Q4/08, affected by the provisions for restructuring, demolition and decontamination recorded at Doljchim.

Petrom's **consolidated gas sales** increased by 3% in Q4/09 compared to Q4/08, although the estimated total gas consumption in Romania remained almost unchanged over the same period, mostly driven by a law published in November which granted interruptible consumers, with a special focus on the fertilizer industry, the right to source themselves from domestic production until October 2010. **Petrom SA's sales** increased by 4% compared to Q4/08.

The total volume of natural **gas in storage** at the end of December 2009 was 324 mn cbm, compared to 318 mn cbm at the end of December 2008.

The **average gas price for domestic producers** in Q4/09 was USD 171/1,000 cbm (RON 495/1,000 cbm), equal to Q4/08. In RON terms, the average gas price for domestic producers has remained unchanged since February 2008.

In December 2009, Petrom decided to exit the chemical business by the end of 2010. The provisions made for the restructuring, demolition and decontamination of the Doljchim chemical plant amounted to RON 68 mn.

Doljchim's clean result in Q4/09 was burdened by lower demand, both domestically and internationally, and lower product prices for all products, driven by the economic downturn. As such, Doljchim sales volumes decreased by 60% compared to Q4/08. Market prices for fertilizers and methanol were very low, therefore production was adjusted by producing only selectively based on market prices and input costs.

Investments in G&P in Q4/09 amounted to RON 69 mn and related exclusively to the Brazi power plant, representing payments for the gas pipeline and connection of Brazi power plant to the National Grid. The construction of the Brazi power plant continued according to schedule. In Q4/09, some important milestones were reached among which the signing of the connection contract with Transelectrica was completed.

As part of the Power Division Strategy to enter the renewable energy business, in Q4/09 Petrom has performed the evaluation of a wind project, which may provide Petrom access to a pipeline of future wind projects.

Compared to Q3/09, the result was affected by the provisions built for the Doljchim closure. G&P Clean EBIT improved, supported by the gas sales increase. Petrom SA gas sales volumes were 39% higher compared to Q3/09. Natural gas consumption in Romania in Q4/09 almost doubled compared to Q3/09. This increase was due not only to higher gas consumption triggered by lower temperatures, but also to the facility granted to interruptible consumers, especially those from the fertilizer industry, to supply gas only from domestic production. Interruptible consumers are those considered to contribute to securing the operation of the Gas National Transmission and Distribution Systems, by accepting reduction or even interruption in gas supply in order to protect supply to households.

January - December 2009

In 2009, **Petrom SA** gas sales decreased by 4% (consolidated gas sales went down 9%), while the estimated decrease in total gas consumption in Romania compared to 2008 was 15%.

EBIT generated by the G&P business of Petrom SA amounted to RON 7 mn, being affected by the losses in Doljchim and adverse market conditions.

The **average gas price** for Romanian producers was USD 162/1,000 cbm (RON 495/1,000 cbm), down 17% compared to 2008 due to FX effects (unchanged in RON terms since February 2008).

The regulated end-user gas price for households and industrial customers in Romania decreased by 3%, as of May 1st, 2009, and by a further 5% as of July 1st, 2009. However, this had no impact on the gas price for domestic producers.

Petrom injected 549 mn cbm into storage in 2009, compared to 441 mn cbm in 2008. The total volume of natural gas in storage at the end of December was 324 mn cbm.

EBIT recorded by Doljchim in 2009 was negative at RON (148) mn, burdened by the provisions made for closing the chemicals activity and reflecting the low demand and prices.

The volume of **Doljchim sales** decreased by 37% to 316 thousand tons. Sales in domestic as well as international markets dropped substantially due to the lack of demand and increasing difficulty of raising finance in the agricultural sector. Therefore, Doljchim was forced to first reduce and then temporarily halt production of fertilizers. Export sales represented around 30% of total sales.

Compliance investments in Doljchim totaled RON 7 mn, while power-related investments stood at RON 346 mn.

Regarding the chemicals and fertilizer segments, as they are a non-core business of Petrom and taking into account their poor economic performance in the current and foreseeable future , management has decided to exit this business.

Petrom will close Doljchim by the end of 2010 and until then will run the operations of Doljchim on an "as needed" basis and according to the company's integration needs.

