

Bucharest
May 16, 2007
8.30 am [Bucharest time]
7.30 am [CET], 6.30 am [UK]

While in the middle of the restructuring process, Petrom's Q1 results¹ were influenced by a challenging environment

- EBIT: down by 63% to RON 394 mn [EUR 117 mn] from Q1/06, still 24% higher vs Q4/06
- Main market drivers negatively affected both revenues and costs: crude price (Ural): down by 7%; RON appreciated by 13% against USD
- Investments: higher by 24% to RON 551 mn [EUR 163 mn] reflecting mainly the rollout of the modernization and growth projects in E&P
- Outlook 2007: The implementation of the transformation process along with the investment program will continue at a fast pace. The macroeconomic environment is anticipated to be more challenging than in 2006.

Mariana Gheorghe, CEO of Petrom: "In the first three months of the year we were confronted with a challenging environment characterized by a lower crude price and a strong appreciation of the local currency adversely impacting our results. The expected natural decline of production, that we are estimating to stabilize by end of this year, also influenced the results.

Such situations confirm once again the necessity of successfully implementing our strategy of restructuring and efficiency increase. We started the modernization process, first results can be seen, we benefit from the necessary financial and management resources and the know-how of OMV in order to achieve the results we are committed to.

The investments went up comparing to the same period of last year and we will continue to do so: in 2007 alone, the investments' value is more than EUR 1 billion.

Petrom has the largest investments budget in the Romanian energy sector and its efficient utilization, in accordance with the strategic objectives, strengthens the company's position to successfully develop even under less favorable conditions."

Q4/06	Q1/07	Q1/06	ΔQ1 yoy	Key performance indicators(lei mn)	2006	2005	%
317	394	1,053	-63%	EBIT	2,777	1,884	47%
551	623	1,219	-49%	EBITDA	3,596	2,775	30%
289	381	881	-57%	Net income	2,285	1,416	61%
3,403	2,757	3,126	-12%	Turnover	13,078	10,760	22%
1,376	551	443	24%	Investments*	2,937	1,117	163%
32,837	31,115	40,821	-24%	Employees at the end of period	32,837	43,546	-25%

**the investments include increases of Petrom share participations*

¹ The financials are unaudited and prepared according to RAS; all the figures refer to Petrom SA unless otherwise stated

Highlights Q1/07

February: Depozitarul Central SA executed on February 26, 2007 the transfer of Petrom shares owned by the Ministry of Economy and Commerce in the account of The Authority for State Assets Recovery (AVAS), following the take over by the latter of the Office of State Ownership and Privatization in Industry (OPSPI).

Subsequently, AVAS owns 17,481,773,996 shares representing 30.862% of the Petrom share capital.

February: Petrom launched the largest ecological rehabilitation project in Romania. The Petrom initiative Verde^{Petrom} (Green to the power of Petrom) is the first ecological rehabilitation project of such breadth and complexity ever implemented in Romania

Outlook 2007

In 2007, the management will further continue to focus on the implementation of the transformation program which will run at a fast pace. This is expected to lead to a gradual efficiency improvement throughout the company. A major step forward will be made through the full implementation of the SAP IT System.

The main market drivers - crude price, refining margins and the US dollar exchange rate – are expected to maintain volatile in 2007. In the course of 2007, the crude prices are expected to be slightly lower than in 2006 and the Romanian leu (RON) is expected to be significantly stronger than in 2006. The refining margins are anticipated at similar levels as in 2006. During 2007, Exploration and Production activities should see an increase of exploration and appraisal drilling activity to 44 wells (including Russia and Kazakhstan), all based on new technology and a further increase of the ambitious 3D program of eight new surveys. For 2007, Petrom will continue the efforts to stabilize production and decrease production costs. The downhole technology modernization which started with a test phase in 2006 is set to accelerate. It is scheduled to be completed by the end of 2008, with first results to become visible towards the end of 2007. Furthermore the engineering phase of the modernization and Optimization of Surface Production Systems (OSPS) project, will move into the construction phase at the end of the year.

and will unfold over a three-year period. More than 100,000 cubic meters of soil will be uncovered and more than 3 million cubic meters of underground water will be extracted and purified, using technologies that have international recognition. Overall, almost 200,000 square meters of land in the Straulesti area will be ecologically rehabilitated based on an investment of approximately EUR10 mn.

March Successful production testing of Petrom's first exploration discovery since 8 years in Torcesti by applying new seismic technologies. Immediate appraisal seismic and nearby infrastructure trigger fast track development in Torcesti.

However, the significant appreciation of the RON against the USD is expected to have a negative impact in 2007 also on USD/boe production costs.

In the course of the liberalization of the gas market, Petrom anticipates for the rest 2007 that the domestic gas price will slightly increase in order to reduce the gap between the producer price and the import price.

The main focus in the Refining business for the year 2007 is further optimization and the beginning of the ambitious investment program which is directed towards improving the yield structure of Petrobrazi on one hand, increasing capacity to 6 million tons and further reducing energy consumption, on the other hand. At the same time, investments at Arpechim will be focused on compliance and high return efficiency investments. It is estimated that the most significant earnings improvements will not become visible until after the completion of the large investments in 2011.

