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KazMunayGas
Group
Member

ROMPETROL RAFINARE S.A.
ANNUAL REPORT OF THE BOARD OF DIRECTORS for the financial year 2014
Audited Financial Statements

ANNUAL REPORT 2014

OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR 2014

The Company ROMPETROL RAFINARE S.A.

Registered office: 215 Năvodari Blvd.,
Administrative Pavilion,
Năvodari, Constanța county

Nr. Telephone/Facsimile No.: +(40) 241 506100
+(40) 241 506930

**Tax Identification Number at the Trade
Register Office by the Law Court of Constanța:** 1860712

Registered with the Trade Register under No.: J13/534/1991

**The shares of Rompetrol Rafinare S.A. are
traded in the IInd Category of the
BUCHAREST STOCK EXCHANGE¹**

Subscribed and paid-in share capital: 4,410,920,572.60 lei

**The main characteristics of the securities issued by S.C. Rompetrol Rafinare
S.A.:**

- **Dematerialized nominal common shares, the record of which is held by
the Depozitarul Central S.A. Bucharest**
 - o **Total number of shares:** 44,109,205,726
 - o **Nominal value:** 0.10 lei
 - o **Symbol of shares at the Bucharest
Stock Exchange:** RRC

¹ *The Rompetrol Rafinare S.A. shares have been traded on the standard category of the Bucharest Stock Exchange since January 5th, 2015*



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MAJOR PERFORMANCE IN 2014, IN AN UNSTABLE GLOBAL ECONOMIC ENVIRONMENT:

Petromidia Refinery - historical record

In 2014, Rompetrol Rafinare, a company of the KMG International Group, had a historical record year in terms of processed raw materials – more than 5 million tonnes. The total quantities processed by Petromidia since 1979 – the year of commissioning up to now amount to more than 100 million tonnes.

Records in all fields

Some of the historic records of the company in 2014 include an *increase in the production of Diesel fuel* – 2.43 million tonnes (1.9 million tonnes in 2013 and 1.6 million tonnes in 2012), *Diesel fuel yields* – 48.8 (46% in 2013, 39.6% in 2012), but also *white product yields* – 85.7% (85.5% in 2013, 85.4% in 2012). At the same time, the refinery achieved an *improvement of the energy efficiency index* – 99.8 (102.8 in 2013, 115 in 2012).

The petrochemical division of Rompetrol Rafinare reached a record polypropilene production – 90 thousand tonnes in 2014 (79.8 thousand tonnes in 2013 and 86.3 in 2013).

The refinery worked at full capacity on the last year and was not subject to one single scheduled or accidental stop (365 days), the processed volume of raw materials being 13,800 tonnes/day. In its more than 35 years of existence, the Petromidia Refinery processed **more than 100 million tonnes of raw materials**. More than 32% of this amount was processed in the past seven years (2007 – 2014), after KazMunayGas of Kazakhstan became the majority shareholder.

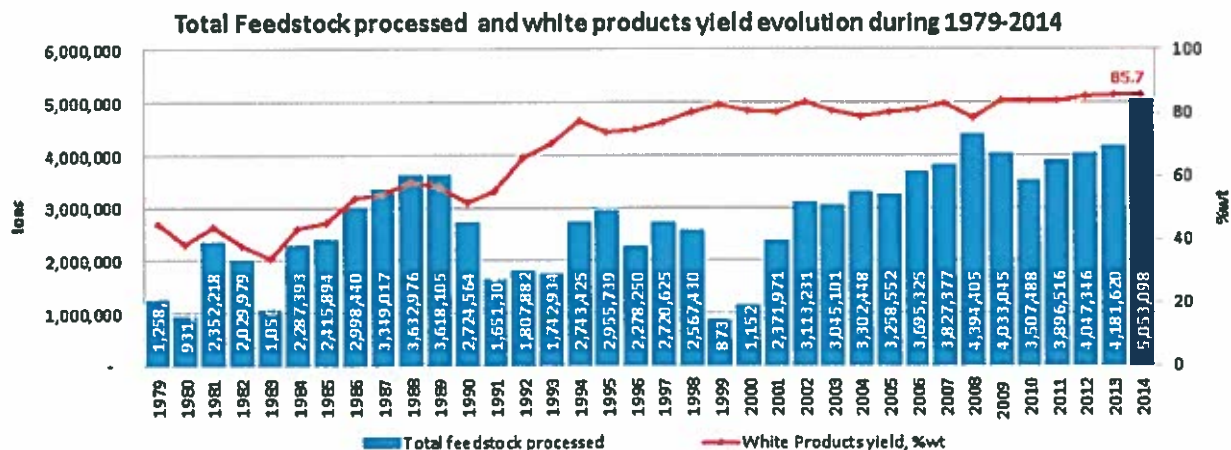
Against the background of investments by KMG International and KazMunayGas in the upgrade and increase of processing capacity, together with investments to develop the petrochemical sector and the supply of crude and distribution of fuels at both national and regional level, the Black Sea refinery managed to reach historical operational records in 2014. With the completion in 2012 of the wide program for the upgrade and processing capacity increase, the strategy and ambition of the Company focused and will focus on optimized production processes, lower processing costs and increased energy efficiency.

The Vega refinery – reached an all time high of the Hexan (66,400 tonnes) and Bitumen (61,400 tonnes) production.



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The development of the amount of 1979 (the year when the first plant of the Petromidia Refinery - Atmospheric Distillation and Vacuum has been put into operation) and until 2014 is being presented in the graph below:





1. THE ANALYSIS OF THE ACTIVITY OF THE COMPANY

In the international global context, Rompetrol Rafinare has adapted its strategy based on the new economic situations.

So, the company has reached its objectives of performance by: making all activities efficient, cost control and reduction and readapting the business plans for the next years.

1.1. a) The description of the basic activity of ROMPETROL RAFINARE S.A.

Rompetrol Rafinare, a member company of the KMG International Group, operates the Petromidia refinery located in Navodari, Constanta county, as well as the Vega Refinery in Ploiesti, Prahova county.

As of 01.01.2014, Rompetrol Rafinare SA took over the operational plants (polymer and utilities production) of Rompetrol Petrochemicals SRL.

In accordance with the provisions of the Articles of Incorporation of the Company Rompetrol Rafinare S.A. (Hereinafter "The Company"), the main object of activity is "manufacturing of the products obtained from the processing of crude oil " (CAEN code 192), and the main object of activity is represented by the "manufacturing of the products obtained from the processing of crude oil" (code CAEN 1920). Other secondary objects of activity are being detailed in the Articles of Incorporation of the Company.

Rompetrol Rafinare holds the quality as authorized warehousekeeper, in accordance with the applicable tax legislation. The Refineries Petromidia and Vega are authorized as production tax warehouses being manufacturers of energetic products, observing the tax rules governing the production of energetic products.

Rompetrol Rafinare also holds Integrated Environmental Authorizations, issued by the competent environmental authorities in accordance with the legislation regarding the environment, for the 2 operated work points. Petromidia (uzinele Rafinărie și Petrochimie) și Vega.

In 2014 Rompetrol Rafinare continued the upward trend of its activity, supported by the continuation and completion of the investments started in the previous years for the alignment with the European standards relating to the quality of the produced fuel.



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I) The Production Activity in the Year 2014

Rompetrol Rafinare - work point Nāvodari (Petromidia Refinery)

The production schedule of the ROMPETROL RAFINARE for the year 2014 has been designed for a total processing capacity of 5,477,496 tonnes, of which 4,835,284 tonnes of crude oil and 642,212 tonnes of other raw materials.

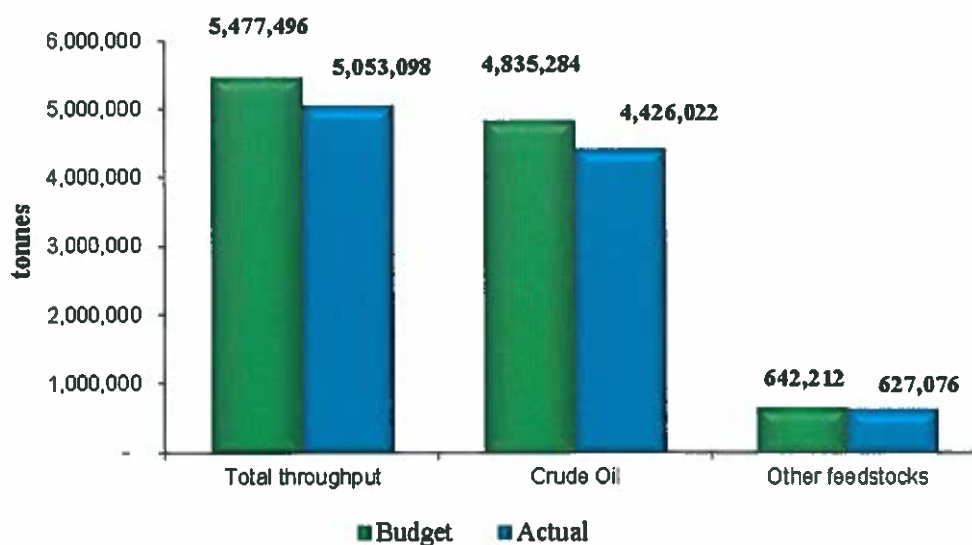
This schedule has been the basis for the preparation of the income and expenditure budget for the year 2014.

Processing carried out in the year 2014 is of 5,053,098 tonnes, out of which 4,426,022 tonnes of crude oil and 627,076 tonnes other raw materials.

This processing represents 92.25% of the program set up for the budget of the year 2014.

	<i>Tonnes</i>	
2014	Budget	Actual
Total throughput	5,477,496	5,053,098
Crude Oil	4,835,284	4,426,022
Other feedstocks	642,212	627,076

2014, Actual vs Budget Processing





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The situation of the processing, on quarters, is mentioned in the table below:

	QUART. I	QUART. II	QUART. III	QUART. IV	2014
Budget, tonnes	1,285,822	1,376,664	1,421,642	1,395,385	5,479,514
Achieved, tonnes	1,184,166	1,224,230	1,313,067	1,331,635	5,053,098
Achieved/Budget (%)	92.09	88.93	92.36	95.43	92.22

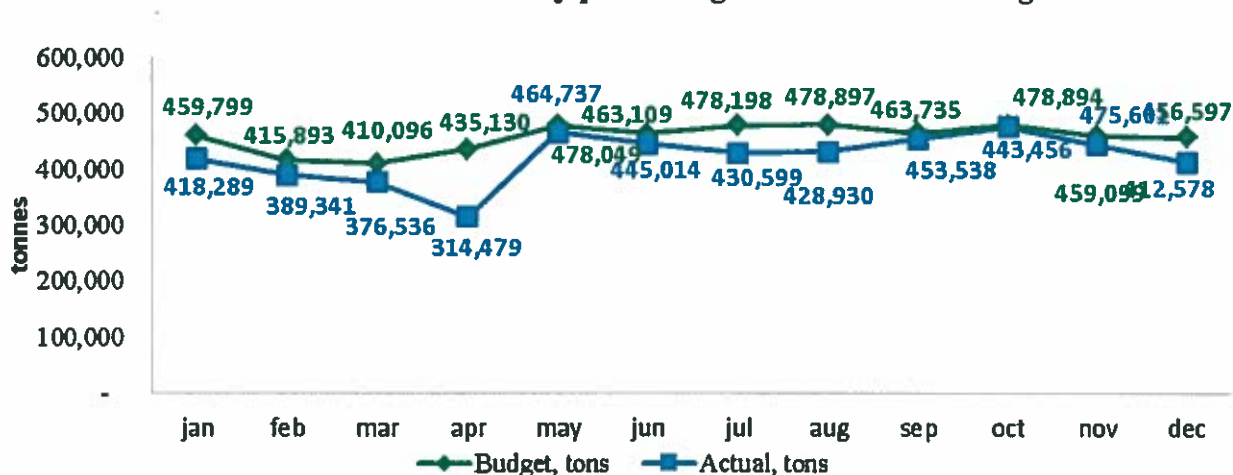
The action of attracting other raw materials in the processing process has also fallen within the same strategy of ensuring a continuous operation and at a load of the plants as good as possible.

From an operational point of view, the refinery has reached and operated at its full capacity of 14,000 tonnes per day , reaching record yields. The Diesel fuel yields amounted to 48.8% in 2014, while fuel yields (petrol, Diesel, jet fuel, automotive GPL) reached 75.21% in 2014, the best in the refinery’s history.

Petromidia has achieved nearly 2,46 million tonnes of diesel fuel in 2014, the highest level reached by the refinery, from putting it into service in 1979. The reduction of the operating costs, in parallel with the increase of the mechanical and operational availability have allowed an improvement in the Energy Efficiency Index, which was located at 99.82 points, the best yearly level obtained by the refinery so far.

The improvement of the operational results, but also the fact that the Petromidia Refinery has achieved historical records in 2014 were supported by the completion in 2012 of the vast program of modernization and increase of the processing capacity to 5 million tons per year, and the technological works for the purposes of the overhaul scheduled for the March – April 2013. The operation of the refinery facilities shall be carried out in accordance with the highest standards of performance, while ensuring the fulfilment of the commitments entered into relating to the environment protection.

2014 Monthly processing evolution versus Budget



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The structure of the physical production as compared to the budget, in 2014, is as follows:

YEAR 2014	Budget (tonnes)	Actual (tonnes)
Finite products	5,313,293	4,918,559
Gasoline	1,443,369	1,270,360
Diesel fuels	2,571,432	2,465,994
Fuel oil	90,620	107,872
Vacuum distillate - goods	-	8,049
Propylene	134,309	120,488
Coke	252,250	238,176
Sulphur	49,233	47,883
Other products	772,082	659,737
Total consumption :	166,220	137,873
from which: Technological consumption	50,534	44,361

White products obtained, %	Budget	Actual
Reported to total product	86.22	85.69
Reported to finite products	88.92	88.03

From the comparison budget – carried out, the concern is noted regarding the obtaining of petroleum products in accordance with the market requirements.

The emphasis was set on preparing gasoline and diesel fuels which meet the quality standards required on the foreign (Euro 5 products) and internal market (Bio products).

In 2014, a purchase price for the crude oil of 684.46 USD/ton was budgeted, and in the end there has been used an average price of 734.53 USD/ton.

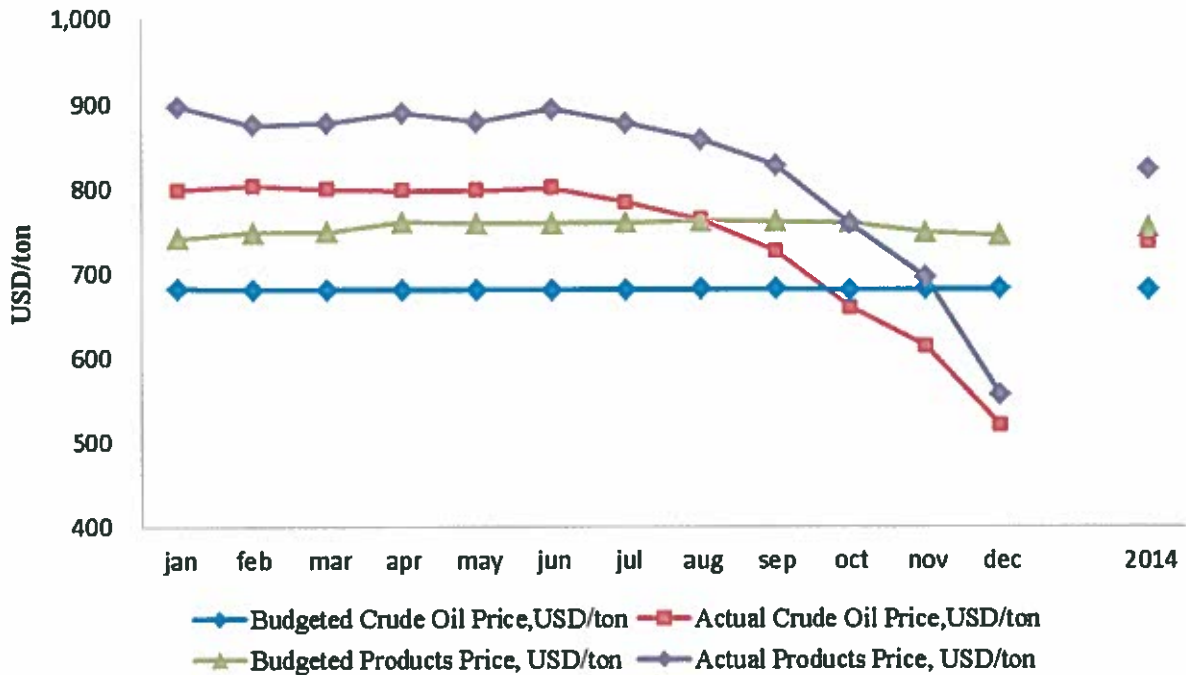
The average value of the finite products has been budgeted for the year 2014 at 772.53 USD/ton and there has been achieved an average price of 820.66 USD/ton.

As seen, the evolution of the oil market has registered an increase by 7.31 % compared to what has been estimated in the budget and the price of the petroleum products has followed the same increasing trend towards the budget, but at a slower rate, the growth being of 6.23 %.



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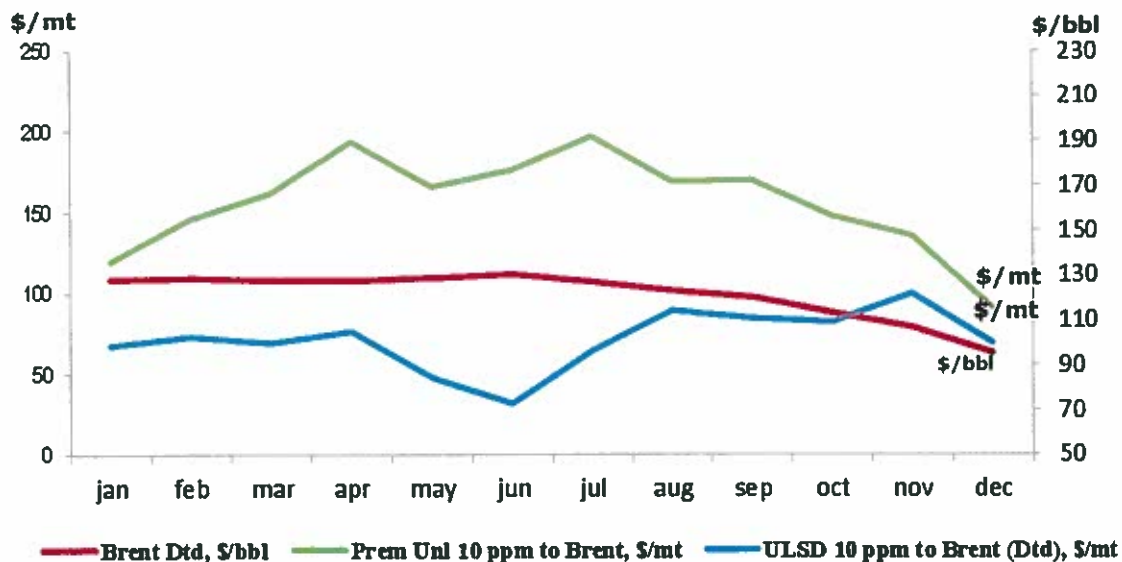
Crude Oil and Products Price, 2014 monthly evolution



Source: Platts

During 2014, the crack for gasoline exceeded that of Diesel by an average of approx. 55 USD/ton, witnessing an increasing trend between January and June 2014 (from 22.8 USD/ton in January to 103 USD/ton in June), and a downward trend in the second semester, down to a negative level in December (-9.14 USD/ton).

Brent quotation, Gasoline and Diesel cracks 2014, monthly evolution





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In 2014, the ratio of energy consumption to tonne (GJ/t) has recorded a 5.42% increase as compared to 2013 due to an improvement in energy efficiency.
The cost of utilities per tonne has decreased by 3.7 USD/ton in 2014 as compared to 2013, due in particular to lower purchase prices.

The quantitative structure of the supplies is summarised in the following table:

PETROLEUM PRODUCTS	DELIVERIES						
	TOTAL SUPPLIES	INTERNAL *		EXPORT		transfer	
	tonnes	tonnes	%	tonnes	%	tonnes	%
Gasoline	1,099,860	273,447	24.86	826,413	75.14	0	0.00
Gasoline for chemical use	166,454	-	0.00	-	0.00	166,454	100.00
Petroleum	174,100	123,622	71.01	42,347	24.32	8,131	4.67
Auto-Diesel Fuel	2,462,750	1,341,151	54.46	1,121,599	45.54	-	0.00
Fuel oil	102,669	3,998	3.89	14,277	13.91	84,394	82.20
Vacuum distillate	8,049	-	0.00	8,049	100.00	-	-
Propylene	120,488	-	0.00	-	0.00	120,488	100.00
Liquefied Petroleum Gas	253,976	253,976	100.00	-	0.00	-	0.00
Petroleum coke	245,577	212,604	86.57	32,973	13.43	-	0.00
Petroleum Sulphur	47,980	38	0.08	47,943	99.92	-	0.00
Other Products	86,857	34,175	39.35	-	0.00	52,682	60.65
TOTAL	4,768,762	2,243,011	47.04	2,093,602	43.90	432,149	9.06

* The quantities delivered for internal consumption include the petroleum products sold on the domestic market; the deliveries to Vega and Petrochemistry are included under the heading "Transfer".

Rompetrol Rafinare – work point Vega Refinery

The production schedule of Rompetrol Rafinare S.A., work point Vega Refinery for the year 2014 has been designed for a total processing capacity of 304,066 tonnes, of which 302,234 tonnes raw materials of the Group and 1,832 tonnes raw materials purchased outside the Group.
This schedule has been the basis for the preparation of the income and expenditure budget for the year 2014.

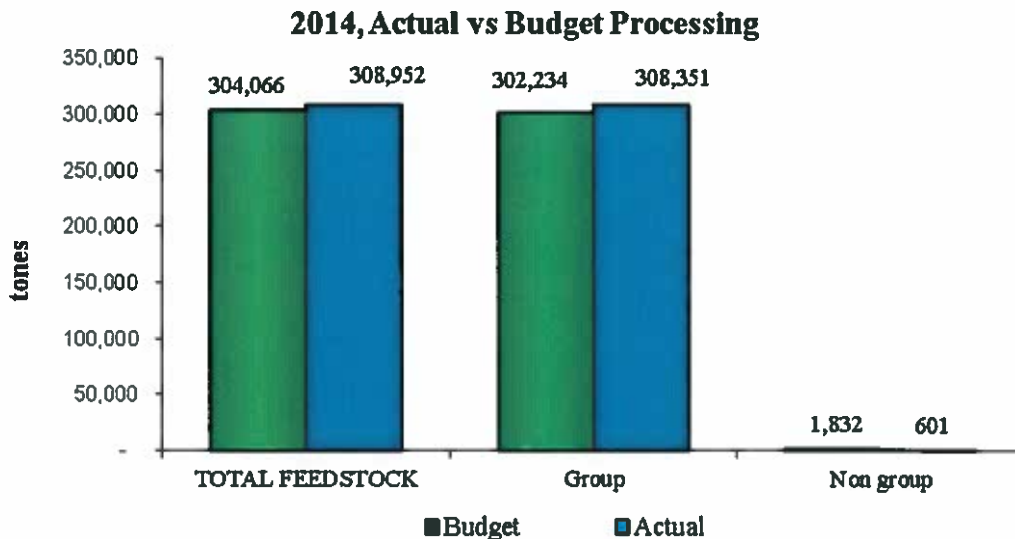


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The processing carried out in 2014 is of 308,952 tonnes, out of which 308,351 tonnes from the Group and 601 tonnes from outside the Group.

This processing represents 101.6 % of the program set up for the 2014 budget, in accordance with the raw materials available at the Petromidia Refinery and the market demand.

	<i>tonnes</i>	
2014	Budget	Actual
Total throughput	304,066	308,952
- Group	302,234	308,351
- Non Group	1,832	601



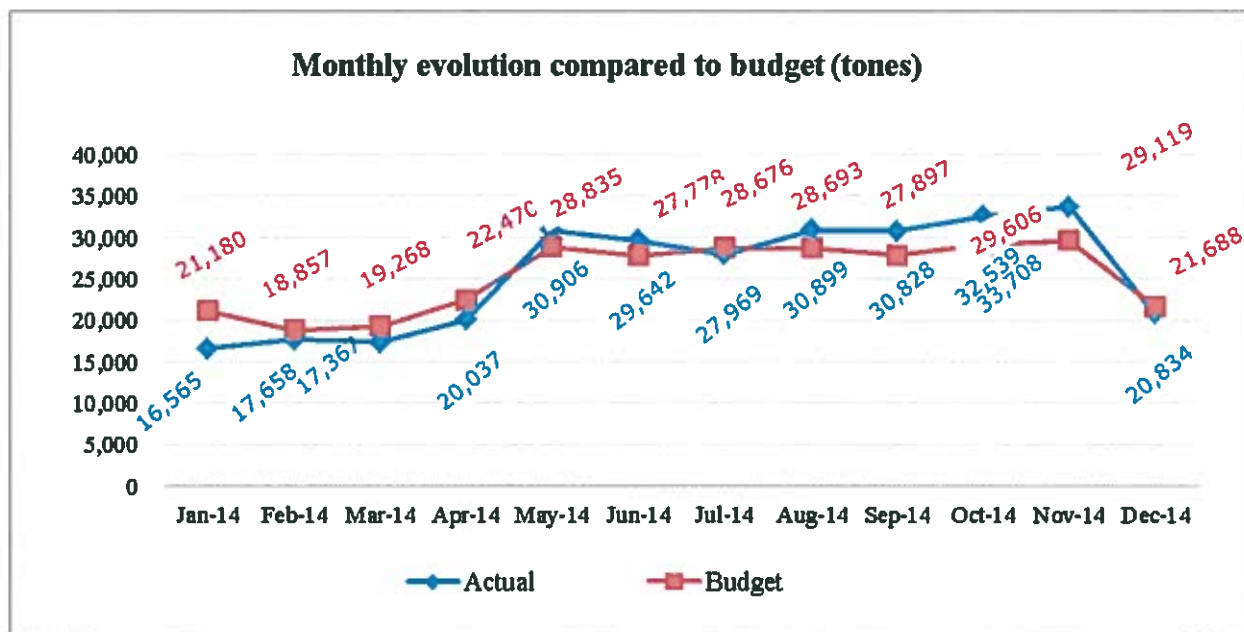
The situation of the processing, on quarters, is mentioned in the table below:

Throughput	Quart. I	Quart. II	Quart. III	Quart. IV	TOTAL
Achieved, tonnes	51,591	80,585	89,696	87,081	308,952
Budget, tonnes	59,305	79,083	85,266	80,413	304,066
Achieved/Budget (%)	87.0%	101.9%	105.2%	108.3%	101.6%



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In 2014, the processed quantity was approximately 1.61% less than the budgeted amount, the monthly average being 25,746 tonnes as compared to 25,339 tonnes provided under the budget.



