2011

ANNUAL REPORT

ROMPETROL
energy for life

Contents

*"Evolution is change and adaptation
to the constantly changing environment,
while seeing the good opportunities
for future investments."*

Letter from the CEO

Saduokhas Meraliyev
CEO of The Rompetrol Group

Evolution is change and adaptation to the constantly changing environment, while seeing the good opportunities for future investments. Over the last years, the industry changed a lot, and we as a group of companies, had to adapt to these changes in order to continue our activities and improve our operations. Thus, in 2011 we managed to come closer to our group capital objectives, to optimize our current line of business in all countries and improve the company's key activities.

One of the key objectives for 2011 was to continue the investment package for the Petromidia Refinery, which aims to increase the refinery's capacity and general workflow. In this regard, major improvements have been made towards the project's finalization, and the whole package is to be commissioned in 2012. One of the key companies in making this possible is Rominserv, the Rompetrol Group's general entrepreneur and one of the leading local companies in EPCM (Engineering, Procurement, and Construction Management).

The completion of this project, along with the constant development of our operations abroad, are part of The Rompetrol Group's strategy to improve the energetic bridge between Central Asia, and Europe. We buy our oil from KazMunayGas in Kazakhstan, processes it at Petromidia in Romania, and distribute the products in the Black Sea basin, the Balkans, Central and Eastern Europe.

Our Trading division, responsible for optimizing the entire supply chain in TRG, has shown increased results, especially in France and Spain. On these markets, our exports grew by 50%, while the volumes sold to the geographically close subsidiaries have shown a 25% increase.

An essential component of TRG's activities is the Retail division, which managed to maintain over 1,000 fuel distribution points across 6 European countries, while announcing its expansion on the Turkish market. Even though the economic conditions were not the greatest, our Retail subsidiaries adapted to the market change and achieved significant cost improvements, increased volumes sold or even the commissioning of new gas-stations.

In tune with the group's overall strategy, our retail network will provide better fuels for our clients, mainly thanks to the modernization package implemented at Petromidia.

We helped the communities where we work and live by continuing our national program entitled "Together for each and everyone", with strong emphasis on health and environment issues. Thus, Rompetrol maintained its partnership with SMURD, the emergency medical rescue unit, implemented close to 20 projects in 15 counties and invested 25 million USD in environmental protection.

One major cultural milestone in Romania in 2011 was the George Enescu International Music Festival, which brought to Bucharest the best classical artists in the world. Rompetrol was an active partner of the event, providing fuel for the entire fleet of cars responsible with the festival logistics.

All experience gained in 2011, as well as during the decades of activities performed on four continents, gives me the confidence that people of Rompetrol can surpass any challenge. The company will evolve and constantly improve its operations, regardless of the changes it meets.

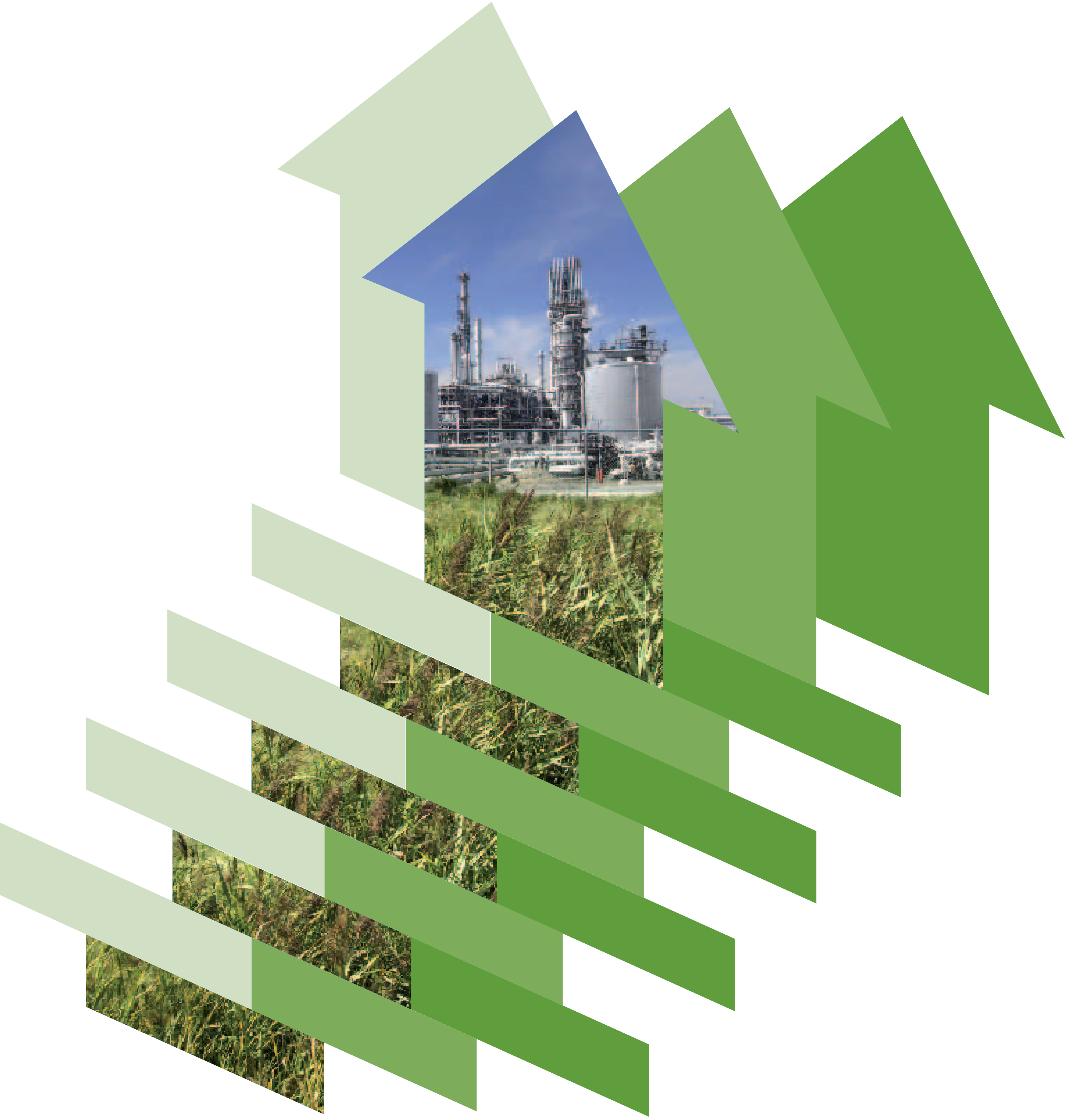
Refining and Petrochemicals

The Refining and Petrochemicals division comprises three production entities:
— The Petromidia Refinery (located in Năvodari, Constanța)
— The Vega Refinery (located in Ploiești)
— Rompetrol Petrochemicals

While Petromidia has approximately 29% of the refining capacity in Romania (est. capacity for 2012 – 5,000,000 tons/year), being the only specialized plant located on the Black Sea coast, Vega emphasizes on organic solvents, bitumen or ecological heating fuels (capacity 300,000 tons/year).

Rompetrol Petrochemicals is the only local producer of petrochemicals, with an annual production capacity of over 200,000 tones of polymers (polypropylene, polyethylene of low and high density).

The Business Unit has two operating entities:
— Rompetrol Refining (Petromidia and Vega refineries);
— Rompetrol Petrochemicals.



growth

Petromidia Refinery

195

million USD invested in efficiency increase, environmental protection and processing capacity

Rompetrol continued in 2011 the general investment program, which aims to increase the processing capacity to 5 million tons of raw material (from 4.03 million tons in 2009 and 1.15 million tons in 2000 – before the takeover by The Rompetrol Group). To this extent, the company completed the construction of 6 new units.

They are scheduled to enter the operational flow of the refinery in the Q3 2012, when three more installations will be completed (the Mild Hydro Cracking installation, the Hydrogen and Sulfur recovery unit).

The program was initiated in 2006 as "Refinery Investment Package 2010", related investment value being estimated at over 377 million USD. After the completion of the investment, the refinery will produce fuel (petrol) with sulfur content below 10 ppm, while processing 100% Ural oil.

Petromidia will also show increased production of diesel yields, along with a different production structure, more suitable for the current market demands.

The Group created the infrastructure for these investments, by focusing also on complementary projects located on the Petromidia platform – off-shore oil terminal on the Black Sea coast, fuel export capacity increase for gasoline and diesel, and an LPG terminal on the 9th berth in the Midia port.

The total exported value generated by Rompetrol Refining, Rompetrol Gas and Rompetrol Petrochemicals increased by more than 53% YTY, up to 1.5 billion USD. Therefore, the company was a significant contributor to the Romanian state budget, the total contribution being of over 1.2 billion USD, 200 million USD more than in 2010.

2011 Key Performances

- 195 million USD invested in efficiency increase, environmental protection and processing capacity of Petromidia and Vega.
- 84% efficiency in white yields, the largest level reached by Petromidia in the last 5 years.
- Consumption reduce by 8%
- Alignment to the EU environmental requirements, in terms of air emissions and hazardous waste disposal.

By commissioning the new installations on the Petromidia platform, Rompetrol Rafinare will be able to produce in S2 2012 only Euro 5 by processing only sulfurous oil. This happens amid an increase of the processing capacity up to 5 million tons per year.

During the scheduled stop in 2011, the main catalysts, needed in order to maintain and increase the fuel quality, were replaced. Through the same period, refining maintenance work was done, as well as specialized works meant to integrate the new units in the processing flow.

5

million tons per year increase of the processing capacity

The Reconfiguration of the Vacuum Distillation and Hydrofining Unit to Diesel Hydrofining

Pat of the capacity increase program, the projects' purpose was to transform the Vacuum Distillation and Hydrofining unit (VDH) into a Diesel Hydrofining one, able to process the raw material at high quality (Euro 5 diesel component) and safety standards, at a flow of 180 cm/hour. The finalization of this investment will allow the increase of diesel yields. The total value of the investments was 7.5 million USD.

The modernization of the Gas Desulfurization unit

With the increase of the processed gas and amines resulted from the refinery's capacity increase, the company modernized the gas desulfurization installation and integrated in the production flow the Mild Hydro Cracking installation (MHC). The MHC unit is an important provider of sulfurous gas and amine.

The finalization of the project led to a increased processing capacity of H_2S gas, from 19,000 Nmc/h to 32,800 Nmc/h, and of amine, from 100 to 195 mc/h. The total investment amounts to 18 million USD.

New Flame system

With an investment value of 12.7 million USD, the new flame system ensures the following:

— Burns the gases produced at Petromidia.
— Protects the equipment from over-pressure.
— Eliminates the danger of explosion or air polution, in attune with the local and international Environmental Legislation (OUG nr. 152/2005 and OUG nr. 195/2005, as well as the act issued by the European Commission in February, 2003, on the best available techniques in oil & gas refining).

40%

reduction of energy consumption

The construction of High Purity Nitrogen and Compressed Air installations

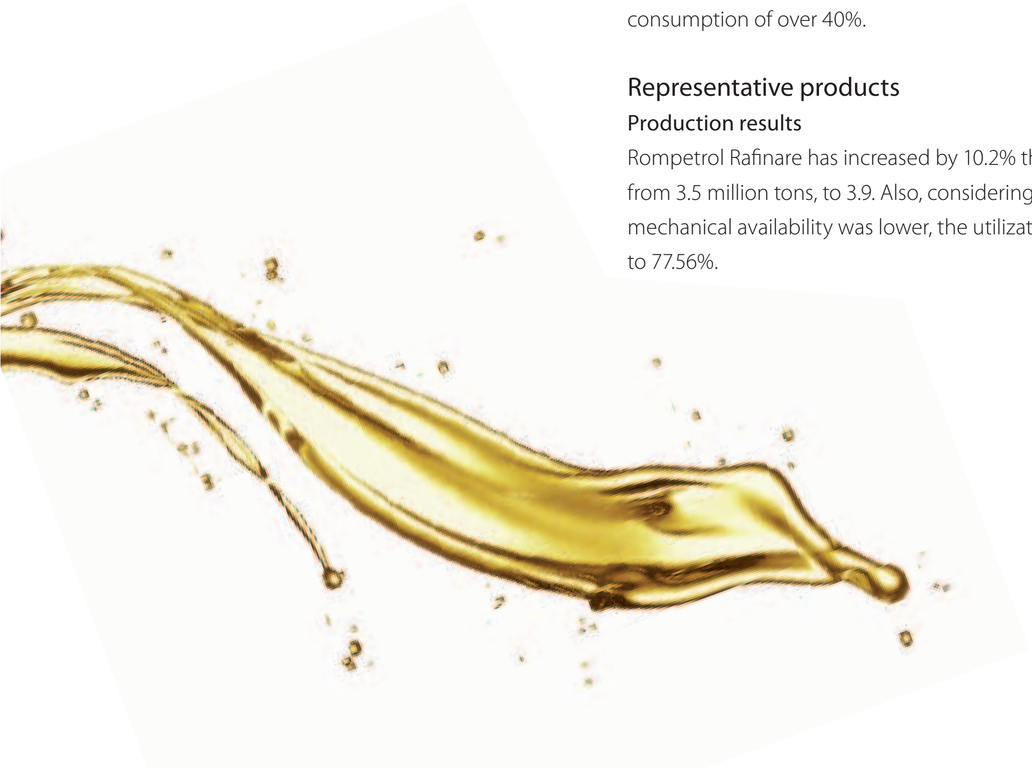
The construction of the HPN installation is part of the modernization program meant for the nitrogen, instrumental and technical air distribution unit, necessary to operate the refinery and the petrochemical unit under any circumstances.

The project also aimed for the increase of the liquid nitrogen vaporization capacity from 3,000 to 7,500 Nmc/h. This will ensure the necessary nitrogen for the start of all installations in the 2010 package – Nitrogen production unit, Mild Hydro Cracking unit and the new line of Sulfur Recovery unit. Ready in 2012, the unit has a reduced energy consumption of over 40%.

Representative products

Production results

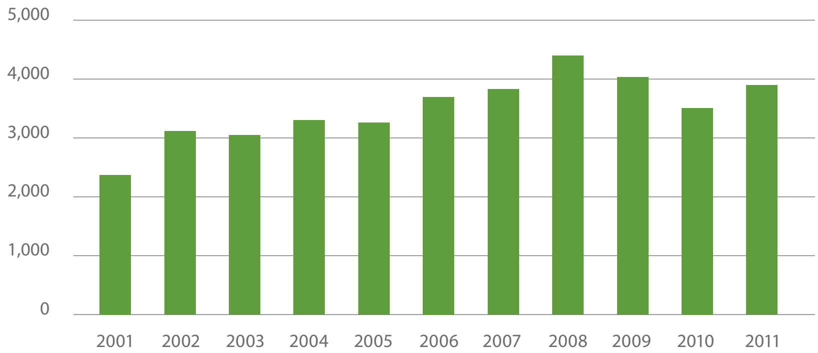
Rompetrol Rafinare has increased by 10.2% the quantities of processed raw material YTY, from 3.5 million tons, to 3.9. Also, considering the 18 days of general revision, when the mechanical availability was lower, the utilization capacity decreased from 80.2%, to 77.56%.



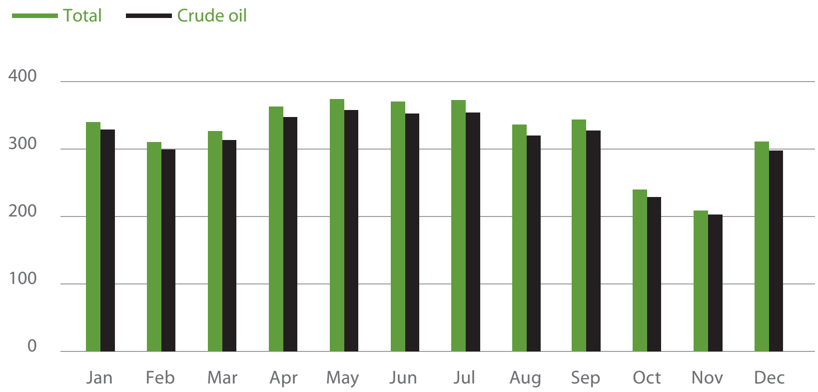
10.2%

increase
of processed
raw materials

Quantities of raw material processed annually (thousand tons)



Total raw material processed per month, 2011 (thousand tons)



Total raw material (tons)	3,896,516
Crude oil (tons)	3,729,615

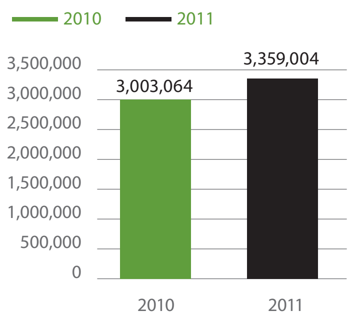
Finished goods (tons)	3,812,199
Petrol (tons)	1,258,126
Diesel Oil (tons)	1,497,116

54%

increase
of total sales
level

In 2011, the volumes of finished goods increase by 12%, and by 54%, the total sales level. This was sustained by the growth in sales of the finished goods, along with the 36% increase of international quotations.

Volumes of finished products sold (mt)



Meanwhile, the amount of motor fuel sold increased by 14%.

Market outlets

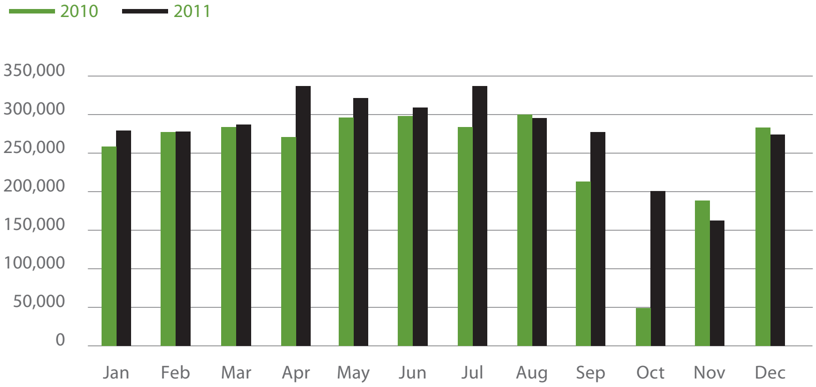
The division focused its trading activities on the optimization of the commercial flows for the purchase of raw materials and sales of finished goods. The volumes of purchased raw materials increased by approximately 6%, while the finished products sold by 12%.

All crude oil acquisitions were carried out solely through the group's trading division, Vector Energy, which has also taken over most of the volumes of gasoline and diesel sold on foreign markets. All products sold by Rompetrol complied with the EU environmental standards, placing the refinery's production at a high-quality standard. Hence, the position of the company was strengthened on the traditional markets. Moreover, starting with January 1st, gasoline and diesel with 5% bio-component was sold, as required by the EU's regulations.

60%

of the finished goods went on the local market

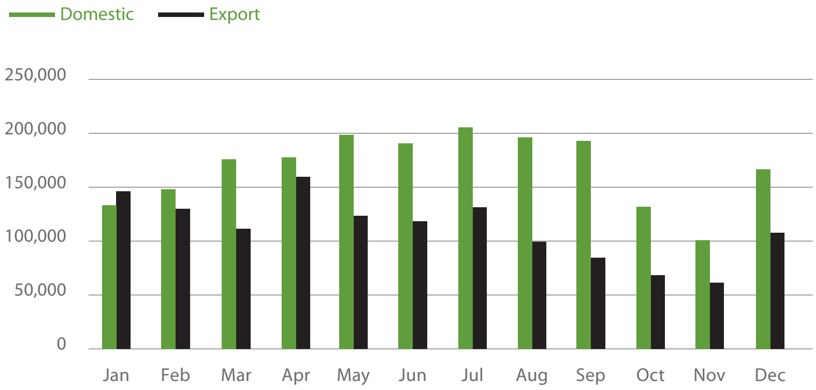
Total sales, 2011 vs. 2010 (tons)



— 60% of the finished goods were sold on the local market.

— 53% of the motor fuel sold went to the local market.

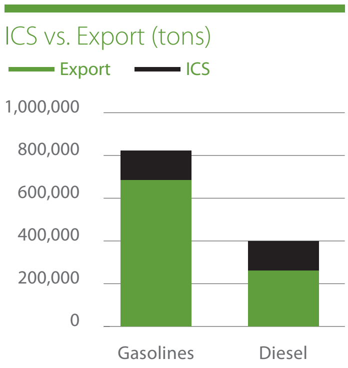
Domestic vs. External sales in 2011 (tons)



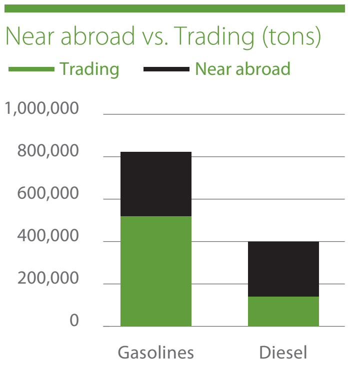
Abroad, petroleum products were sold both in the EU space (25%), as well as outside of it (75%). Almost 80% of the foreign sales were directed to European markets in Romania's proximity.

The main export destinations for Rompetrol Refining products are the following:

Gasoline	Georgia, Ukraine, Turkey, Lebanon, Moldova
Diesel	Bulgaria, Turkey, Georgia, Serbia, Moldova, Lebanon
Coke	Ukraine, Greece, Turkey, Serbia
Sulfur	Egypt, Ukraine, Greece



Out of the total automotive fuels distributed on the external market, approximately 46% were delivered to subsidiaries in Moldova, Bulgaria, Georgia, and Ukraine.



The main domestic customers were Rompetrol Dowstream, Rompetrol Gas, Rompetrol Petrochemicals, Air BP Sales, and Air Total Romania. The main external customers were: Vector Energy, Rompetrol Moldova, Rompetrol Bulgaria, Calvi Trade Limited, Transamonia Switzerland, and Steuerman.

5

million tons per year of processed raw materials

Major objectives for 2012

QHSE Objectives (Quality, Health, Safety, Environment)

— Recertification of the integrated QHSE management, according to ISO&OHSAS standards.
— Reach zero accidents on the Petromidia and Vega platforms.
— Continue the 1.LIFE, meant to increase safety awareness, in order to achieve 3rd level of health and safety, according to the DuPont matrix.
— Improve safety performance indicators established at group level, by lowering the target value with min 0.5% YTY (auto crash rates, disability frequency, incidence rate, and frequency and severity rates);
— Review or renewal of the Integrated Environment Authorizations, Security Report and Internal Emergency Plan for Rompetrol Refining, by including new investments;
— Participate in volunteer and social responsibility projects in the neighboring communities;
— Maintain a customer satisfaction indicator of min. 90%;
— Recertification of the auto fuels produced by Rompetrol Refining and additives produced by Vega Refinery.

Operational objectives

— To complete the “2010 investment package”. After the program is 100% implemented, Petromidia will start to process over 5 million tons of raw material per year.
— The increase of diesel yields in the refinery’s product structure, due to the increase in demand for diesel.
— Align with the mandatory EU products specifications for gas and diesel production – produce only fuels with below 10 ppm, while processing 100% sulfurous oil.
— Further optimization of the business in order to achieve an operational and financial efficiency as high as possible;
— Current activities and assets strengthening.

Vega Ploiesti Refinery

100%
sale of production

Rompetrol Refining – Vega Ploiesti is a unit intended for the processing of special products: organic solvents, fuels for heating, or special bitumen.

The investment activity in 2011 at Vega has been focused on energy efficiency increase, diversification of products, doubling the production capacity of the hexane plant, increase of operational safety and abidance of the compliance program.

In 2012, Vega will only process alternative raw materials (such as Naphtha gasoline, C5-C6 fraction, slurry and jet fuel). The units operating on the platform will be – hexane, grinding, de-flavoring, refining, AFP, DV and bitumen.

2011 Key Performances

— The company kept the volume of raw processed material over 335,000 tons, achieving record numbers – highest in seven years.
— 100% capacity increase of the N-Hexane plant, from 70 tons/day, to 140 tons/day.
— Achieved 100% of the planned CAPEX works – refinery's boiler modernization, thorough the assembly of nox burners and the automation of the CR3 steam boiler.
— Technological consumption decreased to 1.76% (from 1.81%), through the integration of new projects and better storage and handling of raw materials and finished goods.
— Decreased energy consumption to 2.49 GJ/mt (from 2.7 GJ).
— Continued to work on the projects in the Integrated Environment Authorization plan.
— 100% sale of production.

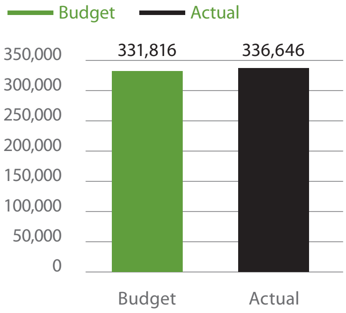
Representative products and production results

Vega Refinery's production is divided into specific product groups:
— Solvents: Organic solvents – Rompetrol SE, light solvents, light n-hexane naphtha
— Gas: Extra I calor
— White spirit and Petroleum
— Fuel
— Bitumen
— Oil
Vega is the only manufacturer of n-hexane in Eastern Europe, used for polypropylene production and extraction of vegetable oils in food industry. In addition, Vega Refinery is the only manufacturer in Romania of:
— Organic solvents: Rompetrol SE – it provides a low toxicity level by reducing sulfur and aromatic hydrocarbons.
— Special Bitumen, used in the manufacturing of bituminous mastics and for waterproofing works in construction, metallic pipelines corrosion protection.

Vega also produces road bitumen modified with polymers, widely used in asphalting works for high traffic roads. The refinery produces organic heating fuels are produced as well, which are in accordance with all standards imposed by the European Union.

The production program for 2011 was exceeded with a total production of raw materials of 336,646 tons, 1.5% YTY.

Processing of raw materials (tons)



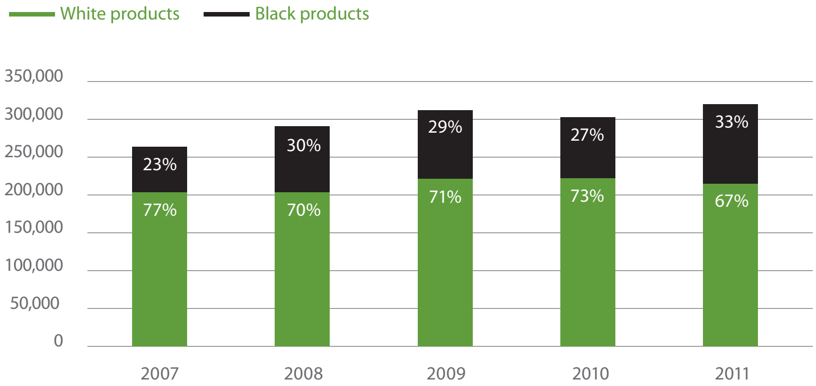
In 2011, the refinery increased its white goods efficiency in the total production, which allowed strengthening its presence on foreign markets, especially on the organic solvents market.

