OMV Petrom Q4/16, FY 2016 and Strategy Update 2021+
February 16, 2017

Mariana Gheorghe, CEO

OMV Petrom

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Key messages 2016

- Free cash flow at RON 1.6 bn, due to investment prioritization and strict cost discipline
- Clean CCS EBIT at RON 1.7 bn; higher Downstream contribution
- OMV Petrom's Free Float increased to 15.8%; GDRs traded on the London Stock Exchange since October 2016
- Dividend proposal: RON 0.015/share[1]

- Upstream: daily hydrocarbon production decline offset by significant cost savings
- Downstream Oil: higher retail sales volumes offset by weaker refining margins
- Downstream Gas: good overall performance
- 2016 LTIR[2] at 0.20

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

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Romanian macroeconomic and fiscal environment

Macroeconomic environment

- **2016 GDP growth**[1]: 4.8% yoy
- **CPI annual inflation**: -0.5% end-Dec;12-month average: -1.5%
- **Budget balance**: -2.4% of GDP end Dec 2016
- **FDI**: EUR 3.9 bn in Jan-Nov, 22% higher yoy
- **Investment grade rating**: BBB- (S&P and Fitch), Baa3 (Moody's)
- **Demand in 2016 yoy:** Fuels[2] 5%; Gas[3] 3%; Power[4] 1%

Fiscal framework

- **Supplementary taxation**[5] extended until end-2017
- **Tax on 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; [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

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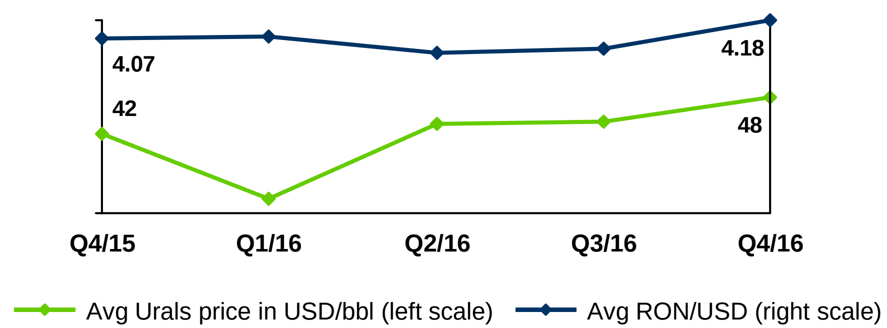
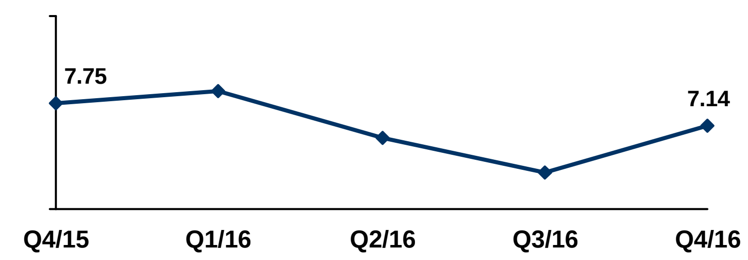
Economic environment

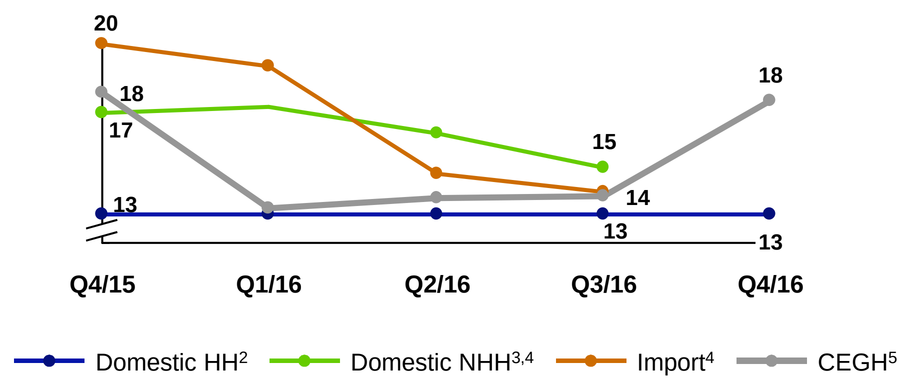
Oil price (USD/bbl) and FX (USD/RON)



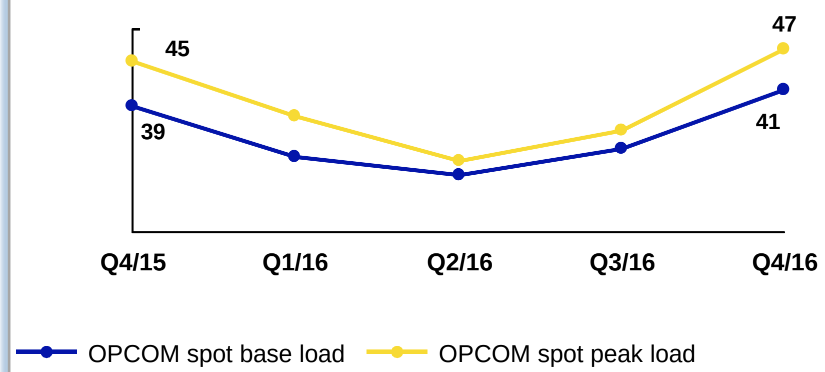
OMV Petrom Indicator refining margin (USD/bbl)