The structure of the physical production as compared to the budget, in 2014, is as follows:

YEAR 2014	Budget tonnes	Actual tonnes
Finite products	298,784	304,924
Gasoline + solvents	142,669	143,147
N-Hexane	75,426	66,439
White spirit and Combustibil tip P	8,157	6,151
Calor Extra I	4,191	4,119
Light oil fuel type III	4,167	3,287
Fuel oil	13,027	20,378
Bitumen	51,146	61,403
Other products	-	-

From the comparison budget – carried out, the concern is noted regarding the obtaining of petroleum products in accordance with the market requirements.

In 2014, the ratio of energy consumption to the tonne dropped by 17% as compared to 2013, due to the different operation of the plants from the previous year, and to the measures taken to lower consumption.

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The quantitative structure of the supplies is summarised in the following table:

PRODUCT	TOTAL DELIVERIES (tonnes)	INTERNAL		EXTERNAL	
		(tonnes)	%	tonnes	%
Products delivered	306,004	98,229	32.10	207,776	67.90
Gasoline + solvents	141,358	8,103	5.73	133,256	94.27
N-Hexane	66,342	2,907	4.38	63,435	95.62
White Spirit	6,536	4,304	68.65	2,232	34.15
Diesel fuel	4,018	3,941	98.09	77	1.91
Light oil fuel type III	3,580	3,580	100.00	-	-
Fuel oil	22,603	14,211	62.87	8,392	37.13
Bitumen	61,568	61,184	99.38	384	0.62
Other products	-	-	-	-	-

Rompetrol Rafinare - work point Năvodari (the Petrochemistry plant)

The production program of Rompetrol Rafinare S.A. – the Petrochemistry plant for 2014 was prepared taking into account:

- the operation of the Polypropilene (PP) and Low-density polyethylene (LDPE) plant for the entire duration of 2014;
- the operation of the High-density polyethylene (HDPE) plant for 6 months (April - September).

This schedule has been the basis for the preparation of the income and expenditure budget for the year 2014.

The 2014 polymer production was 149,009 tonnes, of which: PP – 90,178 tonnes and LDPE – 58,830 tonnes; the HDPE plant remained shut down for the entire duration of 2014.

The structure of the physical production as compared to the budget, in 2014, is as follows:

YEAR 2014	Budget tonnes	Actual tonnes
Finite products	199,540	149,009
PP	91,780	90,178
LDPE	74,130	58,830
HDPE	33,630	0



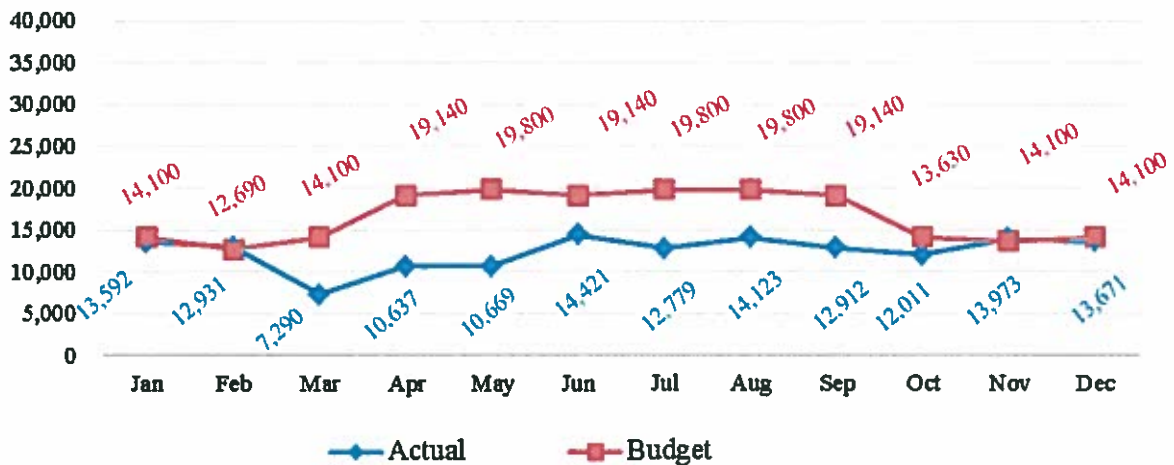
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The comparison of the production against the budget shows that the PP production reached 98% of the budget, while the LDPE production reached 79% from the budget.

The quarterly processing is shown in the table below:

		QUART. I	QUART. II	QUART. III	QUART. IV	2014
PP	Budget, tonnes	22,620	22,880	23,140	23,140	91,780
	Achieved, tonnes	21,961	20,780	23,428	24,010	90,178
	Achieved/Budget (%)	97%	91%	101%	104%	98%
LDPE	Budget, tonnes	18,270	18,480	18,690	18,690	74,130
	Achieved, tonnes	11,851	14,948	16,386	15,645	58,830
	Achieved/Budget (%)	65%	81%	88%	84%	79%

2014 Monthly production evolution versus Budget (tonnes)



The 2014 structure of the processed raw materials against the budget is as follows:

YEAR 2014	Budget (tonnes)	Actual (tonnes)
Raw materials	234,495	180,900
Propane-propylene mixture	124,162	120,121
Ethylene	110,333	60,779



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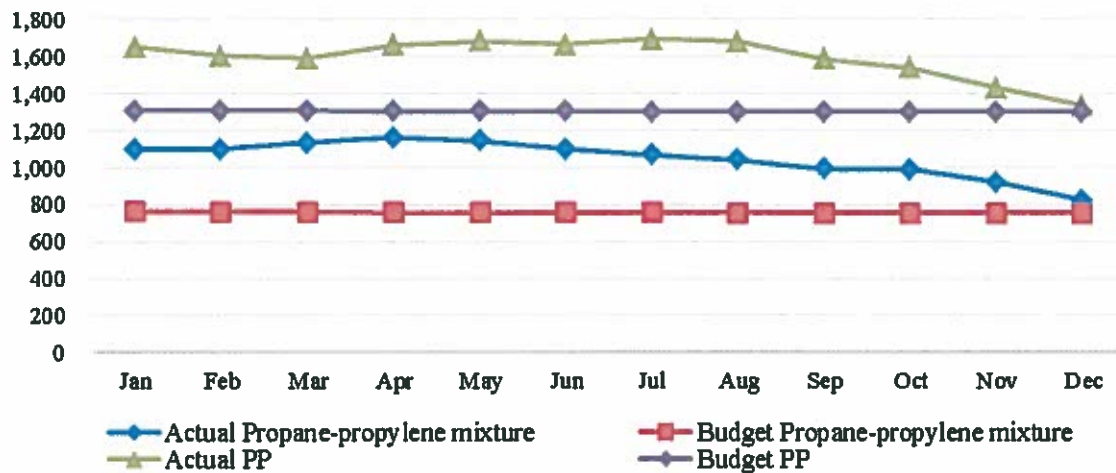
The average cost of the raw materials processed in 2014 was:

- for propane-propylene mixture – budgeted 755.61 USD/ton, achieved 1,040.35 USD/ton;
- for ethylene – budgeted 1,157.98 USD/ton, achieved 1,313.67 USD/ton.

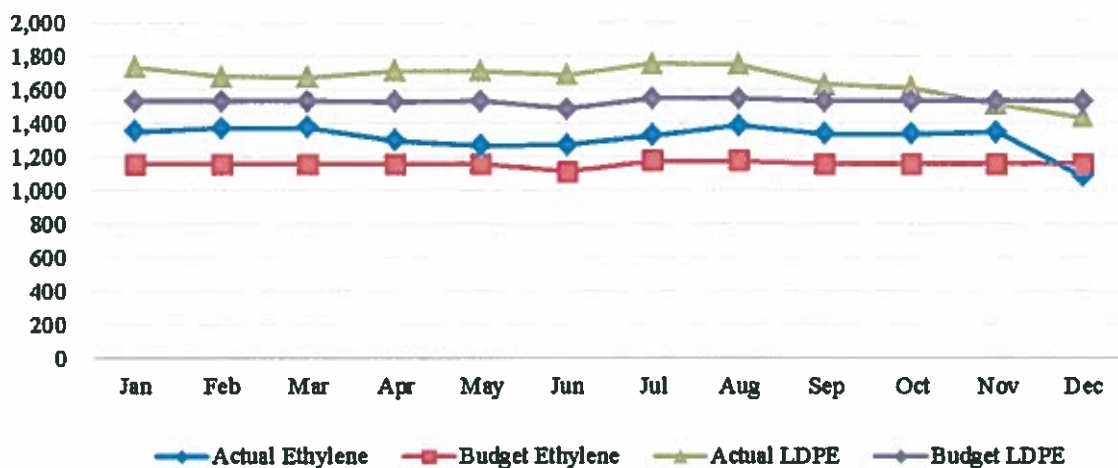
The average sales price of finished products in 2014 was:

- for PP – budgeted 1,301.94 USD/ton, achieved 1,585.51 USD/ton;
- for LDPE – budgeted 1,534.05 USD/ton, achieved 1,662.87 USD/ton.

**Propane-propylene cost/ PP selling price,
2014 monthly evolution (USD/tonnes)**



**Ethylene cost/ LDPE selling price,
2014 monthly evolution (USD/tonnes)**



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The quantitative structure of the polymer deliveries is summarised in the following table:

PRODUCTS	DELIVERIES				
	TOTAL DELIVERIES	INTERNAL		EXPORT	
	tonnes	tonnes	%	tonnes	%
PP	87,686	31,050	35.4%	56,637	64.6%
LDPE	57,324	20,801	36.3%	36,523	63.7%

II) Investment activity

The investment activity in the year 2014 has focused, in accordance with the program, on the following:

- The increase of the processing capacity of the refinery and the generation of fuels, with the specification in line with the European standards as also an increase of the white products efficiency;
- The alignment with the requirements of the European Union, the environmental standards in force, and in particular with the aim of reducing emissions.

The investments made in the year 2014, both for the Petromidia Refinery as well as for the Vega Refinery totalled 23,322,788 USD.

The main projects completed in the year 2014, in the Petromidia Refinery:

Increase of gasoline flow to ships

The project consists in the elimination of penalty payments for Refinery deliveries due to long ship waiting times, by means of a higher initial flow to ensure an optimum loading time for the scheduled gasoline amount.

The project was completed in February 2014.

The performance test was carried out in March 2014, with the parameters being reached according to the licensor's design.

The plant is currently under normal operating conditions.

Installation of the system for the reduction of exhaust gas particles in the catalytic cracking plant (FCC)

The project is aimed at reaching the maximum particle level (40 mg/Nm³) of flare gas at the Catalytic Cracking plant, in compliance with Romanian environmental requirements. The



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implementation of the Catalytic Cracking flare gas particulate reduction system installation design requires compliance with the Romanian environmental requirements regarding the stack emissions limit in the FCC plant (40 max. Mg / Nm³) and with Plan no. 5 of the Environmental Permit Action Plan (reviewed on 12.01.2012).

The upgraded plant will be commissioned in December 2014. The final performance test will be carried out in November 2015. The plant is currently operational.

Repair of the homogenizer of the Waste Water Treatment plant

It was found that operation at a technologically safe level, in accordance with the upgrade plan, requires 4 homogenizers.

The overhaul of the homogenizer will ensure the operation of the refinery and petrochemical, and will prevent accidental refinery shutdowns where residual waters cannot be taken up, thus avoiding penalties in case of environment contamination.

180M16 tank overhaul

The 180 M16 tank overhaul project was implemented following its inadequate technical state (damaged anticorrosion protection of the casing), and is aimed at the restoration of the tank (replacement of the lower sheet metal, ferrules, lid metal and ladders).

The project was completed in August 2014. The tank characteristics currently comply with the licensor's design parameters.

The project was completed in December 2014.

Line 15 overhaul

The purpose of the Line 15 overhaul and new railroad weighing scale is to restore line 15 of the automatic ramp back to normal operational parameters in order to ensure the loading of black products according to current railroad requirements. The implementation of this project will facilitate the loading and weighing of Diesel and fuel oil railroad cars on the premises of the automatic ramp and the distribution of black products of the refinery.

The project was completed in March 2014.

Replacement of fire water pipeline on the A-P section, between I25-I28

It is aimed to provide safe fire fighting conditions by ensuring the required pressure on the fire system (12 bar g).

The tests carried out ensured the operation of the system under normal parameters.

The project was completed in December 2014.

Obtaining the ISCIR 2014 authorizations for equipment and pipes

The project to obtain the ISCIR authorizations for pipelines and conduits included only activities that could be performed with the plants under operation. 272 pressurized plants, 20 lifting systems, 349 pressurized pipelines and 1,085 old unauthorized pipelines have been subject to ISCIR authorization. The receipt of these authorizations warrants the safe operation of the



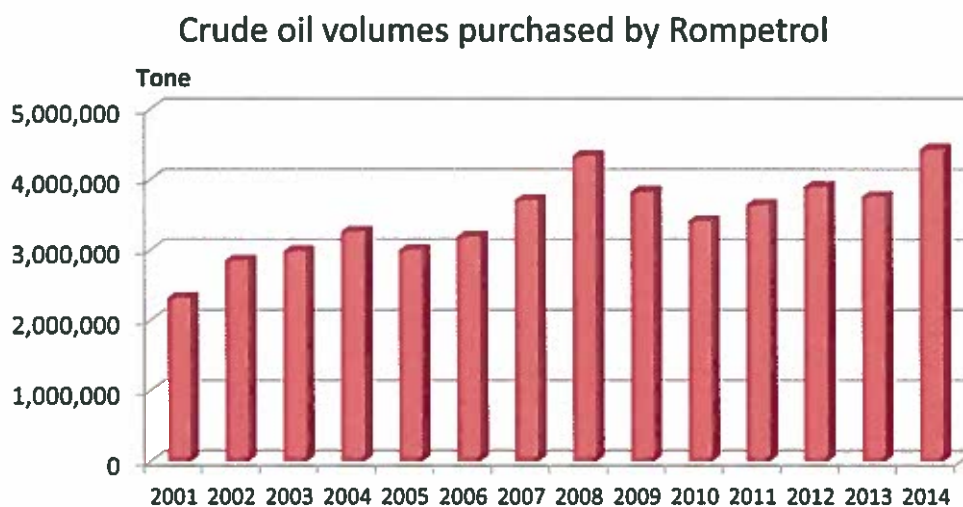
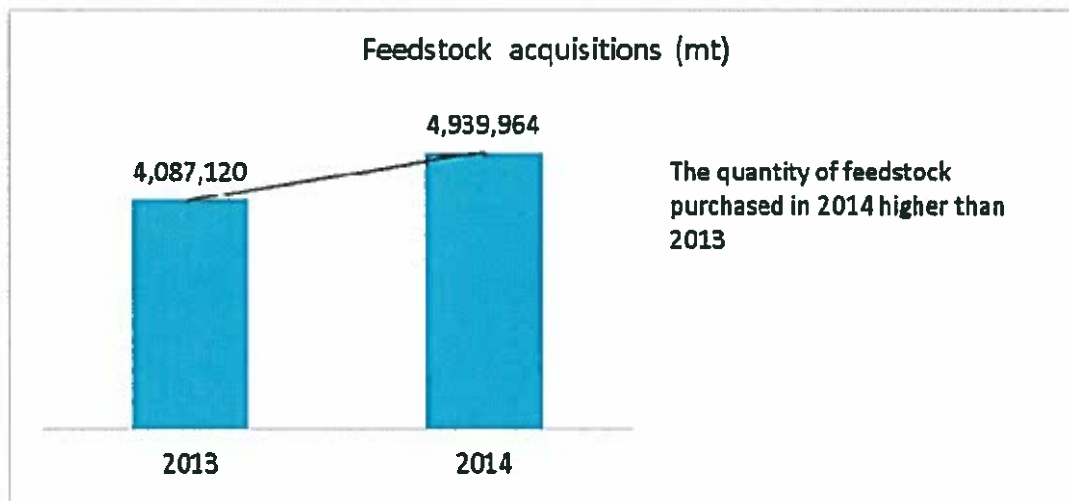
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Refinery plants according to current legal provisions, by means of an assessment of the equipment status after a period of operation, as well as by the elimination/repair of defects found during assessments.

III) Commercial Activity

Rompetrol Rafinare – Work point Năvodari (Petromidia Refinery)

1. Supply of Raw Materials





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In 2014, crude oil acquisitions reached the top level due to an increase in processing rates. The acquisitions were exclusively carried out by the trading company of the Group - KazMunayGas Trading AG.

Compared to the previous year, the volume of raw materials from external sources has increased significantly (4,869,477 tonnes in 2014 from 4,016,178 tonnes in 2013).

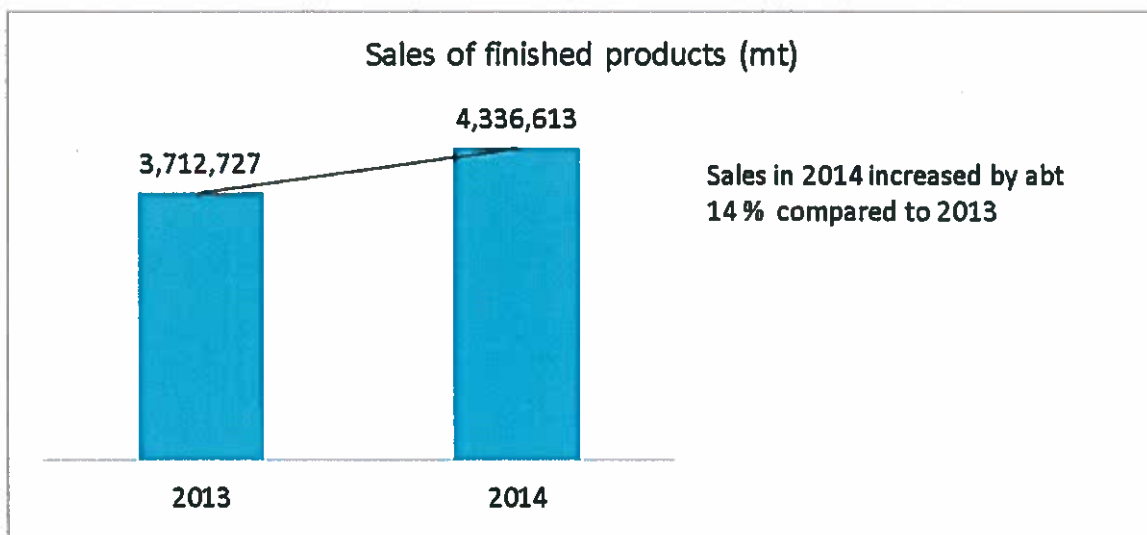
The average purchase price of crude oil was lower in 2014 (715 USD/ton) as compared to previous year (795 USD/ton) due to falling international prices, especially in the fourth quarter (in 2014, the average Brent price was 99.02 USD/bbl compared to 108.82 USD/bbl in 2013).

Domestic raw materials acquisitions in 2014 amounted to 70,487 tonnes, lower than in 2013 (70,941 tonnes). To these are also added the quantities of type A light naphtha and naphtha gasoline from the Vega Refinery, in total amount of approx. 7,764 tonnes (31,971 tonnes in 2013).

The suppliers of raw materials in the country have been:

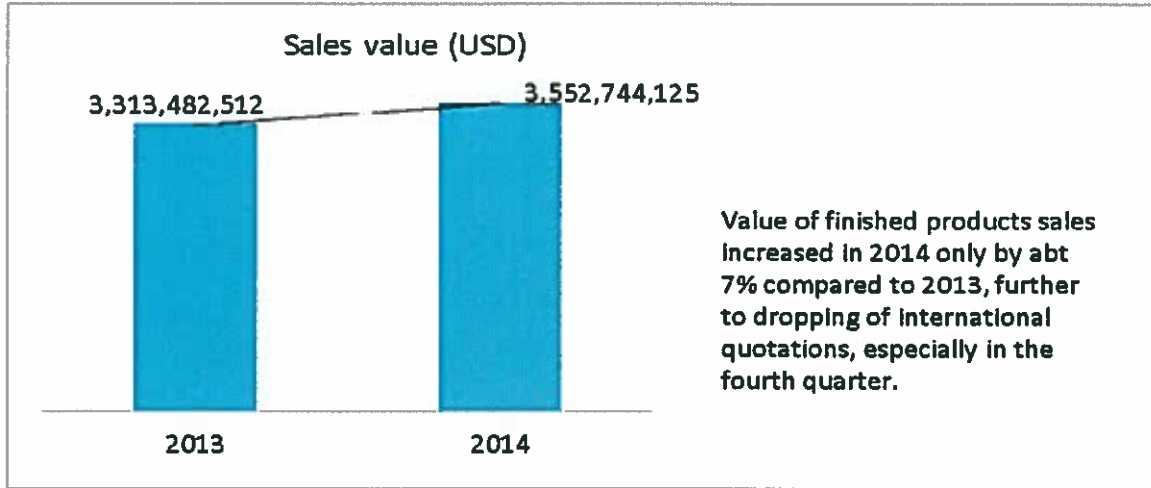
- Kronospan Sebes/Mitsubitshi/Viromet
 - Bio Fuel Energy
 - The National State Reserves Administration (ANRS)
 - Prio Biocombustibil
- Methanol
 - Bioethanol
 - Process Diesel
 - Biodiesel

2. Sales

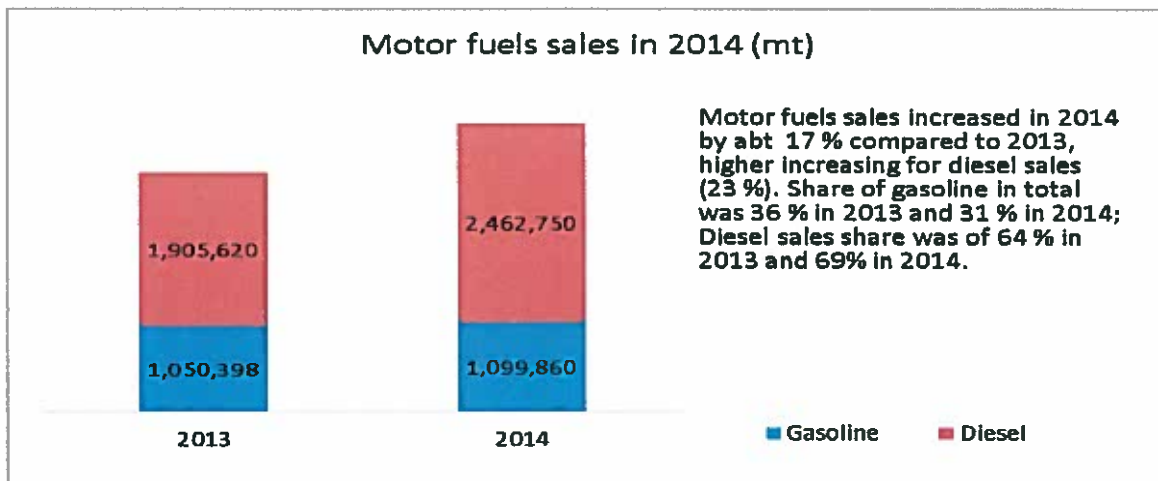
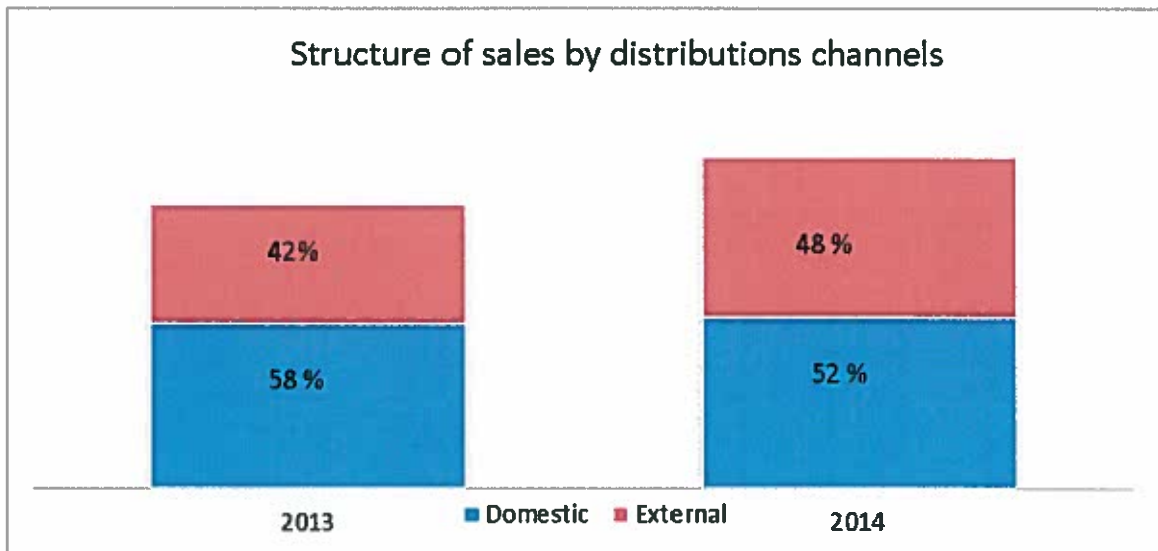




