

**Supervisory Board Report
on S.C. OMV PETROM S.A.'s separate
Financial Statements prepared in accordance with
Ministry of Finance Order no. 1286/2012**

In 2012, the Supervisory Board thoroughly reviewed the position and prospects of the OMV Petrom S.A. ("OMV Petrom" or the "Company"), and performed its functions according to the relevant laws, the Articles of Association, the applicable Corporate Governance Code and the relevant internal regulations. We supervised the Executive Board on the management of OMV Petrom S.A., monitored its work and we were involved in the Company's key decisions. Where required by law, the Articles of Association, or internal regulations, the Supervisory Board adopted resolutions following a comprehensive analysis.

The Supervisory Board received detailed information, both verbally and in writing, on issues of fundamental importance for the Company, including its financial position, business strategy, planned investments and risk management. We discussed all transactions significant for OMV Petrom in the plenary meetings, based on the reports of the Executive Board.

The separate financial statements and audit report were presented for Supervisory Board examination in a timely manner. Ernst & Young audited the 2012 separate financial statements, reviewed the conformity of the Directors' Report with the separate financial statements and issued unqualified audit opinions. The auditors attended the relevant meeting of the Audit Committee convened to adopt the accounts. The Audit Committee discussed the separate financial statements with the auditors and examined them carefully. The Audit Committee reported to the Supervisory Board on its examination and recommended the approval of the annual separate financial statements, including the management report.

Based on our own examination of the separate financial statements and the management report, we concurred with the results of the audit. The final results of our examination did not lead to any objections.

We have also reviewed and analyzed the attached Report of the Executive Board (Directors' Report) presented as Appendix 1 which gives a true and fair view of the development and performance of the business and the financial position of OMV Petrom, together with a description of the principal risks and associated uncertainties as of December 31, 2012.

Hence, the separate financial statements prepared in accordance with Ministry of Finance Order no. 1286/2012 were approved in today's Supervisory Board meeting in line with the Audit Committee's recommendation and will further be submitted for approval in the General Meeting of Shareholders to be held on April 22, 2013.

Bucharest, March 21, 2013



Gerhard Roiss

President of the Supervisory Board

Appendix 1

Directors' Report on S.C. OMV PETROM S.A.'s separate Financial Statements prepared in accordance with Ministry of Finance Order no. 1286/2012 and in compliance with the Regulation no.1/2006, Appendix 32, issued by the National Securities Commission

Overview of the Company's nature

The Company's headquarters is located at Coralilor Street no. 22, sector 1 Bucharest, Romania. The Company was set up according to the Government Ordinance no.49/Oct 1997, approved by Law no. 70/April 1998. The Company is registered with the Trade Register under number J40/8302/1997 and has as unique fiscal registration code RO1590082. The Company has as main activities in exploration and production of hydrocarbons and related services, refining and marketing, and gas and power. Petrom unfolds its activity either directly or through its affiliates in Romania, Kazakhstan (only Exploration and Production) and Bulgaria, Serbia and Republic of Moldova (only Marketing).

A 6.62% stake of the Company's shares is free float, traded on the first tier of Bucharest Stock Exchange, under SNP symbol, with a total market value as of December 28, 2012 of RON 24,249,342,778.

The Company is the parent of Petrom Group. The annual consolidated financial statements are prepared by the Company in accordance with International Financial Reporting Standards (IFRS) as endorsed by European Union (EU). Separate individual financial statements for the year ended December 31, 2012 are also prepared in accordance with IFRS, as the Ministry of Finance Order (MOF) no. 1286/2012 stipulates that Romanian listed companies must prepare financial statements in accordance with IFRS as endorsed by EU, starting with the year ended December 31, 2012. In its turn, the parent Company OMV Petrom S.A. is part of the OMV Group which prepares consolidated financial statements at the level of OMV Aktiengesellschaft, which has its registered office at Trabrennstrasse 6-8, 1020 Vienna, Austria. These annual consolidated financial statements (both the Group's and Subgroup's) are public and may be obtained from the companies' websites, i.e. www.omv.com and www.petrom.com.

OMV Petrom S.A. ("Petrom") has vertical integrated activities and presents the following reportable segments: Exploration and Production (E&P), Gas and Power (G&P), Refining and Marketing (R&M), Corporate and Other.

The total share capital amounts to RON 5,664,410,833.50, representing 56,644,108,335 shares with a nominal value of RON 0.1 per share. Following the restatement adjustment in accordance with OMF 1286/2012, the restated share capital amounts to RON 18,983,366,110, the difference representing inflation adjustment, as Romania was a hyperinflationary economy until January 2004.

The shareholders' structure as at December 31, 2012 is presented below:

	<u>No. of shares</u>	<u>Percent</u>
OMV Aktiengesellschaft	28,894,467,414	51.01%
Ministry of Economy	11,690,694,418	20.64%
Property Fund S.A.	11,391,130,186	20.11%
European Bank for Reconstruction and Development	918,216,049	1.62%
Legal entities and individuals	<u>3,749,600,268</u>	<u>6.62%</u>
Total	<u>56,644,108,335</u>	<u>100.00%</u>

1. Analysis of the company's activity

1.1. a) The activity developed or which is to be developed by the company.

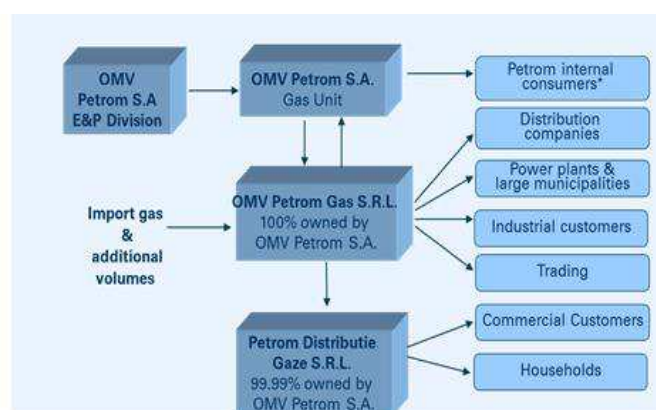
Petrom develops the following main activities:

- The exploration and production of crude and natural gas on fields located onshore and offshore;
- Emergency works, commissioning and repair of wells;
- Crude refining;
- The distribution, transport, storing, marketing, bunkering of ships and the supply of airships with crude oil products;
- Wholesale and retail trade in merchandise and miscellaneous products;
- The import and export of crude, petroleum products, petrochemicals and chemicals, equipment, machines and specific technologies;
- Production, transmission, distribution, trade of electricity;
- Medical and social activity for its own employees and third parties;
- Other activities established and detailed in the Constitutive Act of the company.

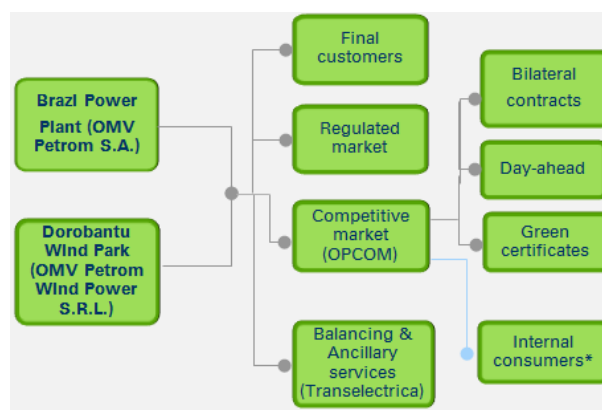
The detailed structure of the consolidated companies in Petrom Group at December 31, 2012 is presented in annex a) to the current report.

Our Exploration and Production business explores for and extracts oil and natural gas in Romania and the Caspian Region (Kazakhstan). Petrom accounts for almost the entire oil production and for approximately half of the gas production in Romania. Our domestic and international oil and gas production amounted to around 183 kboe/d (in Romania 171 kboe/d) in 2012, while total proved oil and gas reserves were approximately 775 mn boe (in Romania 750 mn boe) at the end of December 2012.

We are an important player in the Romanian gas market. In order to leverage the value of natural gas and ensure the sustainable development of the company, Petrom further expanded the gas value chain and developed a power generation business. On August 1, 2012, Petrom began commercial operations at the Brazi gas fired power plant. The business models for Petrom's gas and power activities are presented below:



*Internal consumers refer to Petrom Group businesses



*Internal consumers refer to Petrom Group businesses which acquire electricity from OPCOM

We run an upstream integrated refinery (Petrobrazi) with a nominal capacity of 4.2 mn t per year after the modernization performed in Q2/12 (previously 4.5 mn t/y), that processes exclusively equity crude to maximize its integration value. We supply our products through a network of 798 filling stations, under a dual brand strategy - the international premium brand, OMV, and the strong Romanian brand, Petrom. Our affiliates' filling stations network covers both Romania (both Petrom and OMV brands) and the neighboring countries: Bulgaria (OMV), Serbia (OMV) and the Republic of Moldova (Petrom). In Romania, Petrom operates 546 filling stations and unfolds its retail and commercial activities of fuel products via fully owned subsidiary, OMV Petrom Marketing

S.R.L. and via Petrom Aviation S.A. (99.99% owned by OMV Petrom S.A.) for the aviation fuel services. Through its affiliates, Petrom operates 252 stations in the neighboring countries of Bulgaria, Serbia and the Republic of Moldova (see List of consolidated companies in Petrom Group at the end of the report for affiliates' names).

Petrom (through its affiliate OMV Petrom Marketing S.R.L.) is the number one downstream operator on the Romanian market, with a total market share¹ of 36%.

b) The date when the company was established

The company was established on October 27, 1997 and began its activity as of November 1, 1997, as per the Emergency Ordinance no. 49/1997 approved through Law no. 70/1998 under the name of S.N.P. Petrom S.A. (SNP – Societatea Nationala a Petrolului/ National Oil Company). In the General Extraordinary Meeting of Shareholders dated September 14, 2004 the change of the company's name from SNP Petrom SA to S.C. Petrom S.A. was approved.

Starting January 1, 2010, the company name is OMV Petrom S.A., based on the Resolution of the Extraordinary General Meeting of Shareholders dated October 20, 2009. The Company's brand and logo remain unchanged.

c) Mergers or significant reorganizations of the company, the subsidiaries or the companies controlled achieved during the financial year.

Not applicable.

d) Asset acquisitions and/or alienation

In the last quarter of 2012, OMV Petrom disposed of the Korned LLP company.

On June 29, 2012 OMV Petrom announced its decision to sell the 99.99% stake in the subsidiary Petrom LPG S.A. to Crimbo Gas International. The transaction was finalized on January 7, 2013.

e) Overview of the main results of the company

Our achievements in 2012 in **Exploration & Production** segment were as following:

- ▶ Petrom Group production successfully stabilized to approximately 183 kboe/d with an average annual decline rate of 0.8% in Romania since 2010
- ▶ Further progress in maturation process for re-development of key fields
- ▶ Continued to optimize gas production system and to modernize surface facilities and equipment in the selected major fields
- ▶ Group production costs in USD/boe decreased by 5% against 2011 and by 6% in Romania
- ▶ Signed 15-year agreement with Expert Petroleum for production enhancement services on 13 small mature fields situated in the Western part of Romania, targeting significant increase of cumulative oil and gas production above estimated natural decline
- ▶ Domino-1 well, first deepwater exploration well drilling realized in joint venture with ExxonMobil resulting in a preliminary estimate gas potential ranging from 42 to 84 bn cbm
- ▶ Initiated the largest 3D seismic program in the Romanian sector of the Black Sea, covering 6,000 km² in the deepwaters and an additional 1,600 km² in shallow waters of the Neptun block
- ▶ Steps to secure additional exploration license in the Black Sea deepwater areas adjacent to Neptun block

In **Gas & Power** segment, the main achievements were:

- ▶ Consolidated gas market share (28% in the free market) and increased gas business profitability
- ▶ Started commercial operations at the Brazi power plant in August 2012 with plant availability during August-December at 89%
- ▶ Developed a customer base in the power business
- ▶ Modernized small metering stations

¹ Retail and commercial segments (excluding sales to oil companies)

In **Refining & Marketing** segment the valuation of the activity at the end of the year highlighted the following issues:

- ▶ Consolidated business position in a depressed market environment
- ▶ Successful commissioning of the crude distillation unit modernization in Petrobrazi refinery
- ▶ Centralization of administrative marketing activities in the region into a single functional organization run from Bucharest
- ▶ Divestment of non-core LPG bottling business in Romania
- ▶ Commissioning and start of operations at new Isalnita terminal

1.1.1. General evaluation elements

Indicator	2010 ^{**)}	2011 ^{*)}	2012
Net profit, RON mn	1,799	3,730	3,851
Net turnover, RON mn	13,953	16,184	19,123
Operating result, RON mn	3,202	4,660	5,068
Operating expenses, RON mn	11,428	11,899	14,199
Liquidity (cash and cash equivalents), RON mn	1,416	567	557

^{*)} Restated figures according to MOF 1286/2012

^{**)} Prepared in accordance with MOF 3055/2009, not restated according to MOF 1286/2012

The net profit increased by 3% to RON 3,851 mn, while the operating result increased by 9% and the operating expenses increased by 19% compared to 2011. The Company's turnover increased by 18% in comparison with 2011, reaching RON 19,123 mn.² Please see section 5 for a detailed analysis of the financial statements.

