OMV Petrom Group

2015 Overview and 2016 Outlook

General Meeting of Shareholders
April 26, 2016

Mariana Gheorghe, CEO
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<td>Operational highlights 2015</td>
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<td>Outlook 2016</td>
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2015 at a glance

Economic context
- Pressure from low crude price
- Strong refining environment
- Increased fuel demand in the operating region
- Weak gas and power markets

OMV Petrom financial performance
- Unfavorable crude price and impairments: negative reported EBIT
- Swift response to steep decline of crude price: CAPEX and cost reduction
- Stable taxes to the State Budget

OMV Petrom delivery on strategy
- Production broadly stable due to previous investments
- Increased utilization of downstream assets
- Neptun Deep: exploration drilling campaign successfully completed
Dynamics of the Romanian energy sector in 2015

Demand and prices 2015 vs 2014

► Demand ¹
  ► Fuels ² +5%; Gas -5%; Power +2%

► Prices
  ► Urals: -47%
  ► Gas: HH ³ +8%, deregulation continued; NHH ⁴ liberalized
  ► Power ⁵: +5%

► Downstream Gas
  ► Mandatory gas trading on centralized platforms
  ► Abolished import quota for NHH ⁴

► Taxation
  ► Tax on constructions decreased to 1%
  ► Supplementary taxation ⁶ extended until end-2016
  ► Engagement with stakeholders on taxation and regulatory framework

¹ OMV Petrom’s estimates based on preliminary market data available; ² Fuels refer only to retail diesel and gasoline; ³ Households; ⁴ Non-households; ⁵ OPCOM average spot base load; ⁶ Introduced at the beginning of 2013 simultaneously with the start of gas price liberalization
OMV Petrom financial performance: the integrated business model proved benefits

Clean CCS EBIT, RON mn

<table>
<thead>
<tr>
<th>Year</th>
<th>Upstream</th>
<th>Downstream Oil</th>
<th>Downstream Gas</th>
<th>Co&amp;O and Cons.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>5,202</td>
<td>4,667</td>
<td>654</td>
<td>(63)</td>
</tr>
<tr>
<td>2015</td>
<td>2,522</td>
<td>2,222</td>
<td>434</td>
<td>(145)</td>
</tr>
</tbody>
</table>

-52% decrease from 2014 to 2015

Group cash flow from operations, RON mn

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>6,830</td>
</tr>
<tr>
<td>2015</td>
<td>5,283</td>
</tr>
</tbody>
</table>

-23% decrease from 2014 to 2015
**Successful implementation of adjustment measures**

<table>
<thead>
<tr>
<th>CAPEX</th>
<th>Planned</th>
<th>Realized</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Investments reduced by 20-35% vs 2014</td>
<td>38% reduction of investments in 2015 vs 2014 (2015: RON 3.9 bn)</td>
</tr>
<tr>
<td></td>
<td>Intensify cost optimization programs</td>
<td>RON 500 mn reduction in operational costs yoy</td>
</tr>
<tr>
<td></td>
<td>Portfolio optimization in all lines of activity</td>
<td>Upstream: well shut downs (approx. 350) Downstream: optimized utilization of assets (Petrobrazi and Brazi power plant)</td>
</tr>
</tbody>
</table>

**Efficiency**

**Portfolio optimization**
OMV Petrom Strategic Directions

2012-2015 - DELIVERED

- **Stabilize production** through field redevelopment, drilling, workovers
- Continue with **operational excellence**
- **Optimize** Upstream portfolio through partnerships
- Explore and started appraisal of **Neptun block** (Black Sea deepwater)
- **Bring Brazi CCPP on stream**
- Enhance value of equity gas by **strengthening gas sales**
- **Modernize/improve efficiency** of Petrobrazi refinery
- **Revamp fuel storage network**

2016-2021+ Main strategic directions remain...

…but pace depends on market fundamentals and investment friendly environment

- **Increase oil and gas recovery**
- Appraise and develop* the discovered resources in **Neptun block** (Black Sea deepwater)
- Explore **deeper and frontier hydrocarbons** (incl. NFOs)
- **Enhance the integration value of Downstream businesses**
- **Optimize across commodities** and leverage the evolving regulatory framework
- **Ensure sustainable performance and profitability** while maintaining a **strong balance sheet** and achieving **cash flow neutrality**** in the short-term
- **Optimize business portfolio**

**People:** Develop and empower human capital to achieve operational excellence

**Resourcefulness:** Create shared value with stakeholders for long-term sustainable operations, having high safety and environmental standards

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* Development subject to confirmation of commercial viability
**Before dividends
1. 2015 overview
2. Operational highlights 2015
3. Outlook 2016
High safety and efficiency focus

- **Operational safety – our top priority**
- **LTIR substantially improved**
  - 2015: the lowest level since privatization
  - Lower than IOGP\(^2\) international benchmark
- **Significant reduction of GHG\(^3\) emission intensity**, ~15% less in 2015 compared to 2014
  - 25 G2P/CHP\(^4\) units using well gas ensured ~50% Upstream onshore electricity demand in 2015