65%

of finished products sold on foreign markets

Sales of white products (Naphtha gasoline, organic solvents, n-hexane and white spirit) represent about 63% of total sales for 2011. Sales of finished products on foreign markets were 65%, while the rest 35% was sold in Romania.

Efficiency 2007–2011(tons)



35%

of finished products sold in Romania

Major objectives in 2012

— Maximize the margins of niche products.
— Obtain certification for all classes of bitumen modified with polymer.
— Achieve significant reductions in consumption of utilities and technology, by continuing the investment program.
— Compliance with environmental requirements.

Rompetrol Petrochemicals

355
million USD turnover

24%
increase of sales volumes

2011 Key Performances

The petrochemicals division of Rompetrol kept its position as sole producer of polymers in Romania – polypropylene of high and low density. The company's development strategy has ensured a constant growth of the local and international market share. Thus, the company now has a competitive position regionally, in all the Balkans area.

One of company's major advantages is the proximity to the customer. This ensures that the products they ordered will reach them as specified, through the Just-in-Time system, while the Rompetrol Petrochemicals specialist are constantly giving technical advice and assistance for monitoring their production circuit.

The company's turnover reached 355 million USD in 2011, a 34% increase YTY. This was mainly due to the improvement of international prices for petrochemical products, along with the increase of the traded volumes.

Unfavorable market conditions, caused mainly by the Libyan socio-economic crisis, led to low margins in S2 2011, which affected the division's financial results, thus reaching lower figures YTY.

The quantity of processed raw material was higher in 2011, mainly thanks to the HDPE installation restart, at the end of 2010. At the same time, the sales volumes in 2011 increased by 24% YTY.

In 2011 the production of polymers increased to 188,315 tons, compared to 149,901 tons in 2010. Rompetrol Petrochemicals also improved the average quality of the produced polymers, reaching 98.1% of fully compliant petrochemicals, 1.2% YTY increase.

In view of future development of activities, Rompetrol Petrochemicals initiated in 2011 the last phase of the modernization program for the HDPE plant (high density polyethylene). Through this, the company extended its product range with high-blown bodies, thin film, or pipe for inflammable gas transportation. The program will be finalized in Q3 2012, when technological tests are scheduled.

Key Technological Achievements in 2011

— The company produced 68,500 tons of LDPE (low-density polyethylene), 14% above capacity, while the PP (polyethylene) production rose to 88,000 tons, 10% above the designed capacity.

Amid an increased production capacity and market share of products, the company has developed a series of projects in order to modernize its facilities and expand the supply of raw materials and commercial activities. The project has three strategic directions:

200

thousand tons of finished goods were sold in 2011

Development, capacity increase, improved products quality

- The company implemented a PI system, that tracks, archives and processes operational data. This led to the optimization of plant operations, improved reporting data and increased product quality, mostly thanks to rapid data analysys and visualization.
- Process controllability increase, with high reliability on polymer quality control and settings adjustment of the plant PP extruders.
- Modernization of laboratory equipment – chromatograph gas for rapid and expanded analysis of gas.
- In addition to this, Petrochemicals continued the project to enlarge the HDPE production range.

Safety increase

- The installation of a gas detection system in the pyrolysis plant that ensures an overall safety increase in the plant's operations using a performant gas detection system.
- ISCIR renewal works/capital repairs – Rompetrol Petrochemicals installations revision.

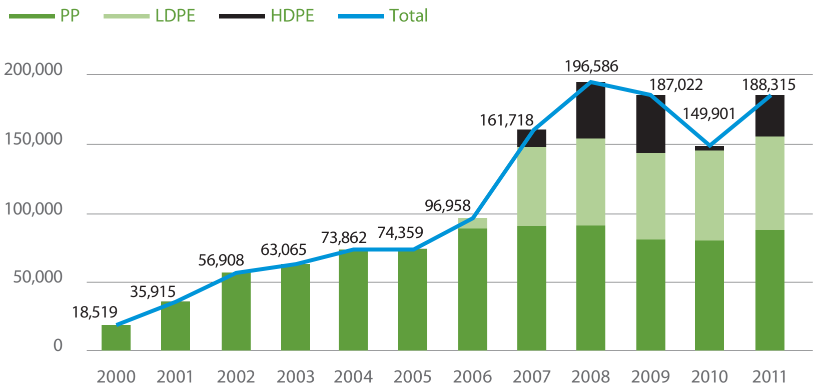
Environment

- The modernization of burners for C121 A/B boilers to reduce NOX from burnt gases below the 150 ppm limit. The implementation of this project made the company compliant to the EU regulations on the pollutants discharged in the air.
- Upgrade of the ventilation system, needed in order to ensure proper working environment.
- Rehabilitation of the acid and bases platform, by restoring the platform's anti-acid protection.

Production

Polypropylene production reached 88,079 tons/year, while LDPE and HDPE production reached 68,544 tons, and 31,692 tons, given that the HDPE plant operated in two stages: from January to April and from August to September.

Polymers Production 2000–2011

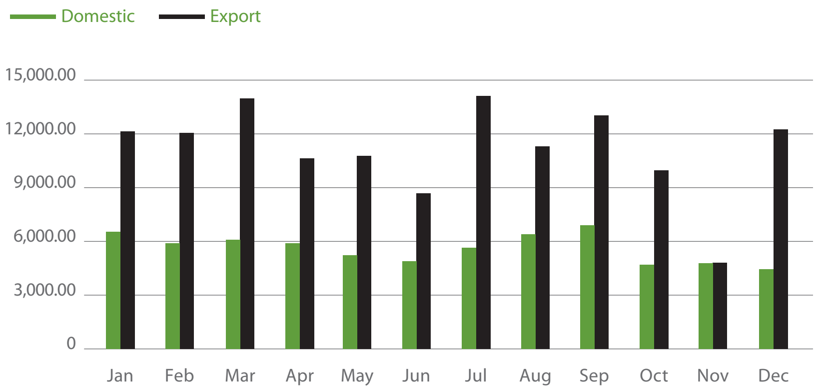


Rompetrol Petrochemicals is the sole producer of polypropylene (PP) and polyethylene in Romania, showing a domestic market share of 50.2% for PP, 23.2% for LDPE and 9.1% for HDPE, according to the data from the National Institute of Statistics.

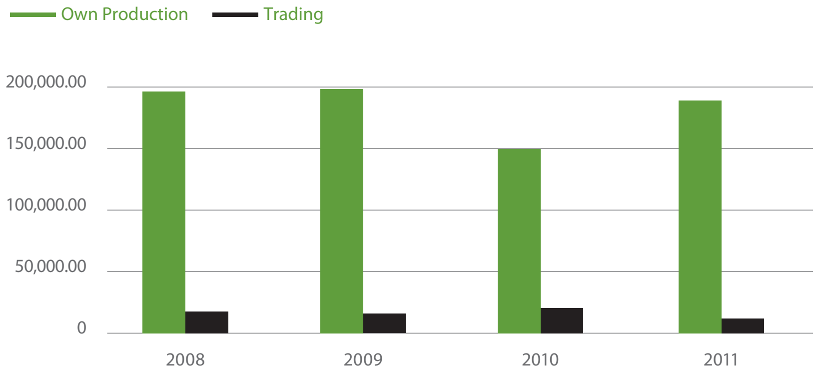
Through the development of strategies that emphasize on customer satisfaction and loyalty, the company managed to improve its position on the local market, as well as on the regional one. This includes the Black Sea and Mediterranean basins, Central, and Eastern Europe.

One of the company's major commercial advantages is the direct access to all transportation links (road, sea, rail), which facilitated the logistics to the Balkans (Macedonia), Asia and Middle East, as well as the upkeep of the current regional partners – Bulgaria, Serbia, Italy, Greece, Poland and Turkey.

Sales on destinations 2011



Sales volumes (tons)

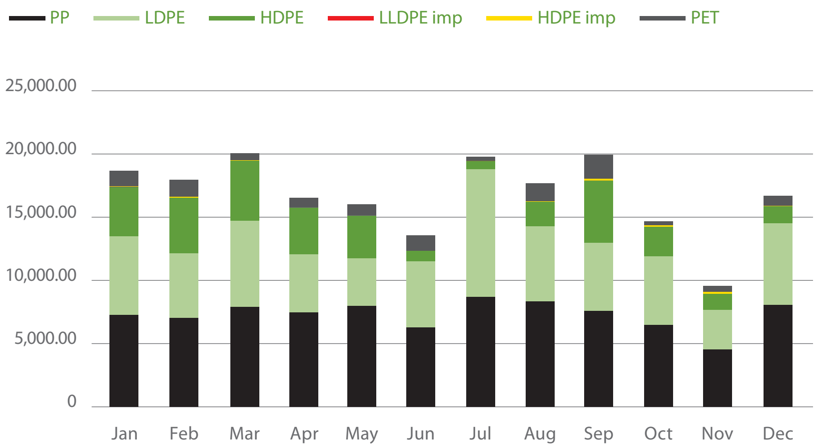


Trading

In addition to production, the company runs a marketing business for a variety of petrochemical products, which are currently not in the production portfolio of the petrochemicals complex. Nevertheless, seeing the increase in demand, the company capitalized on this opportunity by trading special sorts of PP, HDPE pipe aprons, LDPE and PET.

In 2011 trading with PET led to a 12% market share on a market with an increasing competition.

Monthly sales by product type (tons)



Quality-Environment-Occupational Health and Safety

Rompetrol Petrochemicals emphasized on establishing a better communication link between the producer and the final processor, by gathering feedback constantly from the processing department and integrating it in the development and product improvement strategies.

The technical assistance department continued strengthening the partnerships with Rompetrol Petrochemicals' customers, by identifying the aspects of product behavior during processing and technical solutions. The department was also involved in the development program of RP products from HDPE.

QHSE accomplishments in 2011

- GLIS quality management – ISO 9001, environmental – ISO 14001, and ocupational health and safety – BS OHSAS 18001 surveillance audits were conducted.
- The Integrated Environmental Authorization nr. 9/03.10.2011, valid for 10 years, was renewed.
- The Water Management permit renewed.
- Authorization to conduct nuclear activities and Plan for Spill Prevention and Control both renewed.
- Recovery and recycling objectives for packaging waste legally established for 2011 were made on a contractual basis, by taking responsibility for recovery and recycling by SC Eco Rom Packaging SA.
- In the first half of 2011, the Petrochemicals labs received reaccreditation in accordance with the requirements of SR EN 17025/2005 by the National Accreditation – RENAR.

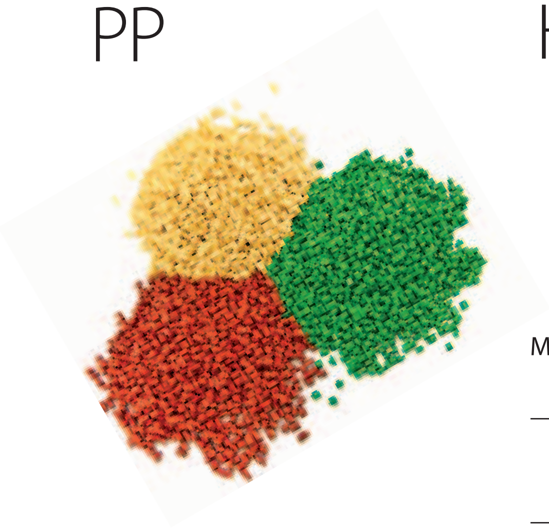
to achieve

Domestic market share

55% PP

20% HDPE

25% LDPE



Major Objectives for 2012

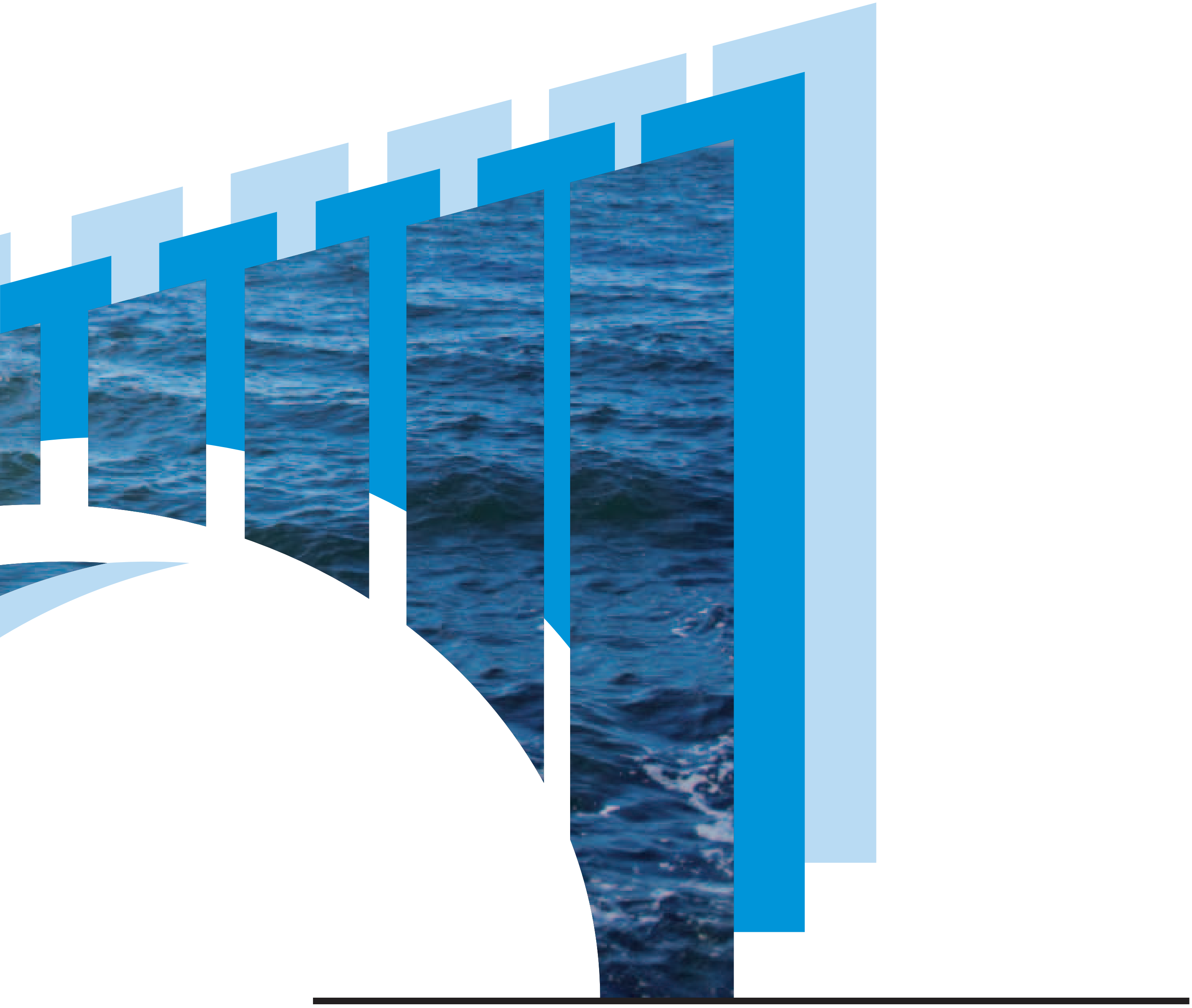
- Completion of the first phase in the HDPE modernization program. The unit produces specialized aprons and introduces new aprons for new applications. This includes polyethylene pressure pipes, thin film, blowing large pot, or cable protection.
- Achieve:
  - 20% domestic market share for HDPE products.
  - 55% domestic market share for PP.
  - 25% domestic market share for LDPE.
- Develop the direct sales channel to end-users customers on markets abroad.
- Strengthen Rompetrol Petrochemicals position on the local and Balkanic market.

Trading

The Trading Business Unit is responsible for the optimization of the entire supply chain across The Rompetrol Group (TRG), from feedstock supply to final products' sale and is active from the Caspian Sea area to the Western Mediterranean Sea.

The Trading Business Unit includes the following operational entities:

— Vector Energy AG
— Rompetrol Ukraine
— Byron Shipping Ltd
— Midia Marine Terminal
— Romania Operations Division



energy bridge

Vector Energy AG

1,14

million tons volumes sold on French and Spanish markets

2011 Key Performances

— Volume of traded crude oil was 0.3 million tons and product exports to third parties was 0.66 million tons – 7.24% higher than last year

— Volumes sold on French & Spanish markets were 1.14 million tons, approximately 53% higher than in 2010

— Secured additional feedstock basket by supplying MTBE and ETBE plus Biodiesel (required diesel blending material for EU countries)

— Volumes for Near-Abroad subsidiaries were 0.48 million tons – 25% above last year's supply

Apart from traded crude oil, total oil volume delivered by the company in order to ensure crude needs of Petromidia refinery was 3.63 million tons, with KazMunayGas (KMG) barrels share increasing from around 78% in 2010 to almost 90% in 2011.

Vector Energy AG is the supply and trading subsidiary of the Rompetrol Group, with its main office in Zug (Switzerland). The company continued in 2011 to optimize the overall supply chain of the Group. Vector fine-tuned the synergies with other companies within the KMG Group, namely KazMunayGas Trade House – the main crude oil supplier for Petromidia refinery, aiming at an improved stock level.

In 2011, the company sold around 23% of the refinery car fuel production to companies outside the Group, while around 0.48 million tonnes (17%) went to Near-Abroad entities within the Group (to Rompetrol Bulgaria – 124kt; to Rompetrol Georgia – 149kt; to Rompetrol Ukraine – 205kt). This was the direct result of increased sales on the Romanian market (53.6% of total car fuel sales). Based on improved product quality and negotiated contractual stipulations, profitability for some destinations increased significantly. During the same period, the company's export of products to the French & Spanish markets was 1.14 million tons compared to 0.75 million tons in 2010 an increase of around 53%, with diesel remaining main product.

The responsibilities undertaken by the company in 2011 are part of the strategic plan of KMG mother-company to finalize integration of TRG sustaining forward motion regardless of difficult general international climate. Vector is in charge of stream-lining operations of fuel sale towards the Group subsidiaries (Bulgaria, Georgia, Ukraine), effective product stock management in Refining and Retail Entities. In addition, in depth market research has resulted into extending TRG business portofolio, by finding a constant outlet for our gasoline and diesel grades, which do not comply with Euro standards. These efforts resulted in monthly sales to Lebanon market and spot sales made to new destinations (UAE, North Africa, Israel).

In addition, Vector is involved in financial risk management activities at group level. During 2011 we experienced very high volatility in oil prices, driven by fundamental factors in both offer and demand. On the supply side, the main driver was the fear of

16%

increase of processed feedstock versus previous year

disruption in important oil producing regions, while on demand side factors which could potentially lead to a deeper recession and a decrease in demand. In such an environment, Vector played an important role in mitigating commodity price volatility at group level, acting as an advisor and executing most of the transactions. Derivative instruments used for commodity price volatility are mainly exchange traded future contracts and liquid OTC swaps.

Vector monitors market forward curves and executes refinery margin hedge transactions when targeted levels are met. Such levels are approved by Board and Top Management Risk Management Policies and set desired levels of profitability.

In order to ensure raw material supply of the Group companies, and their sales of finished products, Vector Energy optimized company headcount and worked closely with the Shipping and Marine Operations entities. The team continues to be responsible for developing/implementing new processes, such as selection of optimum oil mixes, establishing target stocks of raw material/end products.

The achieved operational result is directly affected by the international market conditions and operated volumes, reaching 2.1 million USD in 2011.

For 2012, Vector Energy will focus mainly on covering the entire feedstock acquisition for Petromidia Refinery estimated around 4.64 million tons (out of which 4.4 million tons crude oil 90% Urals plus 10% sweet crude oil). Besides a 16% increase of processed feedstock versus previous year, the completion of refinery revamping project will also bring a significant increase in white products yields (17% for car fuels compared to 2011), more than half of it will be directed to export markets (0.32 million tons out of total 0.52 million tons yield increase).

Rompetrol Ukraine

Market context in 2011

Ukrainian motor fuels market in 2011 was marked by a share increase in imported motor fuels, from 39% to 60%.

2011 Key Achievements

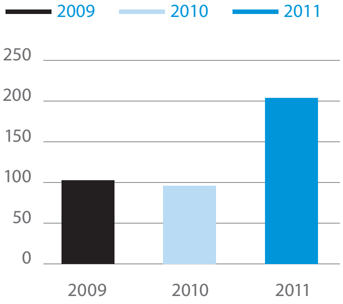
Rompetrol Ukraine has continued its trading operations, importing and selling products manufactured by Rompetrol Rafinare, mainly Euro Plus Gasoline RON 95. In May 2011 the company switched to delivery of EURO 5 products to Ukraine. Rompetrol Rafinare is the biggest Romanian motor fuels exporter to Ukraine.

- Becoming the fourth largest importer of RON 95 on the Ukrainian market. The quantity of RON 95 imported by Ukraine exceeded 164 KT, the company's share representing 11.5% of the total volumes of RON 95 imported by Ukraine (8% of total RON 95 consumption);
- Rompetrol Ukraine in addition to RON 95, imported 1.3% of RON 92 and 1% of diesel of the volumes imported to Ukraine during 2011;
- Despite harsh business conditions, the company had a successful financial year. EBITDA registered a level of 7 million USD and the net profit exceeded 4 million USD.

The trading activity has been carried out through new locations: one Black Sea terminal located in Kherson, one Danube-river terminal near Ismail and three in-land depots, two of them located in Odessa region and one in Vinnitsa. The fuel was sold as previous years on carrier paid to terms, Rompetrol Ukraine delivering by railway the product to clients' storage facilities.

In 2011 the company developed FCA sales loading products at terminals and warehouses onto clients' trucks. The total quantity sold amounted to 64 KT.

Sales Rompetrol Ukraine (vol)



2012 Key Objectives

— Identifying and providing needed logistic infrastructure to secure fuel deliveries traded nationally and regionally;
— Increasing logistic chain efficiency and implementing new delivery methods;
— Developing new market opportunities, both for wholesale and retail.

In 2012, Rompetrol Ukraine aims to further consolidate its position as a distributor of quality fuel on the Ukrainian market, especially in important commercial area from the Southern and South-Eastern. For the retail segment, Rompetrol Ukraine intends to implement a development plan for DOCO and DODO stations.

Byron Shipping Ltd

2,5

million USD savings for the company

Byron Shipping Ltd, the shipping transportation subsidiary of Vector Energy, continued in 2011 to optimize the flows among The Rompetrol Group entities and Rompetrol Rafinare.

Starting as of Q42010, Byron signed a Contract of Affrètement applicable for Aframax (80kt +10%) size vessels in order to secure freight costs for the crude supply for Petromidia refinery and also to avoid the Turkish Straits demurrage risk.

The rest of the fixtures were made from the spot market, which led to savings of approx. 2.5 million USD for the company.

In 2011, Senior Management approved the establishment of Byron Shipping Romanian Branch, allowing Byron Shipping to integrate all shipping related services and to create synergies from Black Sea to the Mediterranean. The branch was established on March 1st, 2011 and the positive influence in EBITDA was registered when the consolidation of operations started.

Also, full implementation of Group Demurrage Procedure resulted in an adequate and more transparent demurrage split amidst Group Companies.

Total demurrage costs at Group level decreased by around 8% compared to 2010, down from 1.6 million USD to 1.47 million USD in 2011.

Midia Marine Terminal

Midia Marine Terminal, initially a subsidiary of Vector Energy AG became a subsidiary of The Rompetrol Group in December 2009 after a capital increase of 20 million USD operated by TRG. The company was created to consolidate the energy bridge – Eastern oil resources and Western market needs. Thus, the presence of KazMunayGas and Rompetrol within the geographical arch linking the Caspian Sea area (Kazakhstan, Georgia), Black Sea area (Ukraine, Moldova, Romania, Bulgaria) to Western Europe (France and Spain) supporting this strategy. In 2011 the company capital was increased again by 84 million USD (TRG loan capitalisation).

In this respect, in December 2008 the company has completed the construction of a new off-shore oil terminal in the Black Sea, 11 km far from Petromidia Refinery crude Oil Tank Farm, operational as of January 2009. The new terminal permitted oil supply cost reductions of approx. USD 8/tonne in 2009, and offered the necessary framework for developing the Rompetrol Group trading activities in the region. Achieved costs for 2011 crude oil activity via off shore terminal were around USD 2.3/tonne.

The main performance indicators achieved in 2011

Off-shore oil terminal (Midia SPM)	
Total qty of crude imported via Midia SPM	3,444 kt
Total qty of crude transferred via OTC	160 kt (due to SPM hoses change out)
Total number of tankers calling Midia SPM	43
Operational costs	2.28 USD/mt
Commercial losses (B/L versus OUT Rep.)	0,07%
Total saving by using the SPM since start up	about 25.1 mill USD
Time spent to receive the crude discharged via SPM in Rompetrol crude oil storage	19 hours/ship
Time spent to receive the crude discharged via OTC in Rompetrol crude oil storage	6 days/ship

The company is operating the refinery Crude Oil Tank Farm with a design capacity of 418,000 cbm, net storage capacity 391,499 cbm, and a pumping total volume of 342,575 cbm, receiving crude mainly from Midia SPM, but also from Oil Terminal Constanta via CONPET and delivering to refinery the two types of crude oil according to daily diet requirements. Entire crude oil volume handled through crude oil tank farm in 2011 was 7.174 kt (both receipt and delivery). The LPG operations via berth 9A began in December 2010.

Port terminal (products & gas) EXPORT/IMPORT (Berths 9 A, 9B and 9C)	
Total qty of products exported/imported	1,313 kt
Total number of tankers calling port terminals	328
Operational costs	1.41 USD/mt
Total cost	1.49 USD/mt
Savings recorded by using Midia port terminals instead Oil Terminal Constanta & railways	about 11.8 mill USD

Port terminal (VGO & COB) EXPORT/IMPORT (Berths 1–4)	
Total qty of products exported/imported	34.149 kt
Total number of tankers calling port terminals	4

MMT Services to Non Group entities, 2011

MMT is performing at high standards following services to ship owners (non group entities):

— Piloting
— Towing (vessel assistance with tugs)
— Mooring/Unmooring all for offshore and port tanker manoeuvres, using own resources only.

