OMV Petrom

Christina Verchere

Chief Executive Officer and President of the Executive Board

Stefan Waldner

Chief Financial Officer

The spoken word applies. Check against delivery.

Christina Verchere - OMV Petrom - CEO

Slide 1 – Intro

Good afternoon ladies and gentlemen,

I am excited and honored to lead OMV Petrom and I am looking forward to playing my part in growing the company and enhancing its competitiveness.

In my first few months, I will be getting out and meeting as many people as I can, both internally here in Petrom City and particularly in our operations, as well as meeting our key external stakeholders, which of course includes you.

I look forward to meeting you, the analysts and investors of OMV Petrom, in upcoming Investor Relations events.

As I just joined OMV Petrom two days ago, I am going to leave the presentation and the Q&A of our first quarter results in the capable hands of Stefan, but I did want to join the call and introduce myself.

Now let us turn to the first quarter results, and for that I will hand over to Stefan.

This page is left blank intentionally

Legal Disclaimer

This presentation does not, and is not intended to, constitute or form part of, and should not be construed as, constituting or forming part of, any actual offer to sell or issue, or any solicitation of any offer to purchase or subscribe for, any shares issued by the Company or any of its subsidiaries in any jurisdiction or any inducement to enter into investment activity; nor shall this document or any part of it, or the fact of it being made available, form the basis of, or be relied on in any way whatsoever. No part of this presentation, nor the fact of its distribution, shall form part of or be relied on in connection with any contract or investment decision relating thereto; nor does it constitute a recommendation regarding the securities issued by the Company. The information and opinions contained in this presentation and any other information discussed in this presentation are provided as at the date of this presentation and are therefore of a preliminary nature, have not been independently verified and may be subject to updating, revision, amendment or change without notice. Where this presentation quotes any information or statistics from any external source, it should not be interpreted that the Company has adopted or endorsed such information or statistics as being accurate.

No reliance may be placed for any purpose whatsoever on the information contained in this presentation, or any other material discussed verbally. No representation or warranty, express or implied, is given as to the accuracy, fairness or currentness of the information or the opinions contained in this document or on its completeness and no liability is accepted for any such information, for any loss howsoever arising, directly or indirectly, from any use of this presentation or any of its content or otherwise arising in connection therewith.

This presentation may contain forward-looking statements. These statements reflect the Company's current knowledge and its expectations and projections about future events and may be identified by the context of such statements or words such as "anticipate," "believe", "estimate", "expect", "intend", "plan", "project", "target", "may", "will", "would", "could" or "should" or similar terminology. By their nature, forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Company's control that could cause the Company's actual results and performance to differ materially from any expected future results or performance expressed or implied by any forward-looking statements.

None of the future projections, expectations, estimates or prospects in this presentation should in particular be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared or the information and statements contained herein are accurate or complete. As a result of these risks, uncertainties and assumptions, you should in particular not place reliance on these forward-looking statements as a prediction of actual results or otherwise. This presentation does not purport to contain all information that may be necessary in respect of the Company or its shares and in any event each person receiving this presentation needs to make an independent assessment.

The Company undertakes no obligation publicly to release the results of any revisions to any forward-looking statements in this presentation that may occur due to any change in its expectations or to reflect events or circumstances after the date of this presentation.

This presentation and its contents are proprietary to the Company and neither this document nor any part of it may be reproduced or redistributed to any other person.

Slide 2 – Legal Disclaimer

Thank you, Christina, and good afternoon to you all.

Before I start the actual presentation, please let me draw your attention to our Legal Disclaimer, which you can read in detail on slide 2.

Key messages Q1/18

Free cash flow of RON 729 mn

Clean CCS Operating Result at RON 958 mn

Clean CCS EPS up 28% yoy

Q1/18 **LTIR**[1] at 0.38 (Q1/17: 0.17)

Upstream: production 162 kboe/d, -5% yoy; OPEX USD 11.89/boe, +13% yoy

Downstream Oil: refining margins USD -1.0/bbl yoy; retail sales volumes +1% yoy

Downstream Gas: gas sales volumes -8% yoy; net electrical output +19% yoy

[1] Lost time injury rate (employees and contractors) for OMV Petrom Group

Slide 3 – Key messages Q1/18

Let me start with some key highlights for Q1/18 on slide 3.