Financial highlights

Profit and loss account

Q3/09	Q4/09	Q4/08	∆%	in RON mn	2009	2008	∆%
3,530	3,387	3,744	(10)	Net turnover	12,842	16,751	(23)
705	38	(1,200)	n.m	EBIT	1,197	1,309	(9)
775	619	(500)	n.m	thereof: EBIT E&P[1]	2,366	3,139	(25)
(42)	(392)	(993)	n.m	EBIT R&M	(828)	(1,895)	n.m
(2)	(32)	18	n.m	EBIT G&P	7	104	(93)
(33)	(89)	(36)	n.m	EBIT Corporate & other	(181)	(128)	n.m
8	(68)	310	n.m	EBIT Consolidation[2]	(167)	89	n.m
615	(171)	(1,269)	87	Net profit	1,368	1,022	34
675	1,432	1,766	(19)	Investments	4,145	6,404	(35)

[1] *Excluding intersegmental margin elimination now shown in the new line "EBIT Consolidation"; for reasons of comparability 2008 numbers are adjusted accordingly*

[2] *EBIT Consolidation result represents the intersegmental margin elimination which was reported until 2008 under E&P result*

Fourth quarter 2009 (Q4/09)

The Company **net turnover** in Q4/09 decreased by 10% to RON 3,387 mn compared to Q4/08, due to the decrease in quantities sold.

Operating expenses in Q4/09 decreased by 32% compared to Q4/08, to RON 3,464 mn. The main factors are the decrease in raw materials costs resulting from the lower quantities and prices of crude oil and also the lower provisions booked (Q4 2008 was burdened by employee litigation provisions).

EBIT amounted to RON 38 mn, higher than Q4/08 (loss of RON 1,200 mn) mainly due to the decrease in operating expenses.

Beginning in 2009, Petrom reports its segmental results before taking into account the necessary margin elimination from intersegmental transfers. This margin elimination represents an unrealized profit from oil and gas, which was transferred internally by E&P but remains in inventory of the other Petrom segments. Until the end of 2008, this adjustment was reflected in the E&P result. Starting in 2009, this is shown under the EBIT consolidation result. For purposes of comparability, 2008 figures have been adjusted accordingly.

The Company's **financial result** decreased in Q4/09 to RON (86) mn from RON (41) mn in Q4/08, mainly as a result of foreign exchange losses, lower dividends received, and interest expenses partially mitigated by the realization of oil price hedging. Hedging generated a financial gain of RON 59 mn as average oil prices in Q4/09 were below USD 80/bbl.

The **corporate tax charge** increased by RON 96 mn in Q4/09 compared to Q4/08, reaching RON 122 mn, mainly as a result of higher profits and provisions for the fiscal review booked in Q4/09 in the profit tax line (RON 43 mn).

Net profit improved by 87% in Q4/09 compared with Q4/08, mainly due to higher EBIT that offset the lower financial result.

Petrom contributed RON 1,759 mn to the State budget in Q4/09, 22% higher than in Q4/08. In Q4/09, profit taxes stood at RON 80 mn, royalties amounted to RON 153 mn and employer-related social contributions totaled RON 97 mn. Petrom's contribution to the State budget via indirect taxes was mainly represented by excise (RON 948 mn), employee-related taxes (RON 105 mn) and VAT (RON 341 mn).

Compared to Q3/09, the Company's net turnover in Q4/09 decreased by 4%, mainly driven by the decrease in quantities for gasoline and diesel partially offset by an increase in selling prices. EBIT was RON 38 mn, having decreased compared to the previous quarter (Q3/09: RON 705 mn) mainly due to impairments of refining assets following the revised investment plan announced in December, restructuring and other provisions. The Company's financial result decreased in Q4/09 to RON (86) mn from RON 36 mn in Q3/09, due to lower revenues from hedging, higher impairments of financial assets, which was offset by higher gains from foreign exchange. The corporate tax charge shows a slight decline by RON 3 mn in Q4/09 compared to Q3/09. Net profit fell significantly in Q4/09 compared with Q3/09 as a result of both weaker operating and financial results.

January - December 2009

The Company's **net turnover** in 2009 declined by 23% to RON 12,842 mn compared to 2008 mainly due to lower price levels and volumes.