Gross income cashed in by during 2011	
Piloting (SPM & Port)	0.671 mill USD
Towing (static towing SPM & port, all tugs)	3.179 mill USD
Mooring/Unmooring (SPM & port)	0.282 mill USD
Total income from non group entities	4.162 mill USD

MMT Strategic Objectives for 2012

— OPEX optimization, stay in the approved budged
— CAPEX execution: construction of MMT tug fleet
— Consolidating the exiting incomes from 3rd party non-group sources
— Develop new business based on existing MMT assets, equipments and own HR

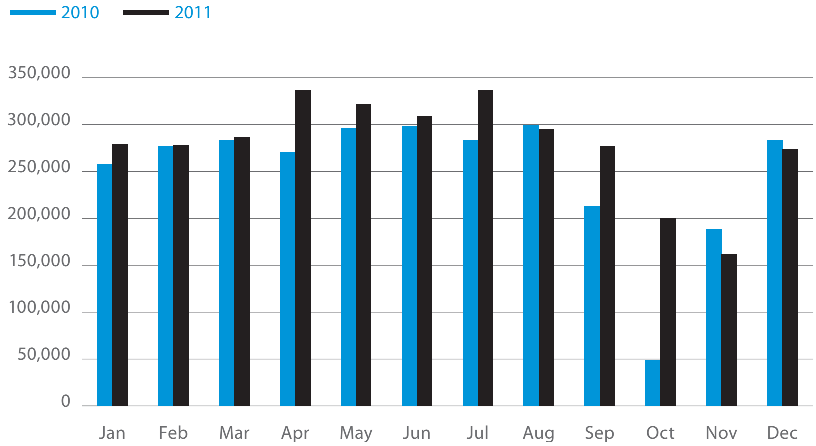
Romanian Trading Operations Division

Market

In 2011, trading focused on optimizing trade flows of raw material purchasing and product sales. Feedstock acquisitions increased by about 6% and sales by around 12% in 2011 vs 2010. Crude acquisitions were exclusively carried out by the group trader, Vector Energy, who took over the most part of gasoline and diesel volumes sold on foreign markets.

The quality of products sold by Rompetrol met the requirements and standards for quality and environment in force within European Union and led to a stronger position of the company on the international oil markets. Beginning January, 1st gasoline and diesel have been sold with 5% biofuels, as per 2003/30 EU Directive.

Sales 2011 vs. 2010 (tons)

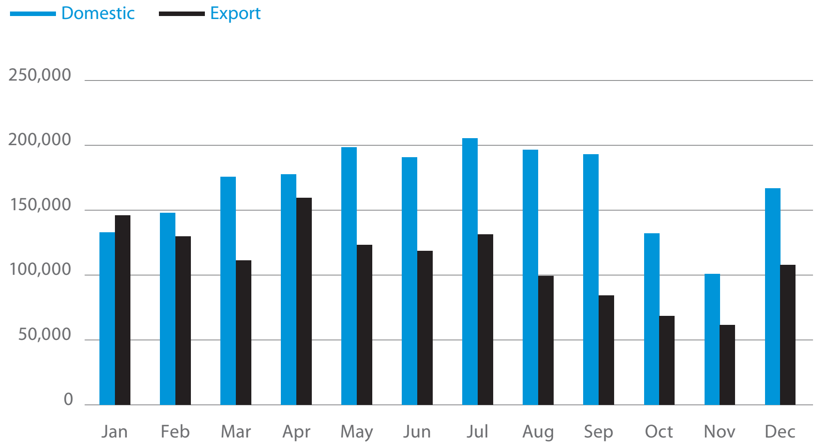


60%

share of domestic market in Petromidia sales

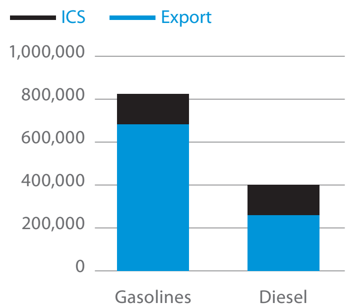
In 2011, the share of domestic market in total Petromidia sales was higher (60%) than of external market. More than half of total motor fuels (about 53%) were sold on domestic market.

Domestic vs. Export sales in 2011 (tons)



On the external markets, sales were distributed both on EU markets and non EU markets. Sales of Petromidia products on EU markets represented about 25% of total sales, the rest of 75% being sales on non EU markets.

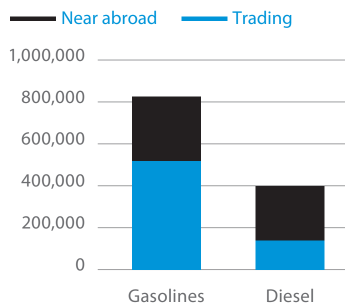
ICS vs. Export (tons)



Almost 80% of external sales from Petromidia refinery had destinations on neighboring markets. Detailed on countries and products, sales had following destinations:

Gasoline	Ukraine, Georgia, Turkey, Lebanon, Bulgaria, Tunisia
Diesel	Bulgaria, Serbia, Georgia, Turkey, Moldova, Ukraine
Petcoke	Ukraine, Greece, Turkey, Serbia
Sulphur	Egypt, Ukraine, Greece

Near abroad vs. Trading (tons)

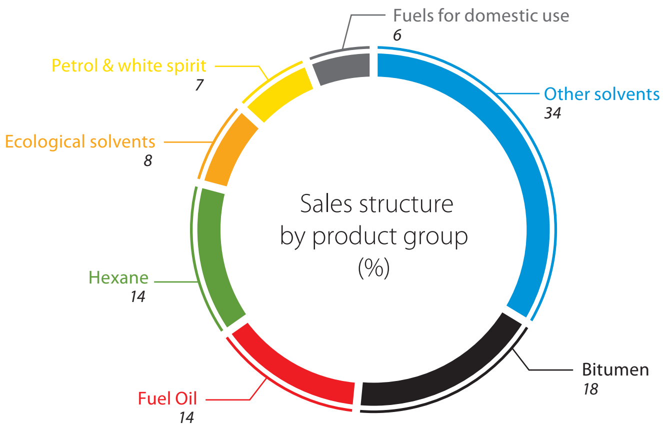


Sales to Rompetrol branches located abroad (Moldova, Bulgaria, Georgia, Ukraine) represented about 46% of total external sales.

Petromidia's main domestic customers were: Rompetrol Downstream, Rompetrol Gas S.R.L., Rompetrol Petrochemicals, Air BP Sales, Air Total România. Main external customers were: Vector Energy, Rompetrol Moldova, Rompetrol Bulgaria, Calvi Trade Limited, Transamonia Switzerland, Steuerman.

Vega sales during 2011 were around 0.3 million tones same as 2010 out of which 0.27 million tons finished products.

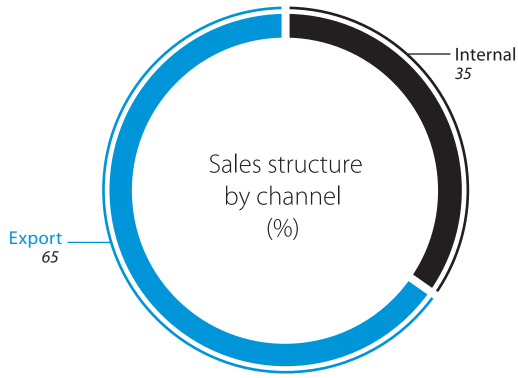
Split by main distribution channels, internal sales were 35% of total sales volume, while the rest went to export markets similar to last year.



Naphtha gasoline, one of the main products obtained in Vega refinery, constituted 34% from total volume of sold products.

Forecast and developments trends in 2012

The target is to maintain the existing destinations and enter on new markets.



Detailed on countries and products, sales had following destinations:

	UE	Non-UE
Naphtha gasoline	Hungary	Serbia
Hexane	Bulgaria, Poland, Austria	India, Turkey, Ukraine, Korea
Ecological solvents	Germany, Poland	Moldova, Ukraine
Fuel oil	Bulgaria	–
Fuels for domestic use	Bulgaria	Moldova

Romanian Commercial Division for Petrochemical Products

Rompetrol Petrochemicals is the only Poly Propylene (PP) and Poly Ethylene (PE) producer in Romania. In 2011, the Romanian market share was 50.19% for PP, 23.18% for LDPE, 9.12% for HDPE. Total sales' volume in 2011 was 0.2 million tons.

The development strategy of Rompetrol Petrochemicals to promote a culture based on customer satisfaction, insures a competitive position both on the internal and on the regional markets (Black Sea area, Mediterranean Sea area, Central and Eastern Europe) where Rompetrol Petrochemicals has become an important presence.

One of the main competitive advantages is the access to all types of transport (by rail, road, sea), facilitating new destinations in the Balkan area (Macedonia), Asia and, occasionally, the Middle East, but also strengthening our position in the regional market (Bulgaria, Serbia, Italy, Greece, Poland, Turkey).

Trading operations represent a different branch of our activity. In 2011, the company achieved a 12% share on Romanian market for PET, in an environment characterized by fiercer competition each year.

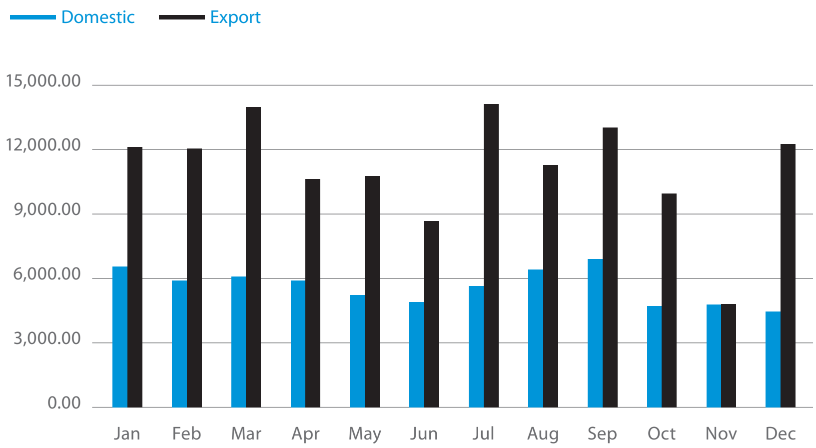
Market share in Romania

50.19% PP

91.2% HDPE

23.18% LDPE

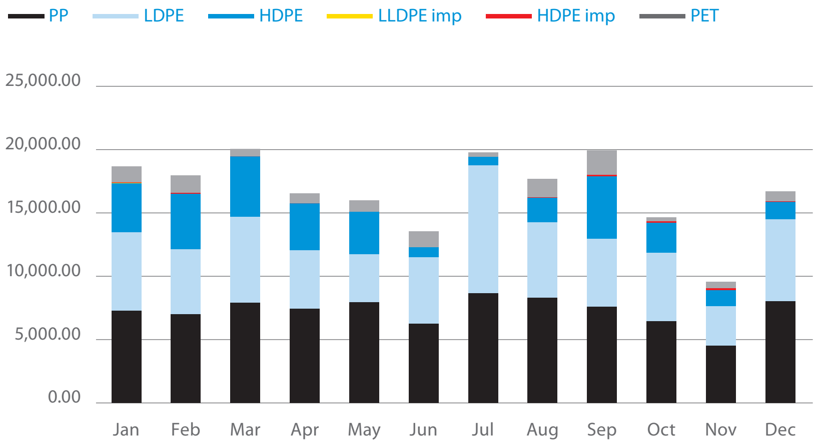
Sales by main destination (tons)



0.2

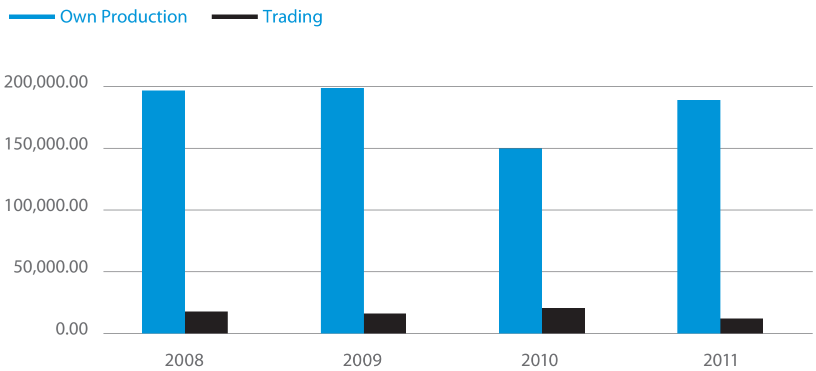
million tons total sales' volume in 2011

Monthly sales by product type (tons)



Besides our own production, the company runs a sustained activity of marketing for a wide range of products, which are not currently produced in Rompetrol Petrochemicals facilities, but with a strong demand on the domestic market. These are specialty products such as: polypropylene special grades, high density polyethylene (HDPE) pipe grades, linear low density polyethylene (LLDPE) and PET.

Sales volumes (tons)



Commercial Strategy for 2012

Strengthening our position on the domestic and Balkan market is a driver for our commercial team, maintaining our flexibility.

Strategic Objectives

— PP: to reach a 55% market share in Romania
— LDPE: to reach a 25% market share in Romania
— HDPE: to reach a 20% market share in Romania
— Development of new grades, for added value applications such as: polyethylene pressure pipes, very thin film, blow moulding of large canisters, cable coating.
— Development of direct sales channels, targeting end-users on the export markets.

Retail

The Rompetrol Group has retail operations in 6 European countries, linking a network of 1,000 fuel distribution point, spread from Western to Eastern Europe.

— Rompetrol Downstream
— Dyneff France and Spain
— Rompetrol Bulgaria
— Rompetrol Moldova
— Rompetrol Georgia
— Rompetrol Gas

expansion

Rompetrol Downstream

2.5%

increased sales of GDP

Evolution of the Romanian fuel market and Rompetrol Downstream achievements in 2011

Fuel consumption in Romania has been relatively stable in the past years, ranging between 5.8 and 5.9 million tons annually. Table 1 below provides the evolution of the Romanian fuel market and expectations for 2012. It shows that retail fuel consumption, representing sales through gas stations, is still the main segment of the market, but its market share in the total consumption has declined, reaching 71% in 2011, significantly below the level recorded in 2009.

Conversely, the wholesale to consumer (W2C) segment of the fuel market, representing bulk sales of fuel from depots by end-consumers, has continued to grow significantly in 2011, reaching nearly 30% of the fuel market. This increase is partially explained by a migration of fleets from the gas stations to internal bases, which ensures better monitoring of fuel usage, naturally during these difficult economic times, and by some economic recovery in areas such as industrial production and constructions (in 2011, Romanian real gross domestic product – GDP – has increased by 2.5% vs. 2010).

The evolution of the W2C segment in 2011 is the result of an exceptional agricultural season, which led to higher fuel usage.

TABLE 1–A

Romanian fuel market evolution, 2009–2011, and expectations for 2012

Year	Fuel market		Retail segment			W2C segment			Diesel			Gasoline		
	Size (kt)	Change vs. LY	Sales (kt)	Share in mkt.	Change vs. LY	Sales (kt)	Share in mkt.	Change vs. LY	Sales (kt)	Share in mkt.	Change vs. LY	Sales (kt)	Share in mkt.	Change vs. LY
2009	5,858	0.0%	4,595	78.0%	-2.0%	1,263	22.0%	8.1%	4,067	69.0%	0.4%	1,791	31.0%	-0.9%
2010	5,866	0.1%	4,384	75.0%	-4.6%	1,482	25.0%	17.3%	4,185	71.0%	2.9%	1,681	29.0%	-6.2%
2011	5,901	0.6%	4,210	71.0%	-4.0%	1,691	28.7%	14.1%	4,428	75.0%	5.8%	1,473	25.0%	-12.4%
2012	**5,940**	**0.7%**	**4,110**	**69.2%**	**-2.4%**	**1,810**	**30.5%**	**7.0%**	**4,475**	**75.3%**	**1.1%**	**1,465**	**24.7%**	**-0.5%**

Market size is computed based on data provided by the National Institute of Statistics and the Customs Authority.
Retail segment is determined based on data from the Romanian Oil Association and on internal estimates of the white station segment.

Table 1 A also indicates how consumption by type of fuel has evolved between 2009–2012.

Diesel consumption has expanded by nearly 6% in 2011 to reach three quarters of the fuel market, mainly as a result of the factors indicated before, while gasoline consumption has collapsed, which is explained mainly by individual consumers limiting their retail fuel purchases. In fact, in the recent past there has been a clear tendency to switch from gasoline to diesel usage as the number of diesel vehicles has constantly increased, while those using gasoline has stalled.

Sales by product type (tons)

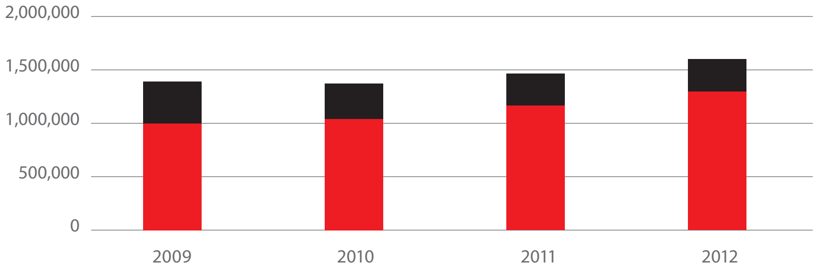


TABLE 2

Evolution of number of vehicles by fuel type, 2009–2011				
Year	Diesel		Gasoline	
	No. of vehicles	Change vs. LY	No. of vehicles	Change vs. LY
2009	1,844,084	7.2%	3,239,677	3.7%
2010	1,944,333	5.4%	3,221,317	-0.6%
2011	2,029,328	4.4%	3,182,869	-1.2%

SOURCE: Official data of the Ministry of Administration and Interior

6

million tons estimated fuel consumption in 2012

The fuel consumption in Romania is estimated to increase to about 6 million tons in 2012. These expectations take into consideration prospects of economic development (IMF's current forecast is for a 1.7% increase in gross domestic product in 2012, well above the region's average).

The retail segment is still expected to slightly decrease compared to 2011 and the W2C segment to continue its expansion, but at a much slower pace compared to previous years. By fuel type, diesel is expected to remain at about 75% of market, which implies a small further increase compared to 2011.

Evolution of Rompetrol Downstream market shares in 2009–2011 and expectations for 2012

Rompetrol Downstream's total market share (MS), which takes into account all company's sales in Romania, has continued to increase in 2011, a quarter of the fuel consumed on the local market being produced by Rompetrol (see table 3).The company share on the retail segment of the market has also increased from 15.9% in 2010 to 16.5% in 2011. Our expectation for 2012 is to increase both the total market share and retail market share.

TABLE 3

Evolution of Rompetrol market shares 2009–2011		
Year	Total Market Share	Retail Market Share
2009	23.70%	16.0%
2010	24.30%	15.9%
2011	24.90%	16.5%


ROMPETROL

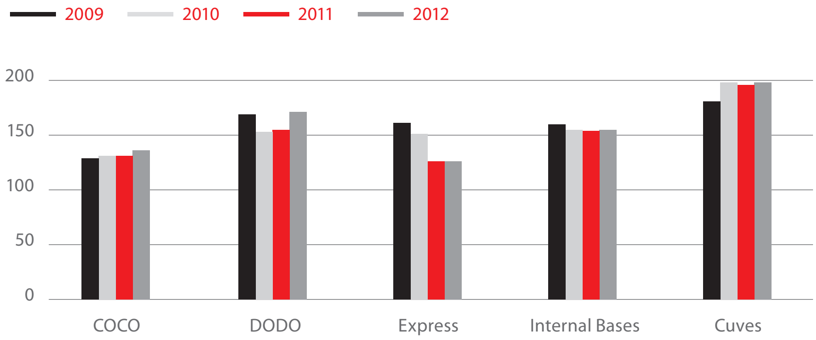
The increase of retail MS in 2011 is the result of both higher Fill&Go Business Card* sales (non-cash) and Non Card sales (cash). The higher retail MS comes also from a consolidation of the Rompetrol Partner channel, from 4.8% in 2010 to 5.6% in 2011, due to a group of about 10 Partner stations which have entered the franchise at the very end of 2010. These Partner stations are comprised of sites located on high traffic routes, thus recording good Fill&Go Business card sales. Consequently, Rompetrol Partner card sales has increased from 5.5% in 2010 to 6.2% in 2011, while the same indicator has remained stationary for own stations.

However, if we consider cash sales, the 2011 evolution is different: through Rompetrol Downstream gas station, it has increased from 5.8% in 2010 to 6.1% in 2011, which is notable if we consider the tough 2011 environment, with cost-conscious customers looking for cheaper fuel alternatives (switch from premium to economy fuels and networks), while through Rompetrol Partner channel, it has remained relatively stable.

At the end of 2011, Rompetrol Downstream operated in Romania a national network of over 760 fuel distribution points (Rompetrol stations, Partner stations, Rompetrol Expres, Internal Bases of 9 and 20 cm).

In order to reach the targeted market share will focus on the loyalty of the customers and increase our current customer portfolio. New locations for Rompetrol Downstream gas stations are also identified and evaluated and new partnerships are taken into account.

Stations, end of period (no)



over
760 fuel distribution points at the end of 2011

** Fill&Go service platform is the first payment service at pump offered only by Rompetrol. Fill&Go addresses both individual customers through the Fill&Go personal and business customers through the Fill&Go Business.*

Fill&Go Personal – an innovation in Romania – is a modern service that offers the possibility to pay the fuel directly to pump and purchase products from the store, invoiced at the end of the month.

Fill&Go Business – a service to companies that allows effective control of commercial auto fleet activity and a significant costs reduction.

Dyneff France and Spain

15%

increase of oil quotations for Gasoline

General market description and Dyneff France and Spain evolution

In 2011, the French market continued to be influenced by the unfavorable economic conditions, thus the oil products deliveries declined by -1.2% in comparison with 77,820 ktons registered in 2010.

Regarding products sold (Diesel, Gasoline, Heating Oil), the French market declined by -2.3%, to 53,462 ktons, as follows:

— Diesel +5.6% (35,494 ktons), whereof 1,411 tons of non-road diesel, which was progressively imposed to replace Heating Oil for motor uses (construction, agriculture).

— Gasoline -5% (7,804 ktons)

— Heating Oil market declined by -21% (10,164 ktons). Half of this significant drop is due to the introduction of non-road diesel mentioned above.

The main events which contributed to this decline are:

Regulatory constraints

French government imposed a new product called "non-road diesel" to replace Heating Oil. A first step took place in May 2011 which mainly affected construction business. Then, in November 2011, non-road diesel became mandatory for Agricultural engines also.

Significant climate change

2011 was the warmer year in France since 1900 which enforced Heating Oil market's decline.

Changes in competition tactics

After TOTAL 's shutting down refining operations in Dunkerque in 2010, the crisis affecting French Refineries expanded in 2011, 3 additional refineries announced they will stop their activities (Petroplus-Reichstett in North-east, LyondellBasell-CDH in the South and Petroplus-Petit-Couronne in the North-west). During the last years, Spanish refineries made major investments in order to increase their production capacity of diesel. In the meanwhile the Spanish market decreased in a significant way (-16 % vs 2007). This leaded to more tensions on the market with lower margins.

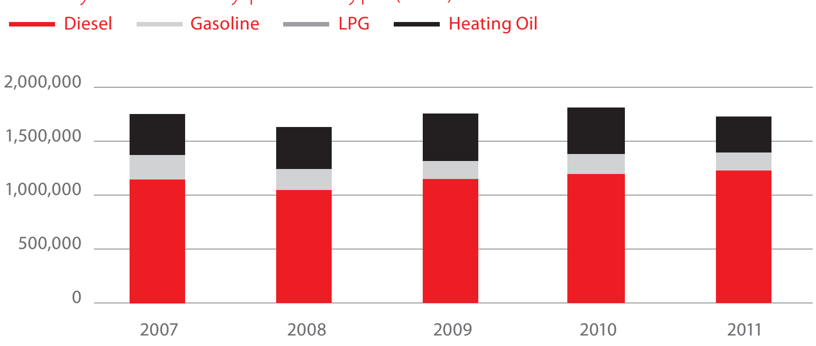
Increase of oil and oil products quotations, between 15% for Gasoline and 28% for Diesel in France.

28%

increase of oil quotations for Diesel

TABLE 1

Sales Dyneff France by product type (tons)



357

ktons decrease in the volumes of products sold

The volume of products sold by Dyneff France (diesel, gasoline, LPG and heating oil) decreased in 2011 to 1,7 million tons compared to 2010 when 1,8 million tons were registered, the highest volume during the last 5 years. Out of the total amount, Diesel sales represented 1,2 million tons and the main selling channel was wholesale, aprox. 1 million tons. (table 2)

TABLE 2

Sales Dyneff France by channel (tons)

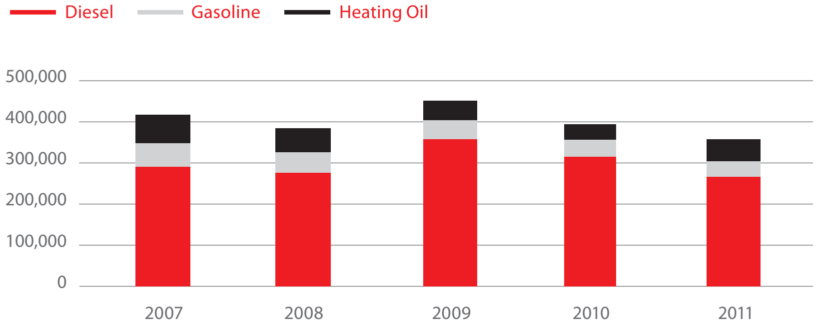
Based on the market characteristics and the volumes sold, the share of Dyneff France was 3,23%, lower than in 2010 of 3,31%.

The Spanish Market has decreased by -6.5% in 2011 and -16,2% from 2007 to 2011 in extremely difficult economical context in Spain.

Dyneff Spain registered a decrease in the volumes of products sold, to aprox. 357 k tons in 2011 (table 1), mainly through wholesale – aprox. 272ktons (table 2). This change in the market demand was based on economical factors, the decline of the construction sector and also the consumption level due to economic crisis.

TABLE 1

Sales Dyneff Spain by product type (tons)



Dyneff Spain's market share decreased by -3% between 2010 and 2011, to 1,02%.

TABLE 2

Sales Dyneff Spain by channel (tons)

Key achievements in 2011

Consolidation of current businesses and development of on-going projects

During 2011, Dyneff consolidated its Dyneff and Rompetrol fuel distribution network in France, by collaborations with traditional partners, but also by the extension of Fill&Go service or Hei restaurant concept and Brioche Dorée.
Dyneff France has opened a new Rompetrol fuel station on A10 highway, connecting Bordeaux and Paris, at about 320 kilometres from Paris.
By integrating an efficient management of energy and water consumption or for waste management, the new station complies with the new sustainable development principles and those of energy efficiency.