As a result of the significant investments scheduled in Marketing the sales are expected to slightly increase. Petrom will continue to close unprofitable filling stations and it is anticipated that this closure program will be substantially finalized towards the end of 2007.

In Marketing, 2007 will see the entire network of filling stations completely run under the Full Agency concept.

Business environment

World crude demand increased in Q1/07 with 0.6 mn bbl/d or by 0.7% against the first quarter of 2006, representing an average of 85.5 mn bbl/day.

Global oil product demand has mainly been driven by unpredictable weather conditions in Q1/07. Demand in North America, which was mostly weak in late 2006 due to a mild winter start, rebounded strongly in February following a series of very cold snaps. The winter reprise in Europe, the Pacific and the Former Soviet Union was extremely mild, leading to significantly lower demand and, in the case of the FSU, to sharply higher exports. A notable exception to this weak trend has been China, where demand surged in January and February.

World crude production recorded in Q1/07 an increase of 0.2 mn bbl/day to 85.4 mn bbl/d compared with Q1/06. In the first quarter of 2007 OPEC supply (including Angola) fell to its lowest level since Q4/05 to 35.1 mn bbl/day. The first-quarter US crude production of 20.1 mn bbl/day was lower than the level of 20.2 mn bbl/day registered in Q1/06 mainly due to lower inferred Gulf of Mexico production in January. First-quarter 2007 Russian oil supply growth stands at 6% against Q1/06, although extreme weather in early 2006 curbed production.

The **USD/RON average forex** decreased in Q1/07 by 12.8% yoy, from RON 2.96 to RON 2.58 and by 5.04% in Q4/06 from RON 2.70.

The **Euro/RON average forex** decreased yoy by 5.1%, from RON 3.56 to RON 3.38 and by 3.2% in Q4/06 from RON 3.56.

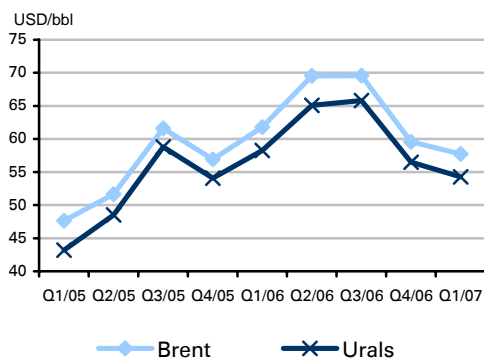
International crude prices for Brent and Ural recorded decreasing trend against both Q1/06 and Q4/06:

- **Brent price** [Q1/07: USD 57.8/bbl] decreased by USD 4/bbl compared to Q1/06 and by USD1.8/bbl compared to Q4/06
- **Ural price** [Q1/07: USD 54.3/bbl] was down by USD 4/bbl compared to Q1/06. and by USD2.2/bbl compared to Q4/06

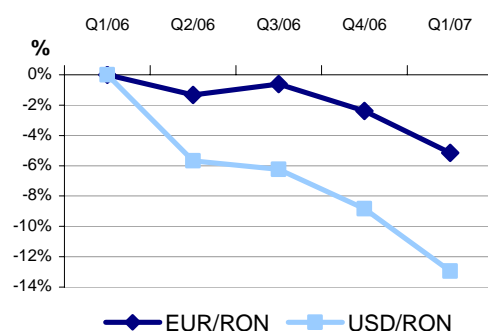
The increase in crude oil prices was largely driven by geopolitical concerns rather by fundamental factors as the market is adequately supplied with crude and stocks are at comfortable levels. In addition, other factors such as refinery bottlenecks and early concerns regarding summer gasoline supplies have continued to support prices. Fuel International Prices started to recover in February and March 2007, while in January the Gasoline quotation with 480 USD/ton as well as the Diesel quotation with 500 USD/ton registered lower levels than during the entire year of 2006.

Imported gas price in Romania was by 4.5% higher in Q1/07 compared with Q1/06, with an average of USD 300/1000 cm [Q1/06: USD 287/1000 cm].

International Crude Price



Development of FX rates



Exploration and Production

Q4/06	Q1/07	Q1/06	ΔQ1 yoy	Key performance indicators	2006	2005	%
18.38	17.77	18.93	-6%	Total production (mn boe)	73.06	77.95	-6%
1,173	1,123	1,212	-7%	Crude and NGL production (kt)	4,777	5,214	-8%
1,521	1,482	1,561	-5%	Gas production (mn cm)	5,917	6,185	-4%
725	630	1,311	-52%	EBIT* (lei mn)	3,744	2,782	35%
862	771	1,430	-46%	EBITDA* (lei mn)	4,334	3,414	27%
800	403	107	277%	Investments** (lei mn)	1,336	530.5	152%
56.48	54.26	58.26	-7%	Average Urals price in USD/bbl	61.35	50.87	21%
51.32	48.49	53.48	-9%	Average realised crude price USD/bbl	55.65	49.43	13%
140.85	154.05	110.50	39%	Regulated domestic gas price for producers in USD/1,000 cm	122.02	110.12	11%
14.24	15.42	11.75	31%	Domestic production cost, USD/boe	13.73	12.86	7%

*includes the result of the Gas business which is reported separately starting with Q1/06

