

# **ROMPETROL RAFINARE S.A.**

**UNCONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31<sup>ST</sup>, 2011**

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

**Raport de audit financiar**  
*Report of the financial auditor*

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

**Raport asupra situatiilor financiare**  
*Report on the financial statements*

- 1 Am auditat situatiile financiare anexate ale societatii S.C. Rompetrol Rafinare S.A. ("Societatea") care cuprind bilantul la data de 31 decembrie 2011, contul de profit si pierdere, situatia modificarilor capitalului propriu si situatia fluxurilor de trezorerie pentru exercitiul financiar incheiat la aceasta data si un sumar al politicilor contabile semnificative si alte note explicative. Situatiile financiare mentionate se refera la:
- ▶ Activ net/Total capitaluri: (134.091) mii lei
  - ▶ Rezultatul net al exercitiului financiar: 735.847 mii lei, pierdere

- 1 We have audited the accompanying financial statements of S.C. Rompetrol Rafinare S.A. ("the Company"), which comprise the balance sheet as at 31 December 2011, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, presenting the following:
- ▶ Net assets/Total equity and reserves: (134,091) thousand lei
  - ▶ Loss for the year: 735,847 thousand lei

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

- 2 Conducerea Societatii are responsabilitatea intocmirii si prezentarii fidele a acestor situatii financiare in conformitate cu Ordinul Ministrului Finantelor Publice nr. 3055/2009 cu modificarile si completarile ulterioare si cu politicile contabile descrise in notele la situatiile financiare, si pentru acel control intern pe care conducerea il considera necesar pentru a permite intocmirea de situatii financiare care sunt lipsite de denaturari semnificative, cauzate fie de fraudă, fie de eroare.
- 2 Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Order of the Minister of Public Finance no. 3055/2009 and subsequent amendments and the accounting policies described in the notes to the financial statements, and for such internal control as management determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## Responsabilitatea auditorului

### *Auditors' responsibility*

- 3 Responsabilitatea noastra este ca, pe baza auditului efectuat, sa exprimam o opinie asupra acestor situatii financiare. Noi am efectuat auditul conform standardelor de audit adoptate de Camera Auditorilor Financiar din Romania. Aceste standarde cer ca noi sa respectam cerintele etice ale Camerei, sa planificam si sa efectuam auditul in vederea obtinerii unei asigurari rezonabile ca situatiile financiare nu cuprind denaturari semnificative.
- 3 *Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing as adopted by the Romanian Chamber of Financial Auditors. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.*
- 4 Un audit consta in efectuarea de proceduri pentru obtinerea probelor de audit cu privire la sumele si informatiile prezentate in situatiile financiare. Procedurile selectate depind de rationamentul profesional al auditorului, incluzand evaluarea riscurilor de denaturare semnificativa a situatiilor financiare, datorate fraudei sau erorii. In evaluarea acestor riscuri, auditorul ia in considerare controlul intern relevant pentru intocmirea si prezentarea fidela a situatiilor financiare ale Societatii pentru a stabili procedurile de audit relevante in circumstantele date, dar nu si in scopul exprimarii unei opinii asupra eficientei controlului intern al Societatii. Un audit include, de asemenea, evaluarea gradului de adecvare a politicilor contabile folosite si rezonabilitatea estimarilor contabile elaborate de catre conducere, precum si evaluarea prezentarii situatiilor financiare luate in ansamblul lor.
- 4 *An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.*
- 5 Consideram ca probele de audit pe care le-am obtinut sunt suficiente si adecvate pentru a constitui baza opiniei noastre de audit.
- 5 *We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.*

**Opinia***Opinion*

- 6 In opinia noastra, situatiile financiare ofera o imagine fidela si justa a pozitiei financiare a Societatii la data de 31 decembrie 2011, ca si asupra performantei financiare si a fluxurilor de numerar pentru exercitiul financiar incheiat la aceasta data, in conformitate cu Ordinul Ministrului Finantelor Publice nr. 3055/2009 cu modificarile si completarile ulterioare si cu politicile contabile descrise in notele la situatiile financiare.
- 6 In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2011, and of its financial performance and its cash flows for the year then ended in accordance with the Order of the Minister of Public Finance no. 3055/2009 and subsequent amendments and the accounting policies described in the notes to the financial statements.*

**Evidentierea unor aspecte***Emphasis of matter*

- 7 Fara a exprima o opinie cu rezerve, atragem atentia asupra cazului in care, in conformitate cu Legea societatilor comerciale (Legea nr. 31/1990, modificata prin legea nr. 441/2006, Art. 153.24) administratorii societatii trebuie sa ia masuri pentru a remedia situatia in care valoarea activului net statutar al societatii (echivalentul capitalului propriu total) este mai putin de jumatate din valoarea capitalului social. La 31 decembrie 2011, Societatea se afla in aceasta situatie, inregistrand un pasiv net de 134 milioane RON si un capital de social de 4.411 milioane RON. Pana in prezent administratorii societatii nu au adoptat nici o masura oficiala in acest sens.
- 7 Without qualifying our opinion, we draw attention to the situation where under Romanian Company Law (Law 31/1990, as amended by Law 441/2006, Art. 153.24) action is required by the company administrators to remedy the situation when statutory accounting net assets (the equivalent of total equity) of the company is less than 50% of the share capital. The Company is, as of 31 December 2011, in such a position, with net liabilities of RON 134 million and share capital of RON 4,411 million. To date no formal action has been undertaken by the company administrators in relation to this matter.*

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

In conformitate cu Ordinul Ministrului Finantelor Publice nr. 3055/2009, articolul 320, punctul 1e, noi am citit raportul administratorilor atasat situatiilor financiare . Raportul administratorilor nu face parte din situatiile financiare. In raportul administratorilor, noi nu am identificat informatii financiare care sa nu fie in mod semnificativ in conformitate cu informatiile prezentate in situatiile financiare la 31 decembrie 2011, atasate.

*In accordance with the Order of the Minister of Public Finance no 3055/2009, article no. 320 point 1e) we have read the Administrators' Report . The Administrators' Report is not a part of the financial statements. In the Administrators' Report we have not identified any financial information which is not in accordance, in all material respects, with the information presented in the accompanying financial statements as at 31 December 2011.*

In numele  
*On behalf of*

**Ernst & Young Assurance Services SRL**

Inregistrat la Camera Auditorilor Financiari din Romania

Cu nr. 77/15 august 2001

*Registered with the Chamber of Financial Auditors in Romania*

Nr. 77/15 August 2001

 ERNST & YOUNG

13 -04- 2012

Initialled for identification  
Semnat pentru identificare

Numele semnatarului: Garry R. Collins

*Name of signing person: Garry R. Collins*

Inregistrat la Camera Auditorilor Financiari din Romania

Cu nr. 179/15 octombrie 2000

*Registered with the Chamber of Financial Auditors in Romania*

Nr. 179/15 October 2000

Bucuresti, Romania

13 aprilie 2012

*Bucharest, Romania*

13 April 2012

TABLE OF CONTENTS	PAGE
BALANCE SHEET	3 - 7
PROFIT AND LOSS ACCOUNT	8 - 11
PRESENTATION OF TREASURY FLOWS	12-13
PRESENTATION OF OWN CAPITAL	14-17
NOTES ACCOMPANYING THE FINANCIAL STATEMENTS	18-65
INFORMATION DATA	66-73

ROMPETROL RAFINARE S.A.

