

ROMPETROL RAFINARE S.A.

UNCONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31ST, 2010

PREPARED IN ACCORDANCE WITH THE ORDER OF THE MINISTRY OF FINANCE NO. 3055/2009

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Raport de audit financiar
Report of the financial auditor

Catre actionarii, S.C. Rompetrol Rafinare S.A.
To the shareholders of S.C. Rompetrol Rafinare S.A.

Raport asupra situatiilor financiare
Report on the financial statements

- 1 Am auditat situatiile financiare anexate ale societatii S.C. Rompetrol Rafinare S.A. ("Societatea") care cuprind bilantul la data de 31 decembrie 2010, contul de profit si pierdere, situatia modificarilor capitalului propriu si situatia fluxurilor de trezorerie pentru exercitiul financiar incheiat la aceasta data si un sumar al politicilor contabile semnificative si alte note explicative. Situatiile financiare mentionate se refera la:
- ▶ Activ net/Total capitaluri: 581.590 mii lei
 - ▶ Rezultatul net al exercitiului financiar: 669,762 mii lei, pierdere
- 1 We have audited the accompanying financial statements of S.C. Rompetrol Rafinare S.A. ("the Company"), which comprise the balance sheet as at 31 December 2010, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, presenting the following:
- ▶ Net assets/Total equity and reserves: 581,590 thousand lei
 - ▶ Loss for the year: 669,762 thousand lei

Responsabilitatea conducerii pentru situatiile financiare
Management's responsibility for the financial statements

- 2 Conducerea Societatii are responsabilitatea intocmirii si prezentarii fidele a acestor situatii financiare in conformitate cu Ordinul Ministrului Finantelor Publice nr. 3055/2009 si cu politicile contabile descrise in notele la situatiile financiare, si pentru acel control intern pe care conducerea il considera necesar pentru a permite intocmirea de situatii financiare care sunt lipsite de denaturari semnificative, cauzate fie de fraudă, fie de eroare.

- 2 Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Order of the Minister of Public Finance no. 3055/2009 and the accounting policies described in the notes to the financial statements, and for such internal control as management determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsabilitatea auditorului
Auditors' responsibility

- 3 Responsabilitatea noastra este ca, pe baza auditului efectuat, sa exprimam o opinie asupra acestor situatii financiare. Noi am efectuat auditul conform standardelor de audit adoptate de Camera Auditorilor Financiari din Romania. Aceste standarde cer ca noi sa respectam cerintele etice ale Camerei, sa planificam si sa efectuam auditul in vederea obtinerii unei asigurari rezonabile ca situatiile financiare nu cuprind denaturari semnificative.
- 3 Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing as adopted by the Romanian Chamber of Financial Auditors. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
- 4 Un audit consta in efectuarea de proceduri pentru obtinerea probelor de audit cu privire la sumele si informatiile prezentate in situatiile financiare. Procedurile selectate depind de rationamentul profesional al auditorului, incluzand evaluarea riscurilor de denaturare semnificativa a situatiilor financiare, datorate fraudei sau erorii. In evaluarea acestor riscuri, auditorul ia in considerare controlul intern relevant pentru intocmirea si prezentarea fidela a situatiilor financiare ale Societatii pentru a stabili procedurile de audit relevante in circumstantele date, dar nu si in scopul exprimarii unei opinii asupra eficientei controlului intern al Societatii. Un audit include, de asemenea, evaluarea gradului de adecvare a politicilor contabile folosite si rezonabilitatea estimarilor contabile elaborate de catre conducere, precum si evaluarea prezentarii situatiilor financiare luate in ansamblul lor.

ERNST & YOUNG

14 APR 2011

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- 4 *An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.*
- 5 Consideram ca probele de audit pe care le-am obtinut sunt suficiente si adecvate pentru a constitui baza opiniei noastre de audit.
- 5 *We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.*

Opinia
Opinion

- 6 In opinia noastra, situatiile financiare ofera o imagine fidela si justa a pozitiei financiare a Societatii la data de 31 decembrie 2010, ca si asupra performantei financiare si a fluxurilor de numerar pentru exercitiul financiar incheiat la aceasta data, in conformitate cu Ordinul Ministrului Finantelor Publice nr. 3055/2009 si cu politicile contabile descrise in notele la situatiile financiare.
- 6 *In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2010, and of its financial performance and its cash flows for the year then ended in accordance with the Order of the Minister of Public Finance no. 3055/2009 and the accounting policies described in the notes to the financial statements.*

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Raport asupra conformitatii raportului administratorilor cu situatiile financiare
Report on conformity of the Administrators' Report with the financial statements

In conformitate cu Ordinul Ministrului Finantelor Publice nr. 3055/2009, articolul 320, punctul 1e, noi am citit raportul administratorilor atasat situatiilor financiare . Raportul administratorilor nu face parte din situatiile financiare. In raportul administratorilor, noi nu am identificat informatii financiare care sa nu fie in mod semnificativ in conformitate cu informatiile prezentate in situatiile financiare la 31 decembrie 2010, atasate.

In accordance with the Order of the Minister of Public Finance no 3055/2009, article no. 320 point 1e) we have read the Administrators' Report . The Administrators' Report is not a part of the financial statements. In the Administrators' Report we have not identified any financial information which is not in accordance, in all material respects, with the information presented in the accompanying financial statements as at 31 December 2010.

In numele
On behalf of

Ernst & Young Assurance Services SRL
Inregistrat la Camera Auditorilor Financiari din Romania
Cu nr. 77/15 august 2001

*Registered with the Chamber of Financial Auditors in
Romania
Nr. 77/15 August 2001*

Numele semnatarului: **Andreas Hadjidamianou**
Name of signing person: Andreas Hadjidamianou

Inregistrat la Camera Auditorilor Financiari din Romania Bucuresti, Romania
Cu nr. 3357/11 ianuarie 2010 14 aprilie 2011

*Registered with the Chamber of Financial Auditors in Bucharest, Romania
Romania
Nr. 3357/11 January 2010 14 April 2011*

ERNST & YOUNG

14 APR 2011

Initialed for identification
Căminat pentru identificare

ROMPETROL RAFINARE S.A.
BALANCE SHEET
as at December 31st, 2010

(all amounts are expressed in new lei ("RON") unless specifically stated otherwise)

	Row no.	Balance at the beginning of the year	Balance at the end of the period
A	B	1	2
A. NON-CURRENT ASSETS			
I. INTANGIBLE ASSETS			
1. Incorporation expenses (acc. 201-2801)	01		
2. Development expenses (acc. 203-2803-2903)	02		0
3. Concessions, patents, licenses, trademarks and similar rights and intangible assets (acc. 205+208-2805-2808-2905-2908)	03	6,739,066	4,353,967
4. Goodwill (acc. 2071-2807-2907)	04	152,720	152,720
5. Advances and intangible non-current assets in progress (acc. 233+234-2933)	05	30,698	80,086
TOTAL (row 01 to 02)	06	6,922,484	4,586,773
II. TANGIBLE ASSETS			
1. Land and constructions (acc. 211+212-2811-2812-2911-2912)	07	688,202,336	719,840,941
2. Plant and machinery (acc. 213-2813-2913)	08	395,179,444	548,766,199
3. Other plant, equipment and furniture (acc. 214-2814-2914)	09	3,629,815	3,412,511
4. Advances and tangible non-current assets in progress (acc. 231+232-2931)	10	476,220,049	586,279,326
TOTAL (row 07 to 10)	11	1,563,231,644	1,858,298,977
III. FINANCIAL ASSETS			
1. Equity in affiliates (acc. 261-2961)	12	1,998,804,563	2,032,804,563
2. Loans granted to affiliates (acc. 2671+2672-2964)	13	0	0
3. Equity in other companies (acc. 263-2962)	14	0	0
4. Loans granted to other entities in which the company holds equity (acc. 2673+2674-2965)	15	0	0
5. Investments held as non-current assets (acc. 265-2963)	16	80,415	57,415
6. Other loans (acc. 2675*+2676*+267862679*-2966*-2968)	17	38,101	64,628
TOTAL (row 12 to 18)	18	1,998,923,079	2,032,926,606
TOTAL NON-CURRENT ASSETS (row 06+11+18)	19	3,569,077,207	3,895,812,356
B. CURRENT ASSETS			
I. INVENTORIES			
1. Raw materials and consumables (acc. 301+302+303+/-308+351+358+381+/-388-391-392-3951-3958-398)	20	427,699,499	594,854,474
2. Work in progress (acc. 331+332+341+/-348-393-3941-3952)	21	121,125,554	172,502,103
3. Finished goods and commodities (acc. 345+346+348+354+356+357+361+/-368+371+/-378-3945-3946-3953-3954-3956-3957-396-397-4428)	22	71,374,471	122,459,991
4. Advances for purchase of inventories (acc. 4091)	23	16,575,441	12,6681,631
TOTAL (row 21 to 23)	24	636,774,965	902,498,199
II. RECEIVABLES (the amounts to be collected after a period in excess of one year must be broken down by elements)			
1. Commercial receivables (acc. 2675*+2676*+2678*+2679*-2966*-2968*+4092+411+413+418-491)	25	710,395,457	1,109,461,945
2. Receivables from affiliates (acc. 451*-495)	26	188,889,885	208,118,178
3. Receivables from other entities in which the company holds equity (acc. 453-495)	27	0	0
4. Other receivables (acc. 425+4282+431+437+4382+441+4424+4428+444+445+446+447+4482+4582+461+473-496+5187)	28	19,923,343	45,393,701
5. Subscribed and not paid in share capital (acc. 456-4953)	29		0
TOTAL (row 25 to 29)	30	919,208,685	1,362,973,824
III. SHORT-TERM FINANCIAL INVESTMENTS			
1. Equity held in affiliates (acc. 501-591)	31		0
2. Other short term investments (acc. 505 +506+508-595-596-598+5113+5114)	32		0
TOTAL (row 31 to 32)	33	0	0

ROMPETROL RAFINARE S.A.
BALANCE SHEET
as at December 31st, 2010

(all amounts are expressed in new lei ("RON") unless specifically stated otherwise)

	Row no.	Balance at the beginning of the year	Balance at the end of the period
A	B	1	2
IV. PETTY CASH AND BANK ACCOUNTS (acc. 5112+512+531+532+541+542)	34	49,795,828	28,095,444
TOTAL CURRENT ASSETS (row 24+30+33+34)	35	1,605,779,478	2,293,567,467
C. PREPAID EXPENSES (acc. 471)	36	1,106,427	2,431,760
D. DEBTS TO BE PAID WITHIN THE YEAR			
1. Debenture loans, with convertible debenture loans being presented separately (acc. 161+1681-169)	37	66,360,429	0
2. Amounts payable to credit institutions (acc. 1621+1622+1624+1625+1627+1682+ 5191+5192+5198)	38	37,664,604	66,626,122
3. Advances collected on account of orders (acc. 419)	39	14,604,176	15,085,398
4. Commercial debts to suppliers (acc. 401+404+408)	40	1,088,206,862	1,820,105,561
5. Goodwill payable (acc. 403+405)	41		
6. Amounts payable to affiliates (acc. 1661+1685+2691+451)	42	2,473,269,231	3,306,692,721
7. Amounts payable to other entities in which the company holds equity (acc. 1663+1686+2692+453)	43		
8. Other debts, including fiscal debts and social insurance related debts (acc. 1623+1626+167+1687+2693+421+423+424+426+427+4281+431+437+4381+441+4423+4428+444+446+447+4481+455+456+457+4581+462+473+509+5186+5193+5194+5195+5196+5197)	44	310,644,073	337,174,276
TOTAL (row 37 to 44)	45	3,990,749,375	5,545,684,078
E. NET CURRENT ASSETS/NET CURRENT DEBTS (row 35+36-45-62)	46	-2,383,863,470	-3,252,544,009
F. TOTAL ASSET MINUS CURRENT DEBTS (row 19+46)	47	1,185,213,737	643,268,347
G. DEBTS TO BE PAID WITHIN MORE THAN ONE YEAR			
1. Debenture loans, with convertible debenture loans being presented separately (acc. 161+1681-169)	48		0
2. Amounts payable to credit institutions (acc. 1621+1622+1624+1625+1627+1682+ 5191+5192+5198)	49		
3. Advances collected on account of orders (acc. 419)	50		
4. Commercial debts (acc. 401+404+408)	51		
5. Goodwill payable (acc. 403+405)	52		
6. Amounts payable to affiliates (acc. 1661+1685+2691+451)	53		0
7. Amounts payable to other entities in which the company holds equity (acc. 1663+1686+2692+453)	54		
8. Other debts, including fiscal debts and social insurance related debts (acc. 1623+1626+167+1687+2693+421+423+424+426+427+4281+431+437+4381+441+4423+4428+444+446+447+4481+455+456+457+4581+462+473+509+5186+5193+5194+5195+5196+5197)	55	381,657	17,743
TOTAL (row 48 to 55)	56	381,657	17,743
H. PROVISIONS			
1. Provisions for pensions and similar obligations (acc. 1515)	57	5,709,841	10,340,060
2. Provisions for taxes (acc. 1516)	58	0	
3. Other provisions (acc. 1511+1512+1513+1514+1518)	59	27,267,929	51,320,030
TOTAL PROVISIONS (row 57+59)	60	32,977,770	61,660,090
I. DEFERRED INCOME			
1. Investment subsidies (acc. 131+132+133+134+138)	61		
2. Deferred income (acc. 472) – total (row 63+64), out of which	62		2,859,158
Amounts to be forwarded within the year (acc. 472)	63		2,859,158
Amounts to be forwarded within more than one year (acc. 472)	64		0
Negative goodwill (acc. 2075)	65		0

ROMPETROL RAFINARE S.A.

BALANCE SHEET

as at December 31st, 2010

(all amounts are expressed in new lei ("RON") unless specifically stated otherwise)

	Row no.	Balance at the beginning of the year	Balance at the end of the period
A	B	1	2
TOTAL (row 61+62+65)	66	0	2,859,158
J. CAPITAL AND RESERVES			
I. CAPITAL			
- subscribed and paid in share capital (acc. 1012)	67	2,109,927,600	2,439,419,667
- subscribed and not paid-in share capital (acc. 1011)	68		1,971,500,905
- patrimony (autonomous companies) (acc. 1015)	69		
TOTAL (row 67 to 69)	70	2,109,927,600	4,410,920,572
II. PREMIUM RELATED TO CAPITAL (acc. 104)	71		232,637,107
III. REEVALUATION RESERVES (acc. 105)	72	195,579,781	194,908,206
IV. RESERVES			
1. Legal reserve (acc. 1061)	73	10,882,193	10,882,193
2. Statutory or contractual capital reserve (acc. 1063)	74		
3. Reserve representing the revaluation reserve surplus (acc. 1065)	75	269,363	269,363
4. Other reserves (acc. 1068)	76	1,947,211,877	19,365,533
TOTAL (row 73 to 76)	77	1,958,363,433	30,517,089
Own shares (acc. 109)	78		
Earnings related to own capital instruments (acc. 141)	79		
Losses related to own capital instruments (acc. 149)	80		
V. RETAINED EARNINGS (PROFIT OR LOSS) (acc. 117)			
Credit balance	81		
Debit balance	82	2,637,900,419	3,617,629,972
VI. PROFIT OR LOSS FOR THE PERIOD (acc. 121)			
Credit balance	83		0
Debit balance	84	474,116,085	669,762,488
Profit appropriation (acc. 129)	85		0
TOTAL OWN CAPITAL (row 70+71+72+77-78+79-80+81-82+83-84-85)	86	1,151,854,310	581,590,514
Public patrimony (acc. 1016)	87		
TOTAL CAPITAL (row 86+87)	88	1,151,854,310	581,590,514

Chairman of the Board of Directors
Yerzhan Orynbasarov

General Manager
Arman Kairdenov

Finance Manager
Vasile-Gabriel Manole

Chief Accountant
Pasa Cherata

ROMPETROL RAFINARE S.A.
PROFIT AND LOSS ACCOUNT
for the fiscal year ended at December 31st, 2010

(all amounts are expressed in new lei ("RON") unless specifically stated otherwise)

