

REPORT

**On the spin off in the interest of the company S.C. OMV Petrom S.A.,
in accordance with the spin off plan in the interest of the company,
published in the Romanian Official Gazette,
Part IV, no. 2124 dated 14 May 2010**

30 June 2010

Whereas:

- (A) The Resolution of the Extraordinary General Meeting of Shareholders of S.C. OMV Petrom S.A (the "**Company**") dated 29 April 2010, whereby the spin off in the interest of the Company of a part of the Company's assets and liabilities and transfer thereof to S.C. OMV Petrom Marketing S.R.L. ("**OPM**") has been preliminary approved;
- (B) The Resolution of OPM's Sole Shareholder no. 1 dated 29 April 2010 whereby the spin off in the interest of the Company of a part of the Company's assets and liabilities and their transfer to OPM has been preliminary approved;
- (C) The spin off plan in the interest of the Company, published in the Romanian Official Gazette, Part IV, no. 2124 dated 14 May 2010;
- (D) The convening notice of the Company's Extraordinary General Meeting of Shareholders for the date of 3 August 2010 for final approval of the spin off Plan in the interest of the Company and, implicitly, of the process of spin off in the interest of the Company and of the effects thereof;
- (E) The provisions of art. 244 para (1) point b) corroborated with the provisions of art. 243² from the Law no. 31/1990 on the trading companies;

The Executive Board of the Company and the Management Council of OPM hereby present to the Company's shareholders:

The Report on the spin off Plan in the interest of the Company

1. Description of the spin off Plan in the interest of the Company

1.1 Preliminary corporate actions for the approval of the spin off Plan in the interest of the Company

The shareholders of each of the companies involved in the spin off in the interest of the Company, respectively the Company, in its capacity of spun off company, and OPM, in its capacity of beneficiary company, have preliminary approved the spin off in the interest of the Company by transfer of a part of the Company's patrimony to OPM, through the following resolutions:

- (i) Resolution of the Extraordinary General Meeting of Shareholders of the Company dated 29 April 2010;
- (ii) Resolution of OPM's Sole Shareholder no. 1 dated 29 April 2010.

In addition, by resolutions of the participating companies, the Company's shareholders, respectively OPM's sole shareholder have empowered the responsible management bodies of the participating companies to draw up the spin off plan in the interest of the Company.

The spin off Plan in the interest of the Company, drawn up and approved by the responsible management bodies, has been published in the Romanian Official Gazette, Part IV, no. 2124 dated 14 May 2010 ("**Spin off Plan**").

The Company's Executive Board has convened the Company's Extraordinary General Meeting of Shareholders for the date of 3 August 2010 for the final approval of the Spin off Plan and implicitly, of the process of spin off in the interest of the Company.

1.2 Conditions, terms and effects of spin off in the interest of the Company

As a result of the spin off in the interest of the Company, a part of the Company's patrimony, including rights and obligations detailed in the Section 4.3 (*Description of the Spun off Business*) from the Spin off Plan shall be transferred to OPM by way of universal succession ("**Spun off Business**") on the basis of the approval of the Spin off Plan by the Company's Extraordinary General Meeting of Shareholders and the sole shareholder of OPM.

In exchange of the net contribution in relation to the Spun off Business, OPM shall increase its share capital, by issuing new shares which shall be entirely allocated to the Company.

All rights and obligations originating from, directly related to or in connection with the Spun off Business (including but not limited to the agreements originating from or in connection with the Spun off Business and the related actual or contingent, present or future rights and obligations thereunder) shall be transferred from the Company to OPM as of 1 October 2010.

Following the approval of the Spin off Plan by the Company's Extraordinary General Shareholders Meeting and by the sole shareholder of OPM, a hand over protocol between the Company and OPM will be concluded, reflecting the Spun off Business as of the date of the implementation of the spin off in the interest of the Company.

1.3 The status of the share capital and of the shareholding structures of the Company and of OPM following the implementation of the spin off in the interest of the Company

As a result of the spin off in the interest of the Company, the share capital of the Company and the Company's shareholding structure shall not be changed.

In addition, as a result of the spin off in the interest of the Company, OPM shall increase its share capital by issuing new shares, having a nominal value of RON 100 each. As the spin off shall be performed in the interest of the Company, the new shares issued by OPM shall be fully allocated to the Company.

2. Legal and economical grounds

2.1 Legal grounds

The Spin off Plan has been drawn up on the basis of:

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- (i) The Resolution of the Extraordinary General Meeting of Shareholders of the Company dated 29 April 2010;
- (ii) The Resolution of OPM's Sole Shareholder no. 1 dated 29 April 2010;
- (iii) Law 31/1990 on trading companies;
- (iv) Order no. 1376/2004 for the approval of the Methodological Norms concerning the accounting booking of the main operations of merger, split up, dissolution and liquidation undergone by the companies, as well as of withdrawal and exclusion of shareholders from a company and the fiscal treatment thereof

2.2 Economical grounds

Both companies involved in the spin off process in the interest of the Company are members of the same group of companies and the Company is the sole shareholder of OPM. Considering that the Company has in its business object areas of activities that are similar to those included in the business object of OPM, in order to avoid the overlapping in the Companies' resources and logistics, the Company intends to transfer the Spun off Business to OPM.

