

Bucharest
November 15, 2007
8.30 am [Bucharest time]
7.30 am [CET], 6.30 am [UK]

Results for Q3 and January – September, 2007¹

- ▶ Upward trend of the quarterly results consolidates
- ▶ Cumulative results continue to be strongly affected by the RON appreciation
- ▶ Successful efforts of maintaining a stable crude production in Romania in the last two quarters
- ▶ 52% investments increase in 1-9/07 versus comparable period of last year
- ▶ Exploration success discoveries: Torcesti to start already production in Q4/07 and Delta IV to come on stream by mid 2008
- ▶ Exploration expenditures Petrom Group in 1-9/07: RON 300 mn

Mariana Gheorghe, CEO of Petrom: "During the first nine months of this year, we have been facing an environment influenced by the strong appreciation of the national currency against USD and EUR and by significant variations of the crude price (which increased by approximately 20% during the specified period).

The results for the third quarter are much better than the ones recorded in the second quarter, due to peak levels of the crude price. The company is still in the middle of the restructuring process and the characteristics of the environment we operate in had a negative influence on our results for the first nine months comparing to the same period of last year. However, the results match the company's expectations for this year.

The upcoming period will also be a challenging one considering that we estimate that the crude price will stay high; these are favorable conditions for our exploration and production activities, but will put a great pressure on the refining margin. We will continue the sustained investments programs so that we should reach our strategic objectives and secure the company's long term success even in a less favorable environment."

Q2/07	Q3/07	Q3/06	ΔQ3 yoy	Key performance indicators (RON mn)	1-9/07	1-9/06	%	2006
548	691	697	-1%	EBIT	1,633	2,460	-34%	2,777
766	968	896	8%	EBITDA	2,356	3,045	-23%	3,596
506	661	569	16%	Net income	1,548	1,997	-22%	2,285
2,677	3,238	3,363	-4%	Turnover	8,672	9,675	-10%	13,078
771	1,054	801	32%	Investments*	2,376	1,561	52%	2,937
29,667	27,510	36,011	-24%	Employees at the end of period	27,510	36,011	-24%	32,837

**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 – Q3/07

July: Following the Government Emergency Ordinance no. 81/2007, the transfer of 5,791,079,578 shares, representing 10.223% of Petrom SA's share capital, held by AVAS, into the account of Fondul Proprietatea S.A, was performed on July 11. Subsequent to the transfer, the stake of Fondul Proprietatea in Petrom's share capital increased to 20.11%, whilst AVAS kept a 20.64% stake.

September: Petrom announces several discoveries of new reservoirs made during 2007: "Delta 4" (oil), "Mamu 4320" (gas and condensate), "900 Ochiuri" (oil), "Abramut" (oil and gas) and "7 W Predesti" (gas). The most important of them, Delta 4, is the first successful offshore exploration since eight years with tests confirming a daily flow rate of up to 357 tons of oil and 35,000 cubic meters of gas, in total approximately 2,800 boe/d.

September: Petrom signed a contract for the acquisition of the oil services activities of Petromservice, related to the exploration and production activities of Petrom. The acquisition price is EUR 328.5 mn with estimated investments over the next few years of around EUR 90 mn. For the integration of the oil services

a new business division will be created in Petrom, called Exploration and Production Services.

September: Petrom announced the undergoing reorganisation process of its gas distribution business and the establishment of a new company, Petrom Distribuție Gaze SRL, based on the European Union Directives in this regard and the Romanian legislation. Petrom Distribuție Gaze will commence operations at the beginning of October. The new company will be 99.99% owned by Petrom SA and will report to the Gas division of Petrom.

September: The High Court of Cassation & Justice rejected as groundless the final appeal of Mr. Dan Paul in the file no. 47958/3/2005 regarding the annulment of the Decisions no. 2, 3 and 4 of Petrom's Extraordinary General Meeting of Shareholders, dated November 22, 2005. The decision is finale and irrevocable. The EGMS had decided the share capital increase with the value of the land for which the Company had obtained certificates attesting its ownership right before October 10, 2005, granting preference rights in favour of the existing shareholders as of December 8, 2005, in order to maintain their share.

Outlook 2007

The crude price, refining margins and the US dollar and Euro exchange rates are expected to remain volatile through Q4/07. Over the last quarter of 2007, the average crude prices are expected to remain at high levels, with considerable short-term fluctuations, whilst the Romanian leu (RON) is expected to continue its strengthening against the USD.

In E&P, the Company will continue the efforts to increase production and decrease production costs by making significant investments in the modernization of the production facilities. The negative impact of the RON appreciation against the USD is expected to continue in the last quarter of 2007. Due to the weak USD against the RON, the production and lifting costs in USD/boe are likely to remain at the same level.

Petrom's engagement in both drilling and modernization and efficiency programs will be further strengthened. The downhole technology

modernization, the Anti Corrosion program and the Optimization of Surface Production Systems (OSPS) will continue to be accelerated during the last quarter of 2007. The price for domestic natural gas is foreseen to remain at the same level over Q4/07 [RON 470/1,000 cm].

In the R&M segment, the efforts will be directed towards the modernization and the fulfilment of the compliance programs in both refineries. A 2-week shutdown of Petrobrazi refinery is now scheduled for Q4/07 (originally planned for Q1/08), needed for installing the tie-ins at the diesel hydrotreater.

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

In the Gas business, a further strengthening of the marketing and trading results, given the start of the winter season is expected for the end of the year.



