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ROMPETROL RAFINARE S.A.
2017 BUDGET PRESENTATION



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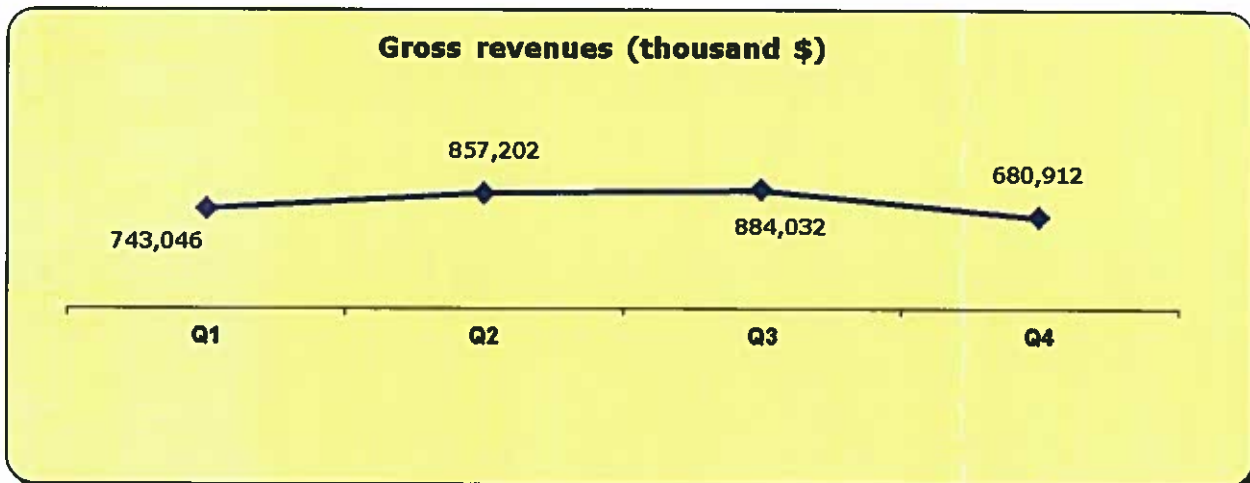
I. PETROMIDIA REFINERY



1. Executive summary

Rompetrol Rafinare SA- Petromidia Refinery will continue its development strategies in 2017, the final target being the expansion of activities on all levels from production to marketing, as follows:

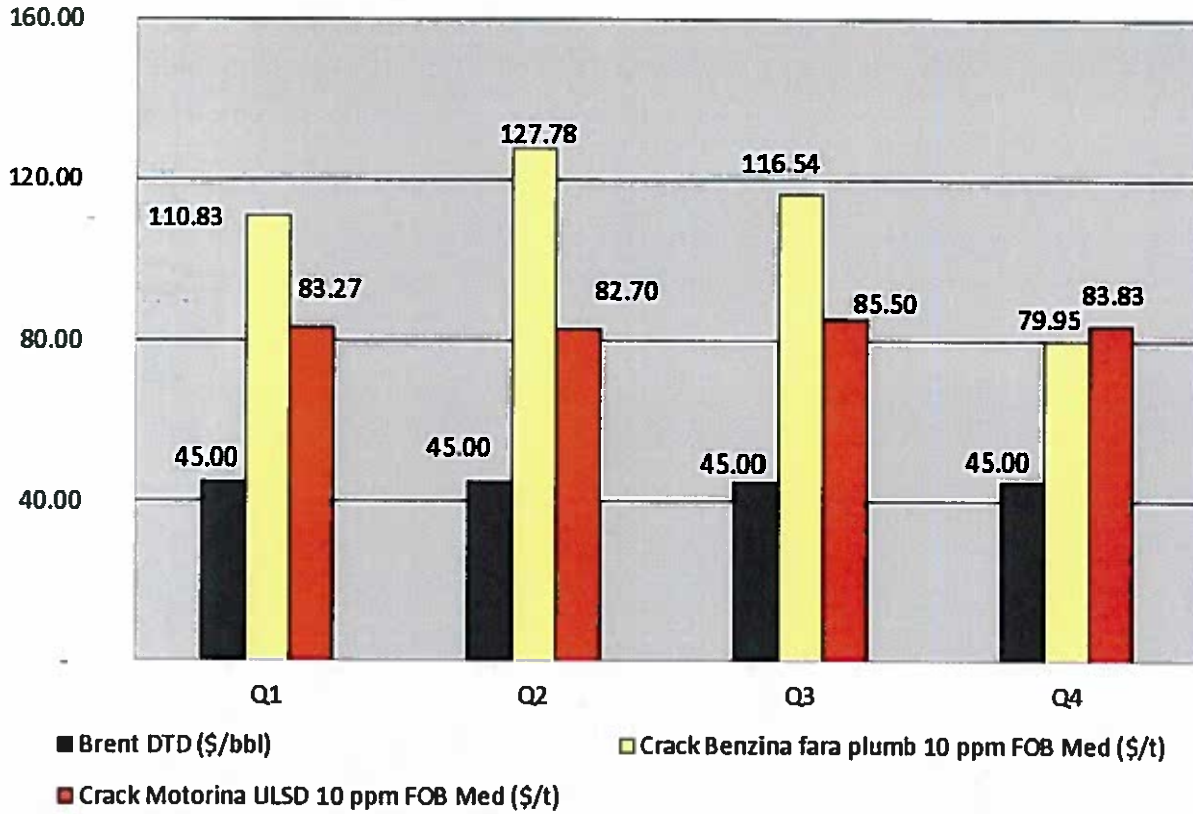
- Gross revenues of 3,165 billion USD, of which internal market 2,105 billion USD (67%) and external market 1,060 billion USD (33%), as a result of selling 5,301 thousand tons of products
- Increase of petroleum sales domestic and external markets: Georgia, Greece, Turkey, Lebanon, Bulgaria, Serbia, Moldavia.



