Petrom Investor News

Bucharest
August 13, 2013
8:30 am
7:30 am (CEST), 6:30 am (BST)

Petrom Group: results[1] for Q2 and January – June 2013
including interim financial statements as of June 30, 2013

Q2/13 vs Q2/12:

- **Clean CCS EBIT increased 36% as Q2/12 results were mainly impacted by the Petrobrazi refinery six-week planned shutdown**
- **Daily production in Romania advanced 2.1%, the highest quarterly increase since privatization, triggered by successful offshore workover campaigns, and as a result of significant investments**
- **Black Sea: largest 3D seismic survey completed; rig procured for further drilling activities in the Neptun block**
- **Lower contribution from G&P reflecting a very challenging market environment and the planned shutdown of the Brazi power plant in April 2013**
- **Strong contribution from R&M driven by higher refinery utilization rate; commercial sales volumes still under pressure, retail flat for the second consecutive quarter, in line with market**

Mariana Gheorghe, CEO of OMV Petrom S.A.: "In the first half of 2013, we improved our financial and operational performance compared with 6m/12, as a result of last years' investments, strict cost management and operational excellence initiatives. We have further pursued our significant investment program, which has enabled us to successfully stabilize production, as the slightly higher hydrocarbon volumes in Romania fully compensated the effect of temporary technical problems in Kazakhstan. Offshore, we completed the largest 3D seismic program in the Black Sea and, in joint venture with ExxonMobil, we aim to resume drilling in the Neptun block towards the end of 2013 or early 2014. G&P performance reflected the challenging market environment with depressed demand for both gas and electricity as well as significantly lower electricity prices. In R&M, the retail business was stable while refining margins decreased due to lower product cracks. Going forward, we are striving to deliver our ambitious 2013 investment program of more than EUR 1.2 bn, while addressing the challenges in the gas and electricity markets, and relying on an investment-friendly regulatory and fiscal framework."

Q1/13	Q2/13	Q2/12	Δ%	Key performance indicators (in RON mn)	6m/13	6m/12	Δ%
1,582	1,389	909	53	EBIT	2,970	2,703	10
1,579	1,438	1,059	36	Clean CCS EBIT [2]	3,017	2,705	12
1,330	1,061	643	65	Net income attributable to stockholders[3]	2,391	2,027	18
1,328	1,103	769	43	Clean CCS net income attributable to stockholders [2,3]	2,431	2,029	20
0.0235	0.0187	0.0114	64	EPS (RON)	0.0422	0.0358	18
0.0234	0.0195	0.0136	43	Clean CCS EPS (RON) [2]	0.0429	0.0358	20
1,845	1,963	1,084	81	Cash flow from operating activities	3,808	3,046	25

[1] The financials are unaudited and represent Petrom Group's (herein after also referred to as "the Group") consolidated results prepared according to IFRS; all the figures refer to Petrom Group, unless otherwise stated; financials are expressed in RON mn and rounded to closest integer value, so minor differences may result upon reconciliation; Petrom uses the National Bank of Romania exchange rates for its consolidation process
[2] Adjusted for exceptional, non-recurring items; Clean CCS figures exclude special items and inventory holding effects (CCS effects) resulting from R&M
[3] After deducting net income attributable to non-controlling interests

PETROM
Member of OMV Group

Financial highlights

Q1/13	Q2/13	Q2/12	∆%	in RON mn	6m/13	6m/12	∆%
5,789	5,787	6,197	(7)	Sales [1]	11,576	12,202	(5)
1,417	1,307	1,192	10	EBIT E&P [2]	2,724	2,896	(6)
113	(8)	29	n.m.	EBIT G&P	105	165	(37)
96	71	(198)	n.m	EBIT R&M	167	(111)	n.m.
(15)	(24)	(37)	(34)	EBIT Co&O	(39)	(49)	(19)
(29)	42	(78)	n.m.	Consolidation	13	(199)	n.m.
1,582	**1,389**	**909**	**53**	**EBIT Group**	**2,970**	**2,703**	**10**
(42)	**-**	**(128)**	**n.a.**	**Special items**[3]	**(42)**	**(128)**	**(67)**
-	-	(64)	n.a.	thereof: Personnel and restructuring	-	(64)	n.a.
(42)	-	-	n.a.	Unscheduled depreciation	(42)	-	n.a.
-	-	(64)	n.a	Other	-	(64)	n.a.
44	(50)	(22)	122	CCS effects: Inventory holding gains/(losses)	(5)	125	n.m.
1,417	1,307	1,315	(1)	Clean EBIT E&P [2, 4]	2,724	3,019	(10)
155	(8)	28	n.m.	Clean EBIT G&P [4]	146	164	(11)
52	121	(176)	n.m.	Clean CCS EBIT R&M [4]	173	(237)	n.m.
(15)	(24)	(30)	(21)	Clean EBIT Co&O [4]	(39)	(42)	(7)
(29)	42	(78)	n.m.	Consolidation	13	(199)	n.m.
1,579	**1,438**	**1,059**	**36**	**Clean CCS EBIT** [4]	**3,017**	**2,705**	**12**
1,584	1,282	793	62	Income from ordinary activities	2,866	2,448	17
1,332	1,061	643	65	Net income	2,393	2,027	18
1,330	1,061	643	65	Net income attributable to stockholders[5]	2,391	2,027	18
1,328	**1,103**	**769**	**43**	**Clean CCS net income attributable to stockholders** [4, 5]	**2,431**	**2,029**	**20**
0.0235	0.0187	0.0114	65	EPS (RON)	0.0422	0.0358	18
0.0234	0.0195	0.0136	43	Clean CCS EPS (RON) [4]	0.0429	0.0358	20
1,845	1,963	1,084	81	Cash flow from operating activities	3,808	3,046	25
0.0326	0.0347	0.0191	81	CFPS (RON)	0.0672	0.0538	25
1,079	1,692	3,109	(46)	Net debt	1,692	3,109	(46)
4	7	14	(52)	Gearing (%) [6]	7	14	(52)
1,001	1,079	1,180	(9)	Capital expenditure	2,080	2,328	(11)
-	-	-	-	ROFA (%) [7]	20.1	19.2	5
-	-	-	-	ROACE (%) [7, 8]	17.4	17.0	2
-	-	-	-	Clean CCS ROACE (%) [4, 7, 8]	18.9	18.8	1
-	-	-	-	ROE (%) [7]	18.5	19.2	(4)
16	17	19	(9)	Group tax rate (%)	17	17	(4)
20,790	20,138	22,105	(9)	Petrom Group employees at the end of the period	20,138	22,105	(9)

Figures in this and the following tables may not add up due to rounding differences.
[1] Sales excluding petroleum excise tax; [2] Excluding intersegmental profit elimination shown in the line "Consolidation"; [3] Special items are added back or deducted from EBIT; for more details please refer to each specific segment; [4] Adjusted for exceptional, non-recurring items; Clean CCS figures exclude special items and inventory holding effects (CCS effects) resulting from R&M; [5] After deducting net income attributable to non-controlling interests; [6] Net debt divided by equity; [7] Starting with Q4/12, calculated on a rolling basis based on the previous four consecutive quarters. Historic figures were adjusted accordingly; [8] Starting Q4/12, the definitions for NOPAT and capital employed were adjusted. Please see section "abbreviations and definitions" for details. Historic figures were adapted accordingly.