Following the implementation of the Spin off in the interest of the Company, it is envisaged that OPM will take over the marketing activities from the Company, as described in the Spin off Plan.

In the context of OPM taking over the marketing activities carried out currently by the Company, the following advantages are to be expected:

- ✓ the spin off of the marketing activities currently carried out by the Company followed by the consolidation thereof with the activities carried out by OPM will allow the participating companies to ensure a better coordination of activities and enhance value creation, by taking advantage of the synergies at group level;
- ✓ optimisation of the organisational structure and the implementation of common standard business processes will bring the participating companies increased cost efficiency;
- ✓ the Spin off will enable the participating companies to provide faster decision making and flexible business management;

All these advantages will translate into swift response to market challenges and into efficient implementation of strategic direction within the group, in the end consolidating market position and boosting profitability.

3. Exchange ratio

Due to the fact that the Spin off is made in the interest of Company and as a result the shareholders of the Company shall not receive any shares in OPM, no exchange ratio between the shares of OPM (as beneficiary company) and the shares of the Company(as the spun off company) is applicable to the Spin off.

4. The criterion for allocation of shares

Due to the fact that the Spin off is made in the interest of Company, as provided by the art. 250¹ let. b) from the Law 31/1990 on the trading companies, there will be no allocation of OPM shares to the Company's shareholders. All new shares issued by OPM shall be allocated to the Company, as provided in the Section 5 (*Allocation of shares, exchange ratio and the spin off premium*) from the Spin off Plan.

In this respect, OPM shall issue 7,755,989 new shares (having a nominal value of RON100 per share) for the benefit of the Company, thus registering an increase in its share capital from RON 204,780,300 by RON 775,598,900 to RON 980,379,200.

5. Special difficulties during the evaluation

No special difficulties have been registered during the evaluation of the assets and liabilities of the Spun off Business, included in the spin off statements as presented in the Spin off Plan.

6. Information on the drawing up the evaluation report

The global evaluation of the Spun off Business is based on the Company's financial statements as of 31 December 2009 and has been adjusted with the results of the evaluation at the market value of the tangible and intangible assets in relation to the gas stations of the Company, as well as with the market value of the oil products from the gas stations, in accordance with the adjusted net asset method, which is one of the global evaluation methods envisaged by the Order no. 1376/2004.

The market value of OPM's tangible and intangible assets has also been taken into consideration when establishing the number of shares to be issued by OPM.

In this respect, SHM Smith Hodgkinson (Romania) S.A. has drawn up an evaluation report of the tangible and intangible assets of OMV Petrom S.A., as well as an evaluation report of the tangible and intangible assets of OPM as of 31 December 2009, reports which shall be filed to the Bucharest trade registry office.

The evaluation reports are based on evaluation methods internationally accepted, respectively the income method, in the form of updated free cashflow and on the general accepted principals of "*going concern*" and "*stand alone*".

On the other hand, the Bucharest trade registry has appointed Ernst&Young Assurance Services SRL to examine the spin off plan in the interest of the Company. To this end, Ernst&Young Assurance Services SRL has prepared a report that will be made available to the shareholders in accordance with the applicable legal provisions.

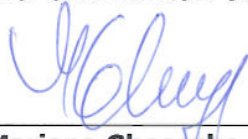
7. Material changes to the assets and liabilities

Assets, liabilities and equity at 31 May 2010 of the Spun off Business, that were determined based on the unaudited trial balance of OMV Petrom SA as of 31 May 2010, that was prepared in accordance with the provisions of the Ministry of Finance Order 3055/2009, were not impacted by special significant transactions, other than normal business operations, during the period between the date of the Spin Off Balance Sheet, which was included in the Spin off Plan, and 31 May 2010, which is the date of the latest available trial balance at the date of preparation of this report.

The value of net assets of the Spun off as Business at 31 May 2010, that was computed as difference between the value of the main assets and liabilities of the Spun off Business as of this date, did not change substantially compared with the value of net assets determined based on the Spin Off Balance Sheet. The increase of net assets of the Spun off Business during this period is of 14 million RON, which represents approximately 1% of the value of net assets of the Spun off Business, determined based on the Spin Off Balance Sheet.

We do not expect any special significant transactions to be performed, that would change substantially the value of net assets of the Spun off Business until the date of the Extraordinary General Shareholders Meeting to be convened for the approval of the Spin off Plan.

S.C. OMV PETROM S.A.

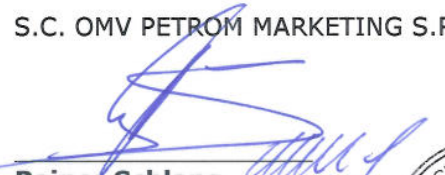


Mariana Gheorghe
President of the Executive Board
Chief Executive Officer



Neil Anthony Morgan
Member of the Executive Board

S.C. OMV PETROM MARKETING S.R.L.



Rainer Schlang
Sole Administrator
Member of the Management Board



Juergen Wollschlaeger
Member of the Management Board