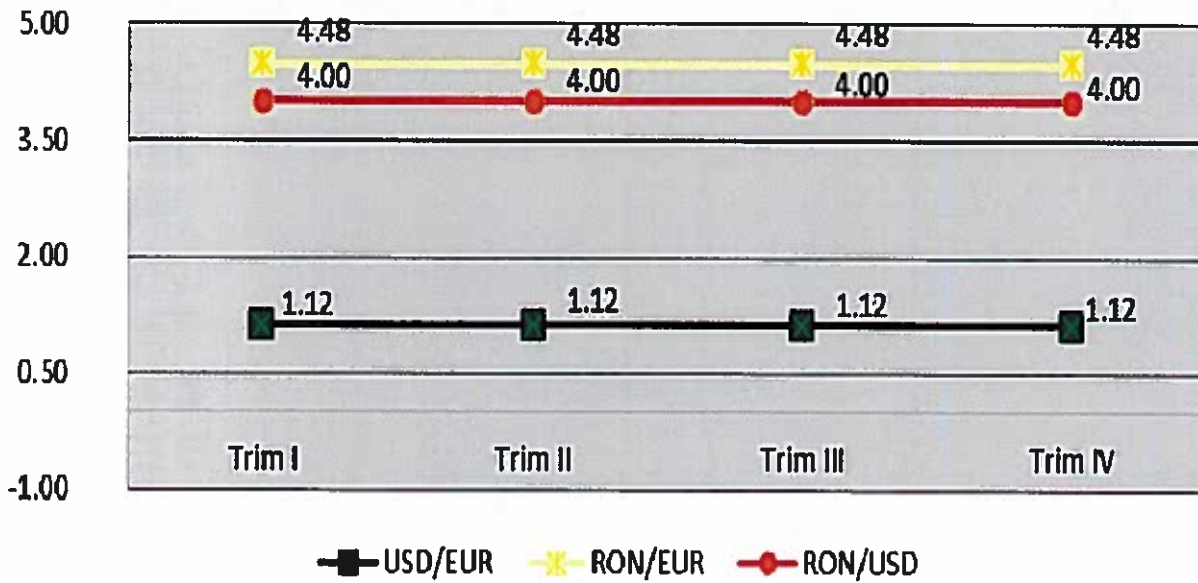
Gross revenues comprise also the products that will be transferred to Vega Refinery.

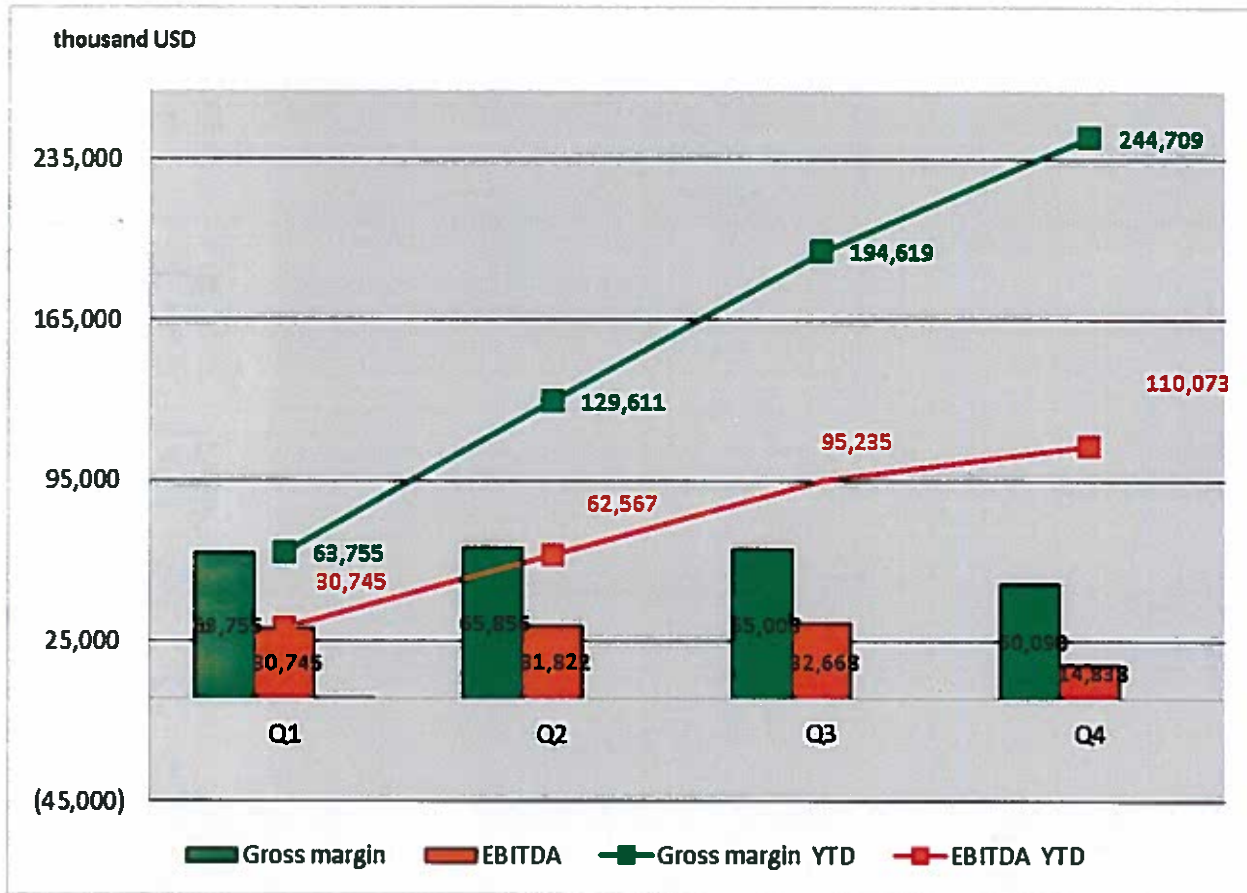


Environment Forecast



Curs de schimb valutar





In 2017, based on the business forecasts regarding the international quotations of crude oil and petroleum products as well as based on the budgeted production and sales plans, the company estimates that the gross margin will reach 244,709 thousand USD and EBITDA will amount to 110,073 thousand USD.