Business segments

Exploration and Production (E&P)

Q1/13	Q2/13	Q2/12	∆%	in RON mn	6m/13	6m/12	∆%
1,417	1,307	1,192	10	EBIT [1]	2,724	2,896	(6)
-	-	(123)	-	Special items	-	(123)	-
1,417	1,307	1,315	(1)	Clean EBIT [1]	2,724	3,019	(10)

Q1/13	Q2/13	Q2/12	∆%	Key performance indicators	6m/13	6m/12	∆%
16.46	16.74	16.57	1	Total hydrocarbon production (mn boe)	33.20	33.28	0
183	184	182	1	Total hydrocarbon production (kboe/day)[2]	183	183	0
7.99	7.97	8.11	(2)	Crude oil and NGL production (mn bbl)	15.95	16.28	(2)
1.30	1.34	1.30	4	Natural gas production (bcm)	2.64	2.61	1
45.85	47.46	45.80	4	Natural gas production (bcf)	93.31	92.01	1
111.37	102.15	106.71	(4)	Average Urals price (USD/bbl)	106.76	112.28	(5)
99.37	91.88	92.50	(1)	Average Group realized crude price (USD/bbl) [3]	95.73	95.53	0
187	70	(9)	n.m.	Exploration expenditures (RON mn)	257	259	(1)
190	80	81	(2)	Exploration expenses (RON mn)	269	100	170
14.92	14.42	15.96	(10)	OPEX (USD/boe)	14.67	15.66	(6)

[1] Excluding intersegmental profit elimination; [2] Production figures in kboe/day are rounded; [3] Realized price includes hedging result (for 2012 interim periods)

Second quarter 2013 (Q2/13) vs. second quarter 2012 (Q2/12)

- **Group hydrocarbon production slightly increased due to higher gas production in Romania**
- **Production costs in USD/boe decreased by 10% driven by slightly higher production and strict cost management**
- **Largest 3D seismic campaign in the Black Sea: finalized in June 2013 covering more than 6,000 km^2 in the deep-water sector of the Neptun block**

In Q2/13, the crude price environment remained supportive, still below the Q2/12 level, as the average Urals crude price decreased by 4% to USD 102.15/bbl. Average realized crude prices decreased by 1% to USD 91.88/bbl as no hedges were concluded in 2013 while Q2/12 reflected hedging losses of RON (68) mn.

Clean EBIT was broadly in line with Q2/12 at RON 1,307 mn, as lower oil sales and higher depreciation were counterbalanced by lower production costs as well as higher gas sales. The latter was triggered by higher gas production as well as the increased domestic price following the implementation of the official gas price liberalization starting February this year, which is reflected in E&P.

Reported EBIT in Q2/13 stood at the same level as Clean EBIT, as no special items were recorded in Q2/13, while in Q2/12 reported EBIT included special items amounting to RON 123 mn, which reflected mostly personnel restructuring charges.

Group production costs in USD/boe decreased by 10% compared to Q2/12, mainly due to lower nominal production costs and slightly higher production volumes, which compensated for the less favourable FX rate (USD 2% weaker against RON). In Romania, production costs in USD/boe dropped 10%, reaching USD 14.06/boe. When expressed in RON terms, production costs in Romania decreased by 12% to RON 47.31/boe (Q2/12: RON 53.77/boe), triggered by strict cost management and higher production volumes.

Exploration expenditures increased to RON 70 mn, mostly due to the acquisition of seismic data for the deep-water sector of the Neptun block, while Q2/12 reflected the costs associated with the reclassification of a well. Exploration expenses related mostly to the seismic activity in Q2/13, amounting to RON 80 mn, and were slightly below Q2/12, when a well was written-off.

The acquisition of the largest ever Black Sea 3D seismic survey was successfully completed on the Neptun Deep block in June 2013, covering more than 6,000 km^2. Moreover, together with ExxonMobil, the Ocean Endeavor semi-submersible drilling rig owned by Diamond Offshore Drilling Inc. has been procured.

In Q2/13, the drilling program comprised 39 new wells in Romania (Q2/12: 22 new wells).

Group daily hydrocarbon production was 183.9 kboe (of which 173.2 kboe in Romania) and total production stood at 16.7 mn boe, 1% above Q2/12, due to higher production in Romania, which fully compensated the lower production in Kazakhstan. In Romania, total oil and gas production increased by 2.1% to 15.76 mn boe, supported by workovers, drilling and field redevelopment activities. Domestic crude oil production was 7.16 mn bbl, in line with Q2/12. Domestic gas production reached 8.6 mn boe, 3.9% above Q2/12, mainly supported by the good results of the offshore workover campaigns in the Istria block. In Kazakhstan, oil and gas production amounted to 0.98 mn boe, which is 13.4% lower compared to the same period of 2012, due to temporary technical constraints in the Komsomolskoe field. Sales volumes increased by 1% compared to Q2/12 due to higher gas and NGL sales in Romania.

Second quarter 2013 (Q2/13) vs. first quarter 2013 (Q1/13)

Clean EBIT decreased by 8% compared with Q1/13 level, mainly driven by lower oil sales volumes. Reported EBIT stood at the same level as Clean EBIT since no special items were recorded in 2013. Group production costs in USD/boe decreased by 3%, mainly driven by higher production volumes. In Romania, production costs expressed in USD/boe were 3% lower due to higher production volumes and FX effect (1% stronger USD against RON). When expressed in RON/boe, domestic production costs decreased by 2% compared to the Q1/13 level, to RON 47.31/boe. Exploration expenses of RON 80 mn were significantly below Q1/13 due to lower seismic costs (3D seismic acquisition program in the Black Sea completed during Q2/13). Total daily production was slightly above Q1/13, due to a higher contribution from Romania, more than compensating for the decreased production in Kazakhstan. Group sales volumes were stable compared to Q1/13 level as higher gas and NGL sales compensated lower oil sales.

January to June 2013 (6m/13) vs. January to June 2012 (6m/12)

In 6m/13, average Urals crude price reached USD 106.76/bbl, 5% below 6m/12. The average realized crude price slightly increased to USD 95.73/bbl (6m/12: USD 95.53/bbl), as 6m/12 reflected hedging losses of RON (227) mn.

Clean EBIT decreased by 10% compared to 6m/12, mainly driven by lower oil sales, higher exploration expenses, higher depreciation and unfavorable FX effects (weaker USD against RON), partly offset by lower production costs. Reported EBIT of RON 2,724 mn was equal to Clean EBIT in the first half of 2013, while the first six months of 2012 included special items of RON 123 mn, mainly relating to personnel restructuring provisions.

Group production costs in USD/boe were 6% lower than in 6m/12, despite the slight negative FX development (USD weaker against RON by 1%). Production costs in Romania expressed in USD terms decreased to USD 14.28/boe in 6m/13, mainly due to strict cost management.

Exploration expenditures of RON 257 mn reflect the largest ever 3D seismic campaign in the Black Sea in 6m/13, and were 1% lower compared to 6m/12 (which included the drilling cost associated to Domino 1 exploration well). Exploration expenses amounting to RON 269 mn reflect the extensive seismic activities in the Black Sea.

Group oil and gas production in 6m/13 amounted to 33.2 mn boe while, in Romania, total oil and gas production stood at 31.1 mn boe, slightly higher than in 6m/12. Domestic crude oil production was 14.2 mn bbl, 1.3% lower, mainly due to natural decline of key fields. Domestic gas production reached 16.9 mn boe, 1.5% higher, mainly driven by the successful offshore workover campaigns. Oil and gas production in Kazakhstan decreased by 6.8% compared to 6m/12, reaching 2.1 mn boe, mainly due to temporary technical problems in the Komsomolskoe field. Sales volumes decreased by 1% compared to 6m/12 due to lower oil sales partly compensated by higher gas and NGL sales in Romania.