**include the investments of Corporate (in 2005)

January – March 2007

- **Exploration success in Romania – Fast track development planned**
- **Downhole Technology – number of crews increasing - countrywide rollout according plan**
- **Modernization and Technology projects show impact on oil production decline rate**
- **Production Drilling – the all time high of 25 active drilling rigs operating in parallel in February**
- **Investments continue to be high in Q1/07: RON 403 mn, four times over Q1/06**

The **EBIT** of the exploration and production business of Petrom SA decreased by 52% in the first quarter of 2007 over the same period of the last year mainly as a result of the declining oil price, higher level of stocks, production decline and adverse impact of the local currency appreciation by 13% (revenues are USD-related whereas the costs are RON-related). In addition, in Q1/06 the results included the revenues from the sale of rigs [RON 231 mn] as well as the gas business which is reported separately starting with Q1/06, both of them affecting the comparability of the results on yoy basis.

The **domestic realized oil price** decreased by 9% yoy, reaching 48.49 USD/bbl, mainly due to lower international oil prices in January and February.

The **total Group daily production rate** in Q1/07 was 202,000 boe/day, a decline of now only 1.2% in comparison with the value of Q4/06 [205,000 boe/day], clearly indicating that measures start to impact the decline rate. Overall the **group oil and gas production** decreased by 6 % to 18.18 mn boe [Q1/06: 19.30 mn boe], under the influence of the decline of the domestic production for oil by 7% and for gas by 5%.

Total production in Romania amounted to 17.77 mn boe in Q1/07. The natural decline in combination with the warm winter, pressure issues in the Transgaz system and technical reservoir problems in the NW of Romania are the major reasons for the decline of 6% in comparison to Q1/06 production volumes.

A significant reduction of the oil production decline could be achieved. During Q1/06 the average rate of oil decline was 14.2% p.a, while in Q1/07 the same rate was only 2.6% p.a. This is a strong indicator that the modernization measures and the rollout of new technologies start to counterbalance the natural decline of the Romanian oil production.

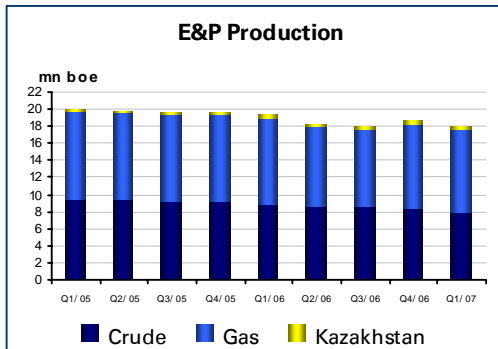
The oil and gas production in Kazakhstan reached 414 thousand boe (or 5,000 boe/day), increasing by 9% over Q1/06 volumes [4,000 boe/day]. This positive result was due to the ongoing production improvement measures in the Turkmenoy and Tasbulat fields.

The **Group crude sales quantity** amounted to 1,159 thousand tons in Q1/07, down by 6% yoy, following the domestic oil production decline. Crude sales volumes in Kazakhstan



PETROM
Membru OMV Grup

amounted to 52.1 thousand tons, increasing by 31% yoy [Q1/06: 40 thousand tons] and by 27% in comparison with Q4/06 [41 thousand



tons].

E&P Petrom **investments** in Romania amounted to RON 403 mn, four times higher than last year's level. They targeted production and modernization of both subsurface and surface facilities. The **production and development drilling** program using the upgraded of rigs from Romanian drilling contractors is now being executed according to the plan. In February, the all time high of 25 active drilling rigs could be recorded. The gap between the investments in Q1/07 over Q4/06 [RON 800 mn] is mainly due to the acquisition in Russia which was finalized in December 2006.

The **domestic production cost** of 15.42 USD/boe was higher by 8% over Q4/06, mainly driven by the appreciation of RON against USD and higher salaries due to the collective labor agreement whilst service related costs could be reduced.

Technology Roll-out

The Downhole Technology Modernization project is now being rolled out on a large scale, after the successful pilot in the Ciuresti Oil field, reducing intervention frequencies from an average of 20 to 2.5 per well per year. The investments on this project which is ahead of schedule continued with currently 179 wells completed (thereof 55 in 2006 and 124 in Q1/07). The number of implementation crews working on this program is currently further increasing according plan from 6 to around 45 during the course of the year. A total of about 5,000 wells are expected to be completed until end of 2008, which will show a major cost reduction.

In addition and linked to this project is the Anti Corrosion Program which is moving from planning into execution phase. The rollout of approximately 5,000 modules on the modernized well locations is planned to be completed by the end of 2008.

Following the exploration strategy, the intense modern tailor-made 3D and 2D seismic programs commenced in 2005 and will also continue in 2007. The exploration drilling campaign, based on these 3D and 2D seismic information has commenced in Petrom Group at the end of last winter and is aiming for 44 wells in 2007 (6 wells in 2006) while 9 wells were drilled during Q1/07.

