OMV Petrom Q2/16 conference call

Mariana Gheorghe, CEO

August 10, 2016

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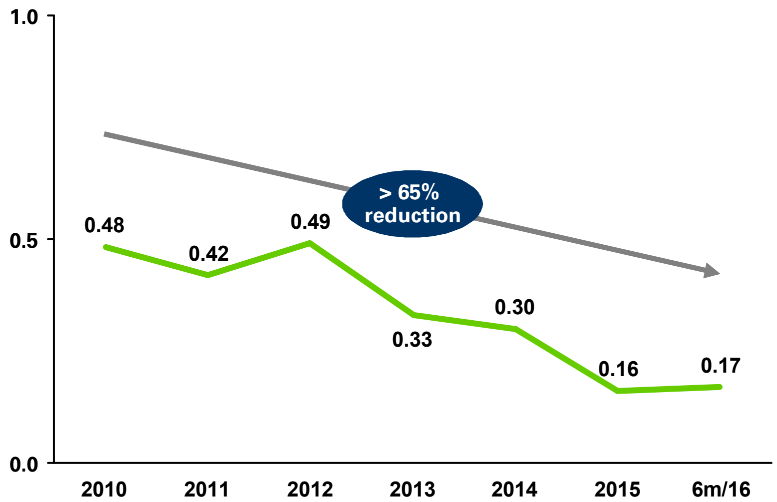
Key messages Q2/16

- Positive free cash flow supported by efficiency enhancement measures
- Upstream result impacted by lower oil and gas prices, partly offset by cost reduction initiatives
- Downstream Oil affected by weaker refining margins and turnaround; retail volumes up
- Improved operational performance in Downstream Gas supported by the integrated business model
- 2016 CAPEX guidance of EUR 0.7 bn on track

Safety remains our top priority

LTIR[1]



- **Operational safety – our key focus**
- **LTIR substantially improved**
  - In the last 12 months the combined LTIR for OMV Petrom Group was constantly below IOGP[2] benchmark

[1] Lost time injury rate (employees and contractors) for OMV Petrom Group, excluding Kazakhstan; [2] International Association of Oil & Gas Producers

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Romanian macroeconomic and fiscal environment

Macroeconomic environment

- **Q1/16 GDP growth**[1]: +4.2%
- **CPI annual inflation**: -0.7% end-June;12-month average: -2.0%
- **Budget balance**: -0.5% of GDP end-June
- **FDI**: EUR 1.1 bn in Jan-May, +15% higher yoy
- **Investment grade rating**: stable
- **Demand in Q2/16 yoy:** Fuels[2] +5%; Gas -16%; Power[3] stable

Fiscal framework

- **Tax on constructions** at 1%
- **Supplementary taxation**[4] until end-2016
- Engagement with stakeholders on **taxation and regulatory framework**

[1] Romanian National Institute of Statistics; [2] Fuels refer only to retail diesel and gasoline; [3] According to preliminary data available from the grid operator; [4] Introduced at the beginning of 2013 simultaneously with the start of gas price liberalization

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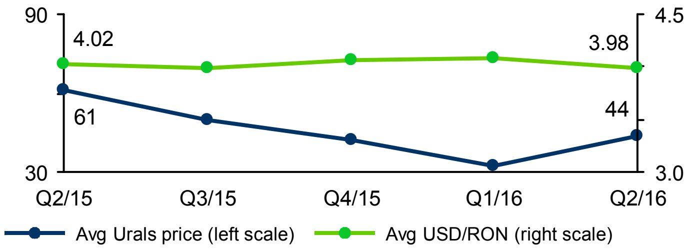
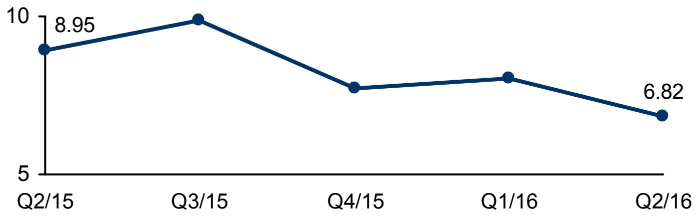
Economic environment