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The structure of sales on distribution markets



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The quantitative structure of the deliveries of petroleum products in 2014 is summarised in the following table:

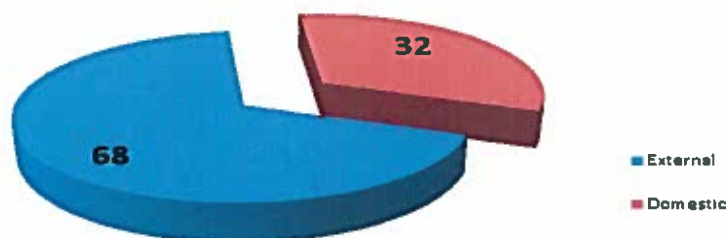
Products Group	Total deliveries 2014		Internal		External	
	[tonnes]	% of the total sales	[tonnes]	% of the total sales	[tonnes]	% of the total sales
Other gasoline	110,127	35.99	7,136	7.26	102,991	49.57
Bitumen	61,568	20.12	61,184	62.29	384	0.18
Heating oil	7,597	2.48	7,521	7.66	77	0.04
Hexane	66,342	21.68	2,907	2.96	63,435	30.53
Fuel oil	22,603	7.39	14,211	14.47	8,392	4.04
Crude and White spirit	6,536	2.14	4,304	4.38	2,232	1.07
Ecological solvents	31,231	10.21	967	0.98	30,264	14.57
Total	306,004	100.00	98,229	100.00	207,776	100.00

The main distribution markets abroad have been:

- Turkey, Hungary, Moldova, Poland for naphta gasoline;
- India, Hungary, Turkey, Russia, Ukraine, Bulgaria for hexane;
- Germany, Bulgaria, Poland, Moldova, the Czech Republic for ecological solvents;
- Bulgaria and Moldova for white spirit;
- Bulgaria for fuel oil

Distribution market

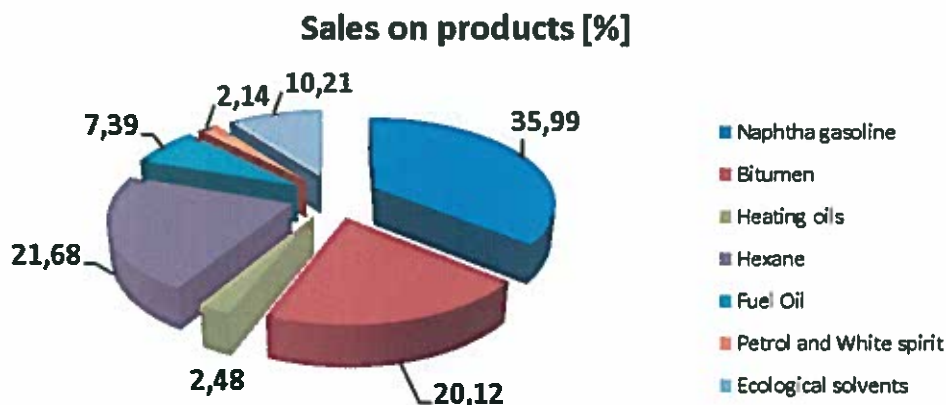
The sales in 2014 totalled a quantity of 306,004 tonnes. Within the external distribution channel, there were sold around 207,776 tonnes and within the internal distribution channel there were sold around 98,229 tonnes. The share of finished products sales on distribution markets is shown in the graphic below:

Sales on distribution channels [%]



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The white products sales (naphtha gasoline, Ecological solvents, hexane and white spirit) represents approximately 70% of the total sales of 2014.



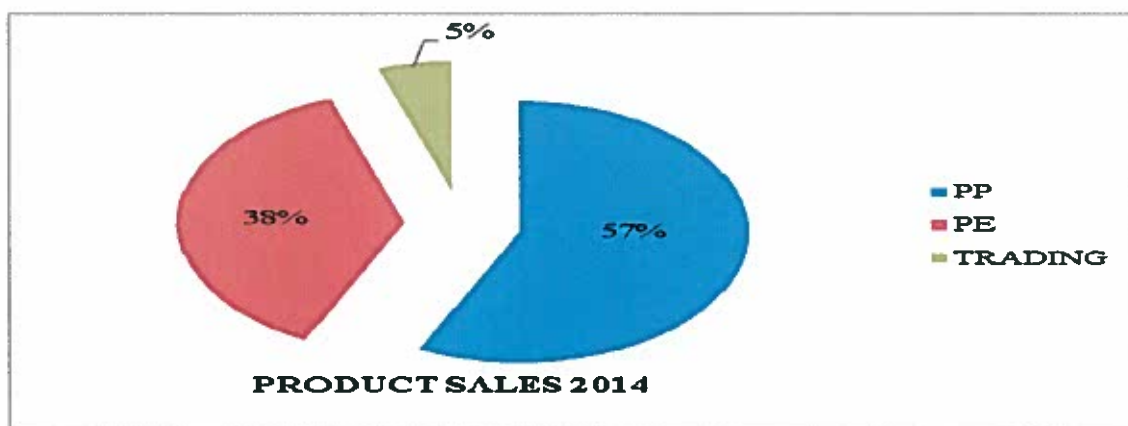
Rompetrol Rafinare - work point Năvodari (the Petrochemical Plant)

Rompetrol Rafinare SA, the Petrochemical Plant, is the sole polypropilene (PP) and polyethylene (LDPE and HDPE) producer of Romania.

Besides its own products, the Company is now actively selling a wide range of petrochemical products which are not currently produced by the Rompetrol Rafinare – the Petrochemical Plant, but which are in demand on the Romanian market, namely: High density polyethylene variants (HDPE pipe variants), low density polyethylene (LDPE) and PET.

In 2014, the sales of Rompetrol Rafinare – the Petrochemical Plant amounted to a total of 153,337 tonnes, approx. 500 tonnes more than in 2013, i.e. an increase of approximately 6%.

In 2014, approximately 57% of the total sales consisted in polypropylene (PP), around 38% polyethylene (PE), and 5% sales of tradable goods.



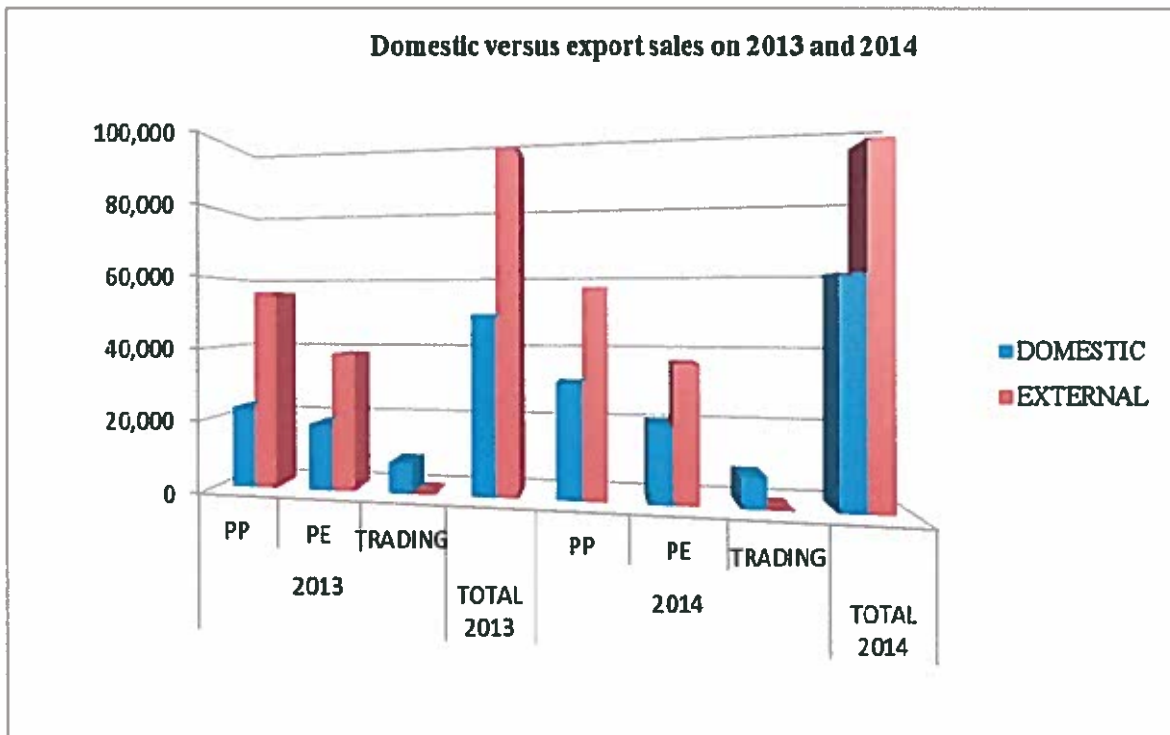
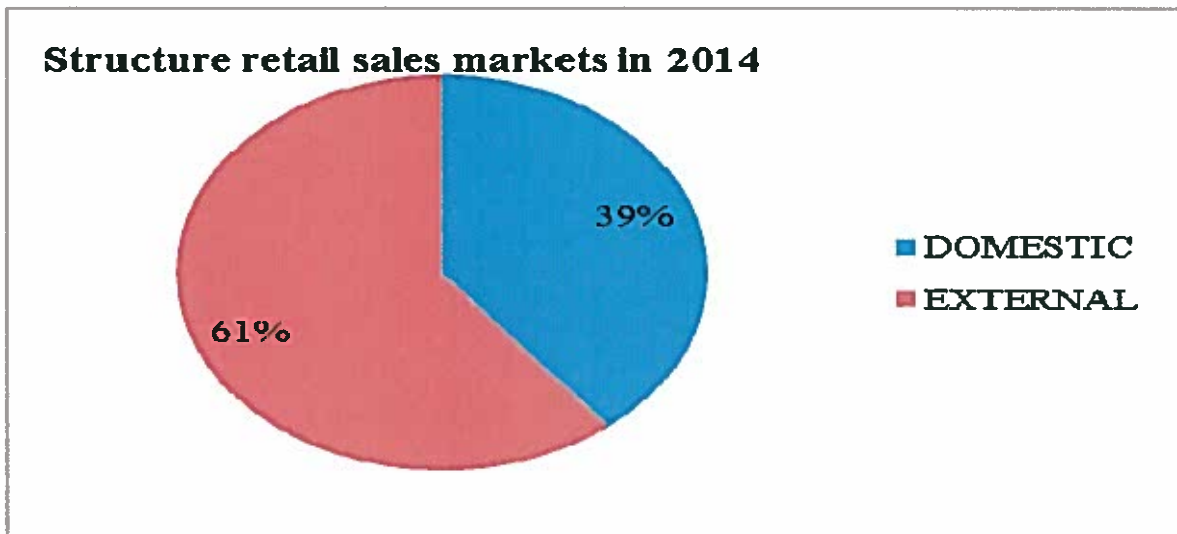


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The domestic sales increased by approx. 5% in 2014 as compared to 2013, as follows:

- domestic sales account for around 39% of the total sales;
- international sales account for around 61% of the total sales.

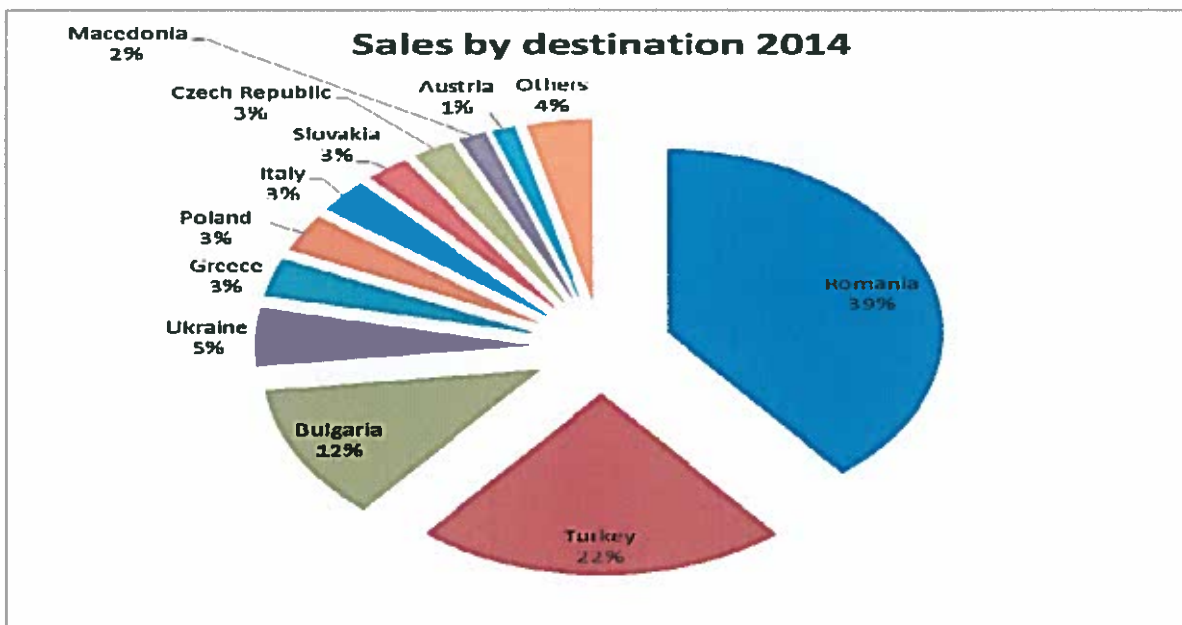
The value of the 2014 sales increased by approx. 8%, i.e. 19 million USD.



The most important markets are: Romania, Turkey, Bulgaria, Ukraine, Greece, Poland.



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IV) Activity regarding quality, health, work safety and environment protection (QHSE)

Through QHSE specific activities it has been followed to achieve the objectives set for the year 2014. All these have materialised by **maintaining** the integrated management system quality-environment-health and occupational safety, as confirmed by **the surveillance audit**, carried out by Germanischer Lloyd Industrial Service representatives (June 2014).

The major activities carried out in 2014 (detailing of the environmental and safety activities are to be found in the relevant chapters of this report):

- System documents have been maintained/developed/revised/reviewed (procedures / work instructions / regulations, etc).
- There were performed internal audits, safety audits, inspections in accordance with the planning, in order to identify both weak points and improvement opportunities.
- There have been drawn up specific statistics and reports, with various frequencies (weekly/monthly/quarterly/half-yearly/annual/upon request), in order to meet as well internal requirements as also and legislative requirements and the requirements of other interested parties.
- Recertification by the Romanian Automotive Register (RAR) of fuels produced by Rompetrol Rafinare – Petromidia (Navodari) work point, in order to ensure compliance with current legal requirements and product standards;
- Recertification by the Romanian Quality Assurance Company (SRAC) of the road bitumens and polymer-modified road bitumens, pursuant to EU regulations;
- The activity at the two work points of the Petromidia refinery, with two plants (Refinery and Petrochemical), and the Vega refinery have been monitored for purposes



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of environment protection, pursuant to the Integrated Environment and Water Management Authorizations, as well as in what regards the compliance requirements under the Greenhouse Gas Authorization;

- Have been continued both programs according to environmental strategy and project to raise Petromidia and Vega employees' safety awareness.
- There have been taken actions for personnel recognition and motivation:
 - The "ConTest VIP" contest for all the Group employees;
 - recognition of the sub-committee leaders, the most active safety sub-committee member, and the most active internal trainers by organization of the "Safety work in safety world" workshop;
 - "Be pro-active" awards.
- There were organized and our employees join in CSR projects:
 - "Day of open doors" for the children of employees
 - "Black Sea Day";
 - Participation through the team of volunteers in the environment national campaign "Let's do it Romania!"



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STATEMENT
OF THE MAIN ECONOMIC-FINANCIAL INDICATORS
AND OTHER INFORMATIVE DATA, ON DECEMBER 31ST,
2014, AS COMPARED WITH THE INCOME AND
EXPENDITURE BUDGET APPROVED IN THE GENERAL
MEETING OF THE SHAREHOLDERS OF THE COMPANY
2014

Crt. No.	INDICATOR'S NAME	LEI	
		OMFP No. 1286/2012	
		Carried out 2014	BVC 2014
1	Crude oil processed and other raw materials (tonnes)	5,081,798	5,590,054
2	Net turnover	13,490,672,651	13,843,888,325
3	Total Revenues, of which:	13,445,620,670	13,856,627,544
	from operation	13,360,577,794	13,846,792,847
	Financial	85,042,876	9,834,696
4	Total expenditure, of which:	14,520,482,649	14,068,064,483
	from operation	13,511,112,951	13,953,031,232
	Financial	1,009,369,698	115,033,251
5	Net result, of which:	(1,074,861,979)	(211,436,940)
	from operation	(150,535,157)	(106,238,385)
	Financial	(924,326,822)	(105,198,554)
6	Income Tax	-	-
7	Total Result	(1,074,861,979)	(211,436,940)
8	Receivables	906,366,048	-
9	Stocks	776,190,757	-
10	Own capitals	1,176,802,233	-
11	Total debts	4,839,805,505	-
12	Average number of employees	1,272	1,318

From the data shown in the table, by comparing the results recorded on December 31st, 2014 with those approved by the income and expenditures budget (BVC), the following result:

1. In 2014, Rompetrol Rafinare processed a quantity of crude oil and other raw materials of 5,081,798 tonnes, 508,256 tonnes less than provided under the Revenue and Expense budget (approx. 9%).



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It has to be reminded that the quantity of crude and other processed raw materials was 900,178 tonnes higher than in 2013, being the first time in the entire company history when the 5,00,000 tonnes/year milestone is reached and exceeded.

There has been ensured a continuous charging of the plants through the total quantity (4,426,022 tonnes), at a monthly average of approximately 368,835 tonnes. There have not been registered any stops of the facilities for reasons of discontinuity in the supply.

2. The turnover, recorded on December 31st, 2014 is 2.5% less than that provided for in the budget, but approx. 15% higher than recorded in 2013.
3. The total revenues recorded by the Company at the end of the year 2014 are 3% less than those provided for in the approved budget, following to processing a smaller quantity than that approved in the budget.
4. The total expenditure, at the end of the 2014, is almost the same as budgeted, with significant overruns being recorded in their structure, i.e. within the financial costs. The value budgeted under the Chapter "Financial Expenses", exceeded by 894,336,447 lei, is due to the following two main factors:
 - a) interests of 33,724,240 lei;
 - b) exchange rate differences (unfavourable) of 521,206,992 lei.
5. Regarding the total result, it records a negative value of 1,074,861,979 lei, the loss being both from the operating activity of 150,535,157 lei as well as from the financial activity of 924,326,822 lei. The total result (both the operating and the financial result) has been strongly influenced by the global financial crisis, the distortions in the international developments of the crude oil quotations as opposed to those of fuels, as well as a number of internal macro economical factors (depreciation of the national currency), especially in the last two months of they year, which witnessed a sharp decrease of crude prices.

The total result was influenced at a rate of 86% by the financial result.

6. The total amount paid during the year 2014 to the state budget and to the local budgets was of 6,018,257,000 lei.

b) Date on which the Company has been established.

Complexul Petrochimic Midia Năvodari (The Petrochemical Complex Midia Navodari) (the first name of the Company ROMPETROL RAFINARE S.A.) has been designed during 1975 - 1977, on the basis of the Romanian refining technologies and on the basis of foreign licenses.



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1991 has meant the transformation of the Combinatul Petrochimic Midia into a joint stock company, the assets of the former Company have hereby been totally retrieved. The new company, bearing the name of PETROMIDIA S.A., has been established by Government Resolution No. 1176/1990, pursuant to Law nr. 15/1990 on the reorganization of the economic units of the state as autonomous organizations and companies.

In February 2001, following the withdrawal from the Company of the State Ownership Fund as a result of the sale of all actions, The Rompetrol Group N.V.² of the Netherlands became the main shareholder of the Company.

In the year 2001 the name of the Company changed from “S.C. PETROMIDIA S.A.” to “S.C. ROMPETROL RAFINARE-COMPLEXUL PETROMIDIA S.A.”, and in 2003 the Company changed its name to „**ROMPETROL RAFINARE S.A.**”.

The company is registered with the Trade Register Office Constanta under No. J13/534/1991, and has the Tax identification Number 1860712.

With regard to the legal provisions in force, in the General Extraordinary Meeting of the Shareholders of September 17th, 2007 it was decided upon gaining the full ownership of the facilities and equipment within the Vega Refinery, located in Ploiesti, 146 Văleni Str., Prahova county.

While gaining the ownership right and about while taking back possession of the land and of all the assets of the perimeter of the Vega Refinery, the Company has set up an own work point in Ploiești and obtained as of December 1st, 2007, the quality of authorized production warehousekeeper for energetic products and for the Vega Ploiești Refinery.

In this way, with effect on the same date of December 1st, 2007, the Company also operated the Vega Ploiești Refinery, as a second tax warehouse of production, together with the tax warehouse for production of the Petromidia Refinery.

By decision nr. 6/2013, adopted by the General Extraordinary Meeting of the Shareholders on August 16th, 2013, there was approved the acquisition by the company, through purchase, of the property right regarding the assets consisting of intangible assets, tangible assets, fixed assets (buildings and constructions, technological equipment, measurement equipment and devices, office equipment, IT equipment, means of transportation, other tangible assets), investments in progress and stocks, which are affected or are connected to the main petrochemical activity, which are owned by Rompetrol Petrochemicals S.R.L. registered with the Trade Register Office under No. J13/2681/2002 with Tax identification Number 15077797), in accordance with the Assessment Report drawn up for this purpose by Pricewaterhouse Coopers Management Consultants S.R.L.

The assessment report has been approved within the same Resolution of the General Extraordinary Meeting of the Shareholders;

²As of March 2014, with the new name KMG International N.V.



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By the Resolution No. 131/23.12.2013, the Commission for the approval of operators of products subject to harmonized excise duty within the Ministry of Public Finance has decided:

- Revoking the tax warehouse authorization for Rompetrol Petrochemicals (cessation of the production activity of the warehousekeeper as of 01.01.2014);
- Capitalization of all stocks of excisable products (raw materials and finished goods) under suspension of excise duty, towards the Rompetrol Rafinare warehouse;
- Approval regarding the extension of the Rompetrol Rafinare authorization and the location owned by Rompetrol Petrochemicals (taking over the production activity as tax warehouse), with effect from 01.01.2014.

Through the integration of the activity of the 2 companies (Rompetro Rafinare and Rompetrol Petrochemicals) it has been carried out in the first place the simplification of the deliveries of raw materials/finite products between the technological facilities which presently belong to the same entity.

Secondly, the total costs of the whole complex (consisting of the two factories) will be highlighted, the opportunities and constraints shall be identified in real-time, the optimizing of the whole technological process shall be followed, the planning process shall also be carried out integrated. Moreover, the energy resources management process will be improved, with positive impacts on the reduction of costs.

The integration of the activities carried out within the two Companies represents a continuation of the strategy of the KMG International Group to concentrate in a single entity the production activity and the separation of the non-core activities.

c) Significant mergers or reorganizations of the Company, its subsidiaries or controlled Companies, during the course of the financial year.

During 2014, the Company did not participate in any merger.

Based on the Resolution No. 6/2013 adopted by the General Extraordinary Meeting of the Shareholders, on August 16th, 2013, with effect from January 1st, 2014, all contracts concluded by Rompetrol Petrochemicals S.R.L. with third natural and legal persons, for main activities referring to petrochemistry, including, but not limited to the following:

- a) The transfer of the personnel involved in the petrochemical activities, in accordance with the applicable labour law;
- b) Commercial supply contracts and marketing of products, with the relating guarantees;
- c) Credit Contracts with the relating guarantees.

d) Assets acquisitions and sales.

Based on the Resolution No. 6/2013, adopted by the General Extraordinary Meeting of the Shareholders starting on January 1st, 2014, the main activity petrochemistry has been taken over



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by Rompetrol Rafinare following the acquisition, through purchase, of the property right regarding the assets consisting of intangible assets, tangible assets, fixed assets (buildings and constructions, technological equipment, measurement equipment and devices, office equipment, IT equipment, means of transportation, other tangible assets), investments in progress and stocks, which are owned by Rompetrol Petrochemicals S.R.L. (company owned totally by Rompetrol Rafinare S.A.)

These assets have been the subject of an Evaluation Report approved within the General Extraordinary Meeting of the Shareholders referred to above.

In the year 2014, the Company has not registered holdings in other companies.

In 2014, the company sold its entire share package (0.1226% of the share capital) at Ecomaster Servicii Ecologice S.R.L. and the entire shareholding (0.0125% of the share capital) at ROMINSERV S.R.L.

Also in 2014, KMG International N.V. concluded a final agreement for the transfer of the entire share package of Ecomaster Servicii Ecologice S.R.L. to the Romanian-owned company Oil Depol Service S.R.L.

The decision to sell Ecomaster was taken on 30 May 2014, when the General Shareholders' Assembly of Ecomaster Servicii Ecologice SRL approved in principle the transfer of all shares to Oil Depol Service S.R.L. Before the transaction, the company equity was under the control of Rompetrol Financial Group S.R.L. (99.63%) and Rompetrol Rafinare, Rompetrol SA, Rompetrol Well Services (each owning 0.12% of the share capital).

e) The main results of the assessment of activity of the company

Rompetrol Rafinare S.A. recorded in 2014 a net turnover of 13,490,672,651 lei and a net loss of 1,074,861,979 lei.