In this quarter, market conditions were supportive, with increased crude and natural gas prices. However, refining margins and electricity spark spreads declined.

As a result, we generated an improved **free cash flow** of around RON 730 million.

Our **Clean CCS Operating Result** went up by 25% year-on-year to almost RON 1 billion, with Upstream contributing approximately two thirds.

The **Clean CCS EPS** was up by 28% compared to Q1/17.

Let me briefly comment on the **business segments**. In Upstream, we had lower production, by 5%, mainly due to natural decline and one-time effects. Our OPEX/boe was 13% higher, mainly due to a weaker USD versus RON. In RON terms total Upstream production costs declined.

In Downstream Oil, we faced a decline in refining margins by about USD 1/bbl. Our retail sales volumes were 1% higher year-on-year, supported by higher demand, especially in our main market, Romania.

In Downstream Gas, we reported an 8% year-on-year decrease in gas sales volumes, in the context of lower equity gas production. We also had a higher net electrical output as the Brazi power plant was fully operational in Q1/18, although the spark spreads were significantly lower year-on-year.

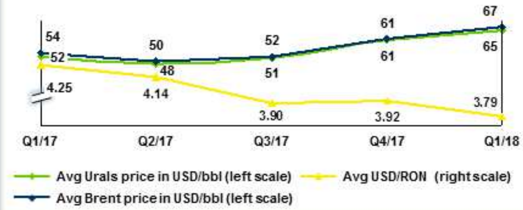
As for the **Lost Time Injury Rate** at Group level, this ratio reached 0.38 in Q1/18, above last year's figure on a quarterly basis. However, our 12-month rolling average LTIR is better than industry benchmark.

Economic environment

Romania

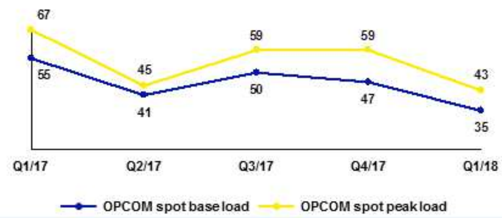
- Q4/17 **GDP growth**[1]**:** 6.9% yoy; Q1/18 **CPI**[1]**:** 5% yoy
- **Demand Q1/18 yoy:** Fuels[2]: +1.8%; Gas[3]: stable; Power[4]: +3%
- **Offshore Law** in approval process; expected new draft **Royalty Law**
- Updated **gas royalties** methodology
- **Supplementary gas taxation**[5] extended indefinitely

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



Gas prices[6] (EUR/MWh)

Power prices in Romania[6] (EUR/MWh)



[1] Romanian National Institute of Statistics; [2] Fuels refer only to retail diesel and gasoline; OMV Petrom estimates based on Romanian National Institute of Statistics data; [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; [6] Prices estimated by OMV Petrom based on available public information; the prices in EUR/MWh are translated at the exchange rate 4.5 RON/EUR until Q1/17 and at the NBR average RON/EUR rate afterwards; [7] All transactions concluded in the respective quarter, irrespective of delivery period and product type; [8] Day-ahead market Central European Gas Hub

Slide 4 – Economic environment

On slide 4, we provide some **macroeconomic highlights** for Romania and an overview of the pricing environment in our industry.

Romania had another quarter of solid economic performance, with impressive GDP growth, although its sustainability is questionable given the recent generous stimulating fiscal measures and the upside pressures on the government deficit. The increase in inflation is yet another sign of the need for a more disciplined fiscal policy with firmer budgetary constraints.

