OMV Petrom Group

2016 Overview and 2017 Outlook

General Meeting of Shareholders

April 25, 2017

Mariana Gheorghe, CEO

OMV Petrom

OMV Petrom

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 2016, 33% 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

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 Annual General Meeting of Shareholders; [2] Lost time injury rate (employees and contractors) for OMV Petrom Group excluding Kazakhstan

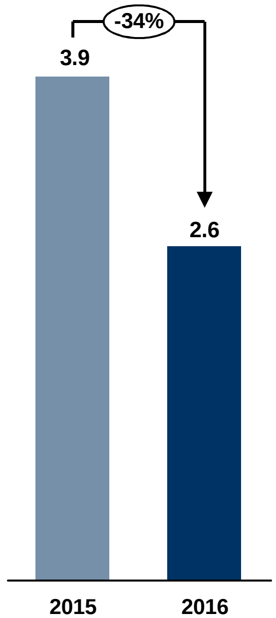
Strong execution of efficiency plans

Upstream

OPEX in USD/boe

CAPEX

RON bn



Operating cost savings

RON mn

FCF[1]

RON bn

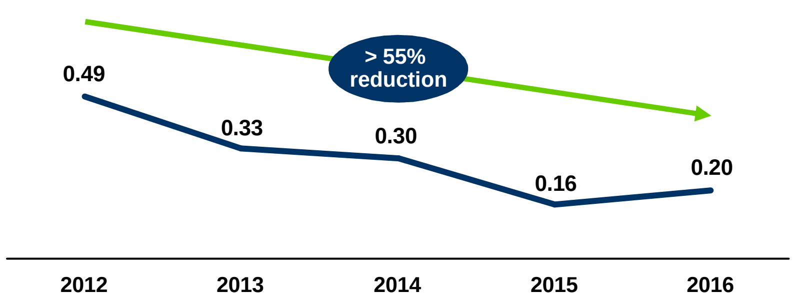
[1] Free Cash Flow before repayment of loans and dividend payments

Focused on safeguarding our employees and the environment

Improved LTIR[1] in 2016 vs. 2012

- Offshore operations: more than 2 years without LTI[2]
- Downstream Oil LTIR: 0.09

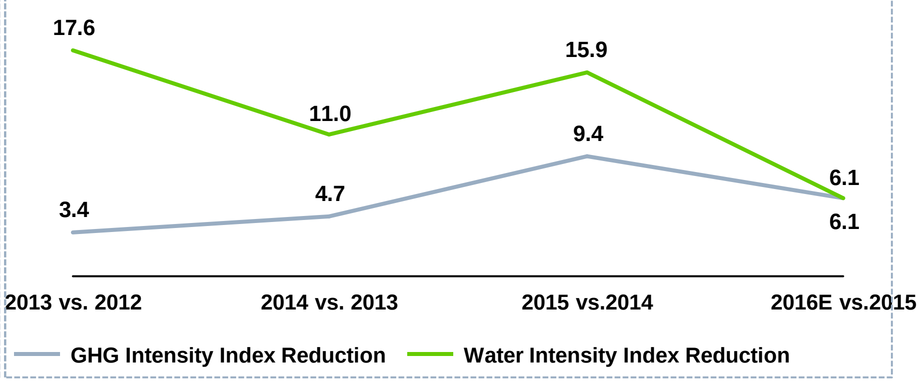
LTIR



Significant reduction of GHG[3] and Water Intensity

- GHG and Water Intensity Indices reduced by ~6% in 2016[4] vs. 2015
- Downstream Oil achieved the greatest GHG reduction: -24% in 2016[4] vs. 2012
- 31 G2P/CHP[5] units burning well gas met more than 50% of Upstream onshore electricity demand in 2016

Reduction of GHG and Water Intensity Indices 2012 – 2016[4] (%)



[1] Lost time injury rate (employees and contractors) for OMV Petrom Group, excluding Kazakhstan; [2] Lost time injury; [3] Greenhouse gases; [4] Preliminary figures for 2016; [5] Gas to power/Combined heat and power