1.1.2. Evaluation of the company's technical expertise

a) Main products and services

As Petrom is an integrated oil and gas company, covering the full chain of upstream and downstream activities, the number of products can be grouped into the following categories representative for the company's activity:

- Crude;
- Natural gas;
- Petroleum products: gasoline, diesel, kerosene, fuel oils, LPG;
- Electricity

b) Main outlets for each product or service and the distribution methods

Petrom is present on relevant markets as a producer and supplier of crude oil and natural gas, petroleum products and electricity.

- **Crude:** Petrom accounts for almost the entire oil production in Romania which is mainly delivered to its own refinery - Petrobrazi; the crude transportation is handled by state owned company Conpet.
- **Natural gas:** Petrom accounts for approximately half of the gas production in Romania. The natural gas produced in Romania is placed on the market, according to the gas business model, presented under 1.1. a). For the delivery of the natural gas, Petrom uses the national pipeline system of Transgaz and also its own network.
- **Petroleum products:** These products are sold to both Romanian and international markets. The company uses both retail and wholesale distribution channels, directly or through affiliates, to sell its refined products. The retail supply channel consists in a network of more than 790 fuel filling stations, both in Romania (with 546 operating filling stations at end of 2012) and in the

neighboring countries: Bulgaria, Serbia and the Republic of Moldova. Petrom total Romanian market share stood at 36% in 2012 while the overall market share in the operating region reached 26%.

- **Electricity:** Petrom sells the electricity generated by the Brazi plant on platforms managed by OPCOM S.A. (the electricity market operator), on the regulated market, as well as to final clients. The Brazi power plant delivers electricity on commercial basis to the national grid, depending on the power market and observing the regulatory environment in Romania. If operated at maximum capacity, the power plant could cover 8 to 9% of the electricity market, making Petrom one of the most important electricity producers in Romania. Since its start of commercial operations in August 2012, Brazi covered approximately 6% of Romania's electricity production over the same period.

c) Overview of the turnover of the company in the last three years and analysis of various revenues types

The majority of Petrom's revenues resulted from the sale of petroleum products. The Company's net turnover in 2012 increased by 18% to RON 19,123 mn compared to 2011, mainly due to favorable price environment.

The weight of each revenue category in total revenues is presented in the table below:

Indicator	Total value – RON mn			Percentage in revenues		
	2010 ^{**)}	2011 ^{*)}	2012	2010 ^{**)}	2011 ^{*)}	2012
Operating revenues [†]	14,629	16,558	19,267	94	95	97
thereof Turnover	13,953	16,184	19,123	-	-	-
Financial revenues	911	803	598	6	5	3
Extraordinary revenues	-	-	-	-	-	-
TOTAL	15,540	17,361	19,865	100	100	100

[†] the difference to turnover represents other operating income.

^{*)} Restated figures according to MOF 1286/2012

^{**)} Prepared in accordance with MOF 3055/2009, not restated according to MOF 1286/2012

d) New products

As previously mentioned, the Company entered the power generation market by putting in commercial operations the 860 MW combined cycle power plant at Brazi in August 2012.

Details regarding the power business are addressed in the corresponding sections of the report.

1.1.3 Evaluation of the provision of technical and material resources (domestic and imports)

Petrom is processing domestically produced crude oil in its Petrobrazi refinery in order to obtain petroleum products. During 2012 Petrom did not acquire imported crude.

1.1.4. Overview of the sale activity

Turnover per segments of activity, RON mn	Year ended December 31		
	2010 ^{**)}	2011 ^{*)}	2012
Exploration and Production	71	108	113
Gas and Power	2,235	2,290	2,583
Refining and Marketing	11,592	13,630	16,276
Corporate and Other	57	155	150
Total	13,953	16,184	19,123

^{*)} Restated figures according to MOF 1286/2012

^{**)} Prepared in accordance with MOF 3055/2009, not restated according to MOF 1286/2012

The Company's **net turnover** in 2012 increased by 18% to RON 19,123 mn compared to 2011, mainly driven by positive oil price environment. R&M sales increased by 19%, while G&P 13% and E&P with 5%, slightly offset by Corporate and Other (C&O) decrease of 3%.

a) Sales evolution and outlook

The figures in the table below reflect Petrom Group total sales of fuels and gas, since the Company's business model envisages the usage of several sales channels and subsidiaries.

	2010	2011	2012	Δ 12/11 (%)	Δ 12/10 (%)	Δ 11/10 (%)
Total refined product sales (kt) ¹	5,472	5,234	5,004	(4)	(9)	(4)
thereof Marketing sales volumes (kt) ²	4,157	4,066	3,829	(6)	(8)	(2)
Consolidated gas sales (mn cbm) ¹	4,917	5,055	4,841	(4)	(2)	3

¹ Includes all products sold by Petrom Group

² As of 2010, the figure excludes export sales which are included in total refined product sales.

The harsh weather conditions at the beginning of the year and challenging price environment burdened the marketing business in 2012. Petrom Group's total marketing sales amounted to 3,829 kt in 2012, 6% lower compared to 2011, due to persisting unfavorable market conditions.

Group **retail sales** decreased by 2% compared to the previous year, reaching 3,117 mn liters. Retail sales in the domestic market reached 2,405 mn liters in 2012, also 2% lower compared to last year due to continued pressure on purchasing power, in line with the total retail market.

Group **commercial sales** amounted to 1,344 kt, 13% lower against 2011, with lower volumes in all products. In Romania, commercial sales stood at 857 kt, 12% below previous year's level (2011: 969 kt) while the local market decreased by 7%.

Total Romanian market share was in line with 2011, at 36% mainly as a result of business optimization and product portfolio revision. Overall **market share in the operating region** was broadly at the same level with last year, reaching 26%.

Retail margins fell to a lower level compared to the previous year as a result of the high price environment. The pressure on margins came mainly in the first eight months of the year and gradually reduced in the last quarter as international product prices for gasoline and diesel dropped in comparison to previous quarters of 2012.

In 2012, total **non-oil business (NOB)** turnover improved by 5% compared to last year mainly due to the implementation of a new logistic system. Since 2011 onward, one international supplier of logistics services has been catering to the NOB segment in Bulgaria and Serbia, and in 2012 same concept had been rolled out in Romania as well.

Petrom's consolidated **gas** sales volumes decreased in line with the Romanian gas consumption by 4% to 4.8 bcm in 2012 as compared to 5.1 bcm in 2011.

Petrom's **electricity** sales are not included in the table above as power is a new business and previous years' figures are immaterial: the 860 MW power plant at Brazi started commercial operation in August 2012. In 2012, the total net electrical output of Brazi power plant was 1.58 TWh (including the commissioning phase).

In 2013, **fuel products** volumes are expected to be further challenged by high price levels for international crude and oil products and the marginal economic recovery in our operating region. In the local **gas** market, we anticipate a stable demand, albeit not without challenges. The effects of weak economic growth are expected to be counterbalanced by industry's efficiency improvement measures, in the context of the gas price liberalization. In the **power** market, demand is expected to be stable, reflecting weak economic growth and prospective energy efficiency measures.

b) Company's market share. Main competitors

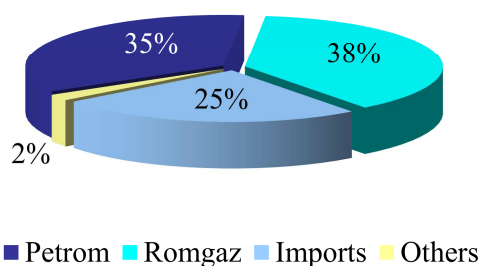
With daily hydrocarbon production rates of 171 kboe/d and an oil/gas split of roughly 45/55% in 2012, Petrom accounts for almost the entire crude oil production and for approximately half of the gas production in Romania.

According to the Romanian Energy Regulatory Authority (ANRE) figures, Romanian gas consumption totaled 13.6 bcm in 2012, of which 75% was covered from domestic production and 25% through imports. Some 98% of the domestic gas production was ensured by Romgaz (51%) and Petrom (47%), while the rest was covered by other small private operators like: Amromco, Rafless Energy (former Aurelian Oil&Gas), Foraj Sonde and Lotus Petrol. The main providers of imported gas were Petrom (9%), Romgaz (15%), GDF Suez Energy Romania (16%), E.ON Energie Romania (12%) and WIEE Romania (14%).

The main players on the free market were Petrom (28%), Romgaz (20%), Interagro (19%), GDF Suez Energy Romania (8%) and E.ON Energie Romania (7%), while the regulated market was mainly supplied by GDF Suez Energy Romania (51%) and E.ON Energie Romania (40%), with Petrom Distributie Gaze serving 1% of regulated clients. The Romanian wholesales gas market was mainly covered by Petrom (49%) and Romgaz (30%).

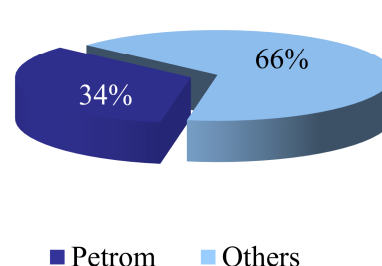
The Romanian refining sector consists of 10 refineries. Six of them are not operational: Astra, Darmanesti, Petrolsub, Steaua Romana (Omnimpex Chemicals), Rafo (Balkan Petroleum) and Arpechim. The rest of four refineries: Petrobrazi (owned by Petrom), Petromidia and Vega (Rompotrol – majority owned by Kaz Munay Gas), Petrotel (Lukoil), have a total operational capacity of approximately 12 mn tons. In 2012, the refineries processed a total quantity of approximately 9.3 mn tons of crude, according to the data provided by the National Institute of Statistics (NIS).

Gas consumption in 2012



Source: Petrom estimates based on ANRE reports

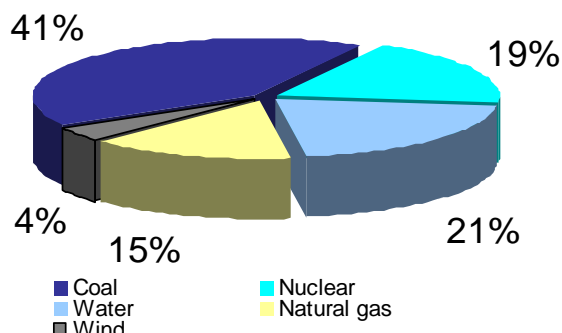
Crude processed in 2012



Source: NIS

The estimated Romanian gross electricity production decreased by 5% in 2012 versus 2011, to 59 TWh, while the estimated net consumption increased by 0.2%, to 53 TWh. According to the exports-imports balance, Romania was a net importer of electricity in 2012.

Romanian power production by sources



Source: NIS

The main power generators were Hidroelectrica, Nuclearelectrica, Complexul Energetic Oltenia (Turceni, Rovinari, Craiova), which covered around 80% of the total Romanian gross electricity production in 2012. Since its start of commercial operations in August 2012, Brazi power plant covered approximately 6% of Romania's electricity production over the same period. In 2012, the consolidated share of Petrom for the gross power generation was approx. 2% (approximately 16% of the gross electricity production using natural gas as fuel).

Out of the approximately 180 electricity suppliers operating in Romania, around 60 address the retail market (from which 7 incumbent suppliers and 10 producers having electricity supply activity). The Brazi plant started deliveries to the regulated market in October 2012 and delivered 0.34 TWh to this market during October-December, which translates in an 8% share on this market.

c) Description of any significant dependency of the company on a single customer or on a group of customers whose loss would have a negative impact on the company's income

Given the wide range of products, Petrom has a large base of customers. Therefore, there are no clients which can materially affect the activity of the Company.

In addition, as a member of OMV Group, Petrom has broadened its customers' base with some of the affiliated companies within the Group. Transactions with affiliated companies are made on arm's length basis and are reported to the Bucharest Stock Exchange and National Securities Commission as per latter's requirements.

1.1.5. Evaluation of issues related to the company's employees/staff

a) The number and the expertise of the company's employees.

The average number of employees, calculated as average of the headcount of 12 months number of employees is presented below.

	The average number of employees		
	2010	2011	2012
Average for the year	25,189	22,037	20,508

The average number of employees decreased as a consequence of restructuring programs continued by the Company in order to improve efficiency.

The majority of the employees are members of trade union organizations affiliated to SNPE ("Sindicatul National Petrom-Energie"), while a reduced number of employees are members of trade unions affiliated to "Energetica" Federation and "Lazar Edeleanu" Federation.

b) The relationship between management and employees as well as of any conflict elements which characterize this relationship

The dialog between unions and management continues on a regular basis. The key elements of the framework outlining the relationship between management and employees consist in the Collective Labor Agreement, Internal Rules and Parity Commissions. All the steps of any reorganization process that the company has entered were discussed and agreed by both parties.

The wording of some stipulations in the Collective Labor Agreement of Petrom resulted in a chain of labor litigations through which employees requested the payment of bonuses allegedly unpaid to them. Most of the claims reach back to issues prior to the privatization of Petrom. These litigations are still in progress at various stages, in Bucharest and across the country. Petrom's defense is based on the fact that the respective bonuses were included and maintained in the base salary of the employees, therefore the claims are unjustified. This fact is considered by the courts in the vast majority of the cases which are currently won irrevocably by Petrom in final appeal.

During 2012, Petrom continued to receive some claims relating to these matters. Following the assessment of the potential liabilities with respect to ongoing cases, the provision booked to cover the risk in line with prudence principles did not require any increase until the date of this report. Petrom has taken all possible actions and committed all necessary resources to defend itself against these lawsuits, and also to prevent a further increase in litigation. Furthermore, employee information was substantially increased in order to raise awareness of the topic. These clarifying discussions with claimants resulted in withdrawals of pending lawsuits as well as many intentions to pay back amounts.