Operating expenses decreased by 25% compared to 2008, to RON 12,009 mn, mainly due to lower quantities and prices for imported crude oil as well as due to lower provisions booked in 2009 (2008 was burdened by provisions booked for litigation and the Arpechim refinery impairment).

EBIT amounted to RON 1,197 mn, 9% below the RON 1,309 mn result in 2008, primarily as a result of lower oil prices and an unfavorable refining margin environment.

The Company's **financial result** improved in 2009 to RON 500 mn from RON 296 mn in 2008, mainly attributable to the positive impact of oil price hedging that generated a financial gain of RON 524 mn,which was offset by a negative foreign exchange result and interest expenses related to loans received.

The corporate tax charge registered a decline due to the lower level of net provisions booked in 2009.

As a result of its business activities, Petrom contributed RON 6,720 mn to the State budget, 4% higher than in 2008. Profit taxes totaled RON 286 mn, royalties amounted to RON 553 mn and social contributions reached RON 563 mn. Petrom's contribution to the State budget via indirect taxes was mainly represented by excise (RON 3,761 mn) and also employee related taxes (RON 602 mn) and VAT (RON 779 mn). A standard review process for all taxes related to the years 2004 to 2008 has been carried out by fiscal authorities and, upon its finalization in early 2010, the Company booked provisions amounting RON 234 mn to reflect the outcome of the review. Such provisions are included in operating expenses (RON 191 mn) and in the profit tax line (RON 43 mn).

Net profit increased by 34% in 2009 compared to 2008 mainly due to the positive impact of the financial result.

Balance sheet

Total assets amounted to RON 26,713 mn as of December 31, 2009, up by 7% compared to the end of 2008 (RON 24,927 mn), mainly as a result of investments realized in 2009.

Non-current assets increased by 12% to RON 22,243 mn, mainly driven by significant investments related to E&P for the development and modernization of wells, surface facilities and production equipment, as well as to R&M, Power and Corporate projects. In 2009, non-current assets increased also due to additional loans given to subsidiaries.

Total current assets, including pre-payments, decreased by 13% to RON 4,470 mn compared to the end of 2008 (2008: RON 5,121 mn), mainly as a result of lower short-term investments related to oil price hedging and lower inventories partially compensated by an increase in short-term financial assets. Inventories decreased compared with the previous year mainly due to lower quantities of materials.

Total liabilities (including provisions and deferred income) increased by 11% to RON 12,657 mn as of December 31, 2009, mainly due to an increase in long-terms loans and liabilities from hedging offset by a decrease in trade payables and provisions.

Shareholders' equity amounted to RON 14,056 mn as of December 31, 2009 and increased by 4% from the end of 2008 (RON 13,569 mn), as a result of the net profit generated in the current year and reduced by a decrease in the not realized portion of the oil price hedging.

Due to the competitive environment, operational cash flow was lower. As the Company continued to keep the investments for strategic projects with a strong economic impact at high level, additional financing was needed. As a result, the **indebtness ratio**[4] reached 19.99% at the end of December 2009 (11.09% at the end of 2008).

[4] *The indebtness ratio is calculated as Long term debt/(equity) x 100, according to the Romanian National Securities Commission's regulations.*

Investments

Q3/09	Q4/09	Q4/08	Δ%	in RON mn	2009	2008	Δ%
514	1,065	990	8	Exploration & Production	2,806	4,524	(38)
66	156	611	(74)	Refining & Marketing	559	1,297	(57)
28	69	89	(22)	Gas & Power	353	386	(9)
67	142	76	87	Corporate & others (Co & O)	427	197	117
675	**1,432**	**1,766**	**(19)**	**Total investments**	**4,145**	**6,404**	**(35)**

Fourth quarter (Q4/09)

Total investments in Q4/09 were RON 1,432 mn, 19% down from Q4/08. Investments in E&P (8% higher than in Q4/08) represented 74% of the total for Q4/09 and were focused on the drilling program and surface facility modernization. Approximately 11% of total investments were realized by R&M, represented by investments in Refining (7%) and investments in Marketing (4%). Investments in G&P were directed to the Brazi power plant. Corporate & Other investments increased compared to Q4/08 mainly due to investments in the new head office, "Petrom City", in Bucharest.

Compared to Q3/09, total investments in Q4/09 increased by 112%.