Gas prices (EUR/MWh)[1]



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



[1] Converted from RON into EUR, FX rate: 4.5; [2] Regulated price for households; [3] Price for gas sold by producers to the suppliers of end-users in the free market; [4] As published by ANRE (Q3/16 price is the extrapolation of July 2016 price, latest published by ANRE); [5] Central European Gas Hub

2016 CAPEX and E&A in line with guidance

CAPEX cuts mainly driven by focus on the most profitable barrels

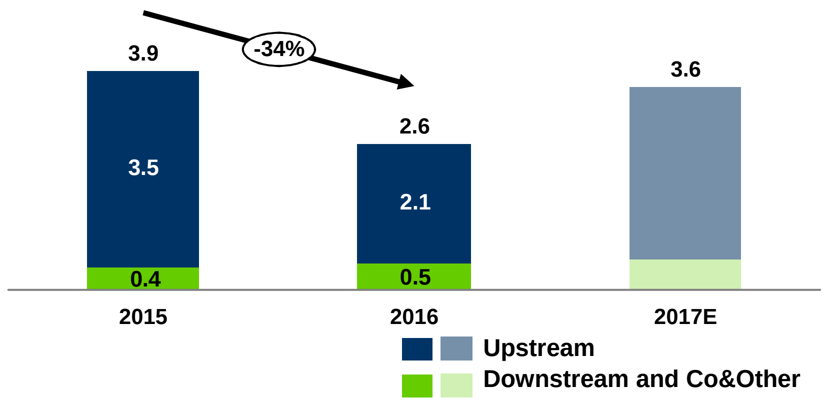
CAPEX incl. capitalized E&A

- **2016 down by RON 1.3 bn, -34% yoy**
  - Upstream CAPEX down by RON 1.4 bn mainly on projects prioritization
  - Downstream CAPEX up by RON 51 mn largely due to Q2/16 refinery turnaround
- **2017E 40% higher than 2016**
  - Focused on drilling, workovers and FRDs
  - Around 70 wells planned to be drilled

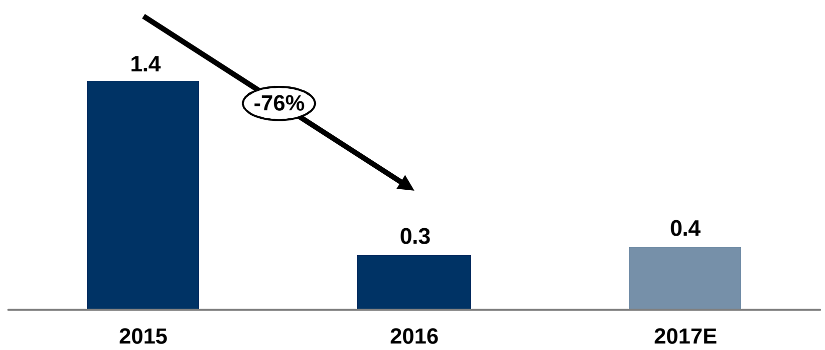
E&A Expenditure

- 2015 included Neptun Deep drilling campaign and onshore deep exploration (JV with Repsol)
- 2017E includes drilling of six wells, onshore and shallow offshore

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



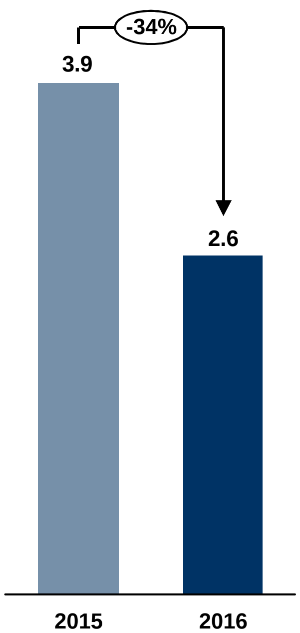
E&A expenditure (RON bn)



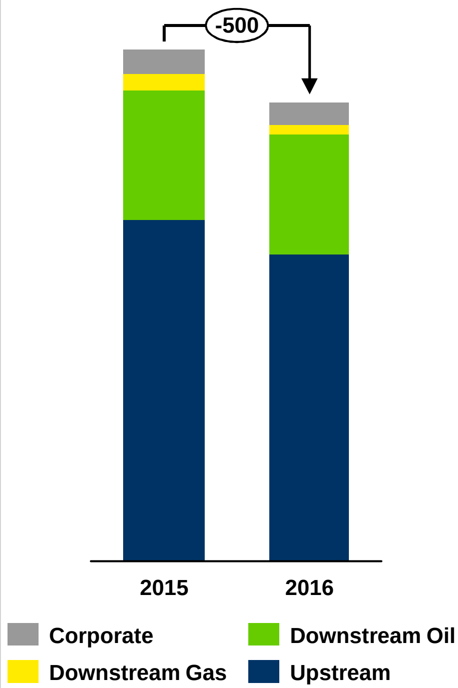
Strong execution of efficiency plans

Upstream
OPEX in USD/boe

CAPEX
RON bn



Operating cost savings
RON mn



FCF[1]
RON bn

[1] FCF before repayment of loans and dividend payments

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February 16, 2017

Andreas Matje, CFO

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2016 Strong financial resilience