Rompetrol Rafinare S.A. continued the improvement of the effectiveness of the refining activity as well as the reduction of technological losses and consumption.

There have been carried out investments to modernize the production plants of the refinery, increasing the degree of environment protection, for the purpose of obtaining petroleum products in accordance with the standards of the European Union.

**ROMPETROL RAFINARE S.A.**
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Indicators (LEI)	2014
Profit/ (loss)	(1,074,861,979)
Operating result	(150,535,157)
Net turnover, of which:	13,490,672,651
Export	7,161,666,949
Operating expenses	13,511,112,951
Market share (%)	26.2%
Liquidity (effective amounts in accounts and cash equivalents)	13,902,875

a) Profit

The Company recorded losses from both the operating activity and the financial activity. The operational losses of Rompetrol Rafinare amounted to 150,535,157 lei, due in particular to the distortions on the market of crude oil and petroleum products, meaning that the increasing trend in the price of products did not follow the trend in the price of crude oil, mainly in the last two months of the year.

From the financial activity there has been registered a loss of 924,326,822 lei, 918,784,717 lei more than the one recorded at the end of the year 2013. It has to be reminded that 438,788,002 lei of the financial loss (approx. 48%) consist in unfavourable exchange rate differences (devaluation of the national currency against other currencies).

In conclusion, the total result recorded by Rompetrol Rafinare S.A. at the end of the year 2014 is of 1,074,861,979 lei, negative.

b) Turnover

In 2014, the net turnover of the Company was 13,490,672,651 lei, 2.5% less than budgeted and 15% higher than at the end of 2013.

c) Export

In 2014, the external sales from the total sales represented 50%, which was higher than the one recorded at the end of the year 2013 (approx. 43%).

The total amount carried out in the course of 2014 from external sales of finished products was of 2,086,623,140 USD (for the Petromidia and Vega refineries and the Petrochemical Plant).

We hereby specify that the external market has absorbed 75% of the total production of gasoline and 46% of the total production of diesel fuels.



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d) Costs

The operational expenditures in 2014 have amounted 13,511,112,951 lei, from which 12,555,309,972 lei (about 93%) represents expenditures on raw materials, and 347,023,338 lei (about 2.5 %) represents expenditures on energy.

Both raw materials and energy costs increased as compared to 2013, due to the processing of an increased quantity of crude and other raw materials (900,178 tonnes more). It is for the first time in the Refinery history when more than 5,000,000 tonnes of crude and other raw materials were processed in one year.

e) Market share owned

From the data which we hold, the market share we estimated in the year 2014 reached about 26.2%, and is not influenced by major changes in the structure of the other distributors on the internal market.

f) Liquidity

As regards liquidity, the company has made efforts to maintain its capacity to cover the current debts from the current assets; however, the liquid ratio dropped to 0.35 in 2014 from 0.51 in 2013.

1.1.2. The Assessment of the Technical Level of the Company

The main products produced by Rompetrol Rafinare S.A in the year 2014:

The Production Nomenclature of Rompetrol Rafinare S.A., work point Năvodari - Petromidia Refinery, includes a wide range of finished products, marketed both on the internal as well as on the external market, grouped into the following categories:

1. Liquid fuels

a) Gasoline

- Efix S 98 Gasoline
- RON 98 Gasoline
- Euro Super 98 Gasoline
- Efix 95 Gasoline
- Europlus Gasoline
- Eurostandard Gasoline
- Natural Gasoline type 92
- Raffinate for chemical use



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b) Diesel fuels

- Efix S Diesel 55
- Diesel 55
- Efix Diesel 51
- Euro 5 Diesel

c) Petroleums

- Aviation turbine fuel jet A1

d) Heavy fuel oil

- Heavy fuel oil
- Heavy fuel oil type I
- Carbon Black feedstock

2. Gaseous fuels

a) Liquefied petroleum gas

- Gaz petrolier lichefiat (GPL)
- Carburanti pentru automobile GPL
- Propane fuel
- Commercial Propane-Butane

b) Natural gas

- C5-C6 Fraction
- Combustible refinery gasses
- Propylene/propane-propylene mixture

3. Solid fuels

- Green Petroleum coke/ Pet coke Briquettes
- Petroleum Sulphur

The Production Nomenclature of Rompetrol Rafinare S.A. work point Ploiesti - Vega Refinery includes a wide range of finished products grouped into the following categories:

1. Liquid fuels

a) Solvents

- Ecological solvents
- Normal hexane



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- Naphtha Gasoline
- Light naphtha type II
- Light naphtha type A

- b) White spirit and petroleum**
 - White spirit / Refined white spirit
 - P-type liquid fuel for non-industrial use

- c) Diesel fuels**
 - Rompetrol Calor Extra I

- d) Fuels**
 - Light Fuel Oil type 3
 - Rompetrol Calor Economic 3

- e) Heavy fuel oil**

- f) Bitumen**
 - Roads Bitumen
 - Special Bitumen
 - Polymer-modified Bitumen

- g) Gasoline additives**

The production portfolio of Rompetrol Rafinare – Navodari work point – the Petrochemistry plant includes the following petrochemical products: polypropylene (PP), low density polyethylene (LDPE), high density polyethylene (HDPE).

These are supplemented by various petrochemical products which the Company sells, not produce, among which: polyethylene terephthalate (PET) or various types of high density polyethylene (HDPE pipe variants).

The Description of the main Services of Rompetrol Rafinare:

In 2014, the Company provided energy and utility distribution services.

These services have been carried out by the Thermal-Hydro and the Electrical sections, for Companies located on the Petromidia platform as well as other companies outside the platform;

- Product utilities: instrument air, technical air, nitrogen gas, recirculated water, fire fighting water, treated water, cleansed water (reused).



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- Purchased utilities: heating, demineralized water, industrial water, natural gas, electricity, drinking water, hot water, propane.
- Sold utilities: Instrument air, technical air, recirculated water, fire extinction water, drinking water, hot water, returned condensate, waste water treatment, demineralised water, gross water, filtered water, combustible refinery gas, electricity, heating.
- Purchased services: take over and transportation of hazardous sludges with waste codes 05 01 09* and 19 08 13* for final disposal in authorized plants.
- Sold services: treatment of waste water from third parties in the Waste Water Treatment plant.

All these utilities are being transported and distributed through the pipe network exploited by the Utilities Plant. The costs of transportation and distribution are embedded in the price of utilities, except the following:

- Electrical energy - the tariffs for the distribution of electrical energy on the two levels of low voltage and medium voltage shall be governed by the Agenția Națională de Reglementare în Domeniul Energiei (the Romanian Regulatory Authority for Energy).
- Drinking water – the tariff for the distribution of drinking water shall be governed by the Agenția Națională de Reglementare pentru Serviciile Comunitare de Utilități Publice (The National Regulation Authority for the Public Utilities Community Services).

a) The main distribution markets for each product or service and methods of distribution:

In 2014, the internal market has absorbed approximately 52% of the total quantity of finished products sold. Approx. 45% of the automotive fuel sales were shipped on the domestic market, the network of filling stations covering the entire territory of Romania. The largest share of automotive fuel sales (approx. 83%) on the Romanian market is taken by Diesel sales.

The external sales were targeted to both the European Union and third countries. The intra-community deliveries have totalled about 22% of the total finished products sold, the difference representing export sales to non-EU markets.

International sales had the following main destinations:

- | | |
|--------------|--|
| Gasolines | - Lebanon, Georgia, Ukraine, Turkey, Israel |
| Diesel fuels | - Turkey, Bulgaria, Greece, Moldova, Lebanon |
| Coke | - Ukraine, Turkey, |
| Sulphur | - Egypt |



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The sold petroleum products have been shipped by means of road trucks and on rail, in case of domestic sales, while international sales were largely dispatched by the sea via the Midia and Constanta ports, but also by road and rail transportation means.

The external sales of petrochemical products were targeted to both the European Union and third countries. The intra-community deliveries have totalled about 53% of the total finished products sold, the difference representing export sales to non-EU markets.

The sales had the following main destinations: Turkey, Bulgaria, Ukraine, Greece, Poland, Italy, Slovakia, Czech Republic.

The petrochemical products sold by Rompetrol Rafinare were shipped with road trucks (domestic sales), and by both road trucks and maritime shipping from the ports of Agigea and Constanta in case of international sales.

c) The share of each category of products or services in the revenue and in the total turnover of the company, for the last 3 years.

Indicators	Value-million LEI			% in turnover		
	2012	2013	2014	2012	2013	2014
Net turnover, of which:	11,479	11,479	13,491	100%	100%	100.0%
Gasoline and diesel fuels	9,550	9,550	10,603	76%	81%	78.6%
Other petroleum products	2,023	2,023	2,030	19%	17%	15.0%
Raw materials for petrochemistry			785	4%	0%	5.8%
Goods	8	8		0.1%	0.1%	0.0%
Utilities	143	143	52	0.8%	1.2%	0.4%
Services	24	24	9	0.1%	0.2%	0.1%

The most part of the Rompetrol Rafinare income is represented by the sale of petroleum products, mainly automotive fuel.

c) The new products taken into account for which a substantial volume of assets shall be used in the future financial year as well as the development stage of these products.

In the year 2015, Rompetrol Rafinare will continue to deliver on the internal market only Euro 5 fuels (maximum sulphur content 10 mg/kg) and with a biofuel content of minimum 4.5 % in volume for gasoline and of minimum 5% in volume for diesel fuel (in accordance with the Government Decision No. 1121/2013 amending and completing the Government Decision No. 935/2011 and the Government Decision No. 928/2012).



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The Euro 5 fuels are:

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

As regards the Petrochemical sector, after the development and production of the RTF3 polypropylene (PP) type for thermoforming applications (tupperware, thin-wall single use glasses) beginning in 2014, the update of the product range also continued in 2015 by developing new, high-added value assortments for special applications, reflecting the current market demand:

- RGH035 - LDPE assortment for UV-resistant solar coat;
- RSB25 - PP assortment for fiber production;
- RCF9 - PP assortment for highly transparent multi-layer coatings.

No new products impacting a significant amount of assets are expected for 2015.

1.1.3. The Assessment of the Technical-Material Supply Activity

Crude oil– the main raw material of Rompetrol Rafinare is ensured by firm contracts concluded annually, which provides safety for the optimum operation of the oil refinery. The source of supply for crude oil is external; the main import market is the Kazakhstan market. The purchased crude is traded through Midia Marine Terminal S.R.L. The purchase of the other raw materials is being carried out both from Romania, as well as from external sources.

The raw materials are purchased at highly shifting prices reflecting international quotations trends on the reference oil markets. The level of these prices has been led by the fluctuation and conjuncture on the petroleum markets, the international reference quotations constituting the basis for the calculation of these prices.

Ethylene – the raw material for polyethylenes (LDPE, HDPE) is purchased on the external market, at prices reflecting international quotations.



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Information with regard to the safety of sources of supply and the prices of the raw materials and to the dimensions of the stocks of raw materials and supplies.

The takeover by KazMunayGaz of Kazakhstan, of the entire package held by the parent company of the Rompetrol Group (Rompetrol Holding N. V.) in the Dutch company The Rompetrol Group N.V. (the actual name KMG International N.V.), ensures the stability of the supply sources for crude oil required for the proper functioning of the Petromidia Refinery, as well as a financial support from the majority shareholder, for the financing of the investment.

The whole quantity of crude oil for 2014 was contracted with the company KazMunayGaz Trading A.G. - which is the trader of the KMG International Group, located in Switzerland and specialised in marketing operations with crude oil and petroleum products. This ensures the imports of crude oil and other raw materials and at the same time takes over the petroleum products for sale on external markets. The prices of the raw materials follow the trend of the international quotations regarding crude oils and other raw materials on the international reference markets, the latter constituting the calculation base for the purchase prices of Rompetrol Rafinare. For the year 2015 there are no expected changes in the flow of supply of raw materials and supplies.

The crude provided by KMG International is unloaded in the own maritime terminal located close to the Petromidia Refinery.

Also, there are contracts concluded with the service providers (S.C. Conpet S.A., Midia Marine Terminal S.R.L), who take care of the loading and unloading of the raw materials and petroleum products in the Constanța and Midia ports.

The chemicals purchased by Rompetrol Rafinare S.A. (for the two oil refineries) in the course of the year 2014 may be grouped as follows:

- catalysts
- additives
- chemical services for water treatment
- other chemicals (inhibitors, process chemicals, etc.)
- reactive
- oils



1.1.4. The Assessment of the Sales Activity

a) The trend in sales on the internal and/or external market and their estimate on medium and long term.

The sales of 2014 increased as compared to 2013, following the increase in volumes traded on the already existing regional markets (Georgia, Ukraine, Bulgaria, Turkey, Moldova), as well as the entry on other markets. The trends regarding the consolidation but also the penetration of the new markets shall be also traced for the year 2015. For the internal market, the strategies aim at increasing the market share by extending the network of gas stations, nationally.

The sales of petrochemical products increased in 2014 as compared to 2013 following a higher rate of processing and an increase of the market share, especially on the domestic market. The increase of the Romanian market share for petrochemical products is being pursued, as the domestic market is more profitable than other markets mainly due to better sales prices and shipping costs.

b) The description of the competition in the field of activity of the company, the market share of the products and the services of the company and the main competitors

The main **competitors** (who are also producers) on the internal market are:

- OMV Petrom S.A.
- Lukoil Romania S.A.

The main **competitors** on the foreign market are: OMV, Shell, Mol, Agip.

The main **competitors** (which are also producers, but located outside of Romania) for petrochemical products on the domestic and external markets are:

- TVK
- Slovnaft
- HIP Pancevo
- Lukoil Burgas
- Borealis
- Sabic
- DOW
- Petkim

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c) The description of any significant dependency of the company towards a single client or group of clients the loss of which would have a negative impact on the income of the company.

From the point of view of the significant dependence towards a single client or group of clients:

KazMunayGaz Trading A.G. - performs more than 10% of the company's external sales.

Customers with more than 10% of the company's sales on the internal market: Rompetrol Downstream S.R.L.

1.1.5. The Assessment of the Aspects regarding the employees/staff of the Company.

a) the number and level of training of the employees of the company as well as the degree of unionising the employees.

On December 31st, 2014, Rompetrol Rafinare, work point Năvodari (Petromidia Refinery) had a number of 1.032 employees, of which 220 higher education staff:

On December 31st, 2014, in the work point Vega Refinery, Ploiesti, the company had a number of 191 employees, of which 37 higher education staff:

TOTAL: On December 31st, 2014, Rompetrol Rafinare S.A. had a total of 1.223 employees, of which 257 higher education staff.

The trade union membership rate was 90 % (1,113 employees are Trade Union members).

The following trade unions activate in the company: Petrochimistul Free Trade Union (671 members), Vega Free Trade Union (114 members), Midia Năvodari Industrial Platform Workers Trade Union (328 members).

Break down of employees on age groups:

Rompetrol Rafinare work point Petromidia

Age Range	Number of employees	Percent of the total number of employees
< 30	99	9.57%
30 - 39	109	10.54%
40 - 49	456	44.10%
50 - 59	356	34.43%
>60	14	1.35%



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Rompetrol Rafinare work point Vega

Age Range	Number of employees	Percent of the total number of employees
< 30	5	2.62%
30 - 39	17	8.90%
40 - 49	112	58.64%
50 - 59	54	28.27%
>60	3	1.57%

Also, in the reported period there have been carried out a series of training programs for employees in the areas following areas: functional competences; general knowledge; foreign languages (Romanian and English) ; legislation; management skills; communication; presentation skills; QHSE certifications; safety; professional knowledge - support functions, etc.

A total number of 498 employees attended the trainings, which totalled 46,107 hours, which means an average of approx. 92,52 hours training/employee.

Also, in the project 1Life.1Viata (Safety DuPont) 2014 there was a total number of 854 employees who attended the trainings, which totalled 1,281 hours.

The total cost of training and conferences for the year 2014 was 199,423 USD.

b) The description of relations between the manager and the employees as well as any conflicting elements which characterise these relations.

The relations are normal between the management and the employees. There have not taken place any collective contestation actions regarding the company's management. There has been always a dialog between the trade unions and the management.

The negotiations for a new Collective Labour Agreement at company level were completed at the end of 2014.



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1.1.6. The Assessment of the Aspects relating to the impact of the main activity of the issuer on the environment

The synthetic description of the impact of the basic activities of the issuer on the environment as well as any existing or planned disputes with regard to the violation of the legislation concerning the protection of the environment.

The Company owns and operates the Petromidia Refinery, located in Năvodari, Constanța County and the Vega Refinery located in Ploiești, Prahova County.

Through the nature of the activities carried out (processing of the crude oil), the company has an impact on the environment, and for this reason the management is continuously preoccupied regarding the prevention and control of the impact of the activities carried out. There are being allocated considerable financial resources in order to make investments in this respect.

In 2014, it was completed the project "Install a particulate reduction system at Catalytic Cracking Unit - Electrostatic precipitator" in accordance with the Decision No. 379 / 05.06.2012 issued by the Environmental Protection Agency Constanta. The goal was installing in the catalytic cracking unit a system in order to reduce the content of dust in the flue gas leaving the CO-Boiler - 138F-H4. The solution used was mounting on gas pipe exiting the CO-BOILER an electrostatic filter (ESP) for retaining dust, an investment with a positive impact for environmental protection. Performance tests are to be carried out during 2015.

The environment strategy of Rompetrol Rafinare is based on the compliance with the legislation, through permanent monitoring and regular reporting of the compliance degree and the continuation of the investment programs, for the alignment with the best techniques available in the industry (BAT BREF) and shall be based on the following principles:

- Compliance with legislation and other applicable requirements, the permanent monitoring of the degree of legal compliance;
- Using the environmental management system in order to integrate performance criteria as well as criteria regarding air, water, soil and natural resources protection;
- The continuation of the investment program in order to comply with the legislation in the field of environment protection ;
- The assessment of the environment performances of the company, the communication with the interested organizations as well as with the local communities, with regard to the continuing improvement of the environmental performances.
- Promoting information and awareness among the employees of the company, with regard to the measures for prevention and reduction of the emissions in the atmosphere, water and soil, including the measures concerning the waste management for the activities carried out and which may have an impact on the environment.
- Participation in voluntary projects and social responsibility projects in the neighbouring communities.

Integrated Environmental Authorization

According with the contract no. RRC 1 / 10.04.2013 and the Decision of the General Meeting of Shareholders dated 16 August 2013, starting with 01.01.2014, SC ROMPETROL RAFINARE S.A. took over operational facilities authorized of SC Rompetrol Petrochemicals.



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As a result of the integration process, Environmental Protection Agency - Constanta issued the Decision nr.11854RP / 10.12.2013 regarding the approval of transfer the integrated environmental permit no. 9 / 03.10.2011 of SC Rompetrol Petrochemicals to SC ROMPETROL RAFINARE SA, starting with 01/01/2014.

The activity of SC ROMPETROL RAFINARE SA is regulated by the Environmental Integrated Authorization No. 1/05.10.2013 valid until the 10/05/2023 (refinery plant) and Environmental Integrated Authorization no.9/3.10.2011 valid until 02.10.2021 (Petrochemical Plant).

The end of 2014 represented for Rompetrol Rafinare - working point Vega Refinery, finalization of transitional period, granted by UE and also, the expiration date of the environmental integrated period. Thus, in the course of 2014, Rompetrol Refining requested a new authorization and submitted to EPA the necessary documentation required in accordance with legislative requirements in force.

Environmental Agreement

Regarding the procedure for obtaining environmental agreement for the project "Rehabilitation and improvement of acid tar lagoons area, inside the SC ROMPETROL RAFINARE SA-Vega Ploiesti", there were submitted all the documents required by environmental protection agency acc. to legal requirements.

The Water Permit

In 2014, Rompetrol Rafinare has obtained a new Water Authorization no. 184 / 08.05.2014 for the location situated in Navodari, authorization issued by the National Administration "Romanian Waters" Bucharest. New authorization is valid for two years and doesn't have an action plan; all measures in respect with the protection of water quality have been achieved. In this context, it was renewed the Plan for Prevention and Control of Pollution accidents.

Given that the Water Management Authorization for working point Vega Refinery was valid until 31.12.2014, in the course of 2014, Rompetrol requested Romanian Waters Authority - SGA Prahova and obtained a new permit valid until 31.12.2015.

The greenhouse gases (CO₂) Permit

The authorization for Greenhouse Gases was renewed during 2014 for both plants in Petromidia - refinery plant and petrochemical plant, due to the integration of operations, beginning with 01/01/2014. The authorizations are valid until the end of 2020 (Phase III - 2013-2020), both for Rompetrol Refining - Petromidia as for Rompetrol Refining - Vega.

In the course of 2014 there have been prepared and submitted to the Ministry of Environment, Water and Forests, the monitoring and reporting plans of CO₂ emissions for 2015.

In February 2014, there were returned to the European Register of greenhouse gases emissions (EUTL) the 2013 emissions associated certificates.

Compliance with the REACH Regulation - in accordance with the requirements of the European Chemicals Agency (ECHA)

- ECHA requirements were maintained on updating files for the manufactured and marketed petroleum products.



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- the registration dossier of NMA was cancelled
- ECHA was requested to change the identity of White spirit refined in order to cover the use of solvent oil fractions of the market, and it was accessed a registration Reach dossier from Hydrocarbon Solvents Consortium
- it was completed the transfer procedure for REACH registration of monomers used in petrochemical plant by SC Rompetrol Rafinare SA

During 2014 the project for emptying the Lagoon no.3 was continued.

1.1.7. The assessment of the research and development activity

The statement of expenditure under the financial year as well as of those which are to be expected for the next financial year for research and development.

Expenditure carried out in the year 2014

Expenditure for studies and technical assistance 1,055,725 USD

Expenditure planned for the year 2015

Expenditure for studies and technical assistance 743,101 USD

1.1.8. Assessment of the company's risk management activity

The description of the company's exposure to the price risk, credit risk, liquidity and cash flow risk.

The company is exposed to the risk induced by the high volatility of the prices of crude oil and petroleum products, with a direct impact on the gross margin on sales.

From the point of view of liquidity, on the background of a shortage of liquidity on the market, under the conditions of the persistence of the economic and financial crisis, the company has made efforts to maintain the coverage of current debts from current assets. The current liquidity indicator had a value of 0.35 in 2014.

Description of the policies and objectives of the company regarding the risk management

By the nature of its activity, the company is exposed to some risks:

- commodity price risk arising from the exposure to interest rate, exchange rate EUR - USD, USD
- RON fluctuations, the volatility of the selling prices of petroleum products and of the purchase prices of crude oil;



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The company's priority objective is to reduce operational costs per tonne of product obtained in order to limit the price risk as a result of the correlation of the product prices obtained with the market prices to a minimum. A high importance in evaluating the price risk result from the evolution of the international quotations for crude oil, which is the main raw material of the refinery.

- the credit risk arising from the possibility that the contractual obligations are not being kept by business partners, customers and suppliers is being monitored at regular intervals, through creditworthiness/solvency assessments of customers and by requiring guarantees on delivery.

- the liquidity risk consists in not having financial resources available in order to fulfill company obligations when they are due. Based on the forecasted cash flow, the management of the company checks daily the liquidity level and ensures the fulfillment of obligations to suppliers, to the state budget, to the local tax authorities etc. according to their maturity. The current and immediate liquidity ratios are monitored permanently.

- the operational risk derives from the possibility that accidents, errors, malfunctions may occur, as well as from the influences of the environment upon the operating and financial results. Rompetrol Rafinare S.A. has continued a broad revamp process on the refinery technology, for the purpose of increasing the production, reducing the technological losses, as well as eliminating the accidental shut-downs in the industrial process.

The Company is also interested in the maintenance and continuous improvement of the integrated quality-environment-health and safety management system, with results on the improvement of the image of the organization, the improvement of the relations with the public authorities, the social-economic community as a whole, the limitation of civil and criminal liability, by meeting the legal requirements and regulations concerning quality-environment-safety.

In this respect, Rompetrol Rafinare has all car fuels placed on the market certified and the certification of the Quality, Environment, Occupational Health and Safety Management systems has been maintained during the year 2014.

Romp petrol Rafinare S.A has taken all the appropriate actions to achieve the objectives regarding health and occupational safety and also activities necessary to comply with the legal requirements and regulations.

The Company has continued in 2014 to identify and assess the major hazards resulting from the normal operation and accidental situations, as well as to assess the likelihood and severity thereof. In this respect, a risk analysis has been carried out as HAZOP for 2 technological facilities of Rompetrol Rafinare Petromidia (DAV and MHC).

The implementation of the Change management (MOC) also continued with the help of a dedicated application, so that the identification/tracking/communication/review and approval of the changes could be secured before implementation.

"The operation authorization" of the rescue Station has been maintained through the surveillance audit carried out by INCD INSEMEX Petroșani. The operative staff who work within the rescue Station were reauthorized by INSEMEX Petrosani.



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For the training of the staff operating on platforms, and on the basis of the scenarios from the Internal Emergency Plan, there are carried out regularly simulation exercises of a major accident in which there are also involved the subcontractors. Also, starting with 2014, practical exercises have been carried out with the staff, having as a subject "the use of extinguishers of all types".

In the same context, the performance of chemical alarm drills at sites has been extended.

The safety awareness program "Safety Rompetrol" has been continued, pursuing the development and implementation of the management of health and occupational safety to the highest standards and the achievement a level of safety comparable to the levels of the most famous companies in the world.

The program is aimed to improve the activity regarding work safety, in order to raise the awareness of workers, including the subcontractors, in respect with adopting a safe behaviour and reducing the risks of injury and/or professional illness specific to all activities on the platforms Petromidia and Vega.