Looking at the **Romanian energy sector**, the **market demand** for our products has increased in Q1/18, even if at a more moderated pace. The demand for **fuels**, and here I refer only to retail diesel and gasoline sales, increased by almost 2% year-on-year. The demand for **gas** was stable, as per our estimates. **Power** demand increased year-on-year, by around 3%, according to the preliminary data available.

On the regulatory front there are a number of recent changes at various stages of approval and implementation. The new draft **Offshore Law**, covering operational issues and taxation, is awaiting approval from the Chamber of Deputies.

A new draft **Royalty Law**, providing for a revised royalty regime for oil, gas, coal and other natural resources, is expected to be issued for public consultation this year.

The **methodology for the gas reference price** to be used for the calculation of gas royalties was approved by the National Agency for Mineral Resources (ANRM) and entered into force as of its publication date, February 12, 2018; the reference price will be linked to CEGH gas prices in Austria.

Starting April 1, 2018, the **tax on additional revenues** obtained from gas price liberalization has been extended indefinitely and the tax rate was increased from 60% to 80% for realized gas prices higher than RON 85/MWh. The increase applies only to the difference between realized prices and RON 85/MWh.

Let me now provide you with an overview of the **pricing environment** in our industry.

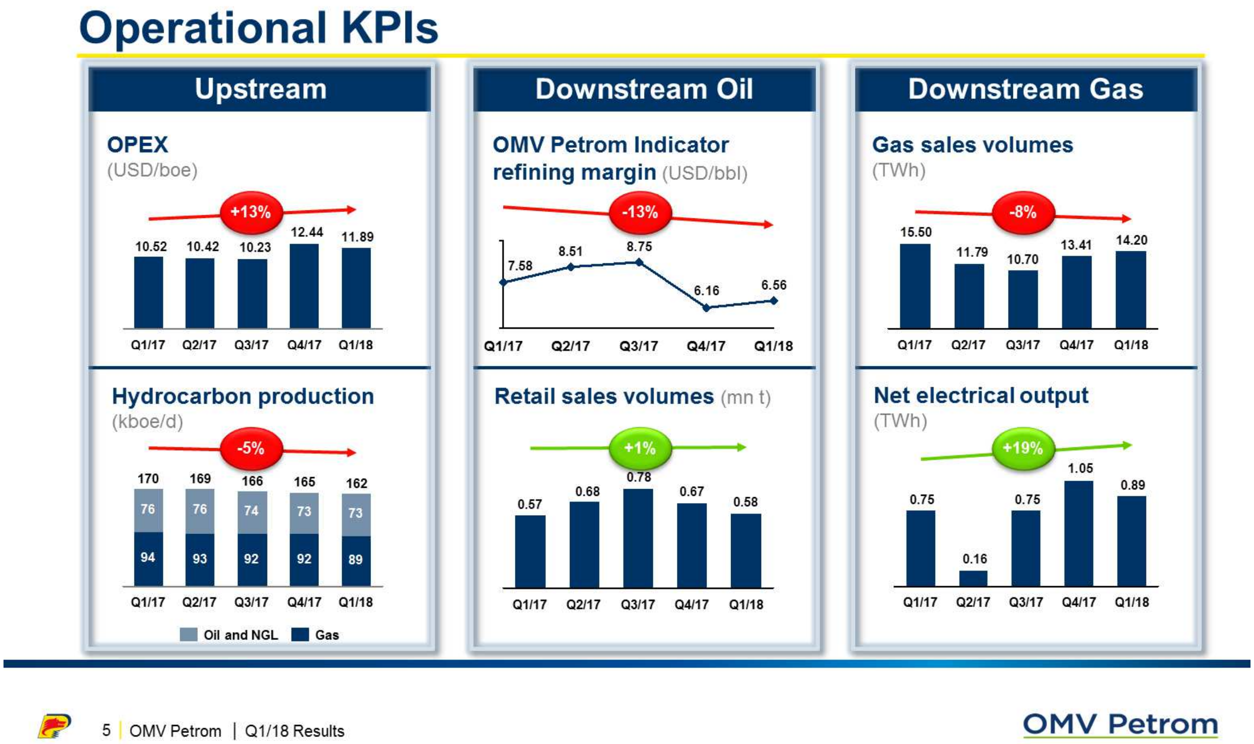
In the chart on the upper right you can see the **Urals** price, shown in green, which in Q1/18 averaged USD 65/bbl, higher year-on-year by 25%. A similar trend can be seen for **Brent**, shown by the blue line, with an increase of 24% year-on-year. The price spread between Brent and Urals has increased in Q1/18 to USD 1.65/bbl. In the same chart you can see in yellow the exchange rate development: in Q1/18 **USD was weaker versus the RON** by some 11% year-on-year.