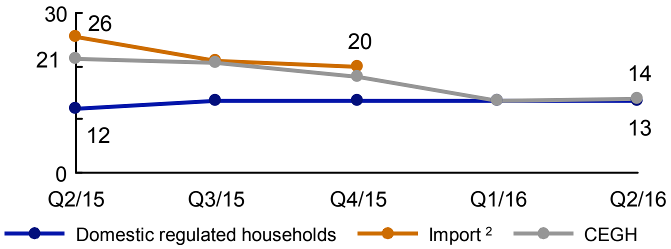
Oil price (USD/bbl) and FX (USD/RON)



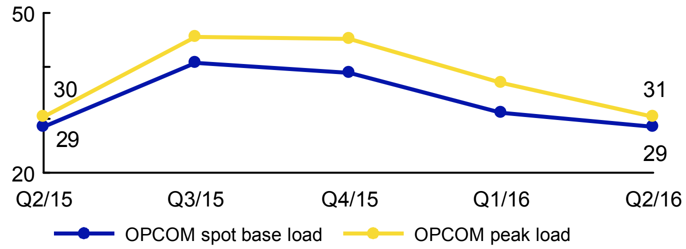
OMV Petrom Indicator refining margin (USD/bbl)



Gas prices (EUR/MWh)[1]



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



[1] Converted from RON into EUR, FX rate: 4.5; [2] Final prices published by ANRE; no import price was published by ANRE starting 2016

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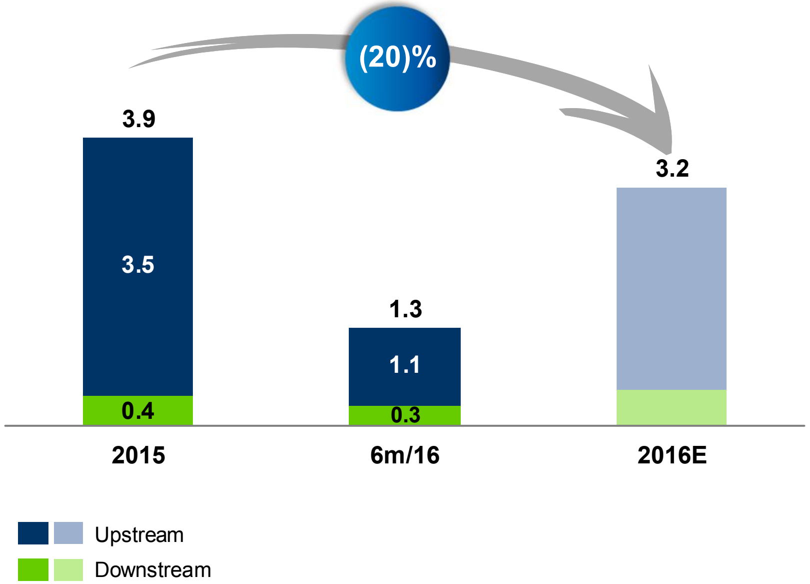
Financial performance 6m/16

Key financials in RON mn	6m/16	6m/15	Δ (%)
EBIT	561	1,280	(56)
Net income attributable to stockholders	408	1,041	(61)
Clean CCS EBIT	638	1,251	(49)
Clean CCS net income attributable to stockholders [1,2]	458	914	(50)
Clean CCS Earnings Per Share (RON)	0.0081	0.0161	(50)
Cash flow from operating activities	1,771	2,450	(28)
Free cash flow before dividends	12	(423)	n.m.
Free cash flow after dividends	12	(1,052)	n.m.

Figures on this and the following slides may not add up due to rounding differences.
[1] After deducting net income attributable to non-controlling interests; [2] Clean CCS figures exclude special items and inventory holding effects (CCS effects) resulting from Downstream Oil

CAPEX discipline and efficiency continued

Group CAPEX
incl. capitalized E&A, in RON bn



Well on track to reduce CAPEX

- 6m/16 CAPEX down by RON 732 mn, -35% yoy
  - Upstream CAPEX down by RON 883 mn mainly due to projects prioritization
  - Downstream CAPEX up by RON 149 mn mainly due to planned refinery turnaround