Name of indicator	Row no.	Previous fiscal year	Current fiscal year
A	B	1	2
1. Net turnover (row 02+03-04+05+06)	01	6,281,160,059	7,099,249,720
Sold production (acc. 701+702+703+704+705+706+708)	02	6,171,259,842	7,066,996,021
Sale of goods purchased for resale (acc. 707)	03	109,900,217	41,681,923
Commercial discounts granted (acc. 709)	04		9,428,224
Income from interests obtained by entities de-registered from the general register but which still have pending leasing agreements	05		0
Income from operation subsidies related to the net turnover (acc. 7411)	06		0
2. Income related to production in progress (acc. 711+712)			
Credit balance	07	48,023,730	109,823,343
Debit balance	08		0
3. Production achieved by the company for its own purposes and capitalized (acc. 721+722)	09	2,730,013	4,670,582
4. Other income from operation (acc. 758+7417)	10	988,834	1,289,951
- out of which income from negative goodwill	11		
TOTAL INCOME FROM OPERATION (row 01+07-08+09+10)	12	6,332,902,636	7,215,033,596
5.a) Expenses for raw materials and consumables (acc. 601+602-7412)	13	5,788,022,172	6,600,022,225
Other expenses with materials (acc. 603+604+606+608)	14	1,891,084	2,140,785
b) Other external expenses (with electricity and water) (acc. 605-7413)	15	281,651,042	265,990,442
c) Expenses with commodities (acc. 607)	16	108,643,260	40,378,625
Commercial discounts received (acc. 609)	17	0	0
6. Personnel expenses (row 19+20), out of which:	18	74,004,904	85,551,442
a) Wages and salaries (acc. 641+642+643+644-7414)	19	57,964,203	66,849,106
b) Expenses for social security (acc. 645-7415)	20	16,040,701	18,702,336
7.a) Value adjustments related to non-current tangible and intangible assets (row 22-23)	21	154,866,640	126,363,886
a.1) Expenses (acc. 6811+6813)	22	159,750,213	127,010,154
a.2) Income (acc. 7813)	23	4,883,573	646,268
b) Value adjustments related to current assets (row 24-25)	24	-11,040,855	-4,666,838
b.1) Expenses (acc. 654-6814)	25	20,977,113	28,321,990
b.2) Income (acc. 754+7814)	26	32,017,968	32,988,828
8. Other operation expenses (row 28 to 30)	27	279,694,943	226,594,205
8.1. Expenses for third party services (acc. 611+612+613+614+621+622+ 623+624+625+ 626+627+628-7416)	28	260,906,418	194,117,402
8.2. Other taxes, duties and similar expenses (acc. 635)	29	10,710,414	9,958,819
8.3. Other expenses (acc. 652+68)	30	8,078,111	22,517,984
Expenses for refinance interests incurred by entities de-registered from the general register but which still have pending leasing agreements (acc. 666)	31	0	0
Adjustment for provisions (row 33-34)	32	-1,845,828	28,682,320
Expenses (acc. 6812)	33	0	28,682,320
Income (acc. 7812)	34	1,845,828	0
TOTAL OPERATION EXPENSES (row 13 to 16-17-18+21+24+27+32)	35	6,675,887,362	7,371,057,092
PROFIT OR LOSS FROM OPERATION:			
- Profit (row 12-35)	36	0	0
- Loss (row 35-12)	37	342,984,726	156,023,496
9. Income from investments in other entities (acc. 7611+7613)	38		20,889
- out of which, income obtained from affiliates	39	0	20,889
10. Income from other investments and loans that form part of the non-current assets (acc. 763)	40		0
- out of which, income obtained from affiliates	41		
11. Income from interests (acc. 766)	42	5,713,871	9,340,729
- out of which, income obtained from affiliates	43	2,396,849	7,272,949

ROMPETROL RAFINARE S.A.

PROFIT AND LOSS ACCOUNT

for the fiscal year ended at December 31st, 2010

(all amounts are expressed in new lei ("RON") unless specifically stated otherwise)

Name of indicator	Row no.	Previous fiscal year	Current fiscal year
A	B	1	2
Other financial income (acc. 762+764+765+767+768)	44	847,591,856	1,170,620,024
TOTAL FINANCIAL INCOME (row 38+40+42+44)	45	853,305,727	1,179,981,642
12. Value adjustments related to financial assets and investments held as current assets (row 47-48)	46		0
Expenses (acc. 686)	47		0
Income (acc. 786)	48		0
13. Expenses for interests (acc. 666-7418)	49	62,917,879	134,951,561
- out of which, expenses in relation with affiliates	50	40,269,530	124,335,773
Other financial expenses (acc. 663+664+665+667+668)	51	921,490,540	1,558,736,823
TOTAL FINANCIAL EXPENSES (row 46+49+51)	52	984,408,419	1,693,688,384
FINANCIAL PROFIT OR LOSS:			
- Profit (row 45-52)	53	0	0
- Loss (row 52-45)	54	131,102,692	513,706,742
14. CURRENT PROFIT OR LOSS:			
- Profit (row 12+45-35-52)	55	0	0
- Loss (row 35+52-12-45)	56	474,087,418	669,730,238
15. Extraordinary income (acc. 771)	57	0	0
16. Extraordinary expenses (acc. 671)	58	0	0
17. PROFIT OR LOSS FROM EXTRAORDINARY ACTIVITY:			
- Profit (row 57-58)	59	0	0
- Loss (row 58-57)	60		
TOTAL INCOME (row 12+45+57)	61	7,186,208,363	8,395,015,238
TOTAL EXPENSES (row 35+52+58)	62	7,660,295,781	9,064,745,476
GROSS PROFIT OR LOSS:			
- Profit (row 61-62)	63	0	0
- Loss (row 62-61)	64	474,087,418	669,730,238
18. TAX ON PROFIT (acc. 691)	65	28,667	32,250
19. Other taxes not mentioned above (acc. 698)	66		
20. NET PROFIT OR LOSS FOR THE YEAR:			
- Profit (row 63-64-65-66)	67	0	0
- Loss (row 64+65+66-63)	68	474,116,085	669,762,488

Chairman of the Board of Directors
Yerzhan Orynbassarov

General Manager
Arman Kairdenov

Finance Manager
Vasile-Gabriel Manole

Chief Accountant
Pasa Cherata

TREASURY FLOWS

for the fiscal year ended at December 31st, 2010

(all amounts are expressed in new lei ("RON") unless specifically stated otherwise)

	Row no.	Previous fiscal year	Current fiscal year
		1	2
Profit/(Loss) for the fiscal year	01	(474,087,418)	(669,730,238)
Adjustments for:			
expenses for amortization	02	149.460.862	126.663.851
Provisions	03	(7.480.568)	23.715.517
out of which:			
non-current assets		1.070.237	(299.965)
inventories		(11.362.697)	(5.484.309)
receivables		322.178	817.471
debts		(1.845.828)	28.682.320
building re-assessment		4.335.542	-
Penalties	04	53.552.156	36.381.102
Expenses for interest related to the issuance of bonds	05	(42.764.398)	3.740.643
Income (expenses) from currency differentials related to the issuance of bonds and the like	06	4.731.686	(3.386.164)
Income (expenses) from currency differentials related to loans	07	33.230.757	240.112.602
Income (expenses) from currency differentials related to receivables/debts	08	38.017.522	(8.124.178)
Expenses for interests	09	62.917.879	131.210.918
Income from interests	10	(5.713.871)	(9.340.729)
Revenues for long-term financial investments	11	-	-
Loss/(net income) from write-offs of fixed assets and long-term financial investments	12	234.818	(302.730)
Cash used in/from the operation activity before changes in the current capital (row 1 to 12)	13	(187.900.575)	(129.059.406)
(Increase)/Decrease of inventories	14	(125.540.405)	(260.238.925)
(Increase)/Decrease of receivables	15	(561.866.603)	(471.384.958)
(Increase)/Decrease of debts	16	(286.211.219)	760.529.514
Variation of current assets/current net debts (row 14 to 16)	17	(973.618.227)	28.905.631
profit tax paid		(17.917)	(43.000)
Net cash generated from/used in the operation activity (row 13+17)	18	(1.161.536.719)	(100.196.775)
Cash flow used in the investments activity	19		
Purchase of intangible non-current assets	20	(4.918.028)	(788.555)
Purchase of tangible non-current assets	21	(351.446.612)	(419.367.218)
Purchase of financial assets	22	(20.377)	(3.527)
Proceeds from the sale of tangible non-current assets	23	262.002	691.420
Collected dividends	24		
Net cash used in investments activities (row 20 to 24)	25	(356.123.015)	(419.467.880)
Cash flow from financing activities	26		
Increase in the share capital	27	-	329.492.067
Increase in the financial leasing	28	(34.242)	(728.613)
Interest paid	29	(26.089.723)	(10.375.478)
Payment of debentures	30		(229.321.800)
Payment of interest related to the issuance of bonds	31	(65.683.986)	(70.756.411)
Payment of penalties	32	(17.730.787)	(12.529.599)
Loans received	33	2.356.591.915	492.184.105
Loans repaid	34	(790.526.802)	-
Net cash from financing activities (row 26 to 33)	35	1.456.526.375	497.964.271
Net increase in liquidities (row 18+25+35)	36	(61.133.359)	(21.700.384)
Cash at the beginning of the period	37	110.929.187	49.795.828
Cash at the end of the period (row 36+37)	38	49.795.828	28.095.444

ROMPETROL RAFINARE S.A.

TREASURY FLOWS

for the fiscal year ended at December 31st, 2010

(all amounts are expressed in new lei ("RON") unless specifically stated otherwise)

The most significant non-monetary transactions over the year refer to the swap of the bonds-related debt into share capital of the company. For details, please revert to note 6(b) and the footnote inserted in the presentation of own capital modifications.

Chairman of the Board of Directors

Yerzhan Orynbasarov



General Manager
Arman Kairdenov



Finance Manager
Vasile-Gabriel Mandle



Chief Accountant
Pasa Cherata



ROMPETROL RAFINARE S.A.
UNCONSOLIDATED PRESENTATION OF THE CHANGES IN THE OWN CAPITAL
for the fiscal year ended at December 31st, 2010

(all amounts are expressed in new lei ("RON") unless specifically stated otherwise)

Element of the own capital	Balance at the beginning of the fiscal year – January 1 st , 2010	Increases		Decreases		Balance at the end of the fiscal year – December 31 st , 2010
		Total, out of which	By transfer	Total, out of which	By transfer	
0	1	2	3	4	5	6
Subscribed capital	2.109.927.600	2.300.992.972	1.971.500.905	0	0	4.410.920.572
Patrimony (autonomous companies)						
Premium related to capital	0	232.637.107	232.637.107	0	0	232.637.107
Revaluation reserves*	195.579.781	0	0	671.575	0	194.908.206
Legal reserves	10.882.193	0	0	0	0	10.882.193
Statutory or contractual reserves	0	0	0	0	0	0
Reserve representing the revaluation reserve surplus	269.363	0	0	0	0	269.363
Other reserves**	1.947.211.877	0	0	1.927.846.344	1.698.524.544	19.365.533
Own shares	0	0	0	0	0	0
Gains in connection with own capital instruments						
Losses in connection with own capital instruments						
Profit/loss carried forward	0	0	0	0	0	0
Credit balance-	0	0	0	0	0	0
Debit balance-	2.534.207.875	979.729.553	979.729.553		0	3.513.937.428
Retained earnings due to the adoption of IAS for the first time, with the exception of IAS 29	0	0	0	0	0	0
Credit balance	67.357.816	0	0	0	0	67.357.816
Debit balance	0	0	0	0	0	0
Retained earnings due to the correction of accounting errors	0	0	0	0	0	0
Credit balance-	0	0	0	0	0	0
Debit balance-	155.206.727	0	0	0	0	155.206.727
Retained earnings due to the switch to adoption of Accounting Regulations according to the Fourth Directive of the European Economic Communities	0	0	0	0	0	0
Credit balance-						
Debit balance-	15.843.633	0	0	0	0	15.843.633
Profit or loss for the period	0	0	0	0	0	0
Credit balance			0	0	0	
Debit balance	474.116.085	669.762.488	0	474.116.085	474.116.085	669.762.488
Profit appropriation	0	0	0	0	0	0
Total own capital	1.151.854.310	884.138.038	1.224.408.459	1.454.401.834	1.224.408.459	581.590.514

Element of the own capital	Balance at the beginning of the fiscal year – January 1 st , 2009	Increases		Decreases		Balance at the end of the fiscal year – December 31 st , 2009
		Total, out of which	By transfer	Total, out of which	By transfer	
0	1	2	3	4	5	6
Subscribed capital	2.109.927.600	0	0	0	0	2.109.927.600
Patrimony (autonomous companies)						
Premium related to capital	0	0	0	0	0	0
Revaluation reserves*	132.172.373	65.913.247	0	2.505.839	0	195.579.781
Legal reserves	10.882.193		0	0	0	10.882.193
Statutory or contractual reserves	0	0	0	0	0	0
Reserve representing the revaluation reserve surplus	269.363					269.363
Other reserves**	1.947.211.877		0	0	0	1.947.211.877
Own shares	0	0	0	0	0	0
Gains in connection with own capital instruments						
Losses in connection with own capital instruments						
Profit/loss carried forward	0	0	0	0	0	0
Credit balance-	0	0	0	0	0	0
Debit balance-	2.069.194.734	465.013.141	465.013.141		0	2.534.207.875
Retained earnings due to the adoption of IAS for the first time, with the exception of IAS 29	0	0	0	0	0	0
Credit balance	67.357.816	0	0	0	0	67.357.816
Debit balance	0	0	0	0	0	0
Retained earnings due to the correction of accounting errors	0	0	0	0	0	0
Credit balance-	0	0	0	0	0	0
Debit balance-	155.206.727	0	0	0	0	155.206.727
Retained earnings due to the switch to	0	0	0	0	0	0

UNCONSOLIDATED PRESENTATION OF THE CHANGES IN THE OWN CAPITAL

for the fiscal year ended at December 31st, 2010

(all amounts are expressed in new lei ("RON") unless specifically stated otherwise)

Element of the own capital	Balance at the beginning of the fiscal year – January 1 st , 2009	Increases		Decreases		Balance at the end of the fiscal year – December 31 st , 2009
		Total, out of which	By transfer	Total, out of which	By transfer	
0	1	2	3	4	5	6
adoption of Accounting Regulations according to the Fourth Directive of the European Economic Communities						
Credit balance-						
Debit balance-	15,843,633					15,843,633
Profit or loss for the period	0	0	0	0	0	0
Credit balance			0	0	0	
Debit balance	465,013,141	474,116,085	0	465,013,141	465,013,141	474,116,085
Profit appropriation	0	0	0	0	0	0
Total own capital	1,562,562,987	-873,215,979	-465,013,141	-462,507,302	-465,013,141	1,151,854,310

The changes occurred in the share capital of the company over the year 2010 can be summarized as follows:

Description	No. of shares	Amount (RON)
Contribution in cash by The Rompetrol Group B.V. pursuant to a Decision of the EGMS of June 30 th , 2010	3,294,914,165	329,491,416
Contribution in cash by the minority shareholders pursuant to a Decision of the EGMS of June 30 th , 2010	6,506	651
Bonds for equity swap	19,715,009,053	1,971,500,905
Total	23,009,929,724	2,300,992,972

As regards the issued bonds (note 6(b) presents details about the bonds of the Company) in accordance with EGO 118/2003 and the Issuance Agreement the following steps were taken along the year:

- On august 9th, 2010, the Company paid the amount of Euro 54 million, the equivalent of RON 229,321,800 to the Romanian State, for the partial redemption of bonds before their maturity;
- On the maturity date, that is, on September 30th, 2010, the Company swapped for equity the remaining bonds which were not redeemed.

Pursuant to the above mentioned transactions, the Company recorded in its accounting books the following operations:

Description	Share capital	Other reserves	Retained earnings	Issuance premium
Reduction of other reserves by partial redemption of bonds	-	229,321,800	-	-
(Increase)/Decrease pursuant to the swap for equity of the non-redeemed bonds	(1,971,500,905)	1,698,524,544	505,613,468	(232,637,107)
Total	(1,971,500,905)	1,927,846,344	505,613,468	(232,637,107)

The revaluation reserves were diminished by the amount of RON 671,505 pursuant to the sale of the fixed assets related to the sports base to the City Hall of Navodari.

The Company established the legal reserves according to the provisions of the Company Law, according to which 5% of the annual accounting profit before tax is transferred into the legal reserves account until the balance thereof reaches 20% of the Company' share capital.

**UNCONSOLIDATED PRESENTATION OF THE CHANGES IN THE OWN CAPITAL
for the fiscal year ended at December 31st, 2010**

(all amounts are expressed in new lei ("RON") unless specifically stated otherwise)

The increases in the reserves representing the revaluation reserves surplus are created by the transfer from the revaluation reserves of the amounts corresponding to the re-assessed assets, which are removed from the accounting records of the Company.