The lower left chart shows, in green, the **gas price on the Romanian centralized market**, which averaged RON 78/MWh (or EUR 16.7/MWh) for transactions closed in Q1/18 (26.6 TWh) with delivery until Q3/19. Please note that prices on centralized platforms refer to various products in terms of storage costs, flexibility and timing.

For reference, the gray line shows the gas price in Austria, which is the **average day-ahead CEGH price**, at EUR 20.5/MWh, which is by 7% higher versus Q1/17.

Finally, on the lower right, you can see that the base load **power prices** in Romania were down by 36% year-on-year in EUR terms.

This page is left blank intentionally



Operational KPIs
Upstream
OPEX
(USD/boe)
+13%
10.52
10.42
10.23
12.44
11.89
Q1/17
Q2/17
Q3/17
Q4/17
Q1/18
Hydrocarbon production
(kboe/d)
-5%
170
169
166
165
162
76
76
74
73
73
94
93
92
92
89
Q1/17
Q2/17
Q3/17
Q4/17
Q1/18
Oil and NGL
Gas
Downstream Oil
OMV Petrom Indicator refining margin (USD/bbl)
-13%
7.58
8.51
8.75
6.16
6.56
Q1/17
Q2/17
Q3/17
Q4/17
Q1/18
Retail sales volumes (mn t)
+1%
0.57
0.68
0.78
0.67
0.58
Q1/17
Q2/17
Q3/17
Q4/17
Q1/18
Downstream Gas
Gas sales volumes
(TWh)
-8%
15.50
11.79
10.70
13.41
14.20
Q1/17
Q2/17
Q3/17
Q4/17
Q1/18
Net electrical output
(TWh)
+19%
0.75
0.16
0.75
1.05
0.89
Q1/17
Q2/17
Q3/17
Q4/17
Q1/18
5 | OMV Petrom | Q1/18 Results
OMV Petrom

Slide 5 – Operational KPIs

On slide 5, I would like to present to you some operational KPIs for each business segment.

Let me start with **Upstream**. Although the total production costs in RON terms were lower in Q1/18, the **average unit production cost** in USD/boe increased compared to Q1/17. This increase reflects two main factors: firstly the unfavorable FX development, with an impact of USD 1.2/boe and secondly, the lower production volumes, with an impact of USD 0.65/boe. Overall, production cost reached a level of USD 11.89/boe, which was 13% higher compared to Q1/17.

Hydrocarbon production in boe/d was down by 5% in Q1/18 versus Q1/17. The decrease was mainly due to natural decline, the divestment of marginal fields, as well as a one-time effect of works and equipment replacements in the Totea-Hurezani area. In a like-for-like comparison, i.e. excluding the effect of the fields' divestment concluded last summer, Group production decreased by 4.2% in Q1/18 versus Q1/17.

Continuing with **Downstream Oil KPIs**, as a general observation we had lower refining margins, but higher retail sales.

The **OMV Petrom refining margin indicator** decreased in Q1/18 by 13% year-on-year, to USD 6.56/bbl. This decrease was mainly the effect of the increased crude oil price.

In turn, we had an increase in Group **retail sales** volumes by 1%, supported by higher demand in our main market, Romania. Group **non-retail sales volumes** in Q1/18 decreased as we continued to optimize our sales channels.