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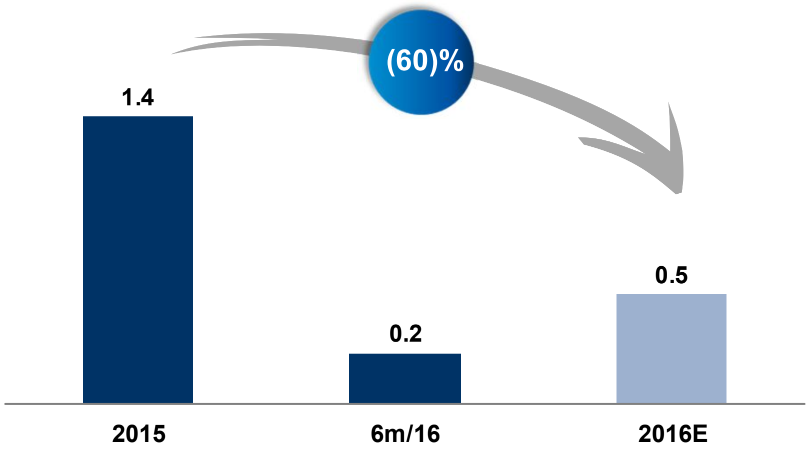
Significant reduction of E&A spending

E&A expenditure
in RON bn



Significantly lower E&A

- Peak level reached in 2015, due to Neptun Deep drilling campaign and onshore deep exploration (JV with Repsol)
- Lower activity level in 2016 in the Black Sea due to finalization of drilling activities in January 2016

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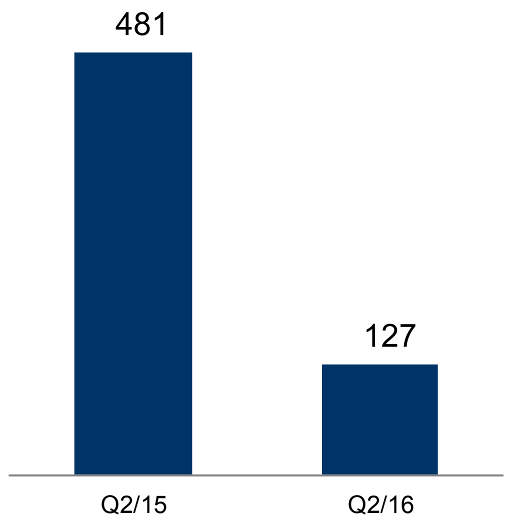
Andreas Matje, CFO

August 10, 2016

Income statement summary

in RON mn	Q2/16	Q2/15	Δ (%)
EBIT	218	786	(72)
Financial result	(86)	43	n.m.
Taxes	(15)	(138)	89
Net income	117	691	(83)
thereof attributable to non-controlling interests	(1.09)	(1.46)	25
thereof attributable to stockholders	118	693	(83)
Clean CCS net income attributable to stockholders	**127**	**481**	**(74)**

Clean CCS net income attributable to stockholders
in RON mn



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Cash flow

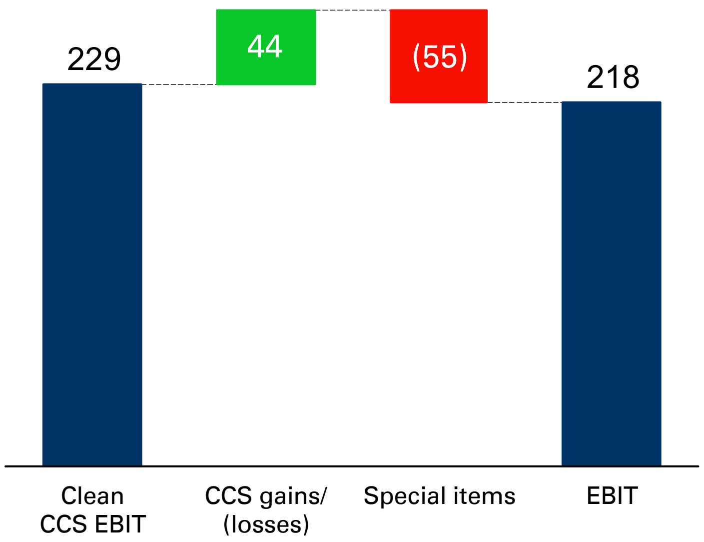
in RON mn	Q2/16	Q1/16	Q2/15
Profit/(loss) before tax	**132**	**343**	**829**
Depreciation, amortization and impairments	917	830	974
Net interest received/(paid)	(21)	(13)	142
Tax on profit paid	(25)	(81)	(147)
Other	1	(138)	(64)
Sources of funds	**1,003**	**942**	**1,735**
Change in net working capital	(120)	(54)	(75)
Cash flow from operating activities (CFO)	**883**	**888**	**1,660**
Cash flow from investing activities (CFI)	**(753)**	**(1,007)**	**(1,492)**
(Decrease)/increase in borrowings	(59)	(41)	179
Dividends paid	(0)	(0)	(628)
Cash flow from financing activities (CFF)	(59)	(41)	(449)
Cash and equivalents at end of period	**724**	**653**	**372**
Free cash flow	130	(118)	168
Free cash flow after dividends	**130**	**(118)**	**(460)**