1.1.9. Elements of perspective regarding the activity of the company

a) the presentation and analysis of the trends, elements, events or factors of uncertainty which affect or could affect the liquidity of the company as compared to the same period of the previous year.

The company made efforts to maintain its capacity to cover the current debts from the current assets; however, the liquidity ratio dropped to 0.35 in 2014 from 0.51 in 2013.

The liquidity risk derives from the possibility that the financial sources may not be available in such a way as to meet the obligations of the company in due time. The Company management follows the liquidity level daily, as well as ensuring that its obligations towards suppliers, the state budget, local budgets, etc. are met in accordance with their contingency, with the aid of the expected cash. The coefficients of current and immediate liquidity are monitored at all times.

The knowledge of the effects of these liquidity risks constitutes one of the concerns of the management of the company Rompetrol Rafinare S.A. in conducting the economic-financial activity in a smooth way. Ensuring continuous funding sources also to the planned levels has been made possible by an appropriate credit-granting policy related to identifying the current needs and the needs for investments.

The activity of the company will continue to be influenced by developments in the international situation as far as the market of crude oil and petroleum products is concerned, as well as by a series of internal macroeconomic factors.

In the specific market context of petroleum products, marked by a high volatility of prices, the management of the company has implemented a policy of risk management with the main



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objective: the mitigation of risk regarding the price of crude oil and petroleum products in the financial statements of the company. In addition, a major concern has also been granted to the policy of risk management regarding the development of the exchange rate and the interest rate.

b) presentation and analysis of the effects of capital expenses, current or anticipated on the financial situation of the company as compared to the same period last year.

The investment activity in the year 2014 has focused, in accordance with the program, on the following:

- The increase of the processing capacity of the refinery and the generation of fuels, with the specification in line with the European standards as also an increase of the white products efficiency;
- The alignment with the requirements of the European Union, the environmental standards in force, and in particular with the aim of reducing emissions.

The main projects completed in the year 2014, in the Petromidia Refinery:

Increase of gasoline flow to ships

The project purpose is to prevent the payment of penalties for extended ship stationary times in case of products delivered by sea. A higher initial flow was ensured, in order to load the scheduled gasoline in optimum time (shortest possible).

The project was completed in February 2014, and the plant is in normal operating conditions.

Installation of the system for the reduction of exhaust gas particles in the catalytic cracking plant

The project is aimed at reaching the maximum particle level (40 mg/Nm³) of flare gas at the Catalytic Cracking plant, in compliance with Romanian environmental requirements imposed on Rompetrol Rafinare.

The upgraded plant will be commissioned in December 2014. The performance test will be carried out in November 2015. The plant is currently operational.

c) The presentation and analysis of the events, transactions economic changes which significantly affect the income from the main activity.

The turnover on 31.12.2014 is 2.5% lower than provided under the budget, but 1,742,006 thousand lei higher than at the end of 2013. This is mainly due to the processing of a higher quantity of raw materials, and thus higher sales than in the previous year.



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Although the prices for the sale of petroleum products have had an increasing trend (6.23%), they are not aligned to the purchase price of the crude oil (7.31%), thus causing an operational loss of 150,535,157 lei.

In 2014, the degree of use of the refining capacity as opposed to the one planned was of 93.46%.



2. TANGIBLE ASSETS OF THE COMPANY

2.1. Mentioning the location and characteristics of the main production capacities owned by the company

The company ROMPETROL RAFINARE S.A. is located about 20 km North of the Constanța County, between the Black Sea and the lake Năvodari (Tașaul), on a plot of land partly recovered from the sea and from the lake, in the vicinity of the port Midia and the Poarta Albă – Midia channel.

The Petromidia Refinery is the only profiled unit in Romania located at the Black Sea, and thus having a competitive advantage due to the immediate access to the sea and river transport routes, namely:

- Strategic placement in the Black Sea area, near the Constanța port - one of the biggest in the region;
 - Direct access to the Danube - Black Sea Channel;
 - Direct access to the Midia Port;
 - Near the network of crude oil pipes;
 - Own railway infrastructure system;
 - Logistical facilities (Midia Marine Terminal S.R.L.) which allow for reception and delivery of the liquid products by ships, barges, rail tankers and tank wagons.
- Nominal project capacity from 1975: 3.5 million tonnes raw material
- Capacity used: 5.053 million tonnes in 2014
- Future capacity starting from the year 2015: 4.713 million tonnes/year (considering the overhaul scheduled for this year)
- Infrastructure:
The Petromidia platform has a surface of 480 hectares where more than 20 companies (also including sub-contractors from outside the Group) operate in various business areas.

The supply of crude oil and other raw materials is mainly carried out through the marine terminal located in the vicinity of the Petromidia Refinery, at a distance of about 8 km from shore and through the Midia port. As an alternative, the supply may also be made through the port of Constanța (one of the biggest in the region), through the OIL TERMINAL S.A. pipe, for a distance of approximately 40 km.



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As of 2014, the Petrochemical sector joined the Refinery in the Refining business unit. The Petrochemical sector is specialized in the production of polymers, with a production capacity of 80,000 tonnes/year of polypropylene, 60,000 tonnes/year of high-density polyethylene and 60,000 tonnes/year of low density polyethylene. It is the sole national producer on this market segment. It delivers on both internal and external markets (the Black Sea and the Mediterranean regions, Central and Eastern Europe).

Strategically located on the Black Sea coast, the Petrochemical section includes a maritime terminal for the unloading of ethylene, criogenic ethylene and propylene storage tanks, and various solutions for delivery to ships, rail cars or trucks.

As of December 2007, the VEGA Refinery was transformed into a production tax warehouse for Rompetrol Rafinare SA.

The VEGA Refinery is located on the national road DN 1A, at a distance of approximately 60 km from Bucharest, the capital of Romania, near the European road E 60, with access to both the road and the railway network. The Vega Refinery is located in the northern part of Ploiești city, about 1 km from the Ploiești North railway station, with which it is directly connected. The exploitation of the railways as also the manoeuvre and transport operations shall be carried out by the Romanian railway company Grup Feroviar Român, its owner being the Rompetrol Logistics S.A.

The Vega Refinery is currently operating the following facilities: Vacuum distillation, Bitumen, Hexane, Rectification, Dearomatization Unit, AFP with the auto platforms and railways.

Currently, the raw materials are brought in the refinery in railway reservoirs from the Petromidia Refinery and are discharged through raw material-specific railway platforms. From the specially prepared platforms, the raw material is pumped through the pipes towards the storage reservoirs of the AFP area, where they are taken up by each plant separately.

The Refinery has a fleet of reservoirs of raw material and finished products, auto platforms and the railway platform for the delivery of petroleum products. At the moment, the supplies of

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petroleum products from the Vega Refinery are made in both railway reservoirs and in tank wagons.

2.2. Description and analysis of the wear and tear degree of the company's properties.

On December 31st, 2014, the accumulated depreciation of the fixed assets, tangible assets (expressed in lei) is as follows:

Depreciation of tangible assets	Balance on 01.01.2014	Balance on 31.12.2014
Lands-(developments)	19,524,894	20,670,379
Constructions	785,057,924	830,582,968
Technical equipment and machinery	1,139,295,005	1,270,108,593
Other facilities, equipment and furniture	3,980,509	4,713,001
Total	1,947,858,332	2,126,074,941

2.3. Potential problems related to the ownership right regarding the tangible assets of the company.

1. During 2014 the company did not record any claims relating to the right of ownership regarding the tangible assets.

2. On September 10th, 2010, ANAF (the Agency for Fiscal Administration) has issued a Resolution on the establishment of distraint upon property on all shares owned by Rompetrol Rafinare in its affiliated companies, as well as upon the tangible and intangible assets of Rompetrol Rafinare, except stocks. This measure is still effective, but as of the date of this report, this distraint on property does not produce any direct effects on the recurring operations of the Company.

As of October 1st, 2010, there is no obligation of the Rompetrol Rafinare towards the Ministry of Finance regarding the conversion of the bonds into share capital based on the Issuing Convention. On the date of this report, the KMG International Group and the Romanian State, represented by the Office of State Ownership and Privatization in Industry (OPSPI), as sole administrator, concluded a memorandum of understanding containing two major components – buyback by the KMG International Group of a significant number of the shares held by the State in Rompetrol Rafinare (the operator of the Petromidia Navodari and Vega Ploiesti refineries), and the set-up of a Romanian-Kazakh investment fund with an estimate value of approximately 1 billion USD.

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According to the agreement, Rompetrol will pay 200 million USD for taking over 26.6% of the share package; for a period of 3 years, the Romanian state will be a significant shareholder of the company in Năvodari, with 18%.

We mention that, by Government Resolution no. 35/ January 22nd, 2014, this Memorandum has been approved, through which the Ministry of Public Finance has been authorized and appointed to follow all procedural actions necessary for the withdrawal of the claims and the termination of all disputes.

As of the date of this report, the Romanian state thus relinquished to pursue the writs of summons for all the litigations pending before Courts in relation to the application of the Government Ordinance no. 118/2003, as approved by Law no. 89/2005.

The settlement of Rompetrol Rafinare SA's debts to the Romanian state, which have arisen following the application of OUG 118/2003, as amended, determines us to assume that the distraint described under this chapter will be lifted in a short time.

3. A file no. 20625/212/2011 is pending the High Court of Cassation and Justice, on the appeal brought by the Navodary city hall against the judgments of the first and second Court declaring the admissibility of the Company's request to establish an ownership right on the following real estate properties located in Navodari, Constanta county: Petrochimistul Club (3 Tineretului street), the Boxing Hall (31-33 Cabanei street) and an apartment (Intervention Block, 10 Frunzelor street). As of the date of this report, the appeal by the Navodari city hall has been overturned. The three objectives will be included in the land register.

4. A file no. 28860/281/2014 is pending before the Ploiesti Tribunal, on the action brought by the Peditry Hospital of Ploiesti whereby the Court is requested to establish the ownership of the hospital on the medical facility from the premises of the Company's work point in Ploiesti.



3. SECURITIES ISSUED BY THE COMPANY

The issuers whose securities are admitted for trading on a regulated market shall include the Declaration of compliance or rejection of the provisions of the Corporate Governance Code (the „Apply or Explain” Statement). Thus, all relevant information on corporate governance practices have been included in the Corporate Governance section and the “Corporate Governance Declaration” of the *2014 Annual Report*.

3.1. The markets in Romania and in other countries on which the securities issued by the company shall be negotiated

With effect from April 07th, 2004 the company's shares are traded on a regulated market operated by the Bucharest Stock Exchange S.A. ("BVB").

The shares of the Rompetrol Rafinare are traded in their entirety at the category II of the BVB. On 31.12.2014, the total number of shares to be issued by the Issuer is 44,109,205,726 , representing a total value of the share capital of 4,410,920,572.6 lei. The Company's shares are common, nominative, issued in dematerialised form, whose record is held by the DEPOZITARUL CENTRAL S.A. Bucharest.

In accordance with the legal provisions under the Articles of Incorporation, each share confers the shareholders the right to vote in the General Assembly of the Shareholders, the right to elect and be elected in the Management Bodies of the Company, the right to participate in the sharing of benefits and assets of the Company at the dissolution of the Company, as well as other rights established by law. The ownership right and any other attributes thereof on the shares shall be transmitted in accordance with the provisions of the legislation of the capital market.

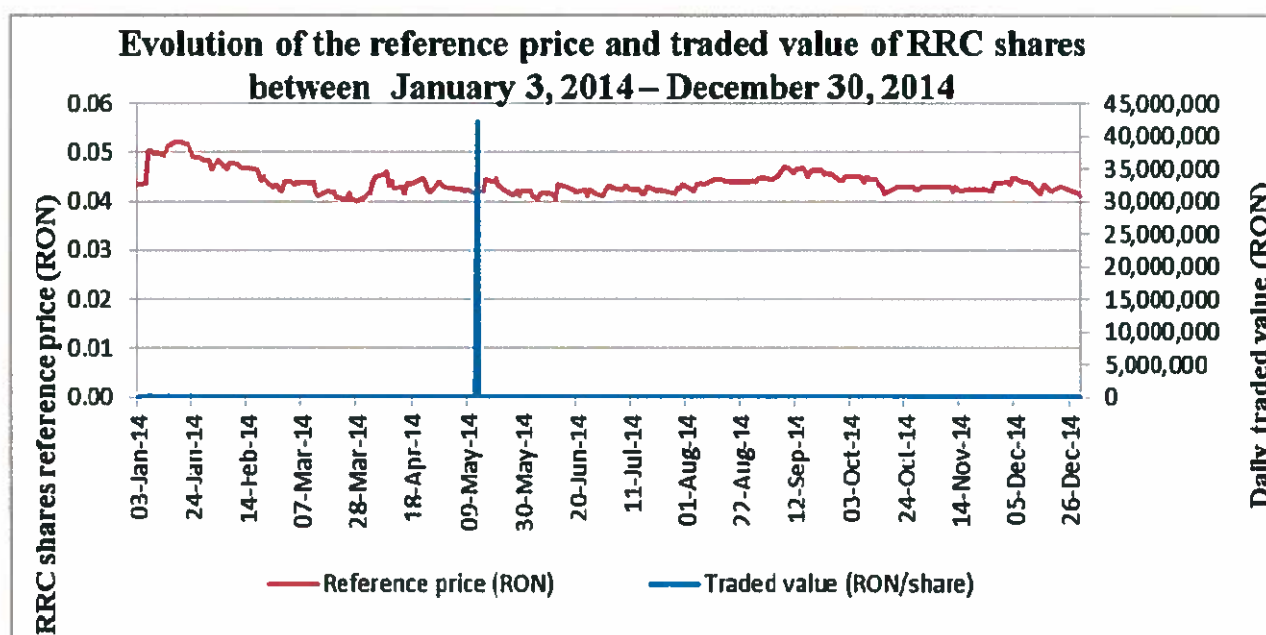
Regarding the shares, transferring them is not restricted, shall be carried out in accordance with the legal provisions applicable and with the provisions of the Articles of Incorporation of the Company.

The symbols of Rompetrol Rafinare shares:	
The Bucharest Stock Exchange	RRC
Bloomberg	RRC RO



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The Rompetrol Rafinare shares	2012	2013	2014
Number of shares	44,109,205,726	44,109,205,726	44,109,205,726
Stock exchange capitalization, mil. lei ³	1,389.440	1,887.874	1,856.998
Stock exchange capitalization, mil. Euro ⁴	313.707	422.920	414.194
Maximum price, lei ⁵	0.0429	0.0589	0.052
Minimum price, lei ⁶	0.0276	0.0309	0.04
Price at the end of the year, lei	0.0383	0.0421	0.0415



The weighted average price (PMP) of the RRC shares in the course of the year 2014 = 0.04259583 lei/share; the volume traded in May on the REGS and DEALS market is 95.70% of the total volume traded in 2014 (total volume traded in 2014 = 44,254,785.75 lei)

Shareholders of the Rompetrol Rafinare

Throughout the period in question there did not take place any changes likely to affect the value of the share capital of the company.

According to the Register of Shareholders starting on the consolidation date of December 31st, 2014, the structure of the significant shareholders of the company is shown in the graphic below:

³ Calculated on the basis of the price of the share on the last transaction day of the year under consideration, respectively on December 30th, 2014.

⁴ Calculated at the euro exchange rate (4.4834) of the last trading session of the year under consideration, respectively December 30th, 2014

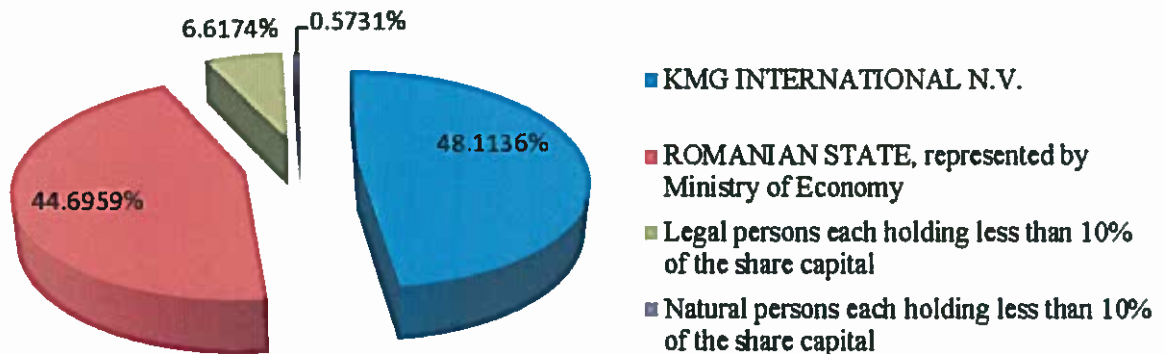
⁵ Recorded on January 20th, 2014.

⁶ Recorded on March 28th, 2014.



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**The structure consolidated by the Depozitarul Central S.A. on
31.12.2014**



Note:

As of 31.12.2014 the KMG International group (former Rompetrol Group) controlled directly and indirectly 54.6478% of the shares in Rompetrol Rafinare.

3.2. Dividends.

On December 31st, 2012, ROMPETROL RAFINARE has registered a loss of 297,653,500 lei.

On December 31st, 2013, ROMPETROL RAFINARE has registered a loss of 224,025,999 lei.

On December 31st, 2014, ROMPETROL RAFINARE has registered a loss of 1,074,861,979 lei.

Taking into account the above mentioned facts, the company could not grant dividends to the shareholders for the financial years 2012, 2013 and 2014.

3.3. Own shares

ROMPETROL RAFINARE S.A. held on December 31st, 2014 a number of 6,134,701 own shares with a nominal value of 0.10 Lei each, amounting 613,470.10 lei, representing 0.029% of the share capital of the Company.

In 2014, the company did not trade (bought, respectively sold) own shares.

3.4. The number and nominal value of the shares issued by the parent company, owned by subsidiaries.

In 2014, the subsidiaries of society have not held shares issued by Rompetrol Rafinare.



4. THE MANAGEMENT OF THE COMPANY

4.1. The company management

In 2014, the Board of Directors has changed as follows:

- Resolution No. 2/2014 adopted by the Ordinary General Meeting of the Shareholders of April 29th, 2014 approved the election of all the 5 members of the Board of Directors for a 4-year term expiring April 30th, 2018, following the expiration of the Board of Directors' mandate on that date.

Thus, as of April 29th, 2014, the Board of Directors has the following composition:

- **Mr. Azamat ZHANGULOV**, Kazakh citizen;
 - **Mr. Alexandru NICOLCIOIU**, Romanian citizen;
 - **Mr. Sorin GRAURE**, Romanian citizen;
 - **Mr. Gabriel DUMITRAȘCU**, Romanian citizen;
 - **Mr. Károly BORBELY**, Romanian citizen.
-
- The Resolution of the Board of Directors of 1 October 2014 acknowledged the end of the mandate and the status as a member of the Board of Directors of Mr. Sorin Graure, following his resignation, effective 1 October 2014. In accordance with Article 137^{^2} of Law No. 31/1990 and Article 14.6 of the Articles of Incorporation of the Company, the same Resolution approved the appointment as provisory Managing Director of Mr. Yedil Utekov, effective 1 October 2014, who will exercise this role until the adoption and registration of the General Shareholders' Assembly decision on the election of a member of the Board of Directors.

As of the date of this Annual Report, the composition of the Board of Directors changed pursuant to Resolution no. 1/2015 approving the election of Mr. Yedil Utekov as a permanent member of the Company's Board of Directors. By the same Resolution no. 1/2015, Mr. Bogdan-Nicolae Badea was elected as a member of the Board of Directors following the dismissal of Mr. Károly Borbely, requested by the majority shareholder, the Romanian State, represented by the Ministry of Energy, Small and Medium Enterprises and the Business Environment. The mandates of the two members of the Board of Directors expire on 30.04.2018 (also the date of expiration for the other administrators incumbent on the election date).



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a) Listed below, information on the Company Directors, who are in office on 31.12.2014.

Name and first name	Age (years)	Position held in the Managing Board and length of service	Other information (qualifications, professional experience)
Azamat Zhangulov	35	<p>President of the Board of Directors from 6 August 2012 to 29 April 2014. Re-elected on this position on 30 April 2014 for a 4-year term.</p> <p>- elected as Administrator by Resolution no. 5/2012, adopted by the Ordinary General Meeting of the Shareholders of 26.10.2012, for a mandate which expired on 30.04.2014. Re-elected by Resolution no. 2/2014 for a 4-year term as Administrator of the Company, until 30 April 2018.</p>	<p>Graduated from the Faculty of international Economic Relations in the Management Academy of Kazakhstan.</p> <p>Over 12 years in the crude oil field, of which 9 years he has worked with various companies of the KazMunayGasGroup .</p> <p>He has joined the team of the KazMunayGas Group in April 2003, initially occupying the position as Senior Manager of the Corporate Development Department and Senior Manager of the Resources Department in the National Company "KazMunayGas".</p> <p>In 2007, he was appointed Deputy Director of the Department for Corporate Development. A year later, he accepted a new challenge by taking over the position as Adviser to the CEO within the Trade House KazMunayGas, where his role was to make proposals for the improvement of the operations within the distribution network. Shortly after he was appointed as Director of the Department for Management of the External Projects. In 2009, he became the General Manager in the same company.</p> <p>Prior to joining the Rompetrol team, he held the position of Director of the Department for Management of the Foreign Investments in the National Company "KazMunayGas" for a period of two years, being responsible for the management of foreign investment, but also for projects which were led by Rompetrol or international mergers and acquisitions.</p> <p><i>Responsibilities</i> : Senior Vice-President of the Rompetrol Group.</p>



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<p>Alexandru Nicolcioiu</p>	<p>63</p>	<p>Member of the Board of Directors: 23.09.2010 - present;</p> <p>Mandate which expires on 30.04.2018 (date of expiry of the mandates of all Directors)</p> <p>He has held the position as President of the Board of Directors of Rompetrol Rafinare in the subsequent periods:</p> <ul style="list-style-type: none"> - 30.04.2010 – 22.09.2010; - Provisory appointment from 25.02.2010 until the General Ordinary Meeting from 30.04.2010; - 25.02.2006 – 25.02.2010; - 26.02.2001 – 25.02.2006; - 1990 - 1998 	<p>Graduated from the Faculty of Technology, Chemistry of Petroleum and Natural Gas from the Faculty of Petroleum, Gas, and Geology Bucharest, 1975, engineering diploma;</p> <p>Started working in the company in the year 1975; during 1990 - 1998 held the position as General Manager of the company. He is one of the few employees of the Rompetrol Group which has been with the company for more than 30 years, having an extensive experience in the activities regarding oil and gas.</p> <p>Doctorate at the University of Petroleum and Natural Gas Ploiești - " Strategies regarding engineering and technical/technological risk management in the processing of hydrocarbons".</p> <p><i>Responsibilities:</i> Coordinating manager of the Production Block in the Rompetrol Group, which includes the two refineries (Petromidia and Vega) and the Petrochemical.</p>
<p>Gabriel Dumitrașcu</p>	<p>41</p>	<p>Member of the Board of Directors: 18.06.2013 - present;</p> <p>Mandate which expires on 30.04.2018 (date of expiry of the mandates of all Directors)</p>	<p>Graduated from the Bucharest Polytechnics University, 1990. During 1996 - 2000 graduated various post - university courses.</p> <p><i>Career milestones:</i></p> <ul style="list-style-type: none"> - General Director of the General Department of Privatization and Administration of State Ownership in the Department for Energy under the Ministry of Economy - Head of Department the Office of State Ownership and Privatisation in Industry; - General Manager SC TERMOELECTRICA SA; - General Manager AVAS; - Vice-president - Executive Director development, marketing and communications S.C. Ardeleana S.A. (management contract) - General Manager and Deputy General Manager, manager of development, relations with the authorities and public communication (management contract) S.C. Roșia Montană Gold Corporation S.A. - General Manager - Ministry of Waters, Forests and Environment Protection; - Director Environmental Protection Agency Bucharest; - Director of the General Secretariat of the Government - SSPR; - Rapporteur the National Confederation of the trade unions in Romania
<p>Károly Borbely</p>	<p>38</p>	<p>Member of the Board of Directors as of 29.04.2014 until 03.03.2015, appointed in this position by</p>	<ul style="list-style-type: none"> - Graduate of the Babeș Bolyai University, Cluj Napoca, 1999. - Graduated the Master degree of the Harvard



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		<p>Resolution no. 2 adopted by the Ordinary General Shareholders' Meeting of March 5th, 2014.</p> <p>Mandate concluded on 3 March 2015 following the adoption of Resolution no. 1/2015 of the General Ordinary Shareholders' Meeting of 4 March 2015.</p>	<p>Business School, „Building Business in Emerging Markets” in 2012.</p> <p>- <i>Career milestones:</i></p> <ul style="list-style-type: none"> - regional marketing director of SC Concord Media SA Arad in the 1999-2000 period; - advisor at the Deputy Iuliu Winkler's Parliamentary Office of Hunedoara and specialist advisor at the Hungarian Democratic Union of Romania, the Hunedoara territorial branch, between 2000-2002; - regional representative at the IDTH, the Public Hungarian Association for the Promotion of Investments and Trade; - president of the Hungarian Democratic Youth organization of Hunedoara in 1999-2001; - president of the Young Hungarians Council of Hunedoara county (2001-2003); - from February 2005, State Secretary, president of the National Youth Authority. - December 2007 – December 2008, Minister of Communications and Information Technology; - in 2010 – 2012, State Secretary at the Ministry of Economy, Trade and Business Environment. Subsequently, State Secretary in the Ministry of Economy, - Development Manager at Energobit Group
Yedil Utekov	38	<ul style="list-style-type: none"> - Interim member in the Board of Directors between 01.10.2014 – 03.03.2015. - Permanent member of the Board of Directors since 04.03.2015. <p>The mandate expires on 30.04.2018 (date of mandate expiration of all Board of Directors members).</p>	<p>Graduate of the Natural Resources and Hydrocarbons Chemical Engineering at the State Technical university of Astrakhan, Russia.</p> <p>With a professional experience of more than 10 years in the field of oil and gas, he joined the KMG International Group in January 2010 as an Assistant General Manager of Rompetrol Petrochemicals S.R.L.</p> <p>Elected as General Manager of Rompetrol Rafinare since 12 June 2014, and former General Assistant Manager of the same company since January 2013.</p> <p>Began his oil and gas career in 2001 as a process operator at the Akasaraisky Gas Processing Plant of Russia.</p> <p>Between September 2001 and June 2002, he was an operator at ZAO Intergaz Central Asia, Kazakhstan. Beginning with June 2002, he was promoted from the position of engineer at the Atyrau Refinery to that of Environment, Technology, Health and Safety manager.</p> <p>In April 2005 – April 2010, he worked at Agip KCO in Atyrau, Kazakhstan. The last position in this company was that of Group Coordinator for Technical Inspection and Control in the period August 2008 – April 2010.</p>

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b) any agreement, understanding or family connection between the Director in question and another person, due to which the person has been appointed as Director.