The surplus achieved from revaluation reserves, established as stated, is distributable while the revaluation reserve is not distributable. The Company does not intend to distribute the surplus achieved from revaluation reserves in balance at December 31st, 2010.

In the event that the surplus achieved from revaluation reserves is distributed, it shall be taxable, from the fiscal point of view, to the extent that, according to the fiscal regulations applicable on the date the revaluation is conducted, the expenses for amortization related to re-assessed fixed assets were considered deductible expenses when calculating the profit tax, and, respectively, the surplus achieved from revaluation reserves was not already assimilated to the income when calculating the profit tax.

Chairman of the Board of Directors
Yerzhan Orynbassarov

General Manager
Arman Kairdenov

Finance Manager
Vasile-Gabriel Manole

Chief Accountant
Pasa Cherata

ROMPETROL RAFINARE S.A.
NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS
for the fiscal year ended at December 31st, 2010

(all amounts are expressed in new lei ("RON") unless specifically stated otherwise)

Note 1: Non-current assets

In 2009, the changes in the non-current assets were the following:

Non-current asset elements	Row no.	Gross values				
		Initial balance	Increase	Decrease		Final balance (col. 5 = 1+2-3)
				Total	Out of which: dismantling and write-offs	
A	B	1(1)	2(2)	3(3)	4(4)	5(5)
Intangible non-current assets						
Incorporation and development expenses	01	1,106,220	-	-	-	1,106,220
Other non-current assets	02	18,311,942	4,918,028	-	-	23,229,970
Advances and intangible non-current assets in progress	03	30,698	-	-	-	30,698
Total (row 01 to 03)	04	19,448,860	4,918,028	-	-	24,366,888
Tangible non-current assets						a
Lands	05	166,185,122	-	-	-	166,185,122
Constructions	06	1,073,390,063	125,867,689	74,997,934	448,761	1,124,259,818
Plant and machinery	07	1,046,556,641	159,582,598	3,771,387	1,399,620	1,202,367,852
Other plant, equipment and furniture	08	3,575,587	2,520,753	41,566	41,566	6,054,774
Advances and tangible non-current assets in progress	09	346,258,569	357,839,753	224,402,230	-	479,696,092
Total (row 05 to 09)	10	2,635,965,982	645,810,793	303,213,117	1,889,947	2,978,563,658
Financial non-current assets	11	1,250,005,371	875,194,337	229,545	-	2,124,970,163
TOTAL NON-CURRENT ASSETS (row 04+10+11)	12	3,905,420,213	1,525,923,158	303,442,662	1,889,947	5,127,900,709

Non-current asset elements	Row no.	Amortization			
		Initial balance	Amortization during the year	Amortization related to non-current assets removed from the accounting records	Amortization at the end of the year (col. 9 = 6+7-8)
A	B	6(1)	7(2)	8(3)	9(4)
Intangible non-current assets					
Incorporation and development expenses	13	1,106,220	-	-	1,106,220
Other non-current assets	14	13,476,169	2,862,015	-	16,338,184
Total (row 13+14)	15	14,582,389	2,862,015	-	17,444,404
Tangible non-current assets					
Lands-	16	15,373,210	829,652	-	16,202,862
Constructions-	17	594,897,785	46,060,326	63,718,935	577,239,176
Plant and machinery-	18	706,016,191	99,318,476	3,667,210	801,667,457
Other plant, equipment and furniture-	19	2,072,402	394,123	41,566	2,424,959
Total (row 16 to 19)	20	1,318,359,588	146,602,577	67,427,711	1,397,534,454
TOTAL AMORTIZATIONS (row 15+20)	21	1,332,941,977	149,464,592	67,427,711	1,414,978,858

ROMPETROL RAFINARE S.A.
NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS
for the fiscal year ended at December 31st, 2010

(all amounts are expressed in new lei ("RON") unless specifically stated otherwise)

Non-current asset elements	Row no.	Provisions for depreciation			
		Initial balance	Provisions established during the year	Provisions forwarded as income	Final balance (col. 9 = 6+7-8)
A	B	10(1)	11(2)	12(3)	13(4)
Intangible non-current assets					
Incorporation and development expenses	22	-	-	-	-
Other non-current assets	23	-	-	-	-
Advances and intangible non-current assets in progress	24	-	-	-	-
Total (row 22 to 24)	25	-	-	-	-
Tangible non-current assets					
Lands	26	-	-	-	-
Constructions--	27	9,088,708	23,233	311,375	8,800,566
Plant and machinery--	28	4,758,010	1,258,799	495,858	5,520,951
Other plant, equipment and furniture	29	-	-	-	-
Advances and tangible non-current assets in progress--	30	2,880,605	626,803	31,365	3,476,043
Total (row 26 to 30)	31	16,727,323	1,908,835	838,598	17,797,560
Financial non-current assets--	32	126,047,084	-	-	126,047,084
TOTAL NON-CURRENT ASSETS (row 25+31+32)	33	142,774,407	1,908,835	838,598	143,844,644

In 2010, the changes in the non-current assets were the following:

Non-current asset elements	Row no.	Gross values				
		Initial balance	Increase	Decrease		Final balance (col. 5 = 1+2-3)
				Total	Out of which: dismantling and write-offs	
A	B	1(1)	2(2)	3(3)	4(4)	5(5)
Intangible non-current assets						
Incorporation and development expenses	01	1,106,220	0	0	0	1,106,220
Other non-current assets	02	23,229,970	739,167	0	0	23,969,137
Advances and intangible non-current assets in progress	03	30,698	49,388		0	80,086
Total (row 01 to 03)	04	24,366,888	788,555	0	0	25,155,443
Tangible non-current assets						
Lands	05	166,185,122	897,059		0	167,082,181
Constructions	06	1,124,259,818	76,200,022	1,015,800	1,088	1,199,444,040
Plant and machinery	07	1,202,367,852	231,966,675	2,884,134	2,035,215	1,431,450,393
Other plant, equipment and furniture	08	6,054,774	244,874	206,920	206,920	6,092,728
Advances and tangible non-current assets in progress	09	479,696,092	418,740,437	308,681,160		589,755,369
Total (row 05 to 09)	10	2,978,563,658	728,049,067	312,788,014	2,243,223	3,393,824,711
Financial non-current assets	11	2,124,970,163	34,047,446	43,919	0	2,158,973,690
TOTAL NON-CURRENT ASSETS (row 04+10+11)	12	5,127,900,709	762,885,068	312,831,933	2,243,223	5,577,953,844

NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS

for the fiscal year ended at December 31st, 2010

(all amounts are expressed in new lei ("RON") unless specifically stated otherwise)

Non-current asset elements	Row no.	Amortization			
		Initial balance	Amortization during the year	Amortization related to non-current assets removed from the accounting records	Amortization at the end of the year (col. 9 = 6+7-8)
A	B	6(1)	7(2)	8(3)	9(4)
Intangible non-current assets					
Incorporation and development expenses-	13	1,106,220		0	1,106,220
Other non-current assets-	14	16,338,184	3,124,266	0	19,462,450
Total (row 13+14)	15	17,444,404	3,124,266	0	20,568,670
Tangible non-current assets					
Lands-	16	16,202,862	829,650		17,032,512
Constructions-	17	577,239,176	43,322,736	56,013	620,505,899
Plant and machinery-	18	801,667,457	78,925,709	2,783,655	877,809,511
Other plant, equipment and furniture-	19	2,424,959	462,178	206,920	2,680,217
Total (row 16 to 19)	20	1,397,534,454	123,540,273	3,046,588	1,518,028,139
TOTAL AMORTIZATIONS (row 15+20)	21	1,414,978,858	126,664,539	3,046,588	1,538,596,809

Non-current asset elements	Row no.	Provisions for depreciation			
		Initial balance	Provisions established during the year	Provisions forwarded as income	Final balance (col. 9 = 6+7-8)
A	B	10(1)	11(2)	12(3)	13(4)
Intangible non-current assets					
Incorporation and development expenses	22	0	0	0	0
Other non-current assets	23	0	0	0	0
Advances and intangible non-current assets in progress	24	0	0	0	0
Total (row 22 to 24)	25	0	0	0	0
Tangible non-current assets					
Lands	26	0	0	0	0
Constructions--	27	8,800,566	346,303		9,146,869
Plant and machinery--	28	5,520,951		646,268	4,874,683
Other plant, equipment and furniture	29	0	0	0	0
Advances and tangible non-current assets in progress--	30	3,476,043			3,476,043
Total (row 26 to 30)	31	17,797,560	346,303	646,268	17,497,595
Financial non-current assets--	32	126,047,084		0	126,047,084
TOTAL NON-CURRENT ASSETS (row 25+31+32)	33	143,844,644	346,303	646,268	143,544,679

On December 31st, 2010, the tangible investments in progress amounted to RON 203,883,455 and the advances amounted to RON 385,871,913. They mainly consist in advances and expenses in progress for large size projects such as the installation for hydro-cracking (RON 265,089,969) and the new hydrogen plant (RON 162,955,441). The Company is currently running investments projects that form part of the program called "Refinery expansion project", which is expected to be completed by the end of 2011.

The coke briquetting installation, worth RON 69,762,278, was commissioned in 2010.

The Company also executed modernization works at PIER 9 totaling RON 11,254,501, and at the catalytic cracking installation, worth RON 67,078,838.

NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS

for the fiscal year ended at December 31st, 2010

(all amounts are expressed in new lei ("RON") unless specifically stated otherwise)

At the end of 2009, the Company ordered a re-assessment of the buildings, as per the assessment report prepared by NATWORLD based on the market value.

The net value of the fixed assets held under leasing agreements as at December 31st, 2010, is RON 669,215 (the value in 2009 was RON 892,233).

The Company established encumbrances on fixed assets totaling a net amount of RON 891,009,812 at December 31st, 2010 (RON 119,828,880 at December 31st, 2009), as follows:

- Securities in favor of banks: RON 207,124,562
- 2nd rank securities in favor of The Rompetrol Group: RON 189,010,480
- Securities in favor of ANAF: RON 44,685,026
- Precautionary attachment in favor of ANAF: RON 450,189,744
- A precautionary attachment was also established in the equity titles totaling RON 1,998,804,563, in favor of the Romanian state; a 2nd rank security was also established in these titles in favor of The Rompetrol Group.

As regards the securities established in favor of ANAF, on September 10th, 2010, ANAF established a precautionary attachment in the equity held by the Company in its subsidiaries, as well as on the movable and immovable assets of the Company, except for the inventories. The precautionary attachment was established based on the provisions of article 129 of the Fiscal Procedure Code and its main effect consists in the fact that the Company is not entitled to sell/transfer the assets in which the attachment was established. The precautionary attachment was still in force on December 31st, 2010 and was challenged by the Company in court. The attachment is not a writ of execution since ANAF did not initiate any enforcement procedure.

Depreciation tests were conducted by the Company with respect to the net value of the tangible non-current assets at December 31st, 2010, using the fair value minus the selling cost approach. The recoverable value of the assets of Rompetrol Rafinare S.A. was determined based on the financial budgets approved by the higher management that cover a 5-year period. The discount rate applied to the financial flow projections is 11.5% and the financial flows for a period of more than 5 years are extrapolated using a rate of growth of 1.5%, which is similar to the average long-term growth rate of the industry. The capitalization rate used for residual values is 10%. The Company considers that it is not necessary to register a provision for depreciation with respect to the tangible assets.

The Company analyzed the activity of the subsidiaries in which it holds equity, in order to assess any decrease of value due to the depreciation. A brief description of the methodology used and the results of the depreciation test are presented below for the main entities in which the Company holds investments which, for considerations necessary to test the depreciation, were divided into two major groups: Rompetrol Petrochemicals S.R.L. and the business unit Downstream Romania. The business unit Downstream Romania includes the operations related to Rompetrol Downstream S.R.L., Rom Oil S.A. and Rompetrol Gas S.R.L.

The recoverable value of the business unit Downstream Romania and Rompetrol Petrochemicals was determined based on the fair value minus the selling cost, using the financial budgets approved by the higher management that cover a 5-year period. The discount rate applied to the financial flow projections is 10.5% and the financial flows for a period of more than 5 years are extrapolated using a rate of growth of 1.5%, which is similar to the average long-term growth rate of the industry. The capitalization rate used for residual values is 9%. The analysis did not reveal any depreciation for the investments in the companies that are part of the business unit Downstream and Rompetrol Petrochemicals S.R.L.

ROMPETROL RAFINARE S.A.**NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS****for the fiscal year ended at December 31st, 2010**

(all amounts are expressed in new lei ("RON") unless specifically stated otherwise)

The **financial non-current assets** consisted in the following main participations:

	Balance at January 1st, 2010	Increase	Reductions or forwarded amounts	Balance at December 31st, 2010
Rompotrol Logistics S.R.L.	46,330,304	0	0	46,330,304
Rompotrol Petrochemicals S.R.L.	659,501,621	34,000,000		693,501,621
Rom Oil S.A.	191,216,661		0	191,216,661
Rompotrol Downstream S.R.L.	1,090,406,067			1,090,406,067
Rompotrol Quality Control S.R.L.	11,349,910	-	0	11,349,910
Total equity titles	1,998,804,563	34,000,000	0	2,032,804,563
Ecomaster Servicii Ecologice S.A.	2,164	0	0	2,164
Rominerv S.A.	1,296		0	1,296
Other receivables	76,955		23,000	53,955
Total titles held as non-current assets	80,415	0	23,000	57,415
Long-term loans, including interest	0	0		-
Other non-current receivables	38,101	47,446	20,919	64,628
Total	1,998,923,079	34,047,446	43,919	2,032,926,606

As mentioned in the tangible non-current assets section above, the Company analyzed all business units in terms of depreciations, using the method of fair value less the selling cost. In addition, particularly for the depreciation of investments, the Company retained an independent valuator in order to determine the fair value of Rompetrol Logistics S.R.L. and of Rom Oil S.A.

- Rompetrol Logistics S.R.L. holds 100% of the shares of Rompetrol Gas S.R.L. and the fair value of Rompetrol Gas S.R.L. does not require the acknowledgement of a loss from depreciation.
- Rom Oil S.A. has a certain number of warehouses, used for wholesale distribution activities; hence, the investment was analyzed as integral part of the sale activity. The fair value minus the selling cost related to the wholesale activity does not reflect any need for depreciation.

The contribution percentages are as follows:

Company	Registered seat	December 31st, 2010	December 31st, 2009
Rompotrol Logistics S.R.L.	Bucharest	66.19%	66.19%
Rompotrol Petrochemicals S.R.L.	Navodari	100.00%	100.00%
Rom Oil S.A.	Brasov	99.99%	99.99%
Rompotrol Downstream S.R.L.	Bucharest	99.99%	99.99%
Rompotrol Quality Control S.R.L.	Navodari	99.93%	99.93%

The Company holds indirect contributions in Global Security System S.A. (35.29%), Rompetrol Gas S.R.L. (66.19%) and Contrast S.R.L.

Company	Own capital	Reserves	Retained earnings 2010
Rompotrol Logistics S.R.L.	78,118,644	22,185,042	-22,941,889
Rompotrol Petrochemicals S.R.L.	371,762,874	1,887,546	-25,871,048
Rom Oil S.A.	6,085,256	7,880,127	-4,030,030
Rompotrol Downstream S.R.L.	466,316,297	134,896,546	-88,794,854
Rompotrol Quality Control S.R.L.	11,740,679	227,586	430,218

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Note 2: Provisions

	Balance at December 31 st , 2009	Transfer into account	Transfer from account	Balance at December 31 st , 2010
Provisions for pensions and similar obligations	5,709,841	4,630,219	0	10,340,060
Provisions for taxes	0	0	0	0
Other provisions	27,267,929	24,052,101	0	51,320,030
Total	32,977,770	28,682,320	0	61,660,090

The "other provisions" row includes the provisions for expenses, if any, for environmental protection, related to the environmental obligations of Vega Refinery with respect to soil decontamination.

The provisions for pensions and other similar obligations were determined based on the provisions of the Company's collective bargaining agreement.

Note 3: Profit appropriation

Not applicable.

The Company recorded over the period January – December 2010 a loss of RON 669,762,488 and an accrued loss of RON 4,287,392,460 at December 31st, 2010.

The retained earnings reflect as well as loss of RON 505,613,468 representing the impact of the debt for equity swap.