Profitability impacted by ongoing market backdrop

- RON 1.7 bn Clean CCS EBIT, -33% yoy
- RON 4.5 bn operating cash flow, -16% yoy
- Clean CCS EBIT margins decline partly mitigated by cost savings

Strengthened balance sheet

- Switched from RON 1.3 bn net debt at end 2015 to RON 0.2 bn net cash at end 2016
- FCF after dividends improved to RON 1.6 bn in 2016 vs. RON (0.3) bn in 2015
- Equity ratio up 2pp to 64%

Restoration of dividend distributions

- 2016 proposed: RON 0.015/share[1]
- Dividend yield[2]: 5.3%
- 2016 FCF coverage of dividends: 1.8x

[1] Executive Board's proposal subject to approvals of the Supervisory Board and Annual General Meeting of Shareholders; [2] Using a share price of RON 0.2835 as at 10 February 2016

Cash flow development

Strong FCF generation

RON mn	Q4/16	Q4/15	2016	2015
Cash flow from operating activities (CFO)	1,070	1,104	4,454	5,283
Thereof, Depreciation, amortization and impairments including write-ups (D&A)	866	3,253	3,464	6,761
Change in net working capital (NWC)	(191)	(31)	(27)	146
Cash flow from investing activities (CFI)	(638)	(1,070)	(2,896)	(4,953)
Cash flow from financing activities (CFF)	(239)	(48)	(376)	(794)
Cash and equivalents at end of period	1,996	813	1,996	813
Free cash flow after dividends	432	32	1,558	(301)

2016 vs. 2015

- 2016 operating cash flow resilience supported by:
  - cost savings partly offsetting impact of declining prices and refining margins
  - partly offset by unfavourable net working capital developments
- Cash flow from investments reduced by RON 2 bn on prioritised CAPEX, mostly in Upstream
- FCF after dividend at RON 1.6 bn achieved despite low oil price environment (Brent average at USD 44/bbl, -17% yoy)

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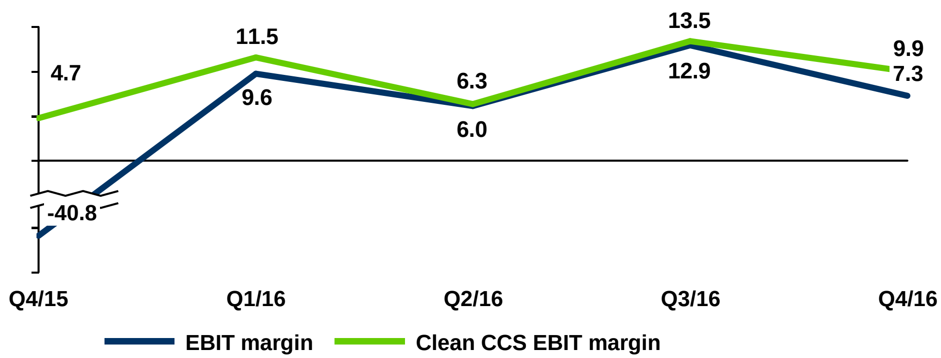
Income statement summary

RON mn	Q4/16	Q4/15	2016	2015
Sales	4,595	4,518	16,247	18,145
Clean CCS EBIT	454	211	1,694	2,522
EBIT	335	(1,844)	1,469	(530)
Financial result	(103)	(135)	(204)	(196)
Taxes	(73)	299	(227)	36
Net income [1]	162	(1,675)	1,043	(676)
Clean CCS net income [1]	263	68	1,162	1,801

EBIT margins[2] evolution (%)



Q4/16 vs. Q4/15

- Clean CCS EBIT margin development driven by cost reductions, as yoy sales performance was relatively flat
- Special items include charges of RON (193) mn in Q4/16 vs. RON (1,930) mn in Q4/15
- Effective tax rate at 31% due to non-deductible special charges

2016 vs. 2015

- Clean CCS EBIT margin declined due to the challenging market environment
- EBIT turned positive, as 2015 was impacted by impairments of Upstream assets
- Clean CCS net income down 36% on lower Clean CCS EBIT and higher income taxes

[1] Attributable to stockholders of the parent; [2] EBIT/Sales and Clean CCS EBIT/Sales

Clean CCS EBIT overview

Q4/16 Clean CCS EBIT more than double yoy

RON mn	Q4/16	Q4/15	2016	2015
Clean CCS EBIT	454	211	1,694	2,522
Upstream	246	(223)	575	919
Downstream	292	269	1,122	1,169
Thereof Downstream Oil	288	277	1,112	1,315
Downstream Gas	5	(8)	11	(145)
Corporate and Other	(25)	(17)	(69)	(75)
Consolidation	(60)	181	65	509

Q4/16 vs. Q4/15

- Improved Clean CCS EBIT due to lower exploration expenses and depreciation
- Upstream result supported by higher oil prices (Urals up 13%) and gas sales volumes
- Downstream result improved, despite challenging environment

2016 vs. 2015

- Upstream results impacted by lower oil prices (Urals down 18%)
- Downstream Oil result reflects lower refining margins (-20%) and one month turnaround
- Downstream Gas: favorable evolution of provisions; significantly higher power business contribution
- Consolidation: milder decrease of crude prices in 2016 vs. 2015 led to a lower positive impact