As far as the Directors are aware, there was no agreement, understanding or family connection between the Directors and another person that has been appointed as Director.

c) The participation of the Director in the share capital of the Company;

According to the consolidated Register of the Shareholders of the Company as of 31.12.2014 issued by the Depozitarul Central S.A., the directors do not own Company shares.

d) The list of persons affiliated to the company;

None of the members of the Company Board of Directors is a person affiliated to the Company, within the meaning of the CNVM Regulation No. 1/2006.

4.2. The members of the company's Executive Management

a) The period for which the person is part of the Executive Management;

In accordance with the provisions of the Articles of Incorporation of the Company, the only positions which may delegate the Management of the Company on the basis of the provisions of Article 43 of the Law 31/1991 regarding Companies are those as General Manager and Chief Executive Officer. Any other position as Manager in the Company (human resources manager, commercial manager, managing director, IT Manager, etc), regardless of its name, does not involve the management of the company.

On 31.12.2014, the two Managers who have been appointed as Managers within the meaning of the above, have been:

Name and first name	Position
Yedil Utekov ⁷	General Manager
Giani-Iulian Kacic	Chief Executive Officer

The Members of the executive management shall perform the positions held for a mandate that will expire on 30.04.2018 (together with the administrators who have chosen them in these positions).

⁷ Appointed as General Manager beginning with June 12, 2014, following the expiration of Mr. Sorin Graure's mandate.



b) any agreement, understanding or family connection between that person and another person due to which the person concerned has been appointed as a member of the executive management;

We have no knowledge of cases of agreements, understandings or family connections between the members of the executive management and other persons due to which they have been appointed.

c) The participation of this person in the Company.

None of the two Managers under the table of 4.2 a) hold shares in the Company.

4.3. Any litigations or administrative procedures in which the persons referred to in sections 4.1 and 4.2. have been involved, in the last 5 years

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 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 fulfill 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 disjoined by the prosecutors’ office from the initial file (which has been sent to trial following such disjoining) and are subject to a separate file currently open before PGO - DIICOT.

4.4. Changing the Articles of Incorporation

The Articles of Incorporation may be amended by Resolution of the General Meeting of the Shareholders, in accordance with the provisions of Law no. 31/1990 regarding Companies, in conjunction with the provisions of the Articles of Incorporation. The Articles of Incorporation may also be amended by the Managing Board of the Company, by delegation of powers by the Meeting of the Shareholders in accordance with the provisions of Art. 114 of Law no. 31/1990 regarding Companies.



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5. FINANCIAL STATEMENT

The presentation of an analysis of the current economical - financial statement as compared to the last 3 years, with reference at least to:

a) The balance sheet items: assets representing at least 10 % of the total assets; cash and other cash equivalent; reinvested profits ; total current assets; total current liabilities;

THE SITUATION OF THE MAIN INDICATORS DURING THE PERIOD 31.12.2012 to 31.12.2014

A. BALANCE SHEET INDICATORS

		Lei		Lei		Lei	
	ASSET	December.14	%	December.13	%	December.12	%
I.	Non current assets	4,562,514,789	72.9	5,057,202,330	69.3	4,547,430,819	63.1
1	Intangible assets	16,635,982	0.3	17,306,367	0.2	6,619,268	0.1
	Other assets	15,502,410	0.2	16,301,385	0.2	6,619,268	0.1
	Intangible assets in progress	1,133,572	0.0	1,004,982	0.0	0	0.0
2	Tangible assets	2,916,858,752	46.6	3,034,357,994	41.6	2,535,273,582	35.2
	Land and buildings	1,155,695,087	18.5	1,177,153,796	16.1	847,132,061	11.7
	Equipment and machinery	1,645,972,494	26.3	1,719,022,885	23.6	1,411,109,572	19.6
	Other Tangibles	7,380,479	0.1	8,191,128	0.1	3,530,634	0.0
	Tangible fixed assets in progress	107,810,692	1.7	129,990,185	1.8	273,501,315	3.8
3	Financial assets	1,629,020,055	26.0	2,005,537,969	27.5	2,005,537,969	27.8
	Long term investments	0	0.0	926,154	0.0	926,154	0.0
	Shares in affiliated entities	1,629,020,055	26.0	2,004,611,815	27.5	2,004,611,815	27.8
II.	Current assets	1,696,459,680	27.1	2,235,171,459	30.6	2,660,579,315	36.9
1	Stocks	776,190,757	12.4	850,210,844	11.7	974,060,708	13.5
	Raw materials and consumables	405,778,256	6.5	415,581,013	5.7	444,759,520	6.2
	Work in progress	110,505,494	1.8	169,720,696	2.3	227,375,019	3.2
	Finite products and goods	259,907,007	4.2	264,909,135	3.6	301,926,169	4.2
2	Other current assets	920,268,923	14.7	1,384,960,615	19.0	1,686,518,607	23.4
	Trade receivables	740,831,920	11.8	971,011,418	13.3	1,007,661,796	14.0
	Advances paid	29,759,064	0.5	43,642,077	0.6	76,716,078	1.1
	Other receivables	135,775,064	2.2	143,759,808	2.0	166,409,087	2.3



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	Lei		Lei		Lei	
<u>ASSET</u>	December.14	%	December.13	%	December.12	%
Cash at bank and in hand	13,902,875	0.2	226,547,312	3.1	435,731,646	6.0
III. Accrued expenses/ Prepayments	3,016,212	0.0	2,627,977	0.0	2,575,169	0.0
Prepayments	3,016,212	0.0	2,627,977	0.0	2,575,169	0.0
Total assets	6,261,990,681	100.0	7,295,001,766	100.0	7,210,585,303	100.0
<u>LIABILITIES</u>						
I. Own capitals	1,176,802,233	18.8	2,263,060,279	31.0	1,987,527,536	27.6
Share capital:	4,410,920,573	70.4	4,410,920,573	60.5	4,410,920,573	61.2
Adjustments of the share capital	0	0.0	5,734,750,095	78.6	5,734,750,095	79.5
Premium related to capital	232,637,107	3.7	232,637,107	3.2	232,637,107	3.2
Reserves	3,166,150,587	50.6	3,177,546,654	43.6	2,677,987,912	37.1
Profit (+) or loss (-) carried forward excepting the result carried forward due to the adoption of IAS 29 for the first time	-5,530,720,047	(88.3)	-5,306,694,048	(72.7)	-4,852,834,241	(67.3)
Profit (+) or loss (-) carried forward due to the adoption of IAS for the first time	-27,324,008	(0.4)	-5,762,074,103	(79.0)	-5,918,280,410	(82.1)
Profit (+) or loss (-) financial year	-1,074,861,979	(17.2)	-22,402,5999	(3.1)	-29,765,3500	(4.1)
II. PROVISIONS	245,382,943	3.9	243,887,253	3.3	266,996,813	3.7
III. Debts	4,839,805,505	77.3	4,788,054,234	65.6	4,956,060,954	68.7
Short term bank loans	211,510,112	3.4	43,699	0.0	43,931	0.0
Commercial Debts	3,272,440,179	52.3	3,473,889,061	47.6	3,001,403,610	41.6
Advances collected for orders	59,835,083	1.0	17,993,972	0.2	21,451,546	0.3
Loans from companies in the group	1,032,295,855	16.5	1,096,068,180	15.0	1,711,276,576	23.7
Other debts	263,724,276	4.2	200,059,322	2.7	221,885,291	3.1
IV Deferred Income	0	0.0	0	0.0	0	0.0
Deferred Income	0	0.0	0	0.0	0	0.0
Total liabilities	6,261,990,681	100.0	7,295,001,766	100.0	7,210,585,303	100.0

Note: The previous reporting periods (2013 and 2012) have been retreated following the voluntary modification of the accounting policy for the capitalization of the stocks that cannot be pumped off the Refinery. The management considers that such an approach ensures the provision of more relevant information in the financial statements and reflect the industry practice. This approach reveals the true nature of the unpumpable stock, considering that the patten is used over several periods. The accounting policy was changed pursuant to IAS 8.14 b and applies retroactively, in accordance with IAS 8.22. The adaptations to the financial statements are shown



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in the explanatory notes, which are integral part to the individual financial statements having as closing day the day of December 31, 2013 (note 2, c).

- i) As regards the assets, **the tangible assets** - land, buildings, technical installations, fixed assets in progress take a significant share (46.6%). At the end of 2014, they reach the value of 2,916,858,752 lei, 4% lower than in 2013, respectively 15% higher than the value recorded in 2012, influenced in particular by the following factors:
 - carrying out new investment;
 - depreciation (depreciation of fixed assets).

- ii) In case of **financial assets** (26.0%), the entire value (1,629,020,055 lei) is represented by shares held in affiliates.

- iii) **Total stocks** on 31.12.2014 amount to 776,190,757 lei, and are approx. 9% lower than those at the end of 2013. They are 20% lower than the stocks on 31.12.2012.

- iv) Regarding the **commercial debts**, these have gone down by 230,179,498 lei as compared to 2013, and by 266,829,876 lei as compared to 31.12.2012, following the efforts of the management to cash in the amounts for the sales of finished products on the due date.

- v) **Equity amounted** to 1,176,802,233 lei, 1,086,258,046 lei less than the amount recorded on 31.12.2013. In 2012, the equity reached the negative level of 1,987,527,536 lei. The net assets of the company dropped to less than half of the subscribed share capital, reaching 1,176,802,233 lei on 31.12.2014. This situation (the ratio between the net assets/share capital) needs to be regulated within the statutory deadline, as provided under art. 153²⁴ of Law no. 31/1990 on trading companies. Shareholders intending to monitor this situation and appeal General Meeting of Shareholders (GMS), after current financial statements approval, to confirm the continuation of the company's activities and taking measures required by law to do so, if in this period the net assets will not be restored until the level required by law.

- vi) The **total debts** at the end of 2014 are 0.7% higher as compared to 31.12.2013 and 2.5% lower as compared to 2012. A significant decrease is noted as regards commercial debts, which are 201,448,882 lei lower than in 2013. Moreover, the loans from the group companies decreased by 63,772,325 lei by the end of 2014 as compared to the similar period of 2013.



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b) The profit and loss account: net sales; gross revenue; elements of costs and expenses incurred with a weight of at least 20% in net sales or gross income; provision of risk and for the various expenditures; reference to any sale or shut down of a segment of activity carried out over the last year or which is to be made in the following year; declared and paid dividends;

B. FINANCIAL INDICATORS

	LEI		
	2014	2013	2012
THE NET TURNOVER	13,490,672,651	11,748,666,980	12,323,113,339
PRODUCTION SOLD	13,442,003,721	11,740,795,424	12,305,177,131
OPERATING INCOME	13,360,577,794	11,626,863,591	12,623,179,868
FINANCIAL INCOME	85,042,876	197,113,948	1,211,020,116
EXTRAORDINARY REVENUES			
TOTAL REVENUES	13,445,620,670	11,823,977,539	13,834,199,984
OPERATING EXPENSES	13,511,112,951	11,845,347,485	12,799,583,288
from which:			
-Raw materials	12,555,309,972	11,152,189,807	11,534,467,299
-Energy	347,023,338	346,190,532	406,780,624
FINANCIAL EXPENSES	1,009,369,698	202,656,053	1,332,270,196
EXTRAORDINARY EXPENSES			
TOTAL EXPENSES	14,520,482,649	12,048,003,538	14,131,853,484
OPERATING RESULT	-150,535,157	-218,483,894	-176,403,420
FINANCIAL RESULT	-924,326,822	-5,542,105	-121,250,080
EXTRAORDINARY RESULT	0	0	0
Income Tax	0	0	0
TOTAL RESULT	-1,074,861,979	-224,025,999	-297,653,500

- i. **The turnover** on 31.12.2014 was 15% more than in 2013, and 9.5% higher as compared to 2012;
- ii. On 31.12.2014 , the **total revenues** increased by around 14% as compared to 2013 and are almost at the same level of 2012;
- iii. **The total expenses** have registered an approx. 20.5% decrease in the analyzed period as compared to 2013, and are at the same levels of 2012. As in the case of the revenues, the costs shall be in correlation with the fluctuations of the raw material prices. Ther expenditure on



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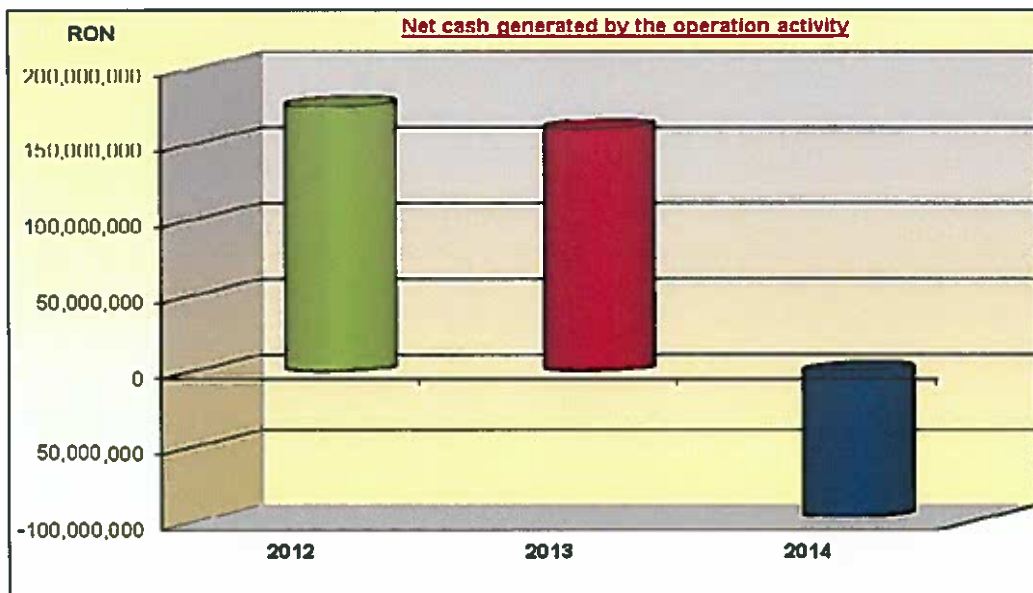
acquisition representing approximately 86.4% from the total costs. It has to be reminded that the quantity of crude and other processed raw materials was 900,178 tonnes higher than in 2013, being the first time in the entire company history when the 5,00,000 tonnes/year milestone is reached and exceeded.

- iv. In 2014, an adjustment of 375,600,000 lei was recorded for the shares held in Rompetrol Petrochemicals SRL following the decrease of the net assets of the latter company, the activity thereof being taken over by Rompetrol Rafinare SA starting with 01.01.2014.
- v. As regards the **total result** on 31.12.2014, the company posted a loss of **1,074,861,979 lei**, higher than in 2013 and 2012, noting that 924,326,822 lei (approx. 86%) of the latter is represented by financial loss (by devaluation of the national currency against other currencies).

c) cash flow: all changes which have taken place at cash level in the main activity, investment and financial activities, the cash at the beginning and at the end of the period

In 2014, the situation of net cash flows reflected the company's effort to effectively harmonize the cash flow needs from operating activities with a balanced financing policy.

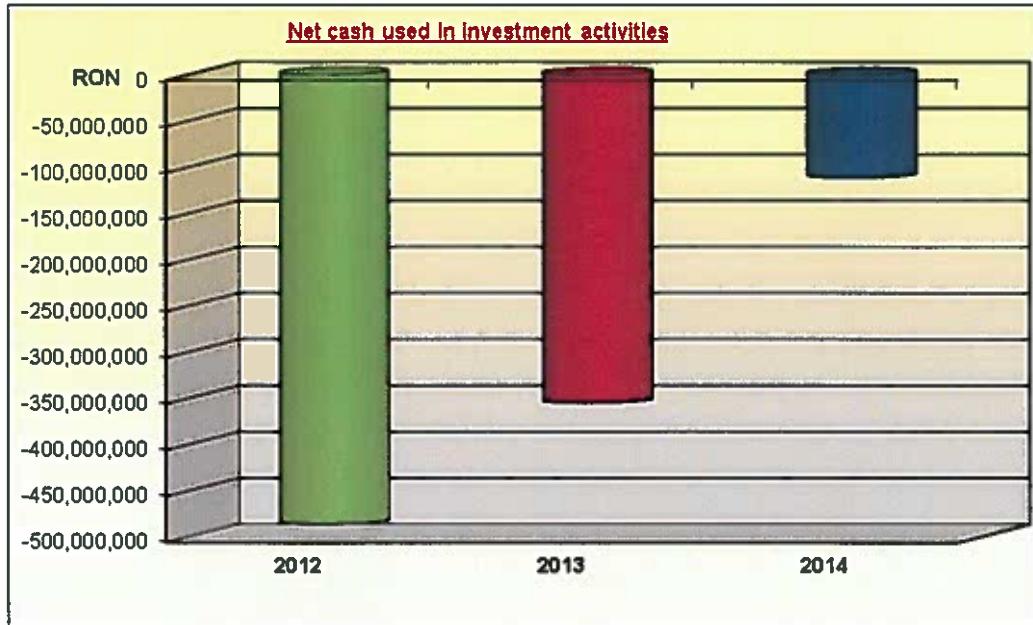
The cash flows from operating activities have been influenced by the decrease of the trade receivables, stocks and commercial debts alike. At the end of 2014, the Brent crude oil reached 54.98 USD/barrel, as compared with 110.28 USD/barrel at the end of 2013. Beginning with 1 January 2014, the petrochemical activity was taken over by Rompetrol Rafinare S.A.



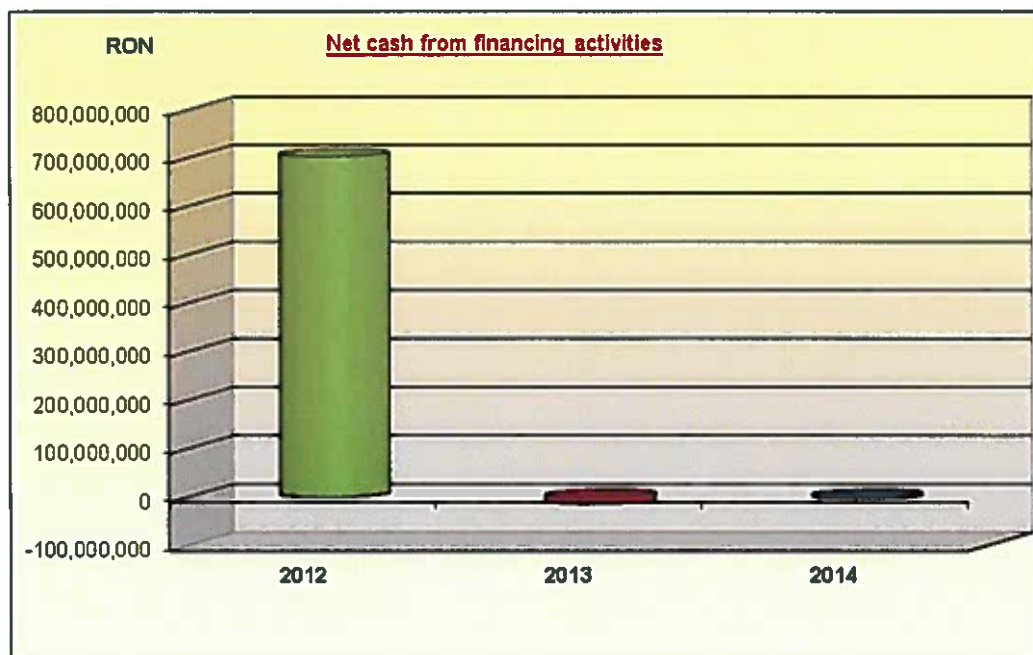


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In 2013, the company completed a wide program for the upgrade and capacity increase of the refinery, which led to a decrease of investments in 2014, as the company focused its financial resources mainly on the ISCIR statutory programs and compliance with legislation.



The cash flow from financing activities is influenced by the fact that the company has paid part of the interest of the loan granted by the majority shareholder in order to support both the needs arising from the investment activity, as well as the development of the operating activity of the refinery. Moreover, the Company benefitted from a Cash pooling facility to implement a cash management system.





6. CORPORATE GOVERNANCE

Rompetrol Rafinare is a trade company managed in unitary system, issuer of shares listed on the regulated market operated by Bursa de Valori București S.A. (Bucharest Stock Exchange) ("BVB"). The admission to trading of the Company shares on the secondary BVB market was decided by the Decision no. 27/25.03.2004 of the Stock Exchange Council regarding the admission for transaction and the trading starting date was April 7th 2004. Prior to this date the Company shares were listed on the regulated market operated by RASDAQ. The Company shares are transacted at BVB under the market symbol "RRC".

The Corporate Governance report of Rompetrol Rafinare S.A. for the year 2014 is drafted based on the Corporate Governance Code („CGC” or the „Code”) adopted by BVB in 22.01.2009, of Law no. 297/2004 regarding the capital market, as subsequently amended and supplemented, of the regulations and instructions issued by the National Commission of Shares and Bonds („CNVM”) and of the stock exchange regulations.

CGC of BVB includes a few recommendations that are provisions with suppletive character of normative acts in Romania namely: Law no. 31/1990 regarding trade companies, republished, as subsequently amended and supplemented, Law no. 82/1991 of accounting, as subsequently amended and supplemented and Law no. 297 regarding the capital market.

The code has as purpose to guarantee high transparency and visibility conditions for all the shareholders and for all the third parties („stakeholders”).

6.1. The BVB standards regarding the Corporate Governance

According to the rules of BVB contained in CGC, Rompetrol Rafinare complies partially and self-imposed with certain principles and recommendations of CGC, which results also from the Declaration "Apply or Explain". The Company proposes to improve the implementation manner of the principles and recommendations of CGC of BVB.

According to BVB standards, the Issuers whose financial instruments are transacted on the regulated market operated by BVB, have to transmit each year to BVB, a Declaration of compliance or incompliance with the provisions of CGC attached to the Annual Report. The declaration corresponding to the year 2014 is enclosed with the current report.



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6.2. Information on the Board of Directors

According to the Articles of Incorporation updated on August 14th 2014, the Company activity is led by a Board of Directors consisting of 5 members, appointed by the General Ordinary Meeting of Shareholders, who can also be shareholders of the company, natural or legal persons, with Romanian or foreign citizenship respectively nationality.

The directors can be replaced in the following situations:

- a) At the expiry of the 4 years mandate or at another period established by the General Meeting of Shareholders when electing the director(s);
- b) In case of resignation, or recalling by the General Meeting of Shareholders.

Upon the mandate expiration any member of the Board of Directors may be reelected by the General Meeting of Shareholders.

The attributions of the Board of Directors, according to the Articles of Incorporation, are the following:

- a) establishes the main activity and development directions of the company;
- b) establishes the accounting and financial control system and approves the financial planning;
- c) appoints, recalls, respectively concludes and terminates of the contracts of the Company managers;
- d) supervises the managers activity;
- e) prepares the annual report, organizes the general meeting and implements its decisions;
- f) introduces the request for opening the company insolvency procedure, according to Law 85/2006 regarding the insolvency procedure;
- g) except for the legal documents for the adoption / conclusion of which the approval of the General Meeting of Shareholders is necessary, according to the imperative provisions of the law, approves the adoption / conclusion in the name of the company of the legal documents whose object exceeds the value of:
 - i) USD 50,000,000 in the case of the legal documents having as object the supply of crude oil, respectively the distribution of refined products;
 - ii) USD 20,000,000 in the case of the legal documents having another object than the supply of crude oil, respectively the distribution of refined products, the approval of the participation to the development of a company with a contribution exceeding this value, other documents with patrimony content exceeding this value limit;
- h) To approve the Company organizational structure.

These attributions cannot be delegated to the company managers.

The Board of Directors also has the following attributions delegated by the General Extraordinary Meeting of Shareholders in the conditions provided by art. 114 of Law no. 31/1990, republished:

- a) decides regarding the relocation of the company headquarters;



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b) decides regarding the change of the company activity object (except for the main domain and the main activities of the company);

c) decides regarding the increase of the social capital by issuing new shares, according to the law.

The Board of Directors also meets other attributions, established as of right in their task, by virtue of the applicable normative acts.

Regarding the issuing of shares, the Board of Directors may perform this operation within the share capital increase operations, exercised based on the attributions delegated according to the provisions of Law no. 31/1990 corroborated with the provisions of Law no. 297/2004.

6.3. Information about the members of the Board of Directors of Rompetrol Rafinare on 31.12.2014

Name, year of birth, nationality, the duration of the mandate for each member of the Management Board, responsibilities in the Rompetrol Group, training and professional qualifications.