BALANCE SHEET

As at December 31<sup>st</sup>, 2011

(all amounts are expressed in new lei ("RON"), unless specified otherwise)

	Row no.	Balance at the beginning of the year	Balance at the end of the period
A	B	1	2
<b>A. NON-CURRENT ASSETS</b>			
<b>I. INTANGIBLE ASSETS</b>			
1. Incorporation expenses (acc. 201-2801)	01		
2. Development expenses (acc. 203-2803-2903)	02	0	0
3. Concessions, patents, licenses, trademarks and similar rights and intangible assets (acc. 205+208-2805-2808-2905-2908)	03	4.353.967	2.088.051
4. Goodwill (acc. 2071-2807-2907)	04	152.720	152.720
5. Advances and intangible non-current assets in progress (acc. 233+234-2933)	05	80.086	30.698
<b>TOTAL (row 01 to 05)</b>	06	<b>4.586.773</b>	<b>2.271.469</b>
<b>II. TANGIBLE ASSETS</b>			
1. Lands and constructions (acc. 211+212-2811-2812-2911-2912)	07	719.840.941	731.439.130
2. Plant and machinery (acc. 213+223-2813-2913)	08	548.766.199	600.351.642
3. Other plant, equipment and furniture (acc. 214+224-2814-2914)	09	3.412.511	3.607.785
4. Advances and tangible non-current assets in progress (acc. 231+232-2931)	10	586.279.326	930.232.381
<b>TOTAL (row 07 to 10)</b>	11	<b>1.858.298.977</b>	<b>2.265.630.938</b>
<b>III. FINANCIAL ASSETS</b>			
1. Equity in affiliates (acc. 261-2961)	12	2.032.804.563	2.032.804.563
2. Loans granted to affiliates (acc. 2671+2672-2964)	13	0	0
3. Equity in other companies (acc. 263-2962)	14	0	0
4. Loans granted to other entities in which the company holds equity (acc. 2673+2674-2965)	15	0	0
5. Investments held as non-current assets (265-2963)	16	57.415	57.415
6. Other loans (acc. 2675*+2676*+2677+2678+2679*-2966*-2968*)	17	64.628	0
<b>TOTAL (row 12 to 17)</b>	18	<b>2.032.926.606</b>	<b>2.032.861.978</b>
<b>NON-CURRENT ASSETS - TOTAL (row 06+11+18)</b>	19	<b>3.895.812.356</b>	<b>4.300.764.385</b>
<b>B. CURRENT ASSETS</b>			
<b>INVENTORIES</b>			
1. Raw materials and consumables (acc. 301+302+322+303+323+/-308+351+358+381+/-388-391-392-3951-3958-398)	20	594.854.474	435.631.836

**ROMPETROL RAFINARE S.A.**

**BALANCE SHEET**

As at December 31<sup>st</sup>, 2011

(all amounts are expressed in new lei ("RON"), unless specified otherwise)

	Row no.	Balance at the beginning of the year	Balance at the end of the period
<b>A</b>	<b>B</b>	<b>1</b>	<b>2</b>
2. Work in progress (acc. 331+332+341+/-348-393-3941-3952)	21	172.502.103	222.637.534
3. Finished goods and commodities (acc. 345+346+/-348+354+356+357+361++326+/-368+371+/-378+327-3945-3946-3953-3954-3956-3957-396-397-4428)	22	122.459.991	212.872.268
4. Advances for purchase of inventories (acc. 4091)	23	12.681.631	34.995.814
<b>TOTAL (row 20 to 23)</b>	<b>24</b>	<b>902.498.199</b>	<b>906.137.452</b>
<b>II RECEIVABLES</b> (the amounts to be collected after a period exceeding one year must be broken down by elements)			
1. Commercial receivables (acc. 2675*+2676*+2678*+2679*-2966*-2968*+4092+411+413+418-491)	25	1.109.461.945	1.147.107.652
2. Receivables from affiliates (acc. 451*-495)	26	208.118.178	102.697.102
3. Receivables from other entities in which the company holds equity (acc. 453-495)	27	0	0
4. Other receivables (acc. 425+4282+431+437+4382+441+4424+4428+444+445+446+447+4482+4582+461+473-496+5187)	28	45.393.701	62.242.878
5. Subscribed and not paid in share capital (acc. 456-4953)	29	0	0
<b>TOTAL (row 25 to 29)</b>	<b>30</b>	<b>1.362.973.824</b>	<b>1.312.047.632</b>
<b>III. SHORT TERM FINANCIAL INVESTMENTS</b>			
1. Equity held in affiliates (acc. 501-591)	31	0	0
3. Other short term investments (acc. 505 +506+508-595-596-598+5113+5114)	32	0	0
<b>TOTAL (row 31 to 32)</b>	<b>33</b>	<b>0</b>	<b>0</b>
<b>IV. PETTY CASH AND BANK ACCOUNTS</b> (acc. 5112+512+531+532+541+542)			
	34	28.095.444	43.062.148
<b>TOTAL CURRENT ASSETS</b> (row 24+30+33+34)	<b>35</b>	<b>2.293.567.467</b>	<b>2.261.247.232</b>
<b>C. PREPAID EXPENSES</b> (acc. 471)	36	2.431.760	1.555.268
<b>D. D DEBTS TO BE PAID WITHIN ONE YEAR</b>			
1. Debenture loans, with convertible debenture loans being presented separately (acc. 161+1681-169)	37	0	0
2. Amounts payable to credit institutions (acc. 1621+1622+1624 +1625+1627+1682+5191+5192+5198)	38	66.626.122	99.534.891
3. Advances collected on account of orders (acc. 419)	39	15.085.398	26.089.949



**ROMPETROL RAFINARE S.A.**

**BALANCE SHEET**

As at December 31<sup>st</sup>, 2011

(all amounts are expressed in new lei ("RON"), unless specified otherwise)

	Row no.	Balance at the beginning of the year	Balance at the end of the period
<b>A</b>	<b>B</b>	<b>1</b>	<b>2</b>
4. Commercial debts to suppliers (acc. 401+404+408)	40	1.820.105.561	2.485.215.772
5. Goodwill payable (acc. 403+405)	41		
6. Amounts payable to affiliates (acc. 1661+1685 +2691+451)	42	3.306.692.721	3.619.474.784
7. Amounts payable to other entities in which the company holds equity (acc. 1663+1686 +2692+453)	43		
8. Other debts, including fiscal debts and social insurance related debts (acc. 1623+1626+167+1687+2693+421+423+424+426 +427+4281+431+437+4381+441+4423+4428+444+446 +447+4481 +455+456+457+4581+ 462+473+509+5186+5193+5194 +5195+5196+5197)	44	337.174.276	387.658.472
<b>TOTAL (row 37 to 44)</b>	45	<b>5.545.684.078</b>	<b>6.617.973.868</b>
<b>E. NET CURRENT ASSETS/NET CURRENT DEBTS (row 35+36-45-62)</b>	46	<b>-3.252.544.009</b>	<b>-4.355.171.368</b>
<b>F. TOTAL ASSET MINUS CURRENT DEBTS (row 19+46)</b>	47	<b>643.268.347</b>	<b>-54.406.983</b>
<b>G. DEBTS TO BE PAID WITHIN MORE THAN ONE YEAR</b>			
1. Debenture loans, with convertible debenture loans being presented separately (acc 161+1681-169)	48	0	0
2. Amounts payable to credit institutions (acc. 1621+1622+1624+1625+1627+1682+5191+5192 +5198)	49		
3. Advances collected on account of orders (acc. 419)	50		
4. Commercial debts (acc. 401+404+408)	51		
5. Goodwill payable (acc. 403+405)	52		
6. Amounts payable to affiliates (acc.1661+1685+2691+451)	53	0	0
7. Amounts payable to other entities in which the company holds equity (acc. 1663+1686+2692+453)	54		
8. Other debts, including fiscal debts and social insurance related debts (acc. 1623+1626+167+1687+2693+421 + 423+424+426+427+4281+431+437+4381+441+4423+ 4428+444+446+447+4481+455+456+457+4581 +462+ 473+509+5186+5193+5194+5195+5196+5197)	55	17.743	0
<b>TOTAL (row 48 to 55)</b>	56	<b>17.743</b>	<b>0</b>
<b>H. PROVISIONS</b>			
1. Provisions for pensions and similar obligations (acc	57	10.340.060	7.676.333

ROMPETROL RAFINARE S.A.