Note 4: Retained earnings

Indicator	2009	2010
A	1	2
1. Net turnover	6.281.160.059	7.099.249.720
2. Cost of assets sold and services rendered (3+4+5)	6.398.416.014	7.024.524.320
3. Expenses for the basic activity	5.758.412.291	6.506.667.010
4. Expenses for auxiliary activities	447.027.636	362.031.581
5. Production overheads	192.976.087	155.825.729
6. Gross earnings pertaining to the net turnover (1-2)	(117.255.955)	74.725.400
7. Distribution costs	59.659.693	44.767.213
8. Administrative overheads	208.535.294	225.577.726
9. Other earnings from operation	42.466.216	39.596.043
10. Earnings from operation (6-7-8+9)	(342.984.726)	(156.023.496)

Note 5: Presentation of receivables and debts

The receivables of the Company at December 31st 2010 and at December 31st, 2009, are as follows:

	Receivables	Balance at December 31 st , 2009	Balance at December 31 st , 2010	Liquidity term for the balance at December 31 st , 2010	
				Less than 1 year	Over 1 year
	Commercial receivables				
1	Commercial receivables – with affiliates/other related entities	688,308,252	1,081,942,850	1,081,942,850	

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2	Commercial receivables – third parties	50,102,244	55,768,196	55,768,196	
3	Total commercial receivables	738,410,496	1,137,711,046	1,137,711,046	
4	Value adjustments for commercial receivables	28,015,039	28,249,101	28,249,101	
5=3-4	Commercial receivables, net value	710,395,457	1,109,461,945	1,109,461,945	
	Other receivables and debts				
6	Amounts to be collected from affiliates	188,889,885	208,118,178	208,118,178	
7	Amounts to be collected from other entities in which the company holds equity and other related parties				
8	Other receivables	24,254,538	50,308,306	50,308,306	
9	Value adjustments for other receivables	4,331,195	4,914,605	4,914,605	
10=8-9	Other receivables, net value	19,923,343	45,393,701	45,393,701	
11	Subscribed and not paid in capital		0		
12	Total commercial receivables and other receivables	919,208,685	1,362,973,824	1,362,973,824	

The amounts to be collected from affiliates include the following amounts:

	Balance at December 31st, 2009	Balance at December 31st, 2010
0	1	2
Loan to Rompetrol Petrochemicals S.R.L.	158,555,842	129,286,481
Loan to Rompetrol Logistics S.R.L.	2,735,937	
Loan to Rompetrol Industrial Parks S.A.	313,185	
Interests related to loans	2,233,322	9,698,457
VAT to be collected from the companies of the fiscal group	25,051,599	69,133,240
At December 31st	188,889,885	208,118,178

The Company entered into a loan agreement with Rompetrol Petrochemicals S.R.L. for the total amount of USD 55 million. The loan agreement is dated July 28th, 2010, and matures at the expiry of one year from the granting date. The relevant interest rate is Libor 1 month + 4% and the loan is not secured.

The "other receivables" row is detailed in the table below:

Receivables	Balance at December 31 st , 2009	Balance at December 31 st , 2010	Liquidity term		
			Less than 1 year	1-5 years	More than 5 years
Receivables with shareholders					
Receivables with affiliates	1,576,449	1,594,476	1,594,476		
Other receivables with the state budget	22,368,744	29,824,449	29,824,449		
Other receivables	309,345	18,889,381	18,889,381		
Total other receivables	24,254,538	50,308,306	50,308,306		
			0		
Value adjustments for other receivables	4,331,195	4,914,605	4,914,605		
			0		
Other receivables, net value	19,923,343	45,393,701	45,393,701		

The category "other receivables" includes the amount of RON 18,123,745 paid by the Company pursuant to a fiscal control concerning excises, conducted by ANAF for the period January 1st, 2007 – December 31st, 2008. Pursuant to the findings, the control bodies calculated additional excises and penalties. The Company filed an opposition against ANAF but the opposition was dismissed. Pursuant to the rejection of the opposition, the Company was compelled to pay this amount but it filed for a final appeal with the

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courts of law. Based on the existing pieces of evidence and according to the regulations in force, the management of the Company considers that the court will rule in favor of the Company; hence, it acknowledged the paid amount as being a receivable.

On December 31st, 2010, the Company established provisions for the entire amount representing commercial receivables identified as being bad debts. The changes in the provisions for depreciation of commercial receivables and various debtors are presented in the table below:

	Balance at December 31 st , 2009	Balance at December 31 st , 2010
0	1	2
At January 1 st	32,024,057	32,346,234
Increase over the year	445,295	1,009,974
Amounts recorded as expenses		
Reversions over the year	123,118	192,502
At December 31 st	32,346,234	33,163,706

The debts at December 31st, 2009 and at December 31st, 2009, are as follows:

	Debts	Balance at December 31 st , 2009	Balance at December 31 st , 2010	Maturity term for the balance at December 31 st , 2010		
				Less than 1 year	1-5 years	More than 5 years
1	Debenture loans	66,360,429				
2	Amounts payable to credit institutions (note 6b)	37,664,604	66,626,122	66,626,122		
3	Advances collected on account of orders	14,604,176	15,085,398	15,085,398		
	out of which – for affiliates and other related parties	12,059,740	13,002,022	13,002,022		
4	Commercial debts – suppliers of affiliates and other related parties (see note 10b)	1,011,535,379	1,766,476,727	1,766,476,727		
5	Commercial debts – third parties suppliers	76,671,483	53,628,834	53,628,834		
6=3+4+5	Total commercial debts	1,102,811,038	1,835,190,959	1,835,190,959		
7	Goodwill payable					
8	Amounts due to affiliates	2,473,269,231	3,306,692,721	3,306,692,721		
9	Amounts due to other entities in which the Company holds equity and other related parties					
10	Other debts, including fiscal debts and social insurance related debts	311,025,730	337,192,019	337,174,276	17,743	
				0		
11	Total	3,991,131,032	5,545,701,821	5,545,684,078	17,743	

The amounts due to affiliates include the following:

Debts	Balance at December 31 st , 2009	Balance at December 31 st , 2010
Loans from the companies of the group (see note 10b)	2,426,920,307	3,130,255,496
Interest related to loans	37,017,134	160,880,713
VAT to be collected from the companies of the fiscal group	9,331,790	15,556,512
Total	2,473,269,231	3,306,692,721

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The "other amounts payable" row is detailed in the table below:

Debts	Balance at December 31 st , 2009	Balance at December 31 st , 2010	Maturity term		
			Less than 1 year	1-5 years	More than 5 years
Salaries and similar debts	5,741,272	6,561,376	6,561,376		
Debts to shareholders	0	0	0		
Other fees	304,475,126	329,032,238	329,032,238		
Other debts	809,332	1,598,405	1,580,662	17,743	
Total	311,025,730	337,192,019	337,174,276	17,743	

The collection deadlines are: for sale of products to Vector Energy AG – on the date of receipt of the final invoice (immediately); Vector Energy AG to Near Abroad – 32 days from delivery for delivery by ship and railway, 10 days from delivery for delivery by road; Rompetrol Downstream S.R.L. – 30 days; Rompetrol Gas S.R.L. – 30 days; for deliveries of products outside the group the sale is made against down payment.

The payment deadlines for the purchase of crude oil: 30 days.

Penalties to Vector Energy AG for delays in payment for its acquisitions from KMG of up to 30 days – 12% per year; more than 31 days – 18% per year; and penalties to Vector Energy AG for its acquisition from other suppliers – Libor monthly series + 2% per year.

The delay increases shall be calculated for non-payment in due time of the budgetary obligations, respectively VAT and special fund of oil products. For the period January – June 2010 the penalties were of 0.1% per day. For the period July – September 2010 the penalties were 0.05% per day. Other penalties were added to the ones mentioned above, as follows:

- If payment is made within the first 30 days from maturity, no delay penalties are payable and calculated for the main fiscal obligations satisfied;
- If payment is made within the next 60 days, the delay penalties are 5% of the main fiscal obligations satisfied;
- After expiry of the 60-day term, the penalties are 15% of the main fiscal obligations satisfied.

Starting with October 1st, 2010, the interests calculated per day of delay are 0.04% per day.

The balances and transactions with affiliates are presented at note 10b.

Details concerning the short-term bank loans are presented in the table below:

	2009	2010
Bancpost	37,664,604	66,626,122
Short-time revolving facility for up to Euro 30 million, for issuance of letters of credit and bank letters of guarantee, maturing on April 29 th , 2011; the interest rate is EURIBOR/LIBOR 3 months + 5.9% or ROBOR + 5%; the loan was secured through a pledge in the positive balance of all current accounts and an assignment of receivables from the agreement with Rompetrol Downstream 120%; blank promissory note; unconditional and irrevocable corporate guarantee issued by TRG; mortgage in the delayed coking installation, fuel supply station; real movable security in the installations and equipment; mortgage in the real estate consisting in a land plot with the area of 30,380.96 sq. m.		
Total	37,664,604	66,626,122

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On December 31st, the following assets were encumbered in order to secure the bank loans and the group loans (value of balances at the balance sheet date):

- a) Receivables worth RON 887,118,909;
- b) Tangible non-current assets worth RON 396,135,042 (first rank securities in favor of banks, worth RON 207,124,562 and second rank securities in favor of The Rompetrol Group, worth RON 189,010,480);
- c) Interest titles and shares worth RON 1,998,804,563 (second rank security in favor of The Rompetrol Group).

Note 6: Accounting principles, politics and methods

A presentation of the significant accounting principles and politics used in preparing the financial statements can be found below:

a) Accounting and reporting basis

The individual financial statements of the Company are prepared in accordance with:

- The Accountancy Law no. 82/1991 (republished in 2009);
- The provisions of the Order of the Ministry of Public Finance no. 3055/2009 ("OMF 3055/2009").

Order no. 3055/2009 came into force on January 1st, 2010 and supersedes Order no. 1752/2005. Consequently, the financial statements for 2010 were prepared in accordance with OMF 3055/2009, while the comparative figures for 2009 were prepared in accordance with the previous applicable regulations (Order no. 1752/2005).

These financial statements refer only to Rompetrol Rafinare S.A. The Company has subsidiaries and it is necessary, according to the provisions of OMF 3055/2009, to prepare consolidated financial statements. The consolidated financial statements shall be included in a separate document, at the end of the fiscal year 2010.

The fiscal year of the Company ends on December 31st.

The financial statements were prepared based on the historical cost, except for the fixed assets that are recorded at values re-assessed by an independent valuator. In 2003, the Company re-assessed all its fixed assets and in 2009 it conducted a new assessment of the buildings.

The reporting currency used by the Company is the Romanian leu ("LEU" or "RON").

The nature of the Company's activity may cause unpredictable variations in terms of cash entries in the future. The management has analyzed the issue of the opportunity to prepare the financial statements based on the on-going activity principle.

At December 31st, 2010, the Company had total losses worth RON 4,287,392,460 and for the period January-December 2010 the losses were worth RON 669,762,488. Losses result from the operation activity (RON 156,023,496), from the financial activity (RON 513,706,742) and due to the minimum tax (RON 32,250). Over this period, the Company depends first and foremost of the continuous support offered by the group companies by loans.

The Company is running a continuous process of development of the refining activities. Pursuant to the investments made, 57% of the gas production was achieved in accordance with the Euro 5 standard

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(2009: 57%), 95% of the Diesel fuel production for 2009 and 2010 was achieved according to the Euro 5 standard.

Rompetrol Group carries on the "Refinery expansion project" at the Petromidia refinery, which shall allow:

- The increase in the crude oil processing capacity up to 5 million tons;
- The ability to obtain products of 10 ppm using the URAL crude oil, instead of a recipe of crude oil with 2 or 3 components. Currently, the refinery processes a mix of sulphur URAL crude oil and non-sulphur crude oil. The non-sulphur crude oil is listed on Brent DTD and is more expensive than the URAL RCMB crude oil; hence, the ability to obtain products from the URAL crude oil shall result in an improvement of the refining margins;
- The ability to obtain a much better mix of Diesel fuel and gas. The experts in industry consider that the demand for Diesel fuels shall be higher and that the margins for Diesel fuel shall have a positive impact on the Group results.

"Refinery expansion project" shall be finalized sometime at the end of 2011 and the commissioning of the installations shall begin at January 1st, 2012. Consequently, the management considers that these projects will help the Company improve its financial results starting with the last quarter of 2011.

The net asset of the Company was reduced down to less than half of the subscribed share capital. Consequently, the Extraordinary General Meeting of Shareholders should be convened in order to implement some measures so that at the end of the next year, the net asset of the Company reaches at least 50% of the share capital.

The management considers that the support offered by the group companies shall be sufficient so as to allow the activity to continue and to pay the debts during the normal course of business with no need to perform significant sale of assets or a forced interruption of its operations determined by external factors or other similar actions.

b) Significant accounting politics which are specific for the Company

At the end of 2003, the Romanian government offered the legal framework for the issue concerning the Company's historical debts to be solved. In October 2003, the Romanian government issued Government emergency Ordinance no. 118/2003, which sets forth the legal framework for the swap of the outstanding obligations to the state, worth a total of RON 2,177,699,900, including penalties, into long-term bonds – representing Euro 570.3 million at the exchange rate of RON 3.8185/Euro 1, valid on September 30th, 2003. On April 15th, 2005, Law no. 89/2005 for the approval of Government emergency Ordinance no. 118/2003 was published in the Official Gazette of Romania no. 320.

According to the issuance documents, the Company, as issuer, is entitled to swap into shares the bonds at maturity. The bonds are denominated in Euro; the interest rate is EURIBOR + 1.5% p.a.; the interest is payable at the end of September of each year; the maturity is September 30th, 2010; the swap rate is established according to a specific computation formula. The Company paid the interest for the period October 2003 – September 2010 by observing the terms set out in Government emergency Ordinance no. 118/2003 and in Law no. 89/2005. The Company redeemed bonds worth Euro 54,000,000 while the remaining bonds were swapped into shares in favor of the Romanian state.

The issuance of bonds has no fiscal implications for the Company.

At the time the bonds were initially recognized, the Company recorded the capital structure in the entry "other reserves" (this amount remained unchanged along the years until maturity), while the debt component representing the Net Updated Value of the future coupon payments to the Romanian state was measured at the date of each balance sheet, depending on the future cash flows, estimated for the payment

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of interests. On September 30th, 2010, the Company paid the amount of Euro 16.5 million representing the last interest to be paid to the Romanian state. The difference between the amount paid and the amount in balance was recorded in the profit and loss account.

The following events took place besides this payment:

- On August 9th, 2010, the Company paid to the Romanian state the amount of RON 229,321,800 (Euro 54,000,000) representing partial redemption of the issued bonds;
- On September 30th, 2010, pursuant to the decision of the Extraordinary General Meeting of Shareholders, the Company swapped the remaining bonds into shares in favor of the Romanian state, the resulting number of shares being 19,715,009,053, worth RON 1,971,500,905.