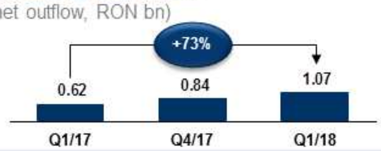
As for **Downstream Gas**, our **gas sales volumes** in Q1/18 decreased by 8%, also reflecting the lower equity gas production. In this context, the lower sales to wholesalers due to a milder winter in January-February were partly compensated by increased sales to end-users and higher offtake by the Brazi power plant.

The **net electrical output** increased by 19% yoy. The Brazi power plant was available at full capacity throughout Q1/18 and generated a higher output, but was still limited by significantly lower spark spreads compared to Q1/17. The Q1/17 net electrical output figure also included 0.03 TWh electricity generated by the Dorobantu wind park, which was divested at the end of 2017.

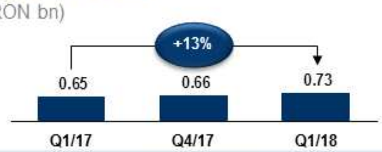
Cash Flow highlights

Operating Cash Flow
(RON bn)

Investing Cash Flow
(net outflow, RON bn)



Free Cash Flow
(RON bn)



- Q1/18 OCF[1] up due to higher Operating Result
- Q1/18 NWC[2]: cash inflow RON 22 mn
- Q1/17 NWC[2]: cash outflow RON 176 mn

- Q1/18 CAPEX more than double yoy
- CFI[3] following CAPEX trend

- Q1/18 FCF[4] reflects OCF favourable development and is impacted by higher CFI

[1] Operating Cash Flow; [2] Net Working Capital; [3] Cash flow from investing activities; [4] Free Cash Flow

Slide 6 – Cash Flow highlights

On slide 6, I would like to start with the highlights of our cash flow statement. In Q1/18, we achieved an **operating cash flow** of about RON 1.8 billion, mainly on the back of a strong operating result. This, in turn, was supported by improved crude and petroleum product prices as well as higher retail and electricity sales.

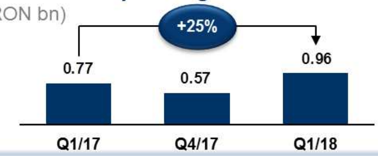
Net working capital in Q1/18 generated a cash inflow of RON 22 million. This reflects the increase in liabilities, mainly related to excise payables, which more than offset the increase in inventories, related to the preparations for the upcoming refinery turnaround. For comparability, in Q1/17 net working capital generated a cash outflow of RON 176 million. This was mainly related to the decrease in trade payables, due to lower purchases of petroleum products in Q1/17.

As far as **cash outflow for investments** is concerned, this reflects the CAPEX trend and the payment terms with our contractors. Our total payments for investments amounted to around RON 1 billion in Q1/18 versus around RON 0.6 billion in Q1/17.

To sum up, our **free cash flow** was 13% higher in Q1/18 versus Q1/17 and our **net cash position** amounted to approximately RON 3.6 billion as of the end of Q1/18. Our dividends for the financial year 2017, amounting to RON 1.1 billion, will be paid starting June 19, 2018.

Income Statement highlights

Clean CCS Operating Result
(RON bn)



Clean CCS Net Income[1]
(RON bn)

Net Income[1]
(RON bn)

- Clean CCS Operating Result reflects:
  - Market conditions (prices, demand)
  - Strict cost discipline
  - Lower exploration expenses
- Clean CCS Net Income higher:
  - Effective tax rate 16% in Q1/18 (17% in Q1/17)
  - Marginally higher net financial loss
- Net Income includes:
  - Special income
  - CCS effects (inventory holding gains)

[1] *Attributable to stockholders of the parent*

Slide 7 – Income Statement highlights

On slide 7, I would like to discuss some highlights of the Income Statement, with a focus on Q1/18 versus Q1/17 developments.

Sales increased by 5% year-on-year, supported by higher prices for petroleum products and natural gas and increased electricity sales volumes, which were partly offset by lower sales volumes of natural gas and lower electricity prices.