Business environment

World crude demand recorded an increase of 0.9 mn bbl/day or by 1.1% in 1-9/07 against the same period of last year, representing an average of 85.3 mn bbl/day.

In 1-9/07 OECD's demand was by 0.2% lower than the same period of 2006. The third quarter is normally a low season for world oil demand, especially in the OECD countries. However, high gasoline retail taxes and rainy weather reduced the consumption of gasoline and diesel in the OECD in September.

In the non-OECD countries, the consumption increased by 2.8% against 1-9/06. September oil demand grew the most in the developing countries, especially in China, India and the Middle East. Other oil demand drivers in non-OECD were strong enough to offset the weak demand in OECD countries in the third quarter. **World oil demand** in the fourth quarter is estimated to follow typically high seasonal consumption due to the expected normal winter in the Northern hemisphere.

World crude production recorded in 1-9/07 a decreasing trend of 0.1 mn bbl/day to 85.2 mn bbl/day in comparison with the first nine months of 2006. Non-OPEC oil production decreased by 1.4% against the same period of last year.

In the first nine months of 2007 OPEC supply recorded an average of 35.1 mn bbl/day, by 1.7% higher than 1-9/06.

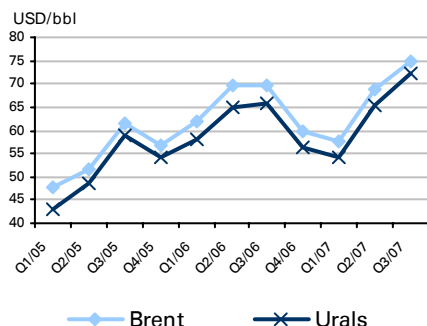
The **RON/USD average forex** decreased in the first nine months of 2007 by 13.7% yoy, from RON 2.84 to RON 2.45 and by 3.3% in Q3/07 against Q2/07 from RON 2.43 to RON 2.35. The **RON/EUR average forex** was by 6.9% lower in 1-9/07 yoy, from RON 3.54 to RON 3.30 and by 1.2% in Q3/07 compared to Q2/07 from RON 3.27 to RON 3.24.

International crude prices for Brent and Urals recorded increasing trend in the first 9 month of 2007 compared to the same period of 2006.

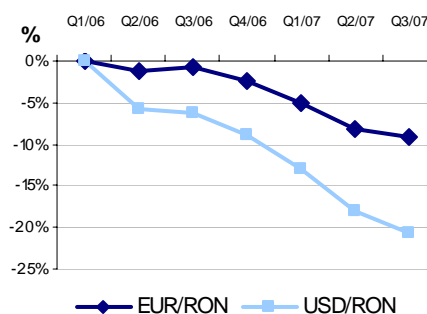
- **Brent price** [1-9/07: USD 67.2/bbl] increased by USD 0.3/bbl against 1-9/06 and by USD 6/bbl in Q3/07 compared to Q2/07.
- **Urals price** [1-9/07: USD 64.0/bbl] increased by USD 1/bbl against 1-9/06 and by USD 7/bbl higher in Q3/07 than Q2/07.

In the third quarter of 2007 the oil prices have continued to rise to records levels, peaking at USD 77.43/barrel on September 28. These price developments occurred despite the OPEC decision in early September to increase production. The continued strong price can be explained mainly by fears of potential damage to oil installations in the Gulf of Mexico, as storm activity picked up during the peak hurricane month of September; autumn refinery maintenance in the US and increasing geopolitical concerns in various regions. Gasoline had the peak of the second quarter in May (with an average of USD 754 /to), and then entered a descending trend, reaching the average level of USD 699 /to in September. Diesel, on the other hand, kept a continuously increasing trend, going from an average of USD 618 /to in May to an average of USD 712 /to in September. **Imported gas price** in Romania was down by 2% in 1-9/07 against 1-9/06, with an average of USD 285/1000 cm [1-9/06: USD 291/1000 cm].

International Crude Price



Development of FX rates



Exploration and Production

Q2/07	Q3/07	Q3/06	ΔQ3 yoy	Key performance indicators	1-9/07	1-9/06	%	2006
17.48	17.52	17.67	-0.8%	Total production (mn boe)	52.77	54.67	-3%	73
192.000	190.000	192.000	-1%	Total production (boe/day)	193.000	200.000	-4%	200.000
1.139	1.141	1.192	-4%	Crude and NGL production (kt)	3.403	3.603	-6%	4.777
1.421	1.425	1.392	2%	Gas production (mn cm)	4.327	4.397	-2%	5.917
698	748	851	-12%	EBIT (RON mn)	2.076	3.019	-31%	3.744
845	926	1.004	-8%	EBITDA (RON mn)	2.543	3.472	-27%	4.334
476	736	285	158%	Investments* (RON mn)	1.615	536	201%	1.336
65,30	72,22	65,81	10%	Average Urals price in USD/bbl	63,96	62,98	2%	61,35
59,51	65,25	59,16	10%	Average realised crude price USD/bbl	57,98	57,06	2%	55,65
187,07	199,78	118,99	68%	Regulated domestic gas price for producers in USD/1,000 cm	179,59	115,51	55%	122,02
16,55	17,28	14,29	21%	Domestic production cost, USD/boe	16,41	13,56	21%	13,73
40,24	40,65	39,71	2%	Domestic production cost, RON/boe	40,28	38,58	4%	38,55

* the investments include increases of Petrom share participations

January – September 2007 (1-9/07)

- **Successful efforts of maintaining a stable crude production in Romania**
- **Further strengthening of RON adversely impacted oil revenues and OPEX in USD/boe**
- **Downhole technology – by the end of September 1,214 wells were completed**
- **Investments continue to be high in 1-9/07: RON 1,615 mn, more than two times higher than 1-9 /06**

The **EBIT** of the Exploration and Production business of Petrom SA decreased by 31% in the first nine months of 2007 over the same period of last year. The strengthening of RON vs USD by 14% (revenues are USD-benchmarked whereas the majority of the costs are in RON) and the production decline were the main drivers of the decrease.