The financial impact of these transactions is summarized below:

Description	Value (RON)	Value (Euro)
Payment of bonds	229,321,800	54,000,000
Swap into equity	1,971,500,905	516,302,450
Issuance premiums	232,637,107	-
Total	2,433,459,812	570,302,450

Consequently, the Romanian state through the Ministry of Finance holds 45% of the Company' shares. However, having regard to the fact that the Ministry of Finance challenged the decision to swap bonds into equity, on December 31st, 2010, the increase in the share capital had not been registered yet with the Trade Register. If the increase in the share capital had been registered with the Trade Register, then the shareholding structure would have been the following:

Name of shareholder	2009	2010
The Rompetrol Group N.V.	50.59%	43.74%
Ministry of Finance	0.00%	44.70%
Rompetrol Financial Group	13.53%	6.47%
Rompetrol S.A.	9.14%	4.37%
Rompetrol Downstream S.R.L.	2.62%	0.00%
- Rompetrol Well Services S.A.	0.10%	0.05%
- others	24.02%	0.67%
Total	100%	100%

The debt component evolution is illustrated in the table below:

	RON	Euro
Face value of issued bonds	2.177.699.900	570.302.449
<i>Plus:</i>		
Exchange differentials at the end of the year	167.212.700	0
<i>Minus:</i>		
Own capital component	573.442.328	139.465.994
Difference between the face value and the market value of bonds	1.354.404.017	329.402.441
Debt component on the issuance date	417.066.255	101.434.014
Accrued interest 2003	11.729.987	2.852.831
Initial balance 2004	428.796.242	104.286.845
Coupon payment	-91.419.546	-22.258.904
Accrued interest 2004	47.512.999	11.710.162
Exchange rate differentials	-13.096.255	0

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Final balance 2004	371.793.440	93.738.103
Accrued interest 2005	36.025.020	9.961.786
Coupon payment	-76.987.180	-21.717.117
Exchange rate differentials	-29.372.428	0
Final balance 2005	301.458.852	81.982.772
Accrued interest 2006	68.555.781	19.491.208
Coupon payment	-106.135.667	-30.037.830
Exchange rate differentials	-22.303.340	
Final balance 2006	241.575.628	71.436.150
Accrued interest 2007	81.992.540	24.419.427
Coupon payment	-120.689.144	-35.963.272
Exchange rate differentials	13.344.175	
Final balance 2007	216.223.199	59.892.305
Accrued interest 2008	79.597.234	22.275.104
Coupon payment	-148.812.618	-40.189.213
Exchange rate differentials	20.283.690	
Final balance 2008	167.291.505	41.978.196
Accrued interest 2009	-42.764.398	-10.588.750
Coupon payment	-65.683.986	-15.694.723
Exchange rate differentials	7.517.308	
Final balance 2009	66.360.429	15.694.723
Accrued interest 2010	3.740.643	868.494
Coupon payment	-70.756.411	-16.563.217
Exchange rate differentials	655.339	
Final balance 2010	0	0

c) Use of estimates

The fact that the financial statements were prepared in accordance with OMF 3055/2009 requires the management to make some estimates and assumptions that affect both the value of assets and liabilities and the description of assets and contingent liabilities at the date the financial statements are prepared, as well as the value of income and expenditures during the reporting period. These estimates are revised from time to time and, where adjustments become necessary, they are recorded in the profit and loss account for the period when they become known. Although these individual estimates have a certain degree of incertitude, the aggregated effect thereof on the financial statements is deemed to be insignificant.

d) Tangible non-current assets

The tangible non-current assets are presented at the re-assessed value, calculated by an independent evaluator or at their historical cost (for tangible non-current assets purchase after January 1st, 2004, except for the buildings) less the aggregated amortization and the adjustments for depreciation (see also note 6a).

The initial cost of the tangible non-current assets consisted in the purchase price, including import duties or non-recoverable acquisition duties, transport expenses, handling expenses, fees, notary fees, expenses for obtaining authorizations and other non-recoverable expenses directly attributable to the tangible non-current asset, and any direct costs attributable to the bringing of the assets to the place and in operating condition. The expenses incurred after the fixed asset was commissioned – such as expenses for repairs, maintenance and administrative costs – a generally recorded in the profit and loss account for the period

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in which they occurred. If proof can be produced that such expenses resulted in an increase in the future economic benefits expected to be obtained from the use of a fixed asset element beyond the performance standards initially assessed, then and in such event such expenses are capitalized as additional costs in the value of the asset.

The non-current assets in progress include the cost of constructions, of tangible non-current assets and any other direct expenses. They are not amortized over the period until the time when the relevant assets are finalized and commissioned.

The expenses for maintenance and repair of fixed assets are included in the profit and loss account each time they are incurred. The investments made in tangible non-current assets are recognized as a component of the asset, under the form of later expenses. In order to be capitalized, they must result in an improvement of the initial technical parameters thereof, and to lead to the obtaining of future economic benefits in addition to the ones initially estimated. The expenses incurred on the occasion of general revisions that are performed once every four years are capitalized and are amortized over a four-year period (until the next revision).

The initial cost of a tangible non-current asset may include the costs initially estimated with respect to the dismantling and relocation thereof at the time it is removed from the records, as well as with respect to the restoration of the location on which the non-current asset is positioned, when these amounts can be estimated in a credible way and the Company has an obligation to dismantle and relocate the asset and to restore the location. The estimated costs for dismantling and relocation of the non-current asset as well as the estimated costs for restoration of the location are recognized in the value of thereof, and they have as correspondent a provisions account.

The interest expenses are not capitalized in the cost of tangible non-current assets.

The amortization is calculated using the straight-line method and the estimated lifetimes of fixed assets, used by the Company are consistent with the provisions of Law no. 15/1994 as amended from time to time. No amortization shall be calculated for lands and tangible non-current assets in progress.

The useful lifetime for the main categories of tangible non-current assets are presented in the table below:

Constructions	5 to 50 years
Plant and machinery	3 to 12 years
Other plant, equipment and furniture	3 to 10 years

On December 31st, 2001, 2002, and 2003, the Company re-assessed all tangible non-current assets based on the net replacement cost, according to the assessment report prepared by Smith Hodgkinson Europe. This company is not an affiliate of the Company.

In 2007, the Company re-assessed the buildings on Midia Platform according to the assessment report prepared by SHM Smith Hodgkinson based on the market value.

In 2009, the buildings were re-assessed as per the assessment report prepared by NATWORLD based on the market value. The purpose of the assessment was to bring the net accounting value to the fair value thereof, which, according to OMF 1752/2005, was established based on assessments generally made by qualified professionals.

e) Intangible non-current assets

Intangible non-current assets are initially recognized at cost. They are recognized if the assets are likely to generate future benefits for the Company, which may be reasonably quantified. Later on, the intangible

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non-current assets are recognized at cost less the accrued amortization and the adjustment for depreciation, if any. The intangible non-current assets are amortized according to the straight-line method during the lifetime established in accordance with the provisions of Law no. 15/1994 as amended from time to time.

f) Test to check the depreciation of intangible non-current asset's value

Whenever events or certain changes of events indicate that the accounting value of some non-current assets might be partially or fully irrecoverable, a test is conducted in order to check the depreciation of the value of the fixed assets and intangible assets. When the accounting value of a non-current asset exceeds the recoverable value, the loss recorded through depreciation is recognized to be a decrease in the surplus from revaluation, to the extent the loss resulting from the test does not exceed the revaluation surplus for the same asset, or in the profit and loss account if the depreciation exceeds the related revaluation surplus. The recoverable value of the asset is calculated as being the higher of the net selling price of the asset and its utility value. The net selling price is the amount obtained from the sale within a transaction at the market value, net of the expenses incurred in connection with the sale, while the utility value is the updated value of the net cash flows that are estimated to be obtained from the continuous use of an asset and from the potential sale thereof at the expiry of the useful lifetime. The recoverable values are estimated individually for each asset, and where this is not possible, for assets grouped in units generating cash.

g) Financial non-current assets

The financial non-current assets represent long-term strategic investments and are recorded at the historic cost less the adjustment for depreciation, if any, for impairment. The main indicators that are taken into account when identifying depreciation are the current and anticipated results of the relevant company, in the context of the industry in which it operates.

h) Inventories

The main categories of inventories are the raw materials, the production in progress, the semi-finished products, the finished products, the commodities, the spare parts, the consumables and the packaging materials. The inventories also include the assets held in custody, for processing purposes or at third parties, which are recorded distinctly in the accounting books, by categories of inventories.

The cost of inventories is comprised of all costs for the acquisition and processing thereof, as well as other costs incurred in order to bring the inventories in the form and at the place where they are located.

The cost of finished and semi-finished products is comprised of the direct expenses related to the production, that is: direct materials, energy consumed for technological purposes, direct man power and other direct production expenses, as well as the share of indirect production expenses rationally allotted as being related to the fabrication thereof.

When leaving the records, the inventories are assessed based on the average weighted cost method.

The inventories are recorded at the lowest of the cost and the net achievable value.

The net achievable value is estimated based on the selling price used during the ordinary course of business minus the costs necessary for completion and the sale-related costs.

For deteriorated inventories or inventories with slow movement there shall be made value adjustments based on the estimates of the Company's management.

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i) Receivables

The commercial receivables are recognized and recorded at the initial amount of invoices minus the adjustments for depreciation for the non-collectable amounts. The adjustments for depreciation are established when proof exist that the Company shall be unable to collect the receivables at the initially agreed maturity. When identified, the non-collectable receivables are recorded as expenses.

j) Cash available

The cash available include the cash, current accounts, cheques payable and short-term bank deposits.

k) Currency operations

The currency operations are recorded in RON at the exchange rate valid on the operation date. The assets and monetary debts expressed in hard currency are converted into RON at the exchange rate valid on the date of the balance sheet. The gains or losses from currency exchange rate variations, achieved and unachieved, are registered as income or, as the case may be, as expenses, in the profit and loss account. The RON/USD and RON/Euro exchange rated at September 30th, 2010 and December 31st, 2009 are presented in the table below:

Currency	December 31st, 2010	December 31st, 2009
RON/USD	3.2045	2.9361
RON/EURO	4.2848	4.2282

l) Employees-related obligations

The Company pays for the benefit of its employees, contributions to social insurance to various Romanian institutions, calculated according to the regulations in force. The value of these contributions is recorded in the profit and loss account for the same period as the related salary expenses. The Company has no other obligations with respect to future pensions, health insurance or other similar benefits.

According to the collective bargaining agreements in force within the Group companies, the employees are entitled to receive some pension benefits, payable at the time they retire, subject that they were employees of those entities at the time of retirement. These amounts are estimated on the date of the balance sheet according to the benefits stipulated in the agreements, depending on the number of employees of the companies and according to the actuarial assumptions concerning future debts. These obligations are recorded at the fair value on the date of the balance sheet, the cost of the related service being recorded in the profit and loss account. The current value of this obligation and costs of current and past services were measured using the projected credit factor method. The updating rate was 6.75% in 2010, respectively, 8% in 2009, and the rate of long-term salary increase was 3.5%.

m) Profit tax

The tax on current profit is calculated based on the annual retained earnings adjusted for the non-deductible expenses and non-taxable income according to the fiscal regulations in force. Over 2005-2010, the profit tax rate was 16%. The fiscal loss may be reported over a 5-year period until December 31st, 2008, inclusively, and over 7-year period starting with the fiscal loss of 2009.

The tax on the delayed profit is not recorded in the unconsolidated financial statements according to OMF 3055/2009.

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n) Provisions

A provision is recognized if and only if the Company has a current obligation as a result of a past event and when it is likely that an exit of resources bearing economic benefits will be necessary in order to satisfy such obligation, and the value at which it shall be satisfied may be assessed in a credible way. When the impact over time of the money value is significant, the value of the provision is the updated value of the expenses estimated to be necessary in order to settle the obligation.

o) Legal reserves

According to the applicable laws of Romania, the Company establishes a 5% legal reserve of the gross profit of the fiscal year. In accordance with the legal provisions, this reserve is established until such time as the value thereof reaches 20% of the paid in share capital.

p) Recognition of income

Income is recognized when the economic benefits associated to the operation are likely to be generated by the company and the amount can be reasonably assessed.

Sales are recognized net of the commercial discounts granted but before the deduction of the financial discounts granted.

Proceeds from the sale of goods are recognized when the delivery was performed and the significant risk and benefits which derive from the ownership in the good were transferred.

Income from performance of services is recognized at the time the services are rendered.

Income from interest is recognized periodically based on the respective asset's yielding.

q) Retained earnings per share

The retained earnings per share are calculated as ratio between the net profit or loss of the fiscal year, attributable to the shareholders, and the weighted average of the ordinary shares, circulating during that fiscal year.

The diluted retained earnings per share are calculated at the profit or loss attributable to the ordinary shareholders of the mother-company. In order to calculate the diluted retained earnings per share, the profit or loss attributable to the ordinary shareholders of the mother-company is adjusted by the weighted average of the circulating shares, with the effects of all potential diluting ordinary shares.

r) Contingent assets and debts

The contingent assets are not recorded in the unconsolidated financial statements but are presented when an entry of economic benefits is probable.

The contingent debts are not recorded in the unconsolidated financial statements. They are presented except when the possibility is remote to have an exit of resources which involves economic benefits.

s) Events occurring after the date of the balance sheet

The events occurring after the date of the balance sheet, which offer additional information about the standing of the Company on the date of the balance sheet (events which result in the adjustment of the financial statements) are reflected in the financial statements. The events occurring after the date of the

NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS

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balance sheet, which do not result in the adjustment of the financial statements are presented in the notes, provided that they are significant.

t) Financial instruments

The financial assets and the financial debts recorded in the balance sheet include the cash and cash equivalents, the clients and other assimilated accounts, the suppliers and other assimilated accounts and the loans. The fair value of such instruments approximates their accounting value.

u) Loans

The short and long term loans are recorded at the amount received.

The short-term part of long-term loans is classified under "Debts: Amounts to be paid within the year" and is included along with the preliminary interest at the date of the balance sheet in "Amounts due to credit institutions" from within the current debts.

v) Accounting errors

The rectification of the errors occurred in the previous fiscal years do not result in the modification of the financial statements of those years. If errors occurred in the previous fiscal years, their rectification does not trigger an adjustment of the comparative information in the financial statements. Any impact on the comparative information concerning the financial standing and the financial performance, respectively the change in the financial standing, is presented in the explanatory notes and is adjusted in the retained earnings during the year.

x) Affiliates and other related parties

According to OMF 3055/2009, an entity is an affiliate of a company if it is controlled by that company.

Control exists when the mother-company meets one of the following criteria:

- a) Holds the majority of the voting rights in a company;
- b) Is a shareholder of a company and the majority of the members of the administration, management and supervision bodies of that company, who held these positions during the fiscal year, during the previous fiscal year until the time when the annual financial statements are prepared, were appointed only as a result of such shareholder exerting its voting rights;
- c) Is a shareholder of a company and it holds alone the control in the majority of the voting rights of the shareholders, pursuant to an agreement concluded with other shareholders;
- d) Is a shareholder or a company and is entitled to exert a dominant influence on that company, based on an agreement concluded with that entity or based on a clause in that company's articles of incorporation or bylaws, if the governing law of the company allows such agreements or clauses;
- e) The mother-company holds the power to exert or actually exerts a dominant influence or the control in the company;
- f) Is a shareholder of the company and is entitled to appoint or revoke the majority of the members of the administration, management and supervisory bodies thereof;
- g) The mother-company and the affiliate are managed on unified basis by the mother-company.

An entity is "related" to another entity if:

- a) Directly or indirectly, through one or several entities:
 - Controls or is controlled by the other entity or is under the common control of the other entity (this includes the mother-companies, the subsidiaries or member subsidiaries);

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- Holds an interest in that entity, which offers it a significant influence thereon; or
- Holds the joint control of such other entity.
- b) Is an associated entity of the other entity;
- c) Is a joint venture in which the other entity is a shareholder;
- d) Is a member of the key-personnel of the management of the entity or of the mother-company thereof;
- e) Is a close member of the family of the person mentioned at letters (a) or (d);
- f) Is an entity which is controlled by, jointly controlled by or significantly influenced by or for which the significant voting power in such entity is given directly or indirectly by any person mentioned at letters (d) or (e); or
- g) The entity acts as representative of a post-hiring benefits plan for the benefit of the employees of the other entity or for the employees of any entity related to such company.

Note 7: Equity in other companies and sources of funds

On December 31st, 2010, the share capital registered with the Trade Register consisted in 24,394,196,673 shares with a face value of 0.10 RON each, that is, the equivalent of RON 2,439,419,667, and is fully subscribed and paid in.

	2010		2009	
	Number of shares	Percentage	Number of shares	Percentage
The Rompetrol Group N.V.	19,294,040,126	79.09%	10,674,636,478	50.59%
Rompetrol Financial Group S.R.L.	2,854,083,079	11.70%	2,854,083,079	13.53%
Rompetrol S.A.	1,928,466,296	7.91%	1,928,466,296	9.14%
Rompetrol Downstream S.R.L.	0	0.00%	551,802,170	2.62%
Rompetrol Well Services S.A.	21,980,298	0.09%	21,980,298	0.10%
Rompetrol Rafinare S.A.	6,134,701	0.03%	6,134,701	0.03%
Others	289,492,173	1.19%	5,062,172,980	23.99%
Total	24,394,196,673	100%	21,099,276,002	100%

Pursuant to the decision of the Extraordinary General Meeting of Shareholders of June 30th, 2010, which approved the increase in the share capital by up to RON 450,000,000, The Rompetrol Group subscribed and paid in 3,294,914,465 shares (RON 329,491,416.5) and the minority shareholders subscribed and paid in 6,506 shares (RON 650.6). These shares were registered with the Trade Register.

Pursuant to the extraordinary General Meeting of Shareholders of September 30th, 2010, the Company swapped the bonds that had remained un-redeemed, into shares in favor of the Romanian state – 19,715,009,053 shares worth RON 1,971,500,905.