1.1.6. Evaluation of issues related to the impact of the issuer's main activity on the environment

We responsibly address issues involving environmental impacts along our entire value chain. Our goal is to use natural resources efficiently and to minimize waste, emissions and discharges. We aim to continuously reduce our CO₂ emissions and water withdrawal through Eco-Efficiency measures and careful environmental management.

Environmental and energy management

With respect to CO₂ emissions, in Exploration and Production we continued to make good progress, including:

- An investment of EUR 8 mn during 2012 on Gas to Power (G2P) and Combined Heat and Power / Cogeneration (CHP) projects to reduce our own energy consumption as well as Green House Gas (GHG) emissions. This work resulted in a CO₂ emissions reduction of 24,000 t CO₂ equivalent in 2012. Starting with 2014, we expect the program to generate a total reduction of around 170,000 t CO₂ equivalent/year compared to 2009.
- The initiation of a wells automation program to ensure that pumps run only when necessary. This program, which saw a 2012 investment of approximately EUR 7 mn, optimizes production and saves energy at the same time for 1,526 wells.

We continued to implement optimization and energy efficiency projects to reduce CO₂ emissions also in Petrobrazi Refinery, as the next three examples: the switch to gas fuel for the turbines used for electricity production; the reduction of steam losses by re-engineering a pipe and the revamp of the atmospheric and vacuum distillation plant.

In our day to day operations we also aim to reduce the amounts of water withdrawal by an efficiently usage. Therefore, in 2012 we increased the efficiency of the heating and cooling systems and optimized the water supply systems.

A broad range of mutually supportive activities were also implemented in 2012 to reduce and prevent the environmental impact of oil spills, including:

- The Spill Risk Map project is developing a tool to provide detailed information regarding the risk of pollution from pipelines in Petrom E&P. A pilot was run in one of E&P's assets and the Risk Map will be rolled out throughout 2013.
- In conjunction with other environmental initiatives on pipelines, we are close to completing a Risk Based Inspection (RBI) study under our new Pipeline Integrity program. Dedicated teams in each asset will ensure effective implementation of ongoing inspection works, with repair and replacement carried out on a risk-based prioritization basis.
- A Spill Preparedness and Response program was also implemented during 2012 with the aim of identifying measures to increase our ability to prevent and respond effectively to oil spills. This started with 10 spill drills conducted onshore in all E&P assets and will continue in 2013 with the implementation of an action plan and strategic program containing technical, organizational and skills development measures.

1.1.7 Evaluation of research and development activities

In line with its strategic directions, the Company continued its efforts towards new exploration areas, in order to enhance new potential discoveries.

1.1.8. Evaluation of the company's risk management activity

As per the Code of Corporate Governance, Petrom's Supervisory Board's role is to adopt strict rules and obtain assurance via its specialized Audit Committee that the Company has an effective risk management system in force. Furthermore, Petrom's Executive Board is continuously supporting, steers and enhances our company's risk management system by close involvement and monitoring.

For assessing the risks associated with Petrom's entire portfolio of operations, the Executive Board has empowered a dedicated Risk & Insurance Management Department with the objective to lead and coordinate the Company's risk management.

Furthermore, Petrom's risk management system is part of the corporate decision-making process. For any new major projects, new strategies or market directions, workshops are organized for assessing the risks associated with the benefits of the respective opportunity, while the risk information collected in the workshops as well as any relevant third party opinions are used for taking informed decisions.

Integrated risk management system

Petrom's Enterprise Wide Risk Management (EWRM) system is recognized via various benchmarks of external consultants as part of best practice at international level. The EWRM system actively and formally pursues the identification, analysis, evaluation and treatment of all risks (market and financial, operational and strategic) in order to manage their effects on the Company's cash flow up to an acceptable level agreed as per the risk appetite.

The EWRM system follows ISO 31000 and comprises a dedicated risk organization working under a robust internal regulation framework with quantitative information technology infrastructure as well as assuring that the process is embedded into the day-to-day operational business and delivers against its intended purpose.

Petrom has four levels of risk management roles in a pyramid-type risk organization. The first bottom layer comprises the risk owners represented in all areas of activity by managers of various areas, the second level are the business units and divisional risk coordinators who facilitate and coordinate the risk management process in their division, the third layer is the risk manager function represented by the Risk Management department who coordinates the entire risk management process assisted by the specialized corporate functions (HSSE, Compliance, Legal, Finance, Controlling). The top level role is represented by Petrom's Executive Board which steers and approves Petrom's consolidated risk profile in accordance with the Company's objectives and risk appetite. The risk management system and its effectiveness are monitored by the Audit Committee of the Supervisory Board via regular reports.

Risk Management Objectives

The objective of Petrom's Risk Management System is to secure its capacity to deliver positive economic value added for a medium-term time horizon by managing the Company's risks and their potential cash flow impact within the limits of the risk appetite. High potential single event risks as well as Long Term Strategic risks are also identified and managed consistently.

The risk categories currently used within Petrom's EWRM system are organized within the market and financial, operational and strategic categories, containing among others also market risks, financial risks, project risks, process risks, health, safety and security risks, tax risks, compliance risks, personnel risks, legal risks, regulatory and reputational risks.

In terms of tools and techniques, Petrom follows the best international practices in risk management and uses stochastic quantitative models to measure the potential loss associated with the company's risk portfolio under a 95% confidence level and a three-year horizon. All risks are analyzed based on their causes, consequences, historical trends, volatilities and cash flow potential impact.

Petrom's key financial and non-financial exposures are commodity market price risk, foreign exchange risk and single event hazard operational risks.

As regards market price risk, Petrom is naturally exposed to the price driven volatility of cash flows generated by production, refining and marketing activities associated with crude oil, oil products, gas and electricity. Market risk has core strategic importance within Petrom's risk profile and liquidity. The market price risks of Petrom commodities are closely analyzed, quantified and evaluated. Petrom may use hedging instruments to mitigate its exposure to commodity market price risks in order to secure minimum expected cash needs.

Petrom does not enter into or trade financial instruments, including derivative financial instruments for speculative purposes. Derivative financial instruments are used solely for the purposes of managing exposure to commodity price and currency, which are being evaluated, considering Petrom's needs and being approved by Petrom's Executive Board in consistency with the company's risk appetite.

In 2012, in order to protect the Group's cash flow, Petrom entered into oil price swaps, locking in a Brent price of USD 101/bbl for a volume of 30,000 bbl/d, accounting for approximately one-third of its crude oil production. The hedge operation was efficient in securing a floor price of 101 USD/bbl for 30% of Petrom's crude oil production resulting from a negative cashflow on the derivative instrument offset by a corresponding positive cash flow on the sales side.

In terms of foreign exchange risk management, Petrom cash is essentially exposed to the volatility of RON against USD and also to EUR. The effects of the foreign exchange risk on cash flows, as well as the correlation with the oil price, are regularly monitored.

From an **Operational risk** perspective, Petrom is an integrated company with a wide asset base, most of these assets being hydrocarbon production and processing plants. A special focus is awarded to process safety risks where Petrom's policy is "prevent incidents, ensure safe operations". The high potential single event risks associated with the operational activity (e.g. blow outs, explosions, earthquakes etc.) are consistently identified and for each of them incident scenarios are developed and assessed. Where required, treatment plans are developed for each

specific location. Besides emergency, crisis and disaster recovery plans, Petrom's policy with regard to insurable risks is to finance them via insurance instruments. These risks are closely analyzed, quantified, monitored by the risk organization and are managed via detailed internal procedures.

Counterparty credit risk management refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to Petrom. Group's counterparty credit risks are assessed, monitored and managed at Company level using predetermined limits for specific countries, banks, business partners and suppliers. On the basis of creditworthiness and available rating information, all counterparties are assigned maximum permitted exposures in terms of credit limits (amounts and maturities), and the creditworthiness assessments and granted limits are reviewed on a regular basis.

Liquidity Risk

For the purpose of assessing liquidity risk, in the short term, the budgeted operating and financial cash inflows and outflows throughout Petrom are monitored and analyzed on a monthly basis in order to establish the expected net change in liquidity. This analysis provides the basis for financing decisions and capital commitments. For mid-term risks, to ensure that Petrom remains solvent at all times and retains the necessary financial flexibility, liquidity reserves in form of committed credit lines are maintained.

Interest Rate Risk

Petrom is inherently exposed to interest rate risk due to its financing activities. The volatility of EURIBOR may trigger less or additional cash flow resources necessary to finance the interest payments associated with Petrom's debt. The interest rate risks are closely analyzed, quantified and monitored.

Results

Petrom's consolidated risk profile is regularly reported in comparison with the Company's risk appetite for the Executive Board's approval and for the Audit Committee's information. The awareness and understanding of the company's risk profile as well as risk management skills in the company have improved substantially along the years. In 2012, in March and October, the consolidated risk profile was reported and approved by Petrom's Executive Board in accordance with the Company's risk appetite. The Audit Committee was presented with the company's risk report in March and October 2012 and took notice of the information.

Through its risk management process, Petrom secures its liquidity and long-term sustainability, and decreases the uncertainty over its strategic objectives and financial targets.

1.1.9. Estimates of the company's activity

a) Factors which affect or could affect the company's cash position

Due to the improvement in the crude price environment, but also strict cost management, cash flows generated from operations were higher in 2012 compared to 2011. Cash outflows were used to sustain high level of investments in strategic projects with a strong economic impact and also for loans repayments and payment of dividends. As a result, the **indebtedness ratio**² reached 7.49% at the end of December 2012 compared to 10.50% at the end of 2011.

² Indebtedness ratio is calculated as Long term debt/(equity) x 100, according to Romanian National Securities Commission's regulations in force

b) Capital expenditures and other additions

Investments¹⁾, RON mn	2010^{**)}	2011^{*)}	2012
Exploration and Production	2,742	3,600	3,656
Gas and Power	1,443	397	307
Refining and Marketing	611	876	805
Corporate and Others	131	51	53
Total	4,927	4,924	4,821

¹⁾ Includes amounts for fixed assets acquisition, financial investments, land deeds, financial leasing and increases from reassessment of decommissioning assets

^{*)} Restated figures according to MOF 1286/2012

^{**)} Prepared in accordance with MOF 3055/2009, not restated according to MOF 1286/2012

Investments for OMV Petrom S.A. in 2012 amounted to RON 4,821 mn, recording a slight decrease compared to 2011.

Investments in E&P activities accounted for 76% from the total amount invested in 2012 and were focused on drilling development wells, work over activities, sub-surface operations and surface facilities, field re-development initiatives as well as investments related to the Neptun Deep Water project and Totea Deep project;

Approximately 17% of investments were realized in R&M and were mainly relating to the major project in Refining, namely Petrobrazi modernization.

Investments in G&P decreased by 23% compared to 2011 since the construction works of the power plant in Romania were finalized and the power plant starting its commercial operation on August 1, 2012.

Corporate investments slightly increased compared to previous year and refer mainly to IT projects.

c) Factors which significantly affect the income generated by the company's main activity

EBIT per segments of activity, RON mn	Year ended December 31		
	2010^{**)}	2011^{*)}	2012
Exploration and Production	3,515	5,214	5,388
Gas and Power	84	5	68
Refining and Marketing	(137)	(337)	(64)
Corporate and Others	(134)	(79)	(116)
EBIT Consolidation ¹	(126)	(143)	(208)
Total	3,202	4,660	5,068

¹ EBIT Consolidation result represents the inter-segmental profit elimination

^{*)} Restated figures according to MOF 1286/2012

^{**)} Prepared in accordance with MOF 3055/2009, not restated according to MOF 1286/2012

Petrom's EBIT amounted to RON 5,068 mn and was above the level of 2011, primarily as a result of favorable crude price environment, but also strict cost management.

E&P segment EBIT increased by RON 174 mn, from RON 5,214 mn in 2011 to RON 5,388 mn in 2012, driven mainly by the favorable oil price development, and favorable FX effect (stronger USD against RON) partially offset by higher production costs and higher royalties.

In the **G&P** segment, EBIT was RON 68 mn, significantly higher than the RON 5 mn result in 2011, mainly driven by better terms for gas sales in 2012.

Despite the weak economic environment, mainly defined by the high crude price combined with a stronger USD compared to RON, the EBIT of R&M in 2012 improved by RON 273 mn from RON (337) mn in 2011. Last year's result was strongly affected by the provision set up for the fine received from the Competition Council amounting to (RON 366 mn).

EBIT in the **Corporate and Other** segment amounted to RON (116) mn, 47% lower than in 2011, when it stood at RON (79) mn.

2. Tangible Assets of the Company

2.1. The location and the main features of the production equipment owned by the company

OMV Petrom S.A. unfolds its activities in all the counties of the country, in Bucharest and in the Black Sea continental shelf, but also in Kazakhstan and the neighboring countries (Republic of Moldova, Bulgaria and Serbia), directly or via its subsidiaries.

Exploration and Production:

In Romania, Petrom holds exploration licenses for twelve onshore and two offshore blocks, with a total area of 42,760 km² (of which 12,321 km² offshore) and operates 238 commercial oil and gas fields at the end of 2012.

The Company has a significant asset base in its Exploration and Production business, in the form of property, plant and equipment used to exploit the Company's hydrocarbon reserves. This base also includes assets related to oil and gas service business, such as workover, maintenance and logistics.

Gas:

Being a distribution business, the Gas segment does not have production equipment or a significant asset base.