The **domestic realized oil price** slightly increased by 2% in 1-9/07 yoy, reaching USD 57.98/bbl, mainly due to higher international oil prices.

Total oil and gas production in Romania amounted to 52.77 mn boe in 1-9/07 [3.5% lower than 1-9/06] due to natural decline and external factors. Domestic oil production is affected by the delays in permitting needed to continue drilling of new wells and the shutdowns needed for the modernisation program, while the overall gas production is impacted by the shutdowns of major customers and by limitation of the gas distribution network.

The oil and gas production in Kazakhstan reached 1,225 thousand boe (or 4,500 boe/day), increasing by 6% over 1-9/06 volumes [4,200 boe/day].

Group oil and gas production decreased

by 3.3% to 54 mn boe [1-9/06: 55.82 mn boe], due to the decline of the domestic production for oil by 5.6% and for gas by 1.6%. For 1-9/07 the total Group **daily production** was 198,000 boe/day, 3% down compared to 1-9/06 [204,000 boe/day].

The **Group crude sales volumes** amounted to 3,532 thousand tons in the first nine months of 2007, down by 4.8% yoy. Crude sales volumes in Kazakhstan amounted to 133 thousand tons in 1-9/07, increasing by 11.4% yoy [1-9/06: 119 thousand tons].

E&P Petrom investments in Romania amounted to RON 1,615 mn, two times higher than 1-9/06 levels. The step increase of investments shows Petrom's engagement in both drilling and modernization and efficiency programs.

In 1-9/07, a number of 114 production wells with finished drilling works have been completed (1-9/06: 112 wells).

The **domestic production cost** of USD 16.41/boe was 21% higher compared to 1-9/06, mainly driven by the strengthening of the RON against the USD by 14%, lower production levels and higher salaries and service related costs increase. The domestic production cost expressed in



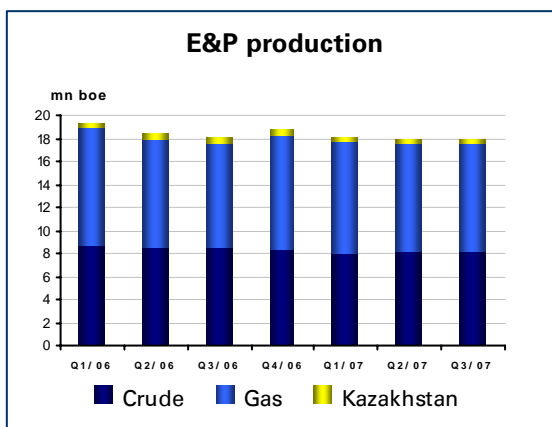
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RON/boe increased only by 4%, a clear indication of the significant impact of RON appreciation against the USD .

Technology roll-out

The Downhole Technology

Modernization Program is ongoing and significant efforts are undertaken in order to accelerate it. By the end of September, 1214 wells were completed, out of which 611 wells have been modernized in Q3/07. The number of crews working on this program has remained at the same level as in Q2/07.



The **Anti Corrosion Program** is continuing the execution phase, 578 electrical skids having been received by the end of September, out of which: 242 skids installed and 14 put in function. By the end of the year a significant progress on this project is expected.

In accordance with the **exploration** strategy, the 3D seismic surveys continued with success in first nine months of 2007. Two new 3D seismic surveys were started in Q3/07 and 8 new wells based on new technology have been drilled (cumulative 1-9/07: 23 exploration and appraisal wells).

The Torcesti discovery was one of the first wells of this exploration drilling campaign. Production testing in Q1/07 confirmed flow rates of 130.000 cm of natural gas and 11 tons of condensate per day (app.900 boe/day). The production is expected to start at the end of 2007.

During Q3/07, several discoveries of new reservoirs have been reported: "Delta 4"

(oil), "Mamu 4320" (gas and condensate), "900 Ochiuri" (oil), "Abrămuț" (oil and gas) and "7 W Predești" (gas). The most important of them, Delta 4, is the first successful offshore exploration since eight years. The well Delta 4 was drilled in the exploration block Histria XVIII, located in the Black Sea. Tests confirmed a daily flow rate of up to 357 tons of oil and 35,000 cubic meters of gas, in total approximately 2,800 boe/d. The further appraisal and development of this discovery are under review. The new discovery is expected to come on stream by mid 2008.

Petrom SA spent RON 223 mn on exploration activity in 1-9/07, thereof RON 129 mn were expensed and RON 94 mn were capitalised.

International

In **Kazakhstan**, new 3D geological models for the Aktas, Tasbulat and Tukmenoy fields were compiled. The drilling campaign, using these new models, has commenced in Q3/07.

The well South Rovnaya 2 was drilled in Q2/07 and has successfully appraised the gas-condensate discovery from last year. The license was extended for one more year, in order to allow for additional production testing and thereafter the full evaluation of the results.