BALANCE SHEET

As at December 31<sup>st</sup>, 2011

(all amounts are expressed in new lei t"RON"), unless specified otherwise)

	Row no.	Balance at the beginning of the year	Balance at the end of the period
A	B	1	2
1515)			
2. Provisions for taxes (acc 1516)	58		
3. Other provisions (acc. 1511+1512+1513+1514+1518)	59	51.320.030	72.007.684
<b>TOTAL PROVISIONS (row 57+59)</b>	60	<b>61.660.090</b>	<b>79.684.017</b>
<b>I. DEFERRED INCOME</b>			
1 - Investment subsidies (acc. 475)	61		
2 - Deferred income (acc. 472)-total(rd 63+rd64), out of which	62	2.859.158	0
Amounts to be forwarded within one year (acc 472)	63	2.859.158	0
Amounts to be forwarded within more than one year (acc 472)	64	0	0
Negative goodwill (acc 2075)	65	0	0
<b>TOTAL(row 61+62+65)</b>	66	<b>2.859.158</b>	<b>0</b>
<b>J. CAPITAL AND RESERVES</b>			
<b>I. CAPITAL</b>			
- subscribed and paid in share capital (acc. 1012)	67	2.439.419.667	4.410.920.573
- subscribed and not paid-in share capital (acc. 1011)	68	1.971.500.905	0
- patrimony (autonomous companies) (acc. 1015)	69		
<b>TOTAL (row 67 to 69)</b>	70	<b>4.410.920.572</b>	<b>4.410.920.573</b>
<b>II. PREMIUM RELATED TO CAPITAL (acc. 104)</b>	71	<b>232.637.107</b>	<b>232.637.107</b>
<b>III. REVALUATION RESERVES (acc. 105)</b>	72	<b>194.908.206</b>	<b>215.074.275</b>
<b>IV. RESERVES</b>			
1. Legal reserve (acc.1061)	73	10.882.193	10.882.193
2. Statutory or contractual capital reserve (acc 1063)	74		
3. Reserve representing the revaluation reserve surplus (acc. 1065)	75	269.363	269.363
4. Other reserves (acc. 1068)	76	19.365.533	19.365.533
<b>TOTAL (row 73 to 76)</b>	77	<b>30.517.089</b>	<b>30.517.089</b>
Own shares (acc 109)	78		
Earnings related to own capital instruments (acc.141)	79		
Losses related to own capital instruments (acc.149)	80		
<b>V. RETAINED EARNINGS (PROFIT OR LOSS) (acc. 117)</b>	81		
Credit balance			
Debit balance	82	3.617.629.972	4.287.392.460

ROMPETROL RAFINARE S.A.

**BALANCE SHEET**

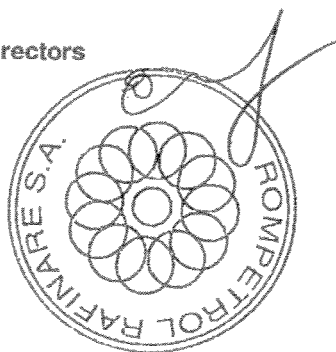
As at December 31<sup>st</sup>, 2011

(all amounts are expressed in new lei ("RON"), unless specified otherwise)

	Row no.	Balance at the beginning of the year	Balance at the end of the period
A	B	1	2
<b>VI. PROFIT OR LOSS FOR THE PERIOD</b> (acc. 121)			
Credit balance	83	0	0
Debit balance	84	669.762.488	735.847.584
Profit appropriation (acc. 129)	85	0	0
<b>TOTAL OWN CAPITAL</b> (row 70+71+72+77-78+79-80+81-82+83-84-85)	86	581.590.514	-134.091.000
Public patrimony (acc.1016)	87		
<b>TOTAL CAPITAL</b> (row 86+87)	88	581.590.514	-134.091.000

Chairman of the Board of Directors

Yerzhan Orynbassarov



Financial Manager

Vasile-Gabriel Manole

General Manager

Arman Kairdenov

DRAFTED BY,  
Chief Accountant

Pasa Cherata

**ROMPETROL RAFINARE S.A.**

**PROFIT AND LOSS ACCOUNT**

for the financial year ending on December 31<sup>st</sup>, 2011

(all amounts are expressed in new lei ("RON"), unless specified otherwise)

Name of indicator	Row no.	Previous fiscal year	Current fiscal year
A	B	1	2
1. Net turnover			
(row 02+03-04+05+06)	01	7.099.249.720	10.174.808.952
Sold production			
(acc. 701+702+703+704+705+706+708)	02	7.066.996.021	10.165.998.550
Sale of goods purchased for resale (acc.707)	03	41.681.923	10.073.931
Commercial discounts granted (709)	04	9.428.224	1.263.529
Income from interests obtained by entities de-registered from the general register but which still have pending leasing agreements	05	0	0
Income from operation subsidies related to the net turnover	06	0	0
(acc. 7411)			
2. Income related to production in progress (acc.711+acc 712)			
Credit balance	07	109.823.343	148.234.635
Debit balance	08	0	0
3. Production achieved by the company for its own purposes and capitalized	09	4.670.582	4.480.151
(acc.721+722)		0	0
4. Other income from operation	10	1.289.951	28.351.841
(acc.758+7417+7815)			
- out of which income from negative goodwill	11		
<b>TOTAL INCOME FROM OPERATION</b>	12	<b>7.215.033.596</b>	<b>10.355.875.579</b>
(row 01+07-08+09+10)			
5.a) Expenses for raw materials and consumables	13	6.600.022.225	9.752.812.329
(acc. 601+602-7412)			
Other expenses with materials	14	2.140.785	1.955.856
(acc. 603+604+606+608)			
b) Other external expenses (with electricity and water)	15	265.990.442	318.990.908
(acc. 605-7413)			
c) Expenses with commodities (acc. 607)	16	40.378.625	5.721.296
Commercial discounts received (acc 609)	17	0	10.000

**ROMPETROL RAFINARE S.A.**

**PROFIT AND LOSS ACCOUNT**

for the financial year ending on December 31<sup>st</sup>, 2011

(all amounts are expressed in new lei ("RON"), unless specified otherwise)