2. Petromidia Refinery overview

2.1. Presentation

Petromidia Refinery is one of the largest and most complex oil refineries in Eastern and Central Europe.

Petromidia Refinery is the only refinery located on the Black Sea coast, having a competitive advantage due to access at shipping routes and inland waterways.

The crude oil supply is ensured through Midia Harbour, through the Midia Marine Terminal, company part of KMG International NV, pipeline which was given in use in February 2009. The terminal has an annual transfer capacity of 24 million tons of crude oil and ships up to 160,000 dwt can be unloaded. Alternatively, the crude oil supply can be ensured through Constanta Harbour through a 40 km long pipeline.

The processing capacity of the refinery is of 5 million tons of crude oil annually (DAV). In order to deliver oil products, our company uses multiple loading/unloading facilities such as: rail carriage, oil-pipes and auto-tanks.

2.2. Short history

2012 - The new Efix S products were introduced in Romania starting with October 2012:

- Gasoline ALTO RON 101 was replaced by Gasoline RON 98 / Gasoline EFIX S RON 98
- Diesel ALTO 55 was replaced by Diesel 55 / Diesel EFIX S 55.

The objectives of the "2010 package" were the following:

- to increase the operational capacity of the refinery to 5 mil t/y
- to meet the new EU & Romanian fuel specifications standards (Euro 5) (regulation COM(2005)683)
- to increase the Diesel yields with 8% (from 37% to 45%)
- to operate the Refinery according to EU and Romanian environmental requirements (BAT system) (Directive 70/220/EEC)
- to increase the mechanical availability and reliability of the refinery.

The assumed objectives of the "2010 package" were fully realized. From the investments package we can mention:

- The New Hydrogen Plant was put into operation, the advanced plant produces hydrogen with a purity of 99.98%, which is required in order to obtain the cleaner fuels by further processing in hydrotreating units. The Hydrogen Plant is operation starting with 1st of May 2012. The raw material is CH₄ with a throughput of 96,800 tones/year.



- Also, the New Mild Hydrocracking unit was put into operation. The plant is the core project of the package, a complex process that combines hydrotreating and cracking at high pressure and temperatures the heavy gasoil using hydrogen.

This hydrocracking process combines the necessity to convert hydrocarbons into valuable products (cracking) with the constrain of lowering sulfur in products (hydrotreating).

- The New Sulfur Recovery unit, process more sulfur crudes required in order to obtain more sulfur from fuels. The New unit is able to meet fuels new standards together with limiting the 1,000 mg/Nm³ SO₂ emissions in air. The new SRU is designed to process amine gases and sour water stripped gas and is composed from two subunits: Sulfur Recovery unit and Tail Gas Treatment.

New SRU started up in October, 27th of 2012 when the first sulphur from New Sulphur Recovery Unit was obtained.

2013

Main projects finalized during 2013 in Petromidia :

❖ Delayed Coker modernization

The modernized unit was started-up in May 2013; performance test was performed in October 2013. All the parameters respected the licensors design values. Actually, the unit operates normally.

❖ Installation of low NOX burners to fired refinery heaters

In order to comply with the action plan included in the environmental permit for the Rompetrol Rafinare S.A., stating a maximum emission limit of 150 mg/Nmc for NO_x, the existing burners were replaced with new burners able to assure the reduction of NO_x emissions to atmosphere.

❖ Fuel-oil / diesel segregation in the automatic railcar loading facility

Railcar loading facility is loading Euro 5 diesel and fuel-oil.

Initially, product loading was performed using the same distributor and loader with the risk to contaminate the diesel.

By implementing this project, the risk of contamination is eliminated, together with the need to wash the distributor and loader after every delivery of fuel oil.

2014 - Petromidia, part of the RRC and KMG International NV, registered in 2014 a historical record of raw material processed - more than 5 million tons. The total amount of the processed 1979 - the year of startup of the Refinery till October 2014 has exceeded 100 million tons.

Some historical records recorded by the company in 2014 include increased production of diesel - 2.43 million tonnes (1.91 million tons in 2013 and 1.6 million tons in 2012), Diesel yield of - 48.8% (46% in 2013, 39.6% in 2012), and also white products yield - 85.7% (85.5% in 2013, 85.4% in 2012). At the same time, the



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refinery has achieved an improvement in energy efficiency index - 99.8 (102.8 in 2013, 115 in 2012).

2015 - Petromidia Refinery part of Rompetrol Rafinare and KMG International NV reached in 2015 more than 15 kt/day total feedstock processed , a record for Petromidia refinery since 1979.

Other records for the company are: 85.7%wt White products yield second year in a row when was reached historical level, 98.6 Energy Intensity Index, lower ever reached yearly in history and Good performance in terms of Mechanical availability, in 2015 reached the highest level of 96.9%. The highest yield of Diesel 50% and Jet 4.4% from history.

In 2016 Petromidia refinery managed to achieve a very good operational performance, at historically high levels for its main technological and operational parameters such as:

- total feedstock processed of ~5.41 mil tons, an equivalent of 15.7 kt/day of operation total feedstock processed;
- Auto Gasoline production of 1.25 mil tons;
- Diesel production of 2.52 mil tons; Jet yield (4.4 %), equivalent of 237 kt production;
- the highest production of Propylene of 125 kt;
- the highest MTBE production of 41 kt reached in Petromidia refinery's history;
- technological loss of 0.91%wt;
- 97.9% Energy Intensity Index, lowest ever reached yearly in history;
- lowest processing cost in last 10 years (16.7 \$/ton);
- mechanical availability (96.9%).