Upstream Clean EBIT turnaround

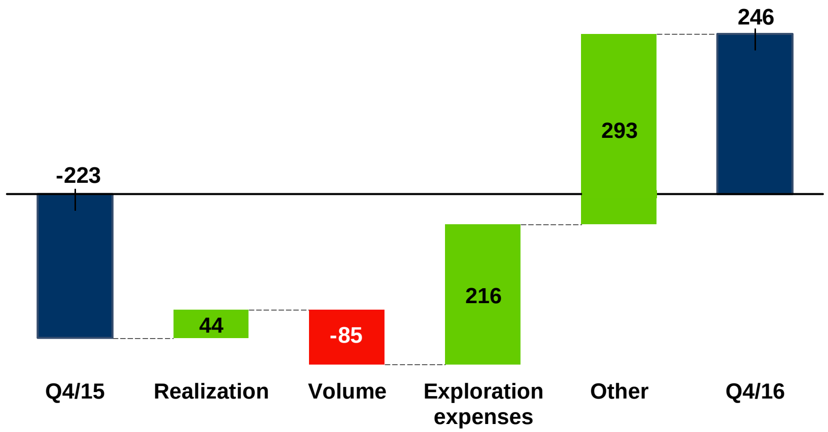
Improved results based on lower Exploration and Other expenses

Key drivers Q4/16 vs. Q4/15

- Realised oil price +15%
- Decreased production costs (-3%), royalties & depreciation
- Lower exploration expenses due to lower activity in Neptun

- Production -3%

Clean EBIT (RON mn)



Upstream – Improved efficiency

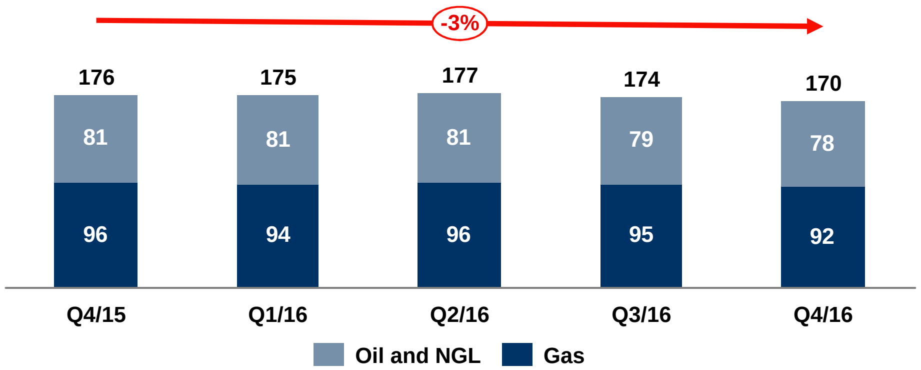
Production decline below upper limit guidance

Key drivers Q4/16 vs. Q4/15

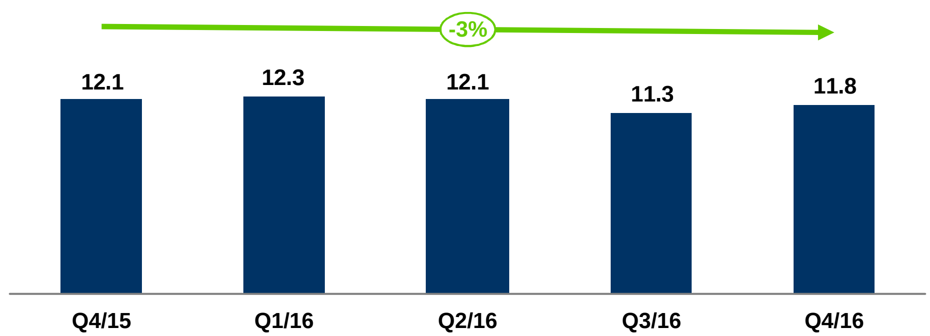
- OPEX, in USD/boe terms, -3%, as efficiency plans delivered lower services, personnel and materials costs

- Total Upstream production -3%, due to:
  - surface facility works in Totea Deep
  - partially compensated by Lebada East NAG

Hydrocarbon production (kboe/d)



OPEX (USD/boe)



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Downstream results improved

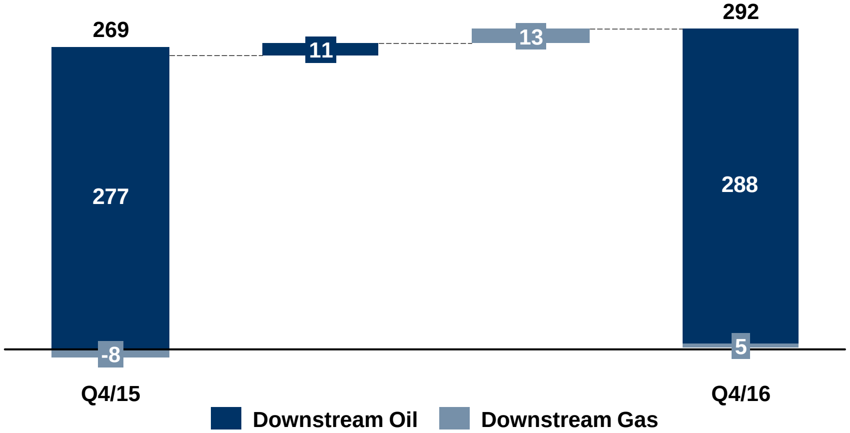
Both Downstream segments displayed improved contribution

