

Annual report 2013



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CEO's message



We have come to achieve significant results in 2013, even if it has been another hard and challenging year for the group. Organizational greatness has been attained by the company leaders, effective and focused individuals that work in the company. Our people help us to gain and build competitive advantage through their energy, creativity and local insights. With over 7.500 employees in 12 countries, the Rompetrol Group is one

of the well-established oil companies in Europe and an important player in the Black Sea region.

The Rompetrol brand with a long history of development introduced to its customers, business clients and partners the new concept of filling stations that meets the highest standards of service and quality of products. All the Rompetrol fuel distribution stations in Romania are to be rebranded in the following years,

as well as many new stations to be built in accordance with the new concept of Rompetrol filling stations.

We managed to have Petromidia refinery – the heart of all group's operations – to reach its highest performance indicators during the year. White products amounted to 85.6 %, also reaching production of 14,000 tons per day. The last part of the improvement package has been completed at the Petromidia in 2013, enabling the refinery to become one of the safest entities of its kind in Europe, with production of Euro-5 fuel reaching 5 mln. tons per year.

It should be noted that the completion of modernization project would be an unattainable task without the direct participation of a team of professionals from Rominserv company – the group's core engineering entity and the main contractor of the Petromidia refinery modernization project. Moreover, a professionalism demonstrated by the company in the past enabled Rominserv to become the general contractor of the modernization project of Pavlodar Petrochemical Plant in Kazakhstan, work on which has been launched during the year. The amount of the project is estimated for about 1 billion U.S. dollars, which makes it the largest service contract of the company outside Romania so far.

I would like to note that the company's success is largely made possible by the competent government policy in general and Kazakhstan in particular with a support of the shareholder – the KazMunayGas group. In difficult times

of the global financial crisis that has engulfed the whole world and Europe in particular, our company has managed to maintain its position and overcome adversity.

One of the turning points during the year for the group was a resolution of the issue with the Government related to the dispute with regards of the Rompetrol Rafinare convertible bonds. Today we can say with confidence that the longstanding dispute with the state is settled. Series of negotiations with the support of the sole shareholder enabled the parties to come to a mutually beneficial agreement, both for the group and the Romanian Government. In the following years, the group and the Government will enter into series of investment projects in the energy sector within the framework of newly created investment fund which shareholders are the group (80%) and the Government (20%) with the purpose to invest in Romanian energy sector of an investment value up to 1 billion USD.

Our company will continue a selective expansion on core markets and will further optimize its current activity in order to enhance the Rompetrol brand on the European market and continue to be a Kazakh flagman on the foreign markets in the years to come.

Zhanat Tussupbekov,
CEO Rompetrol Group



02

Major
performances 2013

Major performances in 2013

January

Rompetrol continues partnership with SMURD



February

Rompetrol Group concludes a memorandum of understanding with the Romanian government to adopt a mutually beneficial solution and settle the dispute regarding the conversion of the Rompetrol Rafinare bonds to the favour of the Romanian government.

The Group supports the implementation of social responsibility projects in two hospitals in Bucharest - Sf. Pantelimon and Marie S. Curie.

March

Rompetrol Rafinare and Rompetrol Petrochemicals execute the technological works scheduled in the period 1 March – 8 April 2013 (investment value – over USD 55 million)

The Upstream Division starts drilling an exploration well located in the Zegujani perimeter, as part of the programme of relevant activities enhancement in Romania.



April

The Group centralises its oil and oil product trading/commercialisation operations; the trading house Vector Energy becomes KazMunayGas Trading AG. Rompetrol Rafinare completes and commissions the carbon-producing installation at the Petromidia Refinery (investment amounting to USD 53 million).

Rompetrol launches the 5th edition of the social responsibility programme „Împreună pentru fiecare” (Together for each and everyone). In the period 2009-2012, the Group extended USD 1 million in grants and supported the implementation of 71 projects in the fields of healthcare and environmental protection; approximately 250,000 people were the direct and indirect beneficiaries.

May



Rompetrol Rafinare becomes the first refinery in Romania attested according to the European standards on environmental protection. The Petromidia Refinery reaches the daily maximum production capacity (14,000 tons/day)

June

Given the investments made by the Rompetrol Group and its sole shareholder – KazMunayGas, the Petromidia Refinery has the lowest cost of crude oil processing (approximately USD 21/ton).

Petromidia represents 43% of Romania's capacity of crude oil processing.

July



Rompetrol Downstream registered a record in monthly fuel sales with 170,000 tons, due to its 744 points of fuel distribution (owned stations, Partner stations, Rompetrol Express, internal bases of 9 and 20 cubic metres) and 7 warehouses (Arad, Craiova, Mogoșoaia, Șimleul Silvaniei, Vatra Dornei, Năvodari and Zămești)

The Rompetrol Group extends its network of fuel distribution in Moldova and Bulgaria to 114 filling stations, with 12 new filling stations opened in the first half of 2013.

At the same time, Dyneff – the subsidiary in France and Spain commissioned two new filling stations (branded Rompetrol and Dyneff) and completed, together with the Total Group, the construction of an oil terminal in the Nouvelle harbour (Mediterranean Sea), total investments exceeding USD 50 million.

Rominserv concludes a consultancy service agreement for project management and construction of a large petrochemical facility in Kazakhstan. Located in Atyrau, near the KazMunayGas Refinery (installed refining capacity – 5.5 million tons) and oilfields - Tengiz, Karachaganak and Kashagan, the project envisages the establishment of an important petrochemical centre in western Kazakhstan.

The Rompetrol Group selected 16 projects for its social responsibility programme „Împreună pentru fiecare” (Together for each and everyone), and the total budget allocated for the support and implementation thereof was USD 225,000.

August

Rominserv concludes an agreement of aprox. 1,072 billion USD) regarding the modernisation and increase of the processing capacity of the Pavlodar Refinery of Kazakhstan. The programme aims at extending the processing capacity to 7 million tons a year, increasing the refining productiveness, improving the product quality as well as reducing the impact on the environmental protection.



September

The Group launches a new concept in Romania for the Rompetrol filling stations, which is a combination between the customers' needs and expectations and the best technical solutions. With a premium design, this is the result of an intense research activity, thus defining the new quality standard of the Rompetrol network.

Rompetrol supports the George Enescu International Festival, the most important event that promotes Romania's cultural identity. The Petromidia Refinery breaks a new record as to the energy efficiency (Energy Efficiency Index) - 95 points.

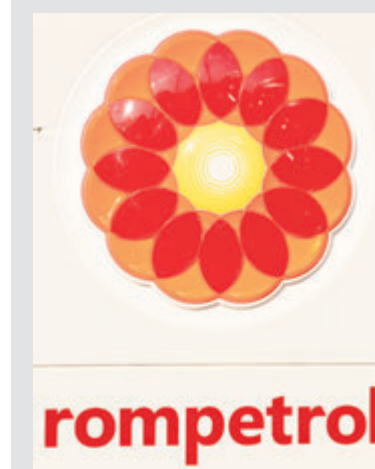
October

Rominserv is selected to provide consultancy services for the modernisation of the Shymkent Kazakhstan Refinery. Until the end of 2015, the company will provide mixed consultancy services for project management, engineering, procurement and works execution supervision.

The Petromidia Refinery breaks a new record in terms of gas oil productiveness – 48.9%

November

The Group extends with two new filling stations in the Republic of Moldova, which now counts 59 filling stations. The new filling stations are in alignment with the new Rompetrol filling stations concept.



December



Rompetrol Rafinare is the largest oil product exporter of Romania for the second year in a row, with a total of USD 1.7 billion. At the same time, the company's contribution to the state budget amounts to USD 1.4 billion.

A man wearing a blue hard hat and a high-visibility vest is looking upwards. The background is a blurred industrial scene at night, with many yellow lights creating a bokeh effect. The overall tone is professional and industrial.

03

Refining and
Petrochemicals

Rompetrol Rafinare

Rompetrol Rafinare operates the Petromidia Năvodari and Vega Ploiești refineries, along with the Petrochemical Division of the Group. Petromidia accounts for more than 40% of the actual refining capacity of Romania, as it is the largest internal industry unit and the only one located by the Black Sea shore. Rompetrol Group, alongside its sole shareholder - KazMunayGas, the national oil and gas company of Kazakhstan - has successfully completed a program aimed at modernizing and increasing the processing capacity of the Petromidia Refinery. The new capacity of the refinery, of 5 million tons of raw materials/year, and a raised degree of complexity (Nelson Index 10.5) provide the Group with the necessary foundation to consolidate and develop its retail and trading activities in the Black Sea region, both in countries where Rompetrol filling stations are operated (Romania, Bulgaria, The Republic of Moldova, Ukraine and Georgia), and in other countries, such as Turkey, Serbia or Greece.

With its Petrochemical Division, Rompetrol Rafinare is the only producer of petrochemical products in the country - polypropylene, low and high density polyethylene. The Vega Refinery has evolved from a classic refinery to a producer and supplier of special products

and solutions (ecologic solvents, special purpose bitumen, ecologic heating fuels or other dedicated products). The Vega Refinery is the sole producer of bitumen in Romania. Being used in an integrated system alongside the Petromidia Refinery, the refinery located by the Black Sea shore, enables special products with a high added value to be obtained.

Against the backdrop of a difficult economic situation in Europe, and also in the refining sector (decommissioned/under preservation refineries), the main objectives of the company for this period, vital for continuing the refining activity, have been those of reaching the rated refining capacity, aligning the production costs to the market demand, optimizing and automating production flows and improving energy efficiency. All these have turned Petromidia Refinery into a reference and performance indicator for the industry units in Central and Eastern Europe.

ROMPETROL RAFINARE - MAJOR PERFORMANCES IN 2013

Investments made in modernizing Petromidia Refinery and in increasing its production capacity consisted allowed the construction of five new production facilities

and the extension of four existing facilities, projects which have helped the Petromidia Refinery achieve major performances in 2013. Of them, the mild hydrocracking unit (MHC) ensures increased diesel yield and output and the hydrogen factory ensures full compliance of production with the Euro 5 standard. Also, the sulphur recovery and exhaust gas treatment unit (New SRU) and the vacuum distillate hydrofining unit turned into a diesel hydrofining unit contribute to the processing of raw materials into products whose quality meets the demands of the Romanian and European markets. Besides the technological investments made in the Petromidia site, Rompetrol Rafinare has continued to invest in new automation systems with a view to enhancing safety and improving facility operation. All its investments have led to major performances in 2013.

- Rompetrol Rafinare is the first company in Romania to hold an Integrated Environmental Authorization;
- Petromidia is the first refinery in Romania to operate a mild hydrocracking unit;
- The Energy Efficiency Index of the Petromidia Refinery has reached the lowest level of 95,

during September-November 2013.

- The quality of the fuels produced by the Petromidia Refinery has been the most important factor in consolidating the market share at a domestic and regional level;
- It aligned the refinery to the national and European environmental requirements with respect to sulphur and nitrogen oxide emissions, and hazardous waste storage - continuing the 'Lite' program for safety awareness and achieving level 3 for health and work security on the Du Pont model.

From an operational point of view, Petromidia Refinery reached its maximum capacity of 14,000 tons per day, recording very high performances in 2013. Diesel outputs reached, in average, 46% in 2013, while fuel outputs (gasoline, diesel, Jet) reached 85.6% in 2013, being the highest in the history of the refinery.

MOST IMPORTANT INVESTMENT PROJECTS COMPLETED IN 2013

PETROMIDIA REFINERY

Modernising the coker unit
With a total investment of 53 million USD, the modernization

project enables the facility to operate at high performance standards in compliance with the commitments made to observing the environmental protection law. The modernization process led to a 90% decrease in technological consumption, to an annual decrease of 3 million USD in technological losses, as well as to a significant reduction of energy consumption. At the same time, modernization helps increase the degree of reliability and safety of the facility, as well as the level of protection for the employees working on the Petromidia site. With a capacity of 1.17 million tons per year, the coker ensures high conversion generated by the vacuum distillation unit with the purpose of obtaining valuable products, such as gas, petrol, light-duty diesel, heavy - duty diesel and coke.

Mounting "Low NOx" burners in the refinery furnaces

Besides the technological investments made in the Petromidia site, Rompetrol Rafinare continued to invest in new automation systems with a view to enhancing safety and improving facility operation. In 2013, it finished the project whereby existing burners of the furnaces were replaced, in accordance with the action plan set in the Integrated Environmental Authorization held by the company. With a total

investment of almost 5 million USD, the project was finished in May 2013, and performance tests showed that the equipment complied with environmental regulations. At the same time, the new burners maximized combustion efficiency in all furnaces through increased permissiveness to control the air/fuel mixture, which led to a lower overall fuel gas consumption.

Segregating fuel oil loading on automatic rack

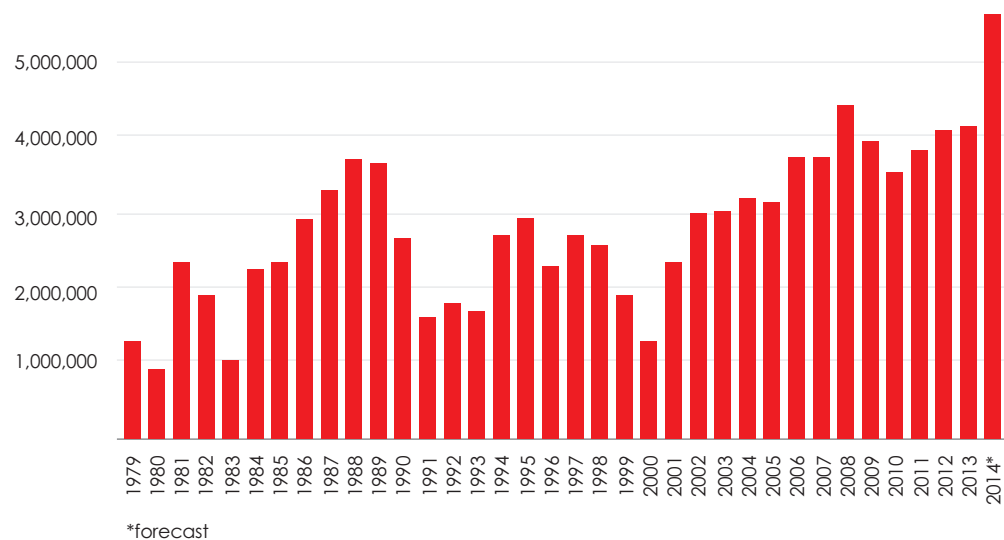
With a view to maintaining the quality of products loaded with the automatic rack, whereby Euro 5 diesel fuel and fuel oil are delivered, Rompetrol Rafinare has implemented a project to segregate the facilities that deliver the two products. Initially, the products were loaded by means of the same collector and loader. With a total value of 370,000 USD, the project enables the transfer of products under optimal conditions in order to keep them compliant with the European quality standards.

Overhauling the Refinery in 2013 and obtaining ISCIR 2013 authorizations for equipment and pipelines

In the March-April 2013 period, Petromidia Refinery successfully performed the technological works aimed at modernizing the equipment of the industrial site in accordance with the new

Production Evolution since 1979 (year when the first unit in Petromidia Refinery was commissioned - atmospheric and vacuum distillation) until 2013

Total processed raw materials 1979-2013, tons/year



processing capacity of the refinery (5 million tons/year). The purpose of the works was to increase the operating safety of the facilities, to achieve compliance with ISCIR (State Inspection for the Control of Boilers, Pressurized Recipients and Lifting Equipment) legal provisions in the field, and also to conduct environmental protection projects, in compliance with the national and European legislation. The total value of the technological works amounted to more than 55 million USD; after the overhaul, re-authorization was issued for 1,211 pipelines, 371 pieces of equipment and 545 safety valves at the Petromidia site.

The works performed during the overhaul enabled the Refinery to operate according to project parameters, thus ensuring a mechanic availability higher than 96%, obtained in 2013.

VEGA REFINERY

The 2013 investments of Rompetrol Rafinare in the Vega Refinery focused on improving energy efficiency, increasing operating safety, reducing maintenance costs and increasing facility reliability. These objectives aimed at increasing outputs and

obtaining high quality products through fuel oil fractional distillation. By commissioning the new facilities, and using modernized items, Rompetrol Rafinare produces exclusively Euro 5 fuel, processing only sour crude oil against the backdrop of an increased capacity to process up to 5 million tons per year raw material confirming the completion of the investment package.

ROMPETROL RAFINARE – PETROMIDIA REFINERY

The quantity of raw materials processed in 2013 was of 4.18 million tons, of which 3.78 million tons of oil and 400,350 tons of other raw materials. The same strategy of ensuring an optimal continuous operation with an optimal load of units also included the action of using additional raw materials in the processing flow, in order to diversify and improve final products, petrol and diesel fuel, in accordance with the demands of the external market (Euro 5 products) and of the internal market (Bio products).

From an operational point of view, the Petromidia Refinery reached and operated at its maximum capacity of 14,000 tons/day, in 2013, recording

2013	tons
Total production	4.181.620
Processed crude oil	3.781.270
Other raw materials	400.350

very high performances, such as 46% output for diesel fuel, and 75.2% fuel output (petrol, diesel, Jet, vehicle LPG), these being the highest in the history of the refinery. Petromidia produced almost 2 million tons of diesel fuel in 2013, the highest level reached by the refinery since its commissioning in 1979. The decreased operating costs and the increased mechanic and operational availability determined a raise in the energy efficiency index to 95 points, the highest level, reached during September-November 2013.

Its improved operational results and the achievement of historical records in 2013 were enabled by the completion, in 2012, of the program aimed at modernizing and increasing the processing capacity of the refinery to 5 million tons per year. As a result of the modernization package implemented by Petromidia refinery, the processing cost decreased in 2013 below 26 USD/ton from over 28 in 2012 and almost 30 in 2011.

2013	tons
Finished goods	4.063.277
Petrol	1.190.470
Diesel	1.915.345
Fuel oil	86.990
Propylene	105.885
Coke	209.035
Sulphur	38.352
Other products	517.201

White oil products obtained	%
Compared to total processed quantity	85,58
Compared to finished goods	88,08

The facilities of the unit are operated to the highest performance standards, while observing the commitments made to environmental protection.

RAW MATERIAL SUPPLY

In 2013, crude oil acquisitions were made exclusively by means of the trading company of the group, KazMunayGas Trading AG.

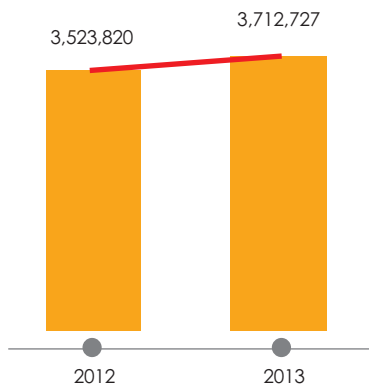
Compared to the previous year, the volume of raw materials coming from external sources increased (4,016 million tons in 2013 compared to 3,985 million tons in 2012). However, the value of acquisitions has seen a 3% decrease in 2013 compared to 2012, provided that crude oil prices decreased by the same percentage (in 2012, the Brent average price was of about 111.67 USD/bbl compared to about 108.82 USD/bbl in 2013).

The structure of the products is focused on producing gasoline and diesel types that meet the quality demands of the external market (100% Euro 5 products) and of the internal market (Bio products). In 2013, the crude oil price was budgeted at 765.53 USD/ton, finally setting an average price

of 796.48 USD/ton. The average value of finished products was budgeted for 2013 at 865.35 USD/ton, and an average price of 882.90 USD/ton was set. As shown, the evolution of the crude oil market, compared to the one estimated in the budget, recorded an increase of 4.04%, and the prices of oil products followed the same ascendant trend compared to the budget, however slower, the increase being of 2.03%. The quantity of vehicle fuel increased in 2013 by approx. 8% compared to 2012, with a higher increase in the diesel segment (17%). The petrol weight in the vehicle fuel was of 42% in 2012 and 36% in 2013. The difference of 58% in 2012, and 64% in 2013 was recorded by diesel sales.

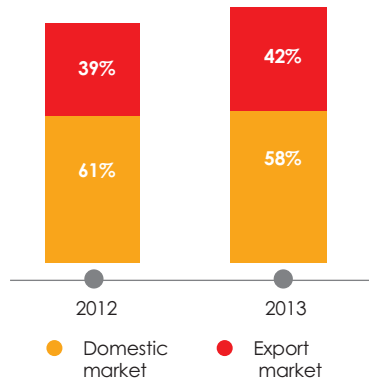
During 2013, the crack (difference between the price throughout of the crude oil and the price of oil products) for petrol was approx. 50 USD/ton, higher than that of diesel fuel; the greatest excess value was recorded in February: 99 USD/ton. However, throughout September- December, the difference between the cracks of the two products recorded low values, of approximately 7 USD/ton.

Volumes of finished goods sold [mt]

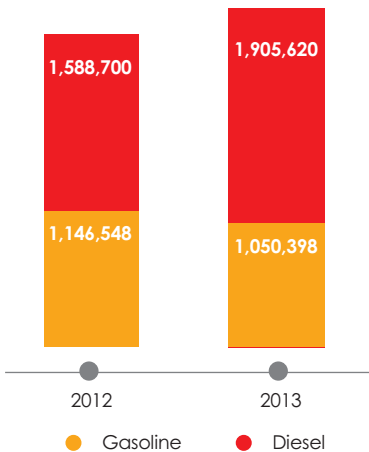


The quantity of finished goods increased by approx. 5% in 2013 compared to 2012

Sales structure by distribution channel



Quantities of gasoline and diesel sold [mt]





ROMPETROL RAFINARE – VEGA REFINERY

Operated by Rompetrol Rafinare, the Vega Ploiești Refinery is focused on producing special products: ecologic solvents, heating fuels, special purpose bitumen etc.

The investments made in the past years have mainly targeted to increase energy efficiency, improve operating safety and align to the compliance program.

The Vega Refinery turned profitable

in 2013, when it recorded a net positive result of 2.7 million USD due to margin improvement and operating costs reduction.

In 2013, the Vega Refinery recorded an upward trend of the hexane outputs against the background of an enhanced quality of raw materials transferred from the Petromidia Refinery. Thus, Vega obtained the refinery's highest yield for this product, namely 43%.