January - December 2009

Investments for Petrom SA in 2009 amounted to RON 4,145 mn, a 35% decrease compared to 2008. Investments in E&P accounted for 68% of the total figure of 2009, mainly due to the continued focus on field development and production drilling. Approximately 13% of total investments were realized by R&M. In Refining, investments were mainly related to the FCC gasoline post-treater project, the DCS (Distributed Control System) implementation and the systematization and revamp of the Refinery Tanks Farm. The marketing division investments focused on the modernization of oil terminals. Investments in G&P mainly comprised investments in the Brazi power plant. Corporate investments more than doubled compared to 2008 mainly due to construction works at Petrom City.

Subsequent events

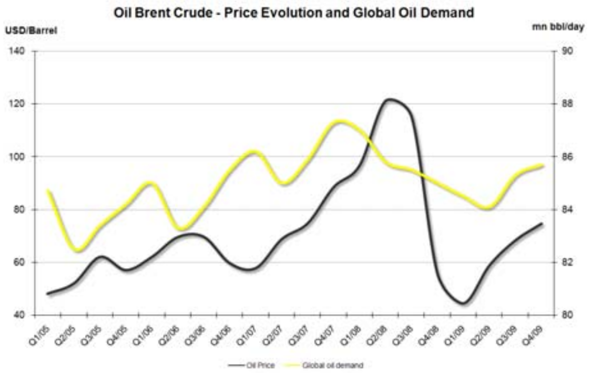
Starting January 1, 2010, the company name is OMV PETROM S.A., following the Decision of the Extraordinary General Meeting of Shareholders held on October 20, 2009. The Company's brand and logo remain unchanged. Consequently, any reference within the document to "Petrom" or the "Company" will be interpreted as a reference to OMV Petrom S.A. legal entity.

Starting February 1, 2010, following a decision by Petrom's Supervisory Board, Rainer Schlang became a member of Petrom's Executive Board, responsible for Marketing. He succeeds Tamas Mayer, who assumed new responsibilities at Petrol Ofisi, Turkey's leading fuel and lubricants distribution company, in which OMV holds a 41.58% stake.

Petrom consolidates sales and supply activities within Petrom Gas SRL a 100% Petrom owned company, starting February 1st, 2010.

Business environment

A better than expected performance of emerging economies tends to indicate that the global economy may have emerged out of recession faster than estimated. However, downside risks to a full economic recovery continue to persist as the effects of government support stimulus start to fade. According to IEA estimates, **world oil demand** fell by 1.5% to 84.9 mn bbl/d in 2009. OECD oil demand shrank at an annualized rate of 4.4%, driven largely by weaker than expected consumption in both Europe and North America. In contrast, non-OECD oil demand rose by 2%, or 0.8 mn bbl/d in 2009, powered by a better than expected performance of the Chinese economy.



Global oil production fell by 2%, or 1.7 mn bbl/d in 2009. OPEC's market share dropped as crude production volumes, which stood at 28.5 mn bbl/d, were more than 8% lower compared to 2008. Non-OPEC oil supply rose by 0.6%, or 51.3 mn bbl/d, with OECD output staying virtually flat at 19.3 mn bbl/d and oil production higher in Russia and South America.

In 2009, the average **Brent price** was USD 61.67/bbl, 37% lower compared to 2008. Driven by a weak US dollar and more positive news about the global economic recovery, oil prices rose steadily from an average of USD 44/bbl in the first quarter of 2009 to USD 75/bbl in the last quarter of the year. The average **Urals price** in 2009 was USD 61.18/bbl, 35% lower compared to 2008.

The Romanian economy suffered a deep contraction in 2009. Reduced credit availability and increasing uncertainty about future income caused a sharp reduction in domestic consumption, the main engine of growth over recent years. Fourth quarter GDP data came in well below market expectations, showing that the economy was still in recession. In Q4/09, GDP continued to shrink and was down 6.6% against the same period a year ago. Overall, in 2009, annual GDP contracted by 7.2%. Throughout the year the level of domestic economic activity remained low and was dependent to a large extent on the demand revival in major EU economies. Squabbles among political parties in an election year, which prevailed during the most part of 2009, prevented the authorities from formulating a coherent response to the economic crisis.

Industrial production was particularly badly hit in 2009, falling by an estimated 6.5% compared to the same period a year before. However, the performance differed between various sectors, with manufacturing dropping by more than 11% while the production and distribution of electricity, thermal energy and gas rose by 6% during the same period.