Power:

Petrom has a gas fired power plant located in Brazi. The plant has a capacity of 860 MW and can supply up to 8-9% of Romania's electricity demand if operated at maximum capacity.

Petrom began commercial operations at the Brazi power plant on August 1, 2012.

Petrom also owns a 45 MW wind power park at Dorobantu through its affiliate – OMV Petrom Wind Power S.R.L. (99.99% owned).

Doljchim:

Petrom continued the dismantling and decontamination activities at Doljchim in compliance with European environmental and safety standards, to prepare the site for future alternative use. In this respect, several development alternatives were considered and will be evaluated for future development. In 2012, we set up a non-profit organization - CERC (Community Resource Center), a multi stakeholder forum aimed at managing local community initiatives and to ensure sustainable development of the region.

Refining:

Petrom has two refineries: Petrobrazi and Arpechim.

In 2012, Petrom exclusively operated its upstream integrated refinery at Petrobrazi, with a total operational capacity of 4.2 million tones /year.

The closure of the Arpechim refinery, including the employees' restructuring process, progressed with ongoing measures in order to enable further utilization of selected assets (mainly logistic facilities) as a terminal within the R&M downstream operations. With regards to the remaining assets, the preparation for the permanent closure as approved by the Supervisory Board in March 2011 continues.

Through its Supply & Logistics function, OMV Petrom S.A. operates a modern network of 11 terminals with total capacity over 100.000 m³ which supplies products to the Group's clients in full compliance with the Romanian and European industry operational, safety and environmental standards. The new terminals include modern loading and unloading facilities, new tank farms, vapor recovery units, fire-fighting systems, station control units and tank management systems.

In November, Petrom inaugurated at Isalnita its third greenfield fuel terminal. The project is part of a far-reaching investment program, including the construction of three new terminals (Jilava, Brazi, and Isalnita) and the modernization of other three. With a capacity of 11,000 m³, the terminal at Isalnita, located in Dolj county, could ensure the supply for most of the Southern region of Romania. The investment value for the construction of the fuel terminal at Isalnita amounted to approximately EUR 26 mn.

All three newly built terminals, Jilava, Brazi and Isalnita, are fully automated and comply with the Romanian and European norms and standards. They have a total storage capacity of 46,000 m³ (Jilava: 27,000 m³, Brazi: 8,000 m³, Isalnita: 11,000 m³).

Marketing:

Through its affiliates, Petrom operates 546 filling stations in Romania and 252 stations in the neighboring countries of Bulgaria, Serbia and the Republic of Moldova.

Number of filling stations per country	2010	2011	2012
Romania	546	545	546
Republic of Moldova	102	94	98
Bulgaria	94	93	93
Serbia	59	61	61
Total	801	793	798

In 2012 Petrom entered into a selling contract of its 99.99% stake held in Petrom LPG S.A. to Crimbo Gas International. The transaction was signed in June 2012 and completed in January 2013. The sale of Petrom LPG, a non-core business with high complexity, managing a high number of small clients was in line with Petrom's strategy to focus on the company's core operations in order to increase efficiency. Petrom continues to supply LPG from its refinery to the company subject to the transaction while the latter supplies cylinders and auto gas to OMV Petrom Marketing S.R.L.

OMV Petrom S.A.

Fixed assets, tangible assets, RON mn (Net Book Value)	Balance at 31.12.2011 ^{*)}	Balance at 31.12.2012
Land, land rights and buildings, incl. buildings on third-party property	1,687	1,755
Oil and gas assets	15,359	17,081
Plant and machinery	1,568	4,808
Other fixtures and fittings, tools and equipment	166	160
Assets under construction	1,773	1,022
Payments in advance	1,816	55
Total fixed assets, tangible assets	22,368	24,882

^{*)} Restated figures according to MOF 1286/2012

2.2. The degree of wear-out for fixed assets

Tangible and intangible assets are depreciated on a straight-line basis according to estimated useful life, starting with the following month to the put in function date, except for the core items within the Exploration & Production segment which are depreciated using the unit of production method.

Depreciation of the tangible assets is presented in the table below:

Fixed assets, tangible assets, RON mn (Accumulated depreciation and impairments)	Balance at 31.12.2011 ^{*)}	Balance at 31.12.2012
Land, land rights and buildings, incl. buildings on third-party property	479	556
Oil and gas assets	5,705	7,049
Plant and machinery	1,748	2,123
Other fixtures and fittings, tools and equipment	202	189
Assets under construction	114	128
Total fixed assets, tangible assets	8,247	10,044

^{*)} Restated figures according to MOF 1286/2012

2.3. Potential issues related to ownership rights over the company's tangible assets

The company received notifications regarding the restitution of the assets confiscated by the State between March 6, 1945 and December 22, 1989, which falls under the incidence of Law no. 10/2001; this law provides the modalities, the terms and the legal framework for the restitution of these assets. The summarized status and the resolutions to these notifications as of December 31, 2012 are the following – 1,126 notifications were transmitted to Petrom, out of which:

- ▶ 16 buildings were restored;
- ▶ 1,082 notifications were rejected due to the failure to comply with the requirements of Law no.10/2001;
- ▶ 27 notifications were redirected towards other entities;
- ▶ 1 notification (file) is currently under analysis.

As per Article 7.2, in conjunction with the provisions of Article 26 of the Methodological Norms for the application of Law no. 10/2001, approved through Government Decision no. 498/2002, the City Halls or the notified Prefectures are under the obligation to identify the owning entity and to direct the notifications to these entities for resolution. At the same time, those who submitted the notifications are informed that the requested asset is not under administration of these entities and also the name of the entity in charge to solve the notification. Due to the fact that up to this date the activity of solving notifications within the City Halls' and Prefectures' Commissions is still in progress, part of the notifications received may be further directed to Petrom.

3. The Market of the Securities issued by the Company

3.1. The markets in Romania and in other countries where the securities issued by the company are traded

Petrom shares are traded on the Bucharest Stock Exchange since September 3, 2001.

Petrom share symbols

ISIN	ROSNPPACNOR9
Bucharest Stock Exchange	SNP
Bloomberg	SNP RO
Reuters	ROSNP.BX

Overall, Petrom's share price gained 47.6% on a full year basis, outperforming the BET index (ten most liquid blue chip stocks listed on BSE), which advanced 18.7% and the BET-C (BET Composite) index, which increased 6.3% over the same period. Vienna Stock Exchange's ROTX index that comprises the 14 most liquid blue chip stocks traded at the BSE, was up 29.1% in 2012 while the BET-NG sector index (stocks in the energy and utilities sectors) was only slightly up over the year (+2.6%).

Petrom's market capitalization at the end of 2012 stood at RON 24.2 bn, accounting for 24.8% of total market capitalization of all companies listed at the BSE.

3.2. Description of the company's dividend policy for the last 3 years.

Dividends allocated, RON mn	2010	2011	2012
Related to year	1,002.60	1,755.96	1,586.03 [†]

[†] Proposal to the Annual General Meeting

On March 24, 2011, the Supervisory Board endorsed management's proposal to distribute dividends of RON 0.0177 per share. The dividend proposal was approved with majority of votes by the General Meeting of Shareholders, on April 26, 2011. The payment of the dividends started on June 1, 2011.

On March 23, 2012 the Supervisory Board endorsed management's proposal to distribute dividends of RON 0.031 per share. The dividend proposal was approved by the General Meeting of Shareholders on April 27, 2012. The payment of the dividends starts on June 18, 2012.

On March 21, 2013 the Supervisory Board endorsed management's proposal to distribute dividends of RON 0.028 per share. The dividend proposal is subject to the further approval by the General Meeting of Shareholders, on April 22, 2013.

3.3 Description of any activity involving the company's purchasing its own shares

Not applicable.

3.4. Where the company owns subsidiaries, mention of the number and the nominal value of the shares issued by the parent company and held by the branches

Petrom has subsidiaries, but none of them owns shares issued by the parent Company.

3.5. Where the company has issued bonds and /or other debt securities, presentation of the way in which the company fulfilled its obligations towards the holders of such securities

Not applicable.

4. Company administration

Corporate Governance

To remain competitive in a changing world, Petrom develops and updates its corporate governance practices, so that it can meet new demands and opportunities.

A transparent decision-making process, relying on clear and objective rules, enhances shareholders' confidence in the Company. It also contributes to the protection of shareholders' rights, improving the overall performance of the Company, offering better access to capital and risk mitigation.

The Company has therefore always placed great importance on good corporate governance and adheres to the principles laid down in the Corporate Governance Code issued by the Bucharest Stock Exchange.

In April 2007, a two-tier system of governance was implemented in the Company. Since then, Petrom's governance is run by an Executive Board, which manages the daily operations of the Company, and a Supervisory Board elected by the shareholders to act as a monitoring body, supervising and controlling the Executive Board. The powers and duties of the above-mentioned bodies are described in the Company's Articles of Association, available on our website (within the Corporate Governance section) and in the relevant internal regulations.

Commitment to good corporate governance

In accordance with best corporate governance practice, the Company is managed in a climate of openness, based on honest discussions between the Executive Board and the Supervisory Board, as well as within each of these corporate bodies. Members of the aforementioned corporate bodies have a duty of care and loyalty towards the Company. Hence, the Executive Board and the Supervisory Board pass their resolutions as required for the welfare of the Company, primarily in consideration of the interests of shareholders and employees.

General Meeting of Shareholders

The General Meeting of Shareholders (GMS) shall be convened by the Executive Board whenever this is necessary, in accordance with the provisions of law. The date of the GMS may not be within less than 30 (thirty) days after publishing the convening notice in the Official Gazette of Romania, part IV. The convening notice shall be published in the Official Gazette of Romania, part IV and in one of the widely-distributed newspapers in Romania. In exceptional cases, when the Company's interest requires it, the Supervisory Board may convene the GMS. The convening notice will be disseminated to the Bucharest Stock Exchange and the National Securities Commission in accordance with capital markets regulations. The convening notice will also be made available on the Company's website, within the General Meeting of the Shareholders section, together with any explanatory document related to items included on the GMS agenda. The annual financial statements are made available starting with the date of the convening notice of the Ordinary GMS convened to resolve upon them.

General Meeting of the Shareholders organization

The GMS is usually chaired by the President of the Supervisory Board, who may designate another person to chair the assembly. The chairman of the GMS designates two or more technical secretaries to verify the fulfillment of the formalities required by law for carrying out the GMS and for drafting the minutes thereof.

The minutes, signed by the President and by the secretaries, shall ascertain the fulfillment of the formalities relating to the convening notice, the date and place of the GMS, the agenda, the shareholders present, the number of shares, a summary of the issues discussed, the resolutions passed and, upon the request of the shareholders, the statements made by such shareholders during the GMS.

The resolutions of the GMS shall be drafted pursuant to the minutes and shall be signed by the President of the Supervisory Board or by another person appointed by the President. In observance of capital market regulations, the resolutions of the GMS will be disseminated to the Bucharest Stock Exchange and the National Securities Commission within 24 hours after the event.

The resolutions will also be made available on the Company's website, within the General Meeting of the Shareholders section.

General Meeting of the Shareholders main duties

The main duties of the Ordinary GMS are the following:

- (a) to discuss, approve or modify the annual financial statements after having reviewed the reports of the Executive Board, of the Supervisory Board, of the financial auditor and of the internal auditors;
- (b) to distribute the profit and to establish the dividends;
- (c) to elect the members of the Supervisory Board and the financial auditor and to revoke the appointment of each of the foregoing; to approve the minimum term of the audit contract.
- (d) to establish the remuneration of the members of the Supervisory Board and of the financial auditor for the current fiscal year;
- (e) to assess the activity of the Executive Board members and of the Supervisory Board members, to evaluate their performance and to discharge them of their duties in accordance with the provisions of law;
- (f) to approve the income and expenditure budget, as well as the business program for the next fiscal year;
- (g) to approve the reports of the Supervisory Board with respect to the supervision activity performed by it;

The Extraordinary GMS is entitled to decide mainly upon:

- (a) changing the corporate form of the Company;
- (b) altering the scope of business of the Company;
- (c) increasing the share capital of the Company;
- (d) reducing the share capital of the Company;
- (e) merging with other companies;
- (f) spin-offs from the Company;
- (g) an early dissolution of the Company;
- (h) converting shares from one class into another;
- (i) any changes to the Articles of Association.

Supervisory Board (SB)

The Supervisory Board consists of nine members elected by the Ordinary GMS in accordance with the provisions of Company Law. The Supervisory Board's current mandate started in 2009 and runs until 2013. The members of the Supervisory Board may be shareholders of the Company, but they cannot be members of the Executive Board.

Supervisory Board main powers

The Supervisory Board has the following main powers:

- (a) to exercise control over the management of the Company by the Executive Board;
- (b) to determine the structure and the number of positions in the Executive Board; to appoint and revoke the members of the Executive Board;
- (c) to create an audit committee and other specialized committees, if appropriate;
- (d) to check that the acts undertaken in the course of the management of the Company are compatible with law, the Articles of Association and any relevant resolutions of the General Meeting of Shareholders;
- (e) to submit to the General Meeting of Shareholders a report concerning the supervision activity undertaken;
- (f) to represent the Company in relation to the Executive Board;
- (g) to verify the Company's financial statements;
- (h) to verify the report of the members of the Executive Board;
- (i) to propose to the General Meeting of Shareholders the appointment and the revocation of the financial auditor, as well as the minimum term of the audit contract.

The responsibilities of the members of the Supervisory Board, as well as the working procedures and the approach to conflicts of interest and own account dealings are governed by relevant internal regulations.

