HALF-YEAR REPORT

prepared in accordance with Regulation FSA no.5/2018
for the first half-year of 2019

Date of the report:	**14.08.2019**
Company name:	**ROMPETROL WELL SERVICES S.A.**
Registered office:	**Ploiesti, str. Clopotei nr. 2 bis**
Telephone/fax number:	**0244.544101; 524261 / 522913**
Fiscal Registration Code:	**1346607**
Number with the Trade Register:	**J29/ 110/ 05.03.1991**
Subscribed and paid share capital:	**27.819.090 lei**
Regulated market where the securities issued are traded:	**Bucharest Stock Exchange**
Main characteristics of securities issued by the company:	
No. of shares:	**278.190.900**
Nominal value (lei/share):	**0,10**
Class and type of securities:	**"A" nominative**

Rompetrol Well Services S.A. (PTR) is one of the major suppliers of well services in Romania. The company offers a wide range of services for oil and gas wells. These services include cementing, consolidation and sand control services, stimulation, testing, slick-line, tubular running operations, etc.

The results recorded by the Company for the first six months of 2019 confirms the ascending trend, which global and Romanian upstream industry is experiencing starting the second half of 2017. Thus, sustainable operations, positive upstream global momentum and Company's operational performance, lead to a positive result.

1. Economic and financial position

1.1. *Presentation of a current economic and financial analysis in comparison with the same period of the last year, with reference to at least the following:*

a) *balance sheet items: assets accounting for at least 10% of total assets; cash and other available funds; reinvested profits; total current assets; company's debts situation;company total current liabilities;*

-lei

	At **30.06.2019**	At **31.12.2018**
Fixed assets	32,029,070	34,204,656
Current assets	126,421,882	117,751,356
Total assets	**158,450,952**	**151,956,012**
Equity	140,081,510	138,250,230
Long term liabilities	3,075,614	2,690,107
Current liabilities	15,293,828	11,015,675
Total equity and liabilities	**158,450,952**	**151,956,012**

The net value of fixed assets had recorded a downward trend, the significant impact being given by the current depreciation and the realized investment projects. The reduced level of capital investments during 2016-2017 was strictly determined by the oil price decline and the level of upstream activity during that period.

The variation in current assets is mainly given by accumulation in cash pooling master account

The increase in equity is the direct consequence of the accounting profit recorded for the first semester of 2019, as well as the capitalization of 11.9 million lei from 2018 profit.

Long term liabilities registered an increase compared to the year 2018, being the result of the cumulative effect of the first time addoption of the financial standard IFRS 16 "Leases" , by which a lease liability was recognised, measured at the present value at the unpaid lease payments at 1 January 2019.

The current liabilities increase was generated by the regognistion of the dividents granting obligation in amount of 5 milion lei established based on the Annual General Meeting of Shareholders on April 24, 2019. The due date for the obligation settlement towards the shareholders of the company was established on July 2, 2019.

b) *the profit and loss account: net sales; gross income; cost and expenditure items representing for at least 20% of net sales or of gross income ; provisions for risks and various expenses ; reference to any sale or discontinuation in one activity segment during the last 6 months or during the following 6 months ; dividends declared and paid;*

Economic and financial indicators achieved in the first six months of this year, shows the direct effects of positive evolution of oil price, which lead to the relaunch of upstream industry.

- lei

	H1 2019	H1 2018
Operating income, out of which:	32,006,078	27,731,396
Services performed	31,957,496	27,472,747
Operating expenses	(26,295,440)	(24,567,177)
Operating result	**5,710,638**	**3,164,219**
Net financial income	2,429,294	1,775,529
Net Result	**6,848,548**	**4,035,658**

Changes in absolute terms and in the structure of costs presented are determined by:

- orders received under existing framework contracts for services;
- optimizing the technical and personnel functional structures;
- maintaining concern for providing complex services;
- the payment without delay of debts to the state budget, local budgets and suppliers;

The reorganisation during crisis conditions in oil services industry involved an analysis on geographical areas of operational efficiency for a period of multiple years. Matters connected to factors such as materials and human resources, contractual commitments and market particularity, lead to the proposal to renounce to the operational activity in Kazakhstan, and as a consequence, to dissolve Company's Branch in Kazakhstan, proposal approved by General Extraordinary Meeting of the Shareholders on July 22nd, 2015. The process of effective closure was finalized on May 30, 2019 by release from the competent authorities of Kazakhstan the certificate attesting the branch deregistration. The impact on the current net result is in amount of 71,071 lei.

c) cash flow: all the changes occurred in the cash flow generated by the main activity, by investments and financial activities, the cash flow at the beginning and at the and of the period.