Exploration Discovery in Torcesti

The Torcesti discovery was one of the first wells of this new exploration drilling campaign. Production testing of in Q1/07 confirmed flow rates of 130,000 m³ of natural gas and 11 tons of condensate per day (app. 900 boe/day). Furthermore a 2D appraisal program was launched and 250 km of 2D seismic were acquired. Following this results new exploration opportunities in the area have been identified. Already existing nearby infrastructure enables a fast track development concept, envisaging early production to commence within Q4/07. Around EUR 4 million were spent (drilling & testing the discovery and seismic appraisal) while another EUR 5 million will be invested for the fast track development. The last commercial discovery from Petrom was made 8 years ago it was the Pescarus field offshore in the Black Sea.

International

The production optimization programs in **Kazakhstan**, using modern oilfield technologies in the Tasbulat and Turkmenoy area are ongoing.

After the completion of the appraisal study of the South Rovnaya 1 exploration discovery from last year, the preparations of the appraisal well for Q2/07 are ongoing.

The Q1/07 activities for the Komsomolskoye development focus on the horizontal well design and necessary approvals for the revised gas injection scheme.

Beside office and IT installations in the new **Russia** venture, preparations for the spud-in of the first exploration well are underway.



Refining and Marketing

Q4/06	Q1/07	Q1/06	ΔQ1 yoy	Key performance indicators	2006	2005	%
1,691	1,668	1,731	-4%	Crude input (kt)	6,864	6,399	7%
543	577	500	15%	o/w imported crude (kt)	2,138	1,404	52%
84	85	88	-3%	Utilization rate (%)	86	80	8%
1,412	1,115	1,361	-18%	Marketing sales (kt)	5,465	5,046	8%
(495)	(307)	(293)		- EBIT (mn lei)	(1136)	(914)	-
(401)	(238)	(249)		- EBITDA (mn lei)	(914)	(662)	-
407	95	307	-69%	Investments (mn lei)	1298	585	122%

January – March 2007

- During the first quarter, Petrom Refining focused efforts on preparation for the 40 day major turnaround at Arpechim Refinery which began in late March and is expected to involve a work force of over 1000 people at peak activity level.
- Underlying performance improvement of Refining can be seen, as diesel yield improved by four percentage points vs. 1Q06.
- More than 400 filling stations under Full Agency system up to date; in the second half of 2007 all Petrom filling stations are planned to be operated under this system
- 16 new filling stations opened in Q1; 32 new filling stations are under construction
- All 41 regional organisations (PECO Headquarters) were closed; organisation decision making and control completely centralized

The EBIT for R&M business recorded a negative value, but above the Q4/06, reflecting higher refining margins and positive developments in the Marketing business. Both refineries benefited from increased margins and yield improvement, partly offset by the adverse inventory effects due to lower product prices at the end of the quarter.

In Refining the main drivers which impacted the results in Q1/07 were:

- the yield improvements vs. both 1Q 2006 and 4Q 2006;
- the steady progress on reducing the fuel & losses;
- a better environment vs. Q4/2006
- the cost pressure due to RON/EUR exchange rate

During the first quarter, the margin environment for Petrom Refining rebounded from the very low Q4/2006 levels, with the indicative gross margin²

up to USD 4.33/bbl, higher with USD 0.86/bbl than the Q4/2006 level and USD 1.93/bbl than the Q1/2006 level. Gasoline crack improved vs. both Q1/2006 and Q4/2006, while the Diesel crack weakened slightly.

In Q1/2007, Petrom's refineries processed a volume of crude oil of 1.67 mn tons, down by 3.6% yoy, due to limited opportunities to generate profit from the marginal barrel of imported crude oil. Consequently, the utilisation rate was lower by 6% at Petrobrazi and 1% at Arpechim. The higher utilisation rate of Arpechim reflects the increased activity ahead of the scheduled turnaround in April 2007. The imported crude oil processed by the two refineries increased by 15.4% in Q1/07 [577 thousand tones] in comparison with Q1/06 [500 thousand tones].

The quantities of purchased utilities (gas, steam and electricity) continued the downward trend started in 2006,

² Refining margin indicator is based on the international quotations for products [Augusta] and

Ural crude and adjusted to take into account Petrom's refineries yield.

demonstrating that energy efficiency improvement efforts are having the desired effect.

Petrochemical sales amounted to 87.9 thousand tons while the sales of special products (mainly petcoke) recorded a volume of 51.6 thousand tons.

Domestic sales are 11% higher than Q1/06.

Total marketing sales were lower by 18% yoy which is related to a reduction of export sales as a result of the company's decision to optimize the refinery operations on the background of a higher demand on the domestic market [Q1/06: 1,361 thousand tons].

Domestic gasoline sales are up by 9% yoy, domestic diesel sales increased by 39% compared to Q1 2006.

Commercial domestic sales were higher by 5% against the level recorded in Q1/06, amounting to 518 thousand tons, while exports were 347 thousand tons, from a previously 670 thousand tons achieved in Q1/06 (-48%). The increase in domestic sales was due to the increased sales of white products. A new organizational structure of the commercial department has been implemented, based on `one face to the customer` concept. Furthermore there have been cross-selling training programs designed.

Retail sales reached 315 mn liters, by 25% higher compared to Q1 2006 [Q1/06: 253 mn liters]. **Quarterly throughput per station** improved by 43% to 0.66 million liters [Q1/06: 0.46 million liters], mainly as a result of continuing the implementation of the full agency concept and of the modernized stations.