The present Board of Directors consists as follows:

Azamat Zhangulov

Born in 1980, a Kazakh citizen

Duration of administrator mandate: from 29.04.2014 to 30.04.2018

President of the Board of Directors as of 30.04.2014, non-executive member, and for the period 06.08.2012 – 29.04.2014.

Holds the following positions in the member companies of the KMG International Group: President of the Board of Directors of KazMunayGas Trading A.G., DYNEFF SAS, Rompetrol Exploration & Production SRL, Rompetrol Petrochemicals SRL, Palplast SA; sole administrator of Rompetrol Financial Group S.R.L.; member in the Board of Directors of KMG International N.V. and President of Rompetrol France SAS.

Responsibilities: Senior Vice-President of the KMG International Group.

Training and professional qualification: graduate of the Economic Kazakh Academy in international economy, petroleum industry. Over 12 years experience in the crude oil field, of which 9 years he has worked within various companies of the KazMunayGas Group as Corporate Development Manager.

Alexandru Nicolcioiu

Born in 1951, Romanian citizen.

Duration of administrator mandate: from 29.04.2014 to 30.04.2018.

In the present, non- executive member of the Board of Directors.



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He has held the position as Chairman of the Board of Directors of Rompetrol Rafinare under the following mandates: 1990 – 1998 and 26.02.2001 – 26.02.2006; 25.02.2006 – 25.02.2010; 26.02.2010 - 22.09.2010

Responsibilities: Chief Production Officer of the Rompetrol Group.

Training and professional qualification: graduate of the Faculty for the Technology and Chemical Processing of Oil and Gas at the Faculty of Oil, Gas and geology of Bucharest, class 1975. Doctorate at the University of Petroleum and Natural Gas Ploiești - " Strategies regarding engineering and technical/technological risk management in the processing of hydrocarbons". With a 40-year activity in the field, of which 37 years in the Company, he has an extensive experience in the oil and gas activities. During 1990 - 1998, he held the position as General Manager of the Company.

Yedil Utekov

Born in 1976, a Kazakh citizen

Duration of administrator mandate: from 01.10.2014 to 30.04.2018⁸.

Executive member of the Board of Directors

Responsibilities: General Manager of Rompetrol Rafinare S.A. and General Manager and member in the Board of Directors of Rompetrol Petrochemicals S.R.L.

Training and professional qualifications: Graduate of the Natural Resources and Hydrocarbons Chemical Engineering at the State Technical University of Astrakhan, Russia. He began his oil and gas career in 2001 as a process operator at the Akasaraisky Gas Processing Plant of Russia, then as an operator at ZAO Intergaz Central Asia, Kazakhstan. Then, beginning with June 2002, he was promoted from the position of engineer at the Atyrau Refinery to that of Environment, Technology, Health and Safety manager. In April 2005 – April 2010, he worked at Agip KCO in Atyrau, Kazakhstan. The last position in this company was that of Group Coordinator for Technical Inspection and Control in the period August 2008 – April 2010. With a professional experience of more than 10 years in the oil and gas industry, Mr. Yedil Utekov joined the KMG International Group (the former name Rompetrol Group) in January 2010 as Assistant General Manager of Rompetrol Petrochemicals. He was elected as the Company's General Manager beginning with 12 June 2014.

⁸ Provisional director for the period 01.10.2014 - 03.03.2015. Appointed permanent director by Resolution no. 1/2015 by the General Ordinary Shareholders' Assembly of 04.03.2015.



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The two new positions of administrator created by Resolution no. 7/2011, adopted by the General Shareholders' Meeting of 29 November 2011 approving the increase in the number of members of the Board of Directors from 3 to 5 on 31.12.2014, are taken by Mr. Gabriel Dumitraşcu and Mr. Károly Borbely. Both have been appointed in these positions at the suggestion of the Romanian State, represented by the Ministry of Economy (at the date of this report, the new name is the Ministry of Energy, Small and Medium Enterprises and the Business Environment). Mr. Gabriel Dumitraşcu was appointed as member of the Board of Directors by Resolution no. 5/2013 of the GOMS of 18 June 2013, and re-assigned in this position by Resolution no. 2/2014 of the GOMS of 29 April 2014, and Mr. Károly Borbely by Resolution no. 2/2014 of the GOMS of 29 April 2014.

Gabriel Dumitraşcu

Born in 1964, Romanian citizen.

Duration of administrator mandate: from 29.04.2014 to 30.04.2018

Non-Executive member of the Board of Directors

Education and professional qualification: graduated from the Bucharest Polytechnics University, 1990. During 1996 - 2000 graduated various post - university courses: Colegiul Naţional de Apărare (domain: National safety and security), JICA – Japan (domain: Managementul of the Environment Protection), Scoala Naţională de Stiinţe Politice şi Administraţie (domain: Business Management and Communication), USAID, World Bank – 4 weeks traineeship Washington (domain: Management)

Career milestones:

- General Director General Department of Privatization and Administration of State Ownership in the Department for Energy under the Ministry of Economy
- Head of Department the Office of State Ownership and Privatisation in Industry;
- General Manager SC TERMOELECTRICA SA;
- General Manager AVAS;
- Vice-president - Executive Director development, marketing and communications S.C. Ardeleana S.A. (management contract)
- General Manager and Deputy General Manager, manager of development, relations with the authorities and public communication (management contract) S.C. Roşia Montană Gold Corporation S.A.
- General Manager - Ministry of Waters, Forests and Environment Protection;
- Director Environmental Protection Agency Bucharest;
- Director of the General Secretariat of the Government - SSPR;
- Rapporteur the National Confederation of the trade unions in Romania



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Károly Borbely⁹

Born in 1976, Romanian citizen.

Duration of administrator mandate: from 29.04.2014 to 03.03.2015

Non-executive member of the Board of Directors

Education and professional qualification: - Graduate of the Babeş Bolyai University, Cluj Napoca, 1999, and graduate of the Master degree of the Harvard Business School, „Building Business în Emerging Markets” in 2012.

Career milestones:

Mr. Borbely worked as regional marketing director of SC Concord Media SA Arad in the 1999-2000 period, advisor at the Deputy Iuliu Winkler’s Parliamentary Office of Hunedoara and specialist advisor at the Hungarian Democratic Union of Romania, the Hunedoara territorial branch, between 2000-2002, then a regional representative at the IDTH, the Public Hungarian Association for the Promotion of Investments and Trade. He was a president of the Hungarian Democratic Youth organization of Hunedoara in 1999-2001, and president of the Young Hungarians Council of Hunedoara County (2001-2003). In February 2005, he was appointed as State Secretary, president of the National Youth Authority. Between December 2007 and December 2008, he was the Minister of Communications and Information Technology, and in 2010 – 2012, State Secretary at the Ministry of Economy, Trade and Business Environment. Before his current position as State Secretary at the Ministry of the Economy, Mr. Borbely was a development manager at Energobit Group.

6.4. This presence of the administrators in the meetings of the Board of Directors

In accordance with the Articles of Incorporation, the Board of Directors shall meet at least once every three months and whenever required. During 2014 the Board of Directors has met within 21 meetings. On the agenda for the meetings of the Board of Directors, there were issues regarding the current activity carried out by the company or its subsidiaries, as for example: for the approval of the organizational structure of the company , the Annual Report and the organization of the general shareholders’ meeting for the approval of the annual financial results, reports and materials related to the bi-annual and quarterly financial results, the approval/ratification of significant legal acts, decommissioning of fixed assets with the depreciation period expired, appointment of the General Manager and of the acting Company administrator, approval of the update of the Articles of Incorporation of the Company following the entry into force of certain regulations, other approvals for the sound performance of the activity of both the company and its subsidiaries, etc.

⁹ Pursuant to Resolution no. 1/2015 by the General Ordinary Shareholders’ Assembly of 4 March 2015, Mr. Károly Borbely has been replaced by Mr. Bogdan-Nicolae Badea as Company director for the period between 04.03.2015 – 30.04.2018. This assembly has been called by the Romanian State, as shareholder, represented by the Ministry of Energy, Small and Medium Enterprises and the Business Environment.

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Meetings of the Board of Directors have been carried out in the presence of at least 3 administrators of the total number of 5 administrators as provided for by the Articles of Incorporation.

The most meetings took place as conference call / video conferencing.

The decisions of the Board of Directors in 2014 were adopted by unanimous or majority vote of the members present.

The table below outlines the presence in the meetings of the Board of Directors of the administrators, for the year which ended on December 31st, 2014:

Name	Presence
Azamat Zhangulov	21/21/21
Alexandru Nicolcioiu	21/21/21
Sorin Graure	16/16/21
Iulian - Marian Butnaru	5/5/21
Gabriel Dumitraşcu	21/21/21
Károly Borbely	16/16/21
Yedil Utekov	4/4/21

The first figure indicates the number of meetings at which the person in his capacity as administrators has participated, the second figure represents the number of sessions conducted during the mandate from 2014, and the third figure represents the total number of sessions carried out during 2014.

On 30 April 2014, the term of the entire Board of Directors of the Company came to an end. The Ordinary General Shareholders' Assembly of 29 April 2014 adopted Resolution no. 2/2014 approving the new Board of Directors of the Company, made up of the following: Mr. Azamat Zhangulov, Mr. Alexandru Nicolcioiu, Mr. Sorin Graure, Mr. Gabriel Dumitraşcu and Mr. Károly Borbely.

Mr. Károly Borbely was elected as member of the Rompetrol Rafinare Board of Directors instead of Mr. Iulian – Marian Butnaru, following the expiration of administrator's term. On the date of this report, at the proposal of the Romanian State, the majority shareholder, represented by the Ministry of Energy, Small and Medium Enterprises and the Business Environment, Mr. Károly Borbely was dismissed from the position of Company director and replaced by Mr. Bogdan-Nicolae Badea, pursuant to Resolution no. 1/2015 of the General Ordinary Shareholders' Assembly of 4 March 2015. The meeting of the General Ordinary Shareholders' Assembly of 4 March 2015 was requested by the majority shareholder, the Romanian State, represented by the Ministry of Energy, Small and Medium Enterprises and the Business Environment (changed name to the Ministry of Economy in 2014).



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Effective 01.10.2014, Mr. Yedil Utekov was appointed as interim Director, instead of Mr. Sorin Graure, according to Resolution No. 1 of the Board of Directors of 1 October 2014. On the date of this report, Resolution no. 1/2015 of the General Ordinary Shareholders' Assembly of 4 March 2015 was adopted, whereby Mr. Yedil Utekov was appointed as a definitive member of the Board of Directors. Mr. Bogdan-Nicolae Badea was also appointed at the same general assembly, as shown in the above paragraph.

6.5. Advisory Committees, non-executive Managing Directors and the independence of the Managing Directors

Considering that the organization within the KMG International Group involves the existence of supporting operations positions with various responsibilities, it was not required to set up consultative committees at entity level (audit, nomination, remuneration committees, etc.) The relation between the company and the positions at the level of KMG International Group is regulated through service provision contracts.

The remuneration of the members of the Board of Directors and of the directors (executive and non-executive) is presented in Explanatory note no. 21 corresponding to the individual annual financial statement on 31.12.2014.

The criteria for evaluating the independence of the non-executive members of the Board of Directors are stated in Principle VIII, Recommendation 16 of CGC of BVB. Currently, no appointed member of the Board of Directors of Rompetrol Rafinare meets the independence criteria stipulated by the above-mentioned principle and recommendation.

6.6. Information on the General Meeting of Shareholders and the Shareholders' rights

According to article 11 of the Company's updated Articles of Incorporation, corroborated with the applicable legal provisions, the Ordinary General Meeting is summoned at least once a year, as the law requires obligatorily, and includes the following attributions:

- a) to discuss, approve or to modify the annual financial statements, based on the reports presented by the board of directors and by the financial auditor and to establish the dividend;
- b) to appoint and revoke Company administrators;
- c) to appoint and establish the minimal duration for the financial audit contract, and also to revoke the financial auditor;
- d) to establish for each undergoing financial year the remuneration owed to the administrators;
- e) to pass opinion on the administrators' manner of administration;
- f) to establish the incomes and expenses budget, and, if such is the case, the activity schedule, for the following financial year;
- g) to decide the hypothecation, the lease or the abolishment of one or more units of the Company;



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- h) approves the maximum limits of the remuneration of the persons handling/exerting managing positions when the law stipulates such.

The Extraordinary General Meeting has the following attributions:

- a) the change of the Company's legal form;
- b) moving the headquarters of the company;
- c) changing the company's object of activity;
- d) setting up or dissolving secondary offices: branches, agencies, representations or any other such units without legal personality;
- e) the extension of the company duration;
- f) increasing the shared capital;
- g) the reduction of the shared capital or replenishing it by an issue of new shares;
- h) merger with other companies or the division of the company;
- i) the company's anticipated dissolution;
- j) conversion of shares from one category to another;
- k) the conversion of one category of bonds into another one or into shares;
- l) issue of bonds;
- m) any other change of the articles of incorporation or any other resolution for which it is required the extraordinary general meeting consent;

The Extraordinary General Meeting delegates the Board of Directors to exert the attributions stated at letter b) and c) of the paragraph above.

Moreover, the Extraordinary General Meeting may delegate to administrators the increase of the shared capital, according to the provisions of art. 236 of Law 297/2004 on the capital market.

The rights of the shareholders of Rompetrol Rafinare are those conferred by Law no. 31/1990 on commercial associations, Law no. 207/2004 on the capital market, C.N.V.M. regulations and instructions, Stock Code and other regulations currently in force.

The General Meeting of the Shareholders of Rompetrol Rafinare SA, according to its updated Articles of Incorporation:

The general shareholders' meeting is summoned by the administrators or whenever required, by publishing an announcement in the Romanian Official Journal, part IV, and in widely distributed local or national publications in the locality where the Company is headquartered. The general meetings are summoned by the Board of Directors, and the summoning is done at least 30 days before the date of holding the meeting. The summons of the general meetings is transmitted simultaneously to B.V.B. and A.S.F. and is available for at least 30 days before the date of holding the meeting on the Company's website, at address: www.rompetrol-rafinare.ro at section Investor Relations.

The general meeting can be summoned at the headquarters of the Company or in other places established by the administrators through the summons. In the general shareholders' meetings have the right to participate and vote only the shareholders registered in the Register of Company



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Shareholders, held and issued by the Central Depository S.A. Bucharest, on the reference date established through the summons of the general meeting. According to the legal provisions, shareholders can be personally represented (by legal representatives) or by a representative, based on Special delegation, or by mail, based on Vote bulletin by mail, both documents being made available to the shareholders and translated in English. Shareholders can fill in the delegation/vote form by mail either in Romanian, or in English.

Shareholders can also be represented in the general meeting by persons who do not have the quality of Company shareholders, except for the administrators.

The summons of the general meeting includes information on the availability of the forms for special delegations, vote bulletins by mail and deadline to which these documents are to be sent / submitted at the Company headquarter, as well as the e-mail address for sending the mails.

Each shareholder, regardless of the participation to the shared capital, has the right to ask questions referring to the agenda of the general meetings, and the Company can answer the questions asked by the shareholders by posting such answers on the Company website. Questions have to be pertinent, be connected to the agenda and not harm the confidentiality and commercial interests of the Company and be in writing, either by mail or courier services, or by electronic means. Furthermore, in the summons of the general meeting shall be mentioned the deadline until which shareholders can exert the above-mentioned rights.

One or several shareholders representing, individually or jointly, at least 5% of the shared capital has/have the right, in lawful conditions: a) to introduce new items in the agenda of the general meeting, provided that each item is accompanied by a justification or by a draft decision proposed for making by the general meeting and b) to present draft decisions for the items included or proposed to be included in the agenda of the general meetings.

The summons of the general meeting, the information materials regarding the items on the agenda of the general meeting, the forms for Special delegations, the Forms for Vote bulletins by mail and draft decisions are made available in Romanian, as well as in English to the Company's shareholders at the headquarters of the Company and can be downloaded from the Company website.

Shareholders can request in writing copies of these documents, by courier or e-mail.

The general meeting is presided by the chairman of the Board of Directors or by a person appointed by such, who, in turn, appoints from among the members of the general meeting members or the company shareholders, one to three secretaries, plus a technical secretary from among the employees. They will draft the list of presence of shareholders and verify the following:

- identity documents of the persons present at the General Meeting as shareholders or empowered representatives of such;
- special delegations presented by the delegates of the shareholders; Consideration shall be given to the fact that the delegation is only valid for the General Shareholders' Meeting for which it was requested.
- vote form by mail.



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The meeting secretary shall also verify the fulfillment of the legal conditions regarding the quorum of presence of shareholders for validating the general meetings.

If the ordinary or extraordinary general meeting cannot take place because the legal conditions of presence are not met, the meeting which will reassemble in a second summoning can deliberate upon the matters of the agenda of the first meeting, regardless of the gathered quorum, passing resolutions with the majority of the expressed votes.

After presenting the materials afferent to the agenda, the shareholders are invited to ask questions and the problems subjected to debate are subject to vote by the meeting president.

The decisions of the general meeting are made by open vote, except for the cases when the general meeting decides for the vote to be secret or if the law requires a secret vote.

Each share entitles to express one vote within the sessions of the general shareholders' meeting of Rompetrol Rafinare. The person representing several shareholders based on special delegations expresses the votes of the represented persons by summing up the total number of votes "for", "against" and "refrain" without compensation (ex. "at point x on the agenda I represent "a" votes "for", "b" votes "against" and "c" refrains"). Votes expressed like this are validated or, as the case may be, invalidated, based on the third copy of the special delegations, by the secretary of the general meeting. The votes pertaining to the special delegation are exerted only in the manner decided by the shareholder.

The meeting secretary/ies, based on the freely expressed vote by the shareholders, shall draft the minutes of proceedings of the general meeting.

Within 24 hours as of the date the general shareholders' meeting took place, the company sends to B.V.B. and C.N.V.M. the current report afferent to the decision made by the general shareholders' meeting and such is published on the Company website. Moreover, the decisions of the general meeting are to be published in the Romanian Official Journal, Part IV.

Resolutions adopted by the general meetings of shareholders during 2014:

The Ordinary General Meeting of the Shareholders of Rompetrol Rafinare from April 29th, 2014 has decided as follows:

- The approval of the individual annual financial statements (drawn up in accordance with the International Financial Reporting Standards ("IFRS"), as provided for in the Order of the Ministry of Public Finance No. 1286/2012), as consequently amended and the consolidated financial statements (drawn up in accordance with the International Financial Reporting Standards), audited, for the year 2013, on the basis of the reports of the Board of Directors and the Auditor's financial reports ;
- approval by the Company's Board of Directors to cover the retained accounting loss from the first time application of IAS 29 „Financial Reporting in Hyperinflationary Economies” by transfer of the amount of 5,734,750,095 lei from own resources, namely the account „Adjustments to share capital”, to the Retained earnings;



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- The discharge of administration of all the Board of Directors of the Company for the financial year 2013, based on the presented reports;
- Approval of the income and expenditure budget and the program of the company for the year 2014, including the investment plan for the year 2014;
- Election of the 5-member Board of Directors for a 4-year term beginning with 30 April 2014, following the expiration of the previous term of the Board of Directors on this date. **Thus, as of April 29th, 2014, the Board of Directors has the following composition:** Mr. Azamat ZHANGULOV, Mr. Alexandru NICOLCIOIU, Mr. Sorin GRAURE, Mr. Gabriel DUMITRAȘCU and Mr. Károly BORBELY.
- Determining the remuneration for the financial year 2014 of the members of the Board of Directors of the company, for the purpose of maintaining the same net amount of remuneration for the Board of Directors as the one valid for the year 2013.
- approval of the date of 16 May 2014 as the registration date for the identification of shareholders concerned by the effects of Resolutions no. 1/2014 and no. 2/2014 of the GOMS of 29 April 2014.
- authorising and appointing Mr. Sorin Graure, General Manager of the Company, with the possibility to delegate the signature right to third parties, in order to conclude and/or sign the Resolutions No. 1/2014 and no. 2/2014 of the GOMS of April 29th, 2014 on behalf of the company and/or of the shareholders of the company, and to carry out all legal formalities regarding the registration, publicity, execution and publication of these two Resolutions.

The Extraordinary General Meeting of the Shareholders of Rompetrol Rafinare of April 29th, 2014 has decided as follows:

- Ratification of the conclusion by the Company of Addendums no. 5 and no. 6 to the Loan Agreement no. 448 of 20 September 2010 between Rompetrol Rafinare and Rompetrol Group N.V. (of March 2014 with the new name of KMG International N.V.), the majority shareholder of the Company, based in Strawinskylaan 807 Tower A-8, 1077XX, The Netherlands, registered with the Trade Register of the Chamber of Commerce and Industry of Amsterdam under no. 24297754, extended and amended by Addendum no. 1 of 20.09.2011 approved by the GEMS Resolution no. 4 of 10.10.2011, Addendum no. 2 of 2.05.2012 approved by the GEMS Resolution no. 2 of 29.06.2012, Addendum no. 3 of 20.09.2012 approved by the GEMS Resolution no. 6 of 26.10.2012 and Addendum no. 4 of 05.03.2013 approved by the GEMS Resolution no. 3 of 05.03.2013, regarding the amount of USD 250,000,000.
- taking note of the change in the name of the majority shareholder from The Rompetrol Group N.V. to KMG International N.V., GEMS approved the amendment of the relevant articles of the Company's Articles of Incorporation, namely point 1) of article 1, "Shareholders", point 1.1., letter A. "Majority shareholders", and article 2 "Name" from the Company's Articles of Incorporation.



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- approval of the date of 16 May 2014 as the registration date for the identification of shareholders concerned by the effects of Resolutions no. 3/2014 and no. 4/2014 of the AGEA of 29 April 2014.
- authorising and appointing Mr. Sorin Graure, General Manager of the Company, with the possibility to delegate the signature right to third parties, including to lawyers, in order to complete and/or sign on behalf of the company and/or of the shareholders of the company the Resolutions No. 3/2014 and No. 4/2014 adopted by this GEMS and to carry out all legal formalities regarding the registration, publicity, execution and publication of the Resolutions No. 3/2014 and No. 4/2014, including for the update and signing on the Company's Articles of Incorporation on behalf of the shareholders.

Shareholders' right to dividends

If the General Meeting of the Shareholders approves the distribution of dividends from the net profit of the company, all shareholders registered in the Register of shareholders at the time of registration decided by the General Meeting which also approves the amount of dividends received and the time limit within which they shall be paid to the shareholders, shall be entitled to receive dividends.

6.7. Information on the Executive Management of Rompetrol Rafinare

In accordance with Article 16.1 of the Articles of Incorporation of the company - updated on August 14th, 2014, the company's executive management which was delegated powers of management by the Board of Directors on the basis of the provisions of Article 143 of Law No 31/1991 on Companies, has been ensured by the General Manager and the Chief Financial Officer.

On December 31st, 2014, the executive managers of the company are:

Mr. Yedil Utekov	– General Manager and Interim director
Mr. Giani-Iulian Kacic	– Chief Financial Officer



6.8. Other elements regarding the Corporate Governance

6.8.1. Transparency, communication and regular and continued reporting

Rompetrol Rafinare attaches a great importance to the transparency of the communication and information of shareholders and investors. Throughout 2014, reports, presentations and press releases were issued with respect to the financial results, the convening of GMS (General Meeting of the Shareholders) and the resolutions adopted by GMS, as well as periodic (quarterly, biannual and annual) reports, significant transactions, reporting of litigations in which the Company is involved, etc. The information included in the current and periodic reports were communicated to the market operator, the Bucharest Stock Exchange, C.N.V.M, and were made available by posting on the Company's website, www.rompetrol.ro, in the Investor Relations/Rompetrol Rafinare/Presentations section.

Until the date when the hereby report was drafted, throughout 2013, the Ordinary General Meeting of Shareholders was convened on March 5th, 2013, and during this meeting the Company's shareholders approved the Resolution no. 2/2013 based on which Ernst & Young Assurance Services S.R.L., an independent financial auditor, was designated as financial auditor of the Company and a 4-year term was established for the audit services agreement.

6.8.2. Corporate Social Responsibility 2014

Sustainability

KMG International Group places sustainability at the core of our business strategy and operations. As a leading Corporate Citizen, we focus on using the industry best practices and show responsibility towards the environment, workplace, market place and communities, supply chain.

We are committed to:

1. Sustainable, responsible development that extends through and beyond the life of our operations;
2. Operating ethically and responsibly with respect for the safety, health and welfare of our employees and partners in the community;
3. Best practices in corporate governance, as it affects all of our communities of stakeholders, including our employees, local and regional communities, suppliers, investors and partners;
4. Investing time and energy in promoting the spirit of leadership through entrepreneurial and educational pursuits.

Guiding Principles

The spirit of KMG International's approach towards Sustainability is reflected in our corporate motto, "Getting Further," which is a call to ongoing, active involvement in projects that meet our goals.

Our guiding principles are:

1. Respect for Employees: To respect employees and help improve their life through development opportunities and employment practices grounded on equal opportunities and Occupational and Safety Best Practices;



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2. Ongoing Involvement: To involve, at an appropriate level, the authorities, community and other concerned stakeholders in all the decisions that affect them;
3. Health and Safety: To ensure the health and safety of our employees, suppliers and the communities in which we operate;
4. Risk management: To identify, assess, manage and mitigate risks to our host communities, employees, contractors, the environment and our business;
5. Education and Leadership: To promote the spirit of leadership, especially among young people, through civic involvement and educational activities that encourage socially responsible pursuits and entrepreneurship;
6. Respect for local communities: To respect, protect and promote the human rights, and the culture, customs and values of the communities in which we operate;
7. Best practice: We are guided by the United Nations Global Compact's ten principles in the areas of human rights, labor, the environment and anti-corruption.