NRD

(non-road diesel) new product

New products

Dyneff France successfully launched non-road diesel (NRD). Its market share increased to 5.7% and this result was due to its customer-oriented approach which led to offer a bio free NRD. This product is representing more than 20% of Dyneff's NRD sales today.

Marketing Projects

Dyneff France continued its E85-Superthanol sales by investing in its Gas Stations network. This program will continue in 2012.
At the end of 2011, Dyneff operated in France and Spain a fuel distribution network composed of 128 stations, of which 9 Rompetrol stations, located especially on highways, near localities such as Arzens, Saint Etienne, Peypin or Les Herbiers.

Key directions for 2012–2013

Two major projects for the development of Dyneff France:

- The upgrade of a new major depot in Port la Nouvelle in a 50/50 joint-venture with Total Group.
- The construction of two new motorway Gas Station near the Spanish border ("Village Catalan" project).
- The company will also rent new storage capacities in North-West of France to allow Biofuel blending for products sold in Paris area.
- Regarding Dyneff Spain, the objective is to consolidate the development on retail and detail based on with the existing assets. These two channels must progressively turn to be the main channels of activity, before wholesale, which register lower margins. Wholesale must consolidate its volumes but on a long-term strategy it would be a way to move important volumes and therefore to get competitive purchase and logistic prices.

With head offices in Montpellier, Dyneff delivers each year over 2.6 million cubic meters of oil products, through its 3 major distribution channels, Gas stations, 9 retail and 2 wholesale agencies, its storage capacity being of about 400,000 cubic meters. These operations are carried out through 3 own terminals in Port la Nouvelle and Saint-Gaudens localities, through Marseille and Lyon terminals – where it is a shareholder as well, and through other 15 locations rented in France and Spain (2 in Barcelona and 2 in Bilboa).

128 stations in France and Spain

Rompetrol Bulgaria

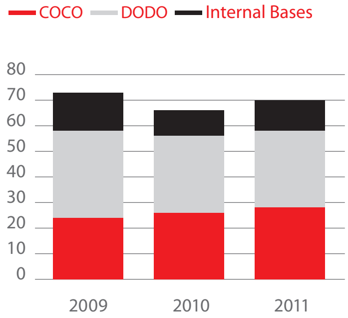
General market condition and Rompetrol Bulgaria achievements in 2011

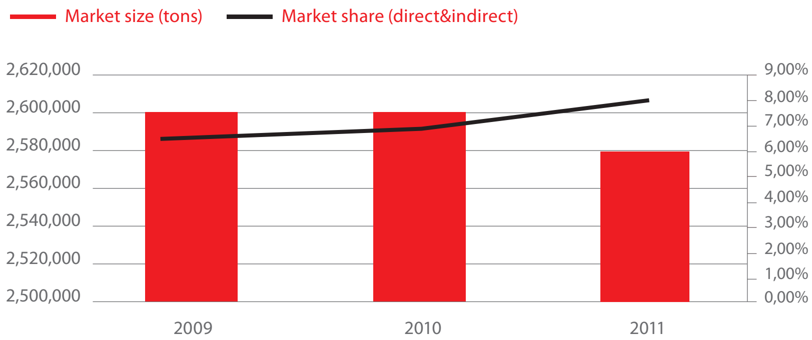
The year 2011 was a year of operational improvement and better brand recognition for Rompetrol Bulgaria. Despite a well balanced (in terms of supply and demand) market, the economic turmoil influencing the local industry had serious impact on the fuel sector. There were no significant changes in the structure of the market regarding the major competitors. The plans of another competitor (Gazprom) to enter the market are putting pressure on the market.

Rompetrol Bulgaria focused on a two-pronged strategy of profitability improvement and cost control in order to adequately face the challenges of the market. Improved performance management and prudent site evaluation invigorated the Retail Network and caused organic growth in the existing points of sale structure. Following the CAPEX strategy, new 7 stations were commissioned, thus the network of Rompetrol Bulgaria included 73 distribution points at the end of 2011.

Rompetrol Bulgaria registered a 15% increase of the market share, to 8%, while the total market size decreased with 1% (2,580,000 tons).

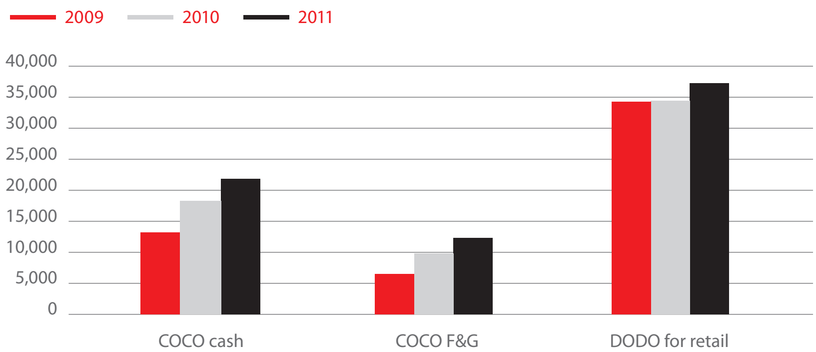
Stations, end of period (no)





The optimized network management and marketing have brought a 14% growth in overall Retail sales and 16% increase in Rompetrol owned stations, the highest profitability channel. In 2011 all retail points of sale have registered an increase in average daily sales.

Retail Sales (tons)

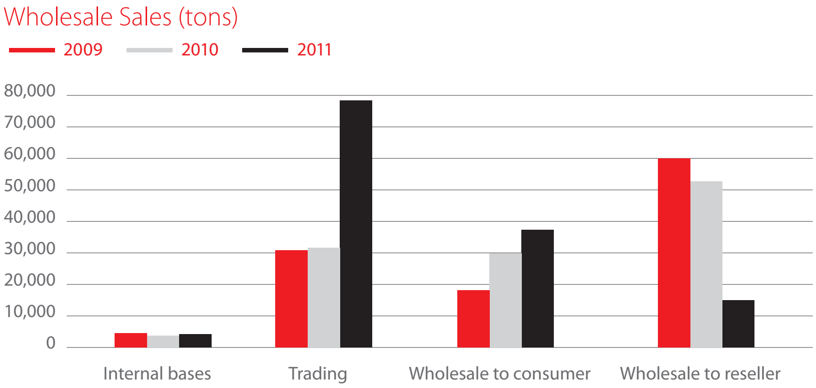


1.2

million USD cost savings in the retail network

Another major event in retail sector in 2011 was the successful finalization of the Dealer Partnership business model (Company owned, Dealer operated) started in the fourth quarter of 2010. The related site management and quality of service improvements increased sufficiently the efficiency of the channel and the value generated for the customers. This project also aided the considerable cost savings with over 1.2 million USD only in the retail network.

Portfolio optimization continued in Wholesale Channels with extensive client profitability management and the application of a market tailored Commercial Policy. As a result, the available fuel volumes were distributed through sales channels based on profit optimization priorities. The sales in the most profitable channel increased with 20% compared to 2010. This increase was greatly supported by the broadened portfolio of wholesale clients.



The other strategic direction started in 2010 was effective Cost Management. The combination of improved cost planning, procurement, and project management were among the most important initiatives that realized savings in operating expenses. The estimated effect of these initiatives in 2011 is 5% overall cost reduction and increasing process quality.

One of the main achievements for 2011 was the Outsourcing Optimization of Secondary Logistics. Rompetrol Bulgaria's own fleet was given for management to an outside party highly specialized in logistics services. This project brought process optimization – improved DSO and cost per unit transported indicators.

4 new

gas station to be opened in 2012

Another substantial achievement for 2011 was that Rompetrol Bulgaria was certified under ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 and an Integrated Management System was established. Prior to the certification all requirements for implementation and sustaining of effective System for Environmental Protection, Occupational Health and Safety were developed and documented. These certificates correspond with the constant strive of Rompetrol Bulgaria for improved occupational health conditions, environmental protection and process optimization.

Key directions for 2012

— Open at least 4 new gas stations
— Implement TLG project (tank leveling gauge) to comply with government regulations
— Upgrade Ruse Depot for better supply flexibility
— Increase retail volumes with minimum of 18%, volumes to consumers with 39%
— Continuous Improvements in Portfolio and Network management

Rompetrol Moldova

Total number of gas stations	
Rompetrol	45
Lukoil	102
Petrom	100
Bemol	52
Tirex Petrol	97
Valiexchimp	19
Basa Petrol	12
Parstar Petrol	8
Others	151

General market overview and Rompetrol Moldova achievements in 2011

In 2011, 23 traders operated on Moldova market under the license of import and wholesale trade of oil. On LPG market there were 10 traders operating under the license of import and wholesale trade of LPG.

Regarding the retail sector, 141 owners of licenses operated trade activity of gasoline, diesel and LPG. Gasoline and diesel was sold through 586 gas stations and LPG through 370 stations.

Retail market share according to imports and network coverage, 2011

Market share	Gasoline	Diesel	LPG	Total (mii tone)	Market share 2011	Network Share	Network Coverage	Efficiency
Rompetrol	16.46	40.06	3.75	60.27	9.65%	7.68%	57.89%	126%
Bemol	8.88	19.35	–	28.22	4.52%	8.87%	55.26%	51%
Petrom	52.88	24.04	–	76.93	12.31%	17.06%	78.95%	72%
Lukoil	64.66	119.52	20.85	205.02	32.82%	17.41%	84.21%	189%
Tirex Petrol	26.44	71.78	3.98	102.20	16.36%	16.55%	84.21%	99%
Others	23.68	78.85	49.52	152.05	24.34%	32.00%	–	76%
Total market	**193.00**	**353.60**	**78.10**	**624.70**	**100%**	**–**	**38**	**–**

According to ANRE report: *R.Moldova Oil Market overview, 12 months 2011*

Rompetrol Moldova implemented a significant development of the gas station network in 2011, due to the opportunities appeared on the market.

At the end of 2011 Rompetrol Moldova operated 45 filling stations (of which 16 had also LPG product), from a network of 30 filling stations at the beginning of the year.

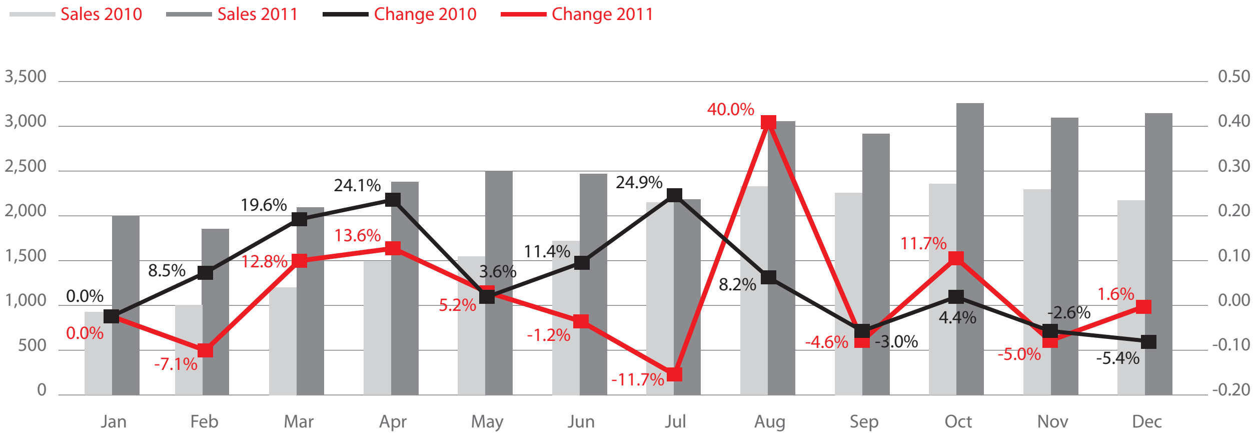
This network increase is part of a partnership between Rompetrol Moldova and private owners, a business model based on profit share for both parties.

As a result of Rompetrol Moldova network increase, the total volumes sold in 2011 on retail were of approx. 33 ktons, 44% more than in 2010, while on wholesale the volumes sold were 32,7ktons, a decrease of 24% than the previous year.

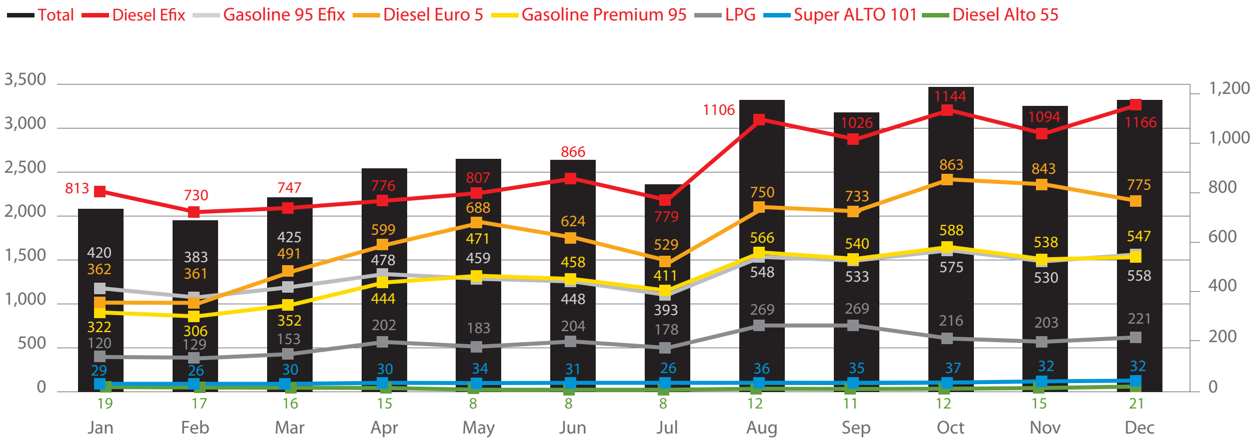
All the fuels, which Rompetrol Moldova is selling through the network, are imported exclusively from Petromidia Refinery:

— Alto 101 Gasoline (since February 2009)
— Premium 95 Gasoline
— Alto 55 (since December 2010)
— Euro 5 Diesel
— Premium 95 EFIX Gasoline (since May 2008)
— Euro 5 EFIX Diesel (since May 2008)
— LPG

Evolution of Rompetrol Moldova sales 2011 vs. 2010 (tons)



Retail sales evolution in 2011 (tons)



At the beginning of 2011 year Rompetrol Moldova merged with Moldintergaz (MIG) company and as a consequence received MIG's assets, which means one LPG Depot in Tirnova and 5 LPG Stations, in Northern part of Moldova.

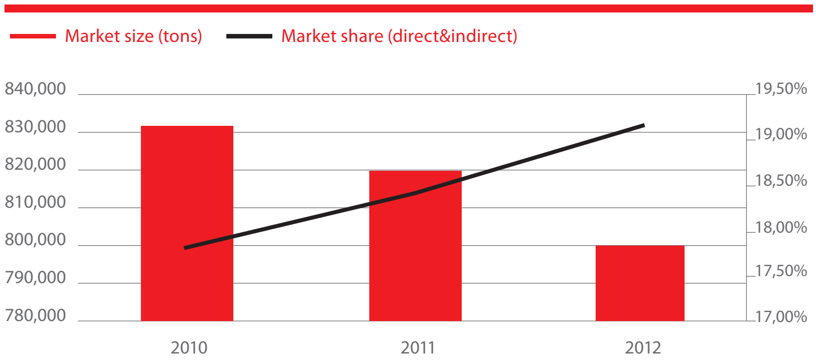
Key directions for 2012

Rompetrol Moldova will continue the development of the retail network, up to a number of 52 gas stations in 2012. The second part of this strategy refers to an optimization process to render full efficiency.

Rompetrol Georgia

General market overview and Rompetrol Georgia achievements in 2011

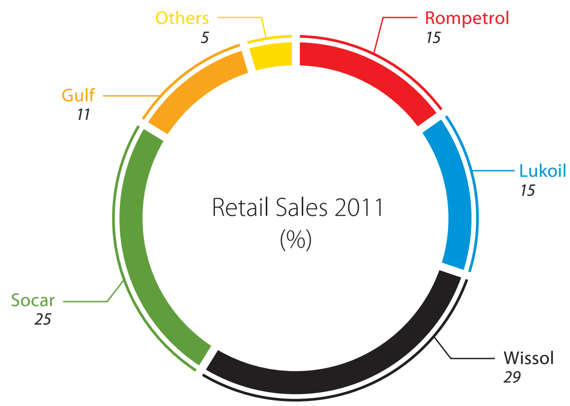
Rompetrol Georgia has positioned on the market as a European High quality oil distributor. In 2011, Rompetrol Georgia had a market share of 18,39%, out of a 820ktons of fuel sold on the local market in 2011.



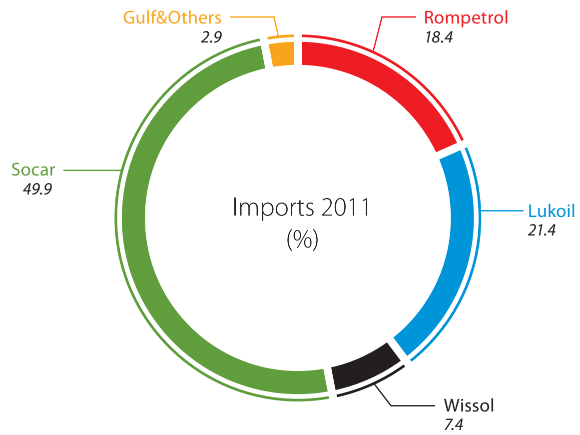
The total quantity of fuels sold by Rompetrol Georgia in 2011 was aprox. 150ktons, a 7.5% increase towards 2010.

The sales of gasoline increased by 4% in 2011, while the diesel by 13%.

Rompetrol Georgia ranked the 3rd on retail market, having 15% of sales. At the end of 2011, the company operated 73 points of fuel distribution, comparing to 63 in 2010.

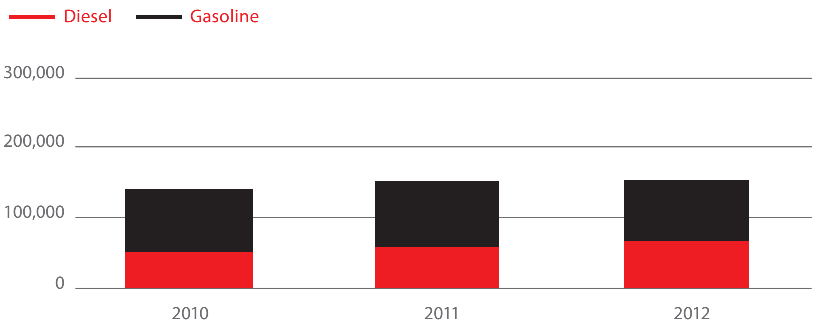


According to the imported quantity, Rompetrol Georgia is on the 3rd position, having up to 18.4% of the total imports on the local market out of which 60% is used for retail network and the rest 40% for the wholesale.



3rd position on the retail market

Sales by product type (tons)



24

gas stations to be upgraded

13

gas stations to be rebranded

Major achievements in 2011

In year 2011 Rompetrol Georgia has started implementation of several projects, namely:

— Investing in company's owns assets, meaning implementing capital maintenance project for several station rebranding;

— At the end of year 2011 was actively involved in ERP system implementation process; planned to finalize in 2012;

— Enterprise resource planning (ERP) systems integrate internal and external management information across an entire organization, embracing finance/ accounting, manufacturing, sales and service, customer relationship management, etc. ERP systems automate this activity with an integrated software application. Their purpose is to facilitate the flow of information between all business functions inside the boundaries of the organization and manage the connections to outside stakeholders;

— Start implementation of VT module project, which will enable the company to automate coupon bar-code reading process.

In 2011 Rompetrol Georgia was awarded by GHN news agency for being the most stable foreign company in Georgia.

Expectations for 2012 and the upcoming years

— Currently, several Rompetrol Georgia stations need significant maintenance workings in order to upgrade the general standards. For this purpose, 24 stations are included in the project, out of which 6 will be done by July, and the rest by the end of the year;

— Rompetrol Georgia is planning a rebranding project on 13 stations during the year. 5 station brand replacement process will be accomplished by July, and the rest 8 by the end of the year;

— Until June 2012 implementation of 6 station ORPAK rollout is in order. As a result only five stations will remain un-automated;

— At the end of first half of the year, Rompetrol Georgia is planning to accomplish Navision and VT module projects which were started in 2011.

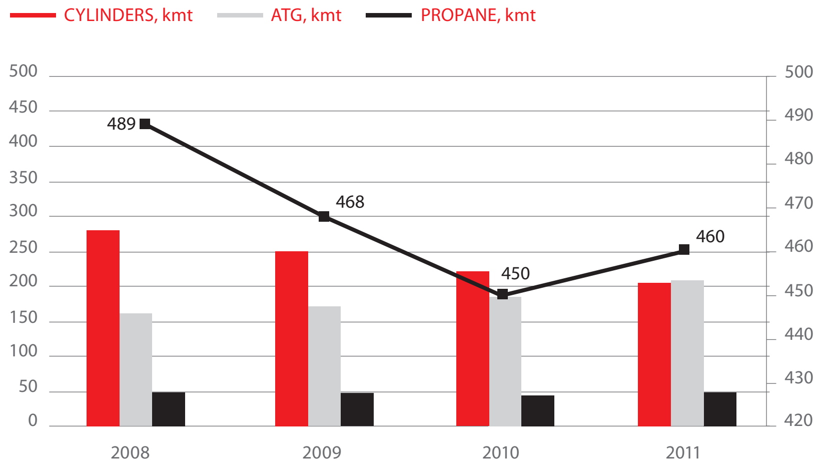
Rompetrol Gas

250
auto LPG distribution stations

General market overview and Rompetrol Gas achievements in 2011

In 2011 the total LPG consumption in Romania has increased by 2%, up to 460ktons, out of which 29% were consumed in the retail segment, while the wholesale segment represented 71% of the total consumption.

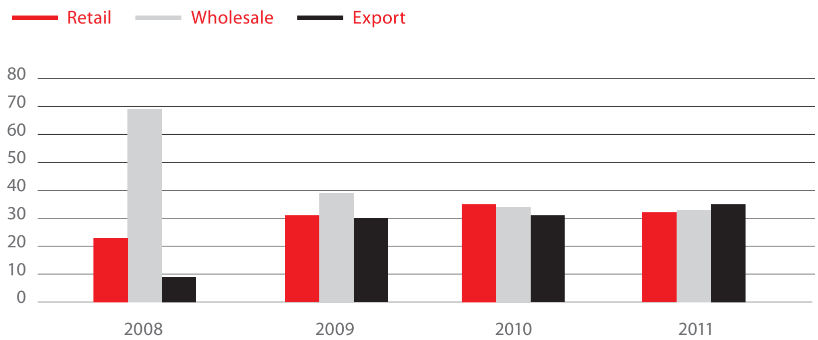
The segment of cylinders decreased by 7%, to 205ktons, while the auto gas increased by 12% to 208ktons.



Rompetrol Gas market share in the total LPG market reached 19% in 2011, with a network including 250 auto LPG distribution stations, 8,000 cylinder distribution points, as well as 3 LPG bottling facilities (Constanta, Arad and Bacau). The total volume of LPG sold by Rompetrol Gas increased by 4% in 2011, to 274ktons: the retail sales represented 0,32% (88ktons), wholesale 0,33% (91ktons) and export 0,35% (95ktons).

The exported volumes represent 25% of the company turnover and were delivered mainly to Bulgaria, Serbia, Macedonia, Albania, Maroc, Tunisia and Croatia.

Channel Structure (%)



Sales on retail and wholesale decreased in 2011 by 1%, to 179 ktons, out of these the sales of cylinders decreased by 17%, while the auto gas increased by 20% due to high price increase of wet fuels

Changes in competition tactics

During 2011, the demand for new cylinders increased significantly; there are regions in Romania where the product is sold exclusively in new cylinders and the rest of the country the old cylinders are losing ground day by day. Thus, the main RGS competitors on cylinders market have developed intensive programs for renew the cylinders pool and become very aggressive on the market.

2nd major player on Romanian LPG market

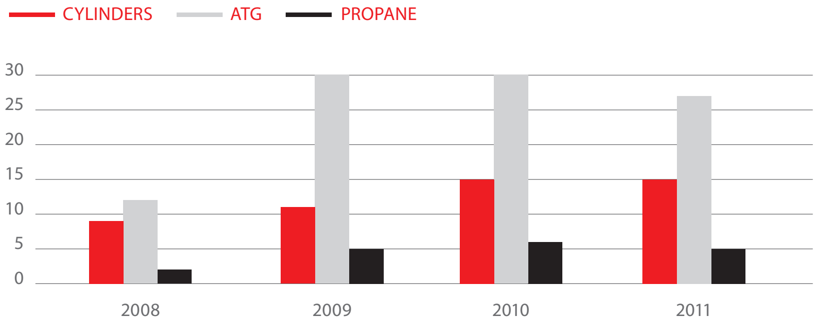
Key achievements in 2011

Rompetrol Gas managed to increase the volumes sold in 2011, thus consolidating its position on Romanian LPG market, being the 2nd major player and the leader on Autogas market.

A well-balanced channels sales structure permitted to be flexible on LPG dynamic markets – local and regional Black Sea markets– and to obtain the maximum added value among any sales channel.

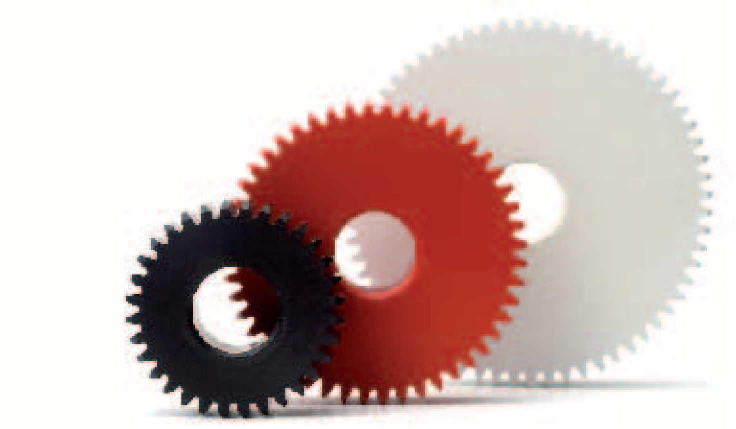
On the retail segment, Rompetrol Gas maintained in 2011 the level of sold volumes versus previous year.