Petrom retail international sales

amounted to 131.3 thou tons in Q1/07. A comparison with the same period of the last year is not possible because the OMV retail networks are part of Petrom starting with March and August 2006, respectively.

At the end of Q1/07 a total of 417 filling stations are running under the newly introduced Full Agency System, from a total of 463 filling stations operated by Petrom in Romania.

As part of its defined strategy, Petrom aims to provide its customers with the best products and services available. In order to achieve this target, the PetromV concept for filling stations was introduced in the autumn of 2005, being extended to a network of 47 PetromV filling stations until the end of Q1/07.

At international level, Petrom also operates a retail network of 212 filling stations in Republic of Moldova, Bulgaria and Serbia.

Capital investment projects were progressed, with the new EUR 40 million hydrogen plant commissioned at Arpechim, and with mechanical completion of a new, high efficiency, high pressure steam boiler. At Petrobrazi, civil construction and equipment erection of the new HDS unit continued. The site was prepared for delivery of the new 400 tons reactor from Germany in April. Construction started at both refineries on biofuel storage and blending systems.

Gas

Q4/06	Q1/07	Q1/06 ΔQ1 yoy	Key performance indicators	2006	2005	%
28	58	28	107% EBIT, mn lei	117		
1,648	1,605	1,538	4% Consolidated gas sales, out of which:	5,242	5,611	-7%
1,472	1,490	1,486	0% - Gas sales Petrom SA, mn cm	4,863	5,321	-9%
140.9	154.1	110.5	39% Regulated domestic gas price for producers in USD/1,000 cm	122.0	110.1	11%
315	300	287	4% Import gas price in USD/1,000 cm	297	205	45%
0.1	1	-	Investments, mn lei	1	-	

January – March 2007

The EBIT generated by the Gas business of Petrom SA in Q1/07 amounted to RON 58 mn, more than double against the Q4/06 [RON 28 mn].

The consolidated gas sales volume (Petrom S.A. together with its 100% daughter company Petrom Gas) amounted to 1,605 mn cm in Q1/07, up by 4 % compared to the same period of 2006. Because of the mild winter, the gas sales were slightly down in comparison with Q4/06.

In Q1/07, the quantity supplied to Arpechim, Petrobrazi and Doljchim was 259 mn cm, 4% lower than in Q1/06.

At the beginning of Q1/07 Petrom had a volume of 313 mn cm of gas stored in Romanian storages; by the end of March

2007 a total of 106 mn cm was still available.

As a result of the mild winter, the overall gas consumption of Romania continued to be lower than usual. This, in combination with rather high imports continued to create an imbalance which could neither be fully absorbed by the market, nor by the National Transmission System.

The imported gas price for Q1 was USD 300/1,000 cm while the realized gas price for the domestic production was around USD 154 /1,000 cm.

While the price achieved for domestic natural gas remained at around 51% of the international level, a slightly increasing trend is anticipated for the year 2007.

Chemicals

Q4/06	Q1/07	Q1/06	ΔQ1 yoy	Key performance indicators	2006	2005	%
185	176	149	18%	Sales (kt)	601	617	-3%
1.9	2.1	1.8	17%	Investments (lei mn)	5.5	1.6	-

January – March 2007

In Q1/07 the volume of Doljchim sales increased by 18%, to 176 thousand tons [Q1/06: 149 thousand tones], out of which export sales accounted approx. 50 %. Doljchim's products were exported mainly in the neighboring countries, such as Hungary, Bulgaria, Serbia but also in other countries like Slovakia, Austria, Macedonia, Italy, Spain and Turkey.

In Q1/07, Doljchim concentrated its efforts in increasing the domestic market sales, which accounted approx. 50%. Favorable market conditions and improved selling tactics contributed to a significant rise of ammonium nitrate sales in Q1/07 compared to Q1/06 by

112%. Also urea and methanol domestic market sales are up, by 117% and 23%, respectively.

In Q1/07, Doljchim Craiova achieved record production levels of fertilizers, stimulated by higher sales on the domestic market.

In Q1/07, the investments in Doljchim, amounting to 2.1 mn RON, were directed mainly towards the works for environmental protection, health and safety and the plants safety of operation for fire risk.

Financial highlights

Profit and Loss Account

The turnover of the company decreased by 12% in comparison to the first quarter of 2006 as a result of the decrease in delivered quantities for export and of the realised oil prices compared to Q1 2006.

The operating expenses increased in 2007 by 7% due to the negative influence of higher expenses with third party services, raw materials, goods for resale, and depreciation, partially offset by lower expenses with utilities (as a result of the renegotiation of the contracts), salaries (decrease as a result of the decrease of the number of employees according to the restructuring programme in place) and provisions (due to improved credit management and less litigations in place).

The EBIT of the company amounted to RON 394 mn in Q1/07, decreasing by 62.6% from RON 1,053 mn in Q1/06 mainly due to the weaker EBIT generated by the E&P. This business was adversely affected by the declining oil price, production decline and negative impact of the RON appreciation by 13%. The revenues are USD-related whereas the costs are RON-related, thus the negative impact is two-fold. In Refining and Marketing, the EBIT recorded a negative value, however above the Q4/06, reflecting higher refining margins and positive developments in the Marketing business. The refineries benefited from increased margins and yield improvement, partly offset by the adverse inventory effects due to lower product prices at the end of the quarter and the lower export sales. In addition, in Q1/06 the results included the revenues from sale of rigs [RON231 mn] which reduces the comparability of the EBIT yoy.