Private consumption suffered a sizable contraction in 2009 as the population's purchasing power continued to diminish. Annual net wage growth turned negative in December for the first time in more than two decades. As a consequence, demand for non-governmental **domestic credit** continued to weaken. With banks also under pressure to limit their loan losses, real domestic credit fell in 2009 by 3.5%.

The **current account** deficit was reduced significantly to EUR 5 bn, down to 4.3% of GDP, from over 12% of GDP a year ago. As demand continued to remain weak, imports of intermediate manufacturing products and raw materials remained low. However, lower investments in the economy also reduced the level of equipment and machinery imports.

Although the trend in the Consumer Price Index (CPI) **inflation rate** continued to point downwards, 2009 end-year inflation stood at 4.75%, marginally higher than 4.5%, the upper limit of the NBR's inflation target band.

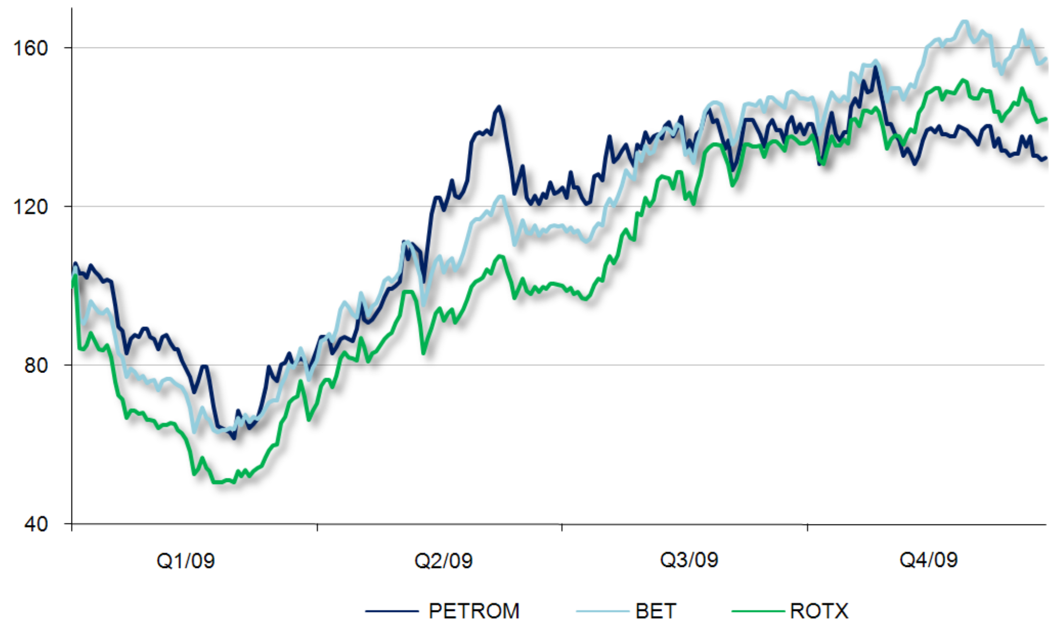
Monetary policy stance was predominantly loose in 2009. Over the year the Monetary Policy Council gradually reduced the NBR **benchmark interest** rate by a cumulative 225 basis points, from 10.25% to 8%. Although at the early stages of the relaxation cycle the reduction in NBR's benchmark interest rate was relatively slow to feed into commercial banks' lending rates, at the end of 2009 this process was gathering pace.

In 2009, the RON fell against both EUR and USD. Although exchange rate volatility was lower in 2009 compared to 2008, considerable uncertainty over the course of the RON persisted in foreign exchange markets. The yearly average **USD/RON** rate rose by 21% compared to the value recorded in 2008, while the average **EUR/RON** rate appreciated at a slower rate, 15%, over the same period.

Q3/09	Q4/09	Q4/08	Δ%	Average FX-rates	2009	2008	Δ%
4.226	4.268	3.818	12	Average EUR/RON FX-rate	4.240	3.683	15
2.956	2.888	2.899	-	Average USD/RON FX-rate	3.048	2.520	21
1.430	1.478	1.317	12	Average EUR/USD FX-rate	1.395	1.471	(5)

Stock watch

Evolution of Petrom share price, BET and ROTX indices (January - December 2009)



During Q4/09, Petrom's share evolution was highly volatile, overall underperforming the market trend. Petrom's share price decreased in Q4/09 by 6% compared to the end of Q3/09, closing at RON 0.2490/share on December 24, while reaching its year's high on October 23, of RON 0.2920/share. Meanwhile, BET index increased by 7%, BET-NG by 3% and Brent price rose by 13%.