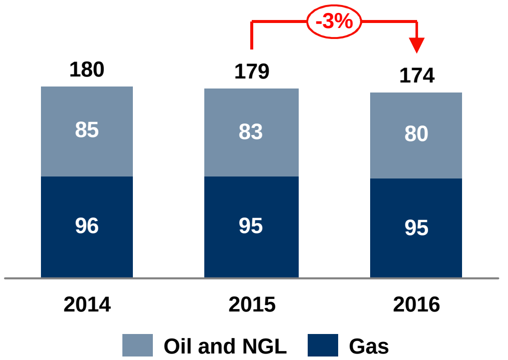
Upstream – Improved efficiency

Production decline below upper limit guidance

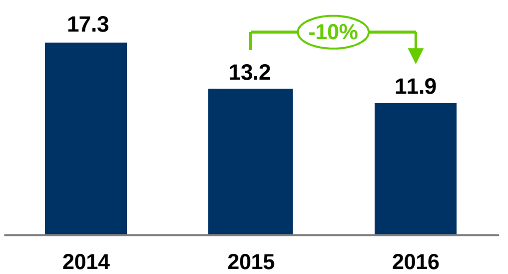
Key drivers 2016 vs. 2015

- OPEX, in USD/boe terms, -10%, 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)



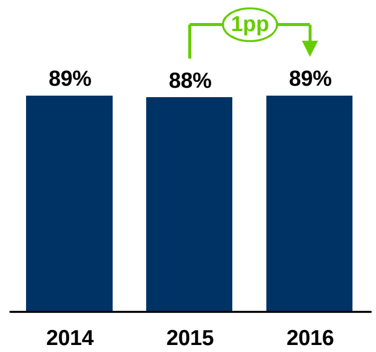
Downstream – Mixed operational performance

Key drivers 2016 vs. 2015

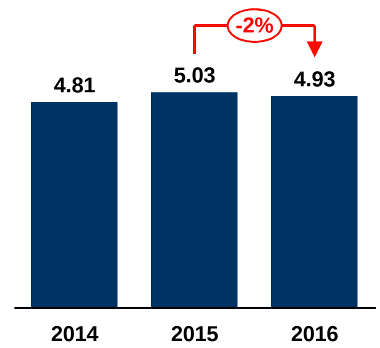
- Growth in retail sales of +4%[1]
- Higher net electrical output despite unplanned outage of Brazi power plant

- Refined product sales down reflecting lower export sales
- Lower gas sales volumes

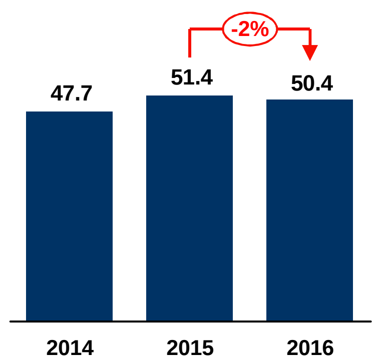
Refinery utilization rate (%)



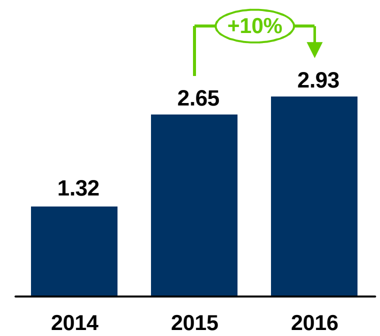
Refined product sales volumes (mn t)



Gas sales volumes (TWh)



Net electrical output (TWh)



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

1	Operational highlights 2016
2	Outlook 2017
3	Strategy Update 2021+

Outlook 2017

Assumptions

- **Brent** at USD 55/bbl
- **Refining** margins to decline
- **Fuel** demand on an upward trend
- **Gas** demand broadly flat; high competition and margin pressure
- **Power** demand relatively stable; positive average spark spreads

Targets

- **Production** decline up to 3% yoy
- **CAPEX** budget increased to EUR 0.8 bn (~85% in Upstream)
- Positive **FCF** after dividends
- Strong **balance sheet** maintained
- Attractive **dividend**