Key financials

in RON mn		Q2/16	Q2/15	Δ (%)
Clean CCS EBIT		**229**	**657**	**(65)**
Thereof	Upstream	210	551	(62)
	Downstream	135	220	(39)
	Thereof Downstream Oil	166	304	(45)
	Downstream Gas	(31)	(84)	63
	Corporate and Other	(8)	(10)	26
	Consolidation	(108)	(104)	(3)

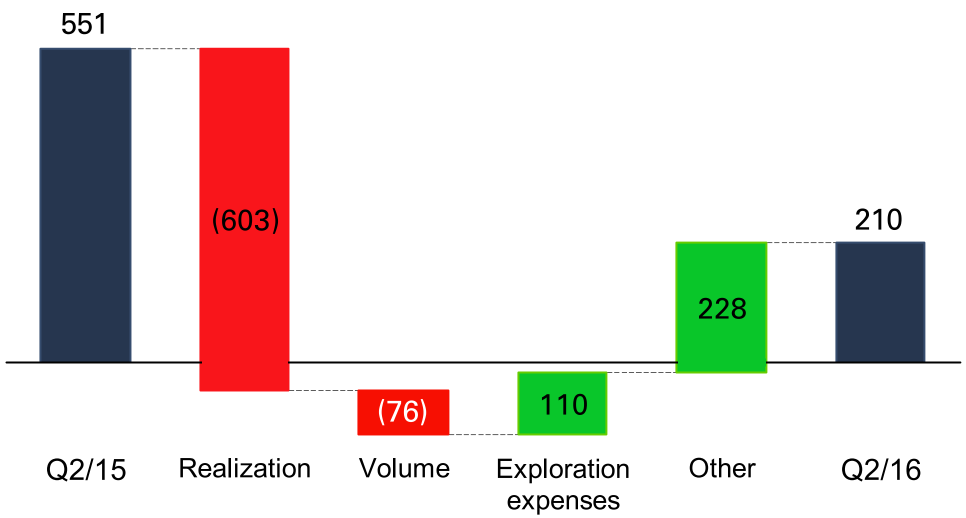
Special items and CCS effect in Q2/16

in RON mn



Upstream – Clean EBIT impacted by lower oil prices

Clean EBIT
in RON mn

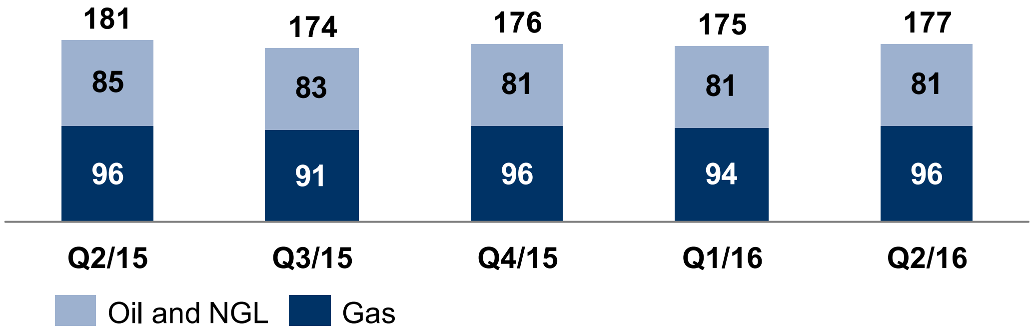


Q2/16 vs. Q2/15

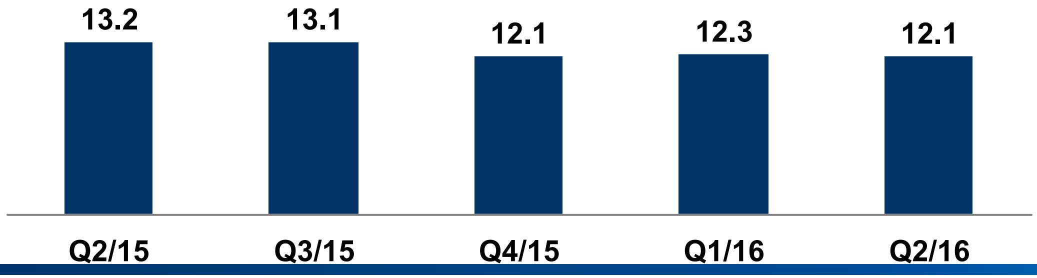
- Realized oil price in USD/bbl down by 31%
- Group hydrocarbon production decreased by 2%
- Decreased exploration expenses due to lower spending in Neptun block
- Other: lower production cost and depreciation

Upstream – Key performance indicators

