OMV Petrom Group

2017 Overview and 2018 Outlook

General Meeting of Shareholders
April 26, 2018

Mariana Gheorghe
Chief Executive Officer
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Romanian macroeconomic and fiscal environment

Macroeconomic environment

<table>
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<th>Demand:</th>
<th>2017 yoy</th>
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<tr>
<td>Fuels(^2)</td>
<td>+7%</td>
</tr>
<tr>
<td>Gas(^3)</td>
<td>+5%</td>
</tr>
<tr>
<td>Power(^4)</td>
<td>+4%</td>
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2017 GDP growth\(^1\): 7% yoy

CPI annual inflation: 3.3%
end-Dec; 12-month average: 1.3%

Fiscal framework

Supplementary gas taxation\(^5\) extended

Tax on special constructions eliminated starting January 1, 2017

Engagement with stakeholders on Upstream taxation and regulatory framework

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\(^1\) Romanian National Institute of Statistics; \(^2\) Fuels refer only to retail diesel and gasoline; OMV Petrom estimates based on Romanian National Institute of Statistics data; \(^3\) According to company estimates; \(^4\) According to preliminary data available from the grid operator; \(^5\) Introduced at the beginning of 2013 simultaneously with the start of gas price liberalization
Key messages 2017

**Free cash flow** of RON 2.7 bn after RON 0.8 bn **dividend** paid

**Clean CCS Operating Result** at RON 3.3 bn

**Clean CCS EPS** up > 2 times yoy

**Dividend** proposal\(^1\): RON 0.02/share, 33% higher yoy

2017 **LTIR**\(^2\) at 0.17 (2016: 0.21)

**Upstream**: production 168 kboe/d, -4% yoy; OPEX USD 10.9/boe, -7% yoy

**Downstream Oil**: refining margins USD +0.8/bbl yoy; retail sales volumes +6% yoy

**Downstream Gas**: gas sales volumes +2% yoy; net electrical output: -7% yoy

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\(^1\) Subject to approval of the Annual General Meeting of Shareholders on April 26, 2018; \(^2\) Lost time injury rate (employees and contractors) for OMV Petrom Group
Cost efficiency and operational excellence

Key drivers 2017 vs. 2015

- **Upstream** cost base reduced with 22%
- **Downstream Direct Cash Costs:** reduced maintenance costs, energy efficiency improvements and 3rd party contracts renegotiation, -11%
- **Corporate Costs:** cutback of advertising and IT cost, -6%
- **Headcount:** further downsized, -14%

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1 On comparable basis with 2015
Focused on safeguarding our employees and the environment

Improved LTIR\(^1\) in 2017 vs. 2012

- 2017 LTIR well below international benchmarks (IOGP\(^2\) 2016: 0.27)

LTIR

Significant reduction of GHG\(^3\) and Water Intensity

- Upstream achieved the greatest GHG reduction: -41% in 2017\(^4\) vs. 2012
- Water intensity reduced by ~38% vs. 2012
- 33 G2P/CHP\(^5\) units met more than 50% of Upstream onshore electricity demand in 2017

Reduction of GHG and Water Intensity Indices 2012 – 2017\(^4\) (%)

\[\begin{array}{cccccc}
LTIR & 0.49 & 0.33 & 0.30 & 0.16 & 0.20 & 0.18 \\
\end{array}\]

1 Lost time injury rate (employees and contractors) for OMV Petrom Group, excluding Kazakhstan; 2 International Association of Oil and Gas Producers; 3 Greenhouse gases; 4 Preliminary figures for 2017; 5 Gas to power / Combined heat and power
Upstream KPIs: improved OPEX/boe

OPEX\(^1\)
(USD/boe)

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPEX</td>
<td>15.4</td>
<td>15.5</td>
<td>17.3</td>
<td>13.2</td>
<td>11.7</td>
<td>10.9</td>
</tr>
</tbody>
</table>

Improved OPEX, in USD/boe terms, -7%:
- Abolition of tax on special constructions
- MTBF 626 days; lower services costs
- One-off personnel-related expense