As required by Company Law, none of the Supervisory Board members holds an executive position in the Company. During the 2012 financial year, the Supervisory Board met six times in

person and submitted its approval in writing on four occasions (more details are presented within the report of the Supervisory Board).

Special Committees

The Supervisory Board may assign particular issues to certain of its members, acting individually or as part of special committees, and may also refer to experts to analyze certain issues. The task of the committees is to issue recommendations for the purpose of preparing resolutions to be passed by the Supervisory Board itself, without thereby preventing the entire Supervisory Board from dealing with matters assigned to the committees.

The Supervisory Board members are appointed by the Ordinary GMS, based on a transparent procedure of appointment and with the majority of votes of the shareholders. Likewise, the remuneration of the Supervisory Board members is established by the Ordinary GMS.

An **Audit Committee** composed of four Supervisory Board members was established to provide assistance to the governing bodies of the Company in the area of internal control and financial reporting.

This committee reviews the annual accounts and the proposal for profit distribution.

In addition, the Audit Committee prepares the proposal of the independent financial auditor to the Supervisory Board, which is to be elected by the Ordinary GMS.

Moreover, this committee supervises the Company's risk management strategy and its financial performance and assesses the issues subject to the reports of the internal auditors.

The Executive Board reports to the Audit Committee at least once a year on the audit plan and any material findings.

In accordance with Company Law, the Audit Committee includes members that have the necessary expertise in the area of financial audit and accounting.

During the 2012 financial year, the Audit Committee members were: David C. Davies, Manfred Leitner, Gheorghe Ionescu and Riccardo Puliti.

During the 2012 financial year, the Audit Committee met three times (more details presented under the corresponding section within the report of the Supervisory Board).

Executive Board (EB)

The Executive Board is appointed and/or revoked by the Supervisory Board. The number of members shall be determined by the Supervisory Board, provided that such number is not lower than three and not higher than seven. One Executive Board member is appointed as the President of the Executive Board (also named Chief Executive Officer of the Company). The Executive Board's current mandate started in 2011 and runs until 2015.

The meetings of the Executive Board are held regularly (usually every week) and whenever necessary for the operative management of the Company's daily business.

EB main duties

As provided by the Articles of Association, the main duties of the Executive Board, performed under the supervision and control of the Supervisory Board, are:

- (a) to establish the strategy and the policies regarding the development of the Company, including the organizational structure of the Company and the operational divisions;
- (b) to annually submit for the approval of the General Meeting of Shareholders, within four months of the end of the fiscal year, the report regarding the business activity of the Company, the financial statements for the previous year, as well as the business activity and budget projects of the Company for the current year;
- (c) to conclude legal acts on behalf of and for the account of the Company, with observance of matters reserved to the General Meeting of Shareholders or to the Supervisory Board;
- (d) to hire and to dismiss, and to establish the duties and responsibilities of the Company's personnel, in line with the Company's overall personnel policy;
- (e) to undertake all the measures necessary and useful for the management of the Company, implied by the daily management of each division or delegated by the General Meeting of Shareholders or by the Supervisory Board, with the exception of those reserved to the General Meeting of Shareholders or to the Supervisory Board through operation of law or of the Articles of Association.
- (f) to exercise any competence delegated by the Extraordinary General Meeting of Shareholders.

The Executive Board coordinates the strategic orientation of the Company and reports to the Supervisory Board on a regular basis on all relevant issues concerning the course of business, strategy implementation, the risk situation and risk management of the Company.

The Executive Board ensures that the provisions of the relevant Romanian capital markets legislation are complied with and implemented by the Company, as earlier presented within this chapter. Likewise, the Executive Board ensures the implementation and operation of an accounting, risk management and internal controlling system which meets the requirements of the Company.

The members of the Executive Board and persons closely related to them (the latter term as defined in the applicable capital markets regulations under the Romanian phrase of "*persoană aflată în relații apropiate cu persoane exercitând funcții de conducere*") have the duty to report to the Executive Board, to the Supervisory Board and to the National Securities Commission (Romanian: Comisia Națională a Valorilor Mobiliare) any and all trading/business performed for their own account involving (i) shares or other securities issued by the Company and admitted for trading on regulated markets; and/or (ii) derivative financial instruments using securities issued by the Company and/or (iii) any other instruments relating thereto.

The members of the Executive Board have the duty to disclose immediately to the Supervisory Board any material personal interests they may have in transactions of the Company as well as all other conflicts of interest. Furthermore, they have the duty to notify other Executive Board colleagues of such interests forthwith.

All business transactions between the Company and the members of the Executive Board as well as persons or companies closely related to them must be in accordance with normal industry standards and applicable corporate regulation. Such business transactions as well as their terms and conditions require the prior approval of the Supervisory Board.

In 2012, 62 meetings of the Executive Board were held in order to pass resolutions on all matters requiring its approval in accordance with the Articles of Association and the Company's internal regulations, as well as to allow the members of the Executive Board to be aware of all significant matters concerning the Company and to inform each other about all relevant issues of their activity.

Shareholders' rights

Rights of the Company's minority shareholders are adequately protected according to relevant domestic legislation.

The shareholders have the right to obtain relevant information on the Company on a timely and regular basis. They have the right to be informed about the decisions concerning fundamental corporate changes with the view to understand their rights.

Several key decisions are assigned to shareholders via the General Meeting of Shareholders. Among these decisions are included:

- appointment and revocation of the members of the Supervisory Board and auditors;
- approval of the remuneration for the members of the Supervisory Board and auditors;
- approval of the annual financial statements;
- approval of any amendments to the Articles of Association;
- resolving on share capital increase, decrease, mergers and/or spin-offs.

Moreover, the shareholders have the right to participate effectively and vote in the GMS and to be informed of the rules, including voting procedures that govern the General Meetings of the Shareholders.

One share, one vote, one dividend

Petrom observes the one share, one vote, and one dividend principle. There are no preference shares without voting rights or shares conferring the right to more than one vote.

GMS calling

Shareholders holding at least 5% of the share capital may request that a GMS be called. Such shareholders have also the right to add new items to the agenda of a GMS, provided such proposals are accompanied by a justification or a draft resolution proposed for approval and copies of the identification documents of the shareholders who make the proposals. Proposals with respect to adding new items on the agenda of such GMS can be submitted at the headquarters of the Company, or by e-mail having attached an extended electronic signature, in compliance with Law no. 455/2001 using a digital signature.

Likewise, shareholders holding at least 5% of the share capital are entitled to submit draft resolutions for the items listed on the agenda or proposed by other shareholders to be added on the agenda of such GMS.

GMS attendance

The Company actively promotes the participation of its shareholders in the GMS, as they are invited to raise questions concerning items to be debated during such meetings. The shareholders may attend in person or may be represented in the GMS either by their legal representatives or by representatives having a special proxy, based on the special proxy template made available by the Company. Such proxy template may be obtained from the Company headquarters and/ or can be found on the Company's website, within the General Meeting of Shareholders section.

The shareholders duly registered in the shareholders' register may vote by correspondence, prior to the GMS, by using the voting bulletin for the votes by correspondence made available by the Company at the headquarters and/ or on the Company's website.

Taking shareholders' questions

The shareholders of the Company, regardless of the stake of the share capital held, may submit written questions with respect to the items on the agenda of the GMS, provided that such questions are accompanied by copies of their valid identification at the headquarters of the Company. The shareholders may also send such questions by e-mail having attached an extended electronic signature. The disclosure of commercially sensitive information that could result in a loss or competitive disadvantage for the Company will be avoided when providing the answers, in order to protect the interests of our shareholders.

Women's advancement

The Company supports gender diversity and promotion of women in management positions. While there are no female members of the Supervisory Board of the Company, the President of the Executive Board is Mariana Gheorghe.

By the end of 2012, around 30% of the first line directors Executive Board were women whilst the percentage of women in middle management was around 35%. Given the strong technical bias of our operations, the proportion of women in the Group as a whole by year end was 23%, in line with that of the OMV Group, which Petrom is part of.

Bucharest Stock Exchange Corporate Governance Code

The Company adheres to the Corporate Governance Code issued by the Bucharest Stock Exchange starting from the 2010 financial year. The details about the compliance with the principles and recommendations stipulated under the Corporate Governance Code issued by the Bucharest Stock Exchange are presented in the "Comply or Explain" Statement, which is enclosed under section 6 below.

Internal control

The Company has implemented an internal control system, which includes activities implemented in order to prevent or detect undesirable events and risks such as fraud, errors, damages, non-compliance, unauthorized transactions and misstatements in financial reporting.

Petrom's internal control system covers all areas of group operations with the following goals:

- Compliance with laws and internal regulations
- Reliability of financial reporting (accuracy, completeness and correct disclosure)
- Prevention and detection of fraud and error
- Effective and efficient business operations

Petrom's internal control system framework consists of the following elements:

Element	Description
Internal control environment	The existence of a control environment forms the basis for an effective internal control system. It consists of the definition and adherence to group-wide values and principles (e.g. business ethics) and of organizational measures (e.g. clear assignment of responsibility and authority, commitment to competence, signature rules and segregation of duties).
Assessment of process and compliance risks	Generally all business, management and support processes are within the scope of the internal control system. They are assessed to identify risky and critical activities.
Risk mitigation via control activities	Control activities and measures (such as segregation of duties, checks, approvals, IT access rights) are defined, implemented and performed to mitigate significant process and compliance risks.
Documentation and information	Related duties include the documentation of main processes and procedures containing a description of key control activities performed.
Monitoring and audit	Management and Internal Audit evaluate the effective implementation of the internal control system.

Comprehensive set of standards, prerequisite for a proper internal control

For Petrom an important prerequisite to form a comprehensive set of standards is to establish and maintain a rigorous Business Management System (BMS) designed to match the integrated set of processes and tools used by the Company in developing its strategy, and translated into proper actions and in monitoring and improving effectiveness of both.

The Corporate Affairs and Compliance Department is responsible for BMS coordination. This department provides support to the various Petrom entities in view of achieving regulatory requirements, coordinates the elaboration of corporate regulations and provides a quality check. The Directive "Regulation Management" sets out the classification, definition and standardized structure of corporate regulations (directives, standards, procedures, instructions, recommendations etc.) as well as their elaboration, approval, communication, monitoring and reporting process.

Internal Audit assesses the effectiveness and efficiency of the organization's policies, procedures and systems which are in place to ensure: proper identification and management of risks, reliability and integrity of information, compliance with laws and regulations, safeguarding of assets, economical and efficient use of resources and accomplishment of established objectives and goals.

Internal Audit carries out regular audits of individual group companies and informs the Audit Committee about the results of the audits performed.

Established group-wide standards for the preparation of annual and interim financial statements

The Company has an Accounting Manual that is applied consistently in order to ensure uniform accounting treatment is applied for the same business cases. The Accounting Manual is updated regularly with changes in International Financial Reporting Standards. Furthermore, the organization of the accounting and financial reporting departments is set up in order to achieve a high quality financial reporting process. Roles and responsibilities are specifically defined and a revision process – the “four-eye principle” – is applied in order to ensure correctness and accuracy of the financial reporting process. The establishment of standards for the preparation of annual and interim financial statements by means of the Accounting Manual is also regulated by an internal Corporate Guideline.

4.1. Presentation of the company’s administrators and the following information for each administrator:

a) CV (family name, first name, age, skills, professional expertise, position and length of employment)

On April 17, 2007, Petrom’s Extraordinary General Meeting of Shareholders approved the change of the Company’s management system into a two tier system, whereby the Company is managed by the Executive Board, under the control and supervision of the Supervisory Board, consisting of nine members.

During 2012, the Supervisory Board had two other members. Starting January 1, 2012, Gerald Kappes was appointed as interim member of the Supervisory Board, following Werner Auli’s waiver of the mandate due to health reasons.

Starting March 23, 2012, Hans-Peter Floren was appointed as interim member of the Supervisory Board, following Gerald Kappes’ waiver of the mandate. Hans-Peter Floren was elected as member of the Supervisory Board by the General Meeting of Shareholders on April 27.