While our Operating Result benefitted from better market conditions, as mentioned before, it also reflects lower exploration expenses as well as strict cost management measures.

The Q1/18 **Clean CCS Operating Result** increased by 25% year-on-year.

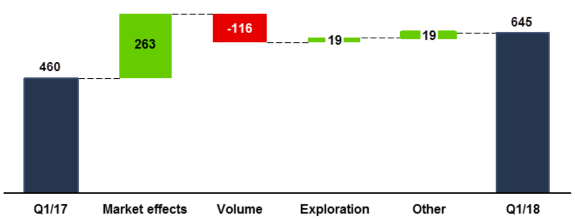
Special items comprise a net income of RON 71 million, mainly related to the gain from forward contracts for electricity. For comparison, in Q1/17 we had a net special income of RON 5 million. The Reported Operating Result also includes inventory holding gains of RON 50 million versus RON 26 million in Q1/17.

The **net financial loss** in Q1/18 slightly increased year-on-year to RON (63) million, reflecting mainly higher FX losses, partially offset by a net increase in interest income.

As a result, the **net income attributable to stockholders** increased by 38% year-on-year on a reported basis and by 28% on a Clean CCS basis. The Q1/18 EPS was RON 0.0151.

Upstream Clean Operating Result supported by higher realized prices

Upstream Clean Operating Result
(RON mn)



Key drivers Q1/18 vs. Q1/17

- Higher realized oil prices, +27%
- Lower total production costs
- Lower exploration expenses

- Negative FX development
- Sales volumes -6%

Slide 8 – Upstream Clean Operating Result supported by higher realized prices

Let me move on to slide 8, which shows the major building blocks for the development of the Upstream Clean Operating Result in Q1/18.

With the **realized oil price** increasing by around 27% year-on-year to USD 57/bbl in Q1/18, there was a positive market effect of RON 263 million. This also includes a negative FX effect on revenues.

Hydrocarbon sales were 6% lower, resulting in a negative volume effect of RON 116 million.

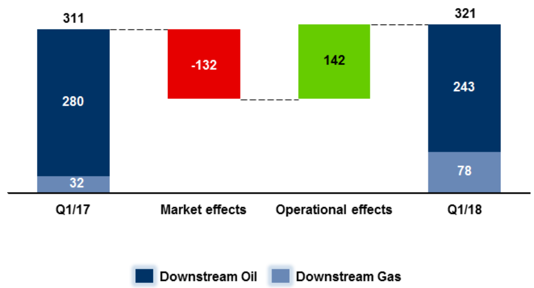
Exploration expenses were lower by RON 19 million.

Under “other” factors the main difference is due to lower total production costs reflecting continued cost reduction measures, partly offset by higher depreciation.

As a result, the Q1/18 Upstream **Clean Operating Result** increased by 40% year-on-year to RON 645 million.

Downstream Clean CCS Operating Result: operational performance offset market effects

Downstream Clean CCS Operating Result
(RON mn)



Key drivers Q1/18 vs. Q1/17

- Improved power business
- Higher fuel sales following increased retail demand

- Lower refining margins
- Lower spark spreads
- Lower gas sales

Slide 9 – Downstream Clean CCS Operating Result: operational performance offset market effects

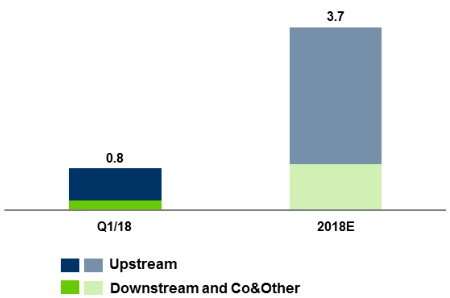
Moving to slide 9, the **Q1/18 Clean CCS Operating Result of Downstream** increased by 3%, reflecting an improved operational performance that offset the negative market effects.