Gas and Power (G&P)

Q1/13	Q2/13	Q2/12	Δ%	in RON mn	6m/13	6m/12	Δ%
113	(8)	29	n.m.	EBIT	105	165	(37)
(42)	0	1	n.m.	Special items	(42)	1	n.m.
155	(8)	28	n.m.	Clean EBIT	146	164	(11)

Q1/13	Q2/13	Q2/12	Δ%	Key performance indicators	6m/13	6m/12	Δ%
1,527	1,063	1,026	3	Gas sales volumes (mn cbm) [1]	2,590	2,642	(2)
16.39	11.50	11.16	3	Gas sales volumes (TWh) [1]	27.89	28.48	(2)
45.7	45.7	45.7	0	Average regulated domestic gas price for households (RON/MWh) [2]	45.7	45.7	0
47.9	55.3	45.7	21	Average regulated domestic gas price for non-households (RON/MWh) [2]	51.6	45.7	13
130	136	141	(4)	Average import gas price (RON/MWh) [3]	133	148	(10)
0.82	0.23	0.07	214	Net electrical output (TWh)	1.05	0.11	n.m.
155	124	184	(33)	OPCOM spot average electricity base load price (RON/MWh) [4]	140	218	(36)
200	157	226	(30)	OPCOM average electricity peak load price (RON/MWh) [4]	178	272	(34)

[1] Include internal transfers within OMV Petrom S.A. (e.g. Brazi power plant)
[2] According to gas price liberalization roadmap enforced by the Government starting February 1, 2013
[3] Q1/13, Q2/13 and 6m/13 data represent ANRE assumptions
[4] Q2/13 and 6m/13 data are preliminary

Second quarter 2013 (Q2/13) vs. second quarter 2012 (Q2/12)

- **Gas sales volumes increased by 3%, while Romanian gas consumption dropped by 16%**
- **Clean EBIT mainly impacted by overall lower contribution of the gas business**
- **Total net electrical output of 0.23 TWh reflecting the planned shutdown at Brazi power plant and very challenging market conditions**

Clean EBIT decreased compared to Q2/12, mainly impacted by the lower contribution of the gas business, as the prior year result reflected better commercial terms (above the RON 45.7/MWh officially introduced baseline), while, starting February 2013, the upside from gas price liberalization is reflected in E&P.

Estimated natural **gas** consumption in Romania decreased by 16% in Q2/13 as compared to the same period of the previous year. Petrom gas sales volumes increased by 3% in Q2/13 due to higher demand for domestic gas coming from large wholesalers as well as the increased gas consumption of the Brazi power plant (on stream starting Q3/12). This was also supported by the increase in Petrom domestic gas production.

At the end of Q2/13, the total volume of natural gas in storage owned by Petrom amounted to 151 mn cbm compared to 220 mn cbm at the end of Q2/12.

Starting April, the regulated domestic gas price was set at RON 55.3/MWh for the non-household sector and remained unchanged for households at RON 45.7/MWh in Q2/13, while the estimated average import gas price based on ANRE assumptions was USD 420/1,000 cbm (or the equivalent of RON 136/MWh). Starting April 25, the secondary legislation establishing the procedure for the fulfillment of the obligation of the domestic gas producers to supply with priority the regulated market, as stipulated in the Energy Law 123/2012, entered into force.

The average import quota set by ANRE for the non-household sector in Q2/13 was 25% (with a maximum of 30% in May), slightly higher compared to an average of 23% in Q2/12.

In Q2/13, estimated Romanian gross **electricity** production decreased by approximately 10% versus Q2/12, in line with national gross consumption. The increased hydropower production, which accounted for approx. 39% of total energy supply (Q2/12: approx. 32%), led to low power prices. The electricity prices on the Romanian day ahead market averaged RON 124/MWh for base load and RON 157/MWh for peak load in Q2/13, according to preliminary data published by OPCOM.

After the one month planned shutdown for the installation of a gas treatment plant, the Brazi power plant successfully resumed operations at the end of April. With a net availability of almost 69%, the plant generated a net electrical output of 0.20 TWh.

In Q2/13, the Dorobantu wind park delivered a net electrical output of 0.02 TWh, 11% above Q2/12, for which Petrom received approx. 43,000 green certificates.

Second quarter 2013 (Q2/13) vs. first quarter 2013 (Q1/13)

Compared to Q1/13, Clean EBIT was significantly affected by the seasonally lower gas sales volumes and lower contribution of the power business. Petrom **gas** sales volumes decreased by 30%, as compared to the 57% estimated decrease in Romanian gas consumption.
The net **electrical** output of the Brazi power plant was 74% lower than in Q1/13, strongly affected by market conditions. In the context of lower electricity consumption (15% down compared to Q1/13) and 50% higher hydropower production, day-ahead-market prices reached the lowest average levels since 2007. However, exploiting the Brazi plant technical flexibility, an important contribution could be captured from the balancing market in Q2/13. The net electrical output of the Dorobantu wind park seasonally decreased by 40% as compared to Q1/13, leading to a corresponding decrease in the number of green certificates received.

January to June 2013 (6m/13) vs. January to June 2012 (6m/12)

Clean EBIT decreased by 11% due to lower gas business contribution as the 6m/12 result reflected better commercial terms for domestic gas sales.

Petrom **gas** sales volumes were slightly below the 6m/12 levels, while estimated Romanian gas consumption decreased by 8%.

In 6m/13, total estimated Romanian **electricity** output was approx. 6% lower compared to 6m/12, while total estimated consumption decreased by almost 7%, the surplus being supplied to other countries. Petrom power production covered approximately 4% of Romania's electricity consumption, while the largest part was covered by hydro and renewables generation, which accounted for approx. 38% of total consumption (6m/12: approx. 28%).
The Brazi power plant net electrical output was 0.98 TWh. Net availability stood at approx. 83%, reflecting the one-month planned shutdown in April.
With approx. 98% availability, the Dorobantu wind park electrical output was 0.06 TWh, for which Petrom received around 114,000 green certificates.

Refining and Marketing (R&M)

Q1/13	Q2/13	Q2/12	Δ%	in RON mn	6m/13	6m/12	Δ%
96	71	(198)	n.m.	EBIT	167	(111)	n.m.
-	-	-	-	Special items	-	-	-
44	(50)	(22)	122	CCS effect: Inventory holding gains/(losses) [1]	(5)	125	n.m.
52	121	(176)	n.m.	Clean CCS EBIT [1]	173	(237)	n.m.

Q1/13	Q2/13	Q2/12	Δ%	Key performance indicators	6m/13	6m/12	Δ%
(0.88)	(1.62)	1.16	n.m.	Indicator refining margin (USD/bbl) [2]	(1.25)	(1.28)	(2)
0.94	1.02	0.51	102	Refining input (mn t) [3]	1.97	1.44	37
86	92	43	114	Refinery utilization rate (%) [4]	89	61	46
1.11	1.34	1.20	11	Total refined product sales (mn t) [5]	2.45	2.34	5
0.73	0.92	0.97	(5)	thereof Marketing sales volumes (mn t) [6]	1.66	1.77	(7)
796	792	797	(1)	Marketing retail stations	792	797	(1)

[1] *Current cost of supply (CCS): Clean CCS EBIT eliminates special items and inventory holding gains/losses (CCS effects) resulting from R&M*
[2] *The indicator refining margin is based on the international quotations for products [Augusta] and Urals crude and a standard yield set typical for Petrobrazi refinery as of Q1/11 (indicator expected to be adapted after completion of Petrobrazi modernization program); actual refining margins realized by Petrom may vary from the indicator refining margin as well as from the market margins due to factors including a different crude slate, product yield and operating conditions*
[3] *Figure includes crude and semi-finished products, in line with OMV Group reporting standard*
[4] *Reflects Petrobrazi refinery nameplate capacity adjustment to 4.2 mn t/y starting Q3/12 (previously 4.5 mn t/y)*
[5] *Includes all products sold by Petrom Group*
[6] *Excludes export sales which are included in total refined product sales*

Second quarter 2013 (Q2/13) vs. second quarter 2012 (Q2/12)

- **Good result triggered by improved performance in both refining and marketing**
- **Refining margin indicator decreased driven by lower product cracks**
- **Marketing performance reflected oil price environment, stable retail volumes and cost discipline**

Clean CCS EBIT improved to RON 121 mn as a result of a strong marketing performance, incremental improvements in the products yield structure and overall lower costs compared with Q2/12, when the result was burdened by a six-week planned refinery shutdown. The decreasing crude oil price and product quotations contributed to CCS losses of RON 50 mn, resulting in a reported EBIT of RON 71 mn.