Consequently, the Romanian state through the Ministry of Finance holds 45% of the Company' shares. However, having regard to the fact that the Ministry of Finance challenged the decision to swap bonds into equity, on December 31st, 2010, the increase in the share capital had not been registered yet with the Trade Register. If the increase in the share capital had been registered with the Trade Register, then the shareholding structure would have been the following:

Name of shareholder	2009	2010
The Rompetrol Group N.V.	50.59%	43.74%
Ministry of Finance	0.00%	44.70%
Rompetrol Financial Group	13.53%	6.47%
Rompetrol S.A.	9.14%	4.37%
Rompetrol Downstream S.R.L.	2.62%	0.00%

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Rompotrol Well Services S.A.	0.10%	0.05%
Others	24.02%	0.67%
Total	100%	100%

Note 8: Information about the employees and the members of the administration, management and supervisory bodies

The total expenses with personnel are reflected in the table below:

	2009	2010
Salaries paid or to be paid, related to the fiscal year	57,964,203	66,849,106
Contribution of the company to social insurance	12,713,855	14,856,881
Contribution of the company to the unemployment fund, health fund and other contributions	3,326,846	3,845,455
Total	74,004,904	85,551,442

The directors' pay is established by the General Meeting of Shareholders. The salary rights of the managers are established by the Board of Directors.

The amounts paid to the Company's directors over 2010 totaled RON 561,862 (RON 554,376 in 2009).

The salaries and bonuses paid to the management of the Company over 2010 (for an average of 22 persons) totaled RON 5,542,943 (RON 4,121,334 in 2009).

On 31.12.2010, Rompetrol Rafinare – Navodari working point (Petromidia refinery) had 888 employees, out of which 269 – college or university degree personnel.

On 31.12.2010, the working point of the Company – Vega refinery – had 254 employees out of which 47 – college or university degree personnel.

On 31.12.2010, Rompetrol Rafinare S.A. had a total number of 1142 employees, out of which 316 – college or university degree personnel.

The Company did not grant any credits and did not establish any securities in favor of the members of the management and of the administration bodies.

The average number of employees in 2010 was 1,057, respectively 1,016 in 2009.

Note 9: Technical and economic indicators

		2009	2010
1	Liquidity indicators		
	Current liquidity indicator	0.40	0.41
	Immediate liquidity indicator	0.24	0.25
2	Risk indicators		
	Indebtedness degree indicator	0%	0%
	Bank interests coverage indicator	N/A	N/A
3	Activity indicators		
	Accounts payable turnover in days	55.02	46.78
	Accounts receivable turnover in days	68.51	74.76
	Non-current asset turnover	1.76	1.82
	Total asset turnover	1.21	1.15
	Number of days of storage	32.42	39.99
	Stock turnover	11.26	9.13
4	Profitability indicators		
	Cost effectiveness of the binding capital	N/A	N/A
	Gross margin from sales	-5.46%	-2.20%

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Note 10: Other information**a) Framework for the activity**

S.C. Rompetrol Rafinare S.A. is a corporation established in 1991 and registered in Romania. The Company's main object of activity is the processing of crude oil.

The Company's registered seat is in Navodari, 215 Bd. Navodari, Constanta county.

The financial statements were authorized to be forwarded to the Board of Directors.

S.C. Rompetrol Rafinare S.A. is listed with the Bucharest Stock Exchange since 2004.

The Company is part of the group called The Rompetrol Group N.V. The annual consolidated financial statements are prepared by the mother-company The Rompetrol Group N.V., with registered seat at the World Trade Center, Strawinskylaan 807, Tower A, 8th floor, 1077 XX, Amsterdam, the Netherlands. These annual consolidated financial statements (both for the group and of the sub-group) are public. In August 2007, Rompetrol Holding S.A. – the mother-company of The Rompetrol Group N.V. entered into an agreement for the sale of 75% of the equity of The Rompetrol Group N.V. to KazMunaiGaz PKOP Investments B.V. Certain conditions precedent under that agreement were fulfilled in November 2007. In 2009, the remaining 25% shares were sold as well.

The last parent-company of The Rompetrol Group N.V. is "Samruk (State Owned Enterprise for Asset Management)" JSC, an entity with registered seat in Kazakhstan.

b) Operations with affiliates and other related parties

The nature of the main operations with affiliates and other related parties, performed by the Company in 2010 and 2009 is presented in the table below:

	Acquisitions	Sales
Vector Energy AG	Raw materials (crude oil, etbe, mtbe, bio-diesel)	Oil products
The Rompetrol Group N.V.	Management services	
Rompetrol Downstream S.R.L.	Gas tickets	Oil products, rent, utilities and other services
Rompetrol Petrochemicals S.R.L.	Raw materials (propane), heating, laboratory analyses	Raw materials, rent, utilities and other services
Rompetrol Logistics S.R.L.	Transport services	Rent utilities, other services
Ecomaster Servicii Ecologice S.A.	Sanitation services (treatment of waste waters)	Rent, services
Rominerv S.R.L.	Maintenance services, acquisition of tangible non-current assets	Gas tickets, rent, utilities, re-invoicing other services
Rompetrol Moldova ICS		Oil products
Rompetrol Gas S.R.L.	Ramp operation, fuel propane, fittings	Oil products, rent and other services
Rompetrol S.A.	Management services	Re-invoicing accommodation services
Rominerv Therm S.A.		Oil products
Rompetrol Quality Control S.R.L.	Laboratory testing	Rent utilities, re-invoicing other services
Midia Marine Terminal S.R.L.	Harbor services (unloading crude oil)	Rent, utilities, bunker storage, re-invoicing other services
Rompetrol Industrial Parks S.A.		Rent, utilities, re-invoicing other

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	Acquisitions	Sales
		services
Rompetrol Bulgaria	Bio-diesel	Oil products
Palplast S.A.		
Rompetrol Well Services S.A.	Interest to loan	
Uzina Termoelectrica S.A.	Utilities	Oil products
The Rompetrol Group Shared Service Center S.R.L.	Management services	
Byron Shipping Limited	Demurrage	
Global Security System S.A.	Security services, courier services, cleaning services, fire prevention	Rent, utilities, re-invoicing other services

Balance as at December 31st, 2010:

	Receivables	Debts
Vector Energy AG	311,089,218	1,629,887,113
Rompetrol Downstream S.R.L.	628,923,338	23,537,612
Rompetrol Petrochemicals S.R.L.	199,281,366	8,711,829
The Rompetrol Group N.V.	1,877,039	3,276,659,567
Rompetrol Gas S.R.L.	61,448,071	859,319
Rompetrol Moldova ICS		1,114,398
Rominerv Therm S.A.	11,311,256	5,756
Rominerv S.R.L.	58,130,383	77,067,399
Ecomaster Servicii Ecologice S.A.	18,343	2,752,241
Rompetrol Quality Control S.R.L.	163,778	5,198,683
Rompetrol Logistics S.R.L.	12,267,053	859,144
Midia Marine Terminal S.R.L.	155,029	19,750,789
Rompetrol S.A.	92,681	2,677,723
Rompetrol Industrial Parks S.A.		
Palplast S.A.	250,043	
Rompetrol Well Services S.A.		24,943,734
Rompetrol Bulgaria o.o.d.		2,429,173
Uzina Termoelectrica S.A.	6,043,484	8,024,085
The Rompetrol Group Corporate Center S.R.L.		922,765
Byron Shipping Limited		6,818
Global Security System S.A.	604,422	763,322
Total	1,291,655,504	5,086,171,470

The debts to the group companies are also comprised of loans as follows:

	December 31 st , 2009	December 31 st , 2010
The Rompetrol Group Credit facility of up to USD 1.2 billion; interest – LIBOR 1 month + 4%; maturity – September 20 th , 2011; addendum 1 to the assignment agreement of the loan agreement no. 433/14.05.2009, concluded with Rompetrol Petrochemicals, principal and interest, on the date of signing the amount being USD 43,285,940.69; addendum 1 to the agreement for assignment of the receivables under the agreement no. 511/12.12.2003 with Rompetrol Petrochemicals, on the date of signing the amount being USD 25,171,165; addendum 1 to the agreement for assignment of the receivables under the agreement no. 1/2010 with Rompetrol Downstream, on the date of signing the amount being RON 525,343,138; addendum 1 to the agreement for assignment of the receivables under the agreement no. 38/10.09.2008 concluded with Rompetrol Gas, on the date of signing the amount being RON 46,509,417 and USD 2,303,308.62; real movable security in some assets; real movable security in the shares held in Rompetrol Logistics, Rompetrol Petrochemicals, Rompetrol Downstream. Rom Oil; real movable security in the bank accounts.	969,154,469	3,105,655,496
Rompetrol Well Services Short-term credit facility for working capital, of up to RON 13 million; maturity – January 9 th , 2011; interest rate – 15%. The loan is secured by a promissory note that covers the value of the debt.	4,056,795	13,000,000

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	December 31st, 2009	December 31st, 2010
Rompetrol Well Services Short-term credit facility for working capital, of up to RON 7 million; maturity – January 14 th , 2011; interest rate – 15%. The loan is secured by a promissory note that covers the value of the debt.	2,184,428	7,000,000
Rompetrol Well Services Short-term credit facility for working capital, of up to RON 3.1 million; maturity – January 3 rd , 2011; interest rate – 15%. The loan is secured by a promissory note that covers the value of the debt.	967,390	3,100,000
Rompetrol Well Services Short-term credit facility for working capital, of up to RON 1.5 million; maturity – January 27 th , 2011; interest rate – 15%. The loan is secured by a promissory note that covers the value of the debt.	468,092	1,500,000
	976,831,174	3,130,255,496

Operations during January – December 2010

	Acquisitions	Sales
Vector Energy AG	6,427,316,209	2,289,500,961
Rompetrol Downstream S.R.L.	36,787,794	2,822,108,824
Rompetrol Petrochemicals S.R.L.	63,962,188	369,153,114
The Rompetrol Group N.V.	120,835,440	
Rompetrol Gas S.R.L.	1,044,465	397,204,240
Rompetrol Moldova ICS	0	120,403,986
Rompetrol Bulgaria	3,026,126	12,479,599
Rominervices Therm S.A.	0	13,386,769
Rominerv S.R.L.	294,799,981	40,050,208
Ecomaster Servicii Ecologice S.A.	10,658,841	3,522,477
Rompetrol Quality Control S.R.L.	15,431,312	1,523,455
Rompetrol Logistics S.R.L.	23,498,365	1,058,480
Romcalor Oil Services	0	
Midia Marine Terminal S.R.L.	41,236,303	1,695,079
Rompetrol S.A.	21,881,440	44,405
Rompetrol Well Services S.A.	3,500,333	
Uzina Termoelectrica S.A.	53,018,038	46,483,017
The Rompetrol Group Corporate Center S.R.L.	744,165	
Byron Shipping Limited	6,884	
Global Security System S.A.	7,534,779	10,011
Total	7,125,282,663	6,118,624,625

Balances as at December 31st, 2009

	Receivables	Debts
Vector Energy AG	207,320,729	915,292,460
Rompetrol Downstream S.R.L.	379,532,057	20,916,420
Rompetrol Petrochemicals S.R.L.	207,658,525	5,475,069
The Rompetrol Group N.V.	12,473,093	2,467,506,004
Rompetrol Gas S.R.L.	32,513,031	586,512
Rompetrol Moldova ICS	0	376,689
Rominervices Therm S.A.	10,519,324	0
Rominerv S.R.L.	22,428,614	39,663,052
Ecomaster Servicii Ecologice S.A.	575,996	14,655,877
Rompetrol Quality Control S.R.L.	293,381	1,610,901
Rompetrol Logistics S.R.L.	3,707,488	3,907,084
Midia Marine Terminal S.R.L.	484,182	2,138,264
Rompetrol S.A.	40,105	3,534,411
Rompetrol Industrial Parks S.A.	560,086	0
Palplast S.A.	249,775	0
Rompetrol Well Services S.A.	0	20,493,401

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	Receivables	Debts
Global Security System S.A.	590,316	706,664
Oddisey	0	1,542
Total	878,946,703	3,496,864,350

In 2009, the advances for investments granted to Rominserv S.R.L. were recorded under the receivables entry. In order to be reconciled with the receivables note (note 5), they were eliminated in 2010 and were presented at note 1 – non-current assets.

Operations in 2009

	Acquisitions	Sales
Vector Energy AG	5,685,930,133	2,161,959,879
Rompetrol Downstream S.R.L.	104,599,415	2,640,557,979
Rompetrol Petrochemicals S.R.L.	39,328,602	238,927,435
The Rompetrol Group N.V.	12,789,259	0
Rompetrol Gas S.R.L.	1,052,766	276,559,998
Rompetrol Moldova ICS	0	66,547,982
Rompetrol Bulgaria	0	7,039,388
Rominservices Therm S.A.	0	9,919,550
Rominserv S.R.L.	514,254,587	107,039,371
Ecomaster Servicii Ecologice S.A.	25,729,028	5,356,306
Rompetrol Quality Control S.R.L.	14,728,038	1,435,049
Rompetrol Logistics S.R.L.	35,809,723	929,438
Romcalor Oil Services	-3,365	2,009
Midia Marine Terminal S.R.L.	4,229,942	1,920,824
Rompetrol S.A.	21,624,632	1,205,968
Rompetrol Well Services S.A.	3,447,279	0
Global Security System S.A.	6,462,422	26,100
Oddisey	164,291	0
Total	6,470,146,752	5,519,427,276

c) Currency operation

The accounting politics for currency operations are presented in Note 6(k).

d) Information about the tax on profit

On December 31st, 2010, the Company does not owe any profit tax.

The reconciling between the retained earnings for the year and the fiscal result is presented in the table below:

	2009	2010
Accounting net profit/(net loss)	-474,116,085	-669,762,488
Plus: non-deductible expenses	171,927,787	107,634,497
Minus: non-taxable income	-38,747,033	-33,635,096
Deductible legal reserve	0	0
Fiscal net profit/(net loss)	-340,935,331	-595,763,087
Fiscal loss from previous years	-471,155,462	-812,090,793
Taxable basis	-812,090,793	-1,470,853,880
Profit tax 16%	0	0
Annual minimum tax	28,667	32,250

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(all amounts are expressed in new lei ("RON") unless specifically stated otherwise)

e) Turnover

The turnover component for the period January – December 2010 and 2009 is presented in the table below:

	2009	2010
Income from sale of finished products	6,061,550,445	6,968,074,592
Income from sale of commodities	109,900,217	41,681,923
Income from services rendered	109,709,397	89,493,205
Total	6,281,460,059	7,099,249,720

The turnover for the period January – December 2010 and 2009 by geographical areas is presented in the table below;

DESTINATION COUNTRY	2009	2010
ROMANIA	3,631,122,920	4,171,798,971
BULGARIA	352,244,058	501,584,087
TURKEY	457,839,117	439,483,023
GEORGIA	374,981,291	480,592,324
UKRAINE	274,920,647	417,579,783
LEBANNON	341,729,109	260,859,656
HUNGARY	272,172,016	242,930,968
SERBIA	227,383,523	243,457,317
MOLDOVA	71,566,459	126,641,996
FRANCE	210	36,929,834
USA	0	64,618,554
GREECE	63,598,254	25,743,842
INDIA		25,030,930
GERMANY	1,690,125	27,703,878
ALBANIA	0	19,300,938
PAKISTAN	2,263,590	4,964,935
POLAND	1,621,895	3,483,482
CROATIA	149,470	2,357,930
EGYPT	573,186	2,583,817
AUSTRIA	478,416	657,568
KAZAKHSTAN	199,935	804,116
THE NETHERLANDS	2,217,030	69,297
PANAMA	0	38,789
SWITZERLAND	0	15,964
SPAIN	73,098,354	0
ITALY	46,291,901	17,115
UNITED KINGDOM	0	606
SYRIA	44,870,253	0
GIBRALTAR	15,363,561	0
MALTA	10,470,437	0
MAURITANIA	7,683,746	0
THE EMIRATES	3,102,390	0
BOSNIA	2,773,374	0
KOSOVO	722,303	0
MACEDONIA	32,489	0
TOTAL	6,281,160,059	7,099,249,720

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f) Fees paid to auditors

The auditors fees for the audit of the financial statements of 2010 amount to approximately RON 171,392, the equivalent of Euro 40,000 (RON 169,128, the equivalent of Euro 40,000 in 2009).

g) Petty cash and bank accounts

On December 31st, 2010 and December 2009, the cash available are comprised of:

	2009	2010
Cash at banks in RON	34,176,632	10,777,534
Cash at banks in hard currency	10,955,007	13,323,164
Petty cash	67,800	116,763
Cheques to be collected	1,621,446	3,862,906
Amounts pending settlement	2,961,127	-
Other amounts	13,816	15,077
Total	49,795,828	28,095,444

h) Inventories

On December 31st, 2010 and December 2009, the inventories are comprised of:

	2009	2010
Raw materials	263,441,200	484,410,480
Ancillary materials	30,679,507	32,767,395
Raw materials and materials held by third parties	137,921,502	83,321,034
Finished products	130,297,052	180,913,151
Finished products held by third parties	8,841,610	2,431,135
Production in progress	23,421	14,503
Semi-finished products	121,102,133	172,487,600
Commodities	488,594	600,183
Packaging and other materials	686,001	668,274
Provisions for depreciation of finished products	(68,252,785)	(61,484,478)
Provisions for depreciation of materials	(5,028,711)	(6,312,709)
Advances for inventories	16,575,441	12,681,631
Total	636,774,965	902,498,199

i) Leasing obligations

	2009	2010
Amounts maturing during the next year	389,623	368,87
Amounts maturing over the next three years	381,657	17,743
Total	771,280	386,640

The Company's corporate estate includes fixed assets purchased under some financial leasing agreements. Generally, the financial leasing agreements provide for the following clauses: 2-3 years term, interest rate 8-9%, the amounts are expressed in Euro.