In **Downstream Oil,** we had a lower year-on-year Clean CCS Operating Result, due to the decrease in refining margins. The operational performance reflects firstly the higher segment sales, achieved as a result of increased retail demand and secondly, the improved operational efficiency in the refinery.

In **Downstream Gas**, we improved our power activity results on the back of higher availability of the Brazi power plant, despite significantly lower spark spreads. As a reminder, Q1/17 was affected by provisions for outstanding power receivables. The result of the Gas segment in Q1/18 also improved year-on-year, as we no longer have an obligation to sell natural gas at regulated prices.

CAPEX and E&A

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



CAPEX incl. capitalized E&A

- **Q1/18** at RON 0.8 bn:
  - 22 new wells and sidetracks drilled
  - ~230 workovers performed
- **2018E maintained** at RON 3.7 bn:
  - Drilling >100 development wells and sidetracks
  - ~1,000 workovers
  - Refinery turnaround; Polyfuel project
  - Planned partial shut-down Brazi power plant

E&A expenditure

- 2 wells spudded in Q1/18
- 2 wells in testing
- 2018E exploration expenditure RON ~230 mn

Slide 10 – CAPEX and E&A

Slide 10 provides an overview of CAPEX and E&A activities including an outlook for 2018. In Q1/18, our total **CAPEX** was around RON 0.8 billion.

The majority was dedicated to Upstream. We continued our drilling activities, with eleven active rigs at the end of March. Thus, in Q1/18 we finalized the drilling of 22 new wells and sidetracks, including two exploration wells. The total is twice the number of wells drilled in Q1/17. Around 230 workover jobs were performed in Q1/18, resulting in 1,900 boe/d additional contribution to production.

For the full year 2018, we maintain our **CAPEX** guidance of around RON 3.7 billion. The majority will be spent in Upstream: we plan to drill more than 100 new wells and sidetracks and to carry out around 1,000 workovers. About 25% of the CAPEX will be allocated to Downstream, where we are currently performing a six-weeks full-site turnaround of the Petrobrazi refinery and also a planned six-weeks partial shut-down of the Brazi power plant. Finally, the majority of the construction work for the Polyfuel plant in the Petrobrazi refinery will take place in 2018, with the plant becoming fully operational in early 2019.

Moving to **exploration activities**, in Q1/18 we spudded two wells, while two others were in testing.

Regarding **E&A activities in 2018**, we expect exploration expenditures to be around RON 230 million.

Outlook 2018

Indicators	Actual 2017	Assumptions/Targets 2018
Brent oil price	USD 54/bbl	USD 68/bbl (previous: USD 60/bbl)
Refining margin	USD 7.75/bbl	<USD 7.75/bbl
Production	168 kboe/d	~ -4% yoy[1]
CAPEX	RON 3.0 bn	RON 3.7 bn
FCF after dividends	RON 2.7 bn	positive

[1] Not including portfolio optimization initiatives

Slide 11 – Outlook 2018

Let me finish my presentation with the outlook for the full year 2018, on slide 11. Here I would like to highlight our main market assumptions as well as the targets we have set for 2018 and how they compare to the actual 2017 figures.

Throughout the first months of this year, we saw the oil price stabilizing at a level around USD 70/bbl. Against this background, we have decided to update the oil price forecast to USD 68/bbl for the full year 2018.

In Downstream Oil, we see declining refining margins due to the crude price recovery.

With regard to our targets for 2018, we aim to contain the hydrocarbon production decline versus 2017 at around 4%, not including portfolio optimization initiatives.

The **total CAPEX** for the Group will increase versus 2017, to around RON 3.7 billion, as guided in February 2018.

We expect to have a positive free cash flow after dividends in 2018, supported by the favorable commodity prices. While aiming to maintain a strong balance sheet, we will continue to ramp up investments, including large projects, such as Neptun Deep. However, despite these higher investments, we remain committed to also offering an attractive dividend to our shareholders in the future. Testimony to this, the recently revised dividend policy states our commitment to a progressive dividend payment.

This ends my presentation and I am now available for your questions.