3. Marketing strategy

3.1. Portfolio of products

Rompetrol Rafinare SA produces a wide range of high-quality petroleum products which are distributed to a great number of customers from natural persons to large entities. Having a vast experience in this field, the company sells a great variety of petroleum products such as:

1. Efix Gasoline and Euro plus unleaded Gasoline, Gasoline RON 98 / Gasoline EFIX S RON 98
2. Efix Diesel and Super Euro 5 Diesel, Diesel 55 / Diesel EFIX S 55
3. C5-C6 Gas and Fuel Propane
4. Propylene
5. Jet fuel
6. Petroleum Coke
7. Sulphur
8. Liquefied petroleum gas GPL, Auto GPL and Commercial Propane-Butane
9. Vacuum distillate



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Rompetrol Rafinare has a unique offer of products that appeal to all types of customers. The company will concentrate though on large companies, both on the domestic and export markets because they ensure the highest profitability potential.

The main clients on the domestic market are: Rompetrol Downstream, Rompetrol Gas SRL, Air BP Sales, Elsid SA, Uzina Termoelectrica Midia, OMV Petrom, MOL Romania Petroleum, Oltchim. The main export partner is: KazMunayGas Trading AG.

The Rompetrol Group regional expansion in Greece, Georgia, Turkey, Bulgaria, Moldavia, Serbia, as well as in Lebanon, Egypt will ensure the growth of the portfolio of clients.

3.2. Market share

Rompetrol Rafinare cover approx. 41% from the Romanian refining capacities, 5 mio tones raw materials.

Rompetrol Rafinare strengths:

- Technological modernizations which ensure the constant production of high-quality products;
- The capacity to produce oil products in accordance with the European standards using appropriate imported crude oil;
- Client-oriented business strategy.

3.3. Competition

The main competitors of Rompetrol Rafinare are OMV-Petrom (Petrobrazi refinery), Lukoil (Petrotel refinery) refineries that have developed along with Petromidia Refinery.

3.4. Price strategy and sales

In order to have an accurate estimation of the selling prices for 2017 and to avoid risks, special instruments of the stock markets were used with reference to historical and projected quotations and also to refining margins related to the quality of raw materials and products supplied.

As regards the market orientation, in 2017 versus 2016, the company will follow the Group strategy and increase the gasoline and diesel sales in Romania by 10% and external market by 11%, with a monthly average rate of 225,394 tons on the domestic market and 216,379 tons on the export market.



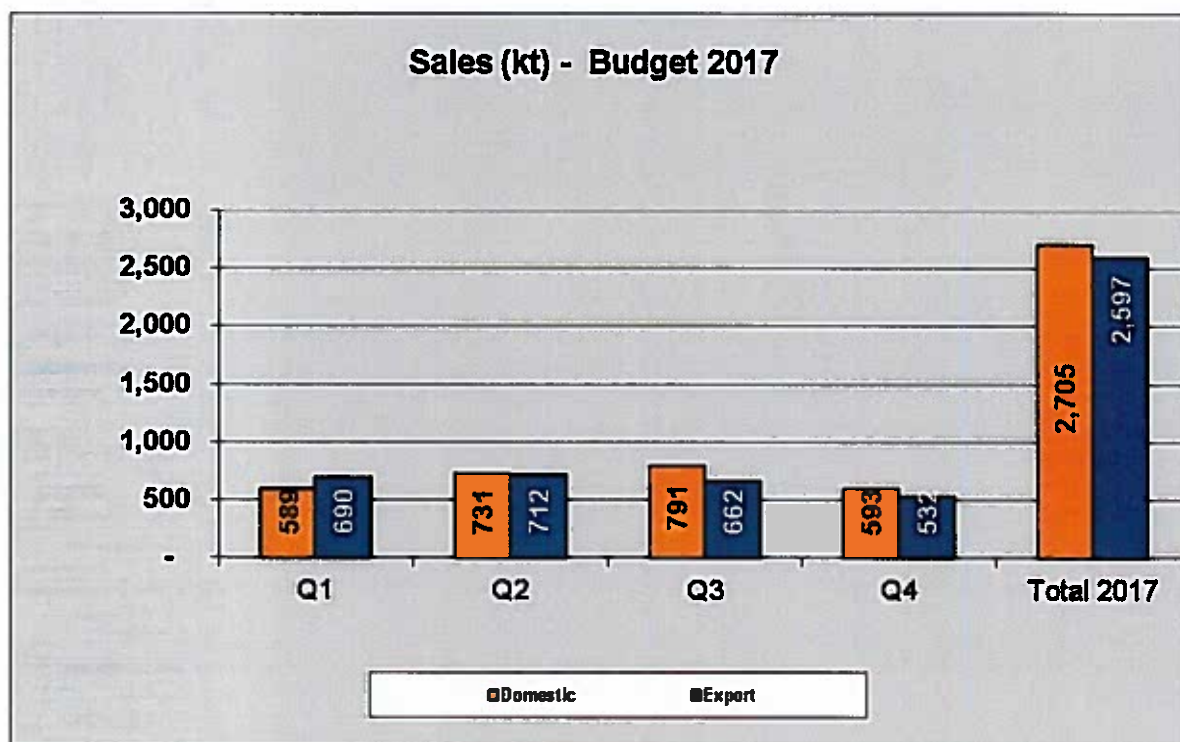
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Sales 2017 (kto)	Domestic	Export	Total
Total products, out of which:	2,705	2,597	5,301
Gasoline	497	920	1,417
Jet fuel	187	60	247
Diesel fuel	1,348	1,413	2,761
Fuel oil	105	25	130
Gases	55	-	55
Propylene	128	-	128
Liquified petroleum gas	164	77	241
Petroleum coke	220	51	271
Sulphur	-	51	51





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4. Strategy and objectives:

The company strategy is to use the Group's distribution channels both on the domestic and external markets in order to increase its market share.

Major objectives:

- To produce petroleum products in accordance with European standards;
- To continue the energy efficiency program and technological by implementation projects our internal team, Delfin;
- To decrease processing costs;
- To maintain oil products quality in accordance with the European standards.
- To increase mechanical availability;
- To comply with the current environmental requirements and to align to the European ones;
- To maintain a high level of safety and work protection.