Name of indicator	Row no.	Previous fiscal year	Current fiscal year
<b>A</b>	<b>B</b>	<b>1</b>	<b>2</b>
6. Personnel expenses (row 19+20) out of which:	18	85.551.442	94.839.151
a) Wages and salaries (acc. 641+642+643+644-7414)	19	66.849.106	74.384.653
b) Expenses for social security (acc. 645-7415)	20	18.702.336	20.454.498
		0	0
7.a) Value adjustments related to non-current tangible and intangible assets (row 22-23)	21	126.363.886	164.768.289
a.1) Expenses (acc. 6811+6813)	22	127.010.154	170.117.450
a.2) Income (acc. 7813)	23	646.268	5.349.161
b) Value adjustments related to current assets *row 24-25)	24	-4.666.838	68.234.001
b.1) Expenses (acc. 654+6814)	25	28.321.990	84.083.534
b.2) Income (acc. 754+7814)	26	32.988.828	15.849.533
8. Other operation expenses (row 28 la 31)	27	226.594.205	204.639.247
8.1. Expenses for third party services (acc. 611+612+613+614+621+622+623+624+625+626+627+628-7416)	28	194.117.402	166.960.429
8.2. Other taxes, duties and similar expenses (acc. 635)	29	9.958.819	11.628.890
8.3. Other expenses (acc. 652+658)	30	22.517.984	26.049.928
Expenses for refinance interests incurred by entities de-registered from the general register but which still have pending leasing agreements (acc. 666)	31	0	0
Adjustment for provisions (row 33-34)	32	28.682.320	18.023.927
Expenses (acc. 6812)	33	28.682.320	26.022.309
Income (acc. 7812)	34	0	7.998.382
<b>TOTAL OPERATION EXPENSES</b> (row 13 to 16-17+18+21+24+27+32)	35	<b>7.371.057.092</b>	<b>10.629.975.004</b>
<b>PROFIT OR LOSS FROM OPERATION:</b>			
- Profit (row 12-35)	36	0	0
- Loss (row 35-12)	37	<b>156.023.496</b>	<b>274.099.425</b>
9. Income from investments in other entities (acc. 7611+7613)	38	20.889	0
- out of which, income obtained from	39	20.889	0

ROMPETROL RAFINARE S.A.

**PROFIT AND LOSS ACCOUNT**

for the financial year ending on December 31<sup>st</sup>, 2011

(all amounts are expressed in new lei ("RON"), unless specified otherwise)

Name of indicator	Row no.	Previous fiscal year	Current fiscal year
<b>A</b>	<b>B</b>	<b>1</b>	<b>2</b>
affiliates			
10. Income from other investments and loans that form part of			
non-current assets (acc.763)	40	0	0
- out of which, income obtained from affiliates	41		
11. Income from interests (acc. 766)	42	9.340.729	1.956.378
- out of which, income obtained from affiliates	43	7.272.949	1.637.771
Other financial income	44	1.170.620.024	1.438.458.222
(acc.762+764+765+767+768)			
<b>TOTAL FINANCIAL INCOME</b>	<b>45</b>	<b>1.179.981.642</b>	<b>1.440.414.600</b>
(row 38+40+42+44)			
12. Value adjustments related to financial assets and investments			
held as current assets (row 47-48)	46	0	0
Expenses (acc. 686)	47	0	0
Income (acc. 786)	48	0	0
13. Expenses for interests (acc. 666 - 7418)	49	134.951.561	136.486.259
- out of which, expenses in relation with affiliates	50	124.335.773	130.170.098
Other financial expenses	51	1.558.736.823	1.765.676.500
(acc. 663+664+665+667+668)			
<b>TOTAL FINANCIAL EXPENSES</b>	<b>52</b>	<b>1.693.688.384</b>	<b>1.902.162.759</b>
(row 46+49+51)			
<b>FINANCIAL PROFIT OR LOSS:</b>			
- Profit (row 45-52)	53	0	0
- Loss (row 52-45)	54	513.706.742	461.748.159
<b>14. CURRENT PROFIT OR LOSS:</b>			
- Profit (row 12+45-35-52)	55	0	0
- Loss (row 35+52-12-45)	56	669.730.238	735.847.584
15. Extraordinary income (acc. 771)	57	0	0
16. Extraordinary expenses (acc. 671)	58	0	0
<b>17. PROFIT OR LOSS FROM EXTRAORDINARY ACTIVITY:</b>			
- Profit (row 57-58)	59	0	0

**ROMPETROL RAFINARE S.A.**

**PROFIT AND LOSS ACCOUNT**

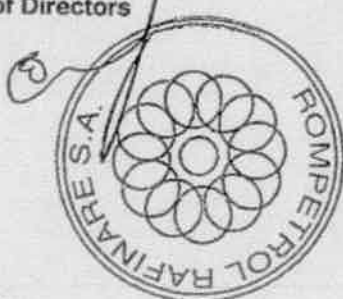
for the financial year ending on December 31<sup>st</sup>, 2011

(all amounts are expressed in new lei ("RON"), unless specified otherwise)

Name of indicator	Row no.	Previous fiscal year	Current fiscal year
<b>A</b>	<b>B</b>	<b>1</b>	<b>2</b>
- Loss (row 58-57)	60		
<b>TOTAL INCOME</b> (row 12+45+57)	61	<b>8.395.015.238</b>	<b>11.796.290.179</b>
<b>TOTAL EXPENSES</b> (row 35+52+58)	62	<b>9.064.745.476</b>	<b>12.532.137.763</b>
<b>GROSS PROFIT OR LOSS:</b>			
- Profit (row 61-62)	63	<b>0</b>	<b>0</b>
- Loss (row 62-61)	64	<b>669.730.238</b>	<b>735.847.584</b>
18. TAX ON PROFIT (acc. 691)	65	32.250	0
19. Other taxes not mentioned above (acc. 698)	66		
<b>20. NET PROFIT OR LOSS FOR THE FISCAL YEAR:</b>			
- Profit (row 63-64-65-66)	67	<b>0</b>	<b>0</b>
- Loss (row 64+65+66-63)	68	<b>669.762.488</b>	<b>735.847.584</b>

President of the Board of Directors

Yerzhan Orynbassarov



General Manager

Arman Kairdenov

Financial Manager

Vasile-Gabriel Manole

DRAFTED BY  
Chief Accountant

Pasa Cherata

ROMPETROL RAFINARE S.A.

PRESENTATION OF TREASURY FLOWS

for the financial year ending on December 31<sup>st</sup>, 2011

(all amounts are expressed in new lei ("RON"), unless specified otherwise)

	Row no.	Previous fiscal year	Current fiscal year
		1	2
<b>Profit/(Loss) for the fiscal year</b>	01	<b>(669.730.238)</b>	<b>(735.847.584)</b>
Adjustments for:			
Expenses for amortization	02	126.663.851	151.557.310
Provisions	03	23.715.517	94.517.564
out of which			
non-current assets		(299.965)	10.353.101
inventories		(5.484.309)	51.287.245
receivables		817.471	11.995.413
debts		28.682.320	18.023.927
building re-assessment		-	2.857.877
Penalties	04	36.381.102	6.030.186
Expenses for interest related to the issuance of bonds	05	3.740.643	-
V Income (expenses) from currency variations related to the issuance of bonds and the like	06	(3.386.164)	-
Income (expenses) from currency differentials related to loans	07	240.112.602	133.014.412
Income (expenses) from currency differentials related to receivables/debts	08	(8.124.178)	60.920.203
Expenses for interests	09	131.210.918	136.486.259
Income from interests	10	(9.340.729)	(1.956.378)
Revenues for long-term financial investments	11	-	-
Loss/(net income) from write-offs of fixed assets and long-term financial investments	12	(302.730)	1.188.214
<b>Cash used in/from the operation activity before changes in the current capital (row 01 to 12)</b>	13	<b>(129.059.406)</b>	<b>(154.089.814)</b>
(Increase)/Decrease of inventories	14	(260.238.925)	(54.926.498)
(Increase)/Decrease of receivables	15	(471.384.958)	70.015.255
(Increase)/Decrease of debts	16	760.529.514	638.580.794
<b>Variation of current assets/current net debts (row 14 to 16)</b>	17	<b>28.905.631</b>	<b>653.669.551</b>
profit tax paid		(43.000)	(10.750)
<b>Net cash generated from/used in the operation activity (row 13+17)</b>	18	<b>(100.196.775)</b>	<b>499.568.987</b>
<b>Cash flow used in the investments activity</b>	19		
Purchase of intangible non-current assets	20	(788.555)	(915.084)
Purchase of tangible non-current assets	21	(419.367.218)	(549.892.008)
Purchase of financial assets	22	(3.527)	64.628
Proceeds from the sale of tangible non-current	23	691.420	-



ROMPETROL RAFINARE S.A.