Retail channels. Market share evolution (%)



Key directions for 2012

— Optimization of supply chain, including upgrade of Pantelimon storage until June 2012 in order to permit the supply by train wagons instead of supply by trucks, meaning a transportation cost decrease by 30%
— Decrease operations costs per tone by increasing sold volumes through imports and sales optimization among sales channels
— Maintain existing market share on retail channels



Business Development & Industrial Services

This business unit covers all the non-group activities of Rompetrol. It emphasizes on improving our operations, by bringing added value through additional operations such as E&P or EPCM.

development

Rompetrol Well Services

26%
revenue increase

Rompetrol Well Services (RWS) is one of the leading companies in well services in Romania. It offers a wide range of services for oil and gas wells, on the domestic market as well as in several Eastern European and Central Asian countries.

Major performance and accomplishments in 2011

— Increased revenues by 26% and a net result increased by 33% YTY.
— Began well service operations in Hungary, and resumed service activity in Bulgaria
— Made a 3.4 million USD investment to improve cementing, stimulation and slick line services.

After two years of moderate growth, the well services activity in Romania and neighbouring countries increased significantly in 2011.

Having the advantage of owning modern equipment, acquired over the last years, Rompetrol Well Services succeeded in capitalizing on the greater volume of work. Thus, the company has shown a 25% increase in revenue and net profit YTY. Although the range of services provided by the company has not changed, 2011 marked an increase of complex services offered as a result of the technological leap made by RWS in the recent years.

The overseas activity focused on the neighboring countries and Kazakhstan. The results were a 250% increase in revenues registered by the branch in Kazakhstan, 250%, and a 450% increase of the whole overseas activity. This was due to the start of the service operations for thermal water wells in Hungary, and the resuming of well services operations in North Bulgaria.

The main financial results of the year 2010 were: total revenues of over 31 million USD, operational profit (EBITDA) of over 8 million USD and a Net Profit of over 4 million USD.

In 2011, RWS continued its modernization program, with the completion term in 2014. The capital investment achieved in the year, amounting over 3.4 million USD, was focused on the upgrade of cementing, stimulation, slick line and tubular running services.

The company paid particular attention to the modernization of data monitoring and recording systems, fitted with real time data transmission for the whole range of well services it provides. In addition to the superior technical parameters, RWS is equally interested in the acquisition of new equipment with reduced emissions, which are also equipped with environmental protective features.

RWS carries out specialized services in oil and gas fields in Romania and abroad. These services include cementing, consolidation and sand control services, stimulation, testing, slick-line, tubular running operations etc.

Annually, the company cases 300 strings and liners, ranging in depth from 500 to 4.500 meters. It also consolidates and performs sand control operations for more than 200 oil and gas wells.

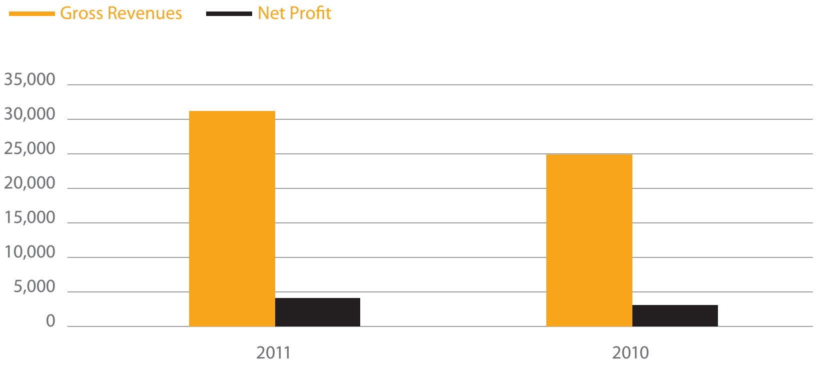
Stimulation services and slick-line services, as well as casing and liner running, are accomplished with in-house resources. For the optimization of the activities, the company also offers a rental service for its drilling tools.

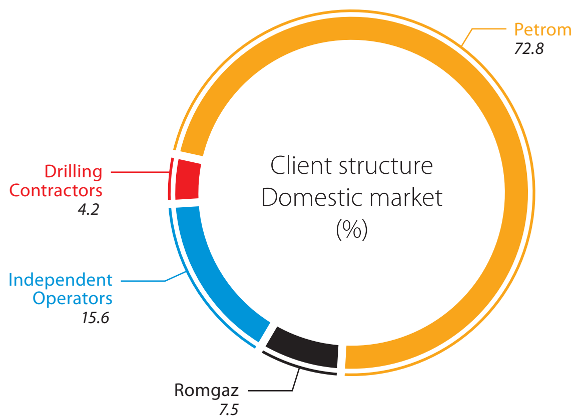
RWS oversees all ongoing projects from its main office in Ploiesti, Romania, offering technical support for 13 locations in Romania and Kazakhstan.

450%

increase of the whole overseas activity

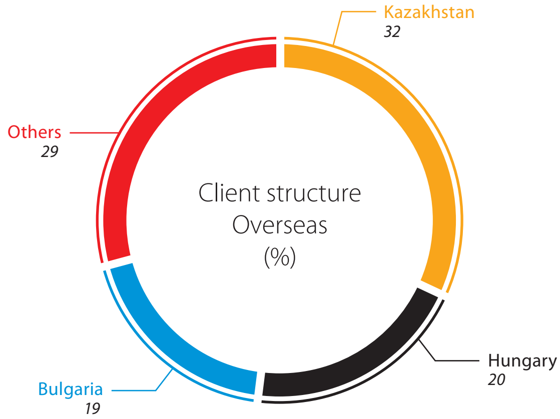
Evolution of the main financial figures (USD)





3.4

million USD investment capital



3.7
million USD investment plan

2012 Key Objectives

- Develop Well-Stimulation technologies.
- Focus on increasing operations in the neighboring countries.
- Ensure operational profitability of the Kazakhstan Branch.
- Carry out an investment plan of 3.7 million USD, financed exclusively from internal resources.

In 2012 and the following years we estimate an increase of well stimulation and other enhanced oil recovery applications.

In this market environment, the company will focus on the improvement of its acidizing and nitrogen services technologies, as well as on the development and implementation of dedicated stimulation software.

Improving well services activity in Central and Eastern European countries will be another important target, while the company also plans to extend its overseas operations in Africa.

The investment program will be focused on the consolidation of the operating fleet, in order to increase its capacity and versatility, and improve the response time.

Rompetrol Drilling and Workover

70%
low turnover YTY due to the socio-political events in Lybia

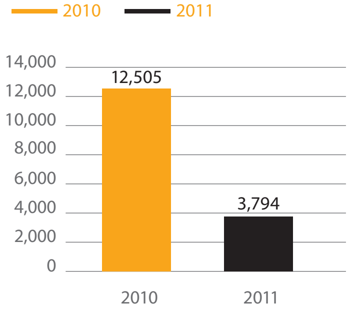
With more than 30 years of experience in providing equipment, expertise and professional services for the international oil and gas industry, the Rompetrol Drilling and Workover Division has achieved a balance between the state-of-the-art technology it uses and a highly qualified operational team. The company has drilled over 550 wells in Syria, Algeria, Egypt, Iraq, Jordan, Libya, Sudan, and Greece, and over 250 serviced only in Libya.

Based on the experience in project management, local knowledge and broad contractual basis, DW has the capacity to rapidly mobilize resources almost for any project of the oil & gas industry worldwide, also due from managing of projects in some of the most difficult places in the world.

Through this mixture of experience in oil services and to manage projects internationally, Rompetrol Drilling and Workover has built a sound reputation for the quality of the job in the traditional markets of Eastern Europe, Northern Africa and the Middle East.

DW's employees are amongst the best specialists in the field and they are keeping this level of professionalism through constant training. This is required in order to guarantee that they do possess the necessary knowledge, qualification and experience needed to finish their tasks properly.

Turnover (USD)



In 2011, the Rompetrol Group Drilling Division has focused the continuation and development of the relation with the dedicated customers. The company makes constant efforts towards the improvement of competitiveness and maintaining its high level of functionality, quality and safety of services provided. Thus, the creation of future collaboration and customer reach is improved.

The CAPEX Program has continued during the year and investments have been made in order to improve the level of our operational assistance. The Program was 100% implemented (effective 8,838,000 USD in comparison with budgeted 8,741,000 USD), despite the harsh financial environment.

Due to the socio-political events that shook Libya, the company suspended its activities there (March 2011), thus reaching a 70% lower turnover YTY.

Drilling Division achievements

Activities on Romania

— The company finalized the purchase of the RP11 RO rig, commissioning it in November 2011.
— The beginning of a 4 year frame-work agreement with OMV Petrom, for drilling services. The contract is estimated at 22 million EUR.
— Drilling and Mudlogging services contract signed with Winstar, for 2 wells – Madaras and Moftinu, on the Satu-Mare concession.
— Extension of the mudlogging services contract with OMV Petrom.
— Mudlogging services contract signed with Petrofac Solution & Facilities, for wells on the Ticleni premieter.
— 1 year contract with Direct Petroleum Bulgaria, for mudlogging services.
— 3 year contract with Sterling Resources, for mudlogging services.

Activities in Libya

As a consequence of the Libyan war at the end of 2011, an analysis of the equipment has been carried out. The results have shown that the equipment can be continuously used, at approximately 90% of its capacity. The company estimates that it will resume its activities starting with January, 2012.

Objectives for 2012

— Focus on signing of an extension of the drilling Contract with Winstar Satu-Mare, for the testing of 1000 Moftinu and 109 Mădăraş wells.
— Finish tests at 1000 Moftinu and 109 Mădăraş wells – Satu-Mare concession.
— Extend the mudlogging contract with OMV Petrom until June, 30, 2012.
— Purchase a new 320 tons rig.
— Resume activities in Libya, with all 3 rigs (Ghani, Amal and Awbari oilfields).
— Increase the Romanian market share for drilling, workover and mudlogging services.
— Extend operations through diversification of provided services, by establishing new strategic alliances.
— Maintain all Integrated Management certifications.

Rompetrol Exploration and Production

100

MM bbl prospective resources

The Exploration and Production division of TRG focused in 2011 on upgrading the current leads and prospects portfolio, estimated at over 100 MM bbl prospective resources, based on seismic processing and interpretation.

Furthermore, in 2011 E&P continued to attract new partners with financial potential and technical capabilities in the development of ongoing and prospect projects. To this extent, in October 2011, a Farm-out Agreement was signed.

The total investment made for Rompetrol exploration blocks in 2011 reached USD 1 million, consisting in seismic acquisition, data processing and interpretation of geological studies.

2011 Key Achievements

— The Rompetrol Group continued the exploration activities on the five blocks where we are title holder and operator: Satu Mare, Zegujani, Greşu, Nereju and Focşani.

— Rompetrol has fulfilled the minimum work program for all the blocks on the phases expiring on December 2011.

— In Satu Mare, in 2011, we have drilled the Madaras 109 (1690 m) well together with our partner, Winstar Satu Mare Romania. The well was suspended for tests, while preparation works for the second well, Moftinu 1000, were started.

— We signed a farm out agreement with Amromco Energy for the Gresu and Nereju blocks.

— In the Zegujani Block, we have finalized the interpretation of 120 km 2D detailed seismic data, identifying more prospects on South and North part of the block.

— In Focsani we have acquired additional 55 km of 2D seismic data and also gravimetric and magneto metric investigation were done, with the view to cover the area of interest and for better defining the NW Feteasca/Kaz1 Prospect.

2012 Key Objectives

— In the Satu Mare Block, the company plans to drill the Moftinu 1000 well, with the objective to find commercial oil accumulation in Lower Miocene formation.

— Acquire 80 km2 seismic data together with Winstar Satu Mare.

— Drill one deep well in the Lupsa Dragotesti Prospect, on the Zegujani block;

— Finalize the farm-out agreement for Gresu and Nereju blocks with Amromco.

— In Focsani block, drill the NW Feteasca Kaz 1 deep well.

— Identify new production opportunities in the Romanian mature oil fields or develop production projects in the Caspian Region, Middle East and North Africa.

Rominserv

70

finalized projects in the refining and petrochemicals sectors amounting

79

million USD

Key achievements in 2011

Rominserv has successfully completed in 2011 the construction of two new plants at the Petromidia refinery (Mild Hydro-cracking and Hydrogen Plant), part of the capital investment package that will increase the refinery processing capacity to 5 million tons/year of crude oil.

Another major achievement is the completion of the 2 week turnover of the Petromidia plant, scheduled in September/October. More than 4,000 operations have been executed within the refinery, in the approved budget and time schedule.

During the refinery shut-down, besides the specific turn-around operations, other significant projects have also been completed and integrated into the refinery's installations, such as the modernization of flue gases desulfurization, conversion of the existing VGO (vacuum gasoil distillate) reactor into DHS (diesel hydro-desulfurization) reactor, amine revamp, new nitrogen facility, or the new flare system.

In the petrochemical sector, Rominserv has successfully completed the modernization works of the HDPE plant that will increase the production range by four new special application products.

In the Vega Refinery, the works for increasing the production capacity with 100% of N-hexane plant were completed, along with technological upgrades in the plant cooling and control systems.

During the entire year, 70 projects have been finalized in the refining and petrochemical sectors, amounting to 79 million USD, which includes the two major projects, and several low cost projects that impact energy or technological consumption savings, plus safety and environment compliance (especially reduction of NOX emissions).

Maintenance of the plant's installations was another major achievement. Besides the compliance with the approved budgets, mechanical plant availability reached a peak level, slightly over 96%, allowing the refinery to process bigger crude quantities and to cut its operational costs.

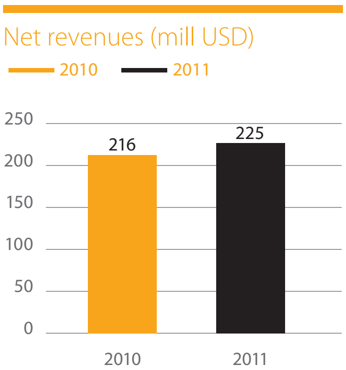
This was possible due to the implementation of an intensive program of preventive and predictive maintenance, risk analysis, along with alternative hi-tech solutions for testing, on-line inspections, monitoring and repair works of the plant's equipment.

Apart from the refining and petrochemical sectors, Rominserv has consolidated its market position for non-group clients, mainly in the sector of public infrastructure projects, like water supply distribution and sewerage networks.

In 2011, Rominserv also completed the turn-key construction of a vegetal oil storage tank farm for Martifer Group, a large Portugal group with extensive bio-diesel production in Romania.

In November 2011, the non-group client portfolio was extended, by signing a two-year maintenance contract for Dalkia Termo co-generation plant at Brazi-Ploiești, Romania.

225
million USD
turnover



With excellent technical results achieved during the maintenance projects and industrial services in 2011, Rominserv managed to increase its sales, achieving a turnover of 225 millions USD (over 4% increases towards 2010) and an EBIDTA increase by approximately 46%, in 2011, compared to 2010.

Rominserv Kazakhstan finalized the reconstruction works at the Atyrau refinery – Atmospheric Vacuum Distillation Unit and the Delayed Cooker Unit.

Main Objectives for 2012

One of the main objectives for 2012 is related to the achievement of run tests, commissioning, start-up and performance tests of the Mild Hydro-cracking and Hydrogen installations on the Petromidia platform.

At the same time, the new Sulfur Recovery Unit, the Tail Gas Treatment or the Delayed Coker units are also strategic projects, for the refinery's production, technological upgrade and environmental compliance. These installations will be completed and put into operation in 2012.

At the Vega Refinery, Rominserv is working to complete the project for a new crude vacuum distillation column. Furthermore, the newly built installations have to be integrated in the existing program and database, while the existing program of preventive and predictive maintenance and inspections shall be permanently improved for achieving highest possible plant mechanical availability levels.

Intensive engineering works will support further development and implementation of low cost projects that will have an impact on the refinery's energy or technological consumption savings, safety and environment compliance (especially reduction of NOX emissions).

Extend EPC (engineering, procurement, construction) contractor services for up-stream projects, i.e. surface works, is an objective as well.

Rominserv will start a challenging project (worth approximately 100 million USD), in 2012, at the Combined Heat and Power Plant (CCPP) of 75 MW, based on natural gas, located within the premises of the company "Uzina Termoelectrică Midia", Năvodari, România.

Regarding the non-group clients, Rominserv estimates an increase of its business portfolio and turn-over with 20%, as a result of infrastructure projects for water supply distribution and sewerage networks and in industrial services and maintenance.

In 2012, Rominserv is also focusing to extend the business in new countries, for non-group clients, mainly in oil downstream sector.

The company will continue the optimization and cost efficiency process, with the particular objective to reduce general administrative costs, to review contracts with suppliers for better prices and payments terms, to restructure company internal processes and flows.

46%
EBITDA increase

Rominserv Valves IAIFO

Key achievements in 2011

Rominserv Valves Iaifo continued in 2011 to contribute to The Rompetrol Group's strategic goal – to finalize the capacity increase program at the Petromidia Refinery, up to 5 million tons of processed crude oil per year – by providing the plant with more than 7,000 iron and steel industrial valves.

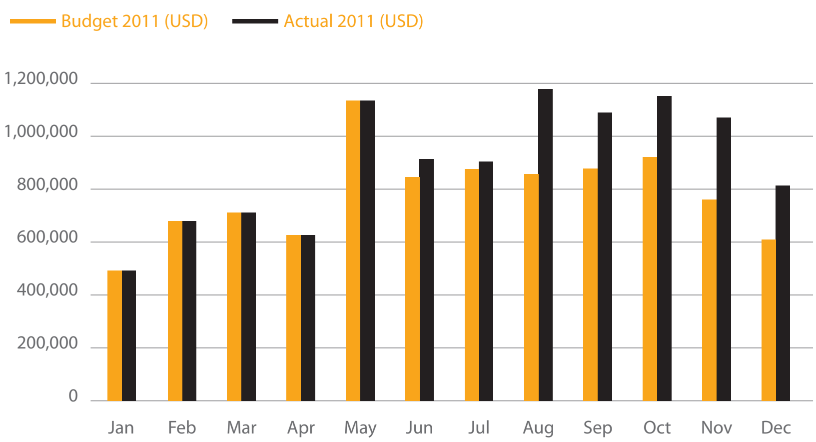
10.75
million USD
turnover

The general market conditions, influenced by the international economic context, have caused major changes in the activity of all economic agents. The valve production activity division at Rominserv Valves Iaifo has adjusted its business strategy according to the evolution of the market demand, as well as the price of raw materials and the production cost.

The company homologates at the end of 2011 the largest component part constructed up to that point. The part's overall net mass is 4,300 kg/piece and due to its complex shape, 27 cores for casting were necessary for assembly. The components were cast iron, according to the ASTMA standard, and it represented an innovation for RIS Zalau foundry. In addition to this, Rominserv Valves homologated the cast steel gate valves forged variant, welded flanges, according to standards DIN and API, DN 1/2"–11/2".

During 2011, the company continued its collaboration with GEA Group Grasso – one of the largest engineering companies in Germany – for complex castings, produced at foundry in Zalau, thus homologating 67 new parts.

Rominserv Valves managed to increase its sales, reaching in 2011 a turnover of 10.75 million USD, 37.53% more comapared to 2010, and 14.61% over the predicted turnover.



Main objectives for 2012

The company will emphasize in 2012 on the investment program meant to align the company to all environmental standards, with the delivery term of June 30th, 2012, and on the expansion of its range of products. The expansion of the product's range offered by Rominserv Valve is part of the strategy meant to improve the company's turnover. Outside the main products, Iaifo Zalau can produce custom parts, which is a major advantage in an market with a rapid expansion.

In 2012, Rominserv Iaifo estimates a turnover of 9.9 million USD, 5% above 2010. This estimation is based on the increase of cast components sales, as well as the number of orders placed by the company's foreign clients, thanks to the growth shown by Western Europe.

Rompetrol Quality Control – RQC

The laboratory division of The Rompetrol Group, Rompetrol Quality Control (RQC), is one of the top local companies on laboratory analyses. Since 2004, when it was founded, RQC has been constantly identifying and implementing the safest and most efficient methods of environmental protection, as well as assurance of product quality.

Regardless the economic conditions, in 2011 the company continued to develop and improve its business activities, managing to keep its major clients and attract new ones.

The implementation of new types of analyses is a major achievement for RQC. This lead to the company's business consolidation

Furthermore, RQC renewed the main accreditation certificates from RENAR and GERMANISCHER LLOYD, in order to consolidate the relations with the third-party clients and to attract new customers. This was achieved by being unbiased and always looking after the consumers' best interests.

Also in 2011, the RQC's laboratories obtained excellent scores, through the participation to various international inter-laboratory proficiency tests.

RQC continued to develop its business by implementing new types of analyses and acquiring the appropriate certifications. This was required in order to meet its clients' demands and according to the Romanian and European legislation, necessary in order to continue offering petroleum products analyses – coal analyses (humidity, volatile substances, ashes, power, sulphur content) and environmental analyses – sodium hypochlorite analyses.

This was added to the large range of analyses which RQC already performs:

- Complete oil products analyses (crude oil, gasoline, diesel oils, LPG, kerosene, petroleum cuts, coke and petroleum sulphur, ecological fuels – biodiesel and bio ethanol, bitumen, etc.)
- Complete water analyses (contaminated chemical water, processing water, drinkable water, drainage water, cooling water, softened water, desalting water, boiler water, swimming-pool water, steam, condense water, underground water, etc.)
- Complete soil analyses (industrial soils, agricultural soils, and industrial mud)
- Complete air analyses (physical and chemical toxic substances from the working places air and from protected areas by determining the corresponding concentrations)
- Explosion metering analyses (determination of explosion hazard potential when working with open fire in industrial spaces and closed vessels)
- Medical and bio-toxicological analyses (for quantitative and qualitative determination of various specific components)
- Analysis of physical and chemical toxic emissions at working places (by observing the provisions of the applicable labour protection norms)
- Analyses of weather factors, environment and specific microclimates
- Chemical analyses on metal materials

RQC renewed collaboration with one of its major clients, Arcelor Mittal Galați, the largest steel works operators in Romania

The accuracy of the processes and analyses performed are confirmed by the certifications RQC obtained and managed to maintain. This lead to the creation of the tools needed to enlarge the portfolio of third party customers and consolidate the company's position on the specific market:

— RENAR – Romanian Accreditation Association. All RQC laboratories are accredited according to the standard SR EN ISO 17025:2005, a certification granted by RENAR, the only national institution that can certify the standards of laboratory activities. Hence, analyses performed by RQC are acknowledged in over 70 countries who signed the agreements for international acknowledgement (I.L.A.C, M.L.A., E.A.) concluded by RENAR;
— Germanischer Lloyd (2008) certified RQC for the Integrated Management System: Quality (ISO 9001), Environment (ISO 14001) and Workplace Safety (QHSAS 18001)
— AFER – Romanian Railway Authority – licenses for railway products trials (diesel, oils and environmental parameters)
— ISCIR – Romanian Inspection Authority for Control of Boilers, Pressure Vessels and Lifting Equipment – license for metallic-graphic trials and boiler water tests
— Ministry of Health (Public Health Department) – Authorization to conduct professional toxic emissions measurements

Since its establishment, RQC constantly invested in its development and laboratory upgrade and modernization, in order to optimize its processes and the quality of the services offered. As a result, RQC's laboratory activity is entirely computerized through LIMS (LABORATORY INFORMATION MANAGEMENT SYSTEM), an informational program that increases the accuracy, efficiency and productivity of our activities. RQC was the first company on the Romanian market to implement this internationally renowned program.

Ongoing efforts to improve the quality of our services are also confirmed by the certificates of excellence obtained. This was the result of our constant participation to various international proficiency testing (PT) programs and collaborations with international research centers (Spain, The Netherlands). The participation in PT evaluations guarantees that the results of the analyses are correct, and also keep their integrity when the sample is tested again, by other laboratories. Thus, this provides the confidence that our laboratories produce reliable results, fact of major importance to the laboratory itself, the organization it belongs to and also to potential customers, accreditation or regulatory bodies.

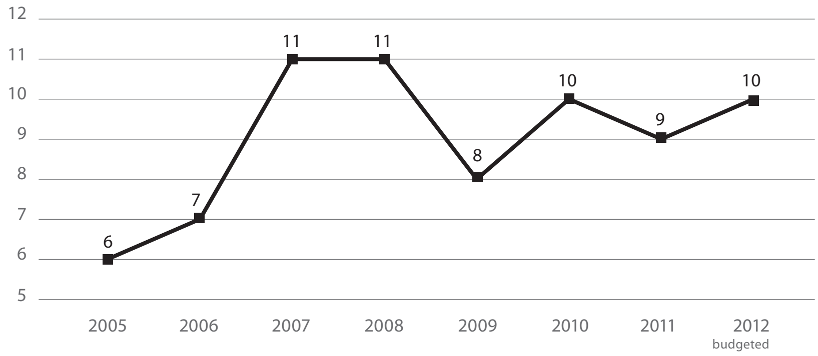
Another important acknowledgement for our company has been provided every year, since 2005, by the Ministry of Economy and Finances. This happened in the European financed project "Qualitative and quantitative monitoring system for gasoline and diesel oil", on the observation of the European Union conditions on introducing gasoline and diesel oil on the Romanian market. RQC continued this collaboration in 2011 and strengthened its relationship with the state authority by performing at its request analyses for determining the content of sulphur in liquid fuels, another collaboration which started in 2009.

In 2011, RQC renewed the collaboration with one of its major clients, Arcelor Mittal Galați, the largest steel works operators in Romania. This was achieved through a contract for environmental factors monitoring, which contributed to the consolidation of RQC's position on the market.

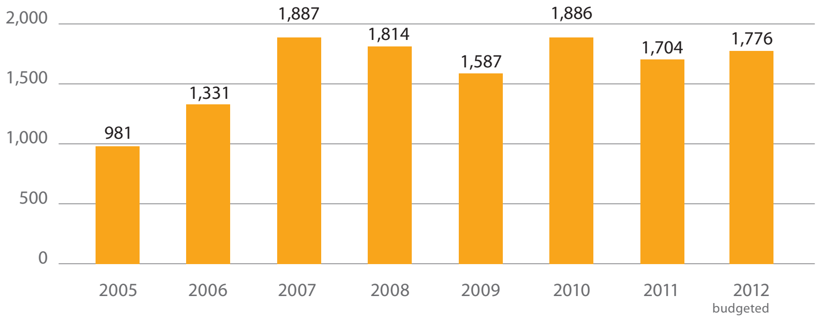
One of the main focus points in 2011 for RQC was to gain and keep the trust of its customers and interested organizations. This was achieved by maintaining a high level of quality for its provided services. RQC managed to keep its major clients close and also start new partnerships. Therefore, the company continues to be a competent partner for the major independent inspection companies, with activities in the Constanta port, in terms of specific analyses for imported/exported oil. The Environmental Laboratories have become a viable alternative for companies in the Dobrogea region, focusing mainly on monitoring specific environmental factors (waters, air, and soil). Moreover, the company has significant analyses activities in other regions, such as Banat, Muntenia, Oltenia or Souther Moldova.