5. SWOT Analysis

<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> ✓ Has the highest (85.1%) white products yield in the Black Sea region ✓ Strategic location on the Black Sea coast ✓ Direct access to the Danube-Black Sea Channel, the Midia port, and Constanta port (one of the largest harbours on the Black Sea) ✓ Facilities allowing crude oil reception and shipment of liquid products by railway tankers. ✓ The new maritime terminal use for crude oil discharge, group owned. ✓ Flexibility in obtaining various kinds of petroleum products 	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> ✓ High energy costs compared with other refineries in the region because the company does not have its own energy sources ✓ Migration of specialized staff
<p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> ✓ Expansion of the retail and wholesale Group networks; ✓ Integration of the refinery Vega's niche products ✓ Increase refinery processing capacity 	<p style="text-align: center;">Threats</p> <ul style="list-style-type: none"> ✓ Major dependency on utilities providers ✓ Oil market volatility



6. Production Plan

	2017
Kto	
RAW MATERIALS	5,652
Crude oil	4,922
Other raw materials	730
PRODUCTS	5,301
Gasoline	1,417
Jet fuel	247
Diesel fuel	2,761
Light fuel oil	-
Fuel oil	130
Distilat de vid	-
Gases	55
Propylene	128
Liquified petroleum gas	241
Petroleum coke	271
Sulphur	51

The operating plan for 2017 involves processing 5,652 thousand tons of raw materials, of which 4,922 thousand tons crude oil and 730 thousand tons of other raw materials.

Crude oil & other feedstock – daily average qty (mt), from which:	15,922
Crude oil – daily average qty (mt)	13,865
Other feedstock - daily average qty (mt))	2,057
Function-no of days	355

The necessary working capital for purchasing raw materials will be financed mainly through self-resources.

The budget for the processing costs was prepared considering the following: consumption norms, production plans and seasonality for utilities and auxiliary materials expenses; contracts concluded with suppliers.



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PETROCHEMICALS DIVISION



1. Company Overview

Petromidia Petrochemical Complex was designed and built in the mid of 80s , being the newest in Romania, using Romanian technology and foreign technology (Mitsui , Snamprogetti , Heat Research Corporation , Pullman Kellogg etc .).

Technological flow is focused on the production of olefins (ethylene and propylene), later transformed into polyethylene and polypropylene.

The complex is split in four sections : Pyrolysis, polypropylene, High Density Polyethylene (HDPE) and Low Density Polyethylene (LDPE). Now, operating with polypropylene(PP), Low Density Polyethylene (LDPE), while the steam cracker unit, the propane-propylene splitter, operates to provide the raw material for polypropylene plant and steam generator.

Favorable location, the high synergy of integration with refinery and upgrading works, make Petrochemicals division one of the most interesting companies in this field in Central and Eastern Europe.

2. Marketing Strategy

2.1 . Product Portfolio

The Petrochemicals division activity is organized in several directions:

- production of polypropylene (PP);
- producing Low Density Polyethylene (LDPE);
- producing High Density Polyethylene (HDPE);
- trading of others petrochemical products;
- ancillary activities (production of steam and brine) .

Polypropylene (PP) is obtained by homopolymerization or copolymerization of propylene with microsphere or superactive catalysts at high pressure and low temperature.

Production capacity is 90,000 tons per year.

Grades produced are used for injection, blow molding, film, fiber.

- Injection grades use for: garden furniture, kitchen utensils, toys, crates, boxes, batteries, etc.
- Blow grades are used: blown bodies (drums, containers), pipes, etc.
- Film grades are used for: food packaging, clothing, bioriented film , etc.
- Fibers grades are used for: multifilaments and textile fiber with bleach and ultraviolet resistance, etc.

The product can be supplied in bags of 25 Kg, 1,000 Kg big bags, bulk in tankers or CF.

High Density Polyethylene (HDPE) Mitsui technology consists in two continuous mixing reactor identical size that can be operated in parallel or series.

The production capacity of the plant is 60,000 tonnes / year of polyethylene.

Produces grades of high density polyethylene which can be processed by injection, blow molding, extrusion. The main applications are: thin film, molded



bodies, pipes, drums.

The product can be delivered in 25 kg bags, palletised or 1 tonne bags (big bags).

Low density polyethylene (LDPE) is based on technology in the polymerization of ethylene at pressures up to 2400 kg/cm²G and a temperature of maximum 300°C, in a tubular reactor in the presence of initiators: decanoyl peroxide and oxygen. The reaction is carried out with free radical mechanism and is exothermic.

The production capacity of the plant is 70,000 tonnes/year of polyethylene.

LDPE grades are used for superfine packaging film, high clarity packaging film with good transparency and luster, agricultural films, protective films, high-strength bags.

The product can be delivered in 25 kg bags, palletised or 1 tonne bags (big bags).

2.2 . Market Share

Petrochemicals Division continued in 2015 to be the sole producer of polymers in Romania, polypropylene and polyethylene of low and high density. Strategy developed allowed an increase in market share.

The quality and diversity of products offered, location and route distribution/delivery, technical assistance, made Petrochemicals division a reliable partner in Romania and the Black Sea region.

One of the advantages of the company is determined by its proximity to clients, providing products in Just -In- Time system, also offering technical advice and assisted monitoring of their production cycle.