Hydrocarbon production (kboe/d)

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
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<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil and NGL</td>
<td>89</td>
<td>88</td>
<td>85</td>
<td>83</td>
<td>80</td>
<td>75</td>
</tr>
<tr>
<td>Gas</td>
<td>94</td>
<td>95</td>
<td>96</td>
<td>95</td>
<td>95</td>
<td>93</td>
</tr>
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</table>

Total Upstream production -4%, due to:
- Natural decline
- Maintenance works
- Interventions at key wells in Kazakhstan
- Fields divestments
- Successful workover campaign

\(^1\) OMV Petrom aligned the production cost definition with its industry peers. Administrative expenses and selling and distribution costs are excluded from 2017 onwards. 2016 OPEX figures were re-calculated accordingly.
Downstream Oil KPIs: strong refining margins and sales

OMV Petrom Indicator refining margin (USD/bbl)

Key drivers 2017 vs. 2016
- Strong refining margin, +11% yoy
- Refinery utilization rate at 93%

Retail sales volumes (mn t)

- Refined product sales up 3% following 2016 turnaround
- Retail sales up 6% yoy
Downstream Gas KPIs: higher gas sales volumes

**Gas sales volumes**
(TWh)

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
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<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>52.16</td>
<td>52.70</td>
<td>47.70</td>
<td>51.39</td>
<td>50.36</td>
<td>51.40</td>
</tr>
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- **Key drivers 2017 vs. 2016**
  - Higher gas volumes, built on sale portfolio optimization
  - Higher spark spreads supported by baseload prices
  - Lower net electrical output due to Brazi power plant limited availability

**Net electrical output**
(TWh)

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<tr>
<th>Year</th>
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<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
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<tbody>
<tr>
<td>Value</td>
<td>1.68</td>
<td>2.86</td>
<td>1.32</td>
<td>2.65</td>
<td>2.93</td>
<td>2.71</td>
</tr>
</tbody>
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- **Key drivers 2017 vs. 2016**
  - Higher spark spreads supported by baseload prices
  - Lower net electrical output due to Brazi power plant limited availability
# Outlook 2018

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<tr>
<th>Indicators</th>
<th>Actual 2017</th>
<th>Assumptions/Targets 2018</th>
</tr>
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<tbody>
<tr>
<td>Brent oil price</td>
<td>USD 54/bbl</td>
<td>USD 60/bbl</td>
</tr>
<tr>
<td>Refining margin</td>
<td>USD 7.75/bbl</td>
<td>&lt;USD 7.75/bbl</td>
</tr>
<tr>
<td>Production</td>
<td>168 kboe/d</td>
<td>~ -4% yoy(^1)</td>
</tr>
<tr>
<td>CAPEX</td>
<td>RON 3.0 bn</td>
<td>RON 3.7 bn</td>
</tr>
<tr>
<td>FCF after dividends</td>
<td>RON 2.7 bn</td>
<td>positive</td>
</tr>
</tbody>
</table>

\(^1\) Not including portfolio optimization initiatives
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First progress towards achieving our 2021+ strategic objectives

Sustainable access to energy for everyday modern life

**Enhancing competitiveness**
- Drilling campaign ramped-up
- Operational efficiency increased
- Costs optimized
- Portfolio streamlining initiated

**Developing growth options**
- Development concept selected for Neptun¹
- Moving towards higher value product mix
- Developing retail offer

**Regional expansion**
- Opportunities in selected areas screened

**Strong performance and attractive return**
- 9.8% Clean CCS ROACE
- RON 2.7 bn FCF after dividends
- 33% yoy dividend growth²
- 6.8% increase in share price³

¹ Development subject to confirmation of commercial viability; ² Subject to approval of the Annual General Meeting of Shareholders on April 26, 2018; ³ Share price as of December 29, 2017 compared with share price as of December 30, 2016, adjusted for EUR/RON exchange rate
Thank you!