The expenses for royalties and rents over the period January – December 2010 totaled RON 11,763,915, respectively, RON 11,258,052 in 2009. The Company basically leased harbor premises – piers 1-4 and 9 – from CN Administratia Porturilor Maritime Constanta, for which the rent amounts totaled RON 2,101,301, it leased goods at Pier 9 Port Midia from Marway – Fertilchim which were worth RON 839,690, the AFPP and Acid and bases installations from Rompetrol Petrochemicals S.R.L. – worth RON

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1,871,324, the SP1A Saligny station from the Administratia Nationala a Imbunatatirilor Funciare – worth RON 388,967, computers from Hewlett Packard P – worth RON 2,587,890, and Xerox equipment from Xerox Echipamente si Servicii S.A. (Romania) – worth RON 232,172. It also incurred expenses for licenses concerning additives from Marine Resources Exploration International – worth RON 2,974,415.

j) Retained earnings per share

	2009	2010
Profit/(loss) due to the majority shareholders	-474,116,085	-669,762,488
Interest related to debentures less the related profit tax reduction	-35,922,094	0
Profit related to the diluted retained earnings per share	-510,038,179	-669,762,488
Number of shares		
Average number of shares for the computation of the retained earnings per basic share		
	21,099,276,002	24,394,196,673
Shares issued based on debentures		
Average number of shares for the computation of the diluted retained earnings per share	21,775,607,172	19,715,009,053
	42,874,883,174	44,109,205,726
Retained earnings (per share)		
Basic		
Diluted	-0,0225	-0,0275
	-0,0119	-0,0152

k) Other operation expenses

	Fiscal year ended at December 31st, 2009	Fiscal year ended at December 31st, 2010
Transport of goods and personnel	31,449,531	21,476,142
Royalties and rental expenses	11,258,052	11,763,915
Bank commissions and similar charges	13,912,703	8,477,121
Insurance premium expenses	12,028,038	7,969,797
Commissions and fees	1,086,173	1,051,570
Maintenance and repair expenses	78,475,594	70,681,658
Postage and telecommunications	729,181	716,367
Travel, secondment and transfer of personnel	343,171	573,457
Protocol, promotion and advertising	3,248,355	2,469,616
Other third parties services	76,377,559	68,927,464
Environmental protection expenses	31,998,062	16,560,145
Other expenses	18,788,525	15,926,953
Total	279,694,943	226,594,205

The expenses for third parties services are presented in the table below:

	Fiscal year ended at December 31st, 2009	Fiscal year ended at December 31st, 2010
Security services	3,652,568	4,496,591
Outsourced activities	12,145,632	14,436,817
Costs for shared services	-	-
Consulting and audit	3,792,983	10,314,111
Management services	34,371,753	23,261,566
Others*)	22,414,623	16,418,379

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Total	76,377,559	68,927,464
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l) Undertakings

On December 31st, 2010, the Company was part to several investments agreements for the purpose of increasing the production capacity and of observing the European standards, the remaining value of which is USD 196.4 million.

The estimated value of the raw materials and utilities acquisitions is USD 2,993 million, out of which USD 2,992 million from Vector (4,500,000 tons of crude oil).

The table below illustrates the securities established by the Company and still valid on December 31st, 2010:

Bank	Beneficiary	Initial date	Final date	Currency	Value
Bancpost	ANAF – DGAMC	July 24 th , 2007	April 20 th , 2011	Euro	25,106,802
Bancpost	ANAF – DGAMC	June 5 th , 2008	April 20 th , 2011	Euro	2,855,088
Bancpost	ANAF – DGAMC	April 7 th , 2009	April 20 th , 2011	Euro	5,950,399
Bancpost	CENTROTRADE	September 24 th , 2009	January 30 th , 2011	Euro	7,500,000
Bancpost	ANAF – DGAMC	December 15 th , 2009	June 23 rd , 2011	Euro	654,864
Bancpost	CN ADMIN. PORT. MARITIME CTA	December 23 rd , 2009	June 30 th , 2011	RON	735,345
Bancpost	CN ADMIN. PORT. MARITIME CTA	December 23 rd , 2009	June 30 th , 2011	RON	33,686
Bancpost	ANAF – DGAMC	December 24 th , 2009	June 24 th , 2011	Euro	58,500
Bancpost	CONPET	January 30 th , 2010	January 30 th , 2011	RON	30,167
Bancpost	COURT OF APPEAL	July 9 th , 2010	July 9 th , 2011	RON	250,000
Unicredit	CNAPMC	October 14 th , 2010	March 30 th , 2012	RON	55,343
Unicredit	CNAPMC	December 15 th , 2010	December 15 th , 2011	RON	21,965
Unicredit	GENERAL DIVISION FOR SOCIAL ASSISTANCE AND CHILD PROTECTION OF BIHOR COUNTY	December 15 th , 2010	December 31 st , 2011	RON	21,340
Unicredit	ANAF – DGAMC	May 11 th , 2010	October 20 th , 2011	EURO	571,247
Unicredit	GENERAL DIVISION FOR LARGE TAXPAYERS	September 28 th , 2010	June 30 th , 2011	RON	7,406,368

m) Contingent debts

Related to the Parent's oil products technological lending practice to other refineries, D.G.F.P Constanta claimed unrecorded income, excise, VAT and related penalties totaling RON 47.7 million (USD 14.9 million) to be paid by the Parent. These claims (the legal effects) were suspended by the local court for admission. Subsequently, a second suspension has been issued by the fiscal authorities (D.G.S.C. – A.N.A.F.) until the final sentence regarding the criminal case, as the fiscal authority believes that this matter is now to be dealt as part of the criminal investigation started by the General Prosecutor Office (see note 28). The management is confident that the Parent is able to defend itself and the likelihood of a negative outcome is remote.

In 2001, the Parent processed crude oil for another refinery for which it originally raised excise invoices. However due to the law prevailing at the time, such invoices raised by the Parent were challenged by the respective refinery and the courts held at the time that the Company is not to issue the excise invoices and therefore the Parent cancelled such invoices. The Parent is now challenged for such reversals by D.G.F.P. Constanta, which concluded not to acknowledge the conclusions of the court decision and held the Parent liable for paying such excises; the Parent appealed the tax audit, which is now being suspended as described in the paragraph above. The amounts noted in the minutes issued by D.G.F.P Constanta is RON 9.5 Million (USD 3 million). The management is confident that the likelihood of reversal of the earlier court decision is very little.

LEGAL MATTERS

Litigation with the State involving criminal charges

ROMPETROL RAFINARE S.A.

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Starting with 22 March 2005 and as of the date of this report, the investigations concerning current and past administrators, officers and external censors of S.C. Rompetrol Rafinare S.A. ("RRC") have been formally developing (despite certain discontinuities occurred from time in the course of the criminal investigation stage). At present, the Prosecutors' General Office attached to the High Court of Cassation and Justice ("PGO") is investigating only one of the current administrators.

The charges apprehended upon the initiation of the investigation were: a) failure to fulfil the investment commitments undertaken under the privatization contract concerning the Parent; b) unlawful statement of excises and other debts to the state budget; c) incorrect maintenance of accounting registries regarding the transactions undertaken at the oil terminal owned by Oil Terminal. These charges concern events taken place during April 2001 – October 2002. The said charges have been split by the prosecutors' office from the initial file (which has been sent to trial following such split) and are subject to a separate file currently open before PGO - DIICOT.

For certain charges under investigation – charges not concerning the Parent directly, that are part of the initial file open by the prosecutors' office, even after the split of the file – the PGO decided to send to trial certain officials of The Rompetrol Group N.V. ("TRG"), the controlling company of S.C. Rompetrol Rafinare S.A. Following intensive discussions on several procedural matters, the first competent court, the Bucharest Tribunal, initiated the inquiry on the merits (the factual background) by interviewing the accused persons. Following the hearing of 17 September 2010, the court decided to refer the file to the Constitutional Court for settlement of certain motions raised by the defense. Currently, the trial is suspended before the Bucharest Tribunal and will resume after the Constitutional Court will issue its decision (there is no particular time-frame for the Constitutional Court to take-up such discussions).

The Rompetrol Group N.V. and the Parent Company publicly stated and continues to consider, in relation with all charges, that it has provided clear, reasonable and legitimate explanations with respect to all the activities undertaken by the Parent and the related persons.

The Parent finds all charges brought against it as legally ungrounded. The Parent's standing has been confirmed also by the court of law when ruling in favor of the motion submitted by The Rompetrol Group N.V. and S.C. Rompetrol Rafinare S.A. against the sequester that was established in relation with its assets and shares. The respective sequester, established unilaterally by the PGO, has been definitively and irrevocably annulled by the competent court of law.

Furthermore, on 15 December 2005, The Rompetrol Group N.V. submitted a request for arbitration before the International Centre for Settlement of Investment Disputes within the World Bank ("ICSID") of Washington DC against the Government of Romania whereby it requested compensation for the damages incurred. The request for arbitration emphasizes the breach by the Romanian State of The Rompetrol Group N.V.'s rights under the Agreement on Encouragement and Reciprocal Protection of Investments between the Government of the Kingdom of the Netherlands and the Government of Romania, in force as of 1 February 1995 (the "Dutch-Romanian BIT"). The request has been registered with ICSID and has already been subject to a preliminary analysis regarding the admissibility thereof and the competence of ICSID over the case; the decision on these topics was favourable to The Rompetrol Group N.V., which opened the stage of debates on the merits of the said request submitted by The Rompetrol Group N.V..

Litigations related to Hybrid Conversion

A) Romanian Ministry of Public Finance (MFP) has initiated various litigations against Rompetrol Rafinare SA ("RRC") regarding the legality of combined redemption and conversion of bonds issued in 2003 into Rompetrol Rafinare shares.

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The Hybrid Instruments was issued in accordance with Emergency Ordinance ("EGO") 118/2003 approved by Law 89/2005, converting RON 2,177.7 million of state budget liabilities, including penalties, into 22,812,098 Euro-denominated long-term bonds with face value EUR 25 each (i.e. a total of EUR 570.3 million at the RON/EUR exchange rate as of September 30, 2003 of 3.8185 RON/EUR or USD 719.4 million at the same date). The Bonds carried interest and were redeemable on or before maturity, whereas EO no.118/2003 specifically provided that bonds not redeemed by September 30, 2010 should be convertible into ordinary shares of Rompetrol Rafinare SA at the option of the Company.

In accordance with the requirements of EGO 118/2003 and the Issuing Convention, Rompetrol Rafinare S.A. undertook the following transactions in relations to bonds settlement during the period ended 30 September 2010:

1) the Extraordinary General Meeting of the Shareholders as of June 30, 2010 approved, among others, the increase of the Company's share capital by USD 100.2 million, for the purpose of raising financing to redeem part of the Bonds and to pay trade and other liabilities;

2) on August 9, 2010, RRC redeemed 2,160,000 Bonds in aggregate value amounting to EUR 54 million;

3) the Extraordinary General Meeting of the Shareholders on September 14, 2010 issued, among others, the preliminary approval of the conversion of the unredeemed Bonds into shares. Subsequently, on September 30, 2010, the Extraordinary General Meeting of the Shareholders of Rompetrol Rafinare SA approved the conversion of the unredeemed Bonds into shares, the corresponding share capital increase and the exact numbers of shares to be received by the Romanian Ministry of Public Finance for the Bonds it held, calculated based on the conversion rate of bonds into shares (see Note 12).

The Ministry of Public Finance (MFP) has publicly taken the position that:

1) the Company had the right to either redeem or to convert the Bonds, in each case in their entirety, but no legal option to combine a partial redemption and a partial conversion of the Bonds issue;

2) the payment of August 9, 2010 effected by the Company should be deemed as a final option to redeem the entire Bonds issue and, consequently,

3) the possibility of the Company to convert the balance of the unredeemed Bonds upon maturity was barred, thus the conversion being illegal and effectless, and

4) commencing October 1, 2010, the Company has had a budgetary debt to the Romanian treasury amounting to the value of the unredeemed Bonds (approximately Euro 516 million).

On the basis of these allegations, the Ministry of Public Finances has taken the following main actions:

1) MFP filed a request, asking by an injunction relief, for suspending the execution of GMS Decisions of June 30, 2010. The injunction request was irrevocably dismissed.

2) MFP filed also an intervention to the registration of the share capital increase to the Trade Registry. The first court dismissed it and MFP filed an appeal which has the next hearing on March 24, 2011; meanwhile, the share capital increase was fully registered with all the capital market institutions.

3) MFP submitted a request for annulment of the GMS decisions of:

a) June 30, 2010, referring to the share capital increase by USD 100 million;

b) September 14, 2010, referring to the preliminary approval of the conversion option; and

c) September 30, 2010, referring to share capital increase by conversion of the unredeemed bonds into ordinary shares

adopted by RRC's shareholders. The case is pending with Constanța Tribunal having the next hearing on May 23, 2011.

4) MFP submitted interventions to the registration of the all GMS decisions (decisions of June 30, 2010, of September 14, 2010 and of September 30, 2010) to the Trade Registry. Most of the cases were dismissed by Constanta Tribunal and MFP submitted appeal requests which are pending with Constanta Court of Appeal. The rest of the cases are either pending in first court proceedings, or suspended as result of relocation requests submitted to High Court of Justice and Cassation by MFP. The relocation requests were also dismissed, but the interventions requests are not yet reopened and settled. In relation to the MFP intervention to the registration to the Trade Registry of the GMS dated June 30, 2010 the Constanta

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Court rejected the claim. Therefore, the Trade Registry registered on December 27, 2010 the share capital increase according to GMS as of June 30, 2010. Consequently, CNVM approved on February 8, 2011 the issuing of the new shares registrations certificate following the share capital increase. MFP appealed the Constanta Court decision mentioned above.

B) On September 10, 2010 ANAF issued a decision for establishment of a precautionary seizure on all the participations held by Rompetrol Rafinare S.A. in its affiliates as well as on all movable and immovable assets of Rompetrol Rafinare S.A. except inventories. This measure is still in force and it is challenged by the Group. As of the date of these financial statements this seizure has not produced direct effects on the Company's recurring operations.

The Group has challenged this decision and requested the court to annul the seizure. The main ground the Group has taken is that starting October 1, 2010 no liability of RRC to MFP exists as the bonds were settled through conversion into share capital under the Issuance Convention. The management is confident, based on the advice of legal counsels, that the matter will be decided in favor of Rompetrol Rafinare S.A.

C) MFP issued on 17 November 2010 a Summons and a Forced Execution Title for the amount of 2.205.592.436 Ron on the grounds of the issuing Convention of December 5, 2003 and of the Letter no 933430/16.11.2010 from ANAF's accounting department to the Large Contributors department. RRC filed an annulment and a suspension request against the above mentioned Letter, which constitutes the legal basis for the Summons and Forced Execution Title.. On January, 14, 2011, Constanta Court of Appeal suspended the enforcement and any effects of Letter no 933430/16.11.2010 and, consequently, any effects of the Forced Execution Title on the Company are also suspended.

No solution was yet issued concerning the annulment of the Letter, the next hearing in this annulment court case being on May 11, 2011.

RRC also filed a challenge against the forced execution asking for the cancelation of the Summons and the Forced Execution Title with Constanta Local Court, which relocated the file to Bucharest Local District 5 Court, where the next hearing is to be scheduled. .