ISIN: ROSNPPACNOR9	Market capitalization, December 24*	RON 14 bn
Bucharest Stock Exchange: SNP	Market capitalization, December 24	EUR 3.4 bn
Reuters: SNPP.BX	Closing price, December 24 (RON/share)	0.2490
Bloomberg: SNP RO	Year’s high, October 23 (RON/share)	0.2920
	Year’s low, March 3 (RON/share)	0.1160
	Number of shares	56,644,108,335

** December 24, was the last day of trading on BSE*

Abbreviations

bbl	Barrel
boe	Barrel of oil equivalent
bn	Billion
cbm	Cubic meters
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortization
E&P	Exploration and Production
EPS	Exploration and Production Services
FX	Foreign Exchange
G&P	Gas and Power
GDP	Gross Domestic Product
HFO	Heavy fuel oil
IEA	International Energy Agency
kt	Thousand tons
mn	Million
NBR	National Bank of Romania
NGL	Natural Gas Liquids
n.m.	Not meaningful
OECD	Organisation for Economic Co-operation and Development
OPEC	Organization of Petroleum Exporting Countries
RAS	Romanian Accounting Standards
RON	New Romanian Lei
R&M	Refining and Marketing
t	Ton
VAT	Value added tax

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Next release:

The next results announcement for January - March 2010 will be released on May 07, 2010.

Important notice

Beginning with the presentation of the results for January – March 2010, Petrom will report its consolidated results to the capital markets according to the International Financial Reporting Standards in its quarterly, half-year and annual releases. These reports will be published at the dates specified in Petrom's Financial Calendar for 2010.

OMV Petrom SA's standalone results prepared according to the Romanian Accounting Standards will only be reported on a half-year and annual basis, starting with the half-year 2010 results. The standalone results will be disseminated in accord with capital markets regulations and within the timeframe set by the legal requirements.

Profit and Loss Account as of December 31, 2009

(Figures for Petrom SA only, according to Romanian Accounting Standards)

RON	December 31, 2008	December 31, 2009
1. Net turnover	16,750,726,457	12,842,384,017
Sales of production	15,795,814,081	11,251,543,470
Sales of merchandise	954,912,376	1,590,840,547
Interest income- from lease companies	-	-
Interest from subsidies related to net turnover	-	-
2. Movements in stocks of finished goods		
Credit balance	366,871,954	0
Debit balance	-	1,860,989
3. Own work capitalized	142,029,297	207,915,979
4. Other operating revenues	139,996,979	157,743,750
TOTAL OPERATING REVENUES	**17,399,624,687**	**13,206,182,757**
5. a) Raw materials and consumables expenses	5,112,307,267	2,401,790,216
Other materials expenses	54,885,214	42,888,818
b) Other utilities expenses (energy and water)	538,886,526	500,328,874
c) Purchase of goods for resale	874,769,042	1,325,179,709
6. Salary expenses, of which:	2,328,955,335	2,344,256,632
a) Salaries	1,820,059,602	1,822,027,783
b) Social security contributions	508,895,733	522,228,849
7 a) Adjusting the value of tangible and intangible assets	2,256,092,738	1,752,308,449
a.1) Expenses	2,268,743,945	1,797,220,345
a.2) Revenues	12,651,207	44,911,896
b) Adjusting the value of current assets	143,291,376	135,861,336
b.1) Expenses	288,238,885	367,806,204
b.2) Revenues	144,947,509	231,944,868
8. Other operating expenses	4,137,052,619	3,989,067,869
8.1 Third parties services	2,896,215,547	2,722,796,166
8.2 Other taxes, duties and similar expenses	828,870,302	665,086,775
8.3 Other operating expenses	411,966,770	601,184,928
Interest related to refinancing activities	-	-
Adjustments for provisions for risks and charges	644,151,339	(482,777,610)
Expenses	1,547,984,039	468,072,436
Revenues	903,832,700	950,850,046
TOTAL OPERATING EXPENSES	**16,090,391,456**	**12,008,904,293**
OPERATING RESULT:		
- Profit	**1,309,233,231**	**1,197,278,464**
- Loss	-	-
9. Income from investments	175,686,353	183,833,432
- of which, within the group	174,153,842	180,974,269
10. Income from other financial investments and receivables , part of financial assets	-	-
- of which, within the group	-	-
11. Income from interest	135,263,405	119,402,753
- of which, within the group	87,520,178	87,180,978
Other financial revenues including forex gain	1,620,812,172	816,143,358
TOTAL FINANCIAL REVENUES	**1,931,761,930**	**1,119,379,543**
12. Adjustment of financial assets and investments held	133,753,212	137,497,382
Expenses	180,604,658	138,950,257
Revenues	46,851,446	1,452,875
13. Interest expenses	23,563,439	104,136,725