The re-completions of all existing wells for the Komsomolskoe field were finalized and drilling preparations for the new wells have commenced. Furthermore Long Lead Items have been ordered and construction activities in the field have started. The oil field development is planned to be finalized in 2008.

The production optimization programs in Kazakhstan, using modern oilfield technologies, including e.g. well fracing, are ongoing.

In **Russia**, the execution of the exploration work program has commenced mid of the year and one well has been completed and three more are currently drilling in Saratov.

International exploration expenditures amounted RON 73 mn.

Third quarter 2007 (Q3/07)

In Q3/07, crude oil production in Romania amounted to 1,141 thousand tons, 4% lower than in Q3/06 but at the same level as in Q2/07. The production stabilization is the result of the kick off of the new organization combined with the turnaround program.

The natural gas production reached 1,425 mn cm, up by 2% in comparison with Q3/06 [1,392 mn cm] due to better supply/demand management.

The oil and gas production in Kazakhstan reached 423 thousands boe, by 9% higher in comparison with Q2/07 and maintained the same level as in Q3/06 (the third quarter of 2006 included production from Oztürk Munai LLP, which was subsequently sold as well as test production from the Komsomolskoe field which is now under development).

The Group sales of crude stood at 1,177 thousand tons, by 4% lower in comparison to Q3/06 and by 2% lower than Q2/07.

The domestic realized crude price increased to USD 65.25/bbl from USD

59.16/bbl reached in Q3/06, due to higher international prices.

EBIT in Q3/07 decreased by 12% yoy being negatively impacted by the RON appreciation. However, compared to Q2/07, the EBIT has increased by 7%, mainly as a result of higher oil prices.

The total E&P investments during Q3/07 more than doubled compared to Q3/06 with the main focus on the drilling program and on the modernization and efficiency program. A turnaround program was initiated by Petrom E&P focusing on 10 projects that will contribute to the achievement of the strategic targets for 2010. This program is focusing on the re-development of top fields of Petrom E&P, fast track development of exploration prospects and de-bottlenecking of gas production.

While the domestic production cost in USD/boe increased by 21% in Q3/07 vs. Q3/06 to USD17.28/boe, it has increased by only 2% when expressed in RON. This shows the significant impact of the RON appreciation against the USD.

Refining and Marketing

Q2/07	Q3/07	Q3/06	ΔQ3 yoy	Key performance indicators	1-9/07	1-9/06	%	2006
1,206	1,621	1,743	-7%	Crude input (kt)	4,495	5,173	-13%	6,864
227	418	561	-25%	o/w imported crude (kt)	1,221	1,595	-23%	2,138
60	80	86	-7%	Utilization rate (%)	75	86	-13%	86
6.52	2.00	4.19	-52%	Refining margin (USD/bbl)	4.26	4.54	-6%	4.01
951	1,289	1,392	-7%	Marketing sales (kt)	3,355	4,053	-17%	5,465
230	416	544	-24%	o/w export (kt)	992	1,787	-44%	2,245
(158)	(126)	(151)	-	EBIT (RON mn)	(591)	(641)	-	(1,136)
(103)	(72)	(106)	-	EBITDA (RON mn)	(413)	(513)	-	(914)
235	187	463.8	-60%	Investments (RON mn)	517	891	-42%	1,298

January – September 2007 (1-9/07)

- **Significantly weaker refining environment during Q3/07, with a historical low of refining margins in July, mainly on account of the raising costs of feedstock**
- **Nine months throughput per station reached 2.41 mn liters - expected annual throughput per station of 2.9 mn liters**
- **The non-oil business sales up 76% over the 1-9/06**
- **In September, the Full Agency Program reached a number of 416 filling stations**
- **27 filling stations built and 44 under construction in 1-9/07**

The EBIT of R&M business was RON -591 mn, improved compared to 1-9/06 as a strong Marketing result more than offset the effects of a weaker Refining result.

The results of the refining business have been adversely impacted by the deteriorated environment of last months, on account of rising feedstock costs and lagging product prices.

The year to date refining margin² has been slightly less favourable than the previous year, with USD 4.26/bbl in 1-9/07 vs. USD 4.54/bbl in 1-9/06.

During the last quarter, gasoline cracks dropped by more than USD 80/t vs. Q2/07, significantly below the comparable period of last year. Diesel crack improved slightly from previous quarter, but was still weaker than the Q3/06 and 1-9/06 levels.

Both refineries were able to run at high rates during Q3/07, following the turnaround completed earlier this year at Arpechim.

In the first nine months of 2007, Petrom's refineries processed a volume of crude oil of 4.50 mn tons by 13% lower than in 1-9/06, due to the Arpechim turnaround which lasted 6 weeks. Consequently, the overall utilization rate decreased at 75%, from 86% in the same period of last year. The imported crude oil processed by the two refineries decreased by 23% in 1-9/07 [1,221 thousand tons] in comparison with 1-9/06 [1,595 thousand tons].

Petrochemical and special product sales amounted to 476 thousand tons, increasing by 5% over the same period of 2006. Starting with July 1, Petrom is selling diesel fuels with 2% biodiesel blend, as required by law.

Total marketing sales in 1-9/07 amounted to 3,355 thousand tons, lower by 17% yoy due to a reduction of export sales by 44% as a result of the Company's decision to optimize the refining product mix and a higher demand on the domestic market.

Domestic sales were 4% higher than in 1-9/06, driven by higher demand, upgrade of filling station network and improved retail station management. **Domestic gasoline sales** are up by 6% yoy, while **domestic diesel sales** increased by 23% compared

² 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

to 1-9/06. The increase in domestic sales was due to the increased sales of white products.