Hydrocarbon production
in kboe/d



OPEX
in USD/boe



Q2/16 vs. Q2/15

- Total hydrocarbon production declined by 2% due to:
  - reduced investments
  - increased number of uneconomic wells
  - planned maintenance at key wells
- OPEX in USD/boe decreased by 8% triggered by:
  - lower services, personnel and materials costs
  - partially offset by lower production

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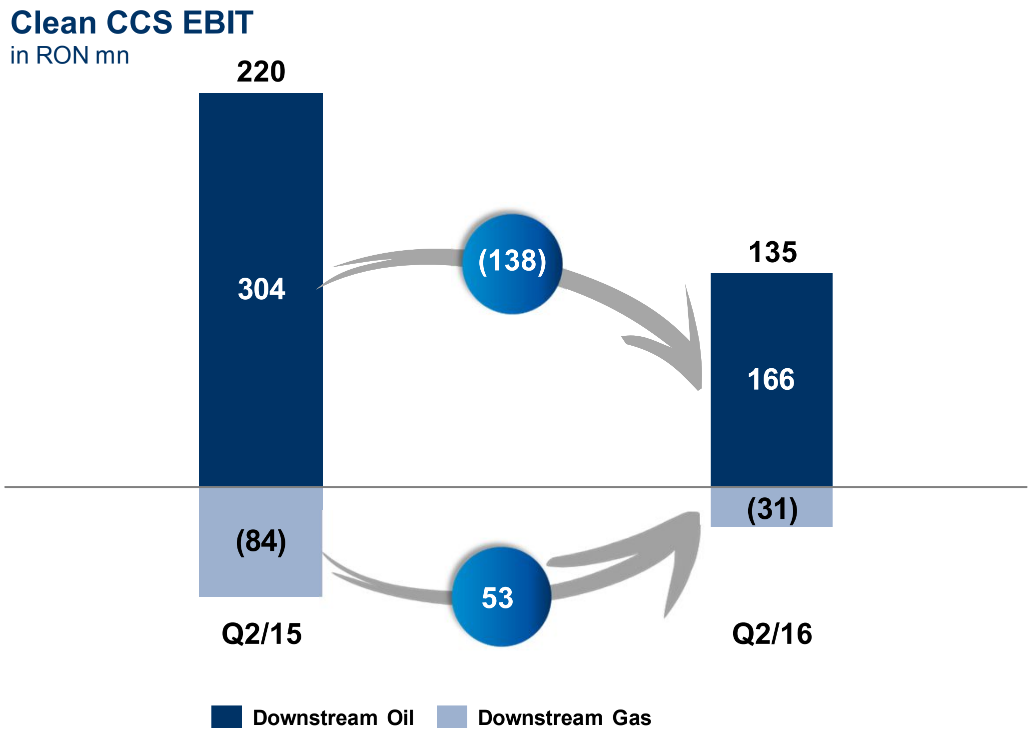
Downstream – Lower contribution to Group results



Q2/16 vs. Q2/15

Downstream Oil

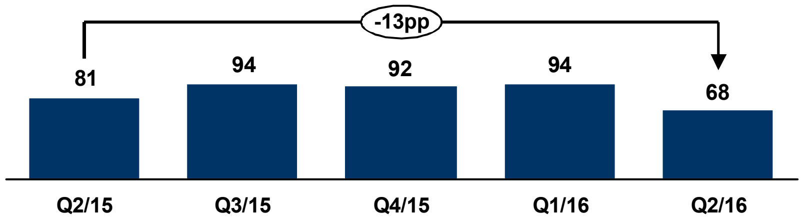
- Indicator refining margin down 24%, impacted by lower product spreads
- Approx. one month planned refinery turnaround
- Retail volumes supported by higher market demand