Following the aforementioned, the membership of the Supervisory Board at the date of the report was the following:

Name	Age (years)	Position	Other information
Gerhard Roiss	61	President of the Supervisory Board First elected at the GMS held on January 11, 2005	Economics studies in Vienna, Linz and Stanford, USA. Started to work at OMV in 1990. CEO and Chairman of the OMV Executive Board
David Davies	58	Deputy-President First elected at the GMS held on January 11, 2005	Graduated Liverpool University. Since April 1, 2002, he is member of the Executive Board and Chief Financial Officer (CFO) of OMV.
Jacobus Gerardus Huijskes	48	Member First elected at the GMS held on August 3, 2010	Studied mechanical engineering at Delft University of Technology in Netherland and started to work at OMV in 2010. Member of the OMV Executive Board, responsible for Exploration and Production

Manfred Leitner	53	Member First elected at the GMS held on April 26, 2011	Studied commerce at the Vienna University of Economics and Business and began his career with OMV in 1985 in the Exploration & Production division. Member of the OMV Executive Board, responsible for Refining and Marketing
Hans-Peter Floren	52	Member First elected at the GMS held on April 27, 2012	Holds an engineering degree and an economics degree from the University of Essen. Held various managerial roles in the energy sector since 1987, working in transport and storage management, dispatching and system planning. Most recently, worked as Board Member of E.ON Ruhrgas AG (Essen) and of E.ON Energy Trading SE (Düsseldorf). Member of the OMV Executive Board, responsible for Gas&Power
Riccardo Puliti	51	Member, appointed in the Petrom Supervisory Board following the EBRD's proposal First elected at the GMS on April 28, 2009	He is an MBA alumnus of Instituto de Estudios Superiores de la Empresa (IESE) and a postgraduate alumnus of the Kennedy School of Government (Harvard University) and Imperial College. He started working for EBRD in 1996. Business Group Director in charge of the energy and natural resources sectors within EBRD
Constantin Dascalu	40	Member, appointed following the Minister of Economy, Trade and Business Environment (MECMA)'s proposal First elected at the GMS on April 26, 2011	Graduated from the Babes-Bolyai University of Cluj-Napoca, Faculty of Economic Sciences and from Bogdan Voda University of Cluj-Napoca, Management Faculty. Personal Counselor to the Minister of MECMA
Gheorghe Ionescu	60	Member, appointed following the MECMA's proposal First elected at the GMS on April 28, 2009	Graduated the Polytechnic Institute of Pitești, Department of Mechanical Engineering, and the Academy of Economic Studies. He holds a master degree in financial and economic administration granted by Conservatoire National d'Art et Metieres of Paris

Joseph Bernard Mobius	77	Member, appointed in the Petrom Supervisory Board following the Property Fund's proposal First elected at the GMS on April 29, 2010	Mr. Mobius earned Bachelors and Masters degrees from Boston University, and a PhD in economics and political science from the Massachusetts Institute of Technology. Executive Chairman, Templeton Asset Management Ltd
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b) Any agreements, understanding or family connection between the respective administrators and another person who is responsible for appointing of the respective person in the position of Director.

Petrom's governance follows a two-tier system, with the Executive Board ensuring the management of the company under the control and supervision of the Supervisory Board. The members of the Supervisory Board are not appointed by certain persons or certain shareholders. They are appointed by the Ordinary General Meeting of Shareholders based on shareholders' votes and in compliance with the statutory requirements relating to quorum and majority. Therefore, there are no such agreements and understandings to be disclosed herein.

c) The participation of the Supervisory Board members at the share capital of the company.

Petrom does not have knowledge of any member of the Supervisory Board holding shares issued by the Company during the year under review.

d) The list of related parties to the company

Please see annex b).

4.2. Executive Board

a) Terms of office for the person who is member of the executive management

The Executive Board's current mandate started in April 2011 and runs until April 2015.

Changes in the Executive Board structure during 2012

Starting 1 September 2012, Cristian Secoşan took over the responsibilities of Hilmar Kroat-Reder, who was a member of Petrom's Executive Board responsible for Gas and Power (including Chemicals) between January 2011 and August 2012.

Starting 1 January 2013, Andreas Peter Matje took over the responsibilities of Daniel Turnheim, who was a member of Petrom's Executive Board and Chief Financial Officer between January 2011 and December 2012.

Following the aforementioned, as of January 1, 2013, Petrom's Executive Board is composed of the following members:

Name	Position
Mariana Gheorghe	Chief Executive Officer of Petrom, President of the Executive Board
Andreas Peter Matje	Chief Financial Officer
Johann Pleininger	Member of the Executive Board responsible for Exploration and Production
Cristian Secoşan	Member of the Executive Board, responsible for Gas and Power (including Chemicals)
Neil Anthony Morgan	Member of the Executive Board, responsible for Refining and Marketing

b) Any agreement, understanding or family connection between that person and another person who is responsible for appointing him/her member of the executive management

Petrom does not have knowledge of any such agreement or understanding.

c) The participation of the respective person at the share capital of the company.

Following the share buy-back program, 100 shares were assigned to Mariana Gheorghe, President of the Executive Board. Likewise, as a matter of good corporate governance, we outline that Mariana Gheorghe's husband holds 60,000 shares issued by Petrom.

4.3. The potential litigations and administrative procedures in which the persons presented under Sections 4.1 and 4.2 were involved over the last 5 years

To the best of our knowledge, at the time of drafting this report, in 2012 there were no litigations or administrative procedures against any members of the Executive or Supervisory Board of the Company directly linked with their activity in the company having a significant impact upon the price of the Company shares or the capacity to hold the position of members of such corporate bodies. However, members of the Executive Board are involved in some court cases or preliminary procedures which do not fall under the aforementioned categories.

5. Analysis of the Financial Condition

Main factors and influences determining financial position and performance

Financial highlights, RON mn	Year ended December 31		
	2010 ^{**)}	2011 ^{*)}	2012
Sales	13,953	16,184	19,123
Gross profit	3,752	6,158	6,447
EBIT	3,202	4,660	5,068
Net financial result	(986)	(193)	(484)
Net profit	1,799	3,730	3,851
Non-current assets	26,624	30,513	32,719
Current assets	5,478	5,112	4,692
Non-current liabilities	11,004	9,044	8,459
Current liabilities	4,903	5,883	6,040
Shareholders' Equity	16,195	20,697	22,911
Cash and cash equivalents at the beginning of the year	280	1,416	567
Net cash generated from operating activities	3,854	5,936	6,665
Net cash from investment activities	(4,150)	(4,597)	(4,596)
Net cash from financing activities	1,432	(2,196)	(2,081)
Effect of foreign exchange rate changes on cash and cash equivalents	0	8	2
Cash and cash equivalents at the end of the year	1,416	567	557

^{*)} Restated figures according to MOF 1286/2012

^{**)} Prepared in accordance with MOF 3055/2009, not restated according to MOF 1286/2012

Ratio	Year ended December 31		
	2010	2011 ^{*)}	2012
Liquidity ratios			
Current assets	n.m.	0.87	0.78
Acid test	n.m.	0.58	0.49
Risk ratios			
Gearing ratio	n.m.	14%	12%
Indebtedness ratio	n.m.	11%	7%
Operational ratios			
Stock turnover – days	n.m.	65	50
Days in receivables – days	n.m.	40	35
Tangible assets turnover	n.m.	0.72	0.77
Total assets turnover	n.m.	0.45	0.51
Profitability ratios			
Net profit margin	n.m.	23%	20%
EBIT margin	n.m.	29%	27%
EBITDA margin	n.m.	43%	39%
Return on fixed assets (ROFA)	n.m.	21%	21%
Return on equity (ROE)	n.m.	19%	18%
Earnings per share (RON)	n.m.	0.066	0.068

n.m. - not meaningful for comparison with next two years, due to the fact that 2010 figures were prepared in accordance with MOF 3055/2009 and not restated according to MOF 1286/2012, that represents the preparation basis for 2011 and 2012 figures.

^{*)} Restated figures according to MOF 1286/2012

The Company's net turnover in 2012 increased by 18% to RON 19,123 mn compared to 2011, mainly due to higher price levels.

Cost of sales increased by 26% compared to 2011, to RON 12,676 mn, mainly due to higher expenses for the acquisition of products from third parties in relation to the scheduled Petrobrazil refinery shut-down in 2012.

OMV Petrom's EBIT amounted to RON 5,068 mn, with RON 408 mn higher than in 2011, being the result of favorable crude price environment and strict cost management measures.

The Company's **net financial result** decreased in 2012 to RON (484) mn from RON (193) mn in 2011, mainly attributable to the special charges for alleged late payment interest following the receipt of the preliminary results of the fiscal review of the years 2009 and 2010 in Petrom (RON 209 mn).

Net profit increased by 3% in 2012 compared to 2011 mainly due to the positive impact of the operational result.

As a result of its business activities, Petrom contributed RON 8,075 mn to the State budget. Profit tax increased at RON 799 mn, royalties amounted to RON 815 mn and social contributions reached RON 384 mn. Petrom's contribution to the State budget via indirect taxes was mainly represented by excise and custom duties (RON 3,775 mn) and also employees related taxes (RON 399 mn) and VAT (RON 1,805 mn).

Total assets amounted to RON 37,411 mn as of December 31, 2012, up by 5% compared to the end of 2011 (RON 35,625 mn), mainly as a result of investments realized in 2012.

Non-current assets increased by 7% to RON 32,719 mn, mainly due to significant investments in oil and gas assets in E&P segment for the development and modernization of wells, work over activities, sub-surface operations & surface facilities, field re-development initiatives, investments related to the Neptun Deep Water project and Totea Deep project.

Non-current assets also include the non-current receivable to be reimbursed by the Romanian State for decommissioning of wells, as well as for other environmental obligations in E&P, Refining and Marketing and Doljchim amounting to RON 2,288 mn (2011: RON 2,634 mn). Another important part of non-current assets is represented by the net investments in shares amounting to RON 1,914 mn (2011: RON 1,955 mn) and loans given to subsidiaries amounting RON 1,777 mn (2011: RON 1,647 mn)

The ratio of intangible assets and property, plant and equipment to total assets amounted to 69% (2011: 66%).

Total current assets, including pre-payments, decreased by 8% to RON 4,692 mn compared to RON 5,112 mn at the end of 2011, mainly as a result of lower loans given to subsidiaries and lower trade receivables.

Current assets also include cash and cash equivalents amounting RON 557 mn, which slightly decreased from RON 567 mn in previous year, as well as inventories amounting to RON 1,725 mn which slightly increased in comparison with previous year (2011: RON 1,708 mn).

Total liabilities (including provisions and deferred income) decreased by 3% to RON 14,499 mn as of December 31, 2012, mainly due to a decrease in long-term interest-bearing debts following the loans reimbursements which occurred in 2012.

Non-current liabilities mainly consist in provisions for decommissioning obligations (RON 5,752 mn), retirement benefits (RON 233 mn), environmental obligations (RON 115 mn), litigations provisions (RON 397 mn) and other provisions for risks and charges (RON 116 mn). The decrease

mainly results from the reassessment of environment obligations and from the use of provision due to environmental works performed mainly in the R&M segment.

Another important portion of RON 1,717 mn (2011: RON 2,173 mn), represented by long-term loans received (EBRD, EIB and from Black Sea Trade and Development Bank) with maturity between 2 and 10 years, decreased mainly as a result of reimbursement of loans from the EBRD (European Bank for Reconstruction and Development) of RON 416 mn, from the EIB (European Investment Bank) of RON 28 mn and from Black Sea Trade and Development Bank of RON 22 mn.

Current liabilities consist of trade payables amounting to RON 2,269 mn (2011: RON 2,324 mn), short term part of interest-bearing debts amounting to RON 1,494 mn (2011: RON 1,296 mn), short-term part of other provisions and decommissioning amounting to RON 1,193 mn (2011: RON 1,153 mn) and other liabilities amounting to RON 1,084 mn (2011: RON 1,111 mn).

Total increase of current liabilities compared with 2011 values was mainly influenced by the increase in short term interest bearing debts, especially amounts due to affiliates from cash pooling (RON 965 mn in 2012 compared to RON 828 mn in 2011).

Shareholders' equity amounted to RON 22,911 mn as of December 31, 2012 and increased by 11% from the end of 2011 (RON 20,697 mn), as a result of the net profit generated in the current year (RON 3,851 mn), partially compensated by the payment of 2011 dividends (RON 1,756 mn).

The annual stock count of assets, liabilities and equity was performed according with Romanian legislation (Order no. 2861/2009) and the results were recorded in the financial statements as at December 31, 2012.

Cash flow

The cash flow statement of Petrom was prepared using the indirect method, whereby adjustments were made for other noncash transactions.

Net cash flow from operating activities increased with RON 729 mn or 12%, from RON 5,936 mn in 2011, to RON 6,665 mn.

Net cash outflow from investment activities was rather stable, from RON (4,597) mn in 2011 to RON (4,596) mn in 2012.

Net cash outflow from financing activities decreased with RON 115 mn from RON (2,196) mn in 2011 to RON (2,081) mn in 2012.

In conclusion, during the year ended December 31, 2012 the Company maintained the investments at a high level, financed by positive cash flow from operations.

Outlook for 2013

Crude price to remain above USD 100/bbl

We expect the average Brent oil price for 2013 to be above USD 100/bbl and the Brent-Urals spread to stay relatively tight.

Domestic economic policies need to focus on stimulating growth

According to the European Commission, Romania's economy is forecast to grow by 1.5% in 2013 on the back of stronger private consumption and increased EU funds absorption. External demand will continue to play an important role in the revival of the economy. However, domestic economic policies will play a pivotal role kick-starting the economy.

New fiscal and regulatory measures

In the local gas market, we anticipate a stable demand, albeit not without challenges. The effects of weak economic growth are expected to be counterbalanced by industry's efficiency improvement measures, in the context of gas price liberalization. In terms of gas prices, the Government enforced a roadmap for the gradual increase of regulated domestic gas prices during 2013-2014, in

line with the provisions of the new electricity and gas law and the seventh review by the IMF and the European Commission of Romania's economic program. The first increase applies to the non-household sector starting in February 2013. According to law, the deadline for full gas market liberalization envisaged for the non-household sector is end of 2014, with the possibility of extension until 2015, while a deadline of end-2018 is anticipated for the household sector. Starting February 2013, the Government also introduced a package of fiscal measures that impacts oil and gas producers, imposing a 60% tax on additional revenues resulting from domestic gas price liberalization net of corresponding royalties and upstream investments (the latter capped at 30% of the additional revenues) and a 0.5% tax on extraction of crude.

While the package of fiscal measures is pending approval in Parliament and secondary legislation for its implementation still needs to be adopted **we do not expect a substantial impact on 2013 financials** from gas price liberalization and the implementation of the new fiscal and regulatory measures. This is mainly due to the fact that the Petrom 2012 results already reflected better commercial terms for domestic gas sales, above the officially introduced baseline of RON 495/1,000 cbm for the regulated domestic gas price. The two measures are enforced until the end of 2014, which coincides with the expiry of the current oil and gas taxation regime. In 2013, we will engage in discussions with the Romanian authorities to define a long term, stable and investment-friendly taxation and regulatory framework.