Key drivers Q4/16 vs. Q4/15

- Higher contribution from both refining (due to cost savings) and retail
- Good gas business performance

- Refining margins -8%, impacted by higher cost of crude offsetting better product spreads
- Lower contribution of the power business

Clean CCS EBIT (RON mn)



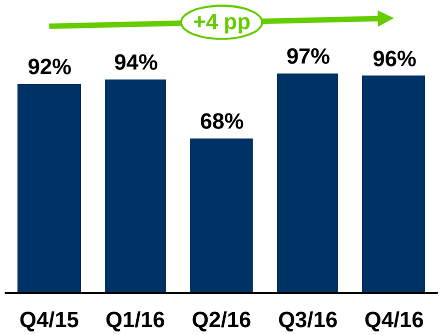
Downstream – Mixed operational performance

Key drivers Q4/16 vs. Q4/15

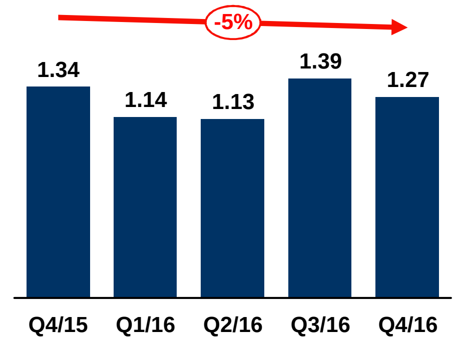
- Growth in retail sales of +2%[1]
- Higher gas sales volumes despite competition from import gas

- Refined product sales down reflecting high base effect from Q4/15
- Lower net electrical output due to unplanned outage of Brazi power plant

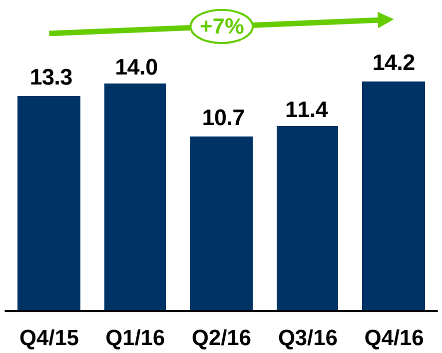
Refinery utilization rate (%)



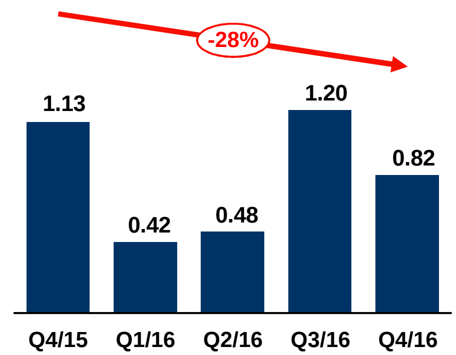
Refined product sales volumes (mn t)



Gas sales volumes (TWh)



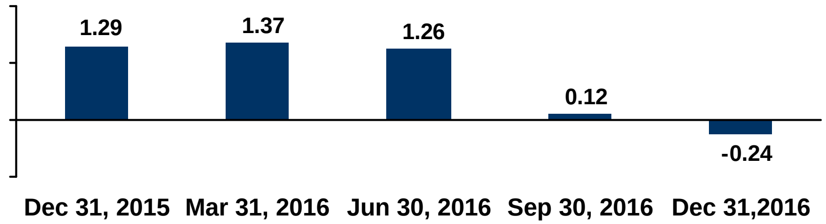
Net electrical output (TWh)



[1] Like-for- like: until end-2015 figures also reflected wholesales in the Republic of Moldova

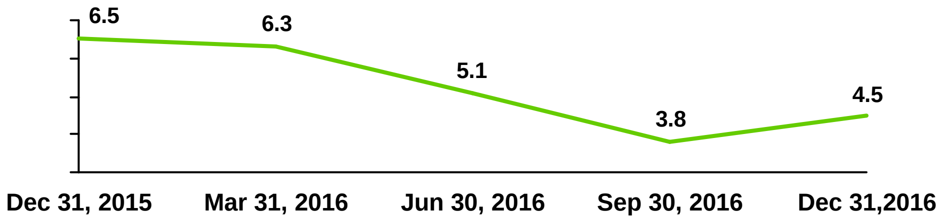
Stronger balance sheet

Net debt/(cash) development (RON bn)



Gearing ratio[1]	5%	5%	5%	0%	n.m.