Also, the Vega Refinery produced more bitumen in 2013, according to the market demands. The bitumen production amounted to

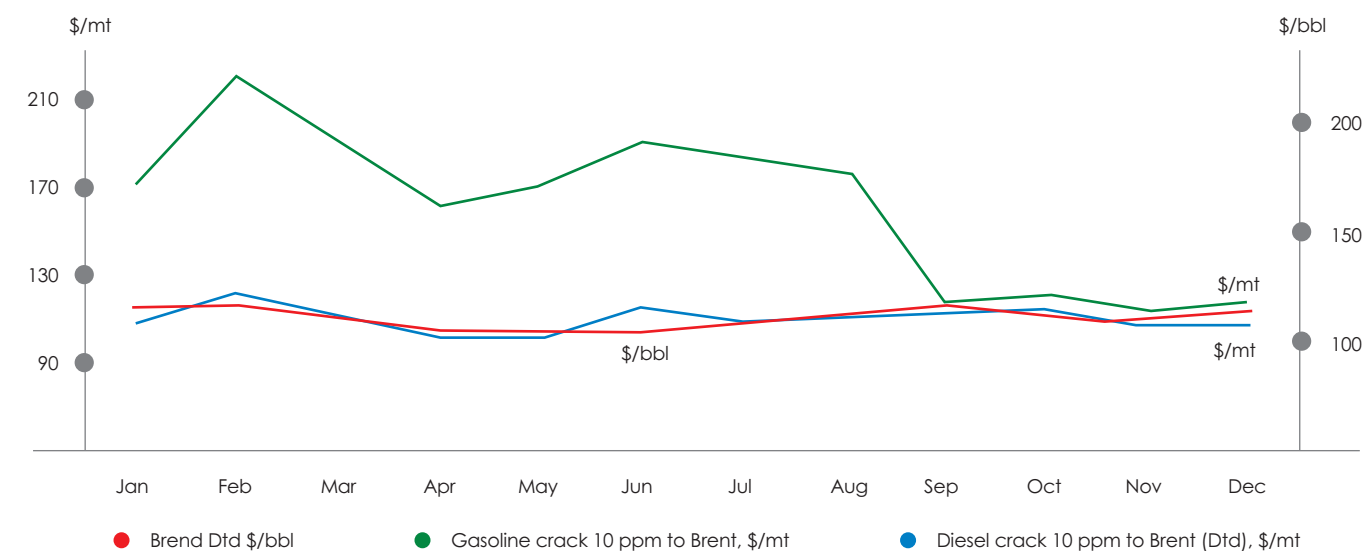
more than 46,000 tons, higher than the previous one, which had been of almost 45,000 tons.

Due to the raw materials coming from the Petromidia Refinery, the quality of the bitumen produced by Vega has been improved throughout 2013.

OUTLET

The total sales of 2013 amounted to approximately 254,600 tons out of which 55% to external markets, and the rest through distribution channels in Romania. 135,000

Monthly evolution of Brent prices and cracks for gasoline and diesel in 2013



tons were sold through the external distribution channel, and 119,000 tons on the internal market.

The sales of white oil products (naphta petrol, ecologic solvents, hexane and white spirit) account for approximately 68% of the total sales of 2013.

The main external markets are:
 • Turkey, Russia, Belgium, United Arab Emirates, Moldova for naphta petrol;
 • India, Hungary, Turkey, Russia, Ukraine, Bulgaria for hexane;

• Germany, Bulgaria, Poland, Moldova, Czech Republic for ecologic solvents;
 • Bulgaria and Moldova for white spirit;
 • Bulgaria for fuel oil.

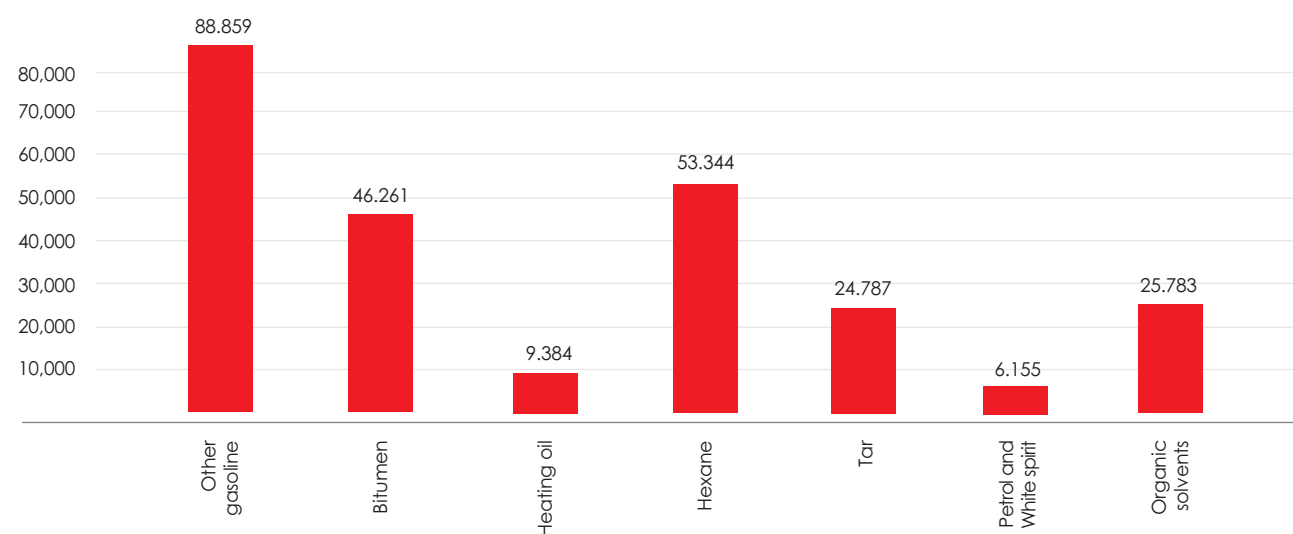
THE MARKET

Total sales in 2013 were of 254.573 tons. 135.000 tons were sold on the foreign markets and 119.000 tons on the internal market. White product sales (gasoline, naphtha, organic solvents, hexane and white spirit) represented 68% of the total volume of sales in 2013.

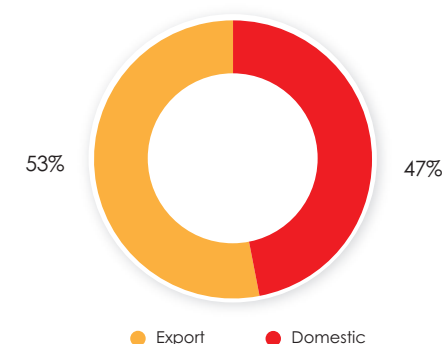
The structure of the physical production of the Vega Refinery for 2013:

2013	tons
Finished goods	244.223
Petrol + Solvents	108.659
n-hexane	51.021
White spirit	4.773
Diesel fuel	2.998
Light-duty fuel type III	5.407
Fuel oil	25.230
Bitumen	46.135

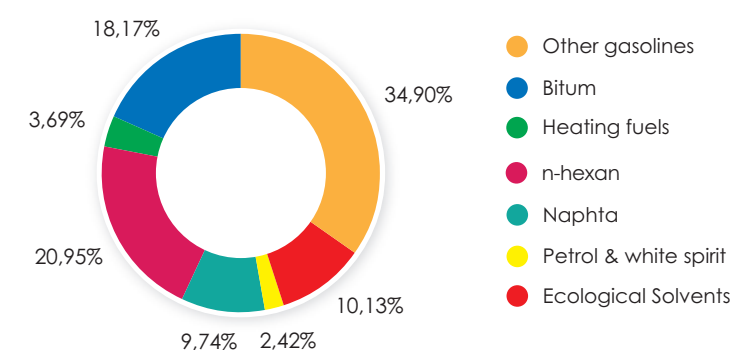
Structure of oil products deliveries in 2013 [tons]



Structure of finished products sales on markets [%]



Structure of sales [%]



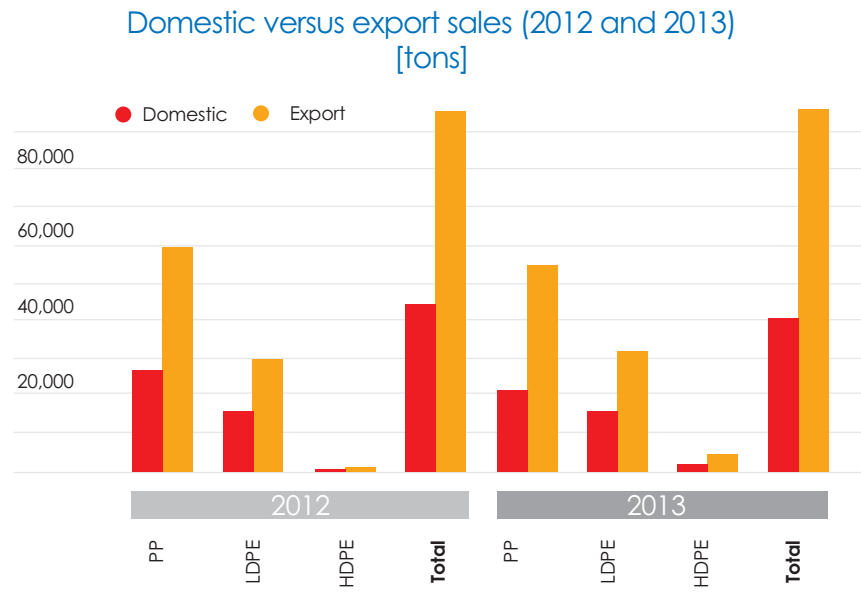


ROMPETROL RAFINARE - PETROCHEMICAL DIVISION

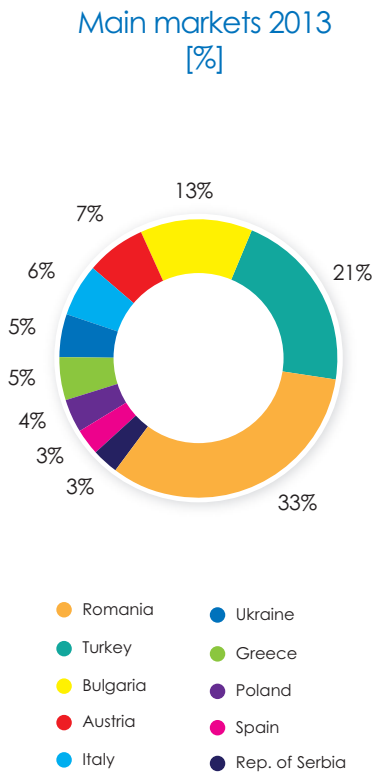
In 2013, the petrochemical division of the Petromidia refinery has processed 107,000 tons of propylene, 10% more than in 2012, and 55,000 tons of ethylene, 5% more than in the previous year. The total sales of petrochemical products amounted to 168,000 tons in 2013, trading activities included.

The 2013 turnover of Rompetrol Petrochemicals is of 251 million USD, 2% higher than the 2012 indicator. Compared to 2012, financial results were positively influenced by the margins of petrochemical products, in particular in January and June, as well as in Q3, the EBITDA operational result being positive, of 1.8 million USD compared to a negative result of 8.1 million USD in 2012.

The integration of Rompetrol Chemicals operation within Rompetrol Rafinare started in the second part of 2013. The reason of integrating petrochemistry within Rompetrol Rafinare was the optimization of the entire technological process and the concentration of all operation in a single company, simplifying the organizational structure. In Q4 2013, the integration of petrochemical activities



The sales of petrochemicals (PP, LDPE and HDPE) registered a slight decrease by 1.25% to 135,352 tons in 2013 caused by the general market conditions. . Also, there was a slight increase in the share of exported products compared to the previous year.



Operational	quantity	2013	2012
Processed propylene	kt	107	119
Processed ethylene	kt	55	58
Total sales*	kt	168	177

*including trading

(previously carried out by Rompetrol Chemicals) into Rompetrol Rafinare had a positive impact on the financial results of the company, however without influencing the net result. Thus, Rompetrol Rafinare, through its Petrochemical Division, has been the only producer of polypropylene in Romania, since 2010, being also the only producer of polyethylene. The company has

an annual production capacity of more than 200,000 tons of polymers (polypropylene, low and high density polyethylene). The petrochemical division is the only producer of polypropylene (80 kt/y), LDPE (60 kt/y) and HDPE (60 kt/y) in Romania. The quality and diversity of the petrochemicals products, the strategic positioning on the distribution/delivery routes,

the technical assistance make our company a trustful partner in Romania, Central and Eastern Europe, Black Sea and the Mediterranean Sea region. **ADVANTAGES** •Location on the Black Sea coast; with road, railway and sea access. •The first Ethylene and propylene marine terminal on the Black Sea coast. •Storage facilities



QUALITY, HEALTH, SAFETY AND ENVIRONMENT (QHSE)

QHSE activities were carried out by maintaining the integrated quality- environment- occupational safety and health management system, acknowledged by the re-certification audit conducted by representatives of Germanischer Lloyd Industrial Service, June 2013.

■ System documents (procedures, work instructions/regulations etc.) were maintained/prepared/ revised/checked;

■ Internal audit controls, safety audit controls and planned inspections were conducted with a view to identifying both weaknesses and improvement opportunities;

■ Specific statistics and reports were prepared, with different frequencies (weekly/monthly/quarterly/bi-annually/annually/on demand) with a view to meeting both internal requirements, and legal provisions and stakeholders' requests;

■ The satisfaction of internal clients was monitored and the assessment showed that the objective related to "maintaining client satisfaction indicators to at least 90%" was achieved;

■ The RAR certification was extended for vehicle fuels produced by Rompetrol Rafinare - operating unit Petromidia Refinery (Năvodari) and additives

produced by Rompetrol Rafinare - operating unit Vega Refinery;

■ Both programs included in the environmental strategy, and the safety awareness raising project for the employees of the Petromidia and Vega sites were continued.

■ Personnel recognition and motivational actions were taken:

- The safety "Drager" Caravan - presentation of safety equipment;

- Fire prevention and fire fighting contest, for the facilities, aimed at testing skills and the use of the FPF equipment;

- The most active member of the safety sub-committees;

- Recognition of achievements of sub-committee leaders;

- Awarding the most active internal trainers;

- Award for "Be Pro-Active" - «Employee of the year».

■ CSR projects were organized:

- Open Day for employees' children;

- Environment Day - cleaning the Corbu beach and "The Cleanest Facility" contest;

- Participation in the national environmental campaign "Let's do it Romania!" with a team of volunteers.

ROMPETROL RAFINARE - MAJOR OBJECTIVES FOR 2014

In 2014, Rompetrol Rafinare will continue to deliver to the internal market only Euro 5 fuels with a biofuel content of minimum 4.5% by volume for petrol and minimum 6% by volume for diesel. The assortments of Euro 5 fuel are the following:

- Efix S 98 Gasoline,
- Efix 95 Gasoline
- RON 98 Gasoline
- Euro Plus Gasoline
- Efix S 55 Diesel
- Efix 51 Diesel
- 55 Diesel
- Euro 5 Diesel

Processing objective:

Petromidia Refinery:

5,477,496 tons/year raw materials
(crude oil: 4,835,284 tons/year; auto gasoline: 1,275,888 tons/year; jet + auto diesel: 2,808,461 tons/year)

Vega Refinery:

304,066 tons/year

Petrochemical Division:

234,495 tons/year

After 2013, the best year for Rompetrol Rafinare, in terms of operating performances of the Petromidia Refinery, following the implementation of the project aimed at modernizing and increasing its production capacity to 5 million tons per year, 2014 will bring a consolidation of the results obtained until now and an improved operating efficiency.

The current organization of the Petromidia industrial site enables the refinery to be competitive, in an unfavorable global economic environment, due to its operational flexibility (processing capacity, diversity of raw materials, availability to produce the products at European highest quality standards).

Petromidia Refinery production basket is aligned to the market evolution, which is characterized by an increase in demand for Jet and diesel, and by a decrease in demand for petrol and fuel oil.

QHSE OBJECTIVES (QUALITY, HEALTH, SAFETY, ENVIRONMENT)

■ "Zero" accidents on the Petromidia and Vega sites;

■ To continue the "1 .Life" program aimed at increasing safety awareness in order to maintain level 3 for occupational safety and health, according to the DuPont matrix;

■ To maintain the integrated quality- environment- occupational safety and health management system, acknowledged by the re-certification audit conducted by representatives of Germanischer Lloyd Industrial Service;

■ To continue the programs included in the environmental strategy, and the safety awareness raising project for the employees of the Petromidia and Vega sites
Operational Objectives - Vega Refinery





04

Trading &
Supply Chain

KazMunayGas Trading AG

MAIN ACHIEVEMENTS IN 2013:

- **Record Traded Volumes (11,2 mln tons vs. 10.4 mln tons in 2012)**

- **Net Profit of \$14.8mln vs. \$12.4mln in 2012**

- **Successful entry on the Asian Market, expected to continue in 2014.**

KazMunayGas Trading (KMGT) continued to manage the trading operations of The Rompetrol Group ensuring continuity of optimum feedstock supply and of oil product delivery to/from Petromidia Refinery, while also expanding its 3rd party business. In 2013, KMGT fully supplied the feedstock for Petromidia refinery, mainly crude from Kazakhstan and also alternative feedstock.

Additionally, 1,3 mln tons of oil products have been traded from Petromidia, of which 0.9 mln tons to non group customers, and the rest going to other group entities (Rompetrol Bulgaria, Rompetrol Georgia, Rompetrol Ukraine, Rompetrol Moldova).

KMGT continued to build up the non group trading flows, driven mainly by additional crude from KMG traded in the market (volumes doubled from 2.4mln tons to 4.8 mln tons), but also driven by additional crude dealstream. Also, in 2013, KMGT started the trading transactions on the Asian market. Such trades are

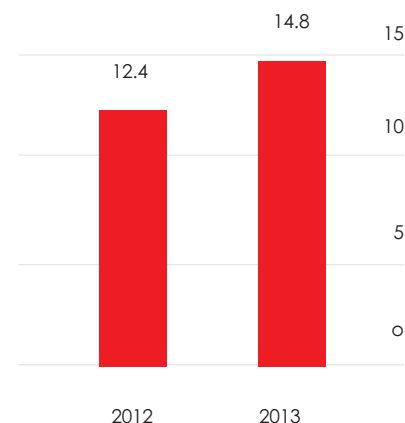
expected to further develop in 2014.

Brent crude quotation was volatile in 2013, with average at \$108.7/bbl vs. 111,6/bbl in 2012. Brent was lower in the first months of 2013 due to difficult economic outlook and a safer geopolitical situation, but went higher in the last months due to better economic outlook in US and low production of crude in Libya. However, on medium/long term the average is more stable. Ural differential reached the highest recorded level at +1/bbl, averaging -0.36/bbl vs. -0.91 in 2012. Ural differentials strengthened due to Russian oil flows redirected to Asia, tensions in Egypt, Libya and Iran (all with impact in heavy crude supply to Europe).

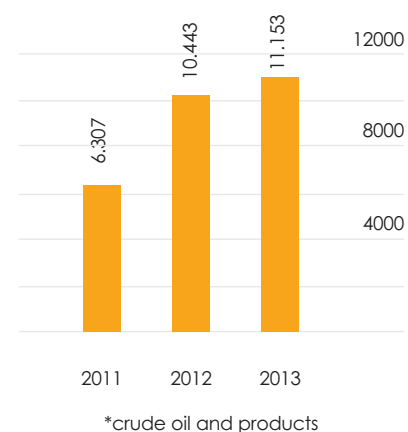
In this volatile environment, KMGT managed to secure competitive prices for Petromidia refinery for both feedstock and oil products, by tight management on all supply chain components, including price risk management, optimum inventory levels and competitive logistics. KMGT continued the cost optimization programme resulting in further \$0.5 mln local cost savings vs previous year, through optimization on all OPEX categories. The very good performance of KMGT in 2013 is expected to continue in 2014, mainly driven by increased throughput in

Petromidia refinery (from 4 to 5 mln tons) and further development on non group trading volumes.

Net profit (2013 vs 2012)
[mln USD]



KMG Trading – total volumes*
[kt]



Commercial activities in Romania

The local commercial department is part of the trading activity, ensuring the sales of products from Petromidia refinery, Vega refinery, Petrochemical division and also Rompetrol Gas.



The quantity of finished products produced by Petromidia refinery increased by 5% in 2013 compared to 2012, up to 3.712.727 tons, of which gasoline and diesel accounted for 2.956.000 tons.

The internal market absorbed 58% of the total volume of sold products in 2013. Of the total volume of auto fuels sold on the

Romanian market, 82% were diesel fuel sales. The external sales were oriented to the European Community as well as the non EU countries. The EU deliveries accounted for 21% of the total volume of sold products, while the difference represented exports on the non EU markets.

The sales were oriented to the following destinations:

Gasoline - Georgia, Ukraine, Israel, Bulgaria, Turkey, Slovenia, Moldova

Diesel - Turkey, Bulgaria, Moldova, Greece, Georgia, Ukraine, Lebanon.

Coke - Turkey, Greece, Ukraine

Sulphur - Egypt

Midia Marine Terminal



MAJOR ACHIEVEMENTS IN 2013:

Midia Marine Terminal is part of the trading division and operates the terminals located on berths 1-4 (oil) and berths 9A, 9B and 9C (oil products) of the Midia port, as well as the offshore Midia SPM terminal (oil).

The investment of 100 million USD necessary for the construction and commissioning of the terminal was recovered 5 years after the commissioning due to optimization of oil transfer, reducing time for unloading time and significant decrease of technological losses.

The cost of raw materials for the refinery decreased by 7USD/ton compared to the previous period when using

different routes.

Thus, by using the marine terminal, the routes were shortened by 33km, while the oil flow was strictly monitored, leading to an improvement of the refinery tank farm management.

Unloading the Altai tank with a capacity of 94.000 tons by the end of 2013, allowed reaching a level of 15.4 million tons of oil for Petromidia refinery. This was the 31st tanker to be unloaded this year in Midia Marine Terminal and the 182nd from its commissioning in February 2009.

The Altai tanker, with a capacity of 115.000 TDW, property of the national marine transport company Kazmortransflot Kazakhstan

made the link between Midia port and Novorossiysk Russia. The company is part of the KazMunayGas Group - the sole shareholder of the Rompetrol Group. The company extended its oil and oil products operations in the Black Sea and Mediterranean Sea regions through the acquisition of two Aframax type oil tankers - an investment of over 100 million USD.