PRESENTATION OF TREASURY FLOWS

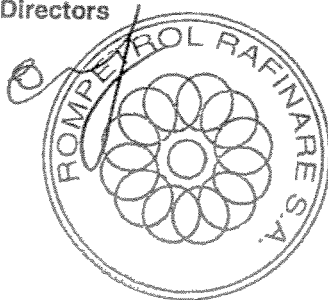
for the financial year ending on December 31<sup>st</sup>, 2011

(all amounts are expressed in new lei ("RON"), unless specified otherwise)

	Row no.	Previous fiscal year	Current fiscal year
		1	2
assets			
Collected dividends	24		
<b>Net cash used in investments activities (row 20 la 24)</b>	25	<b>(419.467.880)</b>	<b>(550.742.464)</b>
<b>F Cash flow from financing activities</b>	26		
Increase in the share capital	27	329.492.067	-
Increase in the financial leasing	28	(728.613)	(337.615)
Interest paid	29	(10.375.478)	(8.563.534)
Payment of debentures	30	(229.321.800)	-
Payment of interest related to the issuance of bonds	31	(70.756.411)	-
Payment of penalties	32	(12.529.599)	(4.582.760)
Loans received	33	492.184.105	79.624.090
Loans repaid	34	-	-
<b>Net cash from financing activities (row 26 to 33)</b>	35	<b>497.964.271</b>	<b>66.140.181</b>
<b>Net increase in liquidities (row 18+25+35)</b>	36	<b>(21.700.384)</b>	<b>14.966.704</b>
Cash at the beginning of the period	37	49.795.828	28.095.444
<b>Cash at the end of the period (row 36+37)</b>	38	<b>28.095.444</b>	<b>43.062.148</b>

Chairman of the Board of Directors

Yerzhan Orynbassarov



General Manager

Arman Kairdenov

Financial Manager

Vasile-Gabriel Manole

DRAFTED BY  
Chief Accountant

Pasa Cherata

ROMPETROL RAFINARE S.A.

UNCONSOLIDATED PRESENTATION OF OWN CAPITAL MODIFICATIONS

For the financial year ending on December 31<sup>st</sup>, 2011

(all amounts are expressed in new lei ("RON"), unless specified otherwise)

Element of the own capital	Balance at the beginning of the fiscal year – January 1 <sup>st</sup> , 2011	Increases		Decreases		Balance at the end of the fiscal year – December 31 <sup>st</sup> , 2011
		Total, out of which:	By transfer	Total, out of which:	By transfer	
		2	3	4	5	
0	1	2	3	4	5	6
Subscribed capital	4,410,920,572	1	1	0	0	4,410,920,573
Patrimony (autonomous companies)	0					0
Premium related to capital	232,637,107			0	0	232,637,107
Revaluation reserves*	194,908,206	22,370,500	0	2,204,431		215,074,275
Legal reserves	10,882,193			0	0	10,882,193
Statutory or contractual reserves	0	0	0	0	0	0
Reserve representing the revaluation reserve surplus	269,363	0	0	0	0	269,363
Other reserves**	19,365,533	0	0			19,365,533
Own shares	0	0	0	0	0	0
Gains in connection with own capital instruments						
Losses in connection with own capital instruments						
Profit/loss carried forward	0	0	0	0	0	0
Credit balance-	0	0	0	0	0	0
Debit balance-	3,513,937,428	669,762,488	669,762,488		0	4,183,699,916
Retained earnings due to the adoption of IAS for the first time, with the exception of IAS 29	0	0	0	0	0	0
Credit balance	67,357,816	0	0	0	0	67,357,816
Debit balance	0	0	0	0	0	0
Retained earnings due to the correction of accounting errors	0	0	0	0	0	0
Credit balance-	0	0	0	0	0	0
Debit balance-	155,206,727	0	0	0	0	155,206,727

ROMPETROL RAFINARE S.A.

UNCONSOLIDATED PRESENTATION OF OWN CAPITAL MODIFICATIONS

For the financial year ending on December 31<sup>st</sup>, 2011

(all amounts are expressed in new lei ("RON"), unless specified otherwise)

Element of the own capital	Balance at the beginning of the fiscal year – January 1 <sup>st</sup> , 2011	Increases		Decreases		Balance at the end of the fiscal year – December 31 <sup>st</sup> , 2011
		Total, out of which:	By transfer	Total, out of which:	By transfer	
		2	3	4	5	
0	1	2	3	4	5	6
Retained earnings due to the switch to adoption of Accounting Regulations according to the Fourth Directive of the European Economic Communities	0	0	0	0	0	0
Credit balance-			0	0	0	0
Debit balance-	15.843.633	0	0	0	0	15.843.633
Profit or loss for the period	0	0	0	0	0	0
Credit balance			0	0	0	
Debit balance	669.762.488	735.847.584	0	669.762.488	669.762.488	735.847.584
Profit appropriation	0	0	0	0	0	0
Total own capital	581.590.514	-1.383.239.571	-669.762.488	-667.558.057	-669.762.488	-134.091.000

**ROMPETROL RAFINARE S.A.**

**UNCONSOLIDATED PRESENTATION OF OWN CAPITAL MODIFICATIONS**

For the financial year ending on December 31<sup>st</sup>, 2011

(all amounts are expressed in new lei ("RON"), unless specified otherwise)

Element of own capital	Balance at the beginning of the fiscal year – January 1 <sup>st</sup> , 2010	Increases		Decreases		Balance at the end of the fiscal year – December 31 <sup>st</sup> , 2010
		Total, out of which:	By transfer	Total, out of which:	By transfer	
		2	3	4	5	
0	1	2	3	4	5	6
Subscribed capital	2.109.927.600	2.300.992.972	1.971.500.905	0	0	4.410.920.572
Patrimony (autonomous companies)						0
Premium related to capital	0	232.637.107	232.637.107	0	0	232.637.107
Revaluation reserves*	195.579.781	0	0	671.575		194.908.206
Legal reserves	10.882.193		0	0	0	10.882.193
Statutory or contractual reserves	0	0	0	0	0	0
Reserve representing the revaluation reserve surplus	269.363	0	0	0	0	269.363
Other reserves**	1.947.211.877	0	0	1.927.846.344	1.696.524.544	19.365.533
Own shares	0	0	0	0	0	0
Gains in connection with own capital instruments						
Losses in connection with own capital instruments						
Profit/loss carried forward	0	0	0	0	0	0
Credit balance-	0	0	0	0	0	0
Debit balance-	2.534.207.875	979.729.553	979.729.553		0	3.513.937.428
Retained earnings due to the adoption of IAS for the first time, with the exception of IAS 29	0	0	0	0	0	0
Credit balance	67.357.816	0	0	0	0	67.357.816
Debit balance	0	0	0	0	0	0
Retained earnings due to the correction of accounting errors	0	0	0	0	0	0
Credit balance-	0	0	0	0	0	0
Debit balance-	155.206.727	0	0	0	0	155.206.727
Retained earnings due to the switch to adoption of Accounting Regulations according to the Fourth Directive of the European Economic Communities	0	0	0	0	0	0
Credit balance-						
Debit balance-	15.843.633	0	0	0	0	15.843.633
Profit or loss for the period	0	0	0	0	0	0
Credit balance			0	0	0	
Debit balance	474.116.085	669.762.488	0	474.116.085	474.116.085	669.762.488