In spite of a lower **refining** margin indicator, the refining segment had a better performance, driven by higher refinery utilization rate, incremental yield structure and energy efficiency improvements after the scheduled six-week shutdown of the Petrobrazi refinery in Q2/12, and cost discipline. The indicator refining margin decreased to USD (1.62)/bbl on the back of lower fuel product cracks, other than coke.

The total quantity of refining input in Q2/13 was considerably higher due to the refinery shutdown in Q2/12, and the refinery utilization increased to 92%, compared to 43% in the same period of last year.

Total refined product sales increased by 11%, triggered by higher exports.

The **marketing** business saw a stronger performance in Q2/13 compared to Q2/12, due to the crude price environment, stable retail volumes and strict cost management.

Total group marketing sales volumes in Q2/13 stood at 923 kt, 5% below the Q2/12 level. Group retail sales, which amounted to 68% of total group marketing sales, maintained the level of Q2/12 sales volumes, in line with the market development. At Group level, commercial sales dropped by 14% compared to the same quarter last year, due to sales portfolio optimization in the context of the current economic environment, with lower volumes for all products other than jet and gasoline. Furthermore, to a relatively large extent, the decrease in the group commercial sales is also attributable to the completion of Petrom LPG divestment at the beginning of January 2013. Following the completion, LPG sales are reflected in total refined product sales instead of marketing sales.

At the end of June 2013, the number of filling stations operated within Petrom Group was 792, five units less than in the similar period of last year, mainly as a result of retail network optimization.

Second quarter 2013 (Q2/13) vs. first quarter 2013 (Q1/13)

Clean CCS EBIT more than doubled compared to Q1/13 and stood at RON 121 mn due to strong marketing performance reflected in seasonally higher sales volumes as well as lower costs. The Petrobrazi utilization rate increased to 92% (86% in Q1/13) triggered by market demand and the effect of the Coker modernization commissioning from Q1/13. The indicator refining margin decreased to USD (1.62)/ bbl in Q2/13 from USD (0.88)/ bbl in Q1/13, mainly due to lower product cracks.

January to June 2013 (6m/13) vs. January to June 2012 (6m/12)

Clean CCS EBIT was significantly higher mainly due to the burdening impact of the Petrobrazi shutdown on both volumes and costs in 6m/12. The indicator **refining** margin was slightly better than in 6m/12 as lower crude oil prices fully offset lower diesel and HFO cracks.

The utilization rate at the Petrobrazi refinery stood at 89% compared to 61% in 6m/12 due to the above mentioned refinery shutdown in Q2/12.

Total **marketing** sales volumes decreased by 7% compared to 6m/12 due to lower commercial sales, which decreased by 18%. To a relatively large extent, the decrease is also attributable to the completion of Petrom LPG divestment at the beginning of 2013. In the retail business, total sales volumes stood at the same level as in 6m/12, broadly in line with the market.

Outlook 2013

Market environment

For 2013, we expect the average Brent oil price to remain above USD 100/bbl and the Brent-Urals spread to stay relatively tight.

In the local gas market, we anticipate lower overall demand in 2013. The positive effects of economic growth on gas demand are expected to be fully counterbalanced by the fall in industry gas consumption, in the context of gas price liberalization and improvement in energy efficiency. In terms of gas prices, the Government enforced a roadmap for the gradual increase of regulated domestic gas prices during 2013-2014. Three increases have already been implemented since the beginning of 2013 (starting with February 1, April 1 and July 1), the first two applying only to the non-household sector. The roadmap entails one further increase for both non-household and household sectors this year (in October). Starting February 2013, the Government also introduced a package of fiscal measures that impacts oil and gas producers, imposing a 60% tax on additional revenues resulting from domestic gas price liberalization net of incremental royalties and upstream investments (the latter capped at 30% of the additional revenues) and a 0.5% tax on extraction of crude. Further progress has been made in defining the secondary legislation for the functioning of the gas market during the gas prices deregulation process, which still needs to be approved. We do not expect a substantial impact on the 2013 result from the combined effect of gas price liberalization together with the implementation of the new fiscal and regulatory measures. This is mainly due to the fact that Petrom 2012 results already reflected better commercial terms for domestic gas sales, above the officially introduced baseline of RON 45.7/MWh for regulated domestic gas prices.

In the power market, prices are expected to be under pressure due to supply dynamics, with additional capacity coming on stream from renewables, as well as low demand, which reflects, in part, prospective energy efficiency measures. Given its high flexibility, the Brazi power plant is expected to play an important role in the balancing market, in the context of increasing contribution from renewables.

Pursuant to Government Ordinance no.57/2013, recently adopted, Law no.220/2008 regarding the support system for renewable power was amended. As such, starting July 1, 2013, the allocation of one (out of two) green certificate for each MWh of hydropower or wind power produced (or two certificates for photovoltaic power) will be postponed until March 31, 2017. The secondary legislation on this topic still needs to be defined.

In Refining and Marketing, margins and volumes are expected to be further challenged by high crude price levels and the weak demand amid marginal economic recovery in our operating region.

Petrom Group

- Petrom plans to invest over EUR 1.2 bn in 2013
- Strive for high HSSE standards and continue reducing the lost-time injury rate
- Pursue discussions with the Romanian authorities to define a long term, stable and investment-friendly taxation and regulatory framework

Exploration and Production

- In order to maintain production stability in Romania, we will further progress several field redevelopment projects focusing on drilling, workovers, water and steam injection
- Plan for five redevelopment projects in execution phase by year-end
- Drill more than 110 wells in 2013, of which two will be appraisal wells in the Totea field
- E&P capital expenditure will represent approx. 80% of Group CAPEX; The bulk of E&P CAPEX will be directed to drilling development wells, Totea Deep and field redevelopment projects, workover activities and subsurface operations, performance enhancement initiatives as well as surface facilities projects
- Following seismic acquisitions in the Black Sea, a new drilling campaign in the deep water sector of Neptun Block is anticipated to start towards the end of 2013 / beginning of 2014
- Kazakhstan – extend water injection scheme in Komsomolskoe field and carry out TOC (Tasbulat, Aktas, Turkmenoi) field redevelopment plan to address the production challenges
- Growth opportunities via exploration acreage acquisition in the Black Sea: pursue further steps towards finalization of transfer agreement for the purchase with ExxonMobil of an 85%

interest in the Midia Block (Romania); continue negotiations on the Production Sharing Agreement for Skifska block (Ukraine)
- Drive operational excellence through long-term partnerships and other initiatives / performance programs

Gas and Power
- Maintain the leading position in the free gas market whilst adapting sales strategy to the expected liberalization under new energy law
- Enhance the value of equity gas by continuously optimizing operations at the gas-fired power plant Brazi and consolidating its position in the electricity market
- Realize synergies by bundling electricity sales with natural gas sales

Refining and Marketing
- Implement further steps within the Petrobrazi refinery modernization program, due for completion in 2014, with a focus on the Vacuum Gas Oil conversion project
- Continue energy efficiency improvements and reduce CO_2 emissions
- Finalize Bacau terminal modernization by the end of 2013 and commence operations at the beginning of 2014
- Further pursue stringent cost discipline and optimization of the downstream business

Group interim financial statements and notes

(condensed, unaudited)

Legal principles and general accounting policies

The interim condensed consolidated financial statements for the six months ended June 30, 2013 have been prepared in accordance with IAS 34 Interim Financial Statements.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as of December 31, 2012.