Retail sales reached 1,115 mn liters, by 23% higher compared to 1-9/06 [906 mn liters]. Nine months **throughput per station** improved by 43% to 2.41 mn liters [1-9/06: 1.69 mn liters]. That value corresponds to an annual throughput per station of 2.90 mn liters.

Commercial domestic sales were lower by 5% against the level recorded in 1-9/06, amounting to 1,475 thousand tons, while **exports** were 992 thousand tons, from a previously 1,787 thousand tons achieved in 1-9/06 (-44%).

The **non-oil business sales** amounted in 1-9/07 RON 226.3 mn, 76% over the 1-9/06 [RON 128.9 mn], due to portfolio reorganisation, purchasing process optimisation and saving consumables through the centralized supply.

Petrom sold through its subsidiaries 963 mn liters in 1-9/07 to the retail customers, out of which 61% accounted for retail international sales.

Third quarter 2007 (Q3/07)

The total quantity of **crude processed** in Q3/07 amounted to 1,621 thousand tons, by 7% lower yoy, out of which 418 thousand tons represented imported crude oil. The refining margin for the quarter dropped to a year-low of USD 2.00/bbl, which is USD 2.2/bbl worse than in the corresponding period of 2006.

Refining utilisation rate was of 80%, decreasing as compared with the level recorded in Q3/06 [86%] but 33% higher in comparison with Q2/07 [60%], making-up after Arpechim turnaround.

Marketing sales decreased by 7% in comparison with Q3/06 and increased by 36% in comparison with Q2/07,

At the end of September 2007 a total of 416 filling stations were running under the Full Agency system, from a total of 437 operational Petrom SA filling stations. Petrom Group operates 780 filling stations, out of which 244 filling stations in Republic of Moldova, Bulgaria and Serbia.

The number of premium station was at 86 at the end of September 2007. Through this concept, Petrom aims at providing its customers with the best products and services available.

Capital investment in Refining business continued, with the diesel hydrotreater (HDS) project at Petrobrazi at peak construction phase. Also, progress has been recorded for the new FCC gasoline hydrotreater unit, scheduled for start-up in early 2009. In Marketing, the investments were directed mainly to the construction of new filling stations, modernizing of the existing ones and to the Supply & Logistic projects. They remained however far under the last year's level which included the acquisitions of retail networks in Bulgaria, Serbia as well as in Romania.

amounting to 1,289 thousand tons, due to refinery turnaround in Q2/07.

Retail sales increased in comparison with Q3/06 by 26%, to 429 mn liters while **commercial domestic sales** amounted 531 thousand tons, being 9% lower than the level reached in Q3/06 and by 25% higher than in Q2/07.

In Q3/07, the number of operating filling stations for Petrom SA decreased by 6% [463 filling stations at the end of Q2/07]. The difference of 26 corresponds to filling stations that have been closed and knock down and rebuilt.

R&M investments significantly decreased in comparison with Q3/06, as explained above.

Gas

Q2/07	Q3/07	Q3/06	ΔQ3 yoy	Key performance indicators	1-9/07	1-9/06	%	2006
23	-1	16		- EBIT (RON mn)	80	89	-10%	117
1,305	1,136	995	14%	Consolidated gas sales, out of which:	4,046	3,594	13%	5,242
1,205	1,062	888	20%	- Gas sales Petrom SA, mn cm	3,758	3,391	11%	4,863
187.07	199.78	118.99	68%	Regulated domestic gas price for producers in USD/1,000 cm	179.59	115.51	55%	122.02
455.00	470.00	330.00	42%	Regulated domestic gas price for producers in RON/1,000 cm	440.83	329.18	34%	342.01
275	280	295	-5%	Import gas price in USD/1,000 cm	285	291	-2%	297
2	1			- Investments (RON mn)	4		-	1

January – September 2007 (1–9/07)

The EBIT generated by the Gas business of Petrom SA in the first nine months of 2007 amounted to RON 80 mn, 10% down in comparison with 1-9/06 due to higher operational expenses. Explicitly the integration of the natural gas distribution activities into the gas division has put a financial burden on the result. The consolidated gas sales volume of Petrom Group amounted to 4,046 mn cm in 1-9/07, up by 13% compared to the same period of 2006. This was achieved despite the fact that the total natural gas consumption of Romania has dropped by 8% compared to 1–9/06.

The consolidated gas sales to third parties reached 3,260 mn cm, by 15%

higher than in the same period of the previous year, which was mainly driven by the purchase of additional volumes from third parties and sales to the market instead of injection into storages (due to the limited availability of storage volume in the Romanian storages).

Petrom has injected in 1-9/07 a total volume of 266 mn cm of natural gas. The total volume stored at the end of September 2007 amounted to 362 mn cm.

The imported gas price for 1-9/07 was at USD 285/1,000 cm, while the regulated domestic gas price for producers was USD 179.6 /1,000 cm [RON 440.8].

Third quarter 2007 (Q3/07)

During this period, the gas sales of Petrom SA together with Petrom Gas SRL amounted to 1,136 mn cm, up by 14% yoy [Q3/06: 995 mn cm].

The EBIT generated by the Gas business of Petrom SA has decreased in Q3/07 to negative RON 1 mn. The impact of high operating costs and the re-evaluation of the gas distribution activity taken over at the beginning of 2007 were the main trigger for this result. In addition adverse exchange rate effects in relation with the

transfer price from Petrom E&P diminished the operational result of the gas business.

