Answers and clarifications to the questions posed by minority shareholders at the Ordinary General Meeting of Shareholders of OMV Petrom S.A. held on April 22, 2013

In order to ensure the provisions of the capital market law regarding privileged information and equal treatment of shareholders, clarifications on financial and operational results of the company are based on information disclosed through our company’s reports.

Financial Statements
1. Note 12, Stockholders’ equity, Reserves, Geological quota facility.
As described in Note 12 Stockholders’ equity, geological quota was a fiscal facility applicable only until December 31, 2006 and is not valid anymore. Therefore, the level of this reserve is unchanged and cannot be correlated with 2012 results.

Annual Report 2012
2. Exploration Success Rate in 2012
In 2012, the general success rate for the exploration activity was 50%, while in 2011 it was 65%.

3. Exploration activity: geological target, proposed/achieved, depth, pay zone, potential, reserve fund
Details regarding reserve fund changes, geology of drilled wells and potential discoveries are commercial privileged information, that, in order to ensure the protection of the company’s interests, cannot be disclosed.

4. Reserves auditing
A reserve audit was performed by De Golyer & Mac Naughton for Petrom Group reserves (Romania and Kazakhstan) for 2011. The audit report was finalised mid-2012, and the auditor’s estimates are in material agreement with Petrom’s assessment of the 2011 reported values.

5. Wells patrimony, dynamics
According to the 2012 Annual Report, 118 new development and exploration wells were drilled, more than 12,400 well interventions were performed and 1,600 workover jobs were carried out throughout 2012.

6. Production costs
Group production costs, in USD/boe, decreased by 5% against 2011, to 15.37 USD/boe, driven by a favorable FX rate. Production costs in Romania, in USD/boe, decreased by 6% to 14.91 USD/boe, given that USD appreciated by 14% against RON. Domestic production costs, in RON, increased by 7%, to 51.76 RON/boe, mainly because of higher personnel and materials costs.

7. Extraction cost, lifting cost
Petrom does not report lifting cost. In E&P, production costs, in USD/boe, had a favorable evolution in the last four years, as shown below:
2008: 18.27
2009: 15.06
2010: 16.74
2011: 16.22
2012: 15.37
Petrom follows carefully all costs and analyzes all measures to optimize operations. In
In this sense, we continue to implement cost reduction programs (eg.: PACE program – Program for Advanced Cost Efficiency).

8. Production Enhacement contracts
In line with our strategy, we focus our efforts on the main production fields, and, for the others, we seek partnerships with renowned international operators from the oil and gas sector. Following the successful implementation of Production Enhancement Contracts (PECs), yearly production increased by up to 11% in 2012 vs. 2010, from 6,000 boe/d to 6,700 boe/d. This proved to be a win-win experience, as we leveraged Petrom’s management, expertise and investment capacity with reputable players’, who have made significant investments. Currently, out of some 240 mature fields, more than 10% (31 fields) are operated by three partners within PEC ventures.

9. Details regarding Petrom investments.
For details regarding the movement of each category of tangible and intangible assets please refer to Note 5 and 6 of the Financial Statements (part of Annual Report). Also, the level of addition to tangible and intangible assets per each segment is presented under Note 26 - Segment information.

10. E&P Division activity in 2012 and strategic objectives
In 2012, Petrom Group’s hydrocarbon production amounted to 66.87 mn boe (thereof 62.39 mn boe in Romania), 1.3% lower compared to 2011. Kazakhstan production increased by 2.8%, and domestic production decline was minimized at 1.6%. On average, daily oil and gas production was 182.7 kboe/day (thereof 170.5 kboe/day in Romania).
Regarding the strategic objectives of Petrom Group, we aim to maximize the value of the existing portfolio and to position for growth. E&P continues to be the company’s backbone, and in the short-term we will focus on stabilizing conventional production, mainly to counteract the natural decline, and on achieving operational excellence. To this end, the company will i) continue field redevelopment projects, ii) explore and develop new production areas by extending existing production areas, iii) apply the latest technologies and iv) optimize E&P portfolio through partnerships.
In order to improve the medium-term value of E&P, we will continue: i) activities to enhance ultimate oil and gas recovery, ii) exploration, appraisal and development of the Neptun gas discovery in the Black Sea, if commercial viability is confirmed and iii) expansion of the boundaries and depth of hydrocarbon exploration.
Also, E&P will strive to position itself for long-term growth by exploring the neighboring Black Sea region and unconventional opportunities.

11. Collection of questions addressed by shareholders in GMS
When sending the questions intended for the GMS, shareholders have the following options: via post mail, via email with electronic signature or drop off at our HQs. In the case of submission by email, the electronic signature needs to be included, in order to identify the shareholders.

12. Financial indicators abbreviations
In the 2012 Annual Report, at page 87 you can find the chapter „Abbreviations and definitions”.