The accounting policies and valuation methods adopted in preparation of the interim condensed consolidated financial statements are consistent with those followed in preparation of the Group's annual financial statements for the year ended December 31, 2012, except as described herein.

The amendments to IAS 1 "Presentation of Financial Statements" and the Improvements to IFRSs (2009 – 2011) have been implemented since January 1, 2013, without material impact for the condensed interim financial statements.

The detailed structure of the consolidated companies in Petrom Group at June 30, 2013 is presented in the Appendix 1 to the current report.

The condensed interim consolidated financial statements for 6m/13 are unaudited and an external review by an auditor was not performed.

Changes in the consolidated Group

The sale of Petrom LPG SA subsidiary was closed on January 7, 2013.

Seasonality and cyclicality

Seasonality is of particular significance in G&P and R&M; for details please refer to the relevant section in the business segments.

In addition to the interim financial statements and notes, further information on main factors affecting the interim financial statements as of June 30, 2013, is given as part of the description of Petrom Group's business segments performance.

Exchange rates

Petrom uses the National Bank of Romania (NBR) exchange rates in its consolidation process. Income statements of subsidiaries are translated to RON using average exchange rates published by the National Bank of Romania, detailed below.

Statements of the financial position of foreign subsidiaries are translated to RON using the closing rate method based on exchange rates published by the National Bank of Romania, detailed below.

Q1/13	Q2/13	Q2/12	∆%	NBR FX rates	6m/13	6m/12	∆%
4.385	4.395	4.425	(1)	Average EUR/RON FX rate	4.390	4.389	0
3.322	3.367	3.451	(2)	Average USD/RON FX rate	3.344	3.384	(1)
4.415	4.459	4.449	0	Closing EUR/RON FX rate	4.459	4.449	0
3.446	3.415	3.536	(3)	Closing USD/RON FX rate	3.415	3.536	(3)

Income statement (unaudited)

Q1/13	Q2/13	Q2/12	Consolidated income statement (in RON mn)	6m/13	6m/12
5,788.93	5,787.18	6,196.99	Sales revenues	11,576.11	12,201.98
(162.60)	(129.27)	(157.59)	Direct selling expenses	(291.87)	(351.39)
(3,382.06)	(3,826.51)	(4,479.55)	Production costs of sales	(7,208.57)	(8,049.91)
2,244.27	**1,831.40**	**1,559.85**	**Gross profit**	**4,075.67**	**3,800.68**
55.78	46.07	42.49	Other operating income	101.85	79.65
(299.40)	(250.76)	(282.41)	Selling expenses	(550.16)	(555.97)
(45.28)	(50.74)	(63.02)	Administrative expenses	(96.02)	(118.50)
(189.95)	(79.54)	(81.49)	Exploration expenses	(269.49)	(99.81)
(183.76)	(107.79)	(266.37)	Other operating expenses	(291.55)	(403.46)
1,581.66	**1,388.64**	**909.05**	**Earnings before interest and taxes (EBIT)**	**2,970.30**	**2,702.59**
1.56	4.12	2.73	Income from associated companies	5.68	4.97
65.86	18.43	12.95	Interest income	84.29	30.19
(97.50)	(90.49)	(200.84)	Interest expenses	(187.99)	(287.80)
32.08	(38.23)	69.08	Other financial income and expenses	(6.15)	(1.75)
2.00	**(106.17)**	**(116.08)**	**Net financial result**	**(104.17)**	**(254.39)**
1,583.66	**1,282.47**	**792.97**	**Profit from ordinary activities**	**2,866.13**	**2,448.20**
(252.15)	(221.17)	(150.40)	Taxes on income	(473.32)	(421.10)
1,331.51	**1,061.30**	**642.57**	**Net income for the period**	**2,392.81**	**2,027.10**
1,330.06	**1,061.04**	**642.91**	**thereof attributable to stockholders of the parent**	**2,391.10**	**2,026.75**
1.45	0.26	(0.34)	thereof attributable to non-controlling interests	1.71	0.35
0.0235	**0.0187**	**0.0114**	**Basic earnings per share (RON)**	**0.0422**	**0.0358**

Statement of comprehensive income (unaudited)

Q1/13	Q2/13	Q2/12	Consolidated statement of comprehensive income (in RON mn)	6m/13	6m/12
1,331.51	**1,061.30**	**642.57**	**Net income for the period**	**2,392.81**	**2,027.10**
0.94	(0.18)	2.24	Exchange differences from translation of foreign operations	0.76	0.51
-	-	638.71	Gains/(losses) on hedges	-	267.35
0.94	**(0.18)**	**640.95**	**Total of items that will be reclassified ("recycled") subsequently to the income statement**	**0.76**	**267.86**
(2.34)	0.81	(102.20)	Income tax relating to components of other comprehensive income	(1.53)	(42.78)
(1.40)	**0.63**	**538.75**	**Other comprehensive income for the period, net of tax**	**(0.77)**	**225.08**
1,330.11	**1,061.93**	**1,181.32**	**Total comprehensive income for the period**	**2,392.04**	**2,252.18**
1,329.49	**1,061.39**	**1,183.75**	**thereof attributable to stockholders of the parent**	**2,390.88**	**2,253.41**
0.62	0.54	(2.43)	thereof attributable to non-controlling interests	1.16	(1.23)

Notes to the income statement

Second quarter 2013 (Q2/13) vs. second quarter 2012 (Q2/12)

Consolidated sales in Q2/13 decreased by 7% compared to Q2/12, amounting to RON 5,787 mn, driven by lower crude sales volumes and lower prices of petroleum products. R&M represented 82% of total consolidated sales, G&P accounted for 14% and E&P for 4% (sales in E&P being largely intra-group sales rather than third-party sales).

The Group's EBIT amounted to RON 1,389 mn, significantly higher compared to the result recorded in Q2/12 (RON 909 mn). The latter was burdened by the six-week-long planned general shutdown of the Petrobrazi refinery and also by special charges mainly related to personnel restructuring provisions. Clean CCS EBIT of RON 1,438 mn is also higher compared to the value of RON 1,059 mn recorded in Q2/12. Clean CCS EBIT is stated after eliminating inventory holding losses of RON 50 mn.

The net financial result of RON (106) mn slightly improved compared to RON (116) mn in Q2/12. The positive impact in Q2/13 from lower net interest expenses mainly in relation to the discounting effects of receivables was almost entirely offset by the negative FX effects on USD loans given by Petrom to its Kazakh subsidiaries due to the devaluation of USD against RON in Q2/13.

The profit from ordinary activities amounted to RON 1,282 mn and corporate income tax was RON 221 mn in Q2/13. Current tax expenses on the Group's income were RON 178 mn and deferred tax expenses amounted to RON 43 mn. The effective tax rate in Q2/13 was 17%, lower than 19% in Q2/12.

Net income attributable to stockholders (i.e. net income attributable to stockholders of the parent) was RON 1,061 mn, significantly higher than RON 643 mn in Q2/12. Clean CCS net income attributable to stockholders was RON 1,103 mn. EPS was RON 0.0187 in Q2/13, versus RON 0.0114 in Q2/12, while Clean CCS EPS was RON 0.0195 compared to RON 0.0136 in Q2/12.

Second quarter 2013 (Q2/13) vs. first quarter 2013 (Q1/13)

Compared to Q1/13, sales remained constant, as the increase generated by higher volumes of petroleum products sold was offset by the seasonal decrease of gas volumes and electricity sold. EBIT decreased by 12% to RON 1,389 mn (Q1/13: RON 1,582 mn), burdened mainly by lower crude oil price and reduced sales of gas and electricity, which more than offset lower exploration expenses driven by the completion of the Black Sea Neptun block 3D seismic campaign in Q2/13. Clean CCS EBIT decreased by 9% compared to Q1/13 to RON 1,438 mn (Q1/13: RON 1,579 mn). The net financial result decreased to RON (106) mn in Q2/13 from RON 2 mn in Q1/13, mainly as a consequence of negative FX effects related to both USD loans given by Petrom to its Kazakh subsidiaries and EUR denominated loans taken from banks.