The effects of the severe economic crisis that Romania passed through in 2011 are reflected in RQC's turnover and net results evolution. Still, RQC managed to remain financially independent. As in the previous years, the company continued to develop its activities without any financial external funds, thus proving its solvability and raising the trust of its stakeholders.

Dynamics of revenues from third party customers in total turnover (%)



RQC Third-party Revenues (thousand RON)



As a major objective in 2012,

RQC will expand the range of services by adding new types of analyses (e.g. air and vacuum distillation analyses, determination of total organic carbon in air and soil pollutants, bromine value).

Also, the company intends to maintain the main accreditation certificates from RENAR and GERMANISCHER LLOYD. As a powerful marketing argument, this objective aims to consolidate the relations with the third-party clients already existing in the portfolio, and to attract new customers. This objective will be achieved by staying technically competent, impartial, keeping the company's integrity, and protecting the consumers' interests.

Other major objectives are:

— The accreditation extension for the new analysis methods and inspection services.
— The capitalization of new market opportunities in order to consolidate RQC's market share.
— Increase of profitability and the percentage of the turnover from third-party customers.

RQC is aiming to optimize the operational costs and to register zero accidents in laboratories and the other locations. This objective will be targeted by a 100% implementation of the personnel training plan on occupational health and safety, which includes DuPont Safety Resources.

Palplast Sibiu

3.4
million USD
turnover

In 2011, the general market conditions, influenced by the international economic context, have caused major changes in the activity of all companies. Palplast managed to adjust its business strategy according to the evolution of the market demand, focusing on infrastructure and agriculture projects, supported by European funds, to resize the production costs and the pipe prices.

2011 Key Achievements:

— New domestic suppliers (Replastica Timisoara, Sabic Europe).
— New contracts for agriculture with payment in advance were signed.
— An extensive market research was performed, contacting most of the domestic constructors, who offer water gas and sewerage works.
— Development of the commercial and production department with new employees.

Palplast's production was suspended for a period of 4 months, between April and August. After resuming production, the results improved significantly, operational result +182 kUSD, net result +161 kUSD, in spite of the fact that production was started in autumn when pipe market is affected by seasonality.

The fact that the company managed to get good results under these circumstances leads to conclusion that it has capability to extend and became a high profitable business. The profits gained in September–December 2011 covered most of the previous loss and improved the results.

Palplast signed new contracts with domestic suppliers (Replastica Timisoara, Sabic Europe) and for agriculture projects with payment in advance. In 2011, the company performed an extensive market research, contacting most of the domestic constructors who performed water gas and sewerage works.

Palplast Sibiu maintained the production activity of optical fiber protection tube, in addition to carry out water and sewage infrastructure projects.

1,030
tons of pipe

Moreover, the company's strategy has included a series of cost control and reduction actions, as well as the implementation of effective business strategies in its relation with suppliers and customers. Last year, Palplast developed the commercial and production department with new employees.

In 2011, Palplast had a turnover of approximately 3.4 million USD with a production of 1,030 tons of pipe.

2012 Key Objectives

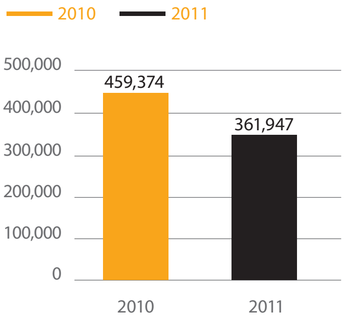
Palplast will continue its investment program in 2012, but will adjust it to the production needs related to the projects that the company has already undertaken in 2011. The company will also ensure that it maintains the quality standard already imposed on the market. Thus, Palplast will invest in the modernization of the production capacities, which would result in optimized productivity, reduced costs and the lower environmental impact.

For 2012, the company estimates a turnover of 7.2 million USD with a production of 2,555 tons of pipe.

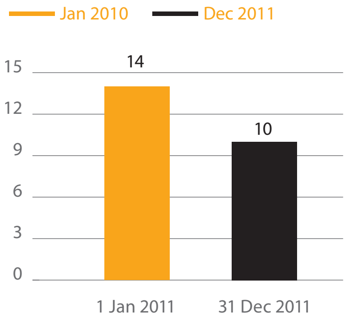
There are very good prospects for 2012, due to the fact that during December 2011 we receved over 40 price requests relating to 2012 for PE pipe and fittings, in total amount of aproximately 4 milion USD – in a growing market.

We expect the pipe request to increase as a large number of water, sewerage, and gas work were auctioned. We estimate that an important part of these requests will materialize in contracts.

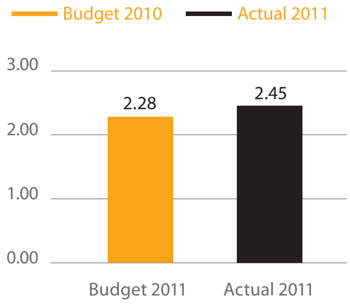
Direct distribution (import; USD)



Welding machines stocks (pieces)



Logistic costs (%)



Ecomaster Ecological Services

9,600

tons of hazardous waste collected

2011 Key Achievements

— Development of the National Partnership Program with regional waste collectors (52 partners);

— QHSE compliance of Ecopark (after obtaining the Integrated Environment Authorization);

— Hazardous waste collected in 2011 amounts to 9,600 tons.

In 2011, Ecomaster Ecological Services has signed new contracts with 52 owners of hazardous waste for services provided by Ecopark.

For the Romanian environmental market, Ecopark represents an important landmark, due to the modern and reliable conditions of storage offered.

Through the program for the partnerships development, the company is able to offer the full spectrum of waste management services to customers, both directly and via: transport, treatment, neutralization, stabilization, final elimination, bioremediation, thermal desorption, ensuring at the same time traceability and economic efficiency.

The company received the QHSE Conformity certificates, for the hazardous waste management activity.

The Integrated Environment Authorization for the activity at Ecopark was reviewed, aiming to introduce the hazardous waste treatment activity, which shall be carried out using the automated treatment plant.

160

thousand tons of hazardous waste processed

2011 Key Achievements

- Development of the National Partnership Program with regional waste collectors (52 partners);
- QHSE compliance of Ecopark (after obtaining the Integrated Environment Authorization);
- Hazardous waste collected in 2011 amounts to 9,600 tons.

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The Integrated Environment Authorization for the activity at Ecopark was reviewed, aiming to introduce the hazardous waste treatment activity, which shall be carried out using the automated treatment plant.

Also, the Environmental Authorization for the activity of collecting hazardous/non-hazardous waste and transport was also reviewed. This was needed in order to transfer these activities from the Vega refinery, to Ecopark, and allowed the expansion of the collected waste spectrum, together with the temporary storage, in view of elimination or further usage.

The Water Management Authorization on Ecopark has been extended through the introduction of the hazardous waste treatment activity.

Furthermore, to regulate the activity hazardous and non-hazardous waste collection nationwide, Ecomaster has been given authorization by the National Agency for the Environmental Protection.

2012 Main Objectives

Integrated Management of increased volume of hazardous waste

- Ecopark Development (increase revenues and new investments);
- Develop strategic partnerships to increase market share and access to complex environment projects;
- TREAT application service capabilities for the treatment and decontamination of large scale projects.

Also, Ecomaster has major projects in treatment and decontamination. Technologies and know-how acquired by Ecomaster in the last few years allowed processing and neutralization of over 160,000 tons of hazardous waste, on the Petromidia platform alone. Ecomaster intends to implement treatment capabilities in more decontamination projects, for Rompetrol, as well as outside the Group.

To this extent, Ecomaster will revise the Integrated Environmental Authorization, in order to introduce new treatment technologies and activities on the Ecopark platform.

Ecopark Development

Ecomaster is very interested in developing strong partnerships with key players on the regional markets, aiming at consolidating the technological capabilities of the company.

QHSE

Safety and reduced impact over the environment

Regarding our policy towards environment quality, security and health, we consider that all tasks and activities must be safe for our employees, for third parties and for the environment.

The health of our employees is very important, and safety at the work place is a priority for management and for each employee. Our main goal is to reduce to zero the number of incidents and to create safety habits for all employees.

Given the fact that one of our priorities is environment protection, we commit ourselves to reduce the impact on environment and CO2 emissions, resulted from our activities, products and services. Environment issues are taken into consideration in the decisional process at each level.

We provide our partners and clients with detailed information regarding our products and services. We attentively focus on the quality of the products we supply, so they must comply with thorough safety standards and must have a low impact on environment.

Corporate Social Responsability

The Rompetrol Group (TRG) considers social responsibility as voluntary contribution to development in the society, connected with the basic activity ofthe company, the international laws and the resources of the group.

community

Mission and Values

As a leading Corporate Citizen, The Rompetrol Group seeks to act responsibly in all activities. As a global company whose success has been built on innovation, passion through quality and individual leadership, we require high Corporate and Personal Responsibility standards wherever we operate – with the ultimate aim of improving our business and the quality of life of those we impact. We are committed to:

High Corporate and Personal Responsability standards

1
Sustainable, responsible development which extends through and beyond the life of our operations;

2
Operating ethically and responsibly with respect for the safety, health and welfare of our employees and partners in the community;

3
Best practices in corporate governance as it affects all of our communities of stakeholders, including our employees, local and regional communities, suppliers, investors and partners;

4
Investing time and energy in promoting the spirit of leadership through entrepreneurial and educational pursuits.

Our commitment to CSR provides a guiding framework for all our management decisions and we focus particularly on harnessing industry best practice by encouraging Company and Community participation in corporate citizenship projects focused on raising the standards in the areas of: Business success, Environment, Health and Safety, Community Responsibility, Youth Education and Leadership.

Guiding Principles

The spirit of The Rompetrol Group's approach towards CSR is reflected in our corporate motto, "Energy for Life," which is a call to ongoing, active involvement in projects that meet our CSR goals.
Rompetrol defines the following guiding principles of its CSR Policy:

1

Respect Employees

To respect employees and help enhance their life through development opportunities and employment practices grounded on equal opportunities and Occupational and Safety Best Practices

2

Ongoing Involvement

To involve at an appropriate level the authorities, community, and other concerned stakeholders in all decisions that affect them

3

Health and Safety

To ensure the health and safety of our employees, suppliers and the communities in which we operate

4

Risk management

To identify, assess, manage and mitigate risks to our host communities, employees, contractors, the environment and our business

5

Education and Leadership

To promote the spirit of leadership, especially among young people, through civic involvement and educational activities that encourages socially responsible pursuits and entrepreneurship

6

Respect local communities

To respect, protect and promote the human rights, culture, customs and values of the communities in which we operate

7

Best practice

We are guided by the United Nations Global Compact's ten principles in the areas of human rights, labor, the environment and anti-corruption.

The Rompetrol Group, as a socially responsible company, is committed to the ongoing implementation and improvement of the quality of social activities in the following main directions:

External Social Responsibility

— Social Partnership
— Environment Protection

Internal Social Responsibility

— Development of Human Resources potential
— Health and job security
— Social Causes supported by Rompetrol employees

In order to comply with the guiding principles of the Group, the following rules will be applied:

— All CSR projects will be undertaken in the spirit of transparency, fairness, and respect for human rights, labor and anti-corruption practices.
— All CSR projects require a pro-active input by all employees and are coordinated by Corporate Communication and Public Affairs Department.
— All CSR projects are reviewed, monitored and measured on an ongoing basis.
— The Company will seek projects that promote the development of social capital between our stakeholders.

External Social Responsibility

Social Partnership

1

million USD invested in social causes

To provide support and financial aid to socially vulnerable sectors, The Rompetrol Group gathered its initiatives within the CSR platform "Energy comes from the heart" (launched in May 2009) – which includes a national program, "Together for each and everyone", and separate programs in the fields of healthcare and environment protection, the two directions the Group has decided to support. At the Group level, in 2011, the invested amount in social causes exceeded 1 million USD.

In 2011, the national program "Together for each and everyone" considered 195 projects registered on the website www.impreunapentrufiecare.ro (123 in the healthcare field and 72 in environment protection). After the evaluation period, 19 projects were financed in Alba, Arad, Argeş, Bacău, Bihor, Braşov, Buzău, Caraş-Severin, Constanţa, Galaţi, Hunedoara, Mureş, Sălaj, Sibiu and Bucharest counties. All projects had two overlapping parts: one which consisted in the restoration of medical care units in rural and urban areas, or the construction of water collectors, eco plants for water recycling, solar panels for schools, and a second component which consisted in educational and cultural activities for the members of the communities. The total invested amount for the implementation of the 19 selected projects was 275.000 USD.

Several projects on healthcare and environment protection were developed in 2011 as part of the platform "Energy comes from the heart". In the healthcare field, The Rompetrol Group, Fundaţia pentru SMURD and the General Inspectorate of Aviation (IGAV) entered a partnership for supporting air emergency interventions, the movement of medical personnel and the transportation of victims. In this cooperation, the Rompetrol Group, through Rompetrol Rafinare, provided in 2010 a monthly amount of 30 tons of Jet A 1 fuel, the quantity estimated for the operation of the two helicopters in Bucharest and Târgu Mureş.

The Rompetrol Group is involved in social partnerships, implementing joint projects and programs or arranging social events.

In 2011, the Group decided to support the 20th edition of the prestigious George Enescu International Festival, held in several cities, from September 1 through September 25. This association of Rompetrol with such a large scale event was meant to strengthen the international vocation of the two brands and its products – fuels and quality music. The partnership created to support the prestigious cultural event alleged the total quantity of fuel required to operate official cars used in the festival. The company also provided financial support for "George Enescu" festival. The company offered the public an exceptional concert of the London Symphony Orchestra on September 09, at the Palace Hall in Bucharest.

Much attention is paid to support the national campaign “Fiecare Copil în Şcoală” (Each Child in School) initiated by Ovidiu Rom Association. This partnership which became effective in 2004 advocate: school preparation programs, free school materials, uniforms and hot lunches for children from low-income families; incentives in the form of food coupons; enforcement of education and children’s rights legislation etc.

Starting as of 2003, Rompetrol is a partner and main sponsor for Gala Societăţii Civile (Civil Society Gala) – the annual competition that awards the best projects of the year, projects innitiated by NGOs, unions, individuals etc.

In 2011, the company has completed various social partnerships or sponsored initiatives of the Junior Achievement Romania (leadership program for high school students), Freedom House Romania (to support young journalists in Romania), among others.

Environment Protection

The Rompetrol Group carries out environment protection in full conformity with the requirements of the nature protection legislation of the European Union. The environmental strategy has the fallowing interest areas:

— Compliance of activities and facilities at national and international requirements;
— To minimize environmental incidents;
— To minimize the consumption of resources and quantities of waste generated;
— To optimize the operation, in terms of energy facilities and reduce CO2 emissions;
— To maintain a certified environmental management;
— Permanent training of specialized personnel in the field;
— To ensure good communication within the Group and the interested public, NGOs etc.

In 2011, there was no environmental incident leading to accidental pollution.

The group has 5 IPPC plants which met their objectives for 2011: 2 plants in oil refining (Petromidia and Vega refineries), 1 petrochemical plant (Rompetrol Petrochemicals), 1 plant in the metallurgy industry (Rominserv IAIFO Zalau) and 1 waste landfill (Ecopark – hazardous landfill opened in 2010). Also, during 2011, no values were registered in excess of the emission thresholds for the specific pollutants which were monitored.

Since 2008 The Rompetrol Group is a member of CONCAWE (Conservation of Clean Air and Water in Europe), an organization founded in 1963 which researches multiple aspects of environmental protection in the oil industry. Once affiliated to CONCAWE, all of the Group’s member companies benefit from assistance to comply with the European REACH Regulation (Registration, Evaluation, Authorization and Restriction of Chemicals). This is, by far, the largest legislative project adopted by the European Union in the past years which aims at establishing a consistent, transparent and safer management of chemicals in the E.U.

25

million USD invested in environmental protection

All companies, members of The Rompetrol Group, maintained their Germanischer Lloyd certifications for their integrated management systems (ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007). However, in 2011 two other companies have obtained certification of management systems integrated: The Rompetrol Group Corporate Center and Rompetrol Bulgaria. The Rompetrol Group invested in environmental protection, in 2011, approximately 25 million USD, the most important projects being in the refining sector.

Internal Social Responsibility

more then
11,000
hours of training

Human Resources Development

The Rompetrol Group pays particular attention to human resources development and training. Thus, the company provided advanced training and improvement of professional skills to more than 3779 employees, based on the requests of their positions within the Group.

They were able to develop both technical skills (ACCA and MBA programs, IFRS, Project Management, specific courses about oil and gas, courses of English and Romanian language for expats employees and so on)but also on the behavior (courses on leadership, customer service, management skills etc.). A comprehensive program of professional training was offered to the employees of Rompetrol Downstream and it involved 138 people from the management and 1578 employees from the distribution (station) with a total of 11,039 hours of training delivered in 20 cities.

Rompetrol Refining, the refining division of The Rompetrol Group, developed in 2011 a comprehensive technical training program to 9 employees/operators of the company Agip KCO Kazakhstan, responsible for exploration and production in the first phase of the Kashagan (Caspian). The objective of the program "On the Job Training" aimed at familiarizing the nine operators with the processing flow of the oil in Petromidia Refinery. At the same time, the program was structured to provide specific knowledge assimilation of the process of refining, the main control parameters, security issues and occupational safety, environmental protection, but also the work in DAV facilities (atmospheric and vacuum distillation), DGRS (Gas Desulphurization and Sulphur Recovery) and waterstripping.

Rompetrol had the same consistent approach in terms of education and develop of the youth skills through their involvement in activities within the Group companies. In 2011, on the Petromidia platform, Rompetrol Rafinare, Rompetrol Petrochemicals and Rominserv have developed several programs for the selection of potential students, providing them with an organized framework to improve professional development skills needed.

Internship 2011

2011 was the ninth consecutive year in which the Rompetrol Group has organized and conducted this program dedicated to fresh graduates of technical universities or high-schools. The program consisted of active practice within the company, for 2 months, finalized with an assessment, based on which a part of the participants were selected for the "Trainee" program. The program, that took place between August – September 2011, included 39 students from five university centers (Constanța, Cluj, Iași, Bucharest, Ploiești).

400
graduates attended our trainee programs

Trainee Program 2011

The Trainee Program represents the final selection stage of the most competent participants. Its duration is of 6 months, from October 01, 2011 through March 31, 2012, period during which the selected students (12 with secondary studies and 14 with advanced studies) had the possibility to put their knowledge into practice in various departments on the Petromidia platform. This experience was followed by a final performance assessment and hiring the best in the organizing companies.

The Costs of the Trainee and Internship programs (salaries, accommodation, and transport) are fully covered by TRG. During 2002–2011, 400 graduates of secondary and advanced studies attended these programs, out of which 111 people started their career within the company.

Workplace health and safety

TRG priority in 2011 was to continue to provide a safe working environment for both its employees and contractors.

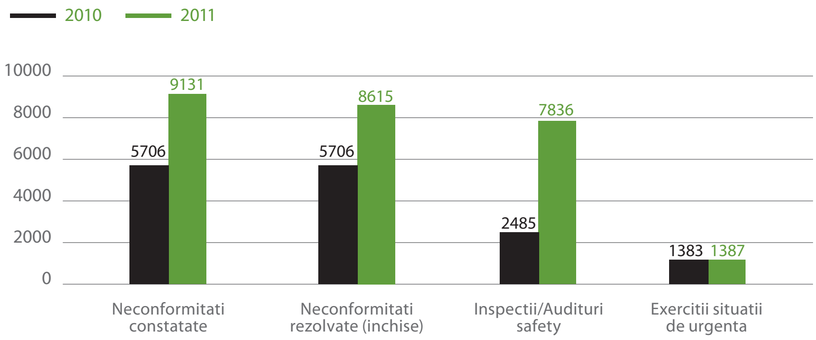
With regard to occupational health, the concerns of the Group focused on the health of the workers through the access to medical services that meet the legal requirements and the highest standards of medical practice.

Recognizing the importance of the health of our employees, we have ensured that all staff is fit physically and mentally for the performance of job duties. By a continuous monitoring of all processes, while permanently assessing the health risk related, an adequate performance of all specific activities was created.

This year, the training and awareness activities were continued for employees and contractors and involved safe activities, procedures and policies by the Group.
The training in health, safety and emergency situations amounted 29,376 hours of training. Petromidia and Vega refineries continued actions to increase safety culture by maintaining the program developed with DuPont Safety Resources.

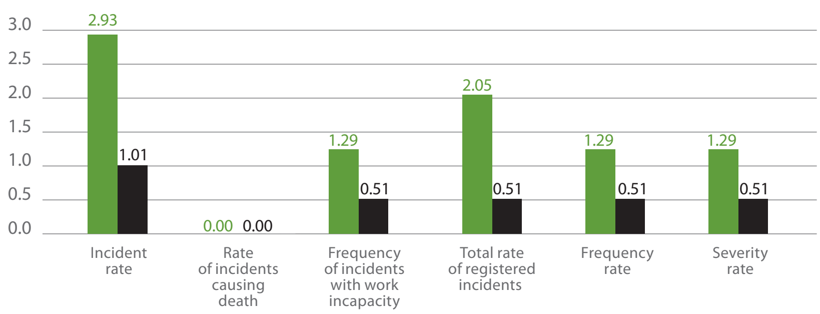
In 2011 The Rompetrol Group's employees increased their involvement in the identification and elimination of all unsafe actions and conditions in the workplace.

Main indicators on work health and security



The performance indicators were improved, and a decrease by 0.5 (from 3.00 to 2.50) compared to the target objectives for 2010 (incident rate, frequency of cases resulting in disability, rate frequency and severity of accidents, incidents rate auto) being registered.

Performance indicators in work and health security



0.5

decrease of the performance indicators

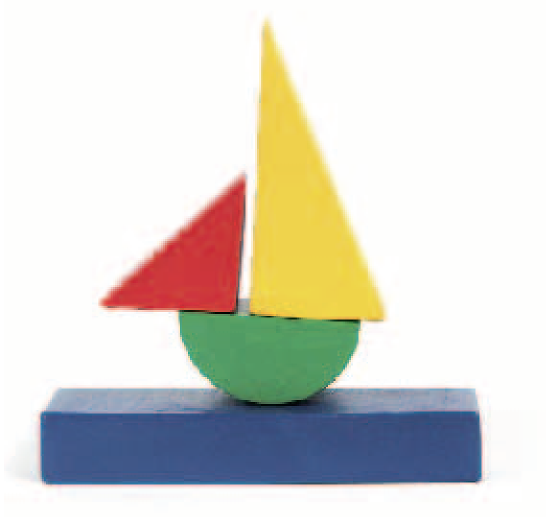
Regarding 2012, Rompetrol Group aims to decrease with another 0.5 (from 2.50 to 2.00) the performance indicators against target objectives for the year 2011.

Social Causes supported by Rompetrol employees

The Rompetrol Group employees are deeply committed to conducting business in a socially responsible and ethical manner, putting their efforts to continually improve the company's performances and best practices. Thus, 2011 represented a new opportunity for community projects developed by the employees – World Theatre Day celebrated on March 27 and dedicated to children from orphanages, International Children's Day – marked by toys and clothes collection and donated to impoverished kids from Dâmboviţa county.

The CSR Objectives for 2011 were:

— Community leadership and civic involvement activities;
— Improving the quality of life in the communities we impact or influence through environmental, public health and educational projects developed as part of the CSR platform "Energy comes from the heart";
— Youth education and promoting a pro-active, entrepreneurial spirit;
— Promote responsible behavior of Rompetrol employees, by encouraging internal social initiatives and by launching an internal CSR program "Lucrurile mici care conteaza" (Small things that matter). The program would focus on the environment protection, healthcare and education and would include, among others, paper recycling, blood donations and educational activities.



Marketing, Corporate Governance & Finance

At the end of 2011 The Rompetrol Group (TRG) comprised 42 commercial companies – joint stock or limited liability companies – having their headquarters in 12 countries.

integration & strenght

Marketing in 2011 – TRG

In an industry constantly facing challenges and opportunities, Rompetrol managed to maintain a powerful image on the market and find new ways to promote its products and services.

Among the directions the company took in 2011, one of the most notable is towards social media, which has shown a consistent increase.
Thus, together with the Rompetrol CSR platform, "Together for Each and Everyone", the marketing and communication department focused on a transparent strategy, meant to establish a connection with our current and possible clients via online channels. Through social-media, Rompetrol listens to people needs and expectations making the utmost possible to transform it into reality.

Like every year, important steps were made towards the upkeep of the company's brand awareness. As a result, Rompetrol was awarded the Consumer Superbrand Award 2011. Superbrand is given to the most powerful local companies, according to corporate brand popularity.

Another point of emphasis for the company was the campaign to promote its fuels, 2011 being noteworthy year in this direction. Rompetrol won two Effie awards (the most prestigious award in the Romanian advertising industry), Silver and Gold, both for the Efix fuel viral campaign. The campaign, focusing on the humorous side of the Romanian traditional life, has proven to be the most popular initiative of such kind in 2011, with over 500,000 views on Youtube.com alone.

Efix – This is the first fuel brand of The Rompetrol Group, both from the point of view of the time when it was launched on the market, and of its sales percentage, providing engine protection and consumption savings to the consumers. Efix is present in four countries: Romania, Moldova, Georgia and Bulgaria.

Fill&Go – This is the brand of services offering customers the possibility to buy fuels and other products from stations for their personal use or for the company they work for. The business segment represents the highest percentage of the brand sales. The brand is offered to the business segment in 4 countries: Romania, France, Georgia and Bulgaria.

Alto101/Alto 55 – Alto is a premium fuel line, especially created for the drivers who expect maximum performances from their cars. Both fuels being are prepared according to the highest quality standards, at Petromidia refinery, having a high octane/cetane number. Due to the high purity degree, the fuels ensure complete burning, high calorific value and, implicitly, lower engine wear and tear.