Between 2009 - 2013, a total quantity of approx 6.8 million tons of products was transferred through the three terminals of berth 9 in 2009 - 2013. As a result of the refinery capacity increase, the terminals were built with the purpose of increasing the transfer efficiency. The

The main performance indicators reached by Midia Marine Terminal (Midia SPM) in 2013

Total quantity of imported oil through Midia SPM	3,587 mill tons
Total number of unloaded ships in Midia SPM	35
Total number of unloading days	59 days

The main performance indicators reached by the berths 9 A, 9B and 9C in 2013 (export and import)

Total quantity of handled products	1,500 kt
Total number of handled ships	362
Total number of loading/unloading days	272 days

The main performance indicators reached by the berths 1-4 in 2013:

Total quantity of handled products	180 kt
Total number of handled ships	9
Total number of loading/unloading days	11.76 days

company has managed to recover the investment of 30 million USD in 3 years. The economies for the given period reached approximately 60 million USD. Thanks to the use of modern terminals of berth 9, endowed with efficient metering equipment (metering skids) directly linked to the refinery tanks, the commercial losses are within the limits of the best industry practices, the processes being closely monitored.

The MMT operated terminals didn't register any labor related incidents, fires or pollution incidents in 2013.

Midia Marine Terminal operates the refinery's oil tank farm with a storage capacity

of 400.000 cubic meters, receiving oil mainly from the marine terminal.

The total volume of handled oil in 2013 reached 7.53 mln tons. Taking into account the specifics of the terminal's activity, respecting all of the environment related legal provisions is a priority. According to the maintenance plan, the entire system was checked and certified (LLOYD'S annual inspection certificate).

THE MAIN PERFORMANCE INDICATORS OF THE PILOTING, TOWING, TYING / UNTYING SERVICES IN THE MIDIA PORT AND MIDIA SPM IN 2013, NON-GROUP REVENUES

Midia Marine Terminal made use of its own resources and

tow boats to assist maneuvering the ships handled by Midia SPM. The total revenues from this activity accounted for 2.12 million USD.

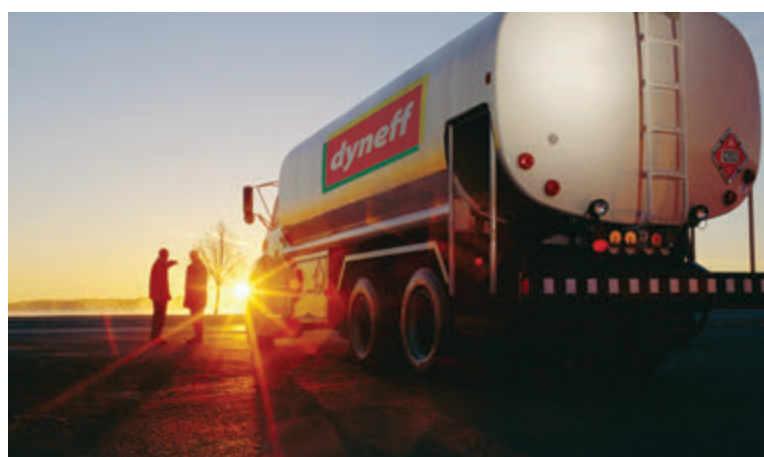
PLANS FOR 2014:

- One of the main areas where the SPM operational cost can be improved is using its own tug fleet fully equipped for offshore jobs and also usefull for upgrading the SPM operation and maintenance performance level, aligned with benchmarks in offshore industry.

- Improve the company financial performance by using berths 1-4 in Midia Port for commercial use.

- Increase the profit and optimization of SPM cost may be achieved by handling 3rd party shipments via SPM terminal.

Dyneff France and Spain



DYNEFF FRANCE

The French market is one of the largest fuel consumer markets in Europe, of about 75 million tons in 2013, 1.5% less than in the previous year.

The main products sold on the French market in 2013:

- 34 million tons of Diesel, an increase by 0.5% compared to previous year results
- 7 million tons of Gasoline, a decrease by 2.5% compared to previous year results
- 7.8 million tons of Heating Oil, +0.1% compared to previous year results

Major achievements in 2013

- The total sales of Dyneff France were of 1,662 kt, sustained by a better performance on the wholesale channel where the sales increased by 19 kt and on the trading channel with 46 kt more than in 2012.

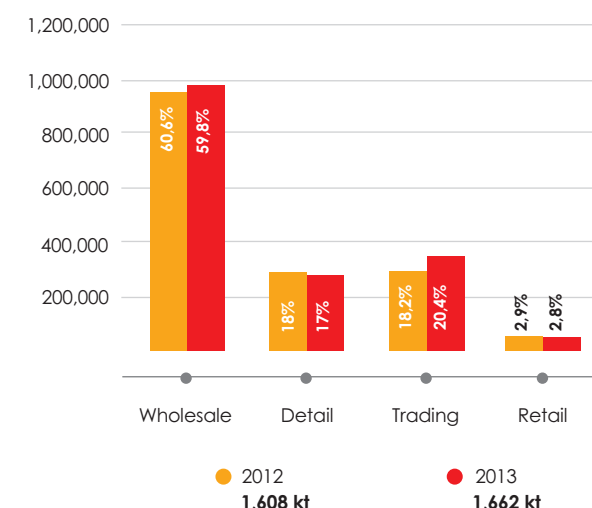
- The overall volumes increased by 55 kt in 2013 vs 2012, despite strong price competition and difficult market situation throughout the year.

- Dyneff France sales by main products type in 2013:

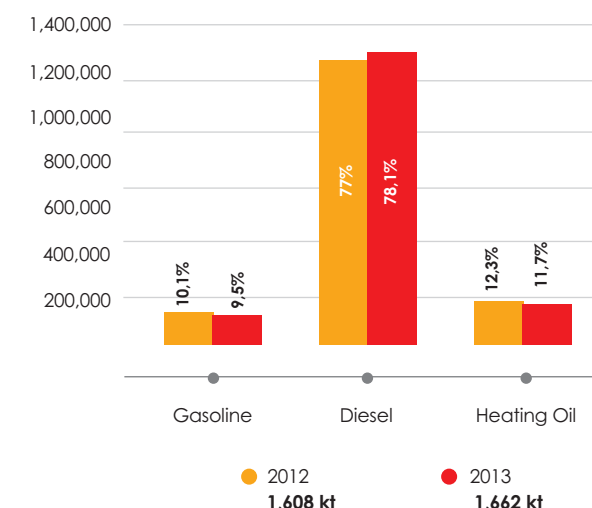
- Diesel 1,299 kt (plus 5% vs 2012)
- Gasoline 158 kt (3% less vs 2012) - the gasoline steady decline was due to tax regulation which promotes diesel engines.
- Heating Oil 195 kt (2% less vs 2012) - the tax regulation also accelerated heating Oil decline by making non-road use, which showed a 7% increase.

- Increase in market share from 3% to 3.1% due to the launch of innovative products as Super Ethanol, E85 and own branded Non-Road Diesel, GNR ZERO.

Dyneff France Sales by Channel Type (tons)



Dyneff France Sales by Main Product Type (tons)



DYNEFF SPAIN

Dyneff Spain tried to focus on margins and managed to increase its volumes on a Spanish market showing signs of recovery. The total sales in 2013 were of 438.7 ktons, an increase by 34% vs 2012.

- Dyneff Spain sales by main product type in 2013:

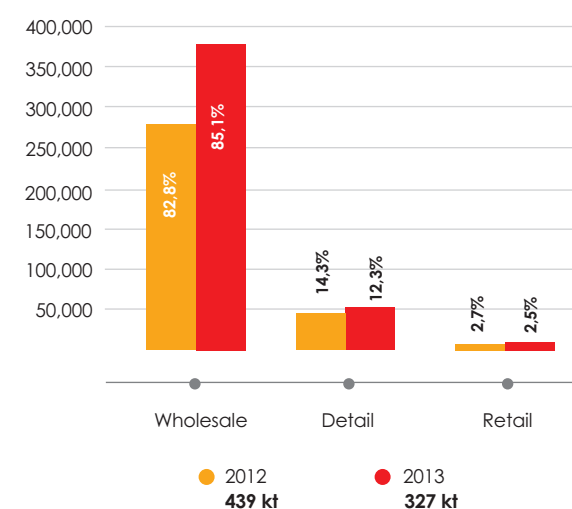
- Diesel 407 kt (+ 38% vs 2012)
- Gasoline 31 kt (- 4% vs 2012)

Main projects in 2013:

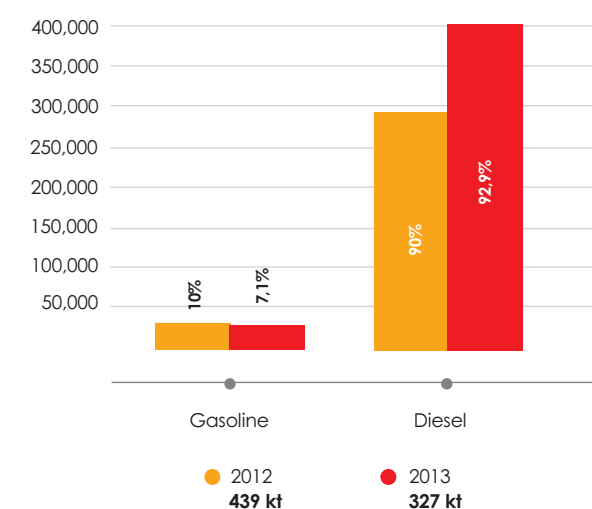
- Completion of Village Catalan flagship highway station with a total investment in amount of 8.2million USD. The premium station is located at the border between France and Spain, on the most

important traffic route in the area, traveled by around 35,000 vehicles per day. The station concept is based on the sustainable development model of the company, with energy- saving and environment-protection facilities (alternative power sources with solar panels and wind turbines, water recycling).

Dyneff Spain Sales by Channel Type (tons)



Dyneff Spain Sales by Product Type (tons)





- Full reconstruction of Montpellier airport station with total investment in amount of 1.3 million USD. The Dyneff service station, with a modern and contemporary design, is the only gas station close to the airport. It offers various services such as fuel dispensers, convenience store under the "Boutique du Soleil" brand: vehicle accessories and maintenance products, souvenirs, drinks; eating area with outdoor terrace managed by the "Brioche Dorée" brand;

parking spaces; vacuum cleaner, car wash and tire inflation.

- Compliance projects: Dyneff continued to invest 1.3 million USD in maintaining and improving the technical standards in the company depots and gas stations.

Development of operations and performances in attune with the business profile

- In the context of the evolving regulatory

environment, Dyneff developed new high-component products, thus the company became a pioneer in the French market.

- Super ethanol E85, a biofuel composed of up to 85% ethanol and 15% petrol 95. At this stage, the French government supports biofuel production and consumption through a variety of policies, including mandatory blending targets and excise tax exemptions for biofuels.

- GNR-Zero, a non-road diesel, fully adapted to customers' current needs. Non-road diesel replaces domestic fuel oil, which fails to conform to European directive 2009/30/EC requiring very low sulphur content.

Tendencies for 2014, strategy for the upcoming years.

Market tendencies

- Due to the VAT increase from 19.6% to 20% from January 1, 2014, it is expected

fuel prices at the pump in France to increase; a tendency expected to continue in 2015 as a planned carbon tax and other levies will take effect.

- An increase of food-based biofuels from the current level of 7% to 7.7%

Strategic directions

- Optimization of the rented storage facilities to improve stock turnover and save rental costs.

- Optimize gas stations portfolio to improve network performance

- Reinforce existing partnerships and develop additional ones with both suppliers and clients

- Increase Dyneff's bio-fuel market share and contribution through the distribution of the E85 niche product

- Allocation improvements of existing medium and small distribution trucks and reduce in the total number of rentals

Byron Shipping



BYRON SHIPPING is an important support company for the Rompetrol Group trading activity.

The company operates as a link between the producer (Rompetrol Rafinare, Petrochemicals or Rompetrol Gas), the trader (KMG Trading AG), the offshore terminal, the client and the owners of the vessels, providing full - range of shipping services.

Besides dedicated activity for The Rompetrol Group, provides professional assistance to all major players in the Romanian oil/chemicals market.

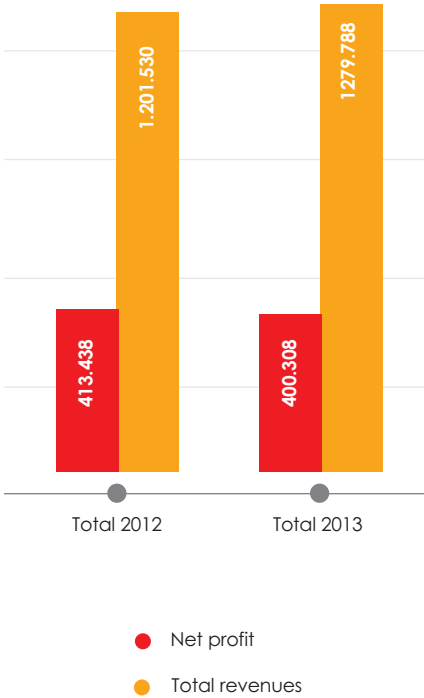
In 2013, the total number of vessels attended by Byron Shipping increased with 12%, compared to the previous

year: 385 ships and barges, out of which 346 ships in Midia port and the rest in Constanta port;

The gross revenues amounted over 1,1 million USD, a 10% increase compared to 2012.

In 2013, BYRON SHIPPING ranked first in "The National Top of private companies in Romania", from almost 600 000 companies participating in the competition. The company also received the first place in the category of micro enterprises, the ranking being established based on the gross profit obtained by the company. The top was drawn by the National Council for Small and Medium Private Enterprises in Romania and the Agency for the Implementation of Projects and Programs for SMEs.

Byron Shipping
Financial Results [USD]



Rompetrol Ukraine



The Ukrainian market has a great potential in the Black Sea region with a constant demand for products, of approx. 12 million tons/year in the last 10 years.

Key achievements in 2013:
Rompetrol Ukraine managed to increase by 74% the volumes sold on the local market, up to 242 kt, despite an unstable market during 2013.

ROMPETROL UKRAINE

Rompetrol Ukraine has the highest market expertise in tuning up supply, transshipment, storage and distribution of fuels and its logistics created an advantage on the local market in terms of final prices of the fuels delivered.

•specialized mainly in wholesale activities

•one of the largest importers of petroleum products, which are supplied exclusively from Petromidia refinery.

The trading activity is carried out by:

•the terminal Kherson, located by the Black Sea

•a terminal located near Ismail, on the Danube

•3 warehouses located in Odessa and Vinnitsa regions.

Main goals for 2014:

•Contractual arrangements and long-term contracts with major clients.

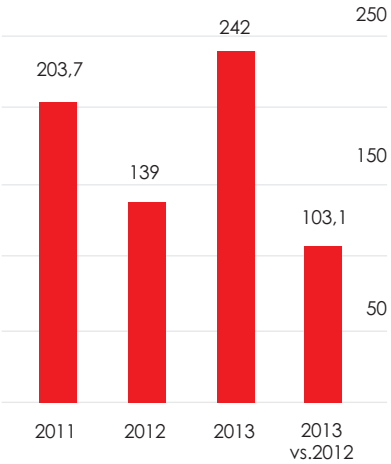
•Development and optimization of transshipment base:

•diversity of throughput points;

•negotiations with terminal owners;

•development of railway deliveries from Petromidia refinery.

Rompetrol Ukraine
retail and wholesale
Total volumes [kt]



The background of the slide is a photograph of a Rompetrol gas station. The Rompetrol logo, a stylized flower with red and orange petals, is mounted on a white pillar. Below it, the word "rompetrol" is written in red lowercase letters on a white sign. To the right, a yellow gas pump nozzle is visible. The building has a white and orange facade. A semi-transparent yellow rectangle is overlaid on the left side of the image, and a semi-transparent white rectangle is overlaid on the right side.

05

Retail

Rompetrol Downstream



Trends on the Romanian market in 2013

The fuel consumption in Romania has been relatively stable over the past years, at around 5,8 million tons each year.

Retail represents the main segment of the market, with a 73% share in 2013 - recovering 2% from the previous year.

The average fuel consumption of the Romanian private consumers was of 55 liters/month, stabilized for the last 2 years. In terms of fuel, diesel consumption followed the same trend as in the last years, representing 77% of total fuel quantities sold on the local market.

In 2013 there was an increase by over 5% in the total number of vehicles registered in Romania (approx. 5,98 mln) compared to the previous year, mainly diesel vehicles.

Major achievements of Rompetrol Downstream in 2013

The total sales of Rompetrol Downstream amounted to 1,568 ktons, with an increase by 11% compared to 2012. The wholesale channel contributed to this record registering an increase by 24% based on improved commercial terms for the clients.

Given this operational performance, the company established a record EBITDA of 39 million USD (2012: 20 million USD).

The slight decrease of retail and wholesale volumes was triggered by increasing competition, but also due to migration of customers from fleets to W2C solutions (improved negotiated prices and better control over the costs).

Logistics

The distribution of fuels on the local market is supported by 7 depots, strategically spread all over the country: Navodari, Mogosoaia, Zamesti, Arad, Craiova, Simleul Silvaniei and Vatra Dornei. Taking into consideration the increase in volumes to be sold on the local market following the capacity increase of the refinery, the company plans to optimize the logistic activity, increasing the number of depots.

Network development

At the end of 2013, the company developed a new concept of distribution station following the completion of modernization work in the gas stations located in Otopeni and Mogosoaia - which was the pilot station. With a premium design, the Rompetrol station sets a new quality standard for the network and provides a modern framework for the

products made in Petromidia. In addition to the facilities already available in the Rompetrol network (Efix range of fuels, Fill & Go payment service at the pump, Hey restaurant), the new stations are characterized by new elements of visual identity (logo) of The Rompetrol Group, a distinct ambient, which includes a modern architecture and a rearranging of the interior space, using high quality materials. Stations are provided with pumps of the latest generation, equipped with multimedia systems, low energy lighting system based on LED technology and their restaurant services bring a unique gastro concept in the local market. At the end of December 2013, Rompetrol Downstream's operated a network of 744 fuel distribution points (owned stations, "Partner" stations, "Rompetrol Express" stations and internal bases of 9 and 20 cubic meters).

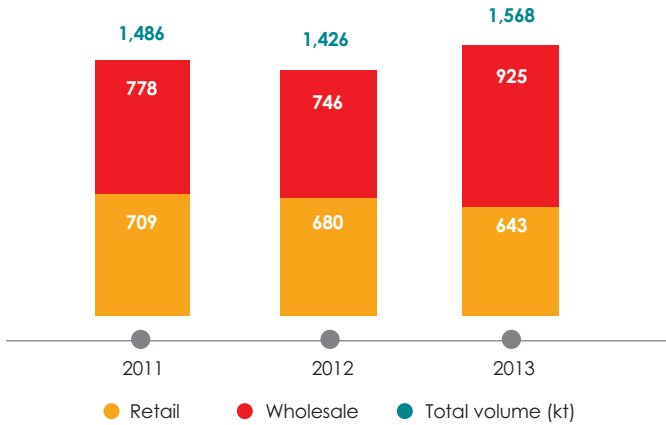
Plans for 2014:

The company plans to increase the retail network by 15 new stations and also to re-brand 90 stations, by implementing the key elements of the premium concept.

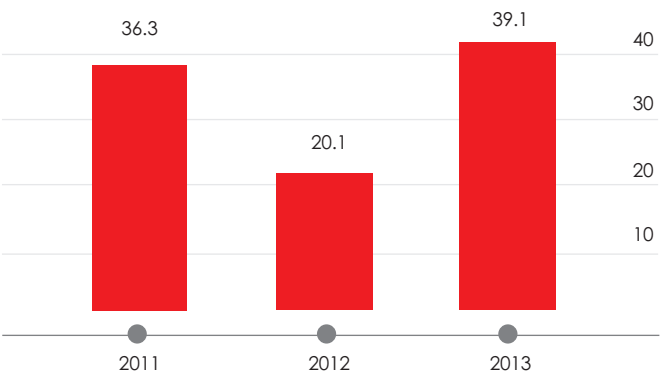
The development plans for the retail segment will focus on Bucharest and Ilfov regions and North- West, South-West, North -East, South -East regions of Romania.

Also, the new concept will be implemented in the subsidiaries of the Rompetrol group, thus supporting the objective of the company to expand and strengthen the retail activities in the Black Sea region.

Rompetrol Downstream sales in 2011-2013



Rompetrol Downstream EBITDA (2011-2013) [m\$]



Rompetrol Gas



Major achievements in 2013.

- Integration of LPG retail assets in Rompetrol Downstream, the retail channel of the Rompetrol company. This business decision brings benefits both to end and business consumers by promoting all the products offered by the company, by increasing the proximity and optimizing the operations in term of allocated resources.
- Increase of Arad terminal efficiency, by upgrading trans loading and mixing capacities, allowing Rompetrol Gas to increase export operations in the

Balkan area, creating premises for additional margins and for sales optimizations among channels. The trans loading capacity has increased from 15 t/h up to 20 t/h by using higher capacity pumps. Altogether with the optimization of the mixing capacities, the production activity and the delivery time increased by 20%.

- Acquisition of 60k Rompetrol branded cylinders, which enables Rompetrol to offer good quality products in safe, new cylinders and also to extend the sales in the Moldova area.
- Due to Petromidia refinery's

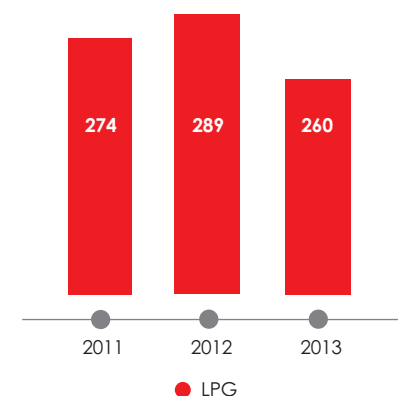
overhaul in March-April, the total LPG production decreased by 62 kt to 200.8 kt in 2013 versus the previous year. Despite this lower production, the total sales of Rompetrol Gas decreased with only 28 kt.

Market overview

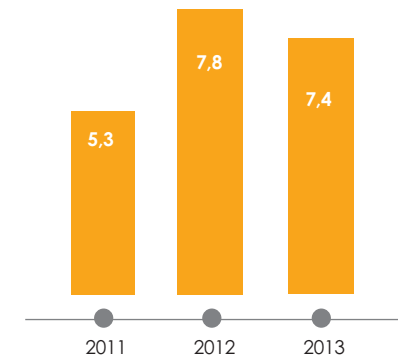
During 2013, the demand for new cylinders increased significantly; there are regions in Romania where the LPG product is sold exclusively in new cylinders and in the rest of the country the old cylinders are losing ground day by day.