In the power market, prices are expected to be under pressure due to supply dynamics, with additional capacity coming on stream from renewables, as well as lingering demand, which reflects weak economic growth and prospective energy efficiency measures.

Sizeable investments

In order to support the company's sustainable development and growth potential, we continue our significant investment efforts while maintaining a sound financial position, with CAPEX plans for 2013 being over EUR 1 bn.

E&P to further stabilize production volumes and unlock potential

In 2013, we will focus on growth opportunities in E&P and implementing performance improvement initiatives throughout the organization. We will continue to sustain our investment efforts to stabilize production through field redevelopment, drilling and workovers, operational excellence initiatives and portfolio optimization through partnerships. We plan to drill more than 110 wells, out of which two will be appraisal wells in the Totea field. We also aim to bring five field re-development projects to the implementation phase in order to sustain our efforts of increasing ultimate oil and gas recovery.

The workover activities in Petrom will be maintained at a high level of around 1,600 jobs with an important contribution in 2013.

Both offshore exploration – deep or shallow water – as well as onshore exploration, account for an important share in our business.

After the success recorded with the first deep water well drilled in Romanian waters in the first quarter last year, in 2013 we will focus on additional seismic surveys and data interpretation, while further exploration is anticipated to start at the end of the year. Together with ExxonMobil Exploration and Production Romania Limited, we will pursue the biggest 3D seismic acquisition program ever performed in the Black Sea which started at the end of 2012.

Additional seismic interpretation works will focus on the shallow water area of Neptun and Istria blocks in order to generate candidates for the next offshore exploration drilling activity.

In the Ukraine, the Production Sharing Agreement is being negotiated with the Ukrainian Government.

In Kazakhstan, we will continue to implement the water injection scheme in field Komsomolskoe in order to secure reservoir pressure support for the long-term production. A TOC field re-development plan was approved in September 2012 and will be carried out during 2013 in order to sustain production levels.

G&P to capture synergies from the sale of natural gas and electricity to enhance value of equity gas

In the gas business, our priorities for 2013 will be to maintain the leading position in the free gas market whilst adapting our sales strategy to the expected liberalization under the new energy law. A first increase of the domestic gas price for non-households was enforced starting February 1, 2013 (from RON 45.71/MWh to RON 49.00/MWh). The prices for non-households are set to gradually increase to RON 68.30/MWh during 2013, while the prices for households are set to reach RON 49.80/MWh, with a first increase scheduled for July 1, 2013 (RON 48.50/MWh).

In the power business, we aim to enhance the value of equity gas by further optimizing the operations of the Brazi power plant and consolidating our position in the power market.

An important focus will be on capturing the synergies from bundling electricity sales with natural gas sales to existing customer base.

R&M to pursue operational optimization and the Petrobrazil modernization

In **R&M**, margins and volumes are expected to be further challenged by high price levels for international crude and oil products and the marginal economic recovery in our operating region. We will continue the optimization and strict cost management of our business segment, expecting another year under a challenging market environment. In the Petrobrazil modernization further milestones were passed, with the commissioning of the Coker unit upgrade performed in January 2013 while next steps envisage the new Gas Desulfurization unit, scheduled for 2013, the Vacuum Gas Oil conversion project in 2014 and other environment and energy efficiency projects. We intend to run Petrobrazil at an optimized utilization rate in order to cope with the market demand and crude supply, maintaining a good energy efficiency and tight cost management. No major shutdowns are expected during the year.

The modernization program of revamping and optimizing the fuel terminal network will continue, and we target to finalize and commence operations at Bacau terminal by year-end.

6. Statement “Comply or Explain”

BSE Corporate Governance Code

The below “Comply or Explain” Statement was prepared taking into account the particularities of the two-tier system applicable to OMV Petrom S.A. (“Petrom” or “the Issuer”), whereas the statement template is structured according to the one-tier management system.

Principle/ Recommendation	Question		YES	NO	Please EXPLAIN
P19	Is the issuer managed in a two tier system?		*		As of April 2007, Petrom is managed in a two-tier system by an Executive Board, which manages the daily operations under the supervision and control of the Supervisory Board, appointed by the shareholders.
P1	R1	Has the Issuer drawn up a Statute/Corporate Governance Regulation which describes the main aspects of the corporate governance principles?	*		The corporate governance principles are described in the Issuer’s Articles of Association, the Corporate Governance Statute, the internal rules of the Supervisory Board and the Executive Board, as well as in other internal regulations.
		Is the Statute/Corporate Governance Regulation (mentioning the date of its last update) posted on the website of the Issuer?	*		The Corporate Governance Statute is posted on the website of the Issuer bearing the date of its last update. Likewise the Articles of Association are posted on the website of the Issuer, mentioning the date when last updated.
	R2	In the Statute/Corporate Governance Regulation, are there defined corporate governance structures, positions, competences and responsibilities of the Supervisory Board and of the Executive Board?	*		The corporate governance structures, positions, competences and responsibilities of the Supervisory Board and of the Executive Board are defined in the Articles of Association of the Issuer. They are also laid out in the Corporate Governance Statute.

Principle/ Recommendation	Question		YES	NO	Please EXPLAIN
	R3	Has the Annual Report of the Issuer a chapter referring to corporate governance, which describes all the relevant events related to corporate governance registered in the previous financial year?	*		Petrom's 2012 Annual Report has a chapter describing all the relevant events related to the corporate governance issues in the 2012 financial year.
		Does the Issuer disclose on its website the information related to the following aspects of its corporate governance: a) a description of Issuer's corporate governance structures?	*		Petrom's website has a special section where details about corporate governance bodies along with the short version of the CV of the members of these bodies are posted.
		b) the updated Articles of Association?	*		The last version of Petrom's Articles of Association is posted on its website, under the Corporate Governance section.
		c) the internal regulation governing the functioning /its essential aspects for each special commission/ specialized committee?	*		The rules governing the functioning of each special commission/committee are bundled in the Corporate Governance Statute which is posted on the website of the Issuer.
		d) the "Comply or Explain" Statement?	*		"Comply or Explain" Statements are posted on Petrom's website.
		e) the list of the Supervisory Board members specifying which members are independent, of the Executive Board and of the special commissions/committees?	*		The members of the Supervisory Board, the Executive Board and the Audit Committee are listed on the Issuer's website.

Principle/ Recommendation	Question		YES	NO	Please EXPLAIN
		f) a brief version of the CV of each Supervisory Board and Executive Board member?	*		Petrom has a special section on its website where short versions of the CVs of the members of the corporate bodies are posted.
P2	Does the Issuer respect the rights of the holders of the financial instruments issued by the Issuer, ensuring equal treatment for them while also submitting any change of the granted rights for approval by the special meetings of such holders?		*		The Issuer complies with the regulations setting forth the rights of the shareholders. In 2012, the Issuer has not issued any financial instruments.
P3	R4	Does the Issuer publish in a special section of its website the details of the holding of the General Meetings of Shareholders ("GMS"): a) the GMS convening notice?	*		Petrom's website has a special section where the GMS convening notices are posted.
	R4	b) the materials/documents relating to the items on the agenda, as well as any other information about the items on the agenda?	*		Petrom's website has a special section where materials/ documents/ any other information relating to the items on the agenda of the GMS are posted.
	R4	c) the templates of the special power of attorney?	*		Petrom's website has a special section where the templates of the special power of attorney can be found.

Principle/ Recommendation	Question		YES	NO	Please EXPLAIN
	R6	Has the Issuer drawn up and submitted for the GMS approval procedures for an efficient and methodical holding of the GMS according to procedure, however without prejudice to the right of any shareholder to freely express their opinion on the topics subject to the debates?	*		The procedure is mentioned in the Issuer's Articles of Association and Statute of Corporate Governance. Likewise, Petrom publishes at every GMS extensive convening notices describing the procedure to be followed for the respective meeting in detail. In this manner, the Issuer ensures that the General Meetings of Shareholders are adequately conducted and well organized while the shareholders' rights are duly observed.
	R8	Does the Issuer disclose in a special section of its website the shareholders' rights as well as the rules and procedures for the attendance at GMS?	*		The rights of the shareholders are outlined on the Issuer's website. Likewise, the rules and procedure for the attendance at the GMS as well as the rights of the shareholders are always described in the convening notice which is always posted on Issuer's
		Does the Issuer provide the information in due time (immediately after the GMS) to all shareholders through the special section on the Issuer's website:	*		Petrom's website has a special section where the resolutions passed by the GMS are posted in due time.
		a) the resolutions passed by GMS?	*		Petrom's website has a special section where detailed results of voting are posted in due time.
		Does the Issuer disseminate through the special section of the Issuer's website, which is easily identifiable and accessible:	*		Petrom's website has an easily accessible and identifiable special section where ad-hoc reports and official statements are posted in due time.
		a) ad-hoc reports/official statements?			

Principle/ Recommendation	Question		YES	NO	Please EXPLAIN
		b) the financial calendar, the annual, quarterly and half-yearly reports?	*		Petrom's website has an easily accessible and identifiable special section where the financial calendar and periodical reports are posted in due time.
	R9	Has the Issuer set-up a special department or has appointed a person dedicated to the relation with investors?	*		Petrom has set up a special department dedicated to investor relations that can be contacted at phone number +40 (0) 214022206 or via e-mail: investor.relations.petrom@petrom.com . Likewise, a special section of the Company's website is dedicated to investors.
P4, P5	R10	Does the Supervisory Board meet at least once a quarter for supervising the activity of the Issuer?	*		The Supervisory Board meets whenever necessary, but at least once every three months. In 2012, the SB met six times in person and passed resolutions by circulation on four further occasions.
	R12	Has the Issuer a set of rules referring to the conduct and the reporting obligations relating to the trading of the shares or of other financial instruments issued by the Issuer ("issuer securities") made on their account by the members of the Executive Board and other related natural persons?	*		Such rules are laid down in the internal regulations of the Issuer.
		Are the trades with the issuer's securities made by the members of Supervisory Board, Executive Board or any other insiders on their own account disclosed via the Issuer's website, according to applicable rules?	*		All transactions are posted on the Bucharest Stock Exchange website, in the section dedicated to the market news related to Petrom. Petrom's website also contains a link to the Bucharest Stock Exchange website, in the section Petrom>Investor Relations>Corporate Governance>Insider Trading.

Principle/ Recommendation	Question		YES	NO	Please EXPLAIN
P6	Does the structure of the corporate bodies of the Issuer ensure a balance between the executive and non-executive members (and especially independent non-executive members) so that the decision-making is not to be dominated by a single person or a group of persons?		*		The Supervisory Board comprises nine members who are non-executives and who supervise the activity of the five members of the Executive Board. Therefore, the balance between executives and non-executives is ensured.
P7	Does the structure of the Supervisory Board provide a sufficient number of independent members?		*		The Supervisory Board structure complies with the provisions of Company Law no. 31/1990 on the number of independent members of the Supervisory Board.
P8	R15	In the course of its activity, is the Supervisory Board supported by any consultative commissions/committees nominated by the Supervisory Board, which deal with the analysis of some specific subjects in order to counsel the Supervisory Board on such topics?	*		The Audit Committee supports the Supervisory Board by performing the following main activities: <ul style="list-style-type: none"> • reviews and prepares the adoption of the annual accounts, • prepares the proposal for the distribution of profits • prepares a proposal of an independent financial auditor • supervises Petrom's risk management arrangements and its financial performance • monitors the reports delivered by the internal auditors.
		Do the consultative commissions/committees submit activity reports to the Supervisory Board on the specific subjects assigned to them?	*		The Audit Committee submits activity reports to the Supervisory Board on the specific subjects assigned to it.

Principle/ Recommendation	Question		YES	NO	Please EXPLAIN
	R16	For the assessment of the independence of their members, does the Supervisory Board use the assessment criteria listed in Recommendation 16?	*		The criteria used for the assessment of Supervisory Board independence are those mentioned in Company Law no. 31/1990, which are substantially similar to those provided by Corporate Governance Code.
	R17	Do Executive Board members permanently improve their knowledge through training/information in the corporate governance field?	*		The Executive Board members permanently improve their corporate governance knowledge via training/roundtable discussion meant to enhance the corporate governance practice in the Company. The CEO is also President of the Corporate Governance Institute at the Bucharest Stock Exchange.
P9	Is the appointment of the Supervisory Board members based on a transparent procedure (objective criteria regarding personal/professional qualifications etc.)?		*		The Supervisory Board members are appointed by the GSM, based on a transparent procedure of appointment and with the majority of votes of the shareholders, as provided for in the Issuer's Articles of Association and applicable law. Prior to the GSM, their CV is available for the shareholders for consultation.
P10	Is there a Nomination Committee within the Issuer set-up?			*	Petrom is assessing the possibility of establishing a Nomination Committee.
P11	R21	Does the Supervisory Board assess the necessity to have a Remuneration Committee/remuneration policy for the Supervisory Board and Executive Board members at least once a year?		*	The remuneration of the Supervisory Board members is resolved upon by the GMS every year. The setup of a Remuneration Committee is under assessment.
		Has the remuneration policy been approved by the GMS?		*	The remuneration of the Supervisory Board members is resolved upon by the GMS and it is made public.