In Gas, the EBIT was positively impacted by increased sales as a result of both higher quantities and selling prices during the first quarter of 2007.

The financial result improved from a negative RON 88 mn in Q1/06 to a positive RON 58 mn in Q1/07. The improvement is mainly due to the repayment of the outstanding loans in 2006 combined with other positive impacts of an efficient cash management.

The net profit decreased in Q1/07 by 56.7% in comparison with the same period of 2006 as a consequence of the weaker operational result.

The EBIT recorded in Q1/07 was higher by 24% against the Q4/06 while the net income for the same periods increased by 32%.

The taxes paid by Petrom to the state budget in the first quarter of 2007 amounted to RON 1,404 mn, 10 % higher than in the same period last year. 48% [RON 673 mn] of the total taxes paid represented excise duties, 23% higher than the same period last year. The increase of excise duties is due to the increase of the excise duty rates applicable starting 1 January 2007 and the increase of domestic sales yoy.

The oil and gas royalty paid to the state amounted to RON 115,5 mn, representing 82% of the amount due for the same period last year, reflecting the lower production levels.

The corporate tax paid for Q1 2007 was of RON 80 mn.

As previously announced, the geological quota was discontinued starting with Jan 1, 2007 adversely affecting tax expenses.

Q4/06	Q1/07	Q1/06	ΔQ1/06	Key performance indicators (mn lei)	2006	2005	%
317	394	1,053	-63%	EBIT	2,777	1,884	47%
551	623	1,219	-49%	EBITDA	3,596	2,775	30%
289	381	881	-57%	Net income	2,285	1,416	61%
3,403	2,757	3,126	-12%	Turnover	13,078	10,760	22%
13,092	13,398	10,907	23%	Fixed assets	13,092	10,609	23%
6,277	5,940	7,379	-20%	Current assets	6,277	7,131	-12%
7136	4,809	6,851	-30%	Total liabilities	7,136	7,086	1%

Balance sheet

Total assets amounted to RON 19,548 mn in Q1/07, slightly increasing in comparison with Q4/06 [RON 19,459 mn] mainly as a result of the significant investments.

Fixed assets increased by 2.3% to RON 13,398 mn [Q4 2006: RON 13,092 mn], mainly driven by higher tangible assets which increased to RON 8,643 mn [Q4/06: RON 8,405 mn]. The significant investments made in Q1/07 are mainly related to E&P and represent modernisation of wells, rigs and production equipments.

The elements of current assets – receivables and cash and bank accounts decreased, resulting in a level of the total current assets [RON 5,940 mn] lower by 5.4% over Q4 2006 [RON 6,277 mn]. The inventory value increased by 10% mainly

driven by the built up of stocks in refineries for the shut down of Arpechim.

The current liabilities decreased over Q4 2006 by 9.6%, amounting to RON 2,040 mn mainly due to the payment of dividends to the shareholders in amount of RON 387 mn.

The provisions are lower by 1%, mainly due to the used up of the restructuring provision, in accordance with the restructuring plan agreed with the unions.

Decrease in deferred revenues by 18.6% is due lower revenues from sales based on fuel vouchers through filling stations, in marketing segment.

The balance of the shareholders' equity amounted to RON 12,699 mn, by 2.9% higher than in Q4/06, due to the profit for the quarter amounting to RON 381 mn.

Investments

Q4/06	Q1/07	Q1/06	ΔQ1 yoy	lei mn	2006	2005	%
800	403	107	276%	Exploration and Production*	1,336	530.5	152%
407	95	307	-69%	Refining&Marketing	1,298	585.1	122%
0.1	1	-		Gas	1	-	
1.9	2.1	1.8	18%	Chemicals	5.50	1.6	244%
167	51	27		Corporate	297	-	-
1,376	551	443	24%	Total investments	2,937	1,117	163%

* include the investments of Corporate (in 2005)

The investment program started in 2005 continues to unfold in 2007. The total investments realised in Q1 2007 amounted to RON 551 mn, exceeding by 24% the amount performed in Q1 2006.

The investments in Q1/07 represent approx. 30% from the amount of the Q4/06 investments due to the acquisition in Russia and the commissioning of several investment projects which took place at the end of the year in R&M.