In this context, Rompetrol

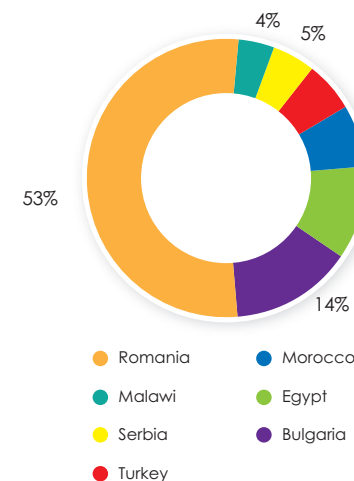
Sales Evolution
2011-2013 [kt]



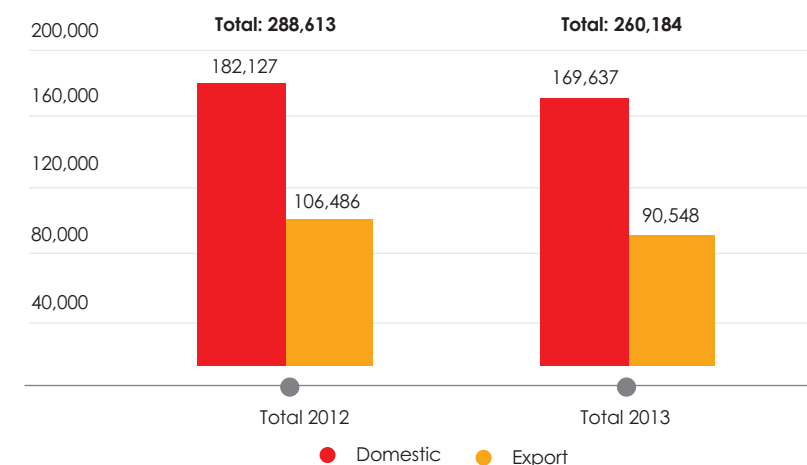
EBITDA Evolution
2011-2013 [m\$]



Main markets 2013 [%]



LPG Domestic versus export sales in 2012 and 2013



maintains its market leader position in auto gas segment, having more than 25% market share and being the first choice supplier for many skids operators due to the best product quality and flexible services.

Key figures in 2013

In 2013, the total sales volume was 260 ktons, with a decrease by 11% in volumes compared to 2012, due mainly to the wholesale channel.

The total sales of LPG in Romania registered a decrease by 7% to 169.637 tons in 2013. Approximately half of the quantity

was sold on the local market through the retail channel.

At the end of 2013, the company had 3 Filling Plants with a total capacity of 60,000 tons in Bacău, Arad and Constanța, 240 skids and 391 tanks.

Key directions for 2014-2015

a) Business optimization

- Render the LPG current assets more efficiently
- Rebrand 129 auto gas skids with the new logo of the company
- Rebrand POS network (8000 POS)
- Attract key players to Rompetrol Gas network
- Decrease operational "costs per

ton" by increasing volumes sold through imports and optimization among sales channels

b) Market share

- Increase the existing market share on the retail channels
- Increase our presence in the LPG market in the Black Sea region by acquiring an LPG marine terminal

c) Business development

- Enter new markets by acquiring skid networks
- Install skids in the Rompetrol stations.
- Use underground skids across all the retail network

Rompetrol Moldova



Major achievements in 2013

- Record sales in retail, volumes increased by 25,5 % vs. 2012
- Record sales in wholesale, volumes increased by 124% vs. 2012
- Record EBITDA for the last 5 years: 3 million USD

In 2013, Rompetrol Moldova opened 13 new stations, most of them located in Chişinău. At the end of 2013, the company operated 59 stations. The modernization works consisted in replacing the visual identity elements with the new Rompetrol logo, modernizing the equipment and alignment with the safety and

environmental standards.

In addition to the new stations, the company increased the number of shops within the retail network from 8 to 12.

As a result of the network expansion, the total amount of fuel sold increased by 68,4%, to 128 ktons in 2013.

The total market share increased from 13% in 2012 to 20% in 2013, while the retail market share increased from 9% in 2012 to 12,5% at the end of 2013.

On wholesale, the company concluded commercial agreements with the Moldavian Railways Company and also with the bunkering

companies on the Danube river. Gasoline and diesel sold in the distribution network comply with the Euro 5 standard and are imported exclusively from Petromidia. The LPG is imported from Kazakhstan.

Currently, Rompetrol Moldova has the best coverage among competitors in Chişinău, where 34% of the total number of cars in Moldova are located. In 2013 Rompetrol Moldova operated 2 Depots:

- Chişinău Depot (5000 MT capacity) - located in Chişinău and used for petroleum products;

and used for petroleum products;

- Tirnova Depot (1000 CM capacity) - located in the northern part of the country and used for LPG products.

Besides 55 DOCO* stations, the company also owns 4 own stations situated in the northern part of Moldova that sell only LPG.

These assets together with the Depot in Tirnova were included in the company's portfolio in 2011, by taking over the MoldInterGaz company's activity, part of Rompetrol Gas. In 2013, 8 new DOCO stations started to sell LPG and the total number of stations with LPG fuels reached 20.

Starting with November 2012 Rompetrol Moldova began to import the new range of products instead of Alto 101 and Alto 55:

- Gasoline EfixS 98 (November 2012)
- Diesel EfixS 55 (January 2013)

Plans for 2014

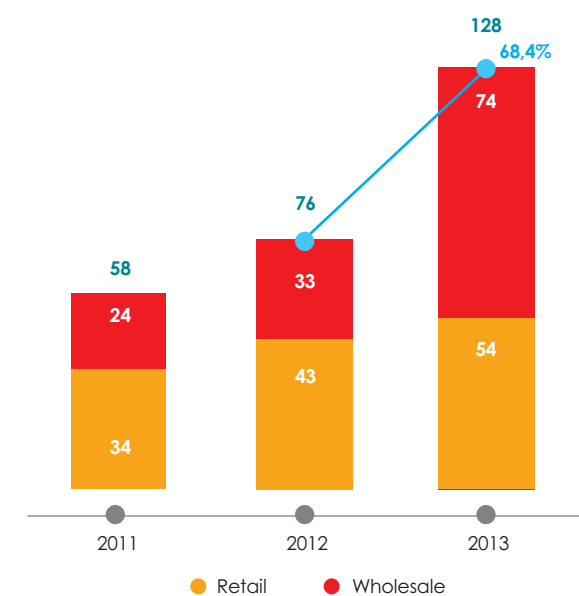
In 2014, Rompetrol Moldova plans to develop its network in an extensive way, by increasing the number of filling stations and shops, and in the same time to keep the same level in wholesale channel as in 2013.

Thus, plans are to open 6 stations and 5 shops and increase the retail market share to 14%. Also RPM plans to increase the number of stations selling LPG from 20 to 24.

*DOCO Dealer Owned – Company Operated station



Rompetrol Moldova sales evolution in 2011- 2013 [ktons]



Romp petrol Georgia

Major achievements in 2013:

- 9% increase of the total sales volumes vs. 2012
- Import market share increased from 17% to 19%

Romp petrol Georgia positioned itself on the local market as a European High quality fuels distributor.

2013 was a profitable year for Romp petrol Georgia, despite increasing pressure on the local market.

The total amount of fuel sold increased by 9%, to 158 ktons in 2013. The company managed to maintain the retail share of 15%, while the import market share increased from 17% to 19% vs. 2012.

The company retail sales have decreased by 8% as overall market consumption of RON 92 gasoline has decreased due to consumer further migration to CNG (compressed natural gas), a cheaper fuel.

Still, Romp petrol Georgia continued to diversify the retail operations, introducing Efix S, Euro 5 premium fuels which increased the cash sales by 60% in the Romp petrol stations vs 2012. Also, the Fill & Go billing module has been implemented and successfully launched in 2013, being the only solution of this type on the market.

Apart from the new products and services, in 2013 the company started to

implement the new concept of distribution station, developed by Romp petrol for its entire network. Thus, rebranding works started for 7 new stations planned to be completed at the beginning of 2014.

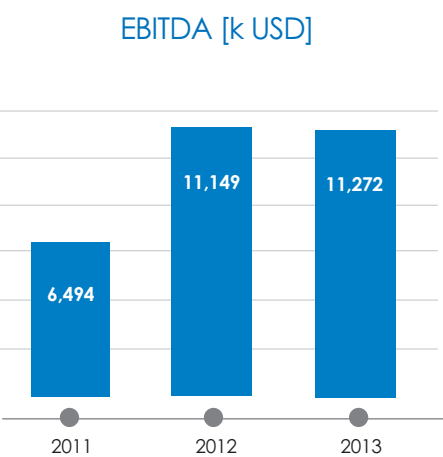
Wholesales have increased during the second part of 2013, due to commercial agreements with other local distributors.

Also, consolidated government tenders won by Romp petrol Georgia contributed to the company sales.

In December 2013 Compliance to ISO 9001, ISO 14001, OHSAS 18001 has been successfully passed and corresponding certificates received.

Plans for 2014 and upcoming years

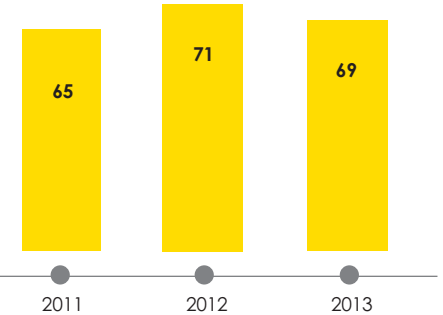
- Increase retail share by further network development: 10 DODO stations and 10 rebranded stations are planned.
- Gain additional 1%-4% of market share based on the services and products implemented in the distribution network.
- Fulfill obligations and requirements to supply Georgian Government with diesel on retail channel in 2014.



Sales Evolution 2011-2013 [tons]



Evolution of the number of stations



Romp petrol Bulgaria



Major achievements in 2013

- 7%market share in 2013
- 4 new stations opened in 2013 (2 DODO* and 2 CODO**)
- 4% growth in overall Retail sales

The main objective of Romp petrol Bulgaria in 2013 was to improve the operational model of the retail business, namely in the dealers and franchise stations.

The company focused on implementing measures to increase the profitability of these channels and also to align the stations to the operational standard and marketing strategy of Romp petrol Bulgaria.

Apart of the network optimization, Romp petrol Bulgaria approved the development strategy until 2018. As a consequence, in 2013 two new DODO and two new CODO stations were opened, in Targovishte, Durankulak, Burgas and Sofia. Romp petrol Bulgaria continued focusing on a two-

pronged strategy of profitability improvement and strict cost control in order to adequately face the challenges of the market. Despite the tough economic conditions, the total volumes sold on the local market was of 156ktons. The optimized network management and marketing campaigns increased by 4% the overall retail sales, up to 80 ktons, while a 7% increase was registered on the highest profitability channel, own stations (CODO).

Regarding the wholesale channel, there was a 12% decrease in the volumes, up to 76ktons, affected by the temporary closing of the trading channel in 2012, but re-established at the end of 2013. A Biodiesel Blending unit will be installed at the company depot in Ruse, a project to be finalized at the beginning of 2014. The purpose of this installation is to blend the diesel with the bio component locally, instead of receiving the fuel already blended at Petromidia refinery. This will reduce the cost of the fuel for Romp petrol Bulgaria.

These measures improved the financial indicators of the company, namely EBITDA increased with 2,3 million USD, up to aprox 3.7 million USD, while the market share of the company increased to 7%.

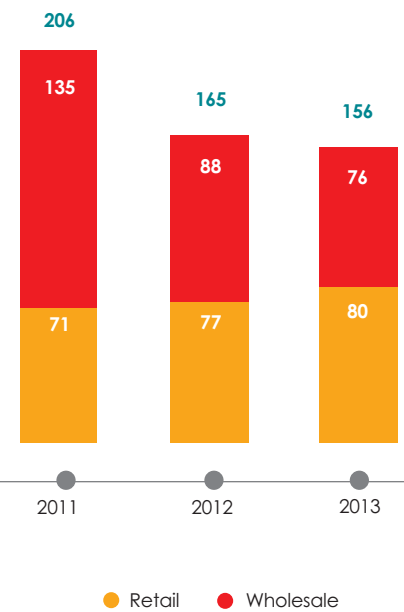
Plans for 2014

The main strategic goal of Romp petrol Bulgaria is to strengthen its position on the market.

In 2014, the company plans to open 11 new stations and also the strategy for 2014-2018 includes two main goals:

- increase of the retail market share up to 11% by the end of 2018.
- increase of the wholesale market share up to 9% by the end of 2018.

Romp petrol Bulgaria sales evolution in 2011 - 2013 (Ktons)



*DODO: Dealer Owned – Dealer Operated station
**CODO: Company Owned – Dealer Operated



06

Industrial Services
and Upstream

Rominserv



MAIN ACHIEVEMENTS IN 2013

EXPANDING ACTIVITIES IN KAZAKHSTAN

After attaining Rominserv's main objective of the past years - successfully upgrading Petromidia Refinery, started in 2006 - the company focused on the Kazakhstan market which has a great potential for the development of Rominserv specific business, considering the country's strategic investment in national programs for Oil & Gas.

Capitalizing on the experience gained as general contractor of the Rompetrol Group, as well as on the company's skills and expertise in design and project management, Rominserv managed to sign 3 contracts with Kazakh companies, the most important being "Upgrading and increasing the processing capacity of

Pavlodar Refinery" in Kazakhstan.

Projects in Kazakhstan

1. Rominserv signed in July 2013 a USD 1.072 billion contract to upgrade Pavlodar Refinery, aiming to increase crude oil processing yields, producing fuels as per Euro 4 and 5 standards, increasing operational safety as well as complying with most recent environmental requirements. Throughout the implementation of this project, several refinery units shall be upgraded: Crude atmospheric distillation, Heavy residue vacuum distillation, Naphtha hydrotreating, VGO hydrotreating, FCC, Semiregen reformer, Naphtha hydrotreating (conversion of existing DHT) and other utilities and facilities. In addition, several new units will be built: Isomerization, Naphtha splitter, Isomerization product tanks, Automatic gasoline blending station, Sulfur recovery, Sour water stripping, Amine regeneration, Kerosene hydrotreating, Merox primary

distillation LPG treatment and Diesel hydrotreating and dewaxing.

2. Rominserv signed in 2013 a consultancy services contract for project management in the Kazakhstan Shymkent Refinery upgrade in, project amounting to approx. USD 1.6 billion. The Shymkent Refinery upgrade is a strategic project, to be carried out in two phases, which aims to produce high quality fuels as per Euro 4 and 5 standards as well as to increase the processing capacity to 6 million crude oil tons/year. Rominserv shall provide by the end of 2015 combined consultancy services for project management, engineering, procurement and work supervision within a contract amounting to USD 8 million.

3. According to a third contract signed by Rominserv in 2013, the company will provide consultancy services for project management and training for building a large integrated petrochemical platform in the

Karabatau - Kazakhstan region, investment amounting to over USD 6 billion.

The value of the contract for 2013 alone was USD 5 million, and the consultancy services provided in the first phase of the project referred to building the propane gas dehydrogenation and polypropylene production plant, the general contractor for construction being Chinese company Sinopec Engineering.

PROJECTS IN ROMANIA

Along with expanding the activity in Kazakhstan, Rominserv continued to carry out a number of significant investment projects in Petromidia and Vega Refineries as general contractor of the Rompetrol Group.

Petromidia Refinery

1. Delayed cooker unit upgrade aimed to set up a closed blowdown system, in order to align with today's environmental requirements (water, air, soil) and a fully automated top unheading valve for coke drum. The project also has a business component, reducing refinery losses, from 1.67% to 1.46%.

2. Replacing Current Burners with LOW Nox in Furnaces aimed to comply with the action programs provided in the Integrated Environmental Permit for Rompetrol Rafinare, setting the emissions limit. Apart from compliance with the environmental parameters, the specific fuel consumption decreased as a result of the possibility to better adjust the air-fuel ratio with the new burners.

3. Setting up a Flue Gas Emissions Control System for the Catalytic Cracking Unit necessary for complying with the Romanian environmental legislation. The solution chosen by Rominserv specialists in this case was to set up an electrostatic precipitator.

4. Another project that started in 2013 aims to authorize and re-authorize a significant number of static equipment and pressurized pipes within Petromidia Refinery units as per the national ISCIR (State Inspection for Control and Approval of Boilers, Pressure Vessels and Hoisting

Equipment) norms aligned with EU PED standards (a total of 307 pieces of equipment and 340 pipes in 2013).

Vega Refinery

The most important project carried out by Rominserv in Vega Refinery was to set up a new vacuum column as a part of upgrading the Vacuum Distillation Unit, completed in 2013. The purpose of the project was to create a reengineered vacuum system, to reintegrate the distributed control system, to reengineer AMC equipment and to improve the operational safety in the refinery.





In 2013, during its operations in Romania, Rominserv completed on time and on budget 29 projects amounting to USD 88.50 million.

Professional Maintenance Services

Rominserv performs maintenance works in the 2 Romanian refineries of the Rompetrol Group, succeeding in 2013 in providing a higher mechanical availability for Petromidia Refinery: 96.18% compared to a target of 96%. The reached level exceeded the West-European average - as per the Solomon benchmark - and allowed optimization of operational costs for Rompetrol Rafinare.

Business development outside Rompetrol Group

Rominserv activity followed an upward trend in 2013 in terms of projects and achievements and also managed to conclude new infrastructure

contracts on drinking water and waste water system management.

In October 2013, Rominserv, as leader of a local joint-venture, signed a USD 17.5 million contract with HidroPrahova SA, one of the largest regional operators of drinking water supply and waste water treatment systems in Romania.

The project - completion deadline July 2015 - aims to revamp and expand sewage networks in Baicoi, Urlati and Plopeni in Prahova County.

In April 2013 Rominserv, as general contractor, completed a project aiming to upgrade the Fluid Catalytic Cracking Unit of Petrotel Lukoil, the operator of the refinery located in Ploiesti, owned by Lukoil in Romania. Works, consisting in replacing the cyclones and plenum chamber in the regenerator of the Fluid

Catalytic Cracking Unit, were carried out in a record period of 39 days, within the targeted budget of USD 2 million.

QHSE Performance

Rominserv continued to preserve an Integrated Management System in 2013. This was possible by means of a constant concern regarding: Quality Control - in 2013, the Rominserv Quality Management System was audited and re-certified by Germanischer Lloyd as meeting the requirements of standard ISO 9001:2008. Moreover, the Labor Health and Safety guarantee was embodied in 2013 by almost 1 million accident-free work hours. As confirmation of this success, in 2013 Germanischer Lloyd audited and re-certified the Rominserv Labor Health and Safety Management System as meeting the requirements of standard BS PHSAS 18001:2007. With respect to the impact of

Rominserv actions on the environment, by strictly observing legal requirements and promoting a proactive attitude towards saving power and running efficient waste management processes, the company kept waste level to a minimum. As a direct result, in 2013 Rominserv's Environment Management System was re-certified as meeting the requirements of standard DIN EN ISO 14001:2009 consequent to the audit carried out by Germanischer Lloyd. The QHSE activity of Rominserv for 2013 consisted in the participation of the department in ensuring compliance with legal requirements on Labor Health and Safety, Quality Control and Environmental Protection in international projects carried out by Rominserv in Kazakhstan.

Financial Performance

Rominserv's operational and technical performance is

noticeable in the financial results of 2013. The USD 95 million turnover for 2013 places the company among the top companies of its kind in Romania. In 2013, Rominserv reached USD 3 million EBITDA and a net profit of USD 1 million.

2014 OBJECTIVES

In 2014, Rominserv's activity shall focus on upgrading Pavlodar Refinery as per the works schedule agreed upon by providing design works, service supply and delivery of equipment requiring long supply periods. In addition, the company's objective is to increase the business volume, to provide consultancy services on project management and technical services to clients - Kazakhstan Petrochemical Industries, developer of the USD 6 billion Kazakh

petrochemical complex, and PetroKazakhstan Oil Products - Shymkent Refinery operator. Ensuring a high level of maintenance services for refineries owned by Rompetrol Group continues to be among its top priorities for 2014.

Complete projects that impact directly the group's operations:

- upgrade main software for project management, assets maintenance and contract management: Primavera, Maximo and Proplan;
- successfully complete the projects aiming to make Petromidia Refinery comply with legal requirements, especially commissioning the electrostatic precipitator to reduce flue gas emissions from the Fluid Catalytic Cracking Unit and to test and inspect pressure equipment as per ISCIR regulations;
- plan activities for Petromidia Refinery overhaul.



Rominserv Valves Iaifo

In 2013, Rominserv Valves Iaifo was one of the biggest producers of cast iron and steel fittings and safety valve spring in Romania. Part of The Rompetrol Group, the company exports annually around 35% of its production to Germany (80%), Italy, France, Austria and Bulgaria.

Starting 2014, Rominserv Valves Iaifo products will enter the Czech market, thus it is expected the export market to increase by 15%.

The company's products address the needs of

- The oil & gas industry, transportation and storage;
- Refinery and petrochemicals;
- Energy industry;
- Water, steam and heat industries.

During 2013, RIS Valves Iaifo homologated a series of new products, such as:

1. Assimilation of gate valves class 150 DIM 10"; 16" and ball valves class 150 DN4", electrical operated with ROTORK actuator;

2. Assimilation of gate valves class 150;300;600 DIM 1/2"; ¾"; 1"; 1 ½" cu with RF flanges, in variant of forged body and welded flanges;

3. Over 40 types of cast parts, assimilated for the companies GEA Refrigeration Germany, Sysmec SRL, Imatex SRL, Caromet SRL, Lufkin Industries Romania.

Rominserv Valves Iaifo achieved in 2013 a turnover of 8,15 mln USD,

Sales per countries USD	2013	2012
Romania (non group sales)	5.004.713	5.582.093
Germany	1.775.550	1.858.361
Czech Republic	741.056	
Other	136.225	121.068
France	10.487	94.326
Bulgaria	9.378	18.170

being one of the biggest producers in the area, with a total contribution to state budget of over 1,9 million USD.

2014 OBJECTIVES

The turnover of Rominserv Valves Iaifo is targeted to increase by 11% in 2014, achieving 9,9 million USD, compared to the 2013 turnover, with the support of sales on cast parts, and also increasing number of partners on external market.