Downstream Gas

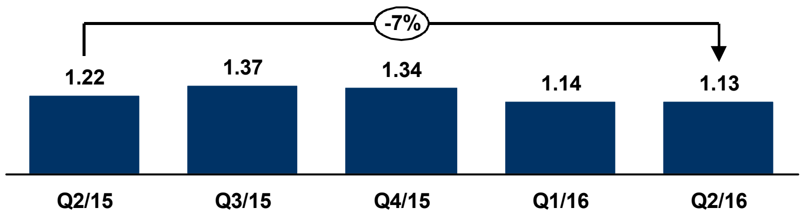
- Higher segment sales in Q2/16
- Q2/15 impacted by provisions for outstanding receivables of RON (43) mn

Downstream Oil – Key performance indicators

Refinery utilization rate
in %



Group refined product sales volumes
in mn t



Q2/16 vs. Q2/15

- Refinery utilization rate down to 68% due to the planned turnaround
- Fuel and losses at 9.5%
- Total refined product sales dropped by 7%
- Group retail sales volumes up 2%

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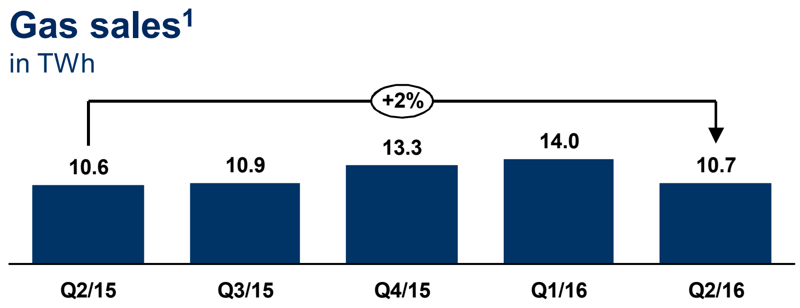
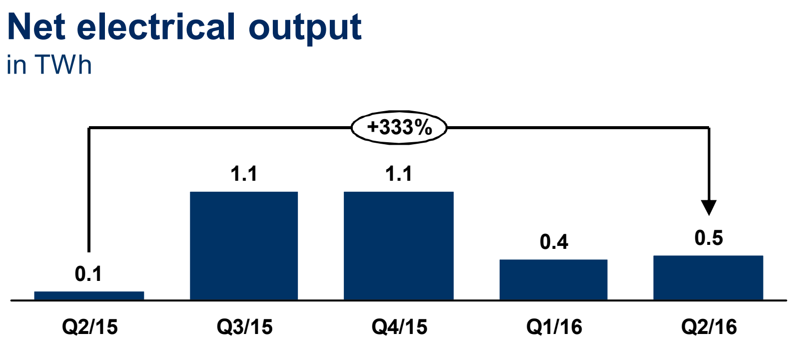
Downstream Gas – Key performance indicators





Q2/16 vs. Q2/15

- Higher gas sales volumes, supported by integration with the Brazi power plant, despite the 16% drop in national demand[2]
- Significantly higher power output, benefitting from improved portfolio optimization and favorable spark spreads

[1] Including internal transfers within OMV Petrom (e.g. Brazi power plant); [2] Company estimation

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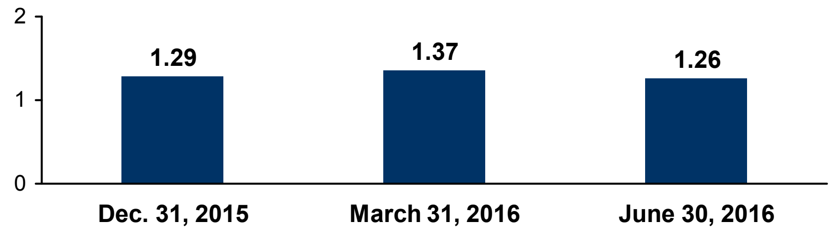
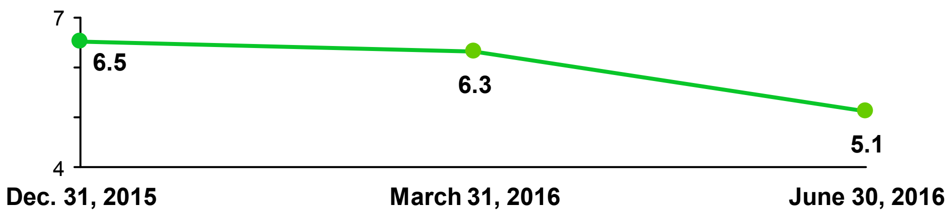
Strong balance sheet despite difficult market conditions