RON	December 31, 2008	December 31, 2009
- of which, within the group	-	26,244,216
Other financial expenses including forex loss	1,478,115,170	377,504,155
TOTAL FINANCIAL EXPENSES	**1,635,431,821**	**619,138,262**
FINANCIAL RESULT		
- Profit	296,330,109	500,241,281
- Loss	-	-
14 Current result:		
- Profit	**1,605,563,340**	**1,697,519,745**
- Loss	-	-
15. Extraordinary revenues	-	-
16. Extraordinary expenses	-	-
17. Extraordinary result:	**-**	**-**
- Profit	**-**	**-**
- Loss	**-**	**-**
TOTAL REVENUES	**19,331,386,617**	**14,325,562,300**
TOTAL EXPENSES	**17,725,823,277**	**12,628,042,555**
Profit before tax:		
- Profit	1,605,563,340	1,697,519,745
- Loss	-	-
18. Tax on profit	**583,175,877**	**329,392,114**
19. Other tax expenses not shown above	-	-
20. NET RESULT OF FINANCIAL YEAR:		
- Profit	**1,022,387,463**	**1,368,127,631**
- Loss	-	-

Balance Sheet as of December 31, 2009

(Figures for Petrom SA only, according to Romanian Accounting Standards)

RON	31/12/2008	31/12/2009
A. Non-current assets		
I Intangible assets	1,129,715,521	987,168,130
II Tangible assets	13,655,674,197	15,828,768,819
III Financial assets	5,021,081,500	5,427,065,633
Total non-current Assets	**19,806,471,218**	**22,243,002,582**
B. Current assets		
I. Inventories	2,394,434,361	2,097,889,862
II. Receivables	1,704,211,989	2,035,806,491
III. Short-term investments	724,024,630	0
IV. Cash and bank accounts	261,438,312	280,035,791
Total Current Assets	**5,084,109,292**	**4,413,732,144**
C. Prepayments	36,865,667	56,803,658
D. Payables within one year	**3,446,027,370**	**3,561,335,577**
o/w Bonds and interests bearing liabilities	300,526,268	419,872,493
E. Current assets, less current liabilities	1,546,602,219	823,564,984
F. Total assets less current liabilities	21,353,073,437	23,066,567,566
G. Payables in more than one year	**1,504,095,402**	**2,822,317,311**
o/w Bonds and interests bearing liabilities	1,486,003,422	2.810.448.785
H. Provisions for risks and charges	6,262,466,399	6,176,529,278
I. Deferred income	146,258,559	97,208,977
1. Investment subsidies	17,913,189	11,573,736
2. Deferred income	128,345,370	85,635,241
J. Share capital and reserves		
I. Share capital	5,664,410,834	5,664,410,834
of which:		
- subscribed and paid in share capital	5,664,410,834	5,664,410,834
- subscribed and not paid in share capital	-	-
- patrimony	-	-
II. Premium related to capital	-	-
III. Revaluation reserves	50,904,252	81,614,855
IV. Reserves	6,315,308,717	5,483,143,103
V. Retained earnings		
Credit balance	587,632,269	1,537,974,647
Debit balance	-	-
VI. Profit for the period		
Credit balance	1,022,387,463	1,368,127,631
Debit balance	-	-
Profit appropriation	72,045,088	79,123,829
Total Shareholders' Equity	**13,568,598,447**	**14,056,147,241**
Public patrimony	-	-
Total equity	**13,568,598,447**	**14,056,147,241**