The corporate income tax amounted to RON 221 mn (Q1/13: RON 252 mn) and the effective tax rate in Q2/13 was 17% (Q1/13: 16%). Net income attributable to stockholders was RON 1,061 mn, 20% lower than RON 1,330 mn in Q1/13, while Clean CCS net income attributable to stockholders decreased by 17% from RON 1,328 mn in Q1/13 to RON 1,103 mn in Q2/13.

January to June 2013 (6m/13) vs. January to June 2012 (6m/12)

Consolidated sales for 6m/13 decreased by 5% compared to 6m/12, to RON 11,576 mn, mainly as a result of the lower crude sales volumes in 6m/13 as compared to the similar period last year that was impacted by Petrobrazi refinery shutdown. In G&P, the positive impact from higher electricity volumes sold was more than offset by lower electricity prices and slightly lower gas volumes sold. R&M represented 78% of total consolidated sales, G&P accounted for 17% and E&P for 5% (sales in E&P being largely intra-group sales rather than third party sales).

The Group's EBIT amounted to RON 2,970 mn. Despite higher exploration expenses, following the intensive 3D seismic acquisition campaigns this year, the 6m/13 EBIT was 10% higher than in 6m/12, as the latter was burdened by the refinery shutdown in Q2/12.

Clean CCS EBIT increased to RON 3,017 mn in 6m/13. Clean CCS EBIT is stated after eliminating net special expenses of RON 42 mn and inventory holding losses of RON 5 mn.

The net financial result of RON (104) mn improved from RON (254) mn in 6m/12, being positively influenced by lower net interest charges mainly in relation to discounting effect of receivables.

As a consequence of the increase in profits from ordinary activities in 6m/13 to RON 2,866 mn, the corporate tax charge recorded an increase to RON 473 mn. The effective corporate tax rate was 17%, similar to 6m/12.

Net income attributable to stockholders (i.e. net income attributable to stockholders of the parent) was RON 2,391 mn, higher compared to 6m/12 (RON 2,027 mn). Clean CCS net income attributable to stockholders was RON 2,431 mn, 20% higher compared to 6m/12 (RON 2,029 mn). EPS was RON 0.0422 in 6m/13 (6m/12: RON 0.0358) and Clean CCS EPS was RON 0.0429 (6m/12: RON 0.0358).

Statement of financial position, capital expenditure and gearing (unaudited)

Consolidated statement of financial position (in RON mn)	June 30, 2013	Dec 31, 2012
Assets		
Intangible assets	835.15	966.51
Property, plant and equipment	29,273.65	28,512.59
Investments in associated companies	43.99	39.44
Other financial assets	2,446.82	2,357.23
Other assets	27.86	34.72
Deferred tax assets	816.24	866.16
Non-current assets	**33,443.71**	**32,776.65**
Inventories	1,996.20	2,250.54
Trade receivables	1,699.14	1,968.09
Other financial assets	90.69	98.93
Other assets	246.08	210.82
Cash and cash equivalents	443.49	666.65
Current assets	**4,475.60**	**5,195.03**
Assets held for sale	75.89	172.94
Total assets	**37,995.20**	**38,144.62**
Equity and liabilities		
Capital stock	5,664.41	18,983.37
Reserves	18,578.71	4,454.90
Stockholders' equity	**24,243.12**	**23,438.27**
Non-controlling interests	(31.79)	(32.93)
Equity	**24,211.33**	**23,405.34**
Provisions for pensions and similar obligations	240.16	241.33
Interest-bearing debts	1,563.83	1,717.05
Provisions for decommissioning and restoration obligations	5,910.43	5,866.10
Other provisions	561.60	644.88
Other financial liabilities	157.07	168.29
Deferred tax liabilities	11.66	8.24
Non-current liabilities	**8,444.75**	**8,645.89**
Trade payables	2,733.98	2,880.08
Interest-bearing debts	434.16	524.64
Current income tax payable	193.59	261.21
Other provisions and decommissioning	818.45	1,210.27
Other financial liabilities	382.93	360.85
Other liabilities	775.94	764.96
Current liabilities	**5,339.05**	**6,002.01**
Liabilities associated with assets held for sale	0.07	91.38
Total equity and liabilities	**37,995.20**	**38,144.62**

Notes to the statement of the financial position as of June 30, 2013

Capital expenditure decreased to RON 2,080 mn (6m/12: RON 2,328 mn) influenced by substantially lower CAPEX in G&P and R&M.

Investments in E&P activities (RON 1,838 mn) represented 88% of total CAPEX for the first six months in 2013 and were focused on activities related to drilling development wells, workover activities and sub-surface operations, surface facilities, field redevelopment initiatives, as well as investments related to Totea Deep project.

Investments in G&P in the first six months (RON 8 mn) were significantly below the comparable period of last year, as the Brazi power plant started commercial operations in August 2012.

R&M investments (RON 218 mn) were mainly related to the Petrobrazi refinery modernization program (including the modernization of the Gas Desulfurization with the Sulfur Recovery unit and of the Vacuum Gas Oil conversion). In addition, investment funds were also directed to efficiency projects as well as to legal and environmental compliance.

CAPEX for the Corporate & Other (Co&O) segment was RON 16 mn, mainly referring to investments directed to IT projects.

Compared to the year-end 2012, total assets decreased with RON 149 mn, to RON 37,995 mn. The change was mainly driven by the decrease in current assets and assets held for sale, which more than offset the net increase in property, plant and equipment. Reduction in current assets of RON 719 mn was mainly due to decrease in cash and cash equivalents as a result of the dividend payment in June 2013, lower stock of gas and petroleum products driven mainly by seasonality, as well as lower trade receivables. Property, plant and equipment and intangible assets increased by RON 630 mn, as the investments exceeded depreciation and impairments.

Equity increased to RON 24,211 mn as of June 30, 2013, as a result of the net profit generated in the current period, partially offset by the dividends distributed for the 2012 financial year (RON 1,586 mn). The Group's equity ratio[1] increased to 64% at the end of June 2013 compared to the level recorded at the end of December 2012 (61%).

Following the reimbursements made in the first six months of 2013, total interest bearing debt decreased from RON 2,242 mn as of December 31, 2012 to RON 1,998 mn as of June 30, 2013.

The Group's liabilities other than interest bearing debt decreased by RON 712 mn, mainly due to the decrease in trade payables, reduction of liabilities associated with assets held for sale following the finalization of the sale of the Petrom LPG subsidiary in January 2013 and also due to the payments made in Q1/13 in relation to the results of the fiscal review for the years 2009 and 2010. In this respect, OMV Petrom started necessary legal steps to contest the result of the fiscal review.

Petrom Group's net debt[2] shows a decrease to RON 1,692 mn, compared to RON 1,711 mn at the end of 2012. As of June 30, 2013, the gearing ratio[3] decreased to 6.99%, from 7.31% in December 2012, being positively influenced by the increase in equity.