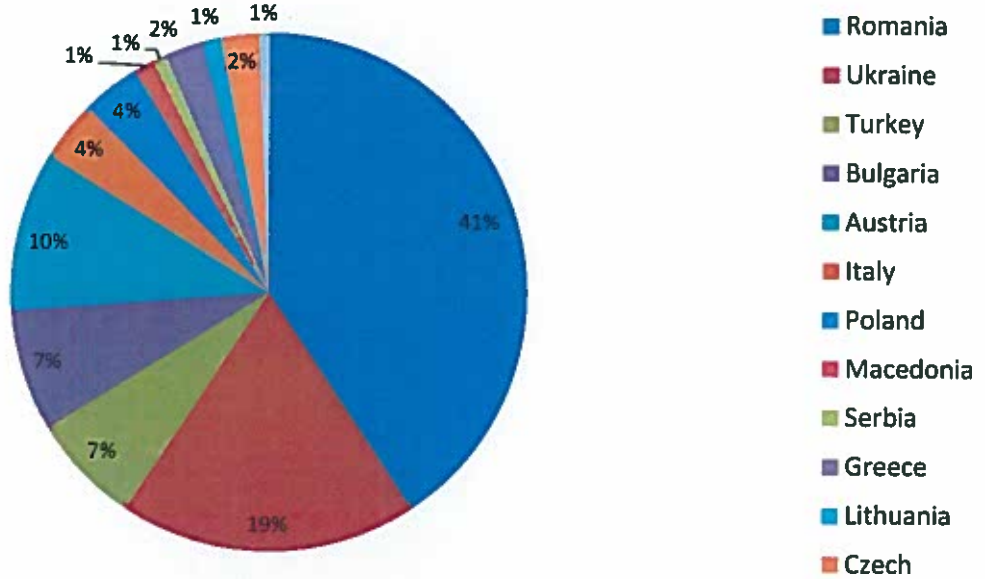
2.3. Sales Policy

Sales of finished goods are expected to grow in 2017 with almost 1% vs. last year (from 155,009 to in 2016 to 157,254 to in 2017).

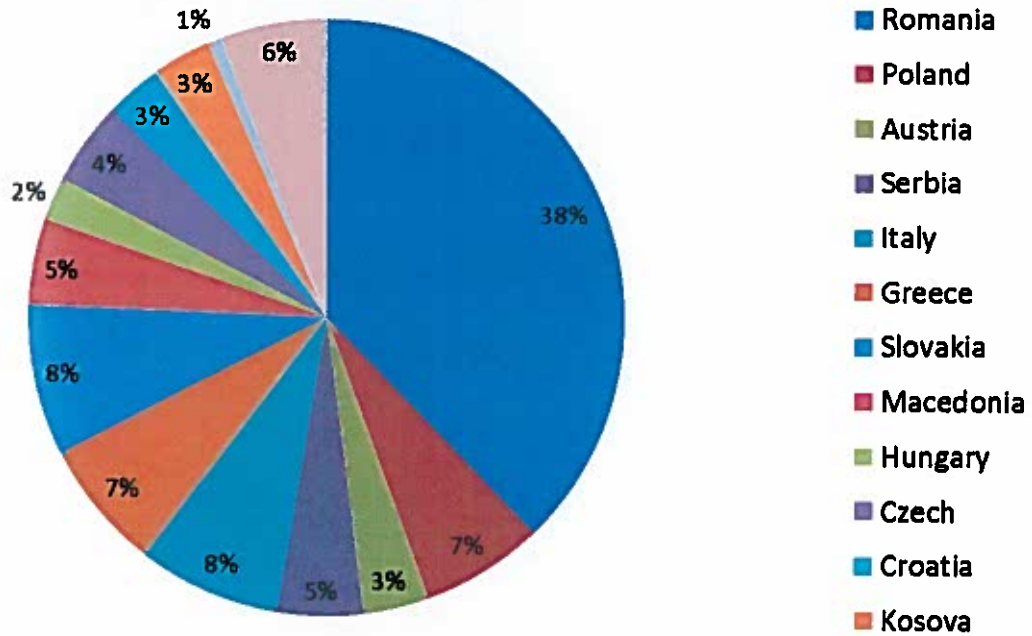
	Budget 2017	Actual 2016	2017 vs 2016	%
Total Polymers	157,254	155,009	2,245	1%
PP	86,840	88,905	(2,065)	-2%
LDPE	70,414	66,104	4,310	7%



PP Sales by Distribution Channels



LDPE Sales by Distribution Channels





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3. Strategy and objectives

Company strategy is to consolidate actual distribution chanel, increase internal market share and lowering the quantities sold by intermediaries.

Major objectives:

- Increasing the percentage of conformes products, which in 2016 reached 99.06%;
- Continuing energy and operational efficiency programs;
- Minimizing accidental stops;
- Environmental compliance;
- Maintaining a high level of safety and protection in work.



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II. VEGA REFINERY



1. Company overview

Rompetrol Refinery - Vega Ploiesti is a refinery that focuses on obtaining niche **special products: normal hexane, ecological solvents, heating oil fuels, special bitumen**, etc.

In 2016 Vega refinery also managed to achieve very good operational performance results of which the following are emphasize:

- historical record for Bitumen production of 91 kt;
- historical record on Hexane yield (55%), equivalent of 83 kt production;
- highest production for Ecological Solvents of 40 kt;
- processing cost of 39.7 \$/mt, the lowest ever reached by the refinery;
- lowest technological loss of 1.1%wt;

In 2017 Vega Refinery will only process alternative raw materials (such as **naphtha gasoline, C5-C6 cut, slurry, jet and fuel oil**), the only units that will be functional are: Hexane, Rectification, De-aromatization, AFP, Vacuum Distillation and Bitumen.

2. Marketing strategy

2.1.Portfolio of products

Vega Refinery obtains the following range of **special products**:

- Solvents: Ecological Solvents–Rompetrol SE, Light Solvents and Normal Hexane;
- White spirit;
- Fuel Oils;
- Bitumen: Special Bitumen and polymer modified bitumen.

Ecological solvents are obtained in De-aromatization unit using Halterman technology (the most important manufacturer of solvents and special products in Europe).

These new products for domestic and export markets are distinguished primarily by their special qualities, being a range of solvents:

- colorless, with vapor pressures higher or lower depending on the distillation range, which allows to obtain high quality paints;
- with a low content of olefins which allows these solvents to have good stability in time;
- slight smell, with a low degree of toxicity, low content of aromatic hydrocarbons, especially benzene, and low-sulphur, therefore these solvents are in the range of organic products with high degree of dezaromatization.