The investments have been directed mostly to E&P – 73%, while the R&M business benefited from a 17% of the

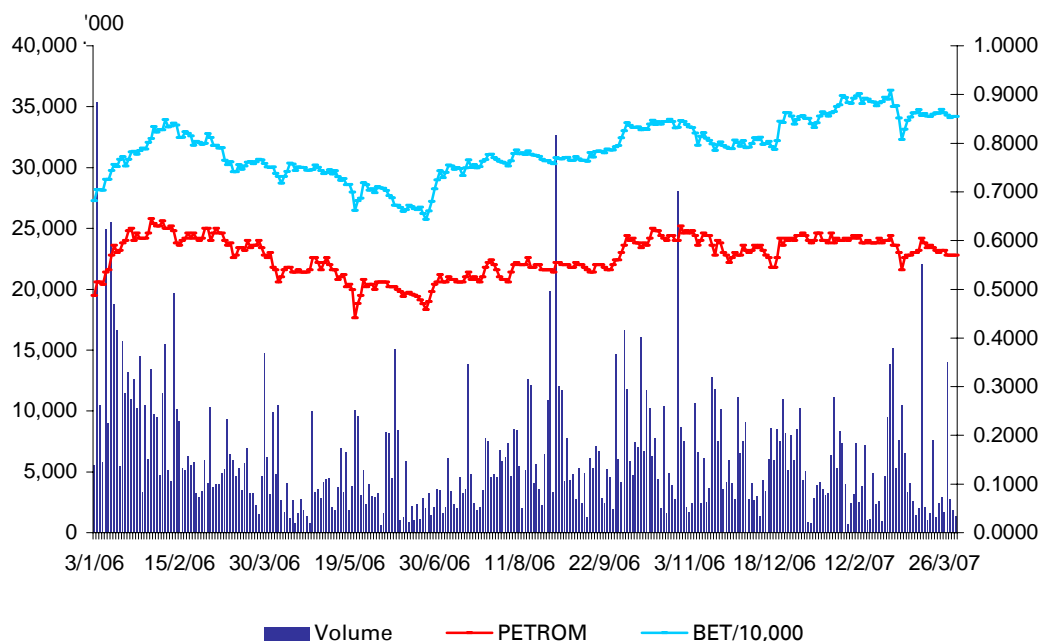
investments. The rest of 10% represents investments in Corporate (mainly Petrom Solutions), Gas and Chemicals.

Within R&M, the investments have been directed mainly to the development of the retail network (reconstruction or new construction of filling stations).

The investments in E&P amounted in Q1 /07 to RON 403 mn and focused on production & modernization of both subsurface and surface facilities as well as growth and development projects.

Stock watch: January – March 2007

**Evolution of closing price and volume of Petrom and BET index
January 2006 – March 2007**



The historical maximum of BET index, i.e. 9,113.30 points, has been reached on February 27, 2007. The lowest value of BET index in 2007, i.e. 7,992.30, has been reached in March 5.

Petrom's share price fluctuated between 0.6200 RON (on January 23) and 0.5200

RON (on March 5). As of March 30, 2007, Petrom share price reached 0.5700 RON.

The market capitalisation as of the end of Q1/07 was 32.3 bn RON (EUR 9.6 bn).

Petrom's Executive Board to be strengthened

In order to reflect the increasing focus on Petrom's international portfolio in the Caspian Region, Russia and Black Sea, areas where substantial growth and investments are planned, the E&P management resources in Petrom will be strengthened. Johann Pleininger, an experienced E&P manager working with Petrom for the past two years, will take over responsibility for the domestic E&P business, which remains our core focus. Werner Ladwein, who has been heading Petrom E&P and has extensive experience and a strong track record in international expansion, will be in charge of Petrom's international portfolio.

In addition, Mr. Schinhan, who is Petrom's Deputy CEO and has been a key driver for the successful development of the company since privatization, will retire end of 2007. Currently, he is responsible for Investor Relations, Treasury, Corporate Legal Affairs, Gas

and Doljchim. Gerald Kappes, currently OMV Procurement director, will take over responsibility for the Gas segment and Doljchim. The corporate functions will then be taken on by Mariana Gheorghe and Reinhard Pichler.

"With the appointment of Mr. Pleininger and of Mr. Kappes as new Executive Board Members, we welcome two excellent OMV managers who are specially appointed to focus on the further development and expansion of these divisions. Through these measures we show once again our commitment to successfully achieve our growth objectives, both nationally and internationally", Mariana Gheorghe, CEO Petrom stated.

The final decision will be made at the Petrom Supervisory Board Meeting on June 15th 2007, when E&P changes will become effective.

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Next release:

The next results announcement January – June and Q2, 2007 will be made on August 16, 2007.

Abbreviations

NGL	Natural Gas Liquids
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortization
EPS	Earnings per share
mn	Million
bn	Billion
RON	New Romanian Lei
cm	Cubic meters
bbl	Barrel
boe	Barrel of oil equivalent
E&P	Exploration & Production
R&M	Refining & Marketing
DCS	Distributed Control System
HDS	Hydrodesulphurisation
kt	Thousand tons
yoy	Year-on-year
FSU	Former Soviet Union