Clean CCS ROACE (%)



Main developments

- Switched from RON 1.29 bn net debt position at end 2015 to RON 0.24 bn net cash at end 2016
- Equity ratio[2]
  - end-2015: 62%
  - end-2016: 64%
- ROACE yoy evolution reflects the challenging environment; ROACE slightly improving in Q4/16

[1] Net debt/(cash) divided by equity; [2] Total equity divided by total assets

Outlook 2017

Assumptions	Targets
Brent at USD 55/bbl	**Production** decline up to 3% yoy
Refining margins to decline	**CAPEX** budget increased to EUR 0.8 bn (~85% in Upstream)
Fuel demand on an upward trend	Positive **FCF** after dividends
Gas demand broadly flat; high competition and margin pressure	Strong **balance sheet** maintained
Power demand relatively stable; positive average spark spreads	Attractive dividend

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February 16, 2017

Mariana Gheorghe, CEO

OMV Petrom

Our path to long-term success

Solid Foundation	+	Vision	+	Clear Strategy	+	Defined Execution Plan	=	Deliver Sustainable Value Creation
▶ Integrated business model delivers value through the cycle ▶ Strong track record of capital management ▶ Strong cash generation		▶ Provider of sustainable access to energy for everyday modern life ▶ Capitalizing on OMV Petrom's existing assets and skills		▶ Enhance competitiveness of existing portfolio ▶ Develop growth options ▶ Expand the regional footprint		▶ Sustainability of reserves base ▶ Operational efficiency ▶ Value chain ▶ Customer experience **Enabled by:** ▶ People and Organizational Culture ▶ Sustainability ▶ Technology and Innovation		▶ Attractive shareholder returns ▶ Improved profitability ▶ Strong balance sheet ▶ Readiness for new world of energy

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2021+ Centered around three key pillars

Enhancing competitiveness in the existing portfolio

Developing growth options

Regional expansion

Commitment to deliver attractive shareholder returns

Exploiting potential in existing upstream field portfolio

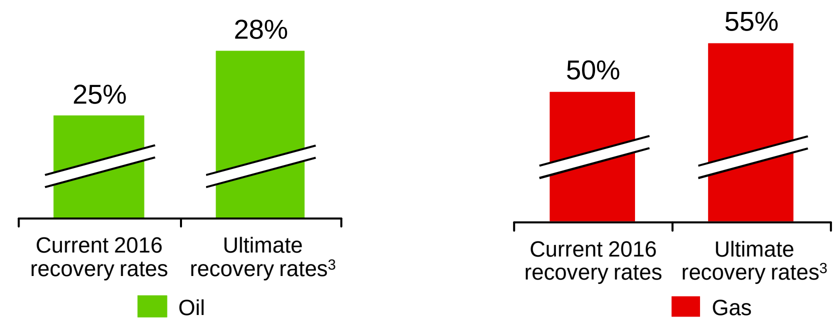
Maximize economic recovery

- Mature contingent resources through:
  - infill drilling campaigns
  - selected field redevelopment programs
- Adding ~150 mn boe[1] reserves from existing fields
- Leading to improved ultimate recovery rates
- Key contributor to RRR[2] target

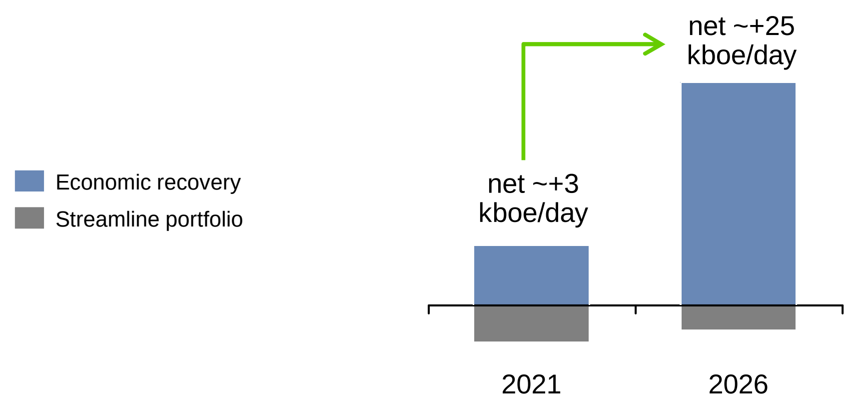
Streamline portfolio

- Simplify footprint and reduce complexity
- Expect production loss of up to 6 kboe/day from 2018

Oil and Gas recovery rates



Additional production expected from economic recovery offsets loss from streamlining portfolio



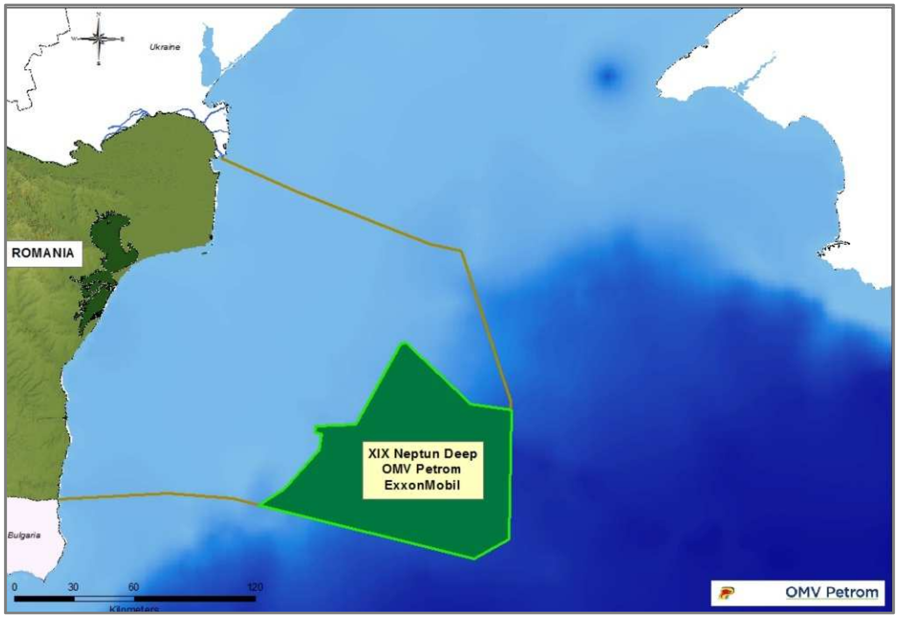
[1] Life of field; [2] Reserves Replacement Rate; [3] Life of field including strategic ambitions