Ecopark – This is a new concept and brand, launched and communicated in 2010 by Ecomaster Ecological Services, the waste management company of TRG. Ecopark stands for the Industrial Ecological Park, developed near Ploiesti, which integrates 3 services from the company platform: Collect – Treat – Deposit, in order to provide a complete waste management to the Romanian hazardous waste generators.

Eurobitum – A range of modified with polymers road types of bitumen from Rompetrol. The products have resistance and reliability much over the usual road bitumen, used in manufacturing asphalt mixtures, and thus proved a warrantee for durability of the asphalt covering. Eurobitum was launched in 2007, after a USD 7 million worth investment for building the first unit of road bitumen modified with polymers in Romania, its basis being a technology of its own of the bitumen enrichment with polymers. Research has been done, that proved that by applying this process, the road bitumen gains:

— Increased resistance to temperature variations;
— Long life period;
— Better resistance to deformations and wear;
— Capacity to reduce the noise in traffic.

Propane Power Station – It is an energy unit, based on propane from the company Rompetrol Gas, especially designed for professional users, but also for home users, which provides an integral independence from other energy sources, an increased permanent yield, which is multifunctional and ensures an unpolluted environment with minimal maintenance costs, because the unit does not contain impurities and corrosive elements. The Propane Power Station system could be used for sourcing consuming devices with multiple applications – it could be composed of one or more propane tanks, depending on the necessary amount of energy.

Injection Solutions, Extrusion Solutions, Blow Solutions
In 2007, Rompetrol Petrochemicals – the only polypropylene and polyethylene manufacturer in Romania and one of the most dynamic and innovative distributor of polyolefin products – has repositioned itself from a raw materials producer into a partner, offering integrated solutions, adapted for its customers. This new strategy meant a process of customers' knowing, of the company necessities and possibilities in order to further create adapted solutions and offer consultancy and technical support. Thus, providing efficient solutions for every method of processing (Injection Solutions, Extrusion Solutions, Blow Solutions), the company had readapted and reorganized its products portfolio in accordance with the market demands and had positioned itself as a reliable partner for the companies, manufacturers of plastic masses. Solutions offered for customers are based both on its own production and on imported products, everything depending on the customers' needs and demands.

Carflux – Using the Rompetrol Rafinare expertise in fuels, Rompetrol has created in 2010 a range of engine additives, meeting the drivers' needs. Speaking about gasoline or Diesel, about protection, power, clearing, reduction of fuel consumption or about low temperatures – the Carflux range represents the solution for improving the engine performances and prolonging its lifetime.

Euroizolir – A complete range of products for waterproofing, on bitumen basis, containing bitumen membranes, bitumen shingles, asphalt cardboard and bitumen primers.

Vegasolv 509 – represents the first product from a future range of solvents and lacquers. Vegasolv 509 is a solvent for paints, enamels and primers on oil and alkyd resins basis. This solvent is a product based on white-spirit, an advantage reflected in its evaporation grade. It also helps the efficient paint mixing, which lays easily, it degreases and is also used for maintenance of painting equipment.

Car Glance – It is the Rompetrol brand for the windshield fluid available in our own gas stations network. Developed in 2008, the product contains anionic surfactants providing an efficient clearing, protecting the washing system against corrosion, in winter version – down to -20ºC.

Ardent and Ultrafoc – Two products of the same utility, namely liquid for fire lighting, but having different destination. Ardent is ideal for barbecues and chimneys, while Ultrafoc is recommended for fire lighting in heating systems based on solid fuel and for filling illuminating lamps based on liquid fuel. Both products are recognized for their advantage of being a rapid, easy and clean solution.

Ecomaster – Supplier of integrated services in the area of industrial waste management, providing services like Plan, Collect, Treat, Deposit, Clear.

2011
Consumer Superbrand Award

2
Effie Awards

Corporate Governance

General data

Corporate Governance provides coherent information concerning the framework in which The Rompetrol Group (TRG) activates at operational and managing level, thus ensuring the transparency of all activities.

At the end of 2011 The Rompetrol Group comprised 42 commercial companies – joint stock or limited liability companies – having their headquarters in 12 countries. Regulations of Articles of Association applicable to these commercial companies are the local ones. In Romania the main applicable regulations are the Law 31/1990 about commercial companies and the Law 297/2004 concerning the capital market (in case of companies listed on the stock-exchange).

The companies within The Rompetrol Group are administrated in accordance with the provisions of their own Articles of Association and provisions of any other relevant documents.

Shareholders

The sole shareholder of The Rompetrol Group N.V. is KazMunayGas PKOP Investments B.V. (KMG), headquartered in Amsterdam, Holland.

Administration and decisional right

The major shareholder of the Group has a unified management system. The TRG Board of Directors has six members out of which one executive (the Executive Manager – CEO) and five non-executive members. The Executive Manager is responsible, in accordance with the Articles of Association, for the everyday management of the company and its subsidiaries. Other members of the Board of Directors are responsible for the general policy of the company and for supervising the management position.

In order to support its activities, the Board of Directors is in charge with founding specialized committees like Audit Committee or Remuneration Committee.

The Executive Manager may delegate his managing function for certain operations/ groups of operations to certain third parties. So, at the TRG's level there are Deputy Executive Managers specialized in different types of activities of the Group.

At the level of the companies within the Group the management can be carried out in dual/unified system and the majority of commercial companies have implemented the unified management system.

The decisional right upon internal operations of every company is divided on different decisional levels: Executive Manager, Board of Directors and Shareholders' General Meeting.

Main performances and achievements in the sphere of Corporate Governance in 2011

2011 was a year full of events from the Corporate Governance point of view at the Group's level. The list of most significant performances includes:

The process of restructuring S.C. Rominserv S.R.L was initiated and finalized, the most important non-core structure within The Rompetrol Group. The process meant a partial division through outsourcing for the benefit of the company the activity carried out by the working point Rominserv Valves Iaifo Zalau, leading to the foundation of a new entity S.C. Rominserv Valves Iaifo S.R.L. that represented the creation of premises for owning and affecting the assets, necessary for contracting industrial construction and manufacturing and selling of metallurgical products. Also within the framework of Rominserv restructuring the Bulgarian Subsidiary was dissolved, the process being finalized on 23.12.2011.

Merger of the Joint Company Rompetrol Moldova S.A. with the Joint Company Moldintergaz S.R.L. On 12.09.2011 the process of reorganization of the companies from the Republic of Moldova has been finalized through merger by absorption of both mentioned companies. The absorbed company was the Joint Company Moldintergaz S.R.L. and the Joint Rompetrol Moldova S.A. was its successor in rights and obligations.

42
commercial companies

Rompetrol Turkey – TRG Petrol TICARET Anonim Şirketi – a new Company of the Group was founded in November 2011, its main object of activity being the transporting, distribution, exporting and importing of petroleum, chemical and petrochemical products. The foundation of this company is a part of the Group's strategy in respect to the exploration of new fully expanding markets.

The company Byron Shipping S.R.L. was registered in February 2011 in Constanta. Service activities for water transportation are the main object of activity of this new company.

Entrepot Petrolier de Port la Nouvelle is a new entity founded in France in July 2011. Dyneff owns 50% of the company and its main directions of activity are arranging and operating of a storage depot for petroleum and derived products in Port-la-Nouvelle, as well as the development of the depot's activity and identification, purchasing, owning and the maintenance of ground fields, installations and means, necessary for the operation of the storage depot.

Important achievements within the framework of integration process

In 2011 the integration process of TRG in KMG continued through the adoption and implementation at the Group's level of a number of procedures, policies and regulations:

Human Resources: the Procedure of Assessment of Job Description, the Procedure of Recruiting and Selection and the Inducting Procedure, the Procedure of Costs and Benefits, the Training Procedure, the Relocation Procedure, the Procedure of Disciplinary Measures and the Procedure of the Position Assessment.

Finance: the Hedge Policy, Rules of Coordinating, Approval and Monitoring Expenditures of Capital within The Rompetrol Group, the Method of Materiality, the Policy concerning the Accrual Accounting, the Procedure of Performance's Management and the Policy and Regulation of Corporate Audit.

Administrative: the Procedure of Official Trips for Job Purposes, the Procedure of Documents' Management (Secretariat) and the Insurance Policy.

Development directions and tendencies in 2012 and for the nearest future

The Rompetrol Group will continue implementing standardization in the field of Corporate Governance through adopting a series of documents and standards of internal procedures, rules, policies and regulations in accordance with the best practices in the field.

Development of commercial operations and activities specific for Corporate Governance

In 2011 the selling and liquidation of some business units took place within the TRG's restructuring program as follows:

— Selling of S.C. Rominservices Therm S.A. On 27.01.2011 the selling of the shares owned by Rompetrol S.A. (1,111%) and S.C.Rominserv S.R.L (65,556%) at Rominservices Therm S.A. to S.C. C&C Wealth Management S.R.L. was finalized.
— Finalize activities of Rompetrol Upstream International Ltd (RUI). The shares owned by The Rompetrol Group N.V. (100%) at RUI were sold to Radu Mihail on 14.07.2011;
— Liquidation of the company Contrast S.R.L. During 2011 the procedure of voluntary dissolving and liquidation of the company Contrast S.R.L. was finalized – a company owned 100% by S.C. Rompetrol Downstream S.R.L

Analysis of the Financial Results

Introduction

In 2011 The Rompetrol Group (the "Group", "TRG") and its subsidiaries engaged in all aspects of the petroleum industry. Its core operations are in the downstream segment, through its competitive Petromidia refinery and strong retail operations in Romania, around the Black Sea and in South of France. The Group continued to pursue its strategy of developing its core refining and distribution operations, despite a worsening economic environment and very low refining margin.

Strategy

EURO 5
standard for 96% of diesel production and 60% gasoline production

In 2011 the Group continued the large investment program to expand the refinery's capacity and achieved a refining utilization rate higher than 2010 with 7.3%. Petromidia has successfully concluded in November 2011 the planned shutdown and restart works on the production units within the Petromidia platform, as well as the integration of 6 new installations in the operational flow, with focus on the capacity growth program of the refinery up to 5 million tons of processed raw material per year to be finalized beginning of 2012.

As a result of investments undertaken the Group has increased the processing capacity; also achieved EURO 5 standard for 96% of diesel production and 60% gasoline production; finalized and put into use at the beginning of 2009 a marine oil terminal on the Black Sea coast that provides greater operational and logistic capabilities, and significant transportation cost savings of over USD 6/tone (out of which a saving of USD 1.64/tones incurred in 2010 and 2011); completed launch of new petrochemical products and improved petrochemical operations efficiency; and increased market share in Romania and with increased presence in the Ukraine, Bulgaria, Georgia and Moldova. As part of development its operational network in Ukraine, Rompetrol initiated the process of acquiring a petroleum products depot of 9000 cbm capacity in Ismail region.

At the end of 2011, Rompetrol established a new company in Turkey, with the purpose of entering on Turkey petroleum products market starting 2012. Until that moment, the company will start the sale of petrochemical products.

Through its wholly owned subsidiary Midia Marine Terminal, in 2009 the Group started operating its trading platform in the Black Sea – the marine terminal offshore Petromidia refinery, which was constructed in 2008. The terminal serves as an important hub for crude trading and brings significant savings in logistics costs for the refinery crude supply. During 2010 and 2011, the operating costs have been decreased by an additional USD 1.64/tonne, reaching a cost of USD 2.28/tonne for 2011 transactions.

For 2012 management believes that the following will enable it to further improve its results: the completion of the Refinery Expansion Project correlated with the development of its retail/wholesale network in Romania, Turkey and Ukraine; cost reduction process initiated through the 2012 budgetary process together with an enhanced budget execution process to be followed during 2012; optimization of its capital structure and operational structure. The management believes that these developments will result in an enhancement of the Group's ability to support its continuing operations, despite the challenges of the financial crisis.

The decision to emerge on a new market was taken in the view of increased processed petroleum products following the capacity enhancement program for the Petromidia Refinery.

Business Environment

Average Brent price in 2011 (USD 111.29/bbl) has increased by 40% as compared to 2010 (USD 79.5/bbl). The overall trend in 2011 was increasing from USD 93.7/bbl at the beginning of the year to USD 106.51/bbl as of the end of the year, with a high of USD 126.64/bbl recorded on April 11th, 2011 and a low of USD 93.7/bbl on January 4th, 2011.

The Urals discount to Brent has been on average at USD 1.65/bbl a higher level compared with USD 1.34/bbl as of 2010, with a highest level of USD 3.47/bbl on 28 of April 2011 and a closing level of USD 0.14/bbl as of the end of 2011.

Average gasoline cracking margin in 2011 was at USD 135.8/mt (as of 2010 was at USD 127.58/mt) reaching its high of USD 182.26/mt in August 2011. Average gasoline cracking margin in 2011 was 6% higher than in 2010.

Diesel cracking margins have increased in 2011, starting from USD 89.71/mt as of December 31.2010 till USD 123.29/mt as of December 31, 2011. Average diesel cracking margin in 2011 was USD 115.37/mt, (as of 2010 was at USD 80.63/mt), reaching its high of USD 151.55/mt in August 2010. Average diesel cracking margin in 2011 was 43% higher than in 2010.

Although 2011 average gasoline cracking margin was almost USD 21 higher than average diesel cracking margin, the two quotes have been alternatively higher. Thus March and October to December 2011 were the months that marked the upper level of diesel comparing to gasoline quotes.

By the year end Romanian RON depreciated by almost 4% against USD and by 1% against EUR, while average exchange rate RON/USD has increased by 4% and RON/EUR has decreased by 1%. In 2011 by the year end USD strengthened against EUR by 3%.

		2011	2010
Brent Dated	USD/bbl	111.29	79.50
Ural Med	USD/bbl	109.60	78.16
Brent-Ural Differential	USD/bbl	1.65	1.34
Premium Unleaded 50 ppm FOB Med	USD/t	978	729
Diesel ULSD 50 ppm FOB Med	USD/t	957	682
RON/USD Average exchange rate		3.05	3.17
RON/USD Closing exchange rate		3.34	3.20
RON/EURO Average exchange rate		4.24	4.21
RON/EURO Closing exchange rate		4.32	4.28
USD/EURO Closing rate		1.29	1.34
Inflation in Romania		3.13%	6.09%

During 2011, crude oil markets continued their volatile evolution still affected by the Libyan drop in output and returning fears over Iranian dispute with EU authorities. An unexpected turn was the steady increase of Urals quotations, resulting in positive differentials to Brent Dated during November and first two decades of December. Compared to last year, quotations registered a 26% increase for Brent and 28% for Urals with Q4 average around 109.5USD/bbl for both grades and Brent/Urals differential under 0.25USD/bbl.

On the product side, gasoline cracks plummeted from over 130USD/mt in October to around 85USD/mt average in November and December. This was the direct consequence of a combination between sinking demand and oversupply.

Financial Results

The consolidated accounts are fully disclosed in the next chapter of this report and further analyzed in the following sections for each business unit (figures in USD million).

	2011	2010
Net revenues	6,886.02	5,070.66
Gross profit	348.00	363.41
Capex	249.59	226.60

2011	Refining	Retail	Trading	Non-Core and Others	Consolidating Adjustments	Consolidated
Net revenues	756.93	4,615.63	1,447.04	66.18	0.24	6,886.02
Gross profit	(48.06)	321.95	30.97	64.18	(21.03)	348.00
Capex	203.44	16.15	3.22	39.18	(12.40)	249.59

2010	Refining	Retail	Trading	Non-Core and Others	Consolidating Adjustments	Consolidated
Net revenues	572.54	3,488.49	900.34	109.30	–	5,070.66
Gross profit	7.74	299.44	21.42	57.32	(22.52)	363.41
Capex	184.41	19.77	0.47	27.41	(5.47)	226.59

The increase of Group Net revenues in 2011 compared with 2010 was highly influenced by the higher petroleum products selling prices following the products quotations.

Increased cracking margins lead to higher refining revenues in 2011 against 2010. A second factor which influenced the enhanced revenues was the higher production of gasoline and diesel products (11% for gasoline and 12% for diesel).

Analysis Of Operations

Refining & Petrochemicals

Petromidia Refining		2011	2010
Feedstock processed	Kt	3,896	3,507
Gasoline produced	Kt	1,116	970
Diesel & jet fuel produced	Kt	1,474	1,308
Motor fuels sales – domestic	Kt	1,362	1,283
Motor fuels sales – export	Kt	1,225	1,060
Export	%	47%	45%
Domestic	%	53%	54%
Gross cash refinery margin	USD/bbl	4.2	4.75

The increase of 46% in gross revenues compared with the same period last year is mainly the result of higher international quotations for petroleum products and higher sales of products, mainly fuels.

In Q4 2011 the refining average monthly throughput was higher by 18.4% than in Q4 2010, when the activity was affected by the planned shutdown (starting with 20th of September 2010 the refinery was shut down for 43 days for general turnaround). For the year 2011 the refining average monthly throughput was higher by 11% compared by 2010.

1.2

billion USD contribution to Romania's fiscal budget

In 2011 the refining capacity utilization rate was 80.2% by 3% higher than in 2010 when the refining capacity utilization was 77.56% and the refinery was shut down for 43 days for general turnaround.

Regarding Vega refinery, in Q4 2011 total feedstock was higher by 18% than the same period in 2010 and higher by 9% in 2011 compared to 2010. The good results are due to maximize production of valuable products: the production of n-hexane increased by 47%, white spirit production increased by 87% and the production of bitumen increased by 24% in the last quarter of 2011 compared to 2010.

In 2011 the production of n-hexane was higher by 47%, white spirit production increased by 129% and the production of bitumen was higher by 45%. Year 2011 was the year with the lowest technological consumption in the last seven years.

Rompetrol Rafinare continued to be an important contributor to Romania's fiscal budget with over 1.2 billion USD in 2011.

Rompetrol Rafinare started the last phase of its capacity increase program for the Petromidia Refinery, from 3.8 million tons, to over 5 million tons of processed raw materials.

The refinery's capacity increase investment program will be finalized at the beginning of Q2 2012, and will allow the consolidation and development of Rompetrol's presence in Central and Western Europe, in Romania, Bulgaria, Republic of Moldova, Ukraine and Georgia, where we have Rompetrol gas-stations, as well as in countries such as Turkey, Serbia or Greece.

Petrochemicals		2011	2010
Propylene processed	Kt	119	107
Ethylene processed	Kt	103	72
Sold from own production	Kt	217	175
Sold from trading	Kt	12	20
Total sold	Kt	229	195
Export	percent	61%	55%
Domestic	percent	39%	45%

355

million USD gross revenues

Rompetrol Petrochemicals gross revenues reached 355 million USD in 2011, by 34% higher compared with the same period last year. The increase in gross revenues is the result of higher international quotations for petrochemical products, as well as higher quantities sold.

In 2011 versus 2010, the company's financial results were negatively influenced by lower margins, mainly due to unfavorable market conditions, following the conflicts in Libya, therefore EBITDA reached 0.9 million USD, lower compared 2010.

The net result of the company was negatively influenced by an additional impairment provision recorded in December 2011 in amount of 33.2 million USD.

The increase in the quantity of raw materials processed in 2011 compared with the same period last year is the result of HDPE unit restart, at the end of 2010. HDPE unit restart in 2010 influenced the level of sales, leading to an increase by 24% in 2011 against the same period last year.

In 2011 Rompetrol Petrochemicals improved the average quality of its products, thus the weight of high quality rated, polymers products reached 98.1% compared with an average of 96.9 % in the 2010.

In order to support the petrochemical activities, the company has started the last phase of modernization of the high-density polyethylene installation, in view of the product range expansions, to which four new kinds of items were added (large containers – up to 200 l, thin film, pipe grade PE 100). The project will be finalized in April 2012 when technological tests are scheduled.

Rompetrol Petrochemicals is the sole polypropylene producer in Romania; in 2010 and 2011 the company was also the sole producer of polyethylene, given the economic circumstances on the market, thus constantly increasing its market share. Its dynamic development strategy has secured the company a competitive position on the domestic and regional markets – in the Balkans Region.

Trading

The Business Unit Trading has been strengthening its role of the supply chain optimizer within the Group, continuing to ensure optimum functioning conditions for Petromidia refinery by moving an important part of the product volumes that cannot be absorbed on Romanian market or by Near-Abroad subsidiaries to Non-Group destinations. A 15% increase in overall operated trading volume (crude & products combined) was obtained during 2011 compared to 2010. Demurrage costs were brought to a minimum in the last 3 years (less than 1 mil USD in 2011 compared to 2.8 mil USD in 2008).

Due to the evolution of freight market leading to very low levels compared to 2008, management of Byron Shipping Ltd considered in 2009 ending time charter contracts earlier and focussing on spot market. As the result, Byron carried on 2010 only on time charter contract, decreasing significantly the shipping revenues compared with 2009. This also leaded to a significantly reduction of losses in Byron compared with 2009, due to movement from time charter to spot vessels benefiting from lower freight costs.

Midia Marine Terminal through the Crude Oil Tank Farm insured since opening in January 2009 cost reductions in relation to oil supply of USD 6/tonne, by eliminating the third party handling/storage/transfer costs and commercial/technological losses. During 2011, the off-shore operating costs have been decreased by an additional 6% compared with 2010.

Despite the unfavourable economic environment, Rompetrol Ukraine managed to increase its volumes sold by 112% during 2011, achieving highest historical monthly volume of sales during July 2011. It has managed to consolidate its 4th place as rank in top Ukrainian market RON95 gasoline.

Retail

Despite prolonged negative effect of the financial crisis, the Retail Business Unit managed to keep volumes at 2010 level, slightly above, reaching a total of 4 million tons of products sold. Main highlights on key retail markets:

Romania:

- Gasoil and gasoline volumes sold were 6% above previous year, meaning also a gain in market share of 0.8 %, reaching at 25.1 %, in the conditions of a stable fuel market;
- EBITDA 19% higher than previous year, reaching 36.4 m USD;
- Significant improvement of credit indicators evolution, receivable days decreasing from 29.2 days in 2010 to 22.4 days in December 2011.

France:

- New motorway station was opened near Pamproux,, integrating modern principles of durable development and energetic efficiency, with an efficient management of energy, water consumption and waste management;
- The Palombier station was awarded the "Brioche Dorée" award for the quality of services, having been in competition with "big names" like Total, Sodexho, Autogrill;
- General oil & gas demand environment was marked by a significant drop in heating oil demand due to an exceptionally warm year in the south of France (-21% vs. 2010).

Bulgaria:

- 5 new stations were opened during 2011Volume sold during 2011 increased by 14% compared to 2010 sales, driven both by retail and wholesale segments, reaching a 9% market share in the wholesale segment;

Moldova:

- Fusion with Moldintergaz has enabled Rompetrol Moldova to penetrate the LPG market in Moldova, acquiring 4 stations which are selling exclusively LPG, located mainly in the north of the country;
- 12 new gas stations open in 2011, as part of the overall group strategy of network development in Moldova, which has begun in 2010;

4

million tons of products sold

Industrial Services and Other Activities

All activities not directly related to trading in crude and oil products, refining, and sales of oil products are grouped together in Industrial Services.

During first semester 2011, Rompetrol Logistics finalized its restructuring plan and successfully concluded the externalization of secondary transportation segment.

Ecomaster sustained its efforts put into Group's environmental projects, demonstrating the high importance given to ecological friendly solutions to the production and distribution of oil products. Deposited quantity at Eco Park Ecomaster reached 9560 tons.

9,560

tons deposited quantity at Eco Park Ecomaster

Rominserv, the Group's engineering company, has increased its technical capabilities, being able to successfully complete complex projects at the highest quality standards and on time. Rominserv is the general contractor for all upgrade projects in the refinery, including the Refining investment program of capacity boosting and white products yields improvement, to be finalized during first semester 2012.

Rominserv also steadily decreased maintenance costs in 2010–2011despite materials and energy cost inflation.

Rompetrol Well Services increased its Romanian activities by enhancing its casing running services and extending its customers portfolio with additional customers; outside Romania activities were extended by launching new well service operations in Bulgaria and Hungary.

Drilling&mud logging Romanian activities were also improved by extending the customer portfolio and new capital investments finalization, while drilling revenues from outside Romania operations dropped considerably during 2011 generated by Libyan Branch due to the civil war. Rompetrol Group restarted the drilling services in Libya at the end of 2011 and beginning of 2012.

Restructuring

During 2011, the Group has further defined the restructuring plan. During January 2011 the Group disposed its interest in Romiservices Therm S.A.. In 2011 as part of Group's restructuring plan, Rompetrol Logistics finalized the externalization of the secondary logistic segment after externalization of primary logistic in 2010 for the Romanian retail and wholesale companies. During 2012, the Group intends to continue the restructuring of the industrial activities and will assess the options to streamline its structure.

Financial Instruments And Risk Management

Financial instruments in the balance sheet include investments, trade receivables and other receivables, cash and cash equivalents, short-term and long-term debts, trade and other payables. The estimated fair values of these instruments approximate their carrying amounts.

The Group's activities expose it to a variety of risks including the effects of: changes in the international quotations for crude oil and petroleum products, foreign currency exchange rates and interest rates. The Group's overall risk management main objective is to minimise the potential adverse effects on the financial performance of the Group companies.

Commodity Price Risk

The Group is affected by the volatility of crude oil, oil product and refinery margin prices. Its operating activities require ongoing purchase of crude oil to be used in its production as well as supplies to its clients. Due to significantly increased volatility of crude oil, the management developed a hedge policy which was presented to the Group's Board of Directors and was approved in most significant aspects in 2010 and in a more extensive manner in February 2011. Following this approval, the Group started on January 2011 the hedge of commodities held by Rompetrol Rafinare. Previously, until January 2011, Vector and Dyneff were the only two companies having in place commodities hedge process.

According to the hedge policy, on the commodity side, the flat price risk for priced inventories above a certain threshold (called base operating stock) is hedged using future contracts traded on ICE Exchange and some OTC instruments for the basis risks. The base operating stock is the equivalent of priced stocks that are held at any moment in time in the Group, hence price fluctuations will not affect the cash-flow.

8.8

million USD net gain of the Physical Trade

Trading activities are separated into physical (purchase from third parties other than KMG, and sales to third parties or Intercompany) and paper trades (for economic hedging purposes). Each physical transaction is covered through a related futures position according to the exposure parameters set by management (i.e. based on physical quantities sold or purchased). The Group sells or buys the equivalent number of future contracts. This paper trade is done only to hedge the risk of the Physical Trade and not to gain from the trading of these instruments. As of 2011, the net trading position taking into consideration the realized and unrealized gains and losses on derivatives and the physical trade was a net gain of 8.8 million USD.