Statement of Cash Flows
Indirect method

- lei

	Date 30.06.2019	Date 30.06.2018
Net cash flow (used in) generated by operating activities	9,137,469	1,270,398
Net cash from investments	(2,338,574)	(747,659)
Net cash flows from financing activities:	(651,299)	(140,906)
Net increase / (decrease) of cash and cash equivalents	6,147,596	381,833
Cash and cash equivalents at the beginning of the financial year	4,659,229	3,513,305
Cash and cash equivalents at the end reported period	**10,806,825**	**3,895,138**

During the first six months of the year 2019, all the company's commitments were managed in financial equilibrium, ensuring the cash availability for full and timely payment of commercial commitments, salaries, budgetary obligations and dividends. Solid liquidity position allowed Company to address working capital requiments in full from own sources. In addition to the cash presented at the end of the reporting period, the Company can use also without restrictions the own cash resources from cash-pooling master account, in amount of 89,439,990 lei at 30.06.2018, respectively 43,900,310 lei at 30.06.2018.

	H I 2019	H I 2018
1. Liquidity indicators		
Current liquidity indicator	8.27	9.41
Immediate liquidity indicator	8.09	9.07
2. Gearing ratio	0.4%	0.0%
3. Activity indicators		
Turnover speed of debits - clients (days)	130.15	129.35
Turnover speed of fixed assets	1.00	0.95

The indicators presented above reflect the preservation of financial independence, even in the conditions of low rithm of debt collection.

We specify that financial information for the reported period January 1st 2019 – June 30st 2019 was not audited. The auditor's report shall be prepared only annually at the end of each year - calendar year. Financial auditor of the Company is Ernst & Young Assurance Services SRL, a company specialized and recognized as independent auditor and audit of annual statements is made in purpose of offering a clear view in all material respects, of the financial position of the company, of the results of its operations, of the situation changes in equity, as well as of the situation cash flow statement.

2. Analysis of the company's activity

2.1. *Presentation and analysis of trends, elements, events or uncertainty factors which affect or could affect the company's liquidity position, in comparison with the same period of the last year.*

Starting with second semester of 2017, when the oil price became more stable, it was recorded a gradual relaunch of drilling projects as well as of workover activity for the productive wells. In this context, adapting the offer of the Company to the current structure of services demand and maintaining the market share in Romania are the priorities for the next period.

The company owns a varied and complex range of operational capabilities, which enables it to offer a wide range of activities and services, the guarantee consisting in the long experience and high qualification of employees. The Company is still opened to developing and implementing efficient cementing and stimulation technologies, in order to meet the need of our customers to reduce their production cost.

The Company gives great importance to adapting its price policies to the evolution of the current competitive environment and to identify potential new strategic partners.

To ensure success in service quality, health and safety of employees and environment protection, Rompetrol Well Services has implemented and maintains since 2006 an integrated management system certified according to ISO 9001, ISO 14001 and OHSAS 18001.

2.2. *Presentation and analysis of the effects on the company's financial position of all capital expenditure, either current or anticipated (by mentioning the purpose and the source of finance for the expenditure), in comparison with the same period of the last year.*

The own objectives and organizational measures have a high degree of similarity with the ones from the oilfield industry sector that it provides for: revamping in order to offer services with a high degree of complexity and elaboration of strategies for bidding in the tenders organized by significant customers. Company's Management is aware of the current situation in the market, and believes that the necessary measures have been taken for the continuance of the Company's activity with financing from own sources and continuous monitoring of both operational and administrative costs.

2.3. Presentation and analysis of the events, transactions, economic changes which significantly affect the income generated by the main activity. Mention of the extent to which the income has been affected by each element identified. Comparison with the same period of the last year.

The incresing trend in the upstream industry is directly reflected in the level of turnover recorded in the first six months of 2019, level that was 16% higher than the one recorded in the same period of previous year.

3. Changes which affect the company's capital and administration

3.1. Description of the situations when the company was unable to fulfil its financial obligations within that period.

The Company was not unable to meet its financial obligations having permanently liquidities, these being paid within the deadlines set by the legislative norms or the contractual clauses.

3.2. Description of any change in the rights of holders of securities issued by the company.

The transferable securities issued by SC Rompetrol Well Services S.A. are admitted to the Bucharest Stock Exchange, under category II, starting with 18.06.1998 and are traded on this market under the symbol PTR.

The registered capital at June 30st 2019 is 27,819,090 RON equivalent to 278,190,900 shares with a nominal value of 0.10 RON / share.

At June 30st, 2019, no person from the Company's management participates in the share capital of the company.

4. Significant transactions

In the case of issuers of shares, information on major transactions concluded by the issuer with the persons that act in concert or in which these persons have been involved in the relevant time period.

The major transactions have been identified on contracts, and reported as provided by Law 24/2017 - article 82 and ASF Regulation No. 5/2018.

Member of the Board of Directors,
General Manager,

Zhetpisbayev Timur

Finance Manager,

Moise Luiza Roxana