The main objectives of Valves Iaifo in 2014 is to participate in the projects of

Rominserv in Kazakhstan, for the modernization of refineries, by supplying cast iron and steel industrial valves.

Also, the objectives for 2014 include promotion and sale of new products assimilated in 2013, homologation and sale of new products, along with the development of new markets in Russia, Lithuania and Ukraine.

Increase the capacity of the foundry in the area of manual forming by 15%.



Rompetrol Quality Control – RQC



The Laboratory Division of The Rompetrol Group, Rompetrol Quality Control - RQC, is one of the top companies on the national market of laboratory analysis. Since its establishment in 2004, RQC granted an ongoing support to its customers (both TRG companies and external customers) in their efforts to identify and implement the safest and effective ways in order to protect the environment and provide the high product quality. One of the main objectives of RQC for 2014 is the expansion of its petrochemicals division currently conditioned by taking over the laboratory operated by Rompetrol

Petrochemicals, which would provide a widened service range and new laboratory analyses. Starting with September 2013, following the acquisition of specialized laboratory equipment, RQC became eligible to perform the MTBE analyses necessary for the Light Nafta product delivered by Vega Refinery. These analyses were previously done by a laboratory in Bulgaria. Despite the still unfavorable economic situation, in 2013 the company continued to develop and improve its performance, managing to retain current customers and attract new partners. By maintaining business

activities at the same high quality standards, RQC attained a major objective in 2013: maintain the main accreditation certificates awarded by RENAR and GERMANISCHER LLOYD. These certificates provide technical competence guarantee, the impartiality and integrity of RQC laboratories and protection of consumer interests. Certificates of accreditation represent an important tool used for strengthening relationships with existing customers and attracting new customers, as well.

Security and health protection have always been and remain

the main priorities of TRG and RQC. The company operates its activity in compliance with the regulations on security and health protection of employees, by implementing the ongoing training program for the personnel in the field and by providing optimal conditions for carrying out activities. Another accomplishment of 2013 is the achievement of the "zero accidents" objective in the RQC laboratories.

The quality of services provided by RQC was acknowledged year by year by its major clients:

- **The Ministry of Economy and Finance** - project monitoring processes funded by the EU on observing common rules of

introducing diesel and gasoline on the Romanian market, started in 2005.

- **ArcelorMittal Galati** by participating in the environment monitoring of the largest steel plant in Romania since 2008.

The two relationships that contributed to the consolidation of the company's position on the Romanian market continued in 2013.

Attracting new customers outside TRG was and remains one of the main objectives of the company. The development of the client portfolio outside TRG resulted in 2013 in the commencement of

necessary procedures for concluding new contracts on providing gas analysis required by EU Regulation no.601/2012 in accordance with the Directive 2003/87/CE on monitoring and reporting greenhouse gas emissions.

RQC meets customers demand with a wide analysis range in order to satisfy all their needs according to the Romanian and European applicable law in this field:

- complete analysis of petroleum products (crude-oil, gasoline, diesel, GPL, kerosene, petroleum fractions, cocks and petroleum sulfur, ecological fuels - biodiesel and bio-ethanol, bitumen etc.)

kUSD	2012	2013
Net revenues	5,398	6,475
OPEX	(4,134)	(5,248)
Gross Profit	799	618
EBITDA	1,265	1,226
Net result	500	307

- complete water analysis (chemically impure water, process water, drinking water, drainage water, cooling water, softened water, desalinated water, boiler water, pool water, steam, condensate, phreatic water etc.)
- complete soil analysis (industrial soils, agricultural soils, industrial sludge)
- complete air analysis (physical and chemical pollutants in the workplaces and protected areas air by determining appropriate concentrations)
- Explosimetric analysis (by determining explosion dangerous potential when working with open fire in the industrial environment and closed vessels)
- analysis of physical and chemical pollutants in the workplace (by observing effective labor protection provisions)
- Weather factors, environment and specific microclimates.

Accuracy of carried out processes and analyses are confirmed by the certificates obtained and maintained by RQC, which create the necessary tools for expanding customer portfolio and consolidating company's position in the industrial analysis market:

- RENAR - Accreditation Association of Romania. All three laboratories RQC are accredited in accordance with the standard SR EN ISO 17025:2005, certification issued by the Accreditation Association of Romania (RENAR), the only

national institution that certifies standards of laboratory activities. Therefore, RQC analyses are recognized in over 70 countries around the world that signed the international recognition agreements (I.L.A.C., M.L.A., E.A.) concluded by RENAR.

- Germanischer Lloyd (2008) certified RQC for the Management Integrated System: Quality (ISO 9001), Environment (ISO 14001) Labor Protection (QHSAS 18001);
- The Romanian Railway Authority (AFER) - licenses for testing products used in railway transport (environment parameters);
- State Inspection for Boilers, Recipients under Pressure and Hoisting Units (ISCIR) - licenses for testing boiler water;
- Ministry of Health (Public Health Department) - authorization to perform professional measurements of toxic emissions.

Efforts exerted in order to improve the company's services are confirmed by certificates of excellence obtained by constant participation in international programs of proficiency testing (proficiency tests - PT) and collaboration with international research centers (Spain, Netherlands). Participation in PT assessments provides a better guarantee for the company's customers ensuring that test results are accurate and retain their integrity when the sample is retested in other laboratories. Testing at an international



level inspires trust and confidence that RQC laboratories constantly provide and accurate results, which is of fundamental importance for the laboratory itself, for the organization the laboratories are part of and for the beneficiaries and accreditation and regulatory bodies.

RQC managed to retain its major customer's loyalty, being a competent partner for the major companies of independent inspectors operating on Constanta port platform for its specific



analyses of petroleum products imported / exported through the port of Constanta and by performing monitoring of the specific factors for companies in most areas of the country through its environmental laboratories

Company indicators have been influenced by the economic crisis impacting the business environment in Romania since 2008.. However, due to the efficiency of its operations, as of end of the financial year 2013, RQC recorded a

value of 6,5 million USD, an increase by 20% over the previous year.

2014 OBJECTIVES

One of the main objectives is to maintain market share and revenue by providing gas monitoring services starting January 1, 2014 and by attracting new customers outside the Group on the petrochemicals analysis market. Achieving this goal will ensure company's income growth from TRG external customers with minimum 9% in 2014, thus the estimation of

the total turnover being 11%. The company also aims to maintain the accreditations from RENAR and GERMANISCHER LLOYD and to extend them for the new analysis types to be carried out in 2014. Being an important marketing instrument, these certifications play a major role both in consolidating relationships with available customers and in attracting new business partners.

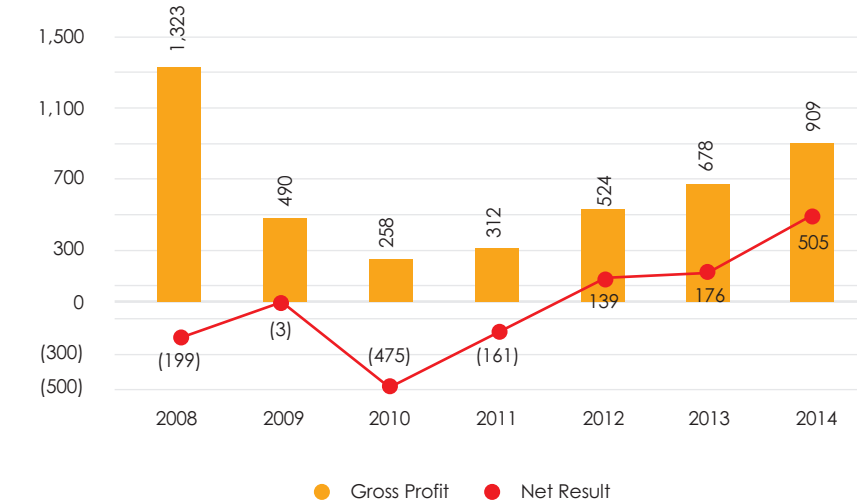
Reach "zero accidents" objective in RQC

Palplast Sibiu



Palplast Sibiu is one of the most important producers on the Romanian HDPE pipes and fittings market, with an annually increasing market share. The company managed to achieve this market status by adjusting the business strategy according to the evolution of the market demand, focusing on infrastructure and agriculture projects and resizing the production costs and the pipe prices.

In Romania, projects for rehabilitation and expansion of water and sewerage during 2013-2017 are estimated at 3.4 billion Euro. The interest shown by the Romanian authorities and by the EU in the rehabilitation and extension of irrigation networks is continuously increasing, therefore Palplast is focused on developing new business partnerships with agricultural producers.

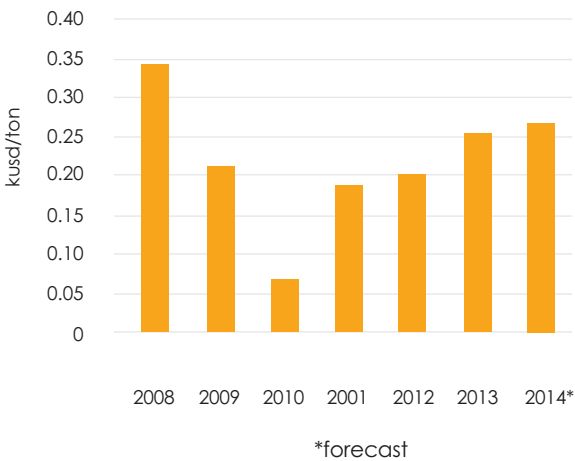


Major performance and accomplishments in 2013

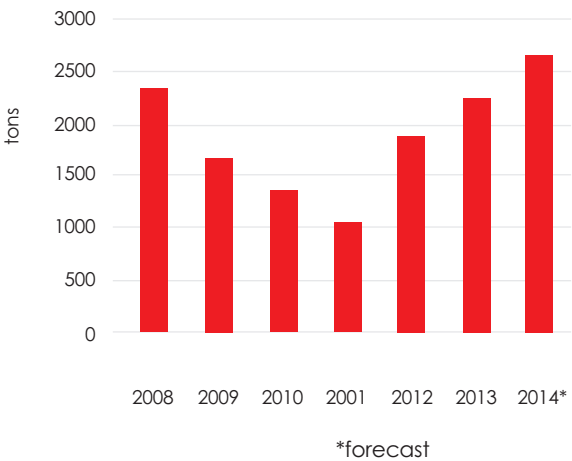
Palplast's market share increased due to higher volumes sold (2.265 tons sold in 2013 vs. 1920 tons in 2012). In 2013, Palplast had a turnover of 5.9 million USD with a production of over 2.300 tons of pipe, higher by 20% than last

year, while volume of sold pipe was 2.265 tons, higher by 18%. The company products became competitive on the market as a result of price optimization, due to reduction of energy consumption, reduction of technological waste during the production process and to a lower raw

Gross profit/tons pipe



Sales of pipe



material price. Palplast expanded its client portfolio with 153 new customers.

Given the focus of the European Union and of the Romanian Government on rehabilitation of irrigation systems in agriculture,

the company paid special attention to this segment, representing 25% of its total sales. In this regard, Palplast reopened production of fittings that are necessary in this sector.

Tendencies for 2014, strategy for the upcoming years

For 2014, the company estimates an increased turnover by 17% vs. the previous year.



Due to the interest shown by the European Union and by the Romanian Government in developing & rehabilitating of water, gas and sewerage networks, and also the focus on agriculture, Palplast will continue the ascending trend, by exceeding the financial indicators of 2013.

The main directions include

- developing pipes and fittings for pieces necessary in irrigation systems

- starting production of new types of pipes & fittings
- developing trading through direct imports from China, Turkey, etc.
- starting pipe exports in markets like: Bulgaria, Republic of Moldova, Ukraine, etc.

Developing trading activity

- Palplast intends to sign new contracts with suppliers in order to increase turnover from trading.

Reopening fittings section

- After reducing production costs in this section, Palplast fittings became competitive on the market.

Optimizing energy consumption & reducing technological waste in production process

- Utilities of production cost reduction by 20%
- Technological waste reduction from 1% to 0.85%.

Rompetrol Well Services



Rompetrol Well Services (RWS) is one of the most important special well service companies in Romania. The company provides a wide range of services for oil and natural gas wells on the domestic market and in several countries in Eastern Europe and Central Asia.

Main Achievements in 2013:

- EBITDA increased by 20%, and the net result by 45% compared to 2012.
- The company signed, entirely or partially, 4 new multiannual contracts for the services provided by RWS in Romania.
- Investments amounting to USD 1.4 million, financed from own resources of the company, targeting better quality acid treatment, cementing and casing services.

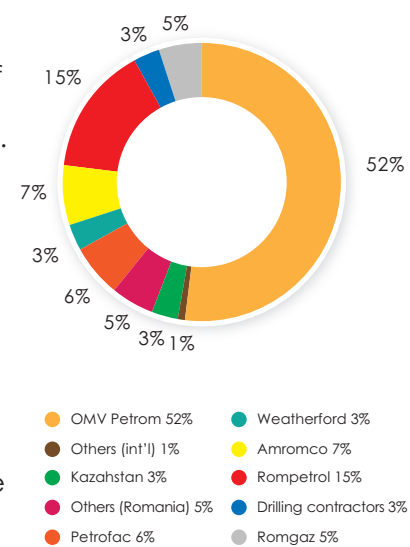
In 2013, Rompetrol Well Services registered positive results, given

the increasing demand for the company's services and high performance, leading to a record EBIT for the company, of USD 11.3 million, and a net result exceeding USD 8.7 million. Moreover, the increasing trend in well services provided in Romania led to a growing financial performance of the company.

Despite the ever growing competition, RWS managed to increase the market share for some of the services provided in Romania while increasing the complexity of the provided services.

The foreign activity, constituting 4% of the company's revenues in 2013, focused on areas in Kazakhstan, Hungary, Bulgaria, Kurdistan and Israel. The equipment upgrading program focused on updating technologies for well

Customer Structure



cementing and stimulation and casing services.

RWS focused in 2013 on implementing a new data monitoring and recording system and simulation software for acid treatment services.

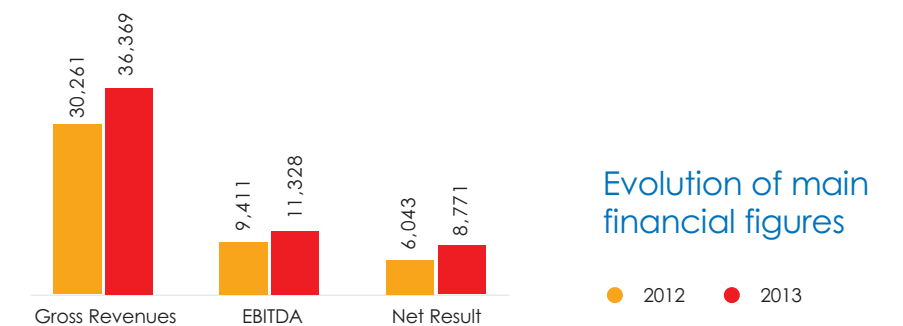
The company trained its employees mainly by means of in-house training programs in order to get maximum benefits from operating state of the art equipment commissioned during 2013.

Annually, the company cements in average 400 casings and liners, deep between 500 and 4,500 meters, and carries out consolidation and packing operations for over 200 oil and gas wells.

RWS supervises all ongoing projects from the office in Ploiesti, Romania, providing technical support for 13 locations in Romania and Kazakhstan. For best level operations, the company also leases drilling tools.

2014 Main Objectives

- Continuing to upgrade services, focusing on



cementing and stimulating well production.

- Strengthening market share in Romania for all types of services provided.

- Implementing the Development Program focusing on increasing business in high demand areas. In order to strengthen its position on the Romanian market, Rompetrol Well Services shall continue its

program to upgrade current services, with investments in this respect exceeding USD 2.37 million. Thus, high performance equipment shall be purchased to carry out cementing, stimulation, casing and various well workover activities, as well as a cementing set with two pumping lines, a mixer for preparing and mixing bulk cement paste set up on a semi-trailer, drilling equipment and tools/grab irons.

Drilling Division

Over 30 years of experience in drilling and workover operations in 15 countries stroke a balance between highly qualified staff and efficiency of employed equipment. The division covers a comprehensive list of operations, ranging from exploration drilling, production well drilling, well cementing, well-fitting and testing, and up to rehabilitation and stimulation of production.

The skills of adapting to various cultures and environments have turned this department into a valuable partner both on traditional and new markets. The overall experience counts over 550 wells drilled in Syria, Algeria, Egypt, Iraq, Jordan, Sudan, Greece and over 250 workover wells in Libya.

Thanks to continuous investments in technology, market studies, and a flexible business vision, the Drilling Division managed to win the respect of a market involving tough competition and the highest demands as to competency standards. The high quality service standards are supported by a management system, whose procedures are certified with ISO 9001, ISO 14001 and ISO18001, by Germanischer Lloyd.

A medium and long-term development plan is followed, which includes development of drilling and maintenance/workover operations thanks to the acquisition of new equipment, maintaining and developing



business relations with present and future clients.

Rompetrol Drilling Division is a member of:

- International Association of Drilling Contractors (IADC) since 1985
- Romanian Association of Drilling Contractors (RADC)

- It is ISO 9001, ISO 14001 and BS OHSAS 18001 certified
- Services Portfolio
 - Drilling oil, gas and water wells
 - Well completion and workover
 - Running casing and tubing strings
 - Consultancy for drilling and workover operations
 - Refurbishing and maintenance of rigs
 - Equipment and tools rental

- Pumping, testing operations and water wells sand cleaning
- Rig management
- Manpower provider
- Mudlogging services

Major performance and accomplishments in 2013

Activity in Romania

1.Drilling

The drilling activity relied on the drilling program launched by OMV PETROM in 2011, which aims at increasing the number of development wells on the Romanian territory. The activity was carried out in accordance with the provisions of the Onshore Drilling Services Contract concluded with OMV PETROM.

Key Business Drivers Dynamics 2013-2014 [m\$]

Key Business Drivers	2013	2012	2013 vs. 2012
Gross Revenues out of which:	14,3	14,7	97%
Drilling and Mudlogging Activity - Romania and other location	4,2	4,1	103%
Workover Activity - Libya Area	10,0	10,7	94%
EBITDA	2,7	3,6	74%

Out of total year:

- 226 days – drilling operations – corresponding to 7 wells;
- 114 days - related activities (moving, rig up, mobilization, demobilization).

2. Mudlogging (measurement of the geological parameters and well drilling).

The activity was performed in accordance with:

- provisions of the Mudlogging Services Contract concluded with OMV PETROM up to February 2013: Jan-Feb 2013 - 21 operating days on 4 wells;
- for Rompetrol concessions (E&P projects);
- One unit working continuously on KAZ1 entire period Jan - September 23rd 2013
- One unit working continuously on KAZ1 the entire Jan - September 23rd 2013 period
- other concessions:
- One unit worked for 11 Urziceni Nord well –DAFLOG S.R.L. – November – December 2013 – 17 operating days

Development of Operations and Performances in 2013 Activity in Romania

1. Drilling

- The activity carried out in accordance with the provisions of the Contract concluded with OMV PETROM
- The contract with OMV Petrom was not extended due to financial performance, termination starting end of November 2013; the rig is prepared for further contracts
- Mudlogging (measurement of the geological parameters and well drilling)
- The activity was performed in accordance with the provisions of the Contract concluded with OMV PETROM up to February 2013

• Continued work for Rompetrol Concessions (E&P projects)until the end of September 2013.

Activity in Libya

- Stable operations for all 3 workover rigs.
- API re-certification for all three rigs and maintaining the

Integrated Management System certifications (ISO 9001:2008, ISO 14001:2009, OHSAS 18001:2007) granted by Germanischer Lloyd.

Tendencies for 2014, strategy for the upcoming years

Activity in Romania

1. Drilling

- Development plan to be implemented, meaning using the Rig outside Romania: Iraq, Kurdistan.
- 2. Mudlogging (measurement of the geological parameters and well drilling)

• Searching for opportunities to develop the business outside Romania, focusing mainly on Kurdistan where the company is registered with the Ministry of Natural Resources in order to be able to perform any operations in this country.

Activity in Libya

- Maintain all the rigs in working conditions according to the existing and negotiated commercial contract with our clients.

Rompetrol Exploration and Production



The Exploration and Production Division intensified its activities focusing on exploration of the five blocks leased by The Rompetrol Group in Romania.

Therefore, E&P upgraded the leads and prospects portfolio based on seismic processing and interpretation.

KazMunayGas, the sole shareholder of The Group continued drilling the first well outside its borders, in Focsani block, leased by The Rompetrol Group starting 2005. Rompetrol Exploration and Production

The total investment made for Rompetrol exploration blocks in 2013 reached USD 27 million, consisting of finalizing drilling one deep well (5.000 meters)

in Focsani Block as well as drilling a new deep well (4.200 meters) in Zegujani Block.

2013 key Achievements

- The Rompetrol Group continued exploration activities in the five blocks: Focsani, Zegujani, Satu Mare, Gresu and Nereju.

- Rompetrol has fulfilled the minimum work program on the phases expiring on December 2013 for all the blocks.

- Continued drilling program of one deep exploration well (5.000 meters) - Kazi - NW well on Focsani Block. NAMR approved entering an additional exploration phase which ends the mandatory sub-phase on 30.06.2016.

- A new deep well (4200m)

was drilled in Zegujani Block where Rompetrol has 100% working interest

- In Satu Mare, in 2013 interpretation of 80 km² 3D seismic data. The process of obtaining permits and construction authorization from local authorities was started

- In Gresu and Nereju Blocks drilling started in December in order to comply with the final term granted by NAMR, for drilling one exploration well on each block.

2014 key Objectives

- continue exploration activities in the five blocks: Focsani, Zegujani, Satu Mare, Gresu and Nereju.

- Complete drilling 2 wells and

180 km² - 3 D seismic data acquisition in the Satu Mare Block, together with Winstar Satu Mare.

- Find a partner and/or continue exploration activity in Zegujani Block.

- Start 300 km² - 3D seismic data acquisition in Focsani Block according to the minimum work program approved by NAMR.

- finalize drilling of 2 exploration wells together with Amromco Energy Sri in Gresu and Nereju Blocks.