Interest Rate Risk

Interest rate price risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates relative to the interest rate that applies to the financial instrument. Interest rate cash flow risk is the risk that the interest cost will fluctuate over time. The Group has long-term debt and short-term debt that incur interest at fixed and variable interest rates that exposes the Group to both fair value and cash flow risk.

Foreign Currency Risk Management

The Group's functional currency is United States Dollar ("US Dollars") and crude oil imports and a significant part of petroleum products are all denominated principally in US Dollars, therefore limited foreign currency exposure arises in this context. In addition certain assets and liabilities are denominated in foreign currencies, which are retranslated at the prevailing exchange rate at each balance sheet date. The resulting differences are charged or credited to the income statement but do not affect cash flows. Group Treasury is responsible for handling the Group foreign currency transactions.

Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Group consists of shareholders loans, bank debt, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

Overview

To offset prolonged negative impact of depressed downstream market, Management of the Group is committing themselves to further reduce costs, complete modernization of the Petromidia Refinery, restructure the business and concentrate on core business, close non-profitable businesses. We will fund our plans through a mix of equity and debt, with a support from our shareholders.

The average headcount across Group entities during 2011 was 7,530. We employ best practices for attracting, retaining and motivating our employees, who are the principal contributors to the development of our Group. We are fully committed to our responsibilities for their development and for the communities in which we operate.

Planning and Performance Management (PPM)

Key 2011 PPM activities:

- Coordination of the five years annual budget, with significant shift of set-up from traditional incremental planning process towards an activity-based one, given assumptions of rather prudent operating margins; significant costs reductions were considered and implemented
- Group operational & financial yearly results improvement process, started beginning of 4th quarter, which lead to improved Group costs management
- Increased support on monitoring the raw materials & products mass balances, which contributed to significant working capital improvement by optimized Group inventories levels.
- What-if analysis mainly on refining environment; make vs. Buy decisions and multiple sensitivies analysis (e.g: refining throughput, product basket, feedstock evalutation)
- Increased role in MOP targets achievement via supply chain optimization process

Main 2012 PPM initiatives for implementation along the year on both supply chain & controlling areas:

- Rolling forecast process, a monthly rolling planning process for the next twelve months. Its goal is to both create a structured routine of working out solutions for meeting the annual budget targets and improve forecast accuracy on a larger time frame, highly needed in current economic crisis period.
- Integrated planning model, representing a Group results planning tool being able to receive inputs on key business drivers from all across the value-chain and to deliver on alternative business scenarios Group financial results for a real-time assesment of best economical solutions to undertake.
- Implementing all management reporting requirements in SAP CO (Controlling) module of new Group ERP-SAP, mainly on SAP CO-OM (Overhead Management) and SAP CO-PA (Profitabilty analysis).
- Single Group master database repository, to collect all relevant business key drivers on both past and future period, on daily, monthly, annual, time frames, single access point covering most of the quantitative side of entities & Group management teams reports.
- A Corporate reporting dashboard (CORDA) aiming at daily Group key performance drivers monitoring on both Internet & mobile adapted platforms on mainly following areas: TRG Group key major drivers, market dynamics, risk management, supply/production/inventories, sales & margins.
- Enhanced margins & opex analysis by actionable drivers (client level profitability, costs drivers), as support for any management business decisions.
- Active budget control procedure aiming to optimize the budget execution process by ensuring a proper approval flow for validating any updates on budgeted assumptions either from timing perspective or from any new assumptions perspective.
- Further optimize current reporting package (GFO, MOP, MOP execution reports) on planning & budgeting execution reports by increased focus on actionable business drivers analysis to allow the optimum data and analysis package, support for operational decisions.
- Optimized performance management process by two means: a) aligning 2012 operational & financial set of KPIs with the new five years budget objectives for all eligible people; b) implementing a monthly routine process of KPIs achivements revision, to allow for corrective actions on all potential negative gaps.
- Alignement of refining planning tools to new refinery production configuration and products specifications

Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") effective as of December 31, 2011, as endorsed by the EU.

The consolidated financial statements are prepared under the historical cost convention. An exception is for Rompetrol Rafinare S.A and Rompetrol Petrochemicals S.R.L. where property, plant and equipment are stated at revalued amounts being the fair value as at 31 December 2003 and 31 December 2005 respectively less any accumulated depreciation and accumulated impairment loss, with acquisitions subsequent to the indicated revaluation dates being at acquisition date historic cost. The financial statements of the Group are prepared on a going concern basis.

The group's consolidated financial statements are presented in United States Dollar ("US Dollar" or "USD"), which is the Group's functional currency. The consolidated financial statements comprise the financial statements of the parent company and its subsidiaries as at 31 December 2011.

Control is considered to be achieved where the Group (either directly or indirectly), owns more than 50% of the voting rights of the share capital of another enterprise and is able to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. Non-controlling interests represent the portion of the profit or loss and net assets that is not held by the Group and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet, separately from the parent shareholders' equity.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised. Businesses acquired or disposed during the year are included in the consolidated financial statements from the date of acquisition or to date of disposal.

The Group's investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment in an associate is carried in the balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associate. After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates.

Starting 2011, Group has also investments in joint venture which are accounted using the equity method. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. Goodwill is tested for impairment annually (as at 31 December) and when circumstances indicate that the carrying value may be impaired.

Property, plant and equipment are stated at cost, except for the Rompetrol Rafinare S.A where the property, plant and equipment are stated at revalued amounts, being the fair value less any accumulated depreciation and accumulated impairment loss.

When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the income statement.

Depreciation for property, plant and equipment except land and construction in progress is computed using the straight-line method over the following estimated useful lives, between 3 to 60 years.

At each balance sheet date the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash–generating unit to which the asset belongs.

Inventories, including work-in-process are stated at the lower of cost and net realisable value. Net realisable value is the selling price in the ordinary course of business, less the costs of completion, marketing and distribution. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. The following cost formulas were used to determine the cost applicable to different types of inventories:

- the weighted average method for purchased crude oil and petroleum products
- the first-in-first-out (FIFO) for supplies and materials.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Cash includes cash on hand, cash with banks and checks in course of being cashed. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash within remaining three months or less to maturity from the date of acquisition and that are subject to an insignificant risk of change in value.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Sales of goods are recognised when delivery has taken place and transfer of significant risks and rewards has been completed. Revenue comprises the fair value of the sale of goods and services, net of value-added tax and any excise duties and other sales taxes, rebates and discounts.

Revenue from rendering transportation services and other services is recognised when services are rendered.

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state – managed retirement benefit schemes are dealt with as defined contribution plans where the Group's obligations under the scheme are equivalent to those arising in a defined contribution retirement benefit plan.

Income tax charge consists of current and deferred taxes. The charge for the current tax is based on the results for the period as adjusted for non-deductible and non-taxable items The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the countries where the Group operates and generates taxable income. Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The Group determinates the classification of its financial assets and liabilities at initial recognition. Financial assets are recognised and derecognised on a trade date where a purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned and are initially measured at cost, including transaction costs.

Group's financial assets include cash and cash equivalents, trade and other receivables, unquoted financial instruments, and derivative financial instruments. Financial liabilities include finance lease obligations, interest-bearing bank loans and overdrafts and trade and other payables and derivative financial instruments. For each item the accounting policies on recognition and measurement are disclosed in this note. Management believe that the estimated fair values of these instruments approximate their carrying amounts.

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit and loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Abbreviated financial statements

Consolidated Statement of Financial Position

The abbreviated financial information is derived from the Consolidated Financial Statements as of and for the year ended 31 December 2011 and should be read in conjunction with these audited Consolidated Financial Statements. On the full consolidated financial statements an unqualified audit opinion was issued.

	December 31, 2011	December 31, 2010
Non-current assets		
Intangible assets	60,798,370	58,280,764
Goodwill	55,241,231	55,241,231
Property, plant and equipment	1,258,589,025	1,228,811,319
Available for sale investments	949,204	1,489,055
Investments in associates	19,919,984	20,154,955
Interest in joint venture	19,566,950	–
Deferred tax asset	–	412,188
Long-term receivable	14,259,033	16,438,263
Total non-current assets	**1,429,323,797**	**1,380,827,775**
Current assets		
Inventories, net	546,981,447	633,007,698
Trade and other receivables	670,611,954	614,077,330
Derivative financial Instruments	5,690,146	–
Cash and cash equivalents	198,617,647	220,924,420
Total current assets	**1,421,901,194**	**1,468,009,448**
Total Assets	2,851,224,991	2,848,837,223
Equity and liabilities		
Capital and reserves		
Issued capital	120,338	133,712
Share premium	2,631,512	2,631,512
Revaluation reserve	20,625,249	20,625,249
Additional paid-in capital	1,100,000,000	1,100,000,000
Effect of transfers with equity holders	115,029,358	115,029,358
Retained earnings	(637,706,175)	(487,528,262)
Current year result	(122,506,647)	(151,120,945)
Translation reserve	1,415,028	(1,826,333)
Equity attributable to equity holders of the parent	**479,608,663**	**597,944,291**
Minority interest	(163,653,769)	(47,844,946)
Total equity	**315,954,894**	**550,099,345**
Non-current liabilities		
Long-term borrowings from shareholders	896,000,000	896,000,000
Long-term borrowings from banks	2,823,265	5,739,039
Net obligations under finance lease	6,279,290	12,045,744
Deferred tax liabilities	28,297,076	32,248,488
Provisions	31,038,241	38,828,654
Other non-current liabilities	2,034,794	7,846,356
Total non-current liabilities	**966,472,666**	**992,708,281**
Current liabilities		
Trade and other payables	1,073,528,229	926,749,364
Derivative financial Instruments	1,206,201	5,183,543
Net obligations under finance lease	3,232,603	7,563,095
Short-term borrowings banks	474,245,900	366,533,595
Short-term borrowings shareholders	13,304,927	–
Provisions – current portion	3,279,571	–
Total current liabilities	**1,568,797,431**	**1,306,029,597**
Total liabilities	**2,535,270,097**	**2,298,737,878**
Total Equity and Liabilities	2,851,224,991	2,848,837,223

Consolidated Income Statement

The abbreviated financial information is derived from the Consolidated Financial Statements as of and for the year ended 31 December 2011 and should be read in conjunction with these audited Consolidated Financial Statements. On the full consolidated financial statements an unqualified audit opinion was issued.

	2011	2010
Continuing operations		
Revenue	6,886,017,721	5,070,656,915
Cost of sales	(6,538,021,618)	(4,707,251,055)
Gross profit	**347,996,103**	**363,405,860**
Selling and distribution expenses	(284,355,211)	(273,290,874)
General and administrative expenses	(153,032,837)	(159,783,303)
Other operating expenses/revenues, net	(94,928,136)	(31,482,778)
Operating profit/(loss)	**(184,320,081)**	**(101,151,095)**
Finance cost	(60,727,387)	(62,920,106)
Finance income	7,444,394	5,915,775
Net foreign exchange losses	4,017,091	(10,173,427)
Share of profits of associates	669,103	553,824
Share of profit/(losses) of joint ventures	(2,587,276)	–
Loss before income tax	**(235,504,156)**	**(167,775,029)**
Income tax	(2,144,681)	(10,346,219)
Loss	**(237,648,837)**	**(178,121,248)**
Attributable to:		
Equity holders of the parent	(122,506,647)	(151,120,945)
Non-controlling interests	(115,142,190)	(27,000,303)

Consolidated Statement of Comprehensive Income

The abbreviated financial information is derived from the Consolidated Financial Statements as of and for the year ended 31 December 2011 and should be read in conjunction with these audited Consolidated Financial Statements. On the full consolidated financial statements an unqualified audit opinion was issued.

	2011	2010
Net loss for the year	**(237,648,837)**	**(178,121,248)**
Other comprehensive income		
Exchange differences on translation of foreign operations	3,227,987	(902,685)
Actuarial gains/(losses) related to defined benefit plan	1,560,072	(2,448,866)
Total comprehensive income/(loss) for the year, net of tax	**(232,860,778)**	**(181,472,799)**
Attributable to:		
Equity holders of the parent	(117,718,588)	(154,472,496)
Non-controlling interests	(115,142,190)	(27,000,303)

Consolidated Statement of Cash Flow

The abbreviated financial information is derived from the Consolidated Financial Statements as of and for the year ended 31 December 2011 and should be read in conjunction with these audited Consolidated Financial Statements. On the full consolidated financial statements an unqualified audit opinion was issued.

	2011	2010
Loss before income tax	(235,504,156)	(167,775,029)
Adjustments for:		
Depreciation and amortisation	137,917,092	130,977,627
Reserves for receivables and inventories and write-offs	40,450,969	12,394,016
Impairment for property plant and equipment and intangibles	61,707,196	7,211,722
Other provisions	(1,467,798)	11,740,763
Retirement benefit charged to equity	(610,241)	–
Late payment interest	3,383,986	11,590,236
Unwinding of discount on hybrid instrument	–	1,084,943
Interest expense, commission and bank charges and collection discounts	44,038,475	36,625,531
Interest expense shareholders	13,304,926	13,619,396
Finance income	(7,444,394)	(5,915,775)
Net loss from non-current assets disposals and write-off	(793,935)	517,671
Net result from sale of investments	(80,357)	423,382
Unrealised losses/(gains) from derivatives on petroleum products	(2,546,174)	4,510,298
Realized losses/(gains) from derivatives on petroleum products	63,768,720	5,314,460
Share of profits of associates	(669,103)	(553,824)
Share of losses of joint venture	2,587,276	–
Net result from liquidation of Group investments	–	71,693
Unrealised foreign exchange (gain)/loss on monetary items	11,898,024	9,461,589
Operating profit before working capital changes	129,940,506	71,298,699
Net working capital changes in:		
Receivables and prepayments	(72,664,535)	(7,001,660)
Inventories	63,278,742	(144,363,352)
Trade and other payables	118,252,526	89,687,402
Change in working capital	108,866,733	(61,677,610)
Income tax paid	(6,360,659)	(4,580,619)
Cash payments for derivatives, net	(71,201,395)	(5,314,460)
Net cash provided by/(used in) operating activities	161,245,185	(273,990)
Cash flows from investing activities		
Purchase of property, plant and equipment	(227,077,317)	(211,973,005)
Purchase of intangible assets	(22,514,633)	(14,609,004)
Changes in payables for capital expenditures	28,128,184	39,818,676
Dividends received from associated companies	75,477	279,269
Proceeds from sale of property, plant and equipment	1,165,955	1,961,762
Cash of subsidiaries being disposed off	(177,654)	(240,707)
Proceeds from liquidation/sales of subsidiaries/investments	1,200,000	62,340
Cash of subsidiaries being liquidated	–	(275,657)
Consideration paid for acquisition of minority interests	(550,000)	(126,436,203)
Consideration paid for Joint Venture	(14,833,270)	
Net cash used in investing activities	(234,583,258)	(311,412,529)
Cash flows from investing activities		
Hybrid partial payment	–	(71,024,745)
Coupon paid on hybrid instrument	–	(22,498,405)
Interest and bank charges paid	(51,105,824)	(54,848,055)
Interest and other financial income	7,444,394	5,915,775
Drawings of long term borrowings from shareholders	–	300,000,000
Repayment long term loans from banks	(2,915,774)	(4,614,532)
Movement in short-term borrowings	107,712,305	122,209,280
Repayments of finance leases	(10,103,801)	(10,029,770)
Net cash from financing activities	51,031,300	265,109,548
(Decrease)/Increase in cash and cash equivalents	(22,306,773)	(46,576,971)
Cash and cash equivalents at the beginning of period	220,924,420	267,501,391
Cash and cash equivalents at the end of the period	198,617,647	220,924,420

Consolidated Statement of Changes in Equity

The abbreviated financial information is derived from the Consolidated Financial Statements as of and for the year ended 31 December 2011 and should be read in conjunction with these audited Consolidated Financial Statements. On the full consolidated financial statements an unqualified audit opinion was issued.

	Issued capital	Share premium	Retained earnings	Revaluation reserves	Additional paid-in capital	Effect of transfers with equity holders	Translation reserve	Non-controlling interests	Total equity
December 31, 2010	**133,712**	**2,631,512**	**(638,649,207)**	**20,625,249**	**1,100,000,000**	**115,029,358**	**(1,826,333)**	**(47,844,946)**	**550,099,345**
Net loss for 2011	–	–	(122,506,647)	–	–	–	–	(115,142,190)	(237,648,837)
Other comprehensive income/loss	(13,374)	–	1,560,072	–	–	–	3,241,361	–	4,788,059
Total comprehensive income	**(13,374)**	**–**	**(120,946,575)**	**–**	**–**	**–**	**3,241,361**	**(115,142,190)**	**(232,860,778)**
Dividends payable to non-controlling interest	–	–	–	–	–	–	–	(452,147)	(452,147)
Changes in Group structure – acquisition of Rompetrol Georgia non-controlling interests (Note 5)	–	–	(617,040)	–	–	–	–	67,040	(550,000)
Changes in Group structure – sale of Rominservices Therm	–	–	–	–	–	–	–	(547,059)	(547,059)
Other changes	–	–	–	–	–	–	–	265,533	265,533
December 31, 2011	**120,338**	**2,631,512**	**(760,212,822)**	**20,625,249**	**1,100,000,000**	**115,029,358**	**1,415,028**	**(163,653,769)**	**315,954,894**

Auditor's report

Introduction

We have audited whether the accompanying abbreviated financial statements of The Rompetrol Group N.V., for the year December 31, 2011 have been derived consistently from the audited financial statements of The Rompetrol Group N.V., for the year 31 December 2011. In the auditor's report dated March 1, 2012 issued by Ernst&Young Accountants LLP, Amsterdam, The Netherlands (signed by J.J. Vernooij), an unqualified opinion on these financial statements was expressed. Management is responsible for the preparation of the abbreviated financial statements in accordance with the accounting policies as applied in the consolidated financial statements of The Rompetrol Group N.V. Our responsibility is to express an opinion on these abbreviated financial statements.

Scope

We conducted our audit in accordance with International Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the abbreviated financial statements have been derived consistently from the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

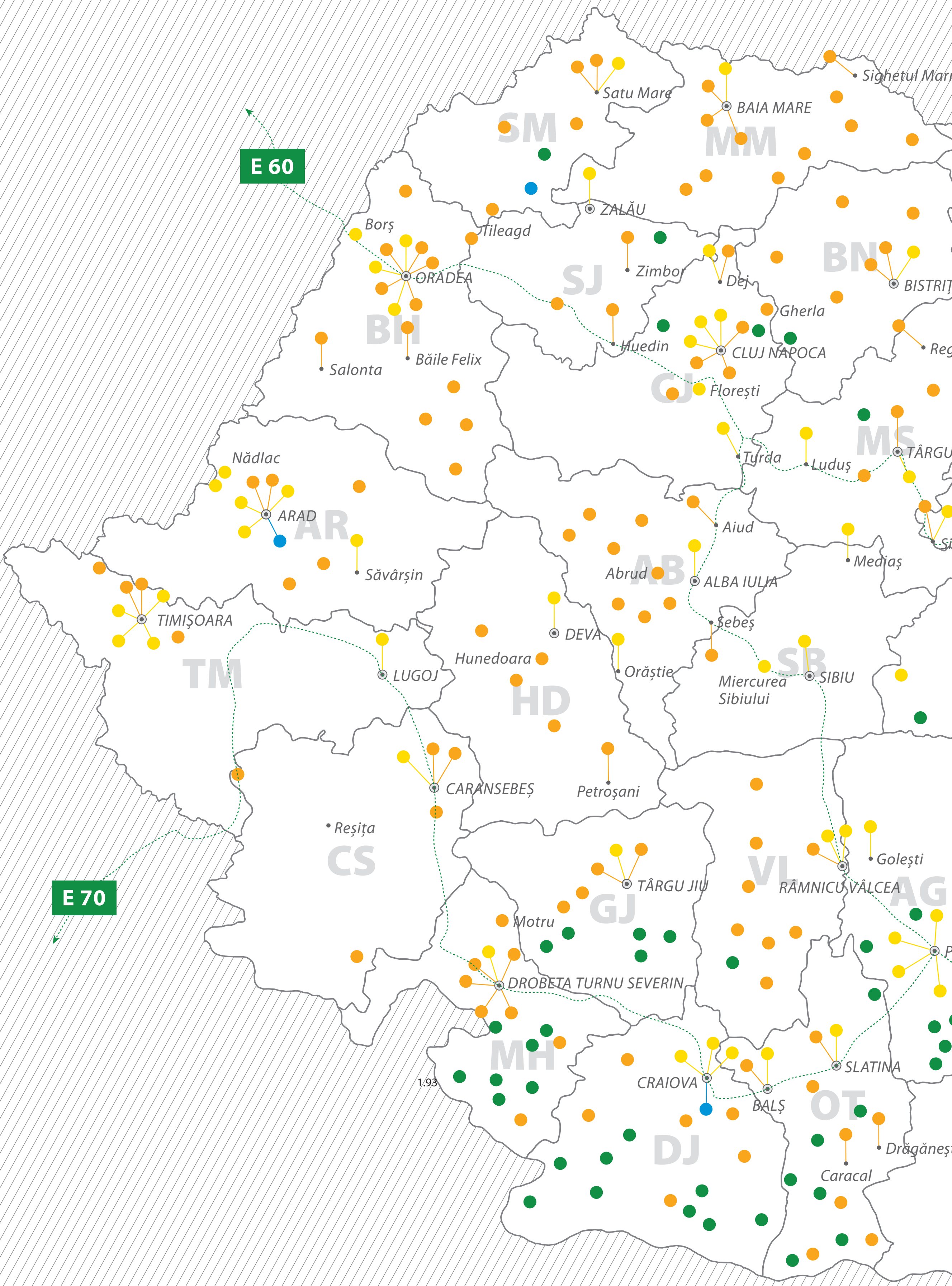
In our opinion, these abbreviated financial statements have been derived consistently, in all material respects, from the consolidated financial statements of The Rompetrol Group N.V. for the year ended December 31, 2011.

Emphasis of matter

For a better understanding of the Group's financial position and results and the scope of the audit, we emphasize that the abbreviated financial statements should be read in conjunction with the full financial statements, from which the abbreviated financial statements were derived and the unqualified auditor's report issued by Ernst & Young Accountants LLP, Amsterdam, The Netherlands (dated March 1, 2012). Our opinion is not qualified in respect of this matter.

ERNST & YOUNG

Ernst&Young Assurance Services S.R.L.
Bucharest, Romania
May 18, 2012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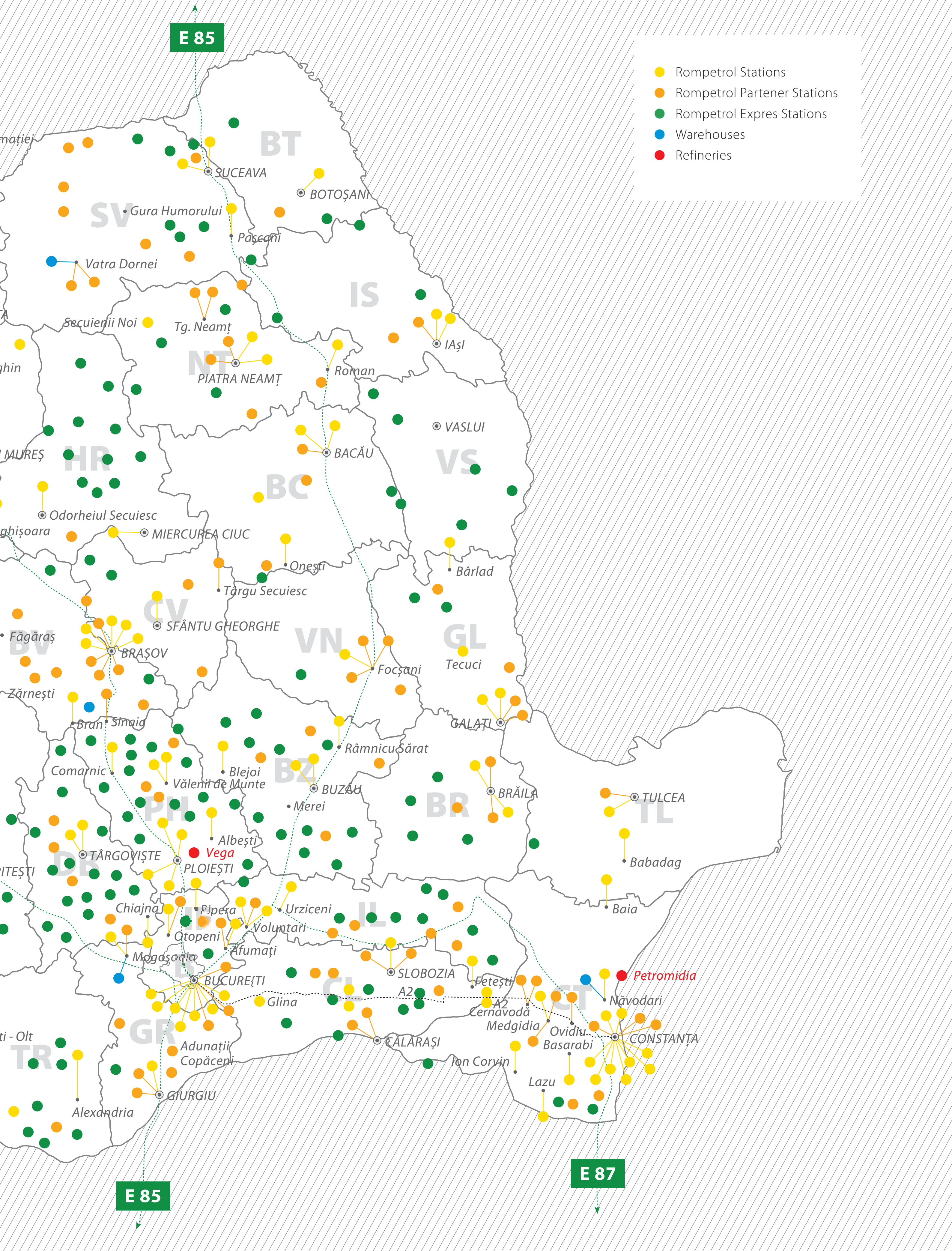

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Rompetrol Stations
Rompetrol Partener Stations
Rompetrol Expres Stations
Warehouses
Refineries
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SUCEAVA
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Gura Humorului
Pașcani
Vatra Dornei
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SFÂNTU GHEORGHE
Făgăraș
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Baia
Otopeni
Voluntari
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Mogoșoaia
SLOBOZIA
BUCUREȘTI
Fetești
Petromidia
Glina
A2
Năvodari
A2
Cernavodă
Medgidia
Ovidiu
Basarabi
CONSTANȚA
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Ion Corvin
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