**ROMPETROL RAFINARE S.A.**

**UNCONSOLIDATED PRESENTATION OF OWN CAPITAL MODIFICATIONS**

**For the financial year ending on December 31<sup>st</sup>, 2011**

*(all amounts are expressed in new lei ("RON"), unless specified otherwise)*

Element of own capital	Balance at the beginning of the fiscal year – January 1 <sup>st</sup> , 2010	Increases		Decreases		Balance at the end of the fiscal year – December 31 <sup>st</sup> , 2010
		Total, out of which:	By transfer	Total, out of which:	By transfer	
0	1	2	3	4	5	6
Profit appropriation	0	0	0	0	0	0
<b>Total own capital</b>	<b>1.151.854.310</b>	<b>884.138.038</b>	<b>1.224.408.459</b>	<b>1.454.401.834</b>	<b>1.224.408.459</b>	<b>581.590.514</b>

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

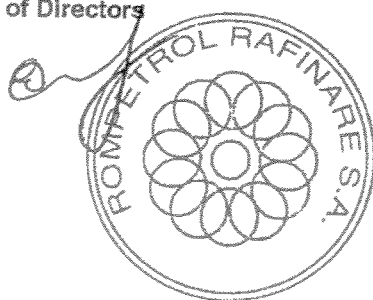
The increases in the reserves representing the revaluation reserves surplus are created by the transfer from the revaluation reserves of the amounts corresponding to the re-assessed assets, which are removed from the accounting records of the Company.

The surplus achieved from revaluation reserves, established as stated, is distributable while the revaluation reserve is not distributable. The Company does not intend to distribute the surplus achieved from revaluation reserves in balance at December 31<sup>st</sup>, 2011.

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

**Chairman of the Board of Directors**

Yerzhan Orynbassarov



**General Manager**

Arman Kairdenov

**Financial Manager**

Vasile-Gabriel Manole

**DRAFTED BY  
Chief Accountant**

Pasa Cherata

ROMPETROL RAFINARE S.A.

NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS  
for the fiscal year ended at December 31<sup>st</sup>, 2011

(all amounts are expressed in new lei ("RON"), unless specified otherwise)

Note 1: Non-current assets

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

Non-current asset elements		Gross values				
		Initial balance	Increase	Decrease		Final balance
	Row no.			Total	Out of which: dismantling and write-offs	(col. 5=1+2-3)
A	B	1(1)	2(2)	3(3)	4(4)	5(5)
<b>Intangible non-current assets</b>						
Incorporation and development expenses	01	1.106.220	0	0	0	1.106.220
Other non-current assets	02	23.229.970	739.167	0	0	23.969.137
Advances and intangible non-current assets in progress	03	30.698	49.388		0	80.086
<b>Total (row 01 to 03)</b>	<b>04</b>	<b>24.366.888</b>	<b>788.555</b>	<b>0</b>	<b>0</b>	<b>25.155.443</b>
<b>Tangible non-current assets</b>						
Lands	05	166.185.122	897.059		0	167.082.181
Constructions	06	1.124.259.818	76.200.022	1.015.800	1.088	1.199.444.040
Plant and machinery	07	1.202.367.852	231.966.675	2.884.134	2.035.215	1.431.450.393
Other plant, equipment and furniture	08	6.054.774	244.874	206.920	206.920	6.092.728
Advances and tangible non-current assets in progress	09	479.696.092	418.740.437	308.681.160		589.755.369
<b>Total (row 05 to 09)</b>	<b>10</b>	<b>2.978.563.658</b>	<b>728.049.067</b>	<b>312.788.014</b>	<b>2.243.223</b>	<b>3.393.824.711</b>
<b>Financial non-current assets</b>	<b>11</b>	<b>2.124.970.163</b>	<b>34.047.446</b>	<b>43.919</b>	<b>0</b>	<b>2.158.973.690</b>
<b>TOTAL NON-CURRENT ASSETS (row 04+10+11)</b>	<b>12</b>	<b>5.127.900.709</b>	<b>762.885.068</b>	<b>312.831.933</b>	<b>2.243.223</b>	<b>5.577.953.844</b>

ROMPETROL RAFINARE S.A.

NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS  
for the fiscal year ended at December 31<sup>st</sup>, 2011

(all amounts are expressed in new lei ("RON"), unless specified otherwise)

Non-current asset elements		Amortizations			
	Row no.	Initial balance	Amortization during the year	Amortization related to non-current assets removed from the accounting records	Amortization at the end of the year (col. 9=6+7-8)
A	B	6(1)	7(2)	8(3)	9(4)
<b>Intangible non-current assets</b>					
Incorporation and development expenses	13	1.106.220		0	1.106.220
Other non-current assets	14	16.338.184	3.124.266	0	19.462.450
<b>Total (row 13+14)</b>	<b>15</b>	<b>17.444.404</b>	<b>3.124.266</b>	<b>0</b>	<b>20.568.670</b>
<b>Tangible non-current assets</b>					
Lands-	16	16.202.862	829.650		17.032.512
Constructions-	17	577.239.176	43.322.736	56.013	620.505.899
Plant and machinery-	18	801.667.457	78.925.709	2.783.655	877.809.511
Other plant, equipment and furniture-	19	2.424.959	462.178	206.920	2.680.217
<b>Total (row 16 to 19)</b>	<b>20</b>	<b>1.397.534.454</b>	<b>123.540.273</b>	<b>3.046.588</b>	<b>1.518.028.139</b>
<b>TOTAL AMORTIZATIONS (row 15 + 20)</b>	<b>21</b>	<b>1.414.978.858</b>	<b>126.664.539</b>	<b>3.046.588</b>	<b>1.538.596.809</b>

ROMPETROL RAFINARE S.A.

NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS  
for the fiscal year ended at December 31<sup>st</sup>, 2011

(all amounts are expressed in new lei ("RON"), unless specified otherwise)

Non-current asset elements	Row no,	Provisions for depreciation			
		Initial balance	Provisions established during the year	Provisions forwarded as income	Final balance (col. 13=10+11-12)
A	B	10(1)	11(2)	12(3)	13(4)
<b>Intangible non-current assets</b>					
Incorporation and development expenses	22	0	0	0	0
Other non-current assets	23	0	0	0	0
Advances and intangible non-current assets in progress	24	0	0	0	0
<b>Total (row 22 to 24)</b>	25	0	0	0	0
<b>Tangible non-current assets</b>					
Lands	26	0	0	0	0
Constructions--	27	8.800.566	346.303		9.146.869
Plant and machinery-	28	5.520.951		646.268	4.874.683
Other plant, equipment and furniture	29	0	0	0	0
Advances and tangible non-current assets in progress --	30	3.476.043			3.476.043
<b>Total (row 26 to 30)</b>	31	17.797.560	346.303	646.268	17.497.595
Financial non-current assets --	32	126.047.084		0	126.047.084
<b>TOTAL NON-CURRENT ASSETS (row 25+31+32)</b>	33	143.844.644	346.303	646.268	143.544.679



ROMPETROL RAFINARE S.A.

NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS

for the fiscal year ended at December 31<sup>st</sup>, 2011

(all amounts are expressed in new lei ("RON"), unless specified otherwise)

During 2011, the changes in the non-current assets were the following:

Non-current asset elements		Gross values				
		Initial balance	Increase	Decrease		Final balance
	Row no.			Total	Out of which: dismantling and write-offs	(col. 5=1+2-3)
A	B	1(1)	2(2)	3(3)	4(4)	5(5)
Intangible non-current assets						
Incorporation and development expenses	01	1.106.220	0	0	0	1.106.220
Other non-current assets	02	23.969.137	964.472	0	0	24.933.609
Advances and intangible non-current assets in progress	03	80.086		49.388	0	30.698
Total (row 01 to 03)	04	25.155.443	964.472	49.388	0	26.070.527
Tangible non-current assets						
Lands	05	167.082.181				167.082.181
Constructions	06	1.199.444.040	67.311.339	26.184.889		1.240.570.490
Plant and machinery	07	1.431.450.393	160.577.242	7.295.516	7.060.584	1.584.732.119
Other plant, equipment and furniture	08	6.092.728	726.642	153.456	153.456	6.665.914
Advances and tangible non-current assets in progress	09	589.755.369	550.725.240	207.076.743		933.403.866
Total (row 05 to 09)	10	3.393.824.711	779.340.463	240.710.604	7.214.040	3.932.454.570
Financial non-current assets	11	2.158.973.690		64.628	0	2.158.909.062
TOTAL NON-CURRENT ASSETS (row 04+10+11)	12	5.577.953.844	780.304.935	240.824.620	7.214.040	6.117.434.159

ROMPETROL RAFINARE S.A.

NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS  
for the fiscal year ended at December 31<sup>st</sup>, 2011

(all amounts are expressed in new lei ("RON"), unless specified otherwise)

Non-current asset elements	Row no.	Amortization			
		Initial balance	Amortization during the year	Amortization related to non-current assets removed from the accounting records	Amortization at the end of the year (col. 9=6+7-8)
A	B	6(1)	7(2)	8(3)	9(4)
<b>Intangible non-current assets</b>					
Incorporation and development expenses-	13	1.106.220		0	1.106.220
Other non-current assets-	14	19.462.450	3.230.388	0	22.692.838
<b>Total (row13+14)</b>	<b>15</b>	<b>20.568.670</b>	<b>3.230.388</b>	<b>0</b>	<b>23.799.058</b>
<b>Tangible non-current assets</b>					
Lands-	16	17.032.512	829.650		17.862.162
Constructions-	17	620.505.899	43.837.377	21.122.512	643.220.764
Plant and machinery-	18	877.809.511	103.129.670	6.107.301	974.831.880
Other plant, equipment and furniture-	19	2.680.217	531.368	153.456	3.058.129
<b>Total (row 16 to 19)</b>	<b>20</b>	<b>1.518.028.139</b>	<b>148.328.065</b>	<b>27.383.269</b>	<b>1.638.972.935</b>
<b>TOTAL AMORTIZATIONS (row 15 + 20)</b>	<b>21</b>	<b>1.538.596.809</b>	<b>151.558.453</b>	<b>27.383.269</b>	<b>1.662.771.993</b>

Non-current asset elements	Row	Provisions for depreciation			
		Initial balance	Provisions established during the year	Provisions forwarded as income	Final balance (col. 13=10+11-12)
A	B	10(1)	11(2)	12(3)	13(4)
<b>Intangible non-current assets</b>					
Incorporation and development expenses	22	0	0	0	0
Other non-current assets	23	0	0	0	0
Advances and intangible non-current assets in	24	0	0	0	0

ROMPETROL RAFINARE S.A.

NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS

for the fiscal year ended at December 31<sup>st</sup>, 2011

(all amounts are expressed in new lei ("RON"), unless specified otherwise)

Non-current asset elements	Row	Provisions for depreciation			
		Initial balance	Provisions established during the year	Provisions forwarded as income	Final balance (col. 13=10+11-12)
A	B	10(1)	11(2)	12(3)	13(4)
progress					
<b>Total (row22 to 24)</b>	<b>25</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Tangible non-current assets</b>					
Lands	26	0	0	0	0
Constructions--	27	9.146.869	9.049.190	3.065.444	15.130.615
Plant and machinery--	28	4.874.683	6.653.004	1.979.090	9.548.597
Other plant, equipment and furniture	29	0		0	0
Advances and tangible non-current assets in progress--	30	3.476.043	0	304.558	3.171.485
<b>Total (row26 to 30)</b>	<b>31</b>	<b>17.497.595</b>	<b>15.702.194</b>	<b>5.349.092</b>	<b>27.850.697</b>
Financial non-current assets--	32	126.047.084		0	126.047.084
<b>TOTAL NON-CURRENT ASSETS (row 25+31+32)</b>	<b>33</b>	<b>143.544.679</b>	<b>15.702.194</b>	<b>5.349.092</b>	<b>153.897.781</b>

On December 31<sup>st</sup>, 2011, the tangible investments in progress amounted to RON 276.032.167 (RON 203.883.455 as of 2010) and the advances amounted to RON 657.371.699 (RON 385.871.913 as of 2010). They mainly consist of advances and expenses in progress for large size projects such as the Hydro-cracking installation (RON 466.848.044 in 2011 and RON 265.089.969 in 2010 ) and the new Hydrogen plant (RON 260.160.224 in 2011 and RON 162.955.441 in 2010). The Company is currently running investments projects that form part of the program called "2010 Package", which is expected to be completed in 2012.

The Company executed revamping works at the Nitrogen, Oxygen and Compressed air plant amounting to RON 19.009.184, at the Flares amounting to RON 34.578.902, at the HDV- HDV transformation in HPM installation amounting to RON 22.327.747, at Stripping Gas Incineration amounting to RON 33.940.605.

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

In 2011 the company re-assessed the constructions for fiscal purposes. The assessment company established the re-assessed value of those assets correlated with their utility and their market value. The revaluation has been undertaken for specialized buildings which as per management assessment given due consideration to nature of these constructions, the usage of these constructions and flow of

## ROMPETROL RAFINARE S.A.

### NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS

for the fiscal year ended at December 31<sup>st</sup>, 2011

*(all amounts are expressed in new lei ("RON"), unless specified otherwise)*

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economic benefits related to these constructions are considered as a sub-group within land and buildings. All the assets within this group has been revalued as of 31 December 2011.

After the re-assessment, the value of the constructions has increased by RON 17.308.192 (RON 20.166.069 – value increase of the fixed assets – recognised on the reserves from the re-assessment of the fixed assets and RON 2.857.877 value decrease – recognised on the net result of the year), their value before the revaluation being RON 31.985.592, and RON 49.293.784 after the revaluation.

The net value of the fixed assets held under leasing agreements as at December 31<sup>st</sup>, 2011, is of RON 135.582 (the value in 2010 was RON 669.215).

The gross value of fully depreciated assets, still in use is RON 530.351.706

The Company established encumbrances on fixed assets amounting to RON 657.334.753 as at December 31<sup>st</sup>, 2011 (RON 891.009.812 as at December 31<sup>st</sup>, 2010), as follows:

- Securities in favour of banks: RON 287.881.851
- 2<sup>nd</sup> rank securities in favour of The Rompetrol Group: RON 234.024.948
- Securities in favour of ANAF: RON 135.427.954

A precautionary attachment was also established on all fixed assets and investments as well as on in the equity titles amounting to RON 1.998.804.563, in favour of the Romanian State; a 2<sup>nd</sup> rank security was also established in these titles in favour of The Rompetrol Group.

As regards the securities established in favour of ANAF, on September 10<sup>th</sup>, 2010, ANAF established a precautionary attachment in the equity held by the Company in its subsidiaries, as well as on the current and non-current assets of the Company, except for the inventories. The precautionary attachment was established based on the provisions of article 129 of the Fiscal Procedure Code and its main effect consists in the fact that the Company is not entitled to sell/transfer its assets on which the attachment was established. The precautionary attachment was still in force on December 31<sup>st</sup>, 2011 and was challenged by the Company in court. The attachment is not a writ of execution since ANAF did not initiate any enforcement procedure.