[1] *Equity ratio is calculated as Equity/(Total Assets) x 100*
[2] *Net debt is calculated as interest bearing debts including financial lease liability less cash and cash equivalents*
[3] *Gearing ratio is calculated as Net debt/(Equity) x 100*

Cash flows (condensed, unaudited)

Q1/13	Q2/13	Q2/12	Summarized statement of cash flows (in RON mn)	6m/13	6m/12
1,583.66	**1,282.47**	**792.97**	**Profit before taxation**	**2,866.13**	**2,448.20**
7.04	(99.94)	(164.40)	Net change in provisions	(92.90)	(337.52)
7.24	(10.47)	(5.46)	Losses/(gains) on the disposal of non-current assets	(3.23)	(9.17)
779.34	791.11	710.29	Depreciation, amortization including write-ups	1,570.45	1,326.88
(6.40)	(24.22)	(12.79)	Net interest received/(paid)	(30.62)	(10.16)
(232.19)	(255.29)	(261.32)	Tax on profit paid	(487.48)	(551.49)
(45.32)	70.95	(52.84)	Other adjustments	25.63	168.00
2,093.37	**1,754.61**	**1,006.45**	**Sources of funds**	**3,847.98**	**3,034.74**
270.02	(70.29)	(166.36)	(Increase)/decrease in inventories	199.73	(211.06)
(33.41)	244.69	209.14	(Increase)/decrease in receivables	211.28	40.99
(484.75)	33.82	34.75	(Decrease)/increase in liabilities	(450.93)	181.66
1,845.23	**1,962.83**	**1,083.98**	**Net cash from operating activities**	**3,808.06**	**3,046.33**
(1,264.46)	(1,056.12)	(1,234.86)	Intangible assets and property, plant and equipment	(2,320.58)	(2,498.34)
(0.10)	-	-	Investments, loans and other financial assets	(0.10)	-
8.10	14.57	15.06	Proceeds from sale of non-current assets	22.67	26.15
53.76	-	-	Proceeds from sale of subsidiaries, net of cash disposed	53.76	-
(1,202.70)	**(1,041.55)**	**(1,219.80)**	**Net cash used in investing activities**	**(2,244.25)**	**(2,472.19)**
(29.16)	(228.28)	690.04	(Decrease)/increase in borrowings	(257.44)	688.79
(0.78)	(1,529.09)	(1,685.35)	Dividends paid	(1,529.87)	(1,685.80)
(29.94)	**(1,757.37)**	**(995.31)**	**Net cash from financing activities**	**(1,787.31)**	**(997.01)**
0.28	0.06	4.90	Effect of exchange rate changes on cash and cash equivalents	0.34	5.14
612.87	**(836.03)**	**(1,126.23)**	**Net (decrease)/increase in cash and cash equivalents**	**(223.16)**	**(417.73)**
666.65	1,279.52	1,462.34	Cash and cash equivalents at beginning of period	666.65	753.84
1,279.52	**443.49**	**336.11**	**Cash and cash equivalents at end of period**	**443.49**	**336.11**

Note: Starting Q1/13, net interest received/(paid) and tax on profit were reclassified as sources of funds items. Historic figures were reclassified accordingly.

Notes to the cash flows

In 6m/13, free cash flow (defined as net cash from operating activities less net cash used in investing activities) showed an inflow of funds of RON 1,564 mn (6m/12: RON 574 mn). Free cash flow less dividend payments resulted in a cash inflow of RON 34 mn (6m/12: outflow of RON 1,112 mn).

The inflow of funds from profit before tax, adjusted for non-cash items such as depreciation, net change of provisions and other non-cash adjustments, as well as net interest (paid)/received and income tax paid was RON 3,848 mn (6m/12: RON 3,035 mn).

Net working capital generated a cash outflow of RON 40 mn (6m/12: inflow of RON 12 mn), reflecting the payments made following the receipt of the preliminary results of the fiscal review for the years 2009 and 2010, partially compensated by the decrease in inventories and receivables.

Net cash flow from investing activities (outflow of RON 2,244 mn; 6m/12: RON 2,472 mn) mainly includes payments for investments in intangible assets and property, plant and equipment.

Net cash flow from financing activities shows an outflow of funds amounting to RON 1,787 mn (6m/12: RON 997 mn), coming from payment of dividends in the amount of RON 1,530 mn and from repayment of the tranches that became due from the European Investment Bank, the European Bank for Reconstruction and Development and the Black Sea Trade and Development Bank.

Condensed statement of changes in equity (unaudited)

in RON mn	Share capital	Revenue reserves	Other reserves[1]	Treasury shares	Stockholders' equity	Non-controlling interests	Total equity
January 1, 2013	**18,983.37**	**4,396.08**	**58.84**	**(0.02)**	**23,438.27**	**(32.93)**	**23,405.34**
Net income for the period	-	2,391.10	-	-	2,391.10	1.71	2,392.81
Other comprehensive income for the period	-	-	(0.22)	-	(0.22)	(0.55)	(0.77)
Total comprehensive income for the period	**-**	**2,391.10**	**(0.22)**	**-**	**2,390.88**	**1.16**	**2,392.04**
Dividend distribution	-	(1,586.03)	-	-	(1,586.03)	(0.03)	(1,586.06)
Adjustments to share capital and revenue reserves [2]	(13,318.96)	13,318.96	-	-	-	-	-
Purchase of own shares	-	-	-	-	-	-	-
Distribution of own shares	-	-	-	-	-	-	-
Change in interests	-	50.83	(50.83)	-	-	0.01	0.01
June 30, 2013	**5,664.41**	**18,570.94**	**7.79**	**(0.02)**	**24,243.12**	**(31.79)**	**24,211.33**

in RON mn	Share capital	Revenue reserves	Other reserves[1]	Treasury shares	Stockholders' equity	Non-controlling interests	Total equity
January 1, 2012	**18,983.37**	**2,198.73**	**(79.68)**	**(0.02)**	**21,102.40**	**(25.79)**	**21,076.61**
Net income for the period	-	2,026.75	-	-	2,026.75	0.35	2,027.10
Other comprehensive income for the period	-	-	226.66	-	226.66	(1.58)	225.08
Total comprehensive income for the period	**-**	**2,026.75**	**226.66**	**-**	**2,253.41**	**(1.23)**	**2,252.18**
Dividend distribution	-	(1,755.96)	-	-	(1,755.96)	(0.01)	(1,755.97)
Adjustments to share capital and revenue reserves [2]	-	-	-	-	-	-	-
Purchase of own shares	-	-	-	-	-	-	-
Distribution of own shares	-	-	-	-	-	-	-
Change in interests	-	-	-	-	-	-	-
June 30, 2012	**18,983.37**	**2,469.52**	**146.98**	**(0.02)**	**21,599.85**	**(27.03)**	**21,572.82**

[1] *Other reserves contain mainly exchange differences from the translation of foreign operations and unrealized gains and losses from hedges.*
[2] *Usage of the restatement of share capital arising from the first time adoption of IAS 29 "Reporting in hyperinflationary economics" to cover the accumulated loss resulted from IAS 29 implementation. This was approved at the Annual General Meeting of Shareholders held on April 22, 2013.*

Dividends

At the Annual General Meeting of Shareholders held on April 22, 2013, the shareholders of OMV Petrom S.A. approved the distribution of dividends for the financial year 2012 at the amount of RON 1,586 mn. The payment of dividends started on June 18, 2013.