Profit and Loss Account as of March 31, 2007

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

RON	March 31, 2006	March 31, 2007
1. Net turnover	3,125,792,244	2,757,491,314
Sales of production	2,265,836,068	1,205,613,954
Sales of merchandise	859,956,176	1,551,877,360
Interest income- from lease companies		
Interest from subsidies related to net turnover		
2. Movements in stocks of finished goods		
Cr balance	44,468,539	151,661,651
Dr balance	-	-
3. Own work capitalized	2,695,909	4,415,745
4. Other operating revenues	247,997,730	17,427,605
TOTAL OPERATING REVENUES	3,420,954,422	2,930,996,315
5. a) Raw materials and consumables expenses	768,833,124	858,755,249
Other materials expenses	12,284,304	9,874,257
b) Other utilities expenses (energy and water)	218,618,089	121,586,670
c) Purchase of goods for resale	34,598,745	102,961,168
6. Salary expenses, of which:	438,712,438	422,994,846
a) Salaries	306,722,865	280,207,733
b) Social security contributions	131,989,573	142,787,113
7 a) Adjusting the value of tangible and intangible assets	165,561,692	228,415,399
a.1) Expenses	176,019,015	235,506,715
a.2) Revenues	10,457,323	7,091,316
b) Adjusting the value of current assets	20,368,193	10,295,682
b.1) Expenses	38,519,571	49,503,167
b.2) Revenues	18,151,378	39,207,485
8. Other operating expenses	734,059,011	852,843,647
8.1 Third parties services	513,274,058	638,101,167
8.2 Other taxes, duties and similar expenses	162,756,078	133,375,931
8.3 Other operating expenses	58,028,875	81,366,549
Interest related to refinancing activities		
Adjustments for provisions for risks and charges	(25,338,838)	(71,010,439)
Expenses	64,507,182	20,688,571
Revenues	89,846,020	91,699,010
TOTAL OPERATING EXPENSES	2,367,696,758	2,536,716,479
OPERATING RESULT:		
- Profit	1,053,257,664	394,279,836
- Loss		
9. Income from investments	-	-
- out of which, within the group	-	-
10. Income from other financial investments and receivables , part of financial assets	-	-
- out of which, within the group	-	-
11. Income from interest	65,832,377	79,425,177
- out of which, within the group	-	19,107,985
Other financial revenues including forex gain	55,711,809	46,347,115
TOTAL FINANCIAL REVENUES	121,544,186	125,772,292
12. Adjustment of financial assets and investments held	231,160	(4,209,539)

RON	March 31, 2006	March 31, 2007
Expenses	4,640,564	4,043,242
Revenues	4,409,404	8,252,781
13. Interest expenses	12,726,579	343
- out of which, within the group	-	-
Other financial expenses including forex loss	197,496,169	71,919,706
TOTAL FINANCIAL EXPENSES	210,453,908	67,710,510
FINANCIAL RESULT		
- Profit		58,061,782
- Loss	88,909,722	-
14 Current result:		
- Profit	964,347,942	452,341,618
- Loss		
15. Extraordinary revenues	-	-
16. Extraordinary expenses	-	-
17. Extraordinary result :	-	-
- Profit		
- Loss		
TOTAL REVENUES	3,542,498,608	3,056,768,607
TOTAL EXPENSES	2,578,150,666	2,604,426,989
Profit before tax:		
- Profit	964,347,942	452,341,618
- Loss		
18. Tax on profit	83,744,370	71,137,653
19. Other tax expenses not shown above	-	-
20. NET RESULT OF FINANCIAL YEAR:		
- Profit	880,603,572	381,203,965
- Loss		

Balance Sheet as of March 31, 2007

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

RON	31/12/2006	31/03/2007
A. Fixed assets		
I Intangible assets	156,036,169	165,175,513
II Tangible assets	8,405,432,446	8,660,809,941
III Financial Assets	4,531,436,137	4,571,707,704
Total Fixed Assets	13,092,904,752	13,397,693,158
B. Current assets		
I. Inventories	1,465,128,619	1,618,100,217
II. Receivables	1,360,715,806	1,347,738,566
III. Short term investments	-	-
IV. Cash and Bank accounts	3,451,025,681	2,973,698,806
Total Current Assets	6,276,870,106	5,939,537,589
C. Prepayments	89,716,940	210,141,382
D. Payables within one year	2,257,229,755	2,036,829,668
o/w Bonds and interests bearing liabilities	-	2
E. Current assets, less current liabilities	4,016,232,131	4,038,388,986
F. Total assets less current liabilities	17,100,585,546	17,427,601,325
G. Payables in more than one year	22,141,012	24,356,884
o/w Bonds and interests bearing liabilities	-	-
H. Provisions for risks and charges	4,753,739,904	4,702,277,729
I. Deferred income	101,676,497	82,941,136
1. Investments subsidies	8,551,337	8,480,819
2. Deferred income	93,125,160	74,460,317
J. Share capital and reserves		
I. Share capital	5,664,410,834	5,664,410,834
Out 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	74,590,359	70,481,867
IV. Reserves	5,570,252,487	5,569,419,091
V. Retained earnings		
Cr balance	1,015,450,950	1,015,450,950
Dr balance		
VI. Profit for the period		
Cr balance	2,285,490,203	381,203,965
Dr balance		
Profit appropriation	2,285,490,203	(1)
Total Shareholders' Equity	12,324,704,630	12,700,966,708
Public patrimony	-	-
Total equity	12,324,704,630	12,700,966,708

Financial Ratios (computed in accordance with CNVM Instruction No. 1/2006)

Financial Ratio	Formula	Value
Current ratio	Current Assets / Current Liabilities	6.52
Gearing Ratio	Long term debt/Equity*100	0.05%
	Long term debt/ Capital employed*100	0.05%
Days in receivables	Receivables average balance / Turnover*90	44.20
Fixed assets turnover	Turnover / Fixed assets	0.21