1	Operational highlights 2016
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3	Strategy Update 2021+

OMV Petrom Strategy Update 2021+

Sustainable access to energy for everyday modern life

Leading integrated regional player

Committed to enhance customer experience

Regional growth leveraging Romanian expertise

Ensure profitability while maintaining a strong balance sheet and offering attractive shareholder returns

Enhancing competitiveness in the existing portfolio

- Continue Operational Excellence
- Capture the highest integrated operational value
- Maximize economic recovery from Upstream current assets
- Streamline producing assets portfolio
- Optimize business portfolio

Developing growth options

- Mature Neptun resources*
- Rejuvenate exploration portfolio
- Enhance offer and customer experience
- Explore value-adding opportunities for gas
- Explore technological opportunities capitalizing on skills and assets

Regional expansion

- Develop opportunities for regional expansion in Upstream
- Become regional gas player
- Enhance offer and brand perception by customers within the region

People and Organizational Culture

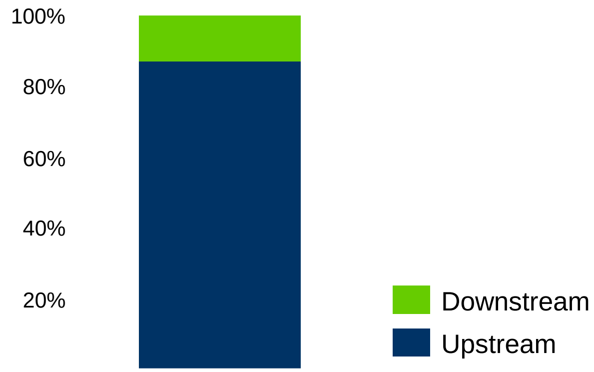
Sustainability

Technology and Innovation

* Development subject to confirmation of commercial viability

2021 Clear targets sustained by high investments

EUR ~5 bn cumulative Capex anticipated over 2017 - 2021



Upstream

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

Downstream

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

RRR[1]
100% by 2021

CAPEX
EUR ~1 bn p.a.

Clean CCS ROACE[3]
> 10% by 2021

FCF[2] after dividend
Positive for the majority of the period

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

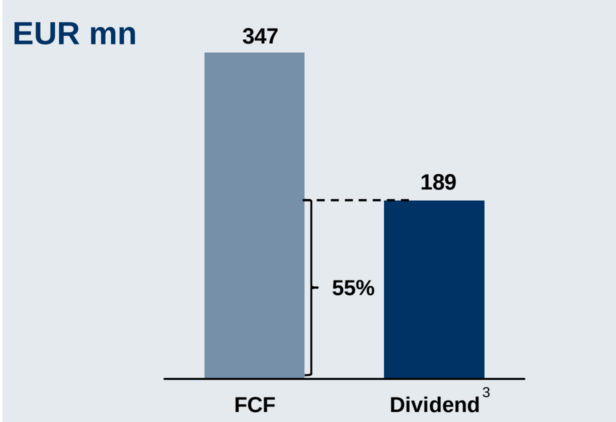
Commitment to deliver a competitive shareholder return by paying an attractive dividend

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] Proposal subject to approval of the Annual General Meeting of Shareholders

OMV Petrom

Our path to long-term success

Solid Foundation +

- Integrated business model delivers value through the cycle
- Strong track record of capital management
- Strong cash generation

Vision +

- Provider of sustainable access to energy for everyday modern life
- Capitalizing on OMV Petrom's existing assets and skills

Clear Strategy +

- Enhance competitiveness of existing portfolio
- Develop growth options
- Expand the regional footprint

Defined Execution Plan =

- Sustainability of reserves base
- Operational efficiency
- Value chain
- Customer experience

Enabled by:

- People and Organizational Culture
- Sustainability
- Technology and Innovation

Deliver Sustainable Value Creation

- Attractive shareholder returns
- Improved profitability
- Strong balance sheet
- Readiness for new world of energy