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



Operational map The Rompetrol Group

The Rompetrol Group HQ

Representative offices

Refining and Service

Storage and Distribution

Products

Crude

KAZAKHSTAN



07

Marketing

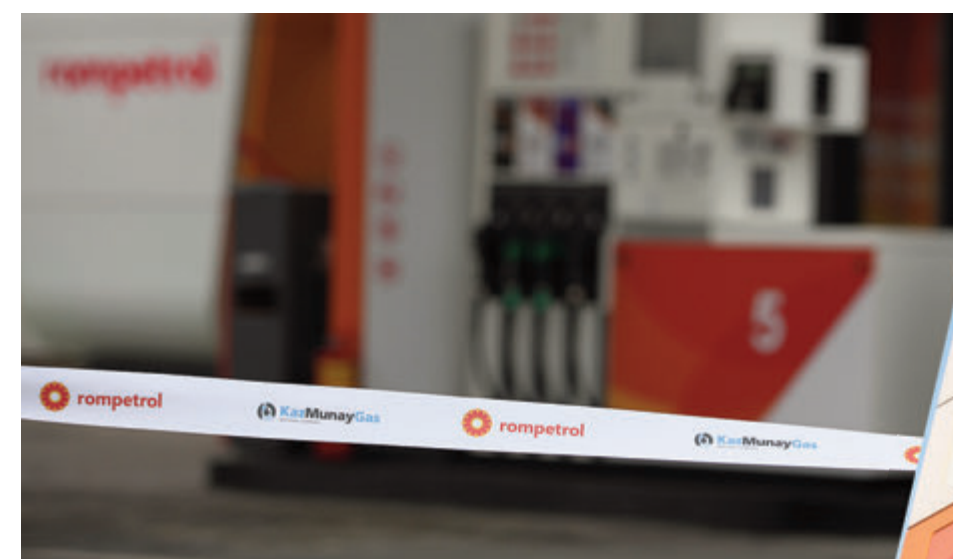
Marketing

2013 was an important year for Rompetrol, marked by the revitalization of the Rompetrol brand identity.

In the upcoming period Rompetrol will focus on the retail activities. The change in image is a natural step, succeeding the major infrastructure and refining investments implemented by the majority shareholder KazMunayGas starting 2007. The aim of the efforts is to improve the quality of Rompetrol products and its refining capacity. A new filling station concept was developed to support the retail segment. The new image confirms the authenticity of the brand - Rompetrol continues to offer high quality "energy" in all of its shapes.

The revival/revitalization of the Rompetrol image began with its best recognizable element - the logo. The blue wordmark was changed to red, an energetic color which symbolizes power, passion and success; attributes Rompetrol identifies itself with. The font makes the logo look more airy, young, urban and modern.

The new filling station concept comprises a modern design that combines 3D elements with color schemes to create a minimalistic, aerial and warm concept. The hei store with the c-store concept can be found inside. It creates an inviting and relaxing café bar atmosphere with a premium aura.





The summer and winter promotions were the most important communication campaigns of 2013; aimed to increase the brand loyalty of residential clients and attract new clients.

The campaigns were communicated on the most important TV and radio channels, as well as online. The idea of the campaigns was that clients would accumulate points and would be rewarded with guaranteed prizes. Generous prizes were awarded by random draw.

Another highlight was the re-launch of the personal Fill and Go card in a more attractive form. The card was launched in Romania and was mainly promoted on the highest rated TV channels.

The results of the campaign by the end of December 2013 were impressive showing that Rompetrol knew the needs of

its clients and offered solutions to match.

Events

During 2013 Rompetrol participated in several business to business events as exhibitor. The most ample international oil and gas dedicated event took place in Kazakhstan, KAZENERGY EURASIAN FORUM & EXHIBITION. In 2013 the VIII edition took place in Astana. It is the main annual international event in the energy sector of Kazakhstan, where the heads of states of different countries and respected experts of the industry exchange views and experiences on current questions on Eurasian and global scale.

The Rompetrol objective was to strengthen the importance of Rompetrol's strategic role in KazMunayGas, as Rompetrol is the first step in the Group's

European expansion strategy. The strategic move of building the energy bridge between Kazakhstan and Europe is possible only through the long-term commitment and reliable relationships with European partners.

The company also participated at Kioge, one of the most significant oil and gas events in Kazakhstan, where Rompetrol was promoted within KazMunayGas stand, as industrial expert through its Rominerv and Well Services companies.



Alimentează-ți visul cu Rompetrol

și poți să devii

Star

în Los Angeles

HOLLYWOOD

Pilot de curse

în Germania

Explorator

în Africa de Sud

În plus, poți câștiga:

100.000 X

Premii garantate*

Cartele Vodafone

3X

ZILNIC

Pachet Vodafone Smart mini

CÂȘTIGĂ ACUM CARBURANT PENTRU DRUMURILE CĂRE CONTEAZĂ CU ADEVĂRAT

Iarna asta alimentează sau cumpără produse de minim 50 de lei de la Rompetrol și poți câștiga unul dintre cele 1000 de plinuri de carburant* oferite!



ROMPETROL

08

Corporate Social
Responsibility

Corporate Social Responsibility

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

CSR is a strategic development direction, ensuring business success through active and continuous responsible actions taken within the workplace, market place, community and towards the environment.

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:
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.

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 encourage 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:

- Health & Safety of employees and suppliers
- Environment
- Human Resources
- Community

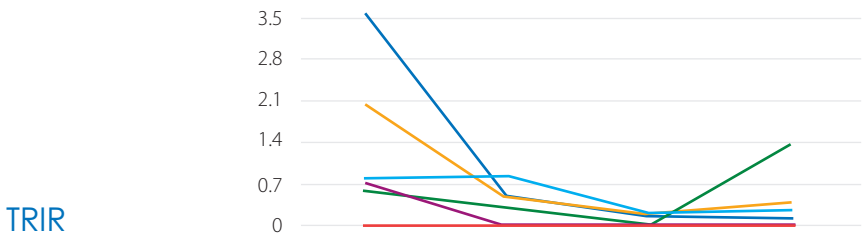


Health & Safety

We are aware of the fact that we conduct our business in a sector which involves a higher level of risk to health, safety and security and that is why the safety of our employees and contractors represents a matter of the utmost importance.

2013 Main Achievements
• 1.5 LTIF (lost time injury frequency) target was met in 2013
• 1.5 MVCR (motor vehicle crash rate) target was met in 2013
• 0 fatalities target was met in 2013
• Several contractor safety programs resulted in improved contractor safety indicator values

2014 Challenges
• Maintaining and improving the QHS performance indicators - highest target: 1.5%;
• Implementing a single QHSE software at the level of Petromidia Platform and Downstream for the monitoring of non-conformities, corrective actions, and action plans;
• Implementing a program for further limiting the low accident rate within the Rompetrol entities: online training platforms, dedicated trainings for specific QHSE requirements, preventive workshops which are organized in cooperation with the medical



	2010	2011	2012	2013
• The Rompetrol Group	2.05	0.51	0.13	0.34
• Upstream	0.7	0	0	0
• Refining	0.61	0.31	0	1.37
• Trading	0	0	0	0
• Retail	3.51	0.47	0.14	0.13
• Non-Core	0.780	0.81	0.21	0.26

FIR – fatality incident rate
TRIR – total recordable incident rate

service provider (for specific prophylaxis based on the predominant medical diagnoses of 2013)
• Implementing an action plan for eliminating or decreasing the major risks of:
a. Work at height, at Vega /Petromidia refineries and within RPD warehouses,
b. Implementing the LOTO system (log out tag out) in RPD and RPG warehouses.

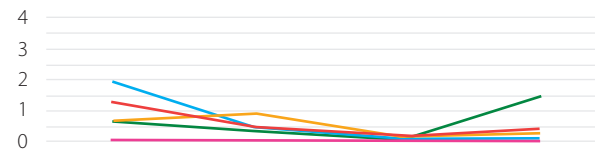
Workforce Safety
Objective: implementing a program with the goal of 0 fatalities and accidents resulting in work incapacity and occupational illnesses, as well as eliminating the workplaces that pose a high risk of occupational disease.

All the occupational health and safety activity performance indicators registered at group level showed a positive evolution. We have achieved good results due to applying a uniform occupational health and safety policy, both within the group entities and to our subcontractors.

Over the past four years we have registered no events resulting in loss of human life.

An analysis of the indicators shows that the incidents that occurred in the past were caused by: sliding, falls from height, accidentally hitting obstacles while walking, road accidents, and exposure to dangerous substances.

LTIF



	2010	2011	2012	2013
• The Rompetrol Group	2.93	1.01	0.38	0.38
• Upstream	0.9	0	0	0.27
• Refining	7.07	2.45	0	0
• Trading	4.64	0	1.44	0
• Retail	1.92	0.93	0.11	0.57
• Non-Core	4.8	1.6	1.08	0.23
• Yearly Target	4.8	1.6	1.08	0.23

LTIF – LOST TIME INJURY FREQUENCY
The average incident frequency involving one or more lost working days as compared to the working time /1 million worked hours

As of 2010, there has been a permanent preoccupation at group level for employees' awareness in order to create a safe work environment and to become aware of the fact that people are the main and the most important resource. It is of the utmost importance that the Group implements and develops a solid culture of prevention of occupational accidents. Such actions led to a decrease in the number of accidents / incidents and implicitly in the number of lost working days caused by accidents (LTIF).

The permanent preoccupation and involvement at the highest level of management has been continuous and visible, resulting in a 50% improvement of these indicators in 2013 as compared to 2010.

In this context, the QHS statistics show the following:

- At the level of 2013, 33,962 training hours have been held;
- A number of 4,948 inspections have been carried out;
- The checks made by the state authorities numbered 600.

Implementing safety audits, increasing the number of warning, training, inspection and soft communication campaigns enabled us to reach a DU PONT 3 occupational safety level within Rompetrol Rafinare and Vega Platforms.

Such level shows that the safety systems are very good, that they were fully implemented and are efficient: any deviation is corrected in the system and is used for improving the system; the activity of safety committees and subcommittees is showing results; safety priorities are established. The organization has safety development projects and its safety performances show a constant improvement.

Safe work and risk assessment

Objective: Continuing the occupational health and safety management programs, assessing and monitoring the risks involved in all activities, monitoring the health state of the workers, minimizing or, where possible, eliminating the major risks in order to maintain a safe work environment both for our employees and contractors, and for the interested parties and the environment.

There is a continuous preoccupation at group level for raising awareness among employees, for training the employees, creating and maintaining a safe work environment. In view of this aspect, we make considerable efforts to always guarantee the safety of our operations and to implement a series of processes which comply with the standards required by the

Group with regard to the identification of threats and risk management, in order to assess and obtain an acceptable risk level in the activities that we carry out. The Group understands that a major accident may represent an important threat for the Group's reputation and even for the business development.

The implementation of the action plans and the increase in investments for upgrading projects resulted in the elimination of certain occupational risks and in reducing the risk level to "as low as reasonably practicable" (ALARP).

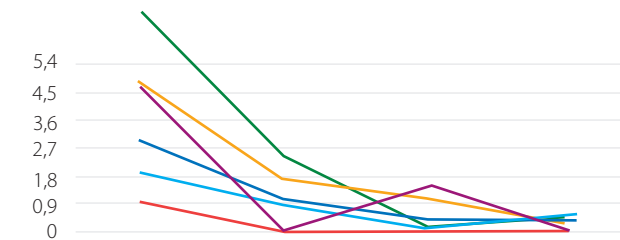
In 2013, the Group continued to identify and assess the major risks resulting from normal operation and accidental situations, as well as to assess their likelihood and severity by carrying out HAZOP risk analysis for 2 technological installations at Rompetrol Rafinare-Vega (Dearomatization and Bitumen).

3 "new" Process Safety Management elements have also been assessed. The results were positive: level 2 for the Management of the Technological Changes (MoC) and HAZOP, and level 2.5 for Pre-start up safety review.

ISO Certification

- ROMPETROL MOLDOVA - Integrated management system certification based on ISO 9001, ISO 14001, OHSAS 18001 by Germanischer Lloyd
- ROMPETROL GEORGIA - Integrated management system certification based on ISO 9001, ISO 14001, OHSAS 18001 by Germanischer Lloyd
- TRG Corporate Center Integrated management system certification based on ISO 9001, ISO 14001, OHSAS 18001 confirmed/maintained by Germanischer Lloyd (through Surveillance Third party audit)

MVCR



	2010	2011	2012	2013
• The Rompetrol Group	2.93	1.01	0.38	0.38
• Upstream	0.9	0	0	0.27
• Refining	7.07	2.45	0	0
• Trading	4.64	0	1.44	0
• Retail	1.92	0.93	0.11	0.57
• Non-Core	4.8	1.6	1.08	0.23

MVCR - motor vehicle crash rate - 2013

Road Safety

Objective: Continuing to implement the preventive driving policy and to maintain an acceptable motor vehicle crash rate. As of 2011, a preventing driving policy was implemented within Rompetrol Group. This led to a drop in the number of motor vehicle crashes provoked by our employees; thus, while in 2010 the crash rate amounted to 2.93% for a no. of 19 million km, in 2013, the level of the crash rate was 0.38 %, for a no. of 18,3 million km. No crashes involving loss of human life have been registered; thus, the good results encourage us to develop the good practices which have been adopted by implementing the preventive driving policy, but they also oblige us to permanently review the vehicle fleet and to care

about the people and their safety on the public roads. Saving human lives is clearly the priority of any road transport operation. We would like to continue this line of action and, within the next two years, we plan to initiate a training platform for preventive conduct at the wheel, which would include theoretical and practical aspects of the process.

Contractor Safety

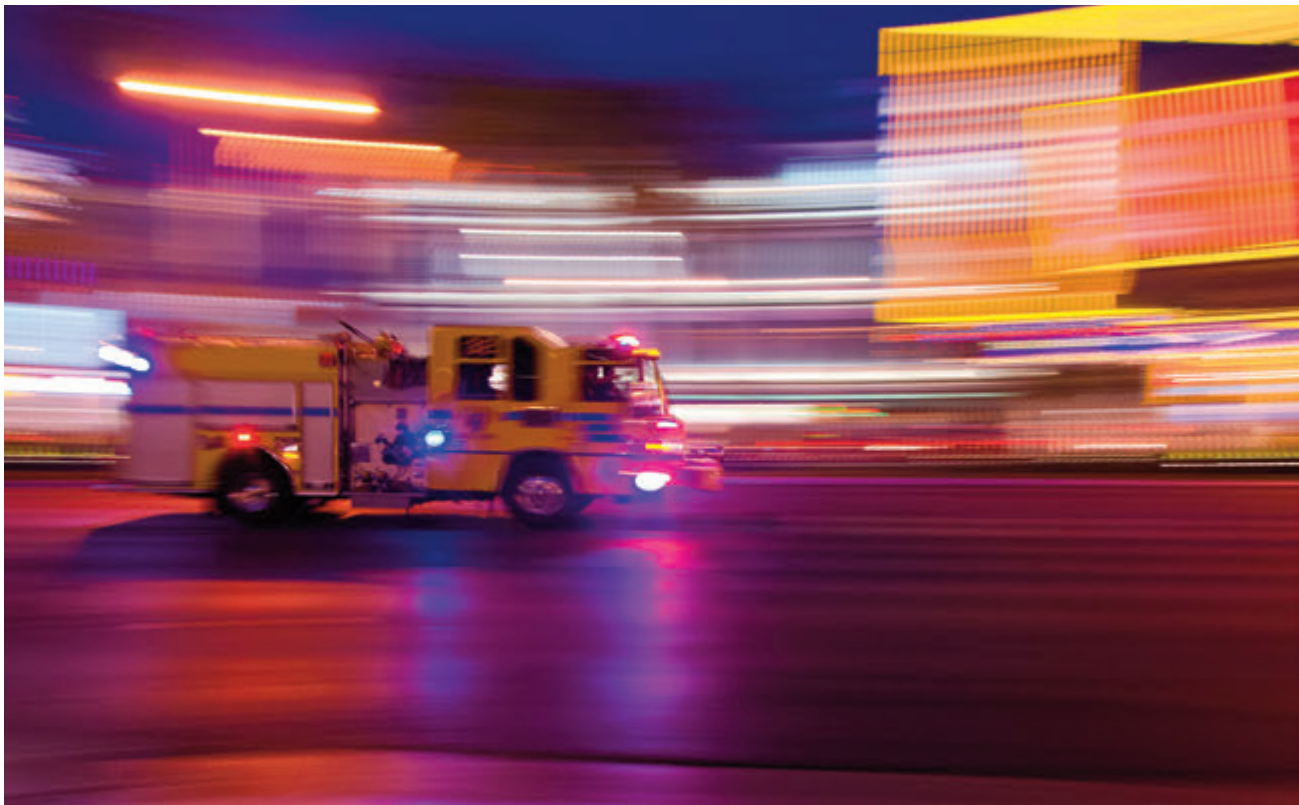
Objective: Improving work conditions, implementing good practices and decreasing the number of contractor accidents.

As of 2012, our work safety and procurement teams have co-operated in order to integrate a management standard for contractors. This standard includes updated contract

requirements, as well as new contractor selection and permanent evaluation instruments. We redefined and standardized the contractual QHSE requirements; we drafted a Contractor Management Standard, as well as 8 minimum specific QHSE requirements for the high risk activities (such as drilling, constructions, and road transport); we transmitted our measures to contractors through the documents that we adopted, periodical meetings, as well as during inspections/visits in the field.

The Rompetrol Group is in a continuous process of implementation and verification of the work conditions for contractors. Thus, work procedures, verification procedures, and a penalty procedure for OHS non-conformities have been introduced for contractors and subcontractors. All these measures have led to a decrease in the number of accidents and in the number of non-conformities related to contractor and subcontractor activity, as well as to their improved performance.

Our goal is to improve contractors' and subcontractors' QHSE performance by close monitoring and to implement key performance indicators (KPI) and objectives for all new high and medium risk contracts.



Occupational health

Objective: In our QHSE strategy, we include health, as well as high medical standards for our medical service suppliers.

The medical service supplier is responsible for ensuring medical services, including the occupational health legal requirements. The objectives set by our QHSE strategy include higher standards for all supplier's clinics and regular evaluation of health condition.

In order to encourage health and well-being, we got involved in health promoting activities, such as the Ergonomics and Healthy Work Conditions Campaign.

Moreover, we have prepared our employees for medical emergencies, by carrying out first aid training programs and simulation exercises. In 2012 and 2013 - over 2000 persons have completed first aid courses at group level.

Emergency situations -
Emergency preparation and response

Objective: Creating and operating an emergency

response framework for emergency intervention. The Rompetrol Group has implemented an integrated emergency management system, in order to decrease the number of incidents related to occupational risks, such as the risk of fire or explosion. The preparation for emergency situations is based on a system involving regularly performed exercise and training.

At the warehouses and within MMT - these exercises take place annually with the participation of local and state emergency forces.

In 2013, 1527 emergency action simulation exercises were performed at group level.

Rompetrol Rafinare, a member company of the Rompetrol Group, in partnership with 'Dobrogea' Emergency Situations Inspectorate of Constanta County, has performed a tactical exercise at Petromidia Năvodari refinery, in order to verify the intervention mechanisms in case of serious incidents. Such exercises are performed

periodically and they are necessary in improving the preparedness level of specialized teams' and in upgrading the major accident management knowledge. The purpose of the simulation was to check and evaluate the emergency notification procedures in case of an accident and also how the intervention forces cooperate in case of incidents which have effects within the limits of the site.



Environment

The main objective of The Rompetrol Group in the environmental field is to develop its activities in total conformity with the environmental legislation applicable for each country where TRG has companies, applying the general principles of environmental protection, through conservation and sustainable practices. The Rompetrol Group environmental strategy has the following areas of interest:

- Compliance of activities and facilities at national and international legal requirements in the environmental field;
- Minimization of the environmental incidents;
- Minimization of the natural resources consumption and the quantities of the generated wastes, especially hazardous ones;
- Optimization of the operations and technologies for energy efficiency improvement and

reduction of different pollutants emissions, especially greenhouse gases;

- Improvement of the certified environmental management system (ISO 14001) implemented in all our entities;
- Permanent training of specialized personnel in the field;
- Insurance of excellent communication within the Group and with the interested public, state authorities, NGOs etc.

A. Framing of CO₂ allowances in EUTL (2012 - 2014)

For each of the 3 entities of BU Refining, the greenhouse gas permit had the period of validity 2013-2020 phase III related to the EU-ETS scheme.

In February 2013, the evaluation of the CO₂ emissions for the year 2012 and their validation by certified verifiers took place (in order to report to the National Environmental Protection Agency).

Installations	No CO ₂ certificates allocated in 2013	No CO ₂ certificates consumed in 2013	No CO ₂ certificates to be returned to EUTL	Excess of CO ₂ allowances in 2012	Excess of CO ₂ allowances in 2013	Excess of CO ₂ certificates in 2014
Petromidia	648,768	756,755	107,987			
Petrochemicals	71,833	44,690	-	261,357	146,976	174,119
Vega	33,771	40,165	6,394			

B. ENVIRONMENTAL INDICATORS

No	Indicators	Measurement units	Total 2011	Total 2012	Total 2013
1	Discharge of sewage waters	m ³	7,490,432.2	8,469,836	6,755,164
2	Total waste	tons	27,530.7	41,655.88	18,367.77
3	Total water input	m ³	5,801,273.65	7,022,460.58	7,296,044.78
4	Environmental charges*	\$	24,104,130.72	23,553,658.94	21,834,022.72
5	The costs of environmental compliance	\$	13,517,189	54,807,032.68	19,068,420.30
6	The number of accidental pollutions (spills)	units	1	1	1
7	Number of inspections by environmental state authorities	units	187	193	169
8	Charged environmental penalties by environmental state authorities	\$	35,302	22,203	8,274

C. Environmental Achievements

- In 2013 a new Integrated Environmental Permit for Petromidia Refinery was issued. In December 2013, EPA Constanta enclosed the Environmental Integrated Permit of Rompetrol Petrochemicals within Petromidia Environmental Integrated Permit due to the merging of these 2 entities.
- In November 2013 was issued a new revised Environmental Integrated Permit for Vega Refinery. The procedure for obtaining the Environmental Agreement for remedial project is ongoing.
- In 2013 all Rompetrol Group activities/installations with a significant impact on environment (IPPC activities/installations) have been in accordance with European legislation, national legislation respectively: SC. Rompetrol Rafinare SA – Petromidia Rafinery; SC Rompetrol Rafinare – Vega Refinery; Petrochemicals; SC Ecomaster; IalFO Zalau.