Net debt development
in RON bn



Gearing ratio, %	5%	5%	5%

Clean CCS ROACE, %



Main developments

- Gearing ratio stable at approx. 5%
- Equity ratio
  - end-2015: 62%
  - end-June 2016: 64%
- ROACE evolution reflects the challenging environment

Outlook 2016

► **Oil price:**	Brent annual average estimated at USD 40/bbl
► **Refining margins:**	H2/16 level expected to be below H1/16
► **Fuels market:**	Demand supported by low oil prices and increased private consumption; higher competition
► **Gas market:**	Demand expected to decline; prices to reflect strong competition, including competitive imports
► **Power market:**	Demand relatively stable, increasing spark spreads
► **CAPEX:**	EUR 0.7 bn, with ~85% in Upstream
► **Production:**	Decline expected to remain within the 4% guidance, driven by lower investments and planned surface facilities upgrade at Totea Deep

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Peter Zeilinger, EB Member

August 10, 2016

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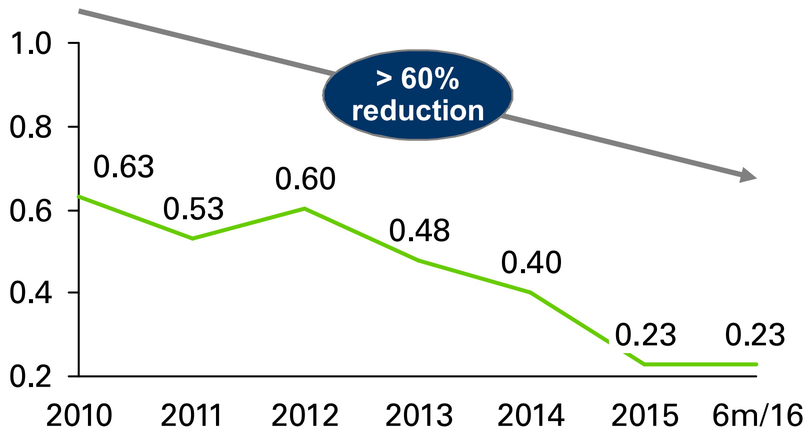
Upstream
High safety and efficiency focus

Upstream Romania LTIR

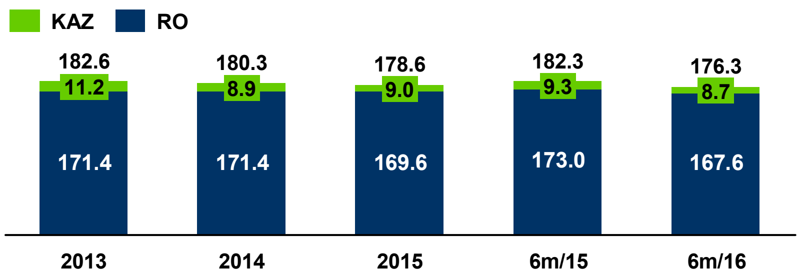


- **Operations safety - our top priority**
- **LTIR improvement sustainable**
  - 6m/16: kept at the lowest level since privatization
  - Lower than IOGP[1] international benchmark
- **Reduction of GHG[2] intensity continues:** **~3%** less in 6m/16 compared to 6m/15
  - **28 G2P/CHP[3]** units utilizing produced natural gas, securing **~50%** Upstream onshore electricity demand in 6m/16