The average Romanian regulated gas price for producers in Q3/07 was USD 199.8/1,000 cm (RON 470), by 68% higher compared to USD 119/1,000 cm (RON 330) in Q3/06.

The price for domestic natural gas is foreseen to remain at the same level over Q4/07 [RON 470/1,000 cm].

Chemicals

Q2/07	Q3/07	Q3/06	ΔQ3 yoy	Key performance indicators	1-9/07	1-9/06	%	2006
(15)	70	(19)		- EBIT (RON mn)	68	(7)	-	51
178	198	120	65%	Sales (kt)	552	416	33%	601
3	9	0.52		- Investments (RON mn)	14	3.6	289%	5.5

January – September 2007 (1–9/07)

The sales volume generated by Doljchim in the first nine months of 2007 increased by 33%, to 552 thousand tons [1-9/06: 416 thousand tons].

In 1-9/07, the domestic market sales, accounted for approx. 44% from total sales, especially for fertilizers. Favorable market conditions contributed to a significant rise of ammonium nitrate sales in 1-9/07 compared to 1-9/06 by 153%. Also urea and methanol domestic market sales were up, by 155% and 53%, respectively.

Stimulated by higher sales on the domestic market, in 1-9/07, Doljchim achieved record production levels of fertilizers

In 1-9/07, the investments in Doljchim, amounting to RON 14 mn, almost three times up over 1-9/06, were directed mainly towards the works for

environmental protection, health and safety, infrastructure and the plants safety of operation for fire risk.

Third quarter 2007 (Q3/07)

In Q3/07 the volume of Doljchim sales increased by 65%, to 198 thousand tons [Q3/06: 120 thousand tons], out of which export sales accounted approx. 61%.

As a general selling policy, Doljchim continued to focus on the domestic market sales, recording a significant increase for all products: 72 thousand tons in Q3/07, 123% up in comparison with Q3/06 [32 thousand tons].

Compared to Q3/06, the Doljchim' investments significantly increased being directed mainly towards the works for environmental protection, health and safety and maintenance.

Financial highlights

Profit and loss account

The Company's **turnover** for 1-9/07 decreased by 10% yoy mainly due to lower selling prices and lower quantity sold in R&M segment (because of the turnaround in Arpechim). This was partly offset by the higher turnover generated by the Gas business.

The **operating expenses** decreased in 1-9/07 by 6% under the influence of lower expenses with utilities (as a result of the renegotiation of the contracts), with taxes (decrease as a result of the decrease of the number of employees according to the restructuring programme in place) and reduced provisions (due to improved credit risk management and less litigations in place). The operating expenses have been also influenced by the decrease of raw materials expenses due to lower crude import quantities and prices. This positive effect on operating expenses has been offset by higher expenses with third party related services, and higher depreciation of the tangible and intangible assets.

The **EBIT** of the Company amounted to RON 1,633 mn in 1-9/07, 34% below the RON 2,460 mn result recorded in 1-9/06, mainly due to the weaker EBIT generated by the E&P as a result of the production decline, lower delivered quantities, higher stocks of oil products in other segments than E&P and negative impact of the RON appreciation by 14% against USD.

In Refining and Marketing, the EBIT showed a negative value but improved versus 1-9/06, reflecting the positive developments in the Marketing business due to the

implementation of the Full Agency system that triggered a decrease of the staff related costs. The increase of supply margin in the refining business was more than compensated by the higher expenses with services generated by the turnaround at Arpechim and lower deliveries.

In Gas, the EBIT has decreased, mainly due to the integration of the natural gas distribution activities into the gas division.

The company's **financial result** improved from a negative RON 205 mn in 1-9/06 to a positive RON 166 mn in 1-9/07.

The **net profit** decreased in 1-9/07 by 22% in comparison with the same period of 2006 as a consequence of the weaker operational result.

The **taxes** paid by Petrom to the state budget in the first three quarters of 2007 amounted to RON 3,196 mn, 20% lower than in the same period last year.

RON 2,134 mn (67%) of the total taxes paid represented excise duties, 9% higher than the same period last year. The increase is due to the increase of the excise duty rates applicable starting January 1, 2007.

The oil and gas royalty paid to the state amounted to RON 372 mn, representing 89% of the amount due for the same period last year, reflecting the lower production levels. The corporate tax paid for the first three quarters of 2007 was of RON 259 mn. The corporate tax has been adversely affected mainly by the elimination of the geological quota starting January 1, 2007 and also by other additional non-deductible expenses.

Balance sheet

Total assets amounted to RON 19,722 mn at the end of the first nine months of 2007, slightly increasing compared to the end of 2006 [FY06: RON 19,459 mn], mainly as a result of the increase in advances and tangible assets in progress, offset by lower cash and bank accounts. The cash position was affected by the cash outflow for investing activities and dividends and by the cash inflow from the operating activity.

Fixed assets increased by 14% to RON 14,972 mn [FY 2006: RON 13,092 mn], mainly driven by significant investments related to E&P representing modernisation of wells, rigs and production equipments.

Despite the increase in both inventories and receivables, total current assets recorded a 26% decrease to RON 4,641 mn over FY 2006 [RON 6,277 mn], mainly determined by the decrease in cash and bank accounts. Total liabilities decreased over 1-9/07 by 4%, amounting to RON 6,852 mn mainly due to the payment of dividends to the shareholders.