Biodiversity

The company recognizes the importance of preserving the Black Sea biodiversity (in the areal Petromidia refinery is located) within the context of energy demand increase, sustainable development and improved quality of life in the surrounding areas of its installations.

The Waste Water Treatment Unit (WWTP) is located at the border of the Danube Delta Biosphere with its no. 1 &2 ponds, which represent the tertiary biological stage of the waste waters treatment (before waters evacuation into Black Sea). These ponds are populated with numerous birds species, an important characteristic of the Biosphere. In order to preserve biodiversity in the area and maintain the efficiency of the biological treatment stage, Rompetrol performs cleaning

activities annually: ponds unsettling, waste (PET's) collection, rush-bed cut-off.

Waste management

Rompetrol Refinery has completed the project to remediate a historically petroleum contaminated site located on Petromidia platform, in compliance with the environmental legislation, The company's investment in the implementation of the project involving remediation of the area amounted to 1 million USD.

Remediation works were carried out by specialized companies and were performed over two years in an area of 5,000 m², treating waste containing heavy oil products at concentrations below the accepted threshold, in accordance with environmental legislation. The

decontamination procedures consisted in the enzyme treatment of the contaminated area, and were performed in parallel with the recovery of oil and pumping of clean water for our own treatment plant. Project phases implied initial investigations (test performing, choosing the appropriate treatment option), proper execution, corrections of enzyme dosages according to the different degrees of contamination of land and environment reconstruction. After the remediation, the perimeter was grassed over, surrounded by trees and handed back for industrial use. The project was accomplished in respect with the Environmental Agreement owned by Rompetrol Refinery for the remediation execution, reaching the targets set by the competent authority in the field.

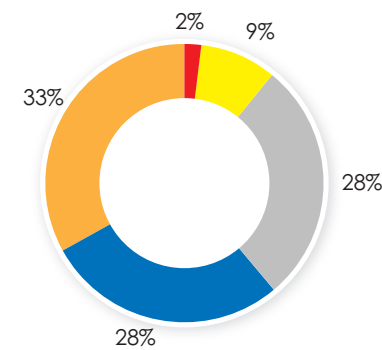
Human Resources

Continuously developing our people and improving their knowledge and skills are amongst our pivotal objectives.

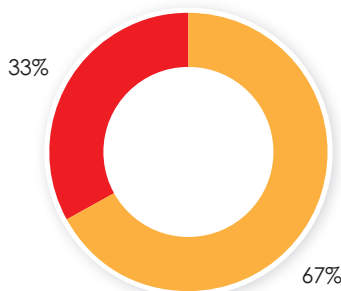
In order to ensure that our employees enjoy a healthy balance between work and their social life, a program of social benefits covering health issues, lifestyle and wellness, car assistance and benefits programs, financial support.

Demographics

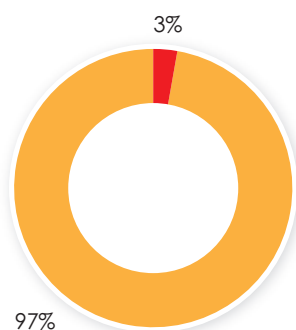
In 2013 the companies of the Rompetrol Group employed an average of 7,474 employees. From the demographical point of view, the group population includes 5,016 (67%) males and 2458 (33%) females and the average age is 40 years, the majority of the employees concentrating in the 36-60 years range.



Age distribution

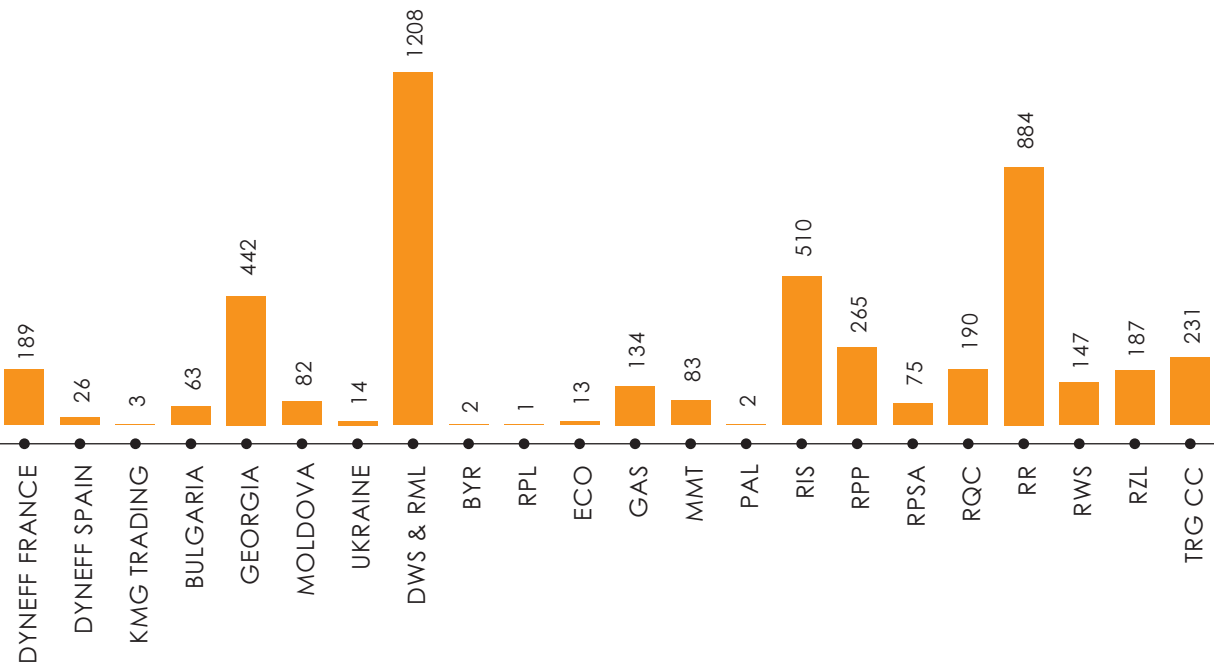


Gender distribution for TRG companies (2013)



Type of Labor working contract distribution:

- Temporary 234 (3%)
- Permanent 7,240 (97%)



Employees trained 2013

Training & Development

In 2013, the Rompetrol Group continued to sustain its human capital development and growth by equipping its employees with skills and abilities relevant for the business context and objectives.

When looking at development within Rompetrol Group we're looking at all Group companies: Dyneff France, Dyneff Spain, KMG Trading, Rompetrol Bulgaria, Rompetrol Georgia, Rompetrol Moldova, Rompetrol Ukraine and Rompetrol Romania (in Romania the operation is developed by 15 companies).

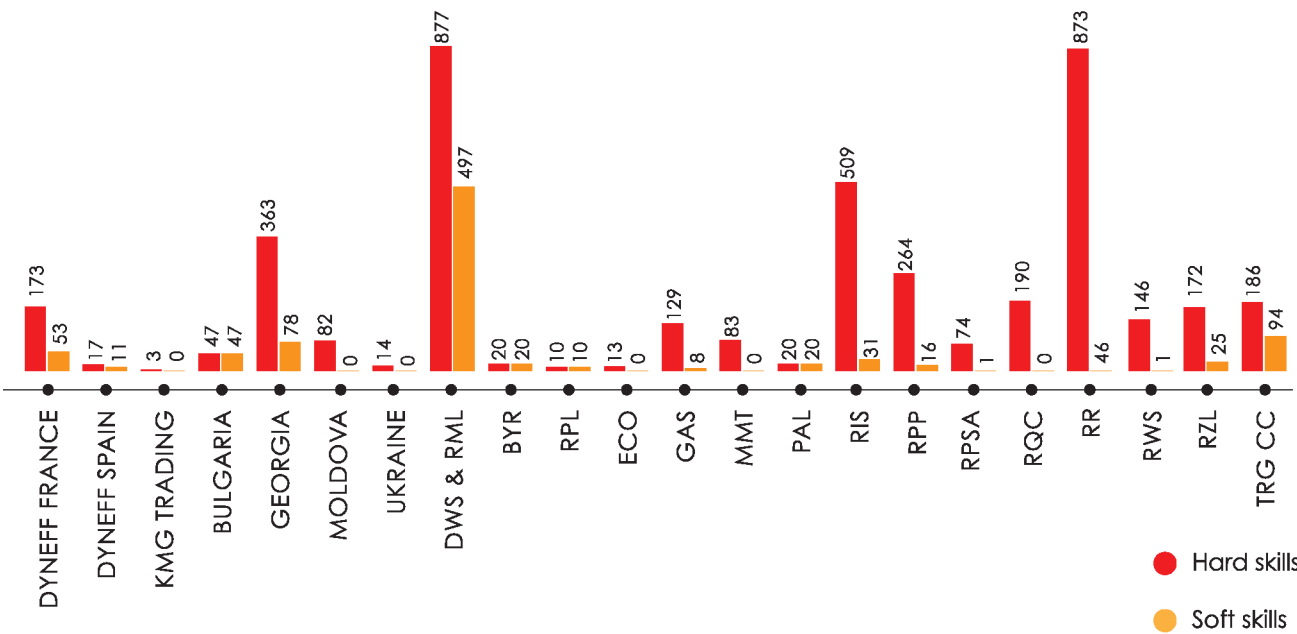
In 2013 there were a total of 4751 employees who participated in at least one training activity.

Due to the very technical companies' profile, it can be observed that the technical

courses addressed are in a higher proportion (82%) compared to the behavioral ones (18%): 4220 employees were trained in technical courses (specific required by law certification, CFA, PMP, ACCA, and 908 employees on soft skills (Leadership and Management Skills, Communication Skills, Time Management, etc.).

This is a good indicator of how skilled and thoroughly prepared Rompetrol employees are on job specifics.

On Petromidia and Vega platforms the Dupont occupational health and safety internal sessions continued and 1897 employees were trained (the goal of Dupont courses is to increase awareness of work related potential hazards and prevent work accidents).



Employees trained 2013 on behavioral vs technical skills

Perspectives for 2014

1. Business Development – Rominserv

Rominserv business development is represented by the projects that were gained in Romania and abroad, that have a timeframe of several years. These projects are reflected, from HR point of view, in needs of recruitment and training for the new personnel that will join Rominserv. The recruitment projects are mainly focused on Engineering and Project Management areas - Design Engineers, Project Managers, Planners, Supervisors, Translators etc. The outcome of these projects is as follows: consultancy services, maintenance services, EPCM services (Pavlodar Refinery modernization, revamping and new investment projects).

2. Performance Management Program in Rompetrol

Performance Management is the activity of planning and objectively evaluating the individual contribution of each employee to team, company and Group results, by using tools as Key Performance Indicators (KPIs). These are selected indicators considered key in monitoring the performance of a strategic objective, outcome, or key result area, important to measure the success of an activity and growth of the organization overall. KPIs make objectives quantifiable, providing visibility into the performance of individuals, teams, departments and organizations and enabling decision makers to take action in achieving the desired outcomes.

As a result, the Performance Management Process aligns employees to company culture, motivates them to focus on results and promotes behaviors and attitudes associated with performance.

In order to have superior performance every employee should know exactly what is expected of him/her, in terms of results and behaviors, what are the priorities, needs to be continuously informed on current performance and how his/her performance will be evaluated.

Beginning 2014, Performance evaluation applies to all Rompetrol Group employees' regardless of company, location, hierarchical level, seniority or other criteria.

3. Internship Program in Rompetrol

The Rompetrol Group is committed to bring on board the most talented people. One of the objectives supporting this direction relates to the Rompetrol internship programs. Bachelor and master students can apply for an internship program within the company in order to practice the theoretical aspects obtained during their studies.

Rompetrol targets talented students with very good academic performance and references; therefore the company initiated partnerships with Academy of Economic Studies, Ovidius University of Constanta and Petroleum – Gas University of Ploiesti, three internationally competitive universities which guarantee quality education in accordance with European standards and full recognition of studies in any European country.

Community



In 2013, the Group's investments in CSR initiatives in Romania and abroad, amounted to \$ 1.5 mln. In the immediate future, we aim to focus our attention on areas where there is greater social demand and improve our performance and our contribution to CSR issues. This will in turn contribute to sustainable development, improve relationships with human resources, strengthen social solidarity and ensure trustful relationships with the local community and society at large.

Programs and Projects in Romania

In 2013, within the 5th edition of the national program **"Together for each and everyone"** 16 healthcare and environment projects were financed. 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.

Several other projects on healthcare and environment protection were developed or continued as part of the platform **"Energy comes from the heart"**.

In the healthcare field, The Rompetrol Group, Fundatia pentru SMURD and the General Inspectorate of Aviation (IGAV) continued the 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, has been providing a monthly amount of Jet A 1 fuel, the quantity estimated for the operation of the medical helicopters since 2010.

The Rompetrol Group is also involved in



social partnerships, implementing joint projects and programs or arranging social events.

Much attention is paid to support the national campaign **"Fiecare Copil în Școală" (Each Child in School)** initiated by Ovidiu Ro 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.

As of 2003, Rompetrol is a partner and main sponsor for **"Gala Societății Civile" (Civil Society Gala)** – the annual competition that awards the best projects of the year, projects initiated by NGOs, unions, individuals etc.

George Enescu Festival - In 2013, the Group continued the partnership to support the 21st edition of the prestigious

George Enescu International Festival, held in several cities, from September 1 through September 29. This association of Rompetrol with such a large scale event was meant to strengthen the international vocation of the two brands and their products - fuels and quality music. Within the partnership created to support the prestigious cultural event, the company provided the total quantity of fuel required to operate official cars used in the festival. The company also provided financial support for the **"George Enescu Festival"**.

The company also offered to the Romanian public the exceptional concerts of the Royal Philharmonic Orchestra at the Palace Hall in Bucharest.

Moreover, in 2013, the company completed various social partnerships, charity activities with the support of employees, or sponsored initiatives of UNICEF, Hospice, among others.



09

Corporate
Governance

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 2013 The Rompetrol Group comprised 49 companies (44 legal entities and 5 branches and representative offices) – joint stock or limited liability companies – having their headquarters in 15 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.

The Rompetrol Group NV Shareholders

The sole shareholder of The Rompetrol Group N.V. headquartered in The Netherlands, Amsterdam, Strawinskylaan 807, Tower A-8, 1077XX, is KMG Investments B.V. (KMG).

Administration and decisional regulations

The major shareholder of the Group has a unified management system. The TRG Board of Directors has 5 (five) members out of which one executive (the Chief Executive Officer – CEO) and four non-executive members.

As of 31.12.2013, the Company's Board of Directors is as follows:

Mr. Daniyar Berlibayev
Chairman, non-executive director

Mr. Zhanat Tussupbekov
chief executive officer

Saduokhas Meraliyev
non-executive director

Azamat Zhangulov
non-executive director

Johan Frederik Lodewijk Frowein
non-executive director, independent

The decisional right upon internal operations of every company is divided into different decisional levels:

Shareholders' General Meeting

Board of Directors

General Manager and Financial Manager

The CEO is responsible, in accordance with the Articles of Association, with the everyday management of the company and its subsidiaries. According to the statutory provisions, CEO shall be the solely authorized person to represent the company. The CEO may delegate his managing function for certain operations/groups of operations to certain third parties. So, at the TRG level there are Deputy Executive Managers specialized in different types of activities of the Group.

General Duties and Powers of the Board

Board members are together responsible for the company's management, the general affairs of the company's enterprise, including for setting and achieving the company's objectives, strategy and policies. The non-executive 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.

Subsidiary

The majority of commercial companies have implemented the unified management system.

- Incorporation of KazMunayGas Engineering B.V. in July 2013 (owned 100% by TRG NV) headquartered in Strawinskylaan 807, Tower A-8, 1077XX, Amsterdam, The Netherlands, having as main object of activity - financial holding activities
- Incorporation of Rompetrol Exploration & Production, a limited liability company, organized under the

Romania law provisions, headquartered in Bucharest, 1st District, Piața Presei Libere no. 3-5, 1st floor having as main activity object the extraction of crude oil.

- Rom Oil S.A. – Rominserv S.R.L. and Ecomaster-Servicii Ecologice S.R.L. sold their interests (1 share each) held within Rom Oil S.A. to Rompetrol Rafinare S.A. which currently holds 99,9998505% of the share capital of Rom Oil S.A.

- Regarding the non-core activity - it was decided to resume the activity of Rominserv Kazakhstan (the liquidation process was stopped) and also the Branch of Rominserv Kazakhstan in Pavlodar was registered, as a result of developing the industrial services in this country.

- Acquisition of 100% shares in Rompetrol Moldova.



10

Finance

Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") effective as of December 31, 2013, as endorsed by the EU.

The consolidated financial statements are prepared under the historical cost convention.

The financial statements of the Group are prepared on an ongoing 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 of 31 December 2013.

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

All intra-group balances, income and expenses and unrealized 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 recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. Goodwill is tested for impairment annually (as of 31 December) and when circumstances indicate that the carrying value may be impaired.

Property, plant and equipment are stated at cost. Starting 1 January 2012, the Group changed its accounting policy for Rompetrol Rafinare S.A. and Rompetrol Petrochemicals S.R.L. from the revaluation model to the cost model. As of 31 December 2011 for Rompetrol Rafinare S.A. and Rompetrol Petrochemicals

S.R.L. the property, plant and equipment that was stated at re-valued amounts, being the fair value less any accumulated depreciation and impairment loss have been restated to the cost model for comparative disclosure.

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.

In 2012 the Group reassessed the useful lives for the refinery assets held in Rompetrol Rafinare (Petromidia and Vega) and for the gas station assets and intangible assets held by Rompetrol Downstream. The new useful lives were applied starting January 1, 2012.

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 realizable value. Net realizable 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 labor 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 recognized initially at fair value and subsequently measured at amortized 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 recognized 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 recognized 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 recognized 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

Planning and Performance Management (PPM)

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 recognized and derecognized 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.

Key 2013 PPM activities:

- Annual Coordination of the 5 years budget, continuing the trend of shifting the set-up from traditional incremental planning process towards an activity-based one; the Internal Plan version was also developed with assumptions of very ambitious operating margins and sales;
- 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.
- Optimized performance management process by two means: 1. aligning operational & financial set of KPIs with the new five year-budget objectives for all eligible people ; 2. implementing a quarterly routine process of KPIs achievements revision, to allow for corrective actions on all potential negative gaps.
- 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 what-if business scenarios, Group financial results for a real-time assessment of best economical solutions to undertake.
- Working capital management detailed reporting aiming at having a more robust performance review package, not only limited to Profit & Loss, Capex underlined performance, but also performance indicators of cash management.
- Benchmark analysis reporting implementation, to assess TRG key performance ratios and performance dynamics against regional relevant set of peers in refining & marketing operations.

- Optimized Group Performance Monthly reviews package (Flash and GFO 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; the variance analysis both versus budget and versus previous year were continuously optimized, offering a detailed understanding of current month and year-to-date results evolution actions on all potential negative gaps.

Main 2014 PPM initiatives for implementation along the year on both supply chain & controlling areas:

- Business Intelligence implementation process with the aims of offering a close to real-time decision making tool and creating a single Group master operational and financial performance 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.
- Group Performance Monthly reviews package (Flash and GFO reports) execution in alignment with the revised accountability performance parameters drawn by the „New operational model“ project.
- 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 also improve forecast accuracy on a larger time frame, highly needed in current economic crisis period.

Enhanced margins & OPEX analysis by actionable drivers (client level profitability, costs drivers), as support for any management business decisions

Abbreviated financial statements

Derived from the consolidated financial statements as of 31 December 2013

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	December 31, 2013	December 31, 2012
Non-current assets	73,752,775	70,078,592
Intangible assets	55,241,231	55,241,231
Goodwill	1,293,167,998	1,290,272,204
Property, plant and equipment	979,738	956,671
Financial investments	21,450,635	20,136,565
Investment in associates	15,081,710	16,677,257
Interest in Joint venture	1,242,897	-
Deferred tax asset	6,681,373	12,736,649
Long-term receivable	1,467,598,357	1,466,099,169
Total non-current assets		
Current assets	643,052,191	696,696,558
Inventories, net	1,009,666,026	962,484,445
Trade and other receivables	-	2,672,639
Derivative Financial Instruments	226,315,267	308,395,372
Cash and cash equivalents	1,879,033,484	1,970,249,014
Total current assets	3,346,631,841	3,436,348,183
TOTAL ASSETS		
Equity and liabilities		
Capital and reserves		
Issued capital	137,775	122,704
Share premium	2,631,512	2,631,512
Additional paid-in capital	2,020,199,790	2,017,699,790
Effect of transfers with equity holders	115,029,358	115,029,358
Retained earnings	(833,603,654)	(754,616,268)
Current year result	(78,423,460)	(76,781,549)
Translation reserve	11,352,947	9,791,282
Equity attributable to equity holders of the parent	1,237,324,268	1,313,876,829
Non-controlling interest	(288,121,988)	(246,084,879)
Total equity	949,202,280	1,067,791,950
Non-current liabilities		
Long-term borrowings from banks	257,315,544	253,566,905
Net obligations under finance lease	4,863,768	5,346,522
Deferred tax liabilities	19,827,604	21,816,340
Provisions	87,106,695	94,341,331
Other non-current liabilities	1,723,075	2,496,925
Total non-current liabilities	370,836,686	377,568,023
Current liabilities		
Trade and other payables	1,341,160,487	1,314,542,178
Derivative Financial Instruments	1,901,176	2,468,926
Net obligations under finance lease	1,694,843	1,267,954
Short-term borrowings banks	681,522,952	670,960,502
Provisions - current portion	313,417	1,748,650
Total current liabilities	2,026,592,875	1,990,988,210
Total liabilities	2,397,429,561	2,368,556,233
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	3,346,631,841	3,436,348,183

CONSOLIDATED INCOME STATEMENT

	2013	2012
Revenue	11,179,332,171	9,259,018,700
Cost of sales	(10,801,787,089)	(8,818,041,722)
Gross profit	377,545,082	440,976,978
Selling and distribution expenses	(264,074,160)	(337,056,519)
General and administrative expenses	(134,227,529)	(130,564,207)
Other operating expenses, net	(15,824,475)	(68,741,738)
Operating loss	(36,581,082)	(95,385,486)
Finance cost	(77,744,318)	(59,312,365)
Finance income	5,426,462	7,688,841
Net foreign exchange (losses)/gains	(6,102,847)	(7,339,346)
Share in profits of associates	781,603	898,493
Share of profit/(losses) of joint ventures	(2,288,230)	(3,246,714)
Loss before income tax	(116,508,412)	(156,696,577)
Income tax	(2,727,215)	750,883
Net loss for the year	(119,235,627)	(155,945,694)
Attributable to:		
Equity holders of the parent	(78,423,460)	(76,781,550)
Non-controlling interests	(40,812,167)	(79,164,145)

CONSOLIDATED INCOME STATEMENT

	2013	2012
Net loss for the year	(119,235,627)	(155,945,694)
Other comprehensive income		
Exchange differences on translation of foreign operations	1,576,736	8,378,620
Actuarial losses related to defined benefit plan	(1,228,785)	(1,104,354)
Other comprehensive income/(loss) for the year, net of tax	347,951	7,274,266
Total comprehensive income/(loss) for the year, net of tax	(118,887,676)	(148,671,428)
Attributable to:		
Equity holders of the parent	(78,075,509)	(69,507,283)
Non-controlling interests	(40,812,167)	(79,164,145)
Total comprehensive loss for the year, net of tax	(118,887,676)	(148,671,428)

The abbreviated financial information is derived from the Consolidated Financial Statements as of and for the year ended 31 December 2013 and should be read in conjunction with these audited Consolidated Financial Statements. On the full consolidated financial statements an unqualified audit opinion was issued.