Principle/ Recommendation	Question		YES	NO	Please EXPLAIN
	R22	Is there a Remuneration Committee made exclusively of non-executive members of the Supervisory Board?		*	The setup of a Remuneration Committee is under assessment.
	R24	Is the remuneration policy of the Issuer mentioned in the Statute/Corporate Governance Regulation?		*	Please see above.
P12, P13	R25	Does the Issuer disclose the information subject of the reporting requirements in English: a) periodical information (regular providing information)?	*		Petrom discloses periodical information in English.
		b) permanent information (continuous providing information)?	*		Petrom discloses permanent information in English.
		Does the Issuer prepare and make public the financial report according to the IFRS standards?	*		Petrom prepared and disclosed consolidated financial statements in accordance with IFRS for the year ended December 31, 2006 for the first time. Starting 2010, Petrom also reports on a quarterly basis the consolidated financial statements in accordance to the IFRS standards. Furthermore, in line with Romanian legal requirements applicable for listed companies, starting 2012, Petrom also prepares separate individual financial statements in accordance with IFRS.
	R26	Does the Issuer organize, at least once a year, meetings with the financial analysts, brokers, rating agencies and other market specialists with the view to presenting the financial elements relevant for the investment decision?	*		Petrom organizes one-to-one meetings and conference calls with financial analysts, investors, brokers and other market specialists with a view to presenting the financial elements relevant for investment decision. A total of more than 60 one-to-one or group meetings and presentations were held throughout 2012, including more than 100 investors and analysts. The company also attended analyst and investor conferences, organized in Romania (2) and abroad (3).

Principle/ Recommendation	Question		YES	NO	Please EXPLAIN
	R27	Is there an Audit Committee within the Issuer?	*		Petrom's Supervisory Board has set up an Audit Committee.
	R28	Does the Supervisory Board or the Audit Committee, as the case may be, assess on a regular basis the efficiency of financial reporting, internal control and the risk management system implemented by the Issuer?	*		The Audit Committee assesses on a regular basis the efficiency of financial reporting, internal control and the risk management system implemented by Petrom.
	R29	Is the Audit Committee comprised exclusively of non-executive members of the Supervisory Board and is it comprised of a sufficient number of independent members of the Supervisory Board?	*		The Audit Committee comprises exclusively non-executive members of the corporate bodies and a sufficient number of independent members of the Supervisory Board, as provided for in Company Law no. 31/1990.
	R30	Does the Audit Committee meet at least twice a year, with the view to draw up and disclose to the shareholders half-yearly and annual financial statements?	*		Petrom's Audit Committee meets at least quarterly in order to deal with significant accounting and reporting issues and review on the financial statements.
	R32	Does the Audit Committee make proposals to the Supervisory Board regarding the selection, the appointment, the re-appointment and the replacement of the financial auditor, as well as the terms and conditions of its remuneration?	*		Petrom's Audit Committee makes proposals to the Supervisory Board regarding the selection, the appointment, the re-appointment and the replacement of the financial auditor, as well as the terms and conditions of its remuneration.
P14	Has the Issuer approved a procedure with a view to identifying and to settling any conflicts of interest?		*		The Issuer has established internal rules on how to deal with conflicts of interest.

Principle/ Recommendation	Question		YES	NO	Please EXPLAIN
P15	R33	Do the members of the Supervisory Board inform the Supervisory Board on the conflicts of interests as they occur and do they refrain from debates and the vote on such matters, according to relevant legal provisions?	*		Petrom Supervisory Board has laid down rules relating to conflicts of interest and the approach in this respect.
P16	R34/ R35	Has the Issuer approved the specific procedures in order to provide the procedural compliance (criteria to identify the significant impact of transactions, transparency, impartiality, non-competition etc.) with the view to identify the transactions between related parties?	*		Petrom has internal regulations in place and submits reports on transactions with related parties to the National Securities Commission and to the Bucharest Stock Exchange. The specific procedure is also covered in the Corporate Governance Statute.
P17	R36	Has the Issuer approved a procedure regarding the internal flow and disclosure to third parties of the documents and information referring to the Issuer, considering especially inside information?	*		Petrom has internal regulations in place for such matters.
P18	R37/ R38	Does the Issuer carry on activities regarding the Issuer's social and environmental responsibility?	*		Petrom conducts various activities regarding social and environmental responsibility. Please see the Annual Report's section relating to community involvement.

Declaration of the management

We confirm to the best of our knowledge that the separate financial statements prepared in accordance with IFRS as requested by Ministry of Finance Order no. 1286/2012 give a true and fair view of the financial position of OMV Petrom S.A. as of December 31, 2012, its financial performance and cash flows for the year then ended, in accordance with applicable accounting standards, and that the Directors' report gives a true and fair view of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties associated with the expected development of the Company.

Bucharest, March 21, 2013

The Executive Board

Mariana Gheorghe
Chief Executive Officer
President of the Executive Board



Andreas Matje
Chief Financial Officer
Member of the Executive Board



Johann Pleininger
Member of the Executive Board
Exploration & Production



Cristian Secoșan
Member of the Executive Board
Gas & Power (including Chemicals)



Neil Anthony Morgan
Member of the Executive Board
Refining & Marketing



7. Annexes

a. List of consolidated companies in Petrom Group at December 31, 2012

Parent company			
OMV Petrom S.A.			
Subsidiaries			
EXPLORATION & PRODUCTION		REFINING & MARKETING	
Tasbulat Oil Corporation LLP (Kazakhstan) ¹	100.00%	OMV Petrom Marketing S.R.L. (Romania)	100.00%
Kom Munai LLP (Kazakhstan)	95.00%	Petrom Aviation S.A. (Romania)	99.99%
Petrom Exploration & Production Ltd.	50.00%	Petrom LPG S.A. (Romania) ²	99.99%
		ICS Petrom-Moldova S.A. (Republic of Moldova)	100.00%
		OMV Bulgaria OOD (Bulgaria)	99.90%
		OMV Srbija DOO (Serbia)	99.90%
GAS & POWER		CORPORATE & OTHER	
OMV Petrom Gas S.R.L.	99.99%		
Petrom Distributie Gaze S.R.L.	99.99%		
OMV Petrom Wind Power S.R.L.	99.99%	Petromed Solutions S.R.L.	99.99%

¹ Owned through Tasbulat Oil Corporation BVI as holding company.

² OMV Petrom S.A. decided to sell its 99.99% share in Petrom LPG S.A. to Crimbo Gas International in June 2012. The transaction was completed in January 2013.

Associated company, accounted for at equity

Congaz S.A. (Romania)	28.59%
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b. The list of the persons affiliated to the company

Code of Company	OMV Group mother-company and consolidated subsidiaries - including Petrom Group consolidated subsidiaries as of 31 December 2012
OMV	OMV Aktiengesellschaft
AWPIP	Adria-Wien Pipeline GmbH
AGGM	AGGM Austrian Gas Grid Management AG
AMIC	Amical Insurance Limited
BOGL	Baumgarten-Oberkappel Gasleitungsgesellschaft m.b.H.
HUB	Central European Gas Hub AG
DIRA	Diramic Insurance Limited
ECONDE	EconGas Deutschland GmbH
ECOGAS	EconGas GmbH
ECONHU	EconGas Hungária Földgázkereskedelmi Kft.
ECONIT	EconGas Italia S.r.l.
EGBV	EGBV Beteiligungsverwaltung GmbH
MOLDO	ICS PETROM MOLDOVA SA
KONAI	KOM MUNAI LLP
ISERV	OMV - International Services Ges.m.b.H.
OEGYPT	OMV (EGYPT) Exploration GmbH
OFARO	OMV (FAROE ISLANDS) Exploration GmbH
OIRAN	OMV (IRAN) onshore Exploration GmbH
OIRE	OMV (IRELAND) Exploration GmbH
ONOR	OMV (NORGE) AS
OPK	OMV (PAKISTAN) Exploration Gesellschaft m.b.H.
OSLOEX	OMV (SLOVAKIA) Exploration GmbH
OTNPRO	OMV (Tunesien) Production GmbH
OTNSID	OMV (TUNESIEN) Sidi Mansour GmbH
OUK	OMV (U.K.) Limited
YEM2	OMV (Yemen Block S 2) Exploration GmbH
YEALMA	OMV (YEMEN) Al Mabbar Exploration GmbH
OAUST	OMV AUSTRALIA PTY LTD
OEPA	OMV Austria Exploration & Production GmbH
OBIH	OMV BH d.o.o.
OBINA	OMV Bina Bawi GmbH
OYEM70	OMV Block 70 Upstream GmbH
BULG	OMV BULGARIA OOD
OTCH	OMV Česká republika, s.r.o.
OCTS	OMV Clearing und Treasury GmbH
OMVD	OMV Deutschland GmbH
OTHOLD	OMV Petrol Ofisi Holding Anonim Şirketi
OMVEP	OMV Exploration & Production GmbH
OEPL	OMV EXPLORATION & PRODUCTION LIMITED
OFIN	OMV FINANCE LIMITED
OFS	OMV Finance Services GmbH
OFE	OMV Knowledge-Management GmbH
OGI	OMV Gas & Power GmbH
GERMY	OMV Gas Germany GmbH
OGG	GAS CONNECT AUSTRIA GmbH
OGSG	OMV Gas Storage Germany GmbH
OGSA	OMV Gas Storage GmbH
GASTR	OMV Enerji Ticaret Limited Şirketi
OHRVAT	OMV Hrvatska d.o.o.
OHUN	OMV Hungária Ásványolaj Korlátolt Felelősségű Társaság
OKH	OMV Kraftwerk Haiming GmbH
MAURI	OMV Maurice Energy GmbH
NZEA	OMV New Zealand Limited
OLIB	OMV OF LIBYA LIMITED
OGEX	OMV Oil and Gas Exploration GmbH
OILEXP	OMV Oil Exploration GmbH
OILPRO	OMV Oil Production GmbH
PETEX	OMV Petroleum Exploration GmbH
PETGAS	OMV PETROM GAS SRL

Code of Company	OMV Group mother-company and consolidated subsidiaries - including Petrom Group consolidated subsidiaries as of 31 December 2012
ROMAN	OMV PETROM MARKETING SRL
PETROM	OMV PETROM SA
OPI	OMV Power International GmbH
OMVRM	OMV Refining & Marketing GmbH
OROVİ	OMV Rovi GmbH
BORASC	OMV Samsun Elektrik Üretim Sanayi ve Ticaret A.Ş.
OSARTA	OMV Sarta GmbH
SLOVJA	OMV Slovenija trgovina z nafto in naftnimi derivati, d.o.o.
OMVSK	OMV Slovensko s.r.o.
SNO	OMV Solutions GmbH
OSERB	OMV SRBIJA d.o.o.
OSUP	OMV Supply & Trading AG
OUPİ	OMV Upstream International GmbH
PEİV	PEI Venezuela Gesellschaft mit beschränkter Haftung
PIL	Petroleum Infrastructure Limited
PETAV	PETROM AVIATION SA
PDGAZ	PETROM DISTRIBUTIE GAZE SRL
PEPL	PETROM EXPLORATION & PRODUCTION LIMITED
PETLPG	PETROM LPG SA
PETMED	PETROMED SOLUTIONS SRL
OPEI	Preussag Energie International GmbH
OJA3	OMV Jordan Block 3 Upstream GmbH
TASBU	TASBULAT OIL CORPORATION LLP
TOCBVI	TASBULAT OIL CORPORATION BVI
VİVTS	VIVA International Marketing- und Handels-GmbH
WİNDPP	OMV PETROM WIND POWER SRL
ERK	Erk Petrol Yatırımları A.Ş.
MARMA	Marmara Depoculuk Hizmetleri Sanayi ve Ticaret Anonim Şirketi
OTANAG	OMV Anaguid Ltd.
GPTHOL	OMV Gaz ve Enerji Holding Anonim Şirketi
GPTSAT	OMV Gaz ve Enerji Satış Anonim Şirketi
MAURIL	OMV Maurice Energy Limited
POAS	Petrol Ofisi A.Ş.
OTUSO	OMV South Tunisia Ltd.
GPTRAD	OMV Trading GmbH
PORAF	Petrol Ofisi Akdeniz Rafinerisi Sanayi ve Ticaret A.Ş.
ARAMA	Petrol Ofisi Arama Üretim Sanayi ve Ticaret Anonim Şirketi
POGAZ	Petrol Ofisi Gaz İletim A.Ş.
ODORRA	OMV Dorra Limited
PEARL	Pearl Petroleum Company Limited
CONGAZ	Congaz SA
ENERCO	Enerco Enerji Sanayi Ve Ticaret AS
FREYKG	Freya Bunde-Etzel GmbH&Co
BOIL	Bayernoil Raffineriegesellschaft mbH
BORA	Borealis AG
DTAL	Deutsche Transalpine Oelleitung GmbH
EPSKG	EPS Ethylen-Pipeline-Sud GmbH&Co KG
GENOL	GENOL Gesellschaft m.b.H&Co
SIOT	SIOT Societa Italiana per l'Oleodotto Transalpino SpA
OETAL	Transalpine Olleitung in Österreich Gesellschaft mbH
ELG	Erdöl-Lagergesellschaft m.b.H.
ABU	OMV Abu Dhabi E&P GmbH
ECONHR	EconGas d.o.o. za opskrbu plinom
OFFBLG	OMV Offshore Bulgaria GmbH
OGDAS	OMV Gaz Depolama A.Ş. (former BORTOP)
OSTSIN	OMV Supply & Trading Singapore PTE LTD.