The balance of the shareholders' equity amounted to RON 12,870 mn, up by 4% than at FY/06, due to fact that the profit for the 1-9/2007 amounting to RON 1548 mn was partially offset by the dividend payable for year 2006, amounting RON 1,014 mn.

Investments

Q2/07	Q3/07	Q3/06	ΔQ3 yoy	RON mn	1-9/07	1-9/06	%	2006
476	736	285	158%	Exploration and Production	1,615	536	201%	1,336
235	187	464	-60%	Refining&Marketing	517	891	-42%	1,298
2	1	-	-	- Gas	4	-	-	1
3	9	0.52	-	- Chemicals	14	3.6	289%	5.5
54	121	52	133%	Corporate (including Petrom Solution)	226	130	74%	297
771	1,054	801	32%	Total investments	2,376	1,561	52%	2,937

The total investments realised in 1-9/07 amounted to RON 2,376 mn, exceeding by 52% the amount performed in 1-9/06.

The investments in Q3/07 increased by 32% in comparison with the same period of the last year and by 37% in comparison with Q2/07.

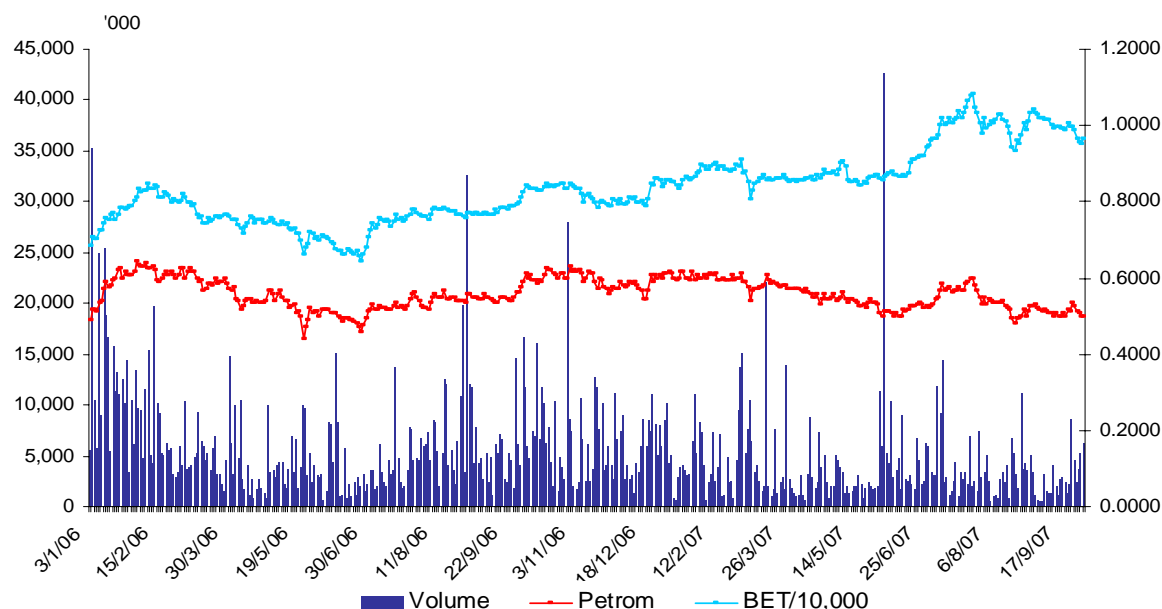
The investments have been directed mostly to E&P – 68%, while the R&M business benefited from a 22% share of the investments. The rest of 10% represents

investments in Corporate (mainly Petrom Solutions), Gas and Chemicals.

The investments in E&P were two times higher than 1-9/06, being directed mainly to the development and production drilling and to the wells modernisation program. In refining, the investments were directed to the diesel hydrotreater (HDS) project at Petrobrazi and to the new FCC gasoline hydrotreater unit, scheduled for start-up in early 2009.

Stock watch: January – September 2007

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



The maximum of BET index in 1-9/07, i.e. 10,857.71 points, has been reached on July 25, 2007. The lowest value of BET index in 2007, i.e. 7,992.30, has been reached in March 5.

In the first nine months, Petrom's share price decreased by 12% YTD. In Q3/07 the decline was by 6%.

Starting with July 11, 2007, in compliance with the stipulations of the Government's Emergency Ordinance no. 81/2007, AVAS owns 11,690,694,418 shares representing 20.64% of the share capital and S.C. Fondul Proprietatea SA owns 11,391,130,186 shares, representing 20.11% of Petrom share capital.

ISIN: ROSNPPACNOR9	Market capitalization (September 30)	RON 28 bn
Bucharest Stock Exchange: SNP	Market capitalization (September 30)	EUR 8.4 bn
Reuters: SNPP.BX	Closing price September 30, RON/share	0.5000
Bloomberg: SNP RO	Year's high (January 23), RON/share	0.6200
	Year's low (August 17), RON/share	0.4800
	No. of shares	56,644,108,335

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Next release:

The next results announcement January – December and Q4, 2007 will be made on February 26, 2008.