These solvents may be used without limitation in all industries from the chemical industry to the food, pharmaceutical and cosmetics industries also as cleaning agents in textile, leather and shoes industries.Solvent is used in order to obtain varnishes, paints and adhesives,it's a composite in polish and also is used as degreasing agent in the machine building industry, in chemical reaction media, is a component for the petrochemical industry, as well in rubber processing, allowing an organic and safe use.



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Normal Hexane is used in polypropylene production and vegetable oil extraction in the food industry. The new quality of n-hexane obtained by Vega Refinery allows a diversification of applications, including: manufacturing and refining of fats, palm and coconut oils which result in products with low content of protein, and respectively defatted cereal germs.

White Spirit is used as solvent in varnishes and dyes industry, in rubber processing and in insecticide conditioning.

The fuel group includes:

- Heating fuels: an extra Calor Rompetrol Economic Calor 3;
- Liquid fuels: liquid fuels type 3 (CLU).

Heating fuels have a quality that is up to European standards, being at the level of any product in its class Heating Oil, which sells in the Western countries. These products are delivered directly to end users, the service being offered by Rompetrol Downstream SRL, member of Rompetrol Group.

The advantages of these products are:

- compliance with European quality standards;
- burn a long time;
- produce a high quantity of heat;
- produce fewer emissions;
- have anti-ageing features against plant depreciation;
- distribution to end users;
- financial consulting for tax incentives provided by legislation;
- territorial coverage at national level.

In 2017 bitumen sales are estimated to 81,426 tonnes, by 10% lower than the previous year, in 2016 Vega refinery reached historical record bitumen sales, of 90,770 tonnes.

The presence of polymer in bitumen leads to an increase in performance of the asphaltic sheet made with this type of binder, namely:

- increase of endurance;
- increase of toughness at constant deformations;
- increase of resistance at cracking at low temperatures;
- increase of resistance at wear and ageing;
- maintain the roughness of the rolling surface;
- improve the adherence between bitumen and cover stone.

The hydro-isolation bitumen is used in the fabrication process of bituminous cement and for waterproofing works in constructions. The bitumen is used as bitumen coating for metal pipes in order to protect them against corrosion.

Finished product sales are estimated to decrease in 2017 vs 2016 by 2% (from 340,940 tonnes in 2016 to 335,343 tonnes in 2017) due to planned revisions.

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Product	Actual 2016		Budget 2017		2017 vs. 2016	
	[tone]	%	[tone]	%	[tone]	%
Naphtha gasoline	92,545	27%	90,708	27%	(1,837)	-2%
Hexane	78,729	23%	85,393	25%	6,664	8%
Ecological Solvents	39,429	12%	43,340	13%	3,911	10%
White spirit	5,092	1%	9,297	3%	4,205	83%
Gasoil & Heating Oils	3,428	1%	3,796	1%	368	11%
Light liquid fuel	4,127	1%	3,345	1%	(782)	-19%
Bitumen	90,770	27%	81,426	24%	(9,344)	-10%
Fuel oil	26,820	8%	18,038	5%	(8,781)	-33%
Total	340,940	100	335,343	100	-5,597	-2%

2.2. Market share

Vega Refinery is the only Romanian producer of:

- *Ecological Solvents* – Rompetrol SE – in 2017 the unit is estimated to function at the planned processing capacity – sales are expected to increase by 10% (from 39,429 tonnes in 2016 up to 43,340 tonnes in 2017 due to market demand).

Vega is also the only producer of normal Hexan in Eastern Europe, this product is used in polypropylene production and vegetable oil extraction in the food industry.

2.3. Competition

Competitors on domestic market:

- OMV Petrom – Brazi Refinery – for fuel oil and heating oil;
- MOL Ungaria, Basell Polonia, Eni Italia, Haifa Israel – for hexane, SBP, white spirit;
- Sargent Marine SRL Agigea, Transbitum SRL Mangalia, MOL Ungaria, Total SRL - Ozun, Lotus Polonia, Burgas Bulgaria, Lotos Asphalt – Terminal Sabauani, Gazprom – Rafinaria Pancevo Serbia, Orlen Asphalt – Terminal Floresti, Rafinaria Trzebinia Polonia – for bitumen.

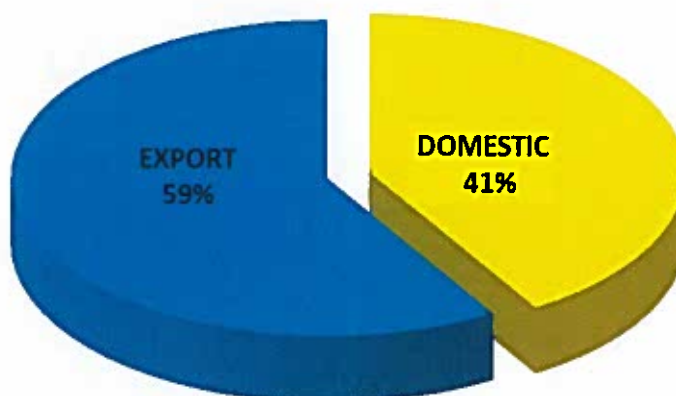


2.4. Price strategy and sales

In accordance with the budget assumptions, the sales markets are as follows:

Sales 2017 Total products out of which	Budget quantity 2017 [tons]			[%]	
	DOMESTIC	EXPORT	TOTAL	DOMESTIC	EXPORT
Naphtha gasoline	33,000	57,708	90,708	36%	64%
Hexane	2,555	82,838	85,393	3%	97%
Ecological Solvents	275	43,065	43,340	1%	99%
White spirit	1,324	7,973	9,297	14%	86%
Gasoil & Heating Oils	3,796	0	3,796	100%	0%
Light liquid fuel	3,345	0	3,345	100%	0%
Bitumen	81,426	0	81,426	100%	0%
Fuel oil	12,538	5,500	18,038	70%	30%
Total	138,259	197,084	335,343	41%	59%

Export assumptions sales 2017



The markets and products that are sold in UE are:

- Hungary for naphtha and n-hexane;
- Germany and Italy for ecological solvents and n-hexane;
- Bulgaria for heating oils, gasoil, white spirit and n-hexane;
- Poland for n-hexane and SBP's ;
- Austria for n-hexane.