CONSOLIDATED STATEMENT OF CASH FLOW

	2013	2012
Loss before tax	(116,508,412)	(156,696,577)
Adjustments for:		
Depreciation and amortization	114,238,005	104,950,401
Reserves for receivables and inventories and write-offs	2,021,077	62,604,587
Impairment and provisions for property plant and equipment	3,698,276	604,103
Other provisions		
Retirement benefit charged to equity	(10,512,073)	59,865,893
Late payment interest	196,848	623,575
Interest expense, commission and bank charges and collection discounts	22,411,783	5,503,538
Interest expense shareholders	55,332,535	45,413,963
Finance income	-	8,394,864
Net loss from non-current assets disposals and write-off	(5,426,462)	(7,688,841)
Net result from sale of investments	(395,866)	(178,881)
Unrealised losses/(gains) from derivatives on petroleum products	-	(80,357)
Unrealised losses/(gains) from derivatives on petroleum products	6,287,791	8,949,183
Realized losses/(gains) from derivatives on petroleum products	(14,366,128)	16,627,624
Share in profits of associates	(781,603)	(898,493)
Share in profits of joint venture	2,288,230	3,246,714
Unrealised foreign exchange (gain)/loss on monetary items	(5,088,356)	1,045,499
Operating profit before working capital changes	53,395,645	152,286,795
	(43,389,712)	(342,940,846)
Net working capital changes in:	50,560,434	(156,104,071)
Receivables and prepayments	18,841,649	269,790,711
Inventories	26,012,371	(229,254,206)
Trade and other payables		
Change in working capital	(9,069,827)	(1,740,211)
	10,110,930	(21,180,573)
Income tax paid		
Cash payments for derivatives, net	80,449,119	(99,888,195)
Net cash provided by operating activities		
	(81,268,493)	(132,678,060)
Cash flows from investing activities	(29,958,934)	(18,688,994)
Purchase of property, plant and equipment	(14,910,220)	(38,761,105)
Purchase of intangible assets	170,116	196,160
Changes in payables for capital expenditures	880,744	589,139
Dividends received from associated companies	2,010,000	-
Proceeds from sale of property, plant and equipment	(3,150,000)	=
Consideration received from non - controlling		
Consideration paid for acquisition of non-controlling interests	(126,226,787)	(189,342,860)
Net cash used in investing activities		
	2,500,000	-
Cash flows from financing activities	(55,332,535)	(45,413,964)
Consideration received from hybrid loan	5,426,462	7,688,841
Interest and bank charges paid	3,748,639	250,743,640
Interest and other financial income	7,856,102	188,807,323
Movement in long term loans from banks	(501,105)	(2,897,417)
Movement in short-term borrowings	(36,302,437)	398,928,423
Repayments of finance leases		
Net cash from financing activities	(82,080,105)	109,777,725
(Decrease)/Increase in cash and cash equivalents	308,395,372	198,617,647
Cash and cash equivalents at the end of the period	226,315,267	308,395,372

The abbreviated financial information is derived from the Consolidated Financial Statements as of and for the year ended 31 December 2013 and should be read in conjunction with these audited Consolidated Financial Statements. On the full consolidated financial statements an unqualified audit opinion was issued.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued capital	Share premium	Retained earnings	Additional paid-in capital	Effect of transfers with equity holders	Translation reserve	Non-controlling interest	Total equity
			Restated				Restated	
December 31, 2011	120,338	2,631,512	(753,511,914)		115,029,358	1,415,028	(166,263,543)	299,420,779
Net loss for 2012	-	-	(76,781,549)	1,100,000,000	-	-	(79,164,145)	(155,945,694)
Other comprehensive income	2,366	-	(1,104,354)	-	-	8,376,254	-	7,274,266
Total comprehensive income	2,366	-	(77,885,903)	-	-	8,376,254	(79,164,145)	(148,671,428)
Dividends payable to minority shareholders	-	-	-	-	-	-	(657,191)	(657,191)
Hybrid loan	-	-	-	-	-	-	-	917,699,790
December 31, 2012	122,704	2,631,512	(831,397,817)	917,699,790	115,029,358	9,791,282	(246,084,879)	1,067,791,950
Net loss for 2013	-	-	(78,423,460)	2,017,699,790	-	-	(40,812,167)	(119,235,627)
Other comprehensive income	15,071	-	(1,228,785)	-	-	1,561,665	-	347,951
Total comprehensive income	15,071	-	(79,652,245)	-	-	1,561,665	(40,812,167)	(118,887,676)
Dividends payable to minority shareholders	-	-	-	-	-	-	(666,256)	(666,256)
Hybrid loan	-	-	-	-	-	-	-	2,500,000
Changes in Group structure	-	-	(977,052)	2,500,000	-	-	-	(977,052)
December 31, 2013	137,775	2,631,512	(912,027,113)	2,020,199,790	115,029,358	11,352,947	(287,563,302)	949,760,966

Analysis of Financial Results

In 2013 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.

1. Strategy

To assure competitiveness of the Kazakh crude based products in the Black Sea market, an ambitious upgrade program has been executed to bring the Petromidia refinery in Romania to world-class standards, by increasing the capacity from 3.8 million tons per year to 5 million tons per year. As a result, in 2013 Petromidia reached highest level of refinery run rate of 12.74 k tons /day. In addition white products yield (valuable products) reported to total feedstock achieved in 2013 highest level reached in history of 85.6%, quantity of diesel produced of 1.915 k tons and 46% Diesel yield reported to total throughput, higher with 6% compared with 2012. From processing cost perspective, during 2013 Petromidia refinery reached the lowest processing cost per ton of USD 26/ ton.

This upgrade makes Petromidia the largest refinery in Romania and one of the largest in the Region. The refinery is strategically located on the Black Sea shore, with easy access to several markets for which forecasted demand is expected to grow over the next years, at the same time offering certain advantages in each, such as: good contribution margins or room for additional market share growth.

The 2014-2018 strategy is a mixture of cost optimization projects for production, network expansion for retail; and rationalization of non-core businesses. The main objective for the

2014-2018 strategy is to expand distribution operations in countries around the Black Sea, to benefit from increased vertical integration with refining operation for improved financial performance through the followings:

- Strengthen the Retail network presence following the upgrading of the Petromidia Refinery.
- Develop in the rapidly maturing Black Sea Retail market. The Group is planning to expand in the markets where it is presently active (Romania, Bulgaria, Ukraine, Moldova and Georgia) and to start-up operations in Turkey.
- Initiatives to reduce cost in refining with the purpose to improve Solomon indicators:
 - o The material technological improvements brought by the Refinery Upgrade Package to increase refinery savings by an additional USD 2 million/year in net profit and USD 4 /ton savings in processing costs;
 - o Further to the technological improvements, Petromidia refinery management will continue to focus on cost competitiveness (further cost reduction initiatives) and energy efficiency for optimum refinery performance;

The management believes that the developments mentioned above will result in an enhancement of the Group's ability to support its continuing operations.

Throughout 2013 the Group took/took to term additional bank loans and facilities that have provided additional funding for investments and operations. The Group also received confirmation of KMG Group's continuing support for the next twelve months should the need arise for additional funding to what is or will be available from its own operations and/or third party sources.

Based on the Group's plans for 2014 and other matters mentioned above, it is considered that the preparation of the financial statements on a ongoing concern basis is appropriate.

2. Environment

Brent was volatile in 2013. However, long term average was stable, average price in 2013 being of USD 108.7 compared to USD 111.6 in 2012. Brent was lower in first months of 2013 due to depressed economic outlook and safer geopolitical situation. It went higher in the last months of 2013 due to better economic outlook in US and low production of crude in Libya.

Urals differential reached the highest level in history +USD1.0/bbl and an average level of USD0.36/bbl in 2013 compared to USD 0.91/bbl in 2012. Urals differential strengthened due to Russian oil flows redirected to Asia, tensions in Libya, Egypt and Iran, all with impact in heavy crude supply to Europe.

Refinery margins in Europe dropped in the second part of 2013 to record low levels, even lower than 2009 having as the main features of the market:

- Increased competition from US who benefits from cheaper crude and utilities;
- Increased competition from Russian refineries who enjoy significant fiscal benefits
- Increased competition from Asian newly built

refinery extremely efficient due to latest technologies and size;

- Refinery overcapacity, inefficient capacities are not closed due to political and social reasons.

From exchange rate perspective, The RON had a very good start in 2013, slightly appreciating in value in report with the euro, supported by positive investors feeling (EUR/RON 4.3072 reached in March). However, the month of December was not favorable to the national currency, as it dropped almost 0.9% in front of the euro: the dissensions on the domestic political scene affected the economic environment and sent negative signals to investors concerning a certain instability (EUR/RON reached 4.4847 in December). EUR/USD showed strong movement over the course of 2013. January and February were the months which showed the most volatility due to the high tensions in the Eurozone. During this time, the EUR/USD exchange rate hit a high of 1.37 and a low just below the 1.30 level. From the second part of the year, due to ECB decision to further ease the monetary policy, the EUR/USD gradually increased ending 2013 at 1.38.

		2013	2012
Brent Dated	USD/bbl	108.7	111.6
Ural Med	USD/bbl	108.3	110.6
Brent-Ural Differential	USD/bbl	0.4	1.0
Premium Unleaded 50 ppm FOB Med	USD/t	822.2	844.3
Diesel ULSD 50 ppm FOB Med	USD/t	930.8	968.5
Gasoline Platts	USD/t	981.8	1,022.1
RON/USD Average exchange rate		3.33	3.47
RON/USD Closing exchange rate		3.26	3.36
RON/EURO Average exchange rate		4.42	4.46
RON/EURO Closing exchange rate		4.48	4.43
USD/EURO Closing rate		1.38	1.29
Inflation in Romania		1.55%	3.33%

3. Consolidated Accounts

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).

	2013	2012
Net revenues	11,179.33	9,259.02
Gross profit	377.55	440.98
Capex	1,879.03	151.37

4. Operations Review

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).

Petromidia Refining		2013	2012
Feedstock processed	Kt	4,182	4,047
Gasoline produced	Kt	1,055	1,135
Diesel & jet fuel produced	Kt	2,030	1,728
Motor fuels sales – domestic	Kt	1,533	1,428
Motor fuels sales – export	Kt	1,422	1,307
Export	%	48%	48%
Domestic	%	52%	52%
Gross cash refinery margin	USD/bbl	5.0	4.4

Petromidia Refinery

The Petromidia Upgrade program was finalized at the beginning of Q3 2012, when the refining capacity was incremented from 3.8 million ton of crude oil per year to 5 million ton per year. As the result of the Upgrade program implementation white products basket yields achieved during 2013 was of 85.6% - highest ever reached in history; 46% Diesel yield reported to total throughput, highest ever reached in the company history and higher with 6% compared to the previous year.

For the year 2013 the refining average monthly throughput was higher by 4% compared to 2012. During 2013, turnaround activity took place for 35 days. Highest level of refinery run rate ever reached by Petromidia refinery was of - 12.74 kt/day of operation in 2013

Vega Refinery

Although the total feedstock processed by Vega Refinery throughout 2013 was lower by 21% compared with 2012 (correlated with the operation of Petromidia refinery and low White Spirit market demand), almost the same financial results in terms of EBITDA were obtained due to

continuous improvement of the refinery units operation and due to maximization of valuable products: 2013 Hexane yield of 43% was the highest achieved in refinery history.

Petrochemicals

Rompetro Petrochemicals is the sole polypropylene producer in Romania; starting with 2010 the company was also the sole producer of polyethylene, constantly increasing its market share given the economic circumstances on the market. Its dynamic development strategy has secured the company a competitive position on the domestic and regional markets - in the Balkans Region. One of the company advantages is determined by its proximity to its customers, providing the products required Just - In - Time, as well as offering technical consulting and monitoring of their production cycle.

Petrochemicals		2013	2012
Propylene processed	Kt	107	119
Propylene processed	Kt	55	58
Sold from own production	Kt	160	167
Sold from trading	Kt	9	11
Total sold	Kt	168	177
Export	%	59%	56%
Domestic	%	52%	44%

The company recorded improved results, especially in the second and third quarter of 2013, sustained mainly from the polyethylene business. In 2013 Rompetrol Petrochemicals maintained the quality of its products, thus the weight of high quality rated polymers products remained 98%.

In 2013, the Trading Business Unit strengthened its role of the supply chain optimizer within the Group, continuing to ensure optimum functioning conditions for Petromidia refinery by placing to profitable third parties the spare petroleum products quantities obtained by Petromidia Refinery after supplying the Romanian market and the near-abroad subsidiaries. Although volume has more than doubled since 2010, local costs increased only by 20%, following significant reduction vs. 2012. In 2013, KMG Trading AG (former Vector Energy Ltd) successfully entered Asian Markets contributing with USD 0.5 million profit. Midia Marine Terminal through the Crude Oil Tank Farm registered, since opening in January 2009, cost reductions in relation to oil supply of

USD 6/ton, by eliminating the third party handling/storage/transfer costs and commercial/technological losses. This has resulted in OPEX saving incomes generated from non -group services: piloting, towing, mooring/unmooring.

In 2013 the Retail Business Unit managed to slightly increase volumes compared to 2012, reaching a total of 4.37 million tons (2012 4.03 million tons) of products sold.

Rompetro Downstream reached record sales in 2013 of 1.57 million tons, 142 k tons higher compared with last year. Also, Rompetrol Downstream continued the cost cutting actions in 2013, allowing it to obtain better results compared with previous years.

Consequently, in 2013 the Rompetrol Group had the best economic results in recent years, despite the decrease in refinery margins to USD25/Mt in 2013 compared to USD39/MT in 2012. During 2013, Rompetrol Moldova opened 13 New DOCO Stations and rebranded 13 other stations. The overall volumes sold increased by 70% in 2013 compared with 2012: record sales in Retail (volumes increased by 25.5 % vs. 2012) record sales in Wholesale (volumes increased by 124% vs. 2012). Estimated Market Share increased up to 20% from 13% in 2012 and registered a record EBITDA for the last 5 years, of USD 3 million.

The good net result of Rompetrol Georgia during 2013, of USD 5.6 million, was reached through consistent commercial and OPEX control actions. Compared to 2012, annual total sales volumes have increased by 13 K tons. Contribution was less by USD 5 million due to general margins reduction on the market, after the liberalization process. Despite decreased margins, EBITDA was in line with prior year.

For Rompetrol Bulgaria main objective in 2013 was improvement of the model of operation of the retail business. Therefore improvements were developed and implemented in the dealers and franchise models. Retail sales showed steady growth. EBITDA increased with USD 2.3 million in 2013 vs. 2012, reaching the amount of USD 3.68 million.

Dyneff France incurred positive net result (USD 0.7 million) and far better than last year (USD +7.7 million vs. 2012). The company increased volumes by 3.2% in 2013, while French market was slightly positive (+ 0.3%). Dyneff Market Share

increased thanks to innovative products (E85, Non-Road Diesel).

All Non- Core activities, not directly related to trading in crude and oil products, refining, and sales of oil products are grouped together in the Business Unit Non-Core.

Rominerv, the Group's engineering company, completed 29 projects in 2013. A contract signed in 2013 will bring significant business development in Kazakhstan, in the refinery and petrochemical sectors (EPC "turn-key" Modernization of Pavlodar Refinery, Project Management and Technical Consultancy Services for Kazakhstan Petrochemical Industries Inc. and Shymkent Refinery) Rominerv Valves Iaifo became a new company within The Rompetrol Group, through the spin-off process from Rominerv, in November 2011. It is specialized in the design, manufacture and trading of a wide range of steel and iron industrial valves. In 2013, Rompetrol Valves Iaifo developed the cooperation with several companies such as GEA Germany, IBC Prague, and extended the contract with OMV Petrom, valid until 2014.

In 2013, Palplast's products became competitive on the market in term of price. That was possible due to reduction of energy consumption and technological waste during production process and due to acquisition of raw material at favorable prices. In 2013 Palplast enriched its client portfolio with a number of 153 new customers. Volume of produced & sold pipe in 2013 was of 2,203 tons, higher by 20% compared with 2012. Given the focus of European Union and of the Romanian Government on rehabilitation of irrigation systems from agricultural areas, Palplast paid special attention to this segment and it represented 25% from total sales.

Rompetro Quality Control is one of the top companies on the domestic market of laboratory analyses. In 2013 it increased the percentage of non-group revenues in total turnover (12.19% versus 9.32% in 2012). In March 2013, RQC took over the petrochemicals lab from Rompetrol Petrochemicals, optimizing the costs at Group level and adding to its range of services new type of analyses. Starting with September 2013, following the acquisition of specialized laboratory equipment, RQC became able to perform the MTBE analyses necessary for the Light Nafta product delivered by Rompetrol Refinery Vega.

laboratory in Bulgaria. Thus another optimization of costs was achieved at Group level.

Upstream

Rompetrol Well Services continued the upward trend recorded in the last four years. In 2013 EBITDA increased by 20% compared with the year 2012, (USD 11.3 million vs. USD 9.4 million) and Net Result increased by 45% (USD 8.8 million vs. 6.0 million). Three important multiannual contracts were awarded by OMV Petrom to Well Services following the bidding rounds for Cementing, Pumping and Acidizing services. Internationally, besides its ongoing operations in Kazakhstan and South-East Europe, Well Services started to provide well services in Kurdistan region.

Drilling & Workover and Mudlogging Divisions

Drilling & Workover and Mudlogging Divisions continued providing services in Romania and abroad. Drilling services continued to be provided with RP11 RO rig, under OMV Petrom onshore drilling contract started in November 2011, with a total of 6 wells drilled in 2013. Mudlogging services were provided onshore for Romanian contractors (OMV Petrom and Daflog) and for the Exploration & Production Division (Feteasca KAZ1 and Lupsa SAT1 wells). Workover operations continued in Libya with the three rigs, on a 12 hours daily program, under normal conditions. The rigs underwent recertification processes, according to the contracts stipulations and international good practice, with successful results.

5. 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 minimize 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 operations 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 its most significant aspects in 2010 and with some further amendments in February 2011. Following this approval, the Group started in January 2011 to hedge commodities held by Rompetrol Rafinare. Previously, until January 2011, KMG Trading A.G. and Dyneff Group 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. The Group started a few transactions of refinery margin hedge during 2012 and the intention is to extend refinery margin hedge transactions in 2014. In 2013 there was no refinery margin hedge due to the lack of opportunities.

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 2013, the net trading position taking into consideration the realized and unrealized gains and losses on derivatives and physical trades was a net gain of USD 1.2 million (2012: net loss of USD 4.7 million).

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.

6. Outlook

To offset prolonged negative impact of depressed downstream market, Management of the Group is committed 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 2013 was 7,474 as compared to 7,448 during 2012. 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.

As of the date of these financial statements, all members of the TRG Board are men. The management members have been elected based on their experience and professional expertise, rather than their gender.

Board of Directors

Zhanat Tussupbekov
Daniyar Berlibayev
Saduokhas Meraliyev
Johan Frederik Lodewijk Frowein
Azamat Zhangulov

A close-up photograph of a hand holding a blue pen, poised to write on a yellow notepad. The background is blurred, showing a person in a light blue shirt. A semi-transparent yellow rectangle is overlaid on the image, containing the number 11 and the text 'Auditor's letter'.

11

Auditor's letter



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REPORT OF THE INDEPENDENT AUDITOR ON THE ABBREVIATED FINANCIAL STATEMENTS

To the Board of Directors of KazMunayGas International Group N.V.
(formerly The Rompetrol Group N.V.)

The accompanying Abbreviated Financial Statements of The Rompetrol Group N.V., comprise the consolidated statement of financial position as at December 31, 2013, and the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of cash flow and the consolidated statement of changes in equity for the year then ended, that are derived from the audited consolidated financial statements of The Rompetrol Group N.V. for the year ended December 31, 2013. Ernst & Young Accountants LLP, Amsterdam, The Netherlands, expressed an unmodified audit opinion on the consolidated financial statements in its report dated February 24, 2014 (signed by J.J. Vernooij). Those financial statements, and the Abbreviated Financial Statements, do not reflect the effects of events that occurred subsequent to the date the auditor's report on those consolidated financial statements

The Abbreviated Financial Statements do not contain all the disclosures required by International Financial Reporting Standards as adopted by the European Union. Reading the Abbreviated Financial Statements, therefore, is not a substitute for reading the consolidated financial statements.

Management's Responsibility for the Abbreviated Financial Statements

Management is responsible for the preparation of the information included in the Abbreviated Financial Statements to be in accordance with the underlying information and disclosures, as applicable, that were included in the consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union for the year ended December 31, 2013 of The Rompetrol Group N.V.

Auditor's Responsibility

Our responsibility is to express an opinion on the Abbreviated Financial Statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements".



Opinion

In our opinion, the Abbreviated Financial Statements derived from the consolidated financial statements of The Rompetrol Group N.V. for the year ended December 31, 2013 are consistent, in all material respects, with the audited consolidated financial statements.

Emphasis of matter

Without qualifying our opinion, we note that since the issuance of the full financial statements and the associated auditor's report (dated February 24, 2014), that the Company has formally changed its name from "The Rompetrol Group N.V." to "KazMunayGas International Group N.V.".

Ernst & Young Assurance Services S.R.L.
Bucharest, Romania
May 05, 2014