Segment reporting

Intersegmental sales

Q1/13	Q2/13	Q2/12	∆%	in RON mn	6m/13	6m/12	∆%
2,978.04	2,838.96	2,878.89	(1)	Exploration and Production	5,817.00	6,034.19	(4)
140.22	100.65	96.04	5	Gas and Power	240.87	221.15	9
45.37	39.90	36.35	10	Refining and Marketing	85.27	83.84	2
133.78	141.67	143.11	(1)	Corporate and Other	275.45	274.54	0
3,297.41	**3,121.18**	**3,154.39**	**(1)**	**Total**	**6,418.59**	**6,613.72**	**(3)**

Sales to external customers

Q1/13	Q2/13	Q2/12	∆%	in RON mn	6m/13	6m/12	∆%
313.23	234.36	238.15	(2)	Exploration and Production	547.59	472.68	16
1,136.58	807.90	674.28	20	Gas and Power	1,944.48	1,947.29	0
4,322.41	4,727.01	5,274.18	(10)	Refining and Marketing	9,049.42	9,759.04	(7)
16.71	17.91	10.39	72	Corporate and Other	34.62	22.97	51
5,788.93	**5,787.18**	**6,196.99**	**(7)**	**Total**	**11,576.11**	**12,201.98**	**(5)**

Total sales

Q1/13	Q2/13	Q2/12	∆%	in RON mn	6m/13	6m/12	∆%
3,291.27	3,073.32	3,117.04	(1)	Exploration and Production	6,364.59	6,506.87	(2)
1,276.80	908.55	770.32	18	Gas and Power	2,185.35	2,168.44	1
4,367.78	4,766.91	5,310.53	(10)	Refining and Marketing	9,134.69	9,842.88	(7)
150.49	159.58	153.50	4	Corporate and Other	310.07	297.51	4
9,086.34	**8,908.36**	**9,351.38**	**(5)**	**Total**	**17,994.70**	**18,815.70**	**(4)**

Segment and Group profit

Q1/13	Q2/13	Q2/12	∆%	in RON mn	6m/13	6m/12	∆%
1,416.81	1,307.18	1,192.02	10	EBIT Exploration and Production	2,723.99	2,896.20	(6)
113.02	(8.31)	28.88	n.m.	EBIT Gas and Power	104.71	165.15	(37)
96.03	71.36	(197.67)	n.m.	EBIT Refining and Marketing	167.39	(111.24)	n.m.
(15.27)	(24.01)	(36.61)	(34)	EBIT Corporate and Other	(39.28)	(48.72)	(19)
1,610.59	**1,346.22**	**986.62**	**36**	**EBIT segment total**	**2,956.81**	**2,901.39**	**2**
(28.93)	42.42	(77.57)	n.m.	Consolidation: Elimination of intersegmental profits	13.49	(198.80)	n.m.
1,581.66	**1,388.64**	**909.05**	**53**	**Petrom Group EBIT**	**2,970.30**	**2,702.59**	**10**
2.00	**(106.17)**	**(116.08)**	**(9)**	**Net financial result**	**(104.17)**	**(254.39)**	**(59)**
1,583.66	**1,282.47**	**792.97**	**62**	**Petrom Group profit from ordinary activities**	**2,866.13**	**2,448.20**	**17**

Assets[1]

in RON mn	June 30, 2013	Dec 31, 2012
Exploration and Production	21,182.20	20,364.83
Gas and Power	3,032.07	3,146.14
Refining and Marketing	5,228.85	5,277.72
Corporate and Other	665.68	690.41
Total	**30,108.80**	**29,479.10**

[1] *Segment assets consist of intangible assets and property, plant and equipment*

Other notes

Significant transactions with related parties

Business transactions in the form of supplies of goods and services take place on a constant and regular basis with companies from OMV Group such as OMV Supply & Trading AG and OMV Refining & Marketing GmbH.

Subsequent events

On July 10, Petrom announced the sale of its 99.99% interest in the non-core gas distribution company Petrom Distribuție Gaze S.R.L. to Ligatne S.R.L. The decision is in line with the OMV Petrom strategy of optimizing the downstream operations with a view of improving efficiency. The parties have agreed not to disclose the transaction value. The completion of transaction is subject to approval by the Competition Council.

On August 6, Petrom announced the commissioning of a new unit for gas desulfurization within the Petrobrazi refinery, as part of the modernization program initiated in 2010. The investment for the new unit amounted to approximately EUR 40 mn.

For additional information, please refer to the explanations given within the "Outlook 2013" section of this report.

Declaration of the management

We confirm to the best of our knowledge that the condensed interim consolidated financial statements for the period ended June 30, 2013, prepared in accordance with the International Financial Reporting Standards, offer a true and fair view of Petrom Group's assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the statements of operations and the information presented in this report give a true and fair view of important events that have occurred during the first six months of the financial year and their impact on the condensed interim financial statements.

Bucharest, August 13, 2013

The Executive Board

Mariana Gheorghe
Chief Executive Officer
President of the Executive Board

Andreas Matje
Chief Financial Officer
Member of the Executive Board

Johann Pleininger
Member of the Executive Board
Exploration and Production

Cristian Secosan
Member of the Executive Board
Gas and Power

Neil Anthony Morgan
Member of the Executive Board
Refining and Marketing

Abbreviations and definitions

ANRE	Romanian Energy Regulatory Authority
bbl	barrel(s), i.e. 159 liters
bcf	billion cubic feet; 1,000 standard cubic meters = 35.3147 bcf for Romania or 34.7793 bcf for Kazakhstan
boe	barrels of oil equivalent
bn	billion
bcm	billion cubic meters
capital employed	equity including minorities plus net debt
cbm	cubic meters
CEO	Chief Executive Officer
Co&O	Corporate and Other
CAPEX	Capital expenditure
CCS	Current cost of supply
CFPS	Cash Flow Per Share
EBIT	Earnings before interest and tax
E&P	Exploration and Production
EPS	Earnings per share
EUR	euro
FX	Foreign Exchange
G&P	Gas and Power
HSSE	Health, Safety, Security and Environment
IFRSs; IASs	International Financial Reporting Standards; International Accounting Standards
mn	million
NBR	National Bank of Romania
NGL	Natural Gas Liquids
n.a.	not applicable/not available (after case)
n.m.	not meaningful i.e. deviation exceeds (+/-)500% or comparison is made between positive and negative values
NOPAT	Net Operating Profit After Tax. Profit on ordinary activities after taxes plus net interest on net borrowings, +/– result from discontinued operations, +/– tax effect of adjustments
OPCOM	The administrator of the Romanian electricity market
OPEX	Operating Expenditures
Q	quarter
ROACE	Return On Average Capital Employed = NOPAT/Average Capital Employed (%)
ROE	Return On Equity = Net Profit/Average Equity (%)
ROFA	Return On Fixed Assets = EBIT/Average Fixed Assets (%)
RON	Romanian leu
R&M	Refining and Marketing
S.A.; S.R.L.	Societate pe Actiuni (Joint-stock company); Societate cu Raspundere Limitata (Limited liability company)
TOC	Tasbulat Oil Corporation
t/y	tons/year
TWh	terawatt hours
USD	United States dollar

Appendix 1

Consolidated companies in Petrom Group at June 30, 2013

Parent company
OMV Petrom S.A.

Subsidiaries

EXPLORATION & PRODUCTION		**REFINING & MARKETING**	
Tasbulat Oil Corporation LLP (Kazakhstan)[1]	100.00%	OMV Petrom Marketing S.R.L. (Romania)	100.00%
Kom Munai LLP (Kazakhstan)	95.00%	Petrom Aviation S.A. (Romania)	99.99%
Petrom Exploration & Production Ltd.	50.00%	ICS Petrom-Moldova S.A. (Republic of Moldova)	100.00%
		OMV Bulgaria OOD (Bulgaria)	99.90%
		OMV Srbija DOO (Serbia)	99.96%
GAS & POWER			
OMV Petrom Gas S.R.L.	99.99%		
Petrom Distributie Gaze S.R.L.	99.99%	**CORPORATE & OTHER**	
OMV Petrom Wind Power S.R.L.	99.99%	Petromed Solutions S.R.L.	99.99%

[1] *Owned through Tasbulat Oil Corporation BVI as holding company*

Associated company, accounted for at equity	
Congaz S.A. (Romania)	28.59%

Contact details

Sorana Baciu
Strategy and Investor Relations
Tel: +40 372 088406; Fax: +40 21 30 68518
E-mail address: investor.relations.petrom@petrom.com

Next release:

The next results announcement for Q3 and January – September 2013 will be released on November 7, 2013, presenting Petrom Group consolidated results prepared according to IFRS.