Relentless pursuit of operating efficiencies

Upstream	▸ Focus on the most profitable barrels ▸ Commitment to operational excellence ▸ Further reduction of unit costs ▸ Modernization and simplification of installations and facilities
Downstream	▸ Capturing of highest integrated operational value ▸ Maximization of availability and utilization of downstream plants ▸ Further improvement of the refinery operations to international benchmarks ▸ Increase in throughput per filling station
Group	▸ Focus on value over volume ▸ Ongoing corporate SG&A[1] savings ▸ Agile and efficient organization ▸ Technology driven initiatives

[1] Selling, General and Administration Expense

Mature Neptun Deep opportunity



- OMV Petrom (50%), ExxonMobil (50%, Operator)
- First exploration drilling campaign in 2011 – 2012
  - Domino-1 well gas discovery: a play opener
- Two seismic acquisition campaigns: 2009; 2012 – 2013
- Second exploration drilling campaign 2014 - 2016
  - Seven wells drilled; most of them encountered gas
  - Successful well test of Domino structure
- Committed to assess commercial viability based on encouraging results
- Key contributor to RRR[1] target[2]

[1] Reserves Replacement Rate; [2] If commercially viable

Capture downstream opportunities

Increase integrated value through refining and retail investments

- Polyfuel project to upgrade production mix (operative 2019)
- Invest in new retail stations in high traffic areas

Conclude modernization of fuel storage network

- Finalise last depot modernization in 2018

Explore value-adding opportunities for gas

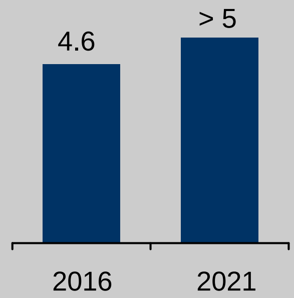
Explore technological opportunities capitalizing on skills and assets

Enhance offer and customer experience

Downstream Oil

Value for money

Increase throughput per filling station in Romania (mn l)



High quality leader

Innovation and partnerships to strengthen Petrom and OMV brand positioning

Downstream Gas

Develop partnerships

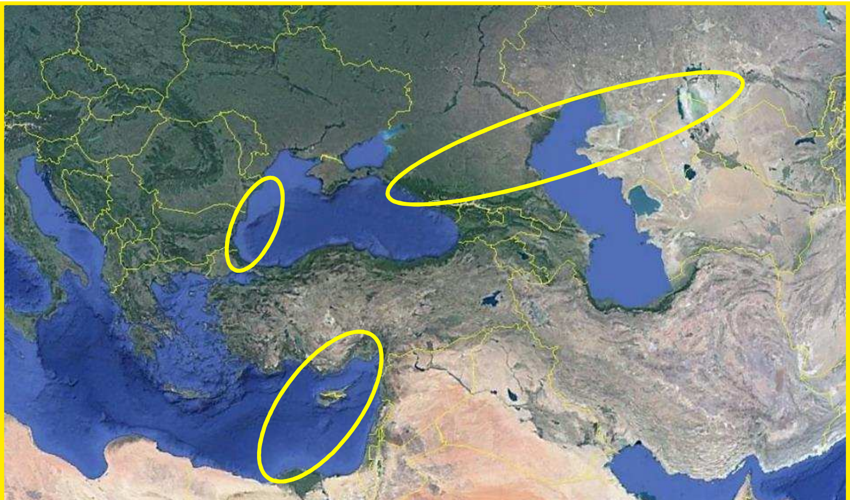
Expanding domestic reach

Product innovation

Regional expansion to complement portfolio

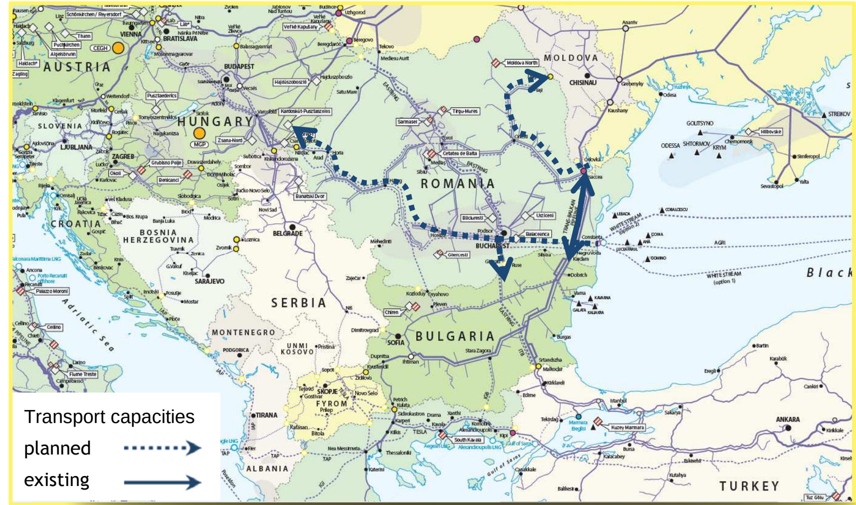
Leverage our local know-how

Upstream



- Capture synergies with existing operations
- ~80 mn boe reserves targeted from near-term acquisitions
- Prioritise Caspian and Western Black Sea