Abbreviations

NGL	Natural Gas Liquids
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortization
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
HDS	Hydrodesulphurisation
kt	Thousand tons
yoy	Year-on-year
YTD	Year-to-date

Profit and Loss Account as of September 30, 2007

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

RON	September 30, 2006	September 30, 2007
1. Net turnover	9,675,194,757	8,671,863,353
Sales of production	5,827,746,931	5,900,958,153
Sales of merchandise	3,847,447,826	2,770,905,200
Interest income- from lease companies	-	-
Interest from subsidies related to net turnover	-	-
2. Movements in stocks of finished goods		
Cr balance	130,416,284	150,479,443
Dr balance		
3. Own work capitalized	19,800,174	13,871,431
4. Other operating revenues	350,977,743	45,436,306
TOTAL OPERATING REVENUES	10,176,388,958	8,881,650,535
5. a) Raw materials and consumables expenses	2,754,564,275	2,015,232,765
Other materials expenses	44,650,325	31,706,118
b) Other utilities expenses (energy and water)	395,550,015	333,414,878
c) Purchase of goods for resale	125,430,798	474,456,726
6. Salary expenses, of which:	1,331,816,908	1,324,458,257
a) Salaries	1,003,213,347	1,018,272,531
b) Social security contributions	328,603,561	306,185,726
7 a) Adjusting the value of tangible and intangible assets	585,241,277	723,502,110
a.1) Expenses	620,145,713	744,315,822
a.2) Revenues	34,904,436	20,813,712
b) Adjusting the value of current assets	(24,952,098)	29,284,752
b.1) Expenses	260,486,896	154,167,188
b.2) Revenues	285,438,994	124,882,436
8. Other operating expenses	2,730,589,686	2,647,369,594
8.1 Third parties services	1,870,824,162	1,937,492,737
8.2 Other taxes, duties and similar expenses	572,814,604	426,684,926
8.3 Other operating expenses	286,950,920	283,191,931
Interest related to refinancing activities	-	-
Adjustments for provisions for risks and charges	(226,736,451)	(330,638,041)
Expenses	94,648,995	84,137,938
Revenues	321,385,446	414,775,979
TOTAL OPERATING EXPENSES	7,716,154,735	7,248,787,158
OPERATING RESULT:		
- Profit	2,460,234,223	1,632,863,377
- Loss	-	-
9. Income from investments	27,251,011	32,692,482
- 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	224,667,396	191,757,844
- out of which, within the group	-	-
Other financial revenues including forex gain	111,601,205	168,083,854
TOTAL FINANCIAL REVENUES	363,519,612	392,534,180
12. Adjustment of financial assets and investments held	191,949,437	(173,455,203)

RON	September 30, 2006	September 30, 2007
Expenses	204,203,249	15,824,558
Revenues	12,253,812	189,279,762
13. Interest expenses	38,717,478	10,042
- out of which, within the group	-	-
Other financial expenses including forex loss	337,901,837	399,978,408
TOTAL FINANCIAL EXPENSES	568,568,752	226,533,247
FINANCIAL RESULT		
- Profit	-	166,000,933
- Loss	205,049,140	-
14 Current result:		
- Profit	2,255,185,083	1,798,864,310
- Loss	-	-
15. Extraordinary revenues	-	-
16. Extraordinary expenses	-	-
17. Extraordinary result :	-	-
- Profit	-	-
- Loss	-	-
TOTAL REVENUES	10,539,908,570	9,274,184,714
TOTAL EXPENSES	8,284,723,487	7,475,320,405
Profit before tax:		
- Profit	2,255,185,083	1,798,864,310
- Loss	-	-
18. Tax on profit	258,684,302	250,376,436
19. Other tax expenses not shown above	-	-
20. NET RESULT OF FINANCIAL YEAR:		
- Profit	1,996,500,781	1,548,487,874
- Loss	-	-

Balance Sheet as of September 30, 2007

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

RON	31/12/2006	30/09/2007
A. Fixed assets		
I Intangible assets	156,036,169	306,490,867
II Tangible assets	8,405,432,446	9,788,505,304
III Financial Assets	4,531,436,137	4,876,835,323
Total Fixed Assets	13,092,904,752	14,971,831,494
B. Current assets		
I. Inventories	1,465,128,619	1,806,002,020
II. Receivables	1,360,715,806	1,569,026,992
III. Short term investments	-	-
IV. Cash and Bank accounts	3,451,025,681	1,265,505,917
Total Current Assets	6,276,870,106	4,640,534,929
C. Prepayments	89,716,940	110,075,544
D. Payables within one year	2,257,229,755	2,104,141,050
o/w Bonds and interests bearing liabilities	-	-
E. Current assets, less current liabilities	4,016,232,131	2,563,521,874
F. Total assets less current liabilities	17,100,585,546	17,526,987,590
G. Payables in more than one year	22,141,012	10,840,704
o/w Bonds and interests bearing liabilities	-	-
H. Provisions for risks and charges	4,753,739,904	4,646,178,151
I. Deferred income	101,676,497	91,313,327
1. Investments subsidies	8,551,337	8,365,778
2. Deferred income	93,125,160	82,947,549
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	60,796,410
IV. Reserves	5,570,252,487	5,594,752,206
V. Retained earnings		
Cr balance	1,015,450,950	1,521,411
Dr balance		
VI. Profit for the period		
Cr balance	2,285,490,203	1,548,487,874
Dr balance		
Profit appropriation	2,285,490,203	1
Total Shareholders' Equity	12,324,704,630	12,869,968,733
Public patrimony	-	-
Total equity	12,324,704,630	12,869,968,733

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

Financial Ratio	Formula	Value
Current ratio	Current Assets / Current Liabilities	2.21
Gearing Ratio	Long term debt/Equity*100	0.08%
	Long term debt/ Capital employed*100	0.08%
Days in receivables	Receivables average balance / Turnover*270	45.61
Fixed assets turnover	Turnover / Fixed assets	0.58