Other markets:

- Turkey for n-hexane;
- Serbia, Ukraine, Russia and Moldova Republic for naphtha, n-hexane, ecological solvents and white spirit;
- India for n-hexane;
- Kazakhstan, Uzbekistan and Pakistan for n-hexane.

Naphtha sales represent 27% of total sales for 2017, decreased by 1,837 tonnes vs. 2016, due to good performance of the Hexane Unit.

3. Strategy and objectives:

- To maximize the gross margin for the niche products in order to bring added value to the business
- Developing near abroad markets for niche products in order to obtain higher premium price;
- Higher recovery hexane level due to good quality of Raffinate feedstock received from Petromidia refinery;
- To continue the investment program in order to: reduce the consumption of utilities, technology and to follow the foresights of environmental standards.

4. Production Plan:

VGA 2017	tones
Feedstock	340,525
Crude oil	-
Other feedstock	340,525
Finished products	335,343
Ecological solvents	43,340
Hexane	85,393
Naphtha gasoline	90,708
White spirit	9,297
Gasoil	3,796
Light liquid fuel	3,345
Fuel oil	18,038
Bitumen	81,426
Total consumption	5,182



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KazMunayGas
Group
Member

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III. CONSOLIDATED BUDGET INCOME STATEMENT (including Vega Refinery and petrochemicals division)

(Amounts in thousands USD)

Budget Income Statement for 2017					
(Thousand USD)	Year 2017	Q1	Q2	Q3	Q4
GROSS REVENUES	3,317,236	777,606	898,370	926,330	714,929
SALES TAXES	(997,214)	(218,949)	(263,692)	(283,634)	(230,939)
Net revenues	2,320,022	558,658	634,679	642,697	483,989
COST OF SALES	(2,230,050)	(533,481)	(607,472)	(613,841)	(475,256)
GROSS MARGIN	89,972	25,176	27,206	28,856	8,734
SELLING, GENERAL & ADMINISTRATION	(48,658)	(12,050)	(12,336)	(12,153)	(12,119)
OTHER, NET	0	0	0	0	0
ADJUSTMENT Depreciation & Amortization	82,684	20,669	20,670	20,671	20,674
EBITDA	123,998	33,796	35,540	37,374	17,288
PROVISIONS	(914)	0	0	0	(914)
EBIT/Operating Profit/(Loss)	40,401	13,127	14,870	16,703	(4,300)
Interest & commissions, net	(26,937)	(6,891)	(7,183)	(6,503)	(6,360)
PROFIT/(LOSS) Before Income Tax	13,463	6,235	7,687	10,200	(10,660)
Profit tax	0	0	0	0	0
Minority interest	0	0	0	0	0
NET PROFIT/(LOSS)	13,463	6,235	7,687	10,200	(10,660)



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In current market conditions, the management of Rompetrol Rafinare forecasts that the company will record in 2017 a positive operational profit (EBITDA) in amount of 123.99 million USD and net result in amount of 13.4 million USD

THE BOARD OF DIRECTORS:

**Chairman
Catalin Dumitru**

**Member and General Manager
Yedil Utekov**

**Interim Member
Alexey Golovin**

**Member
Marius Mitrus**

**Member
Mihai-Liviu Mihalache**

Prepared by:

**FINANCIAL MANAGER
Vasile-Gabriel Manole**

**Planning and Performance Management Director
Alexandru Stavarache**

**Planning and Production Optimization Director
Raluca Gavril**

Romp petrol Rafinare
Income Statement

USD

	BUDGET
	Year, 2017
GROSS REVENUES	3,317,235,928
SALES TAXES	(997,213,714)
Net revenues	2,320,022,215
Purchases	(2,016,637,805)
Purchases - crude oil and equivalents	(1,595,806,134)
Purchases - other raw materials	(406,337,860)
Purchases - auxiliary materials	(13,558,387)
Purchases - petrochemical products finished goods	(905,490)
Customs duties and commissions	(29,934)
Change in inventories Purchases	23,445,953
= Gross Margin	326,830,363
Variable logistics Costs	(34,051,664)
Variable logistics Costs Inbound	(23,610,880)
Variable logistics Costs Outbound	(10,440,785)
= Contribution	292,778,699
Conversion&Service Costs Cash	(143,365,065)
Utilities	(76,152,073)
Maintenance	(22,510,998)
Staff costs	(20,397,540)
Other expenses	(24,304,453)
Depreciation Conversion	(80,590,052)
Change in inventories Production	10,707,931
Add back Capitalised Expenses to Capex	-
= Gross Profit	79,531,512
Selling & Distribution Cash	(4,696,630)
Staff costs	(1,311,369)
Rent	(52,487)
Utilities	(393,702)
Maintenance	(814,949)
Insurance	(297,189)
IT&C	(384,587)
Other selling & distribution Cash	(1,442,347)
Depreciation Selling & Distribution	(485,784)
General & Admin Cash	(31,426,673)
Staff costs and salary related taxes	(2,640,924)
Rent	(694,258)
Utilities	(419,026)
Maintenance	(354,065)
Security services (only ADMIN - Global Security Sistem SA)	(255,844)
Insurance	(123,317)
Local Taxes (impozitul pe cladire - ADMIN + other taxes)	(873,239)
IT&C	(1,364,484)
Consulting & professional fees & Management fees	(13,211,128)
Sponsorships	-
Environmental services	(7,049,793)
Marketing	(199,875)
Fire protection services (Buoy, tank farm, other operational)	(74,046)
Other general & admin Cash	(4,166,674)
Depreciation General & Admin	(1,607,675)
Other operating revenues/expenses	-
Add back Depreciation	82,683,512
= EBITDA	123,998,262
Provisions	(914,177)
= EBIT/Operating Profit/(Loss)	40,400,574
Interest & commissions, net	(26,937,454)
=EBT	13,463,119
Profit tax	-
Minority interest	-
= Net profit/(Loss)	13,463,119

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