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1. Lost time injury rate (employees and contractors) for OMV Petrom Group, excluding Kazakhstan; 2 International Association of Oil & Gas Producers; 3 GHG – Green House Gas, Upstream; 4 G2P – Gas to Power, CHP – Combined Heat and Power
Upstream production largely maintained due to past investments and discoveries

2015 production relatively stable:
- FRDs (incl. Totea) contribution to production increased by 60% vs 2014
- Workovers in 2015 ~7% higher contribution to daily production
- Production losses lower by ~10% in 2015 compared to 2014 mainly due to increased MTBF²

Production in 2016 expected to drop due to:
- Reduced CAPEX and E&A³ expenditures
- Portfolio optimization, shutdown of uneconomic wells
- Impacted by planned surface facilities upgrade in Totea Deep in H2/16

Production in Romania, kboe/d

<table>
<thead>
<tr>
<th>Year</th>
<th>Production</th>
</tr>
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<tbody>
<tr>
<td>2010</td>
<td>174</td>
</tr>
<tr>
<td>2011</td>
<td>174</td>
</tr>
<tr>
<td>2012</td>
<td>170</td>
</tr>
<tr>
<td>2013</td>
<td>171</td>
</tr>
<tr>
<td>2014</td>
<td>171</td>
</tr>
<tr>
<td>2015</td>
<td>170</td>
</tr>
<tr>
<td>2016</td>
<td>24</td>
</tr>
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↑ Totea and Field Redevelopment Contribution

1 per annum; 2 Mean time between failure; 3 exploration and appraisal
Neptun Block: drilling program completed

Neptun Deep

► JV established in 2008: OMV Petrom (50%), ExxonMobil (50%, Operator)

► Total investment in excess of USD 1.5 bn since 2008 (thereof 50% OMV Petrom)

► First exploration drilling campaign in 2011 – 2012
  ▶ Domino-1 well gas discovery

► Two seismic acquisition campaigns: 2009; 2012 – 2013

► Second exploration drilling campaign 2014 - 2016
  ▶ Seven wells drilled; most of them encountered gas
  ▶ Successful well test of Domino structure

► Sufficiently encouraging results to continue assessment of commercial viability

► Final Investment Decision\(^1\) expected in around two years

\(^1\)if commercially viable
Downstream Oil: strong operational performance

2015 vs 2014

- Strong indicator refining margin
- Refinery utilization rate at 88%
- Total refined product sales increased by 5%, despite competition in the operating region
- Retail sales volumes up 7% driven by higher demand

Total refined product sales, kt

<table>
<thead>
<tr>
<th>Year</th>
<th>White Products</th>
<th>Black Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>4,148</td>
<td>659</td>
</tr>
<tr>
<td>2015</td>
<td>4,425</td>
<td>603</td>
</tr>
</tbody>
</table>

Market position in Romania in 2015

- Retail # 1
- Wholesale # 2
- Aviation # 1

Non-oil products contribution to retail margin in 2015

- OMV Petrom: 19%
- Average CEE: 13%

1 company estimates; 2 calculated based on data from Wood Mackenzie
Downstream Gas: good operational results in a weak market environment

Gas sales, TWh

<table>
<thead>
<tr>
<th>Year</th>
<th>Internal sales</th>
<th>Sales to third parties</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>52.7</td>
<td>6.5</td>
</tr>
<tr>
<td>2014</td>
<td>47.7</td>
<td>3.4</td>
</tr>
<tr>
<td>2015</td>
<td>51.4</td>
<td>6.1</td>
</tr>
</tbody>
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Net electrical output, TWh

<table>
<thead>
<tr>
<th>Year</th>
<th>Output</th>
</tr>
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<tbody>
<tr>
<td>2013</td>
<td>2.9</td>
</tr>
<tr>
<td>2014</td>
<td>1.3</td>
</tr>
<tr>
<td>2015</td>
<td>2.7</td>
</tr>
</tbody>
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Gas

- **Sales volumes**: +8% yoy
- **Brazi power plant**: competitive gas sales channel
- **Stored volumes** halved to 1.9 TWh

Power

- **Brazi power plant**:
  - **Output**: +100% yoy, 4% market share
  - **Forward** market optimization
  - 11% share on balancing market
- **Dorobantu wind park**: sale process initiated
## Outlook 2016

### International market

**Oil price:** Brent annual average estimated at USD 40/bbl  
**Refining margin:** Expected to decline from 2015 levels

### Romanian market

**Fuels:** Demand supported by low prices and VAT reduction; increased competition  
**Gas:** Demand broadly flat yoy, price to be impacted by competitive imports  
**Power:** Demand relatively stable yoy, spark spreads to remain at low levels

### OMV Petrom

**Investments:** EUR ~0.7-0.8 bn, ~10-20% down yoy, with ~85% in Upstream  
**Hydrocarbon production:** Up to 4% decline yoy due to lower investments and planned surface facilities upgrade at Totea Deep  
**Capital discipline:** Continue optimization programs across all business segments
Management agenda for 2016

► Capitalize on existing foundation to deliver on strategic objectives, although impacted by adjustment to market downturn

► Focus on sustainable performance, profitability and optimization of assets portfolio

► Neptun Deep: encouraging results to further assess commercial viability

► Aim for cash flow neutrality; proposal not to distribute dividends for 2015 financial year

► Public consultations on taxation and regulatory framework

1before dividends