The Rompetrol Management believes that the decisions taken by the Extraordinary General Meeting of the Shareholders are within the legal framework and can be sustained through the following main arguments:

- Neither EGO no. 118/2003, nor the Issuing Convention prohibit RRC to make a partial redemption of the Bonds;
- Neither EGO no. 118/2003, nor the Issuing Convention prohibits RRC to convert balance of the non-redeemed Bonds into shares upon maturity. As per Article 7 of the EGO no. 118/2003 and Article 9 of the Issuing Convention, "the bonds not redeemed [...] are to be converted on due date, upon the option of the issuer, [...] with ordinary shares existing at the date of the issue." Such text explicitly admits that there can be outstanding Bonds on due date which can be converted into shares (even though some have already been redeemed as at such date).

Finally, RRC defends its position by showing that the Bonds are credit titles issued by a company in exchange of borrowed amounts and generate the obligation to repay its value (principal) plus interest. Each Bond incorporated on obligation of RRC towards MFP. Hence, the stake of bonds incorporated a plurality (22.8 million) of obligations (one obligation per each Bond). Therefore, in relation with each such title, RRC had the option to implement a different strategy, namely either to redeem it or to convert it on due date. In other words, RRC may not choose, in relation to one bond, to make a partial redemption and to concert the balance of such bond into shares, but it may freely choose what number of outstanding Bonds to redeem or to convert.

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Litigations related to salary benefits

During August-September 2010, two Unions representing the interests of some employees of the Company, filed before Constanta County Tribunal several claims requesting the increase of the salaries of the Union members mentioned in the lists attached to the claim courts. Part of these lawsuits was solved by the court of first instance, Constanta County Tribunal. The court admitted the Union's claims, obliging the companies to pay to the employees above mentioned the requested salary increase after the communication of the Court's decision to the parties involved. The decisions afferent to these litigations were pronounced on 29 March 2011 and have not been communicated to the parties until the date of these financial statements. These decisions of the first instance may be subject to second appeal to be solved by Constanta Court of Appeals, which may be introduced within a 10 days term from the moment the decision is communicated to the parties. The other part of the lawsuits is pending before the court of first instance, Constanta County Tribunal having the hearings on 29 April 2011.

As of the date of these financial statements and based on the information available, the Company estimated that the maximum financial impact may be of approx. USD 0.6 million.

n) Events occurring after the date of the balance sheet

The loans taken from Rompetrol Well Services were extended monthly until April 27th, 2011, respectively, May 3rd, 9th and 14th, according to the loan agreements.

Pursuant to the meeting of the Board of Directors of March 14th, 2011, the Company established a real movable security in the future and current crude oil stocks in order to secure the payment obligation of Vector Energy AG to BNP Paribas S.A., worth USD 150 million.

o) Environmental protection

The Company's refining activity results in inherent environmental risks. Both the management of the Company and the local authorities are closely monitoring the observance by the Company of the environmental norms in force. The Company has recorded a provision for environmental protection related to the environmental obligations of Vega refinery for soil decontamination, worth RON 51,320,030 (RON 27,267,929 at December 31st, 2009).

p) Taxation

The fiscal system of Romania is constantly changing and is subject to multiple interpretations and amendments, some of which operate retroactively. In Romania, the prescription term (statute of limitations) for the fiscal debts is of 5 years.

The Company's directors consider that the fiscal obligations were calculated and recorded in accordance with the law.

The fiscal authorities initiated a fiscal control with respect to the profit tax, VAT excises, the tax on income obtained by non-resident entities, fees related to salaries for the period January 1st, 2007 – December 31st, 2010. The findings of the fiscal authorities were not discussed with the Company by the time these financial statements were issued. The management is not aware of any comments of the fiscal authorities which would justify an adjustment of the financial statements. The management members

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consider that they have fully observed the fiscal regulations and that the payment obligations to the state budget were accurately calculated and fully recorded for the relevant periods.

q) Risk management

The Company's assets expose it to a series of risks: the market risk (the consequences of the changes in the international price of oil and oil products, the exchange rates and the interest rates), the credit risk and the liquidity risk. The main objective of the general risk management is to minimize the adverse effects of the financial performance of the Group companies.

Oil price risk

The Company is exposed to the constant change in the prices of commodities, both at the time it purchases crude oil and at the time it performs the final sale of finished oil products. The Company imports crude oil and was affected by the increase in the average price of crude oil that occurred over the period 2006 – 2009. The prices of crude oil and oil products sold/purchased on the external market are established by reference to the international quotations, while the price of oil products for the domestic market are established depending on other factors as well. The raw materials were basically taken from the import while the sale of products of the Company in 2010 was slightly higher in terms of domestic sales (60%), respectively, 55% in 2009.

The Company performs operations expressed in various currencies, mainly US dollars ("USD"). The inflation rate in Romania for the period January – December 2010, 2009 and 2008 was 7.96%, 4.74% and, respectively, 6.3% - as communicated by the National Institute for Statistics of Romania. The official exchange rated for December 31st, 2010, December 31st, 2009 and December 31st, 2008 were RON 3.0245, RON 2.9361 and, respectively, RON 2.8342 for 1 USD.

The crude oil imports and a significant part of the sales of oil products are denominated in hard currency, mainly in US dollars. Consequently, the company is exposed to the risk of appreciation of the American currency to the detriment of the Romanian currency. In addition, some of its assets and liabilities are denominated in hard currency. The treasury department of the Group coordinates the performance of the Group's operations in hard currency.

Interest risk

A significant part of the necessary working capital is ensured by loans from the group companies. The interests applicable to the loans taken by the Company are established taking into account the reference interest rates applicable on the international markets (LIBOR); hence, they are influenced by the variation thereof. The Group's treasury department is constantly monitoring the evolution of the interest rates on the international markets.

Credit risk

In conducting its business, the Company is exposed to the credit risk in connection with receivables and funds deposited in the financial institutions. The Company performs a significantly large number of commercial and financial operations with other companies in the Group, for which the credit risk is deemed to be very low. No other significant concentrations of risks were identified. The Company's management is constantly monitoring the exposure to the credit risk. The Company considers that no additional guarantees are needed in order to sustain the financial instruments, due to the good quality of the financial institutions.

Liquidity risk

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(all amounts are expressed in new lei ("RON") unless specifically stated otherwise)

The liquidity risk derives from the fact that it is possible for some financial sources to be unavailable so as to allow the payment in due time of the outstanding obligations. The Company's management is monitoring daily, by means of the provisioned treasury flows, the level of liquidity and the fulfillment of the obligations towards suppliers, to the state budget, to the local budgets etc., depending on their maturity. The current and immediate liquidity coefficients are permanently monitored.

The members of the management of Rompetrol Rafinare S.A. use their best endeavors in order to be permanently aware of the consequences of these risks so as to prevent the syncope in the economic and financial activity of the Company. In 2010, the necessary financial resources were permanently available in such amounts as required and at such times as planned and the temporary lack of financial flows was eliminated, thus ensuring the liquidity of the Company, all because the following measures were implemented: the delivery of products was secured with payment instruments (promissory notes, cheques) and the Company negotiated some terms for collection of amounts from clients and for payment of amounts to suppliers which were beneficial to Rompetrol Rafinare S.A., but at the same time maintaining an amicable relationship with the business partners.

Fair values

The financial instruments include contributions, customers and other receivables, cash, suppliers and other liabilities, short-term loans and long-term loans. The accounting value of the assets and of their financial liabilities offers a reasonable approximation of their fair value.

Financial crisis

The current international financial crisis debuted in 2007 and deepened significantly in the second half of 2008, and continued in 2009 and 2010. The significant turbulences occurring at the level of the global crediting market have significantly influenced the entities that operate in various industries, thus generating an overall crisis of cash available and solvency at the level of the financial-banking markets.

Other significant effects of the crisis consist in the increase in the financing costs, the reduction of the crediting and consumption market, a significant volatility of the capital markets and of the exchange rates etc. The bankruptcies affected the financial and banking industry, some countries contributing to the re-capitalization of such entities in an effort to save them from collapse. The crediting capacity was dramatically reduced, as was the availability to offer credits, so that most of the worldwide non-banking system is facing the slowing down of growth or a severe economic recession.

It is currently impossible to assess the consequences of this financial crisis. The Company's management evaluated the current market situation and considers that the necessary measures were taken in order to continue to run the business.

NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS
for the fiscal year ended at December 31st, 2010
(all amounts are expressed in new lei ("RON") unless specifically stated otherwise)

Information data

I. Data about the recorded retained earnings	Row no.	No. of units	Amounts	
A	B	1	2	
Entities with registered profit	01			
Entities with registered loss	02	1	669,762,488	
II. Data about overdue payments	Row no.	Total col. 2+3	Out of which:	
A	B	1	2	3
Overdue payments – total (row 04+08+14 to 18+22), out of which:	03	275,142,757	272,580,711	2,562,046
Overdue payments to suppliers – total (row 05 to 07), out of which:	04	240,804,547	238,242,501	2,562,046
- over 30 days	05	213,466,401	211,460,247	2,006,154
- over 90 days	06	12,265,798	11,803,400	462,398
- over 1 year	07	15,072,348	14,978,854	93,494
Overdue payments to the social security budget – total (row 09 to 13), out of which:	08	-	-	-
- contributions to state social security payable by employers, employees and other assimilated entities	09	-	-	-
- contributions payable by legal entities or individuals hiring employees and contributions payable by persons insured with the health social insurance fund	10	-	-	-
- contributions to supplementary pension fund	11	-	-	-
- other social contributions	12	-	-	-
- contribution payable by legal entities or individuals that use salary work and contributions for the unemployment fund payable by employees	13	-	-	-
Overdue payments to the special funds budgets and other funds	14	34,338,210	34,338,210	-
Overdue payments to other creditors	15		-	-
Overdue taxes and duties to the state budget	16		-	-
Overdue taxes and duties to local authorities	17	-	-	-
Bank credits unpaid until the due date – total (row 19 to 21), out of which:	18	-	-	-
- overdue after 30 days	19	-	-	-
- overdue after 90 days	20	-	-	-
- overdue after 1 year	21	-	-	-
Overdue payable interest	22	-	-	-
III. Average number of employees	Row no.	31.12.2009	31.12.2010	
A	B	1	2	
Average number of employees	23	1,016	1,057	
IV. Payments of interests and royalties	Row no.	Amounts (RON)		
A	B	1		
Gross income from interests paid by Romanian legal entities to non-resident individuals of the member states of the EU, out of which:	24			
- tax due to the state budget	25			
Gross income from interests paid by Romanian legal entities to affiliated ^{a)} legal entities, non-residents of the member states of the EU, out of which:	26			
- tax due to the state budget	27			
Income from royalties paid by Romanian legal entities to affiliated ^{a)} legal entities, non-residents of the member states of the EU, out of which:	28			
- tax due to the state budget	29			
V. Meal tickets	Row no.	Amounts (RON)		
A	1	2		
Value of the meal tickets offered to employees	30	1,995,704		
VI. Research and development expenses	Row no.	31.12.2009	31.12.2010	
A	B	1	2	
Research and development expenses, out of which	31			
- from public funds	32			
- from private funds	33			
VII. Innovation expenses	Row no.	31.12.2009	31.12.2010	
A	B	1	2	
Innovation expenses – total (row 35 to 37), out of which:	34			
- innovation expenses finalized during the year	35	-	-	
- innovation expenses in progress during the year	36	-	-	
- innovation expenses abandoned during the year	37	-	-	
VIII. Other information	Row no.	December 31 st , 2009	December 31 st , 2010	
A	B	1	2	
- Financial assets, in gross amounts (row 39+47), out of which:	38	2,124,970,163	2,158,973,690	
- Investments in affiliates, investments in other entities in which the Company holds equity, other long term investments and bonds, in gross amounts (row 40 to 46), out of which:	39	2,124,932,062	2,158,909,062	

ROMPETROL RAFINARE S.A.
NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS
for the fiscal year ended at December 31st, 2010

(all amounts are expressed in new lei ("RON") unless specifically stated otherwise)

- listed shares issued by residents	40	-	0
- non-listed shares issued by residents	41	191,295,780	191,272,780
- social parts issued by residents	42	1,933,636,282	1,967,636,282
- bonds issued by residents	43	-	0
- shares issued by the collective investment bodies (including by Financial Investment Companies)	44	-	0
- shares and social parts issued by non-residents	45		
- bonds issued by non-residents	46		
Long term receivables, in gross amounts (row 48+49), out of which:	47	38,101	64,628
- long term receivables in RON and expressed in RON, the settlement of which depends on the exchange rate of a foreign currency (from acc. 267)	48	38,101	64,628
- long term receivables in currency	49	-	0
Trade receivables, advances to suppliers and other assimilated accounts, in gross amounts	50	738,410,496	1,137,711,046
Employee-related receivables and assimilated accounts	51	237,136	342,542
Receivables related to social security budget and state budget	52	22,368,746	29,497,725
Receivables in connection with affiliates	53	188,889,885	208,118,178
Other receivables	54	2,754,913	22,899,799
Accrued interest receivable	55	171	0
Short-term investments, in gross amounts (row 57 to 63), out of which:	56	-	0
- listed shares issued by residents	57	-	0
- non-listed shares issued by residents	58	-	0
- social parts issued by residents	59	-	0
- bonds issued by residents	60	-	0
- shares issued by the collective investment bodies (including by Financial Investment Companies)	61	-	0
- shares issued by non-residents	62		
- bonds issued by non-residents	63		
Other outstanding lodgments	64	-	0
Petty cash in RON and in currency (row 66+67), out of which:	65	67,799	116,763
- in RON	66	65,143	116,329
- in currency	67	2,656	434
Cash at banks in RON and in currency (row 69+70), out of which:	68	45,131,640	24,100,699
- in RON	69	34,176,632	10,777,534
- in currency	70	10,955,008	13,323,164
Other cash at banks and letters of credit (row 72.73), out of which:	71	4,582,573	3,862,906
- amounts under settlement, letters of credit and other outstanding lodgments, in RON	72	1,621,446	3,862,906
- amounts under settlement and letters of credit, in currency	73	2,961,127	0
Debts (row 75+78+81+84+87+90+91+94 to 100), out of which:	74	3,991,131,032	5,548,560,979
- debenture loans and related interest, in gross amounts (row 76+77), out of which:	75	66,360,429	0
- in RON	76	-	0
- in currency	77	66,360,429	0
- Internal short-term bank loans and related interests (row 79+80), out of which:	78	37,664,604	66,626,122
- in RON	79	3,245,765	3,403,737
- in currency	80	34,418,839	63,222,385
- External short-term bank loans and related interests (row 82+83), out of which:	81	-	0
- in RON	82	-	0
- in currency	83	-	0
- Long-term bank loans and related interests (row 85+86), out of which:	84	-	0
- in RON	85	-	0
- in currency	86	-	0
- Long-term external loans (row 88+89), out of which:	87	-	0
- in RON	88	-	0
- in currency	89	-	0
- State treasury loans	90	-	0
- Other loans and related interests (row 92+93), out of which:	91	771,280	386,639
- in RON and expressed in RON, the settlement of which depends on the exchange rate of a foreign currency	92		0
- in currency	93	771,280	386,639
- Trade receivables, advances from clients and other assimilated amounts, in gross amounts	94	1,102,811,038	1,835,190,959
- Employee-related debts and assimilated accounts	95	3,057,061	3,514,709
- Debts related to the social security budget and state budget	96	307,159,337	332,078,905
- Debts related to affiliates	97	2,473,269,231	3,306,692,722
- Amounts payable to shareholders	98		
- Other debts	99	38,052	4,070,923
- Interests payable	100	-	0
- Subscribed paid in share capital (row 102 to 105), out of which:	101	2,109,927,600	2,439,419,667

ROMPETROL RAFINARE S.A.

NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS

for the fiscal year ended at December 31st, 2010

(all amounts are expressed in new lei ("RON") unless specifically stated otherwise)

- listed shares	102	2,109,927,600	2,439,419,667
- non-listed shares	103	-	0
- social parts	104	-	0
- subscribed share capital paid in by non-residents	105		
Patents and licenses	106	5,895,360	5,532,982
VIII. Information about expenses for collaborators	Row no.	31.12.2009	31.12.2010
A	B	1	2
Expenses for collaborators	107	1,876,281	2,091,817

Chairman of the Board of Directors

Yerzhan Orynbasarov

General Manager

Arman Kairdenov

Finance Manager

Vasile-Gabriel Manole

Chief Accountant

Pasa Cherata