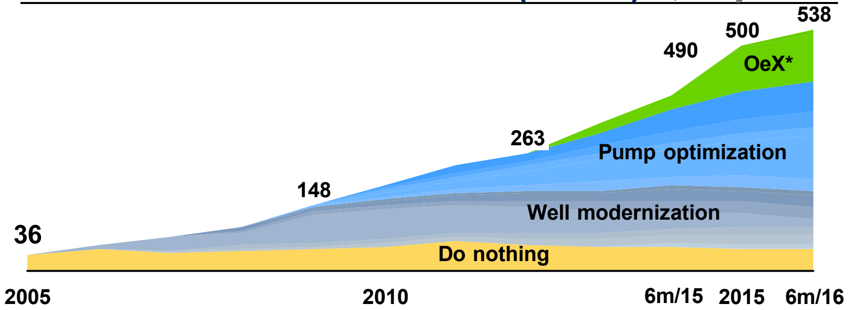
[1] International Association of Oil & Gas Producers [2] GHG – Green House Gas; [3] G2P – Gas to Power, CHP – Combined Heat and Power

Upstream
Key performance indicators

Hydrocarbon production Group, kboe/d



Mean Time between Failure (MTBF)**, days



6m/16 vs. 6m/15

Group

- **Total hydrocarbon production** lower by 3% reflecting our efforts to manage decline in current low oil price environment
- Gas/Oil split stable at around 55/45

Romania

- **~36%** more production from FRDs (including Totea Deep) reaching 31 kboe/d in June
- **Operational excellence:** MTBF improved by 9% to around 540 days and the number of well interventions decreased by ~26%
- More efficient **workover** activity: overall contribution to daily production of 6 kboe/d

*Operational Excellence integrated approach ** Romania

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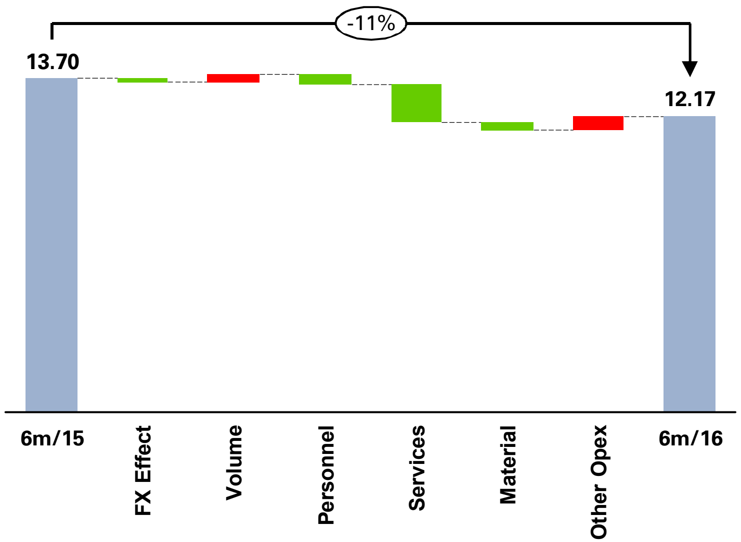
Upstream
Production costs

Production costs, USD/boe



Production cost reduced by 11% in 6m/16 yoy

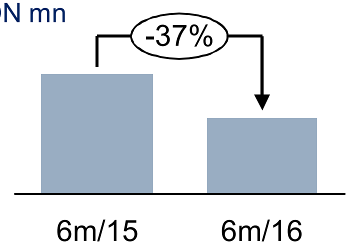
- Lower services and materials costs, due to contract renegotiations and strict cost management
- Lower personnel expenses, due to rightsizing
- Favorable FX effects, more than compensating:
- Lower volumes available for sale and
- Higher effect of infrastructure tax in Romania

Upstream
Group CAPEX was adjusted to the low oil price environment

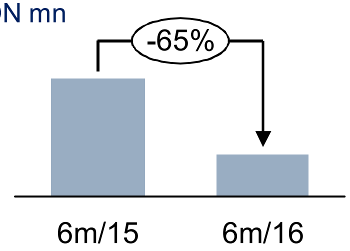
6m/16 vs. 6m/15

- **CAPEX (excl. E&A) reduced by 37%:**
  - Reduced number of Integrated FRD oil (incl. wells) projects
  - Reduced water injection, workovers activities and other small projects in Kazakhstan
- **E&A lower due to completion of Neptun Deep exploration drilling campaign**

Upstream CAPEX (excl. E&A)
in RON mn



Upstream E&A Capitalized
in RON mn



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2016 Financial Calendar

Nov 9: Q3/16 results

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