Downstream Gas



- Diversify sales channels for current production (subject to interconnectors development)
- Grow regionally with Neptun[1] volumes monetization

[1] If commercially viable

OMV Petrom

Success built on three core strategic enablers

People and Organizational Culture

We are the energy

Sustainability

Respect the future

Technology and Innovation

Innovate for the future

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Andreas Matje, CFO

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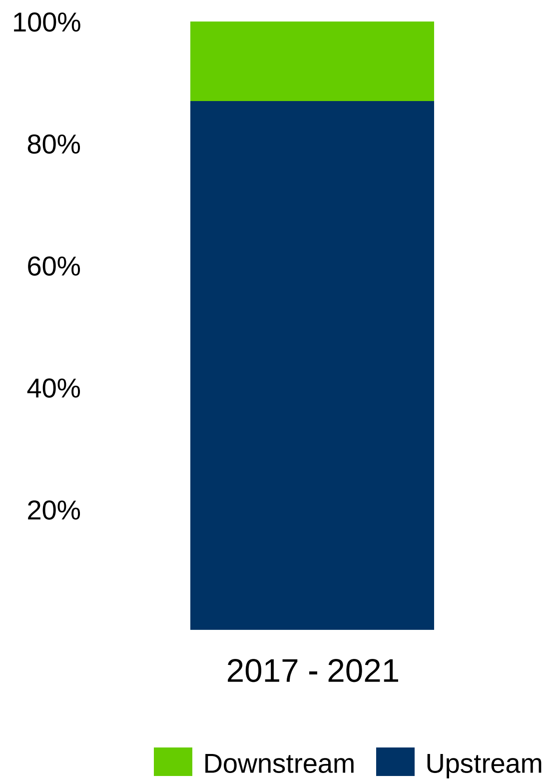
Portfolio investments

EUR ~5 bn cumulative Capex anticipated over 2017 - 2021

Cumulative Capex allocation



Upstream portfolio

- Maximize value of current mature field portfolio
- Secure improved recovery from contingent resources
- Deliver further growth in Romania
- Drive regional expansion

Downstream portfolio

- Continue operational efficiency programs
- Build new filling stations
- Perform planned turnarounds
- Secure long term growth

2021 Clear, robust targets

RRR[1]
100% by 2021

CAPEX
EUR ~1 bn p.a.

FCF[2] **after dividends**
Positive for majority of period

Clean CCS ROACE[3]
> 10% by 2021

Gearing
Maintain a strong balance sheet

Dividend
Attractive returns

[1] Reserves Replacement Rate; [2] Free Cash Flow; [3] Clean Current Cost of Supply Return on Average Capital Employed

Dividend considerations

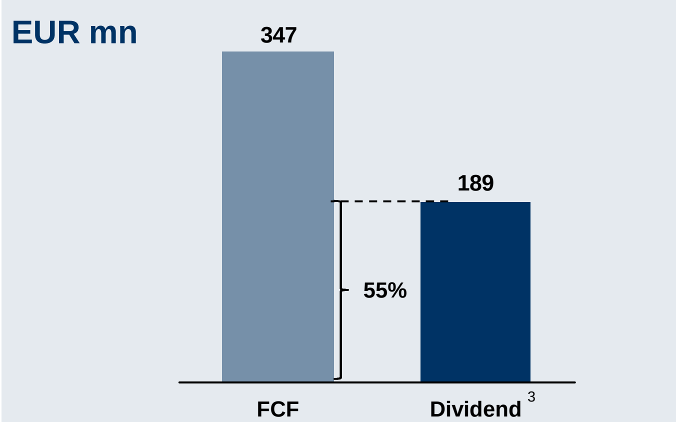
Commitment to deliver a competitive shareholder return by paying an attractive dividend

Considerations

- Earnings
- Oil & Gas prices
- CAPEX
- FCF and Balance sheet

- Stress tested forecasts under various pricing points and FX assumptions
- Upcoming CAPEX
- FCF[1] generation, cash buffer
- Debt structure, potential acquisitions

2016 DPS[2] proposal: RON 0.015



EUR ~900 mn returned to shareholders over 2012-2015

Confidence on 2021+ plan allows improved visibility toward shareholder returns

[1] Free Cash Flow; [2] Dividend per share; [3] Executive Board's proposal subject to approvals of the Supervisory Board and Annual General Meeting of Shareholders

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February 16, 2017

Mariana Gheorghe, CEO

OMV Petrom

Our vision

Leading integrated regional player

Committed to enhance customer experience

Regional growth leveraging Romanian expertise

Sustainable access to energy for everyday modern life

Q&A

Contact Investor Relations

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2017 Financial Calendar

April 25: Annual General Meeting of Shareholders

May 11: Q1 2017 results

August 10: Q2 and HY 2017 results

November 9: Q3 2017 results