In 2015 KMG International will issue its first sustainability report on the GRI International standard, covering the non-financial performance of 2013 and 2014.

Environment

The main objective of KMG International, in all subsidiaries and member companies, in the environmental field is to develop activities in line with the environmental legislation applicable for each country where The Group has operations, applying the general principles of environmental protection, through conservation and sustainable practices.

The environmental strategy has the following areas of interest:

- Compliance of activities and facilities at national and international legal requirements in the environmental field;
- Minimization of the environmental incidents;
- Minimization of the natural resources consumption and the quantities of the generated wastes, especially hazardous ones;
- Optimization of the operations and technologies for energy efficiency improvement and reduction of different pollutants emissions, especially greenhouse gases;
- Improvement of the certified environmental management system (ISO 14001) implemented in all our entities;
- Permanent training of specialized personnel in the field;
- Insurance excellent communication within the Group and with the interested public, state authorities, NGOs etc.

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Community

In 2014, the Group's investments in CSR initiatives within Romania and abroad. For the immediate future, we aim to focus our attention on areas where there is greater social demand and improving our performance and our contribution to CSR issues. This will in turn contribute to sustainable development, improve relationships with human resources, strengthen social solidarity and ensure for relationships built on trust with the local community and society at large.

Programs and projects in Romania

In 2014, through the 6th edition of the national program "Together for each and everyone" 14 projects of healthcare and environment were financed by KMG International Group. All projects had two overlapping parts: one which consisted in the restoration of medical care units in rural and urban areas, or the construction of water collectors, eco plants for water recycling, solar panels for schools, and a second component which consisted in educational and cultural activities for the members of the communities.

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

In the healthcare field, Rompetrol Rafinare, Fundația pentru SMURD and the General Inspectorate of Aviation (IGAV) continued the partnership for supporting air emergency interventions, the movement of medical personnel and the transportation of victims. In this cooperation, Rompetrol Rafinare, provides (since 2010) a monthly quantity of Jet A 1 fuel, estimated for the operation of the medical helicopters.

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

Starting as of 2003, Rompetrol (with the new name KMG International Group) is a partner and main sponsor for Gala Societății Civile (**Civil Society Gala**) – the annual competition that awards the best projects of the year, projects initiated by NGOs, unions, individuals etc.

George Enescu International Contest - This association of Rompetrol with such a large scale event was meant to strengthen the international vocation of the two brands and its products - fuels and quality music. The partnership created to support the prestigious cultural event. The company also provided financial support for "George Enescu" Festival.

HR Management**1.1. Labor practices****Code of conduct**

KMG International's strong commitment to ethics and compliance sets the parameters for human rights and fair labor practices that apply across the - Group.

As of June, 2014, KMG International approved the introduction of the "Supplier Code of Conduct" for all its contractors and suppliers, with the purpose of ensuring that KMG International and all its subsidiary suppliers are in full compliance with all applicable national and international laws and regulations on protecting human rights, safe working conditions, promoting fair employment conditions, responsible management of environmental issues and high ethical standards.



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By this, KMG International requires its suppliers and their subcontractors to comply with the Supplier Code of Conduct and to verify compliance by providing information and allowing access to their premises.

Non-discrimination

KMG International values every member of its workforce and has policies that promote a workplace where every person is treated with dignity and respect. We also expect that employees of the Group will treat each other with dignity and respect as stated in our company policy.

Child labor

KMG International observes and abides by minimum age laws and regulations prohibiting the hiring of underage persons on any of its projects or in any global offices, and the company's policies and practices reflect this approach.

Forced labor

KMG International does not promote, condone, practice or tolerate the use of forced or compulsory labor and the company's policies and practices are reflective of this approach. The company takes measures to adhere to all applicable local laws and regulations regarding forced or compulsory labor, including those related to wages and benefits. The company has no knowledge of any significant risks for compulsory or forced labor incidents in any of its operations or its suppliers' and subcontractors' operations.

Freedom of association and collective bargaining

The company acknowledges employees' legal rights to choose without fear of retaliation, coercion or harassment, whether or not to join third-party organizations. These rights are in accordance with the law related to third-party involvement, which may include labor unions and/or trade unions, in countries in which we work.

Grievance mechanisms

KMG International encourages employees and other stakeholders to report any activities that are not in compliance with its internal policies and regulations and provides 3 different types of grievance mechanisms.

1.2. Wages, Compensation & Benefits

Annually, an external benchmarking is carried out to understand changes in the market compared to the previous year. Based on the average increase/decrease of each reference market, the corresponding salary grids are updated to reflect current market realities.

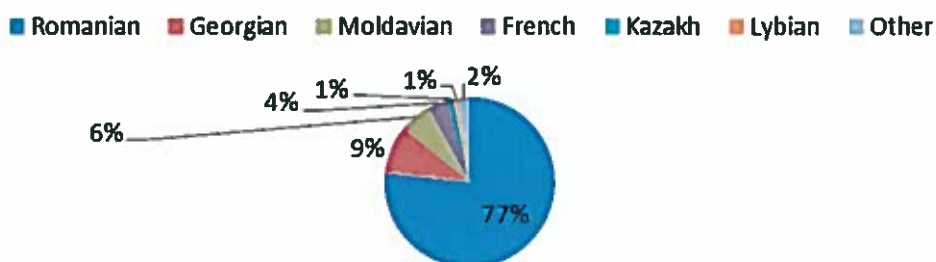
1.3. Diversity and equal opportunity

KMG International is committed to diversity and equal employment opportunities for all employees and job candidates. In keeping with our aim to foster diversity and cultivate leadership, we employ a high number of local nationals in our international operations.



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Nationalities of KMG International employees



We provide equal opportunity in recruitment, career development, promotion, training and reward for all employees regardless of color, ethnicity or physical ability.

2. Training and education

KMG International Group provides training and development programs and processes that give employees an opportunity to advance their careers over the long term and stay relevant in the ever-changing job market conditions.

3. Occupational Health and Safety

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

At Group level, accident statistics has been reported quarterly since 2010, monthly from mid 2011 and weekly from 2012.

Internal Control and risk management systems in relation to the financial reporting procedures

The company has adopted continuously the mechanism of internal control as a set of procedures and working methods with the scope of preventing the facts contrary to the economic interests of the company and of the frame for carrying out the activity, of identification of deficiencies and laying down the measures required to restore the regulated frame. It affects the relationships, the financial phenomena and processes aimed to mainly ensure the proper functioning of the economic activity. Also, there are analyzed aspects of opportunity, necessity, and economy for the operations carried out by the company. Regarding the financial reporting procedures, within the company there are being developed procedures for external and internal reporting outside the company. The procedures are regularly reviewed by specialised departments of the company. The financial reporting systems are based on principles, standards and legal regulations in force.

**ROMPETROL RAFINARE S.A.
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By the nature of its activity, the company is exposed to some risks:

- commodity price risk arising from the exposure to interest rate, exchange rate EUR - USD, USD - RON fluctuations, the volatility of the selling prices of petroleum products and of the purchase prices of crude oil; to mitigate the impact of such risks, the company adopted a risk management system in 2011; the hedging operations for oil products and crude and the currency exchange risk were implemented beginning with 2011.

- the credit risk arising from the possibility that the contractual obligations are not being kept by business partners, customers and creditors is being monitored on a permanent basis, through creditworthiness/solvency assessments of customers and by guarantee and credit control systems.

- the liquidity risk consists in not having financial resources available in order to fulfill company obligations when they are due. Based on the forecasted cash flow, the management of the company checks daily the liquidity level and ensures the fulfillment of obligations to suppliers, to the state budget, to the local tax authorities etc. according to their maturity. The current and immediate liquidity ratios are monitored permanently.

- the operational risk derives from the possibility that accidents, errors, malfunctions may occur, as well as from the influences of the environment upon the operating and financial results. Rompetrol Rafinare S.A. has continued a broad revamp process on the refinery technology, for the purpose of increasing the production, reducing the technological losses, as well as eliminating the accidental shut-downs in the industrial process. The Company is also interested in the maintenance and continuous improvement of the integrated quality-environment-health and safety management system, with results on the improvement of the image of the organization, the protection of environment and occupational safety, improvement of the relations with the public authorities, the social-economic community as a whole, the limitation of civil and criminal liability by meeting the legal requirements and regulations concerning quality-environment-safety.

The Financial Calendar for the year 2015

Financial Calendar	Date
Presentation of the preliminary results, not audited, individual and consolidated, for the year 2014 and for the fourth quarter of 2014	February 16 th , 2015
The Ordinary General Meeting of the Shareholders for the approval of annual financial results 2014	April 29/30 th , 2015
Publication of the Annual Report 2014 (respectively of the related annual financial results 2014)	April 30 th , 2015
Presentation of the results for the first quarter of 2015	May 14 th , 2015
Presentation of the results for the first semester and the II nd quarter of 2015	August 13 th , 2015
Presentation of the results for the III rd quarter and January - September 2015	November 13 th , 2015



rompetrol

KazMunayGas
Group
Member

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Important Information and news regarding the interests of the shareholders, analysts and investors with regard to the activity of the company are available on www.rompetrol-rafinare.ro, the Romanian and English version, section Relationships with Investors.

Contact for the relationship with investors

The annual, semester and quarterly Reports shall be made available to the shareholders, at their request. Requests may also be carried out in electronic format, by e-mail sent to the address: office.rafinare@rompetrol.com.



7. ANNEXES

a) Amendments to the Articles of Incorporation of the company

The Articles of Incorporation may be amended by Resolution of the General Meeting of the Shareholders, in accordance with the provisions of Law no. 31/1990 regarding Companies, in conjunction with the provisions of the Articles of Incorporation. The Articles of Incorporation may also be amended by the Managing Board of the Company, by delegation of powers by the Meeting of the Shareholders in accordance with the provisions of Art. 114 of Law no. 31/1990 regarding Trading Companies.

In 2014, the Company's Articles of Incorporation were modified and updated as follows:

- **Following the supplementing of the Company's core business** with a secondary object, CAEN code 6492 – Other credit granting (performed outside the banking system, exclusively between the Company and affiliates of the Rompetrol Group, companies connected by a capital link and supporting the Group activities).

This change has been included in the Articles of Incorporation updated and drawn up in March 20, 2014 (Annex to the present report) and entered in the Trade Register Office ("ORC") Constanța as of 20 May 2014 on the basis of the Resolution No. 11833 of 16.05.2014, in accordance with the certificate for the registration of entries issued by the Trade Register Office Constanța on 20 May 2014.

- **Following the change of the majority shareholder's name of the Company from The Rompetrol Group N.V. to KMG International N.V.**

This change has been included in the Articles of Incorporation updated and drawn up in April 30th, 2014 (Annex to the present report) and entered in the Trade Register Office ("ORC") Constanța as of 21 May 2014 on the basis of the Resolution No. 11991 of 19 May 2014, in accordance with the certificate for the registration of entries issued by the Trade Register Office Constanța on 21 May 2014.

- **Following the amendment of the ownership of the majority shareholder, the KMG International N.V., as well as updating the majority shareholder identification data, the Romanian State represented by the Ministry of Economy** (following the reorganization of the Ministry of Economy by establishing the Ministry of Economy, Trade and Business Environment).

This change has been included in the Articles of Incorporation updated and drawn up in August 14th, 2015 (Annex to the present report) and entered in the Trade Register Office ("ORC") Constanța as of 11 September 2014 on the basis of the Resolution No. 21279 of 9 September 2014, in accordance with the certificate for the registration of entries issued by the Trade Register Office Constanța on 11 September 2014.



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b) major contracts concluded by the company in the year for which the reporting is made.

Important contracts in which Rompetrol Rafinare is the supplier:

- Contract No RR 1/28.01.2013, concluded with Uzina Termoelectrica Midia S.A., automatically extended into 2014, with the following activity domain: sale of utilities - combustible refinery gas.
- Addendum No. 19/01.01.2014 to extend the contract RR 1/04.01.2010 per 2014 concluded with Rompetrol Downstream S.R.L., with the object of the sales of petroleum products.
- Contract 2014 (respectively RR 1/31.12.2013), concluded with Kaz Munay Gas Trading A.G., with the following activity domain: the export of petroleum products in 2014;
- Contract No 38/10.09.2008 (respectively RGS 163A/10.09.2008), automatically renewed in 2014, concluded with Rompetrol Gas S.R.L., with the following activity domain: the sale of liquefied petroleum gas;
- Addendum 22/17.01.2014 to extend the contract 243/2004, concluded with Air BP Sales Romania, with the following activity domain: sale of reactor petroleum Jet A1;
- Addendum 6/01.01.2014 to extend the contract 2/2012 on 2014 concluded with Rompetrol Moldova, with the following activity domain: the sale of petroleum products;
- Addendum 8/01.01.2014 for an extension for the year 2014 of the contract 1/2012 concluded with Rompetrol Moldova, with the following activity domain: the sale of petroleum products;

Important contracts where Rompetrol Rafinare is the beneficiary:

- Contract no. RR 2/23.04.2014 (valid for 2014), concluded with S.C. AXPO Energy Romania S.A. for the purchasing of electricity: Năvodari and Vega, to which the following were signed: Addendum no. 1/30.05.2014, regulating the invoicing/offsetting of green certificates costs and Addendum no. 2/01.08.2014, tariff change pursuant to the ANRE ORDER 50/2014.
- Contract no. RR 4/22.03.2011, and Addendum no. 6/24.07.2014 renegotiation of internal natural gas price and Addendum no. 7/18.12.2014 for extension until 31.12.2015, concluded with OMV PETROM GAS SRL., for the purchasing of mixed natural gas for Năvodari și Vega.

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- Contract No. RR 2/29.12.2014 (respectively No. 86/17.12.2014 - Midia power plant), concluded with Uzina Termoelectrică Midia S.A., for the purchase of thermal energy;
- Contract No. RR 1/29.12.2014 (respectively No. 87/17.12.2014 - Midia power plant), concluded with Uzina Termoelectrică Midia S.A., for the purchase of demineralized water;
- Contract No. RR 3/12.02.2013, concluded with Ecomaster Servicii Ecologice S.R.L. for the takeover of sludge from the Treatment and Willacy plants, to which the Addendum No. 1/08.03.2014 has been signed to extend the validity period up to 08.03.2015;
- Contract No. RR 1/17.10.2012, concluded with Ecomaster Servicii Ecologice S.R.L. for the takeover of sludge from dump 3, to which Addendum No. 4. /10.06.2014 has been signed to extend the contract validity period until 31.12.2014 and Addendum no. 5/17.12.2014 to extend the contract validity until 31.03.2015;
- Contract 2014/RR/Crude/Term/20.12.2013 (respectively RR 4/27.12.2013) with KazMunayGas Trading A.G. for the purchase of crude;
- Contract GOS _ 033304_Rafinare (RR 4/06.03.2014, concluded with KazMunayGas Trading AG for the purchasing of biodiesel;

Important contracts where Rompetrol Rafinare is the company receiving the loan:

- Amendment no. 2 to the Loan Agreement No. RR 2 signed on May 2nd, 2012 between the Company and The Rompetrol Group N.V., majority shareholder of the company, with the following objective: the mount of 800,000,000 USD, as loan increase by 150,000,000 USD;
- Addendum no. 6 of 14 February 2014 to the Loan Contract no. 448/20 September 2010 between the Company and The Rompetrol Group N.V., for the amount of USD 250,000,000, to amend the interest rate;
- Addendum no. 7 of 19 September 2014 to the Loan Contract no. 448/20 September 2010 between the Company and KMG International N.V. (the former Rompetrol Group N.V.), for the amount of USD 250,000,000, to extend the maturity period to 31.12.2014;
- Addendum no. 8 of 31 December 2014 to the Loan Contract no. 448/20 September 2010 between the Company and KMG International N.V. (the former Rompetrol Group N.V.),

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- for the amount of USD 250,000,000, to extend the maturity period by 12 months beginning with 31.12.2014 and reduction of the interest rate;
- Loan Contract no. RR2 of 24 November 2014 between the Company and Rompetrol Financial Group S.R.L. , for the amount of USD 29,215,000 USD;
 - Assignment of the loan contract of 03 January 2014 between the Company, Rompetrol Petrochemicals S.R.L. and Raiffeisen Bank S.A., whereby the Company assumes all the rights and obligations related to the Overdraft Loan Facility no. 0053 of 26 July 2011, as amended by the subsequent addendums, i.e. Add.1/12.04.2012, Add.2/20.11.2013, Add.3/16.01.13, Add.4/14.02.2013 and Add.5/19.11.2013, for the amount of 30,000,000 EUR;
 - Addendum no. 6 of 03 January 2014 to the Overdraft Loan Facility no. 0053/26 July 2011 between the Company and Raiffeisen Bank S.A., for the amount of 30,000,000 EUR, for the extension of the contract maturity date until 30.11.2014;
 - Addendum no. 7 of 20 May 2014 to the Overdraft Loan Facility no. 0053/26 July 2011 between the Company and Raiffeisen Bank S.A., for the amount of 30,000,000 EUR, to reduce the applied interest rate;
 - Addendum no. 8 of 07 November 2014 to the Overdraft Loan Facility no. 0053/26 July 2011 between the Company and Raiffeisen Bank S.A., for the amount of 30,000,000 EUR, for the extension of the contract maturity date until 28.02.2015
 - Addendum no. 31 of 16 January 2014 to the Revolving Loan Facility no. 490/17 March 2008 between the Company and Bancpost S.A., for the amount of 30,000,000 EUR, for the extension of the contract maturity date until 30.04.2014;
 - Addendum no. 32 of 06 March 2014 to the Revolving Loan Facility no. 490/17 March 2008 between the Company and Bancpost S.A., for the amount of 30,000,000 EUR, for the exclusion of specific collateral;
 - Addendum no. 33 of 14 April 2014 to the Revolving Loan Facility no. 490/17 March 2008 between the Company and Bancpost S.A., for the amount of 30,000,000 EUR, for the amendment of fees, reduction of interest rates and extension of the contract maturity date until 31.07.2014;

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- Addendum no. 34 of 30 May 2014 to the Revolving Loan Facility no. 490/17 March 2008 between the Company and Bancpost S.A., for the amount of 30,000,000 EUR, for the amendment of fees and reduction of interest;
- Addendum no. 35 of 22 July 2014 to the Revolving Loan Facility no. 490/17 March 2008 between the Company and Bancpost S.A., for the amount of 30,000,000 EUR, for the amendment of fees and of the facility destination;
- Addendum no. 36 of 31 July 2014 to the Revolving Loan Facility no. 490/17 March 2008 between the Company and Bancpost S.A., for the amount of 30,000,000 EUR, for the extension of the contract maturity date until 31.07.2015;
- Addendum no. 37 of 17 November 2014 to the Revolving Loan Facility no. 490/17 March 2008 between the Company and Bancpost S.A., for the amount of 30,000,000 EUR, for the amendment of certain contract provisions;
- Addendum no. 13 of 06 March 2014 to the Commitment contract no. 368/23 July 2007 between the Company and Bancpost S.A., for the amount of 27,961,890 EUR, for the amendment of fees;
- Addendum no. 14 of 14 April 2014 to the Commitment contract no. 368/23 July 2007 between the Company and Bancpost S.A., for the amount of 27,961,890 EUR, to extend the contract maturity date until 31.07.2014;
- Addendum no. 15 of 22 July 2014 to the Commitment contract no. 368/23 July 2007 between the Company and Bancpost S.A., for the amount of 27,961,890 EUR, to amend the contract name, the facility destination and the applicable fees and interest rate;
- Addendum no. 16 of 31 July 2014 to the Loan contract no. 368/23 July 2007 between the Company and Bancpost S.A., for the amount of 27,961,890 EUR, to extend the contract maturity date until 31.07.2015;
- Addendum no. 17 of 17 November 2014 to the Loan contract no. 368/23 July 2007 between the Company and Bancpost S.A., for the amount of 27,961,890 EUR, to amend certain contract provisions;
- Addendum no. 4 of 19 May 2014 to the Consolidated loan contract/22 December 2011 between the Company, KMG International N.V. (former THE ROMPETROL GROUP N.V.), ROM OIL S.A., ROMPETROL DOWNSTREAM S.R.L., ROMPETROL S.A.,



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PALPLAST S.A., ROMPETROL PETROCHEMICALS S.R.L., ROMINSERV S.R.L., ROMPETROL GAS S.R.L, KMG Rompetrol S.R.L. and Unicredit Tiriac Bank S.A., for the amount of 30,000,000 EUR, to amend the collateral structure and certain fees and to reduce the applicable interest rates;

- Addendum no. 5 of 20 June 2014 to the Consolidated loan contract/22 December 2011 between the Company, KMG International N.V. (former THE ROMPETROL GROUP N.V.), ROM OIL S.A., ROMPETROL DOWNSTREAM S.R.L., ROMPETROL S.A., PALPLAST S.A., ROMPETROL PETROCHEMICALS S.R.L., ROMINSERV S.R.L., ROMPETROL GAS S.R.L, KMG Rompetrol S.R.L. and Unicredit Tiriac Bank S.A., for the amount of 30,000,000 EUR, to amend certain fees and to extend the contract maturity date until 20.06.2015.
- Addendum no. 6 of 30 October 2014 to the Consolidated loan contract/22 December 2011 between the Company, KMG International N.V. (former THE ROMPETROL GROUP N.V.), ROM OIL S.A., ROMPETROL DOWNSTREAM S.R.L., ROMPETROL S.A., PALPLAST S.A., ROMPETROL PETROCHEMICALS S.R.L., ROMINSERV S.R.L., ROMPETROL GAS S.R.L, KMG Rompetrol S.R.L. and Unicredit Tiriac Bank S.A., for the amount of 30,000,000 EUR, to remove the debtor and guarantor ROMPETROL S.A. from the Loan contract.

c) The resignation/dismissal of members of the Management, Executive Management, Auditors.

As regards the administrative and executive management in the reporting year, Mr. Sorin Graure has resigned from his positions of Board member and General Manager of the Company.

There have not taken place any resignations / dismissals of the external financial auditor of the Company.

d) The list of the subsidiaries of the Company and of the Companies controlled by the Company.

At the end of the year 2014, the company had two workpoints, namely:

- i) Workpoint located in Năvodari, 1 – 283 Năvodari Blvd., Constanța County.
- ii) Workpoint located in Ploiești, 146 Văleni Str., Prahova county, which carry out their activities in the space which is owned by the Company, called " Rompetrol Rafinare - workpoint Vega Refinery ".

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At present, Rompetrol Rafinare S.A. holds the control position in the following companies:

Directly:

- Rompetrol Logistics S.R.L;
- Rompetrol Petrochemicals S.R.L.;
- ROM OIL S.A.;
- Rompetrol Quality Control S.R.L.
- Rompetrol Downstream S.R.L.

In an indirect way:

- Global Security Sistem S.A.;
- Rompetrol Gas S.R.L.

e) The list of persons affiliated to the company¹⁰

Rompetrol Rafinare S.A. is part of the KMG International Group.¹¹

The Group is registered with the A.S.F. and was made up of the following companies on 31.12.2013:

- KMG International N.V¹²
- Rompetrol S.A.
- Rompetrol Downstream S.R.L.
- Rompetrol Well Services S.A.
- Palplast S.A.
- Rompetrol Logistics S.R.L.
- Rominserv S.R.L.
- Rom Oil S.A.
- Global Security Sistem S.A.
- Uzina Termoelectrică Midia S.A.
- Rompetrol Petrochemicals S.R.L.
- Rompetrol Quality Control S.R.L.
- Rompetrol Financial Group S.R.L.
- Rompetrol Gas S.R.L.
- Midia Marine Terminal S.R.L.
- KMG Rompetrol S.R.L.¹³
- Byron Shipping S.R.L.
- EPPLN SAS (Entrepot Petrolier de Port La Nouvelle)
- Rominserv Valves Iaifo S.R.L.
- Byron Shipping LTD
- Întreprinderea Mixta Rompetrol Moldova S.A.
- Rompetrol Georgia LTD
- Rompetrol France SAS
- Dyneff SAS

¹⁰ At this point there have been listed all of the companies in the Rompetrol Group

¹¹ As the Rompetrol Group until March 2014

¹² As The Rompetrol Group N.V. until March 2014

¹³ Changed name from The Rompetrol Group Corporate Center S.R.L. in 2014.



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- Dyneff Espagne SL
- BIONEFF SL
- Dyneff Gas Stations Network SL
- TMP SAS (Terminal Midi Pyrenees)
- DPPLN SAS (Depot Petrolier de Port-la Nouvelle)
- Rompetrol Ukraine LTD
- AGAT LTD.
- Rominserv Kazahstan LLC
- TRG PETROL TICARET ANONIM ŞIRKETI
- Rompetrol Bulgaria AD
- KazMunayGas Trading A.G.
- Rompetrol Energy S.A.
- Rompetrol Albania Downstream Sh.A - in the process of liquidation
- Rompetrol Albania Wholesale Sh.A - in the process of liquidation
- Rompetrol Albania ShA - in the process of liquidation
- Rompetrol Distribution Albania Sh.A. - in the process of liquidation
- KazMunayGas Investments B.V.
- Rompetrol Exploration and Production
- KazMunayGas Engineering B.V.
- KazMunayGas Trading Singapore¹⁴
- Benon Rompetrol
- Rompetrol Drilling S.R.L.¹⁵

THE BOARD OF DIRECTORS

Charman
Azamat Zhangulov

Member
Alexandru Nicolcioiu

Member and Chief Executive Officer
Yedil Utekov

Member
Gabriel Dumitrascu

Member
Bogdan-Nicolae Badea

Chief Executive Officer
Giani-Iulian Kacic

¹⁴ Joined the Group in March 2014

¹⁵ Established in May 2014