Revenues and Expenditures Budget 2013

13. Administrative expenses and Other operating expenses
Administrative expenses and other operating expenses planned for 2013 amount to 1,084 mn RON, thereof exploration expenses account for the largest share.

14. Sales revenues
According to 2013 budget, sales revenues, without excise amount to 17,216 mn RON.

15. Outlook for 2013
For 2013, we expect the average Brent oil price to remain above USD 100/bbl and the Brent-Urals spread to remain relatively tight. For the 2013 budget we considered a Brent oil price of 100 USD/bbl.
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. Two increases have already been implemented until now (starting February 1 and April 1), applying to the non-household sector. The roadmap entails two further increases in 2013 (July and October), for both non-household and household sectors.

Election of Supervisory Board Members

16. Members of the Supervisory Board as well as the shareholders have the right to submit proposal of candidates. The professional qualification and the educational background are laid down in each candidate’s CV/presentation available on our website.

17. In the Corporate Governance Code, „Comply or Explain” Statement, within the P10 question: „Is there a Nomination Committee within the Issuer set-up?” the following answer is given: “Petrom currently assesses the possibility of establishing a Nomination Committee.”. The Nomination Committee will be a Committee set up by the Supervisory Board, and, when the establishment decision will be taken, it will be composed of Board members, as stipulated in the company’s Articles of Association.

As per the Ministry of Finance order 1286/2012 the company should apply all IFRS provisions in preparation of its financial statements. As per IAS 29 “Financial Reporting in Hyperinflationary Economies” share capital value was inflated and this adjustment was presented under column “Adjustments of share capital” (see art 122. Para1 of the Ministry of Finance order 1286/2012).

19. Report of the Supervisory Board on individual financial statements of S.C. OMV-PETROM S.A.: Acquisition or disposal of assets according to the company’s Articles of Association (published on the company’s website) – art 13.1.2 (k), Extraordinary General Meeting of Shareholders (EGMS) has the right to decide only regarding “ the execution of any agreements relating to acquisition, disposal, exchange or encumbrance of certain assets classified as fixed assets of the Company the value of which exceeds, individually or in aggregate, throughout a fiscal year, 20% of the book value of the total fixed assets of the Company less the accounts receivable”. EGMS approval was not required, because of the small size of the company. Korned LLP’s assets are below the 20% threshold defined in the Articles of Association.

20. Doljchim: site preparation for alternative use
As we disclosed in our previous annual and quarterly reports, site preparation for alternative use consists, primarily, of dismantling and decontamination activities, in compliance with European enviromental and safety standards. Also, as we disclosed
in the 2012 Annual Report, in 2012 we set up a non-profit organization - CERC (Community Resource Center), a multi stakeholder forum aimed at managing local community initiatives and ensuring sustainable development of the region. At present, several alternatives for future development are being considered and evaluated.

21. Refining and Marketing: Commisioning and activity commencement at the new fuel terminal Isalnita
Commisioning of the new fuel terminal Isalnita implies obtaining all operating licenses, detailed testing of installed systems to ensure the highest standards of safe functioning, but also starting the oil product deliveries to OMV Petrom filling stations and commercial clients.
In November 2012, we announced the inauguration of the Isalnita fuel terminal, the third greenfield fuel terminal built in the last three years. The investment value for the construction of the fuel terminal at ãșalnița amounted to approximately EUR 26 mn.
The oil products are stored in reservoirs above the ground which are equipped with automated systems for volume and temperature measurement, automated systems for protection against over-filling and fixed systems for fire extinction. The reservoirs have double steel walls and are connected to an automated detection system for leaks or cracks.
The loading of the products in road tanks is completely automated and controlled by the automated systems of the terminals. The terminal is also equipped with vapor recovery units to minimize the hydrocarbons emission, used water collection systems, fire protection systems equipped with automated alarm and warning in case of fire as well as automated control and management systems for the technological process and the entire activity of the terminal.
For the construction of the terminal at Isalnita over 5,200 m³ concrete, over 1,300 tons steel structure, over 15 km technological piping, over 90 km electrical cable and over 2 km railways were used. The construction project for the new terminal involved more than 50 contractors, subcontractors and services and equipment suppliers, totaling approximately 600 workers. From a total of 850,000 man hours worked, no incident was recorded.

22. 2021 Strategy update
In June 2012 we disclosed Petrom’s strategic directions for 2021, which reconfirmed the ones from the 2015 Strategy, ensuring continuity in the company’s development in accordance with the OMV Group 2021 Strategy. Petrom intends to remain the leading regional, integrated oil and gas company with sustainable performance needed to support potential upstream growth in the neighboring Black Sea region. Petrom is well positioned to support the energy sector, thereby contributing to the economic growth of Romania.