Depreciation tests were conducted by the Company with respect to the net value of the tangible non-current assets at December 31<sup>st</sup>, 2011, using the fair value minus the selling cost approach. The recoverable value of the assets of Rompetrol Rafinare S.A. was determined based on the financial budgets approved by the higher management that cover a 5-year period. The discount rate applied to the financial flow projections is 10,4% and the financial flows for a period of more than 5 years are extrapolated using a rate of growth of 1,5%, which is similar to the average long-term growth rate of the industry. The capitalization rate used for residual values is 8,9%. The Company considers that it is not necessary to register a provision for depreciation with respect to the tangible assets.

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

# **ROMPETROL RAFINARE S.A.**

## **NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS** for the fiscal year ended at December 31<sup>st</sup>, 2011

(all amounts are expressed in new lei ("RON"), unless specified otherwise)

The recoverable value of the business unit Downstream Romania and Rompetrol Petrochemicals was determined based on the fair value minus the selling cost, using the financial budgets approved by the higher management that cover a 5-year period. The discount rate applied to the financial flow projections is 10,4% and the financial flows for a period of more than 5 years are extrapolated using a rate of growth of 1,5%, which is similar to the average long-term growth rate of the industry. The capitalization rate used for residual values is 8,9%. The analysis did not reveal any depreciation for the investments in the companies that are part of the business unit Downstream and Rompetrol Petrochemicals S.R.L.

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

	Balance at January 1 <sup>st</sup> , 2011	Increase	Reductions or awarded amounts	Balance at December 31 <sup>st</sup> , 2011
Rompetrol Logistics S.R.L.	46.330.304	0	0	46.330.304
Rompetrol Petrochemicals S.R.L.	693.501.621			693.501.621
Rom Oil S.A.	191.216.661		0	191.216.661
Rompetrol Downstream S.R.L.	1.090.406.067			1.090.406.067
Rompetrol Quality Control S.R.L.	11.349.910	-	0	11.349.910
<b>Total equity titles</b>	<b>2.032.804.563</b>	<b>0</b>	<b>0</b>	<b>2.032.804.563</b>
Ecomaster Servicii Ecologice S.A.	2.164	0	0	2.164
Rominserv S.R.L.	1.296		0	1.296
Other receivables	53.955			53.955
<b>Total titles held as non-current assets</b>	<b>57.415</b>	<b>0</b>	<b>0</b>	<b>57.415</b>
Long term loans, including interest	-	0		-
Other non-current receivables	64.628	0	64.628	0
<b>Total</b>	<b>2.032.926.606</b>	<b>0</b>	<b>64.628</b>	<b>2.032.861.978</b>

As mentioned in the tangible non-current assets section above, the Company analyzed all business units in terms of depreciations, using the method of fair value less the selling cost.

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

The contribution percentages are as follows:

Company	Registered seat	December 31 <sup>st</sup> , 2011	December 31 <sup>st</sup> , 2010
Rompetrol Logistics S.R.L.	Bucharest	66,19%	66,19%
Rompetrol Petrochemicals S.R.L.	Navodari	100,00%	100,00%
Rom Oil S.A.	Brasov	99,99%	99,99%
Rompetrol Downstream S.R.L.	Bucharest	99,99%	99,99%
Rompetrol Quality Control S.R.L.	Navodari	99,93%	99,93%

**ROMPETROL RAFINARE S.A.****NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS**  
for the fiscal year ended at December 31<sup>st</sup>, 2011*(all amounts are expressed in new lei ("RON"), unless specified otherwise)*

The Company holds indirect contributions in Global Security System S.A. (33,75%), Rompetrol Gas S.R.L. (66,19%).

Company	Own capital	Reserves	Retained earnings 2011
Rompetrol Logistics S.R.L.	94.561.637	38.792.740	-164.706
Rompetrol Petrochemicals S.R.L.	224.060.221	5.456.640	-151.271.747
Rom Oil S.A.	30.150.305	65.655.257	-33.710.081
Rompetrol Downstream S.R.L.	353.320.891	134.896.546	-102.940.713
Rompetrol Quality Control S.R.L.	10.244.678	376.688	-1.490.500

**Note 1: Provisions**

	Balance at December 31 <sup>st</sup> , 2010	Transfer into account	Transfer from account	Balance at December 31 <sup>st</sup> , 2011
Provisions for pensions and similar obligations	10.340.060	1.356.814	4.020.541	7.676.333
Provisions for taxes	0	0	0	0
Other provisions	51.320.030	24.665.495	3.977.841	72.007.684
<b>Total</b>	<b>61.660.090</b>	<b>26.022.309</b>	<b>7.998.382</b>	<b>79.684.017</b>

The "other provisions" row includes the provisions for expenses, if any, for environmental protection, related to the environmental obligations of Vega Refinery with respect to soil decontamination amounting to RON 47.342.189 (RON 51.320.030 as of 2010). It also includes the environmental obligations related to Petromidia Refinery for "Land remediation for the area flares-wasted dumps-fairway" and „Empty waste dump no. 3" amounting to RON 10.951.472, and as well provisions for litigations in total amount of RON 13.714.023. For details see Note 10.

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

**Note 3: Profit appropriation**

Not applicable.

The Company recorded over the period January – December 2011 a loss of RON 735.847.584 and an accrued loss of RON 5.023.240.044 at December 31<sup>st</sup>, 2011.

ROMPETROL RAFINARE S.A.

NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS  
for the fiscal year ended at December 31<sup>st</sup>, 2011

(all amounts are expressed in new lei ("RON"), unless specified otherwise)

Nota 1: Retained earnings

Indicator	2010	2011
A	1	2
<b>1. Net turnover</b>	<b>7.099.249.720</b>	<b>10.174.808.952</b>
<b>2. Cost of assets sold and services rendered (3+4+5)</b>	<b>7.024.524.320</b>	<b>10.177.715.219</b>
3. Expenses for the basic activity	6.506.667.010	9.623.360.937
4. Expenses for auxiliary activities	362.031.581	384.848.475
5. Production overheads	155.825.729	169.505.807
<b>6. Gross earnings pertaining to the net turnover (1-2)</b>	<b>74.725.400</b>	<b>(2.906.267)</b>
7. Distribution costs	44.767.213	44.431.365
8. Administrative overheads	191.942.216	259.593.785
9. Other earnings from operation	5.960.533	32.831.992
<b>10. Earnings from operation (6-7-8+9)</b>	<b>(156.023.496)</b>	<b>(274.099.425)</b>

Note 2: Presentation of receivables and debts

The receivables of the Company at December 31<sup>st</sup> 2011 and at December 31<sup>st</sup>, 2010, are as follows:

	Receivables	Balance at December 31 <sup>st</sup> , 2010	Balance at December 31 <sup>st</sup> , 2011	Liquidity term for the balance at December 31 <sup>st</sup> , 2011	
				Less than 1 year	Over 1 year
	<b>Commercial receivables</b>				
1	Commercial receivables – with affiliates/other related entities	1.081.942.850	1.100.555.184	1.100.555.184	
2	Commercial receivables – third parties	55.768.196	86.692.635	86.692.635	
3	<b>Total commercial receivables</b>	<b>1.137.711.046</b>	<b>1.187.247.819</b>	<b>1.187.247.819</b>	
4	Value adjustments for commercial receivables	28.249.101	40.140.167	40.140.167	
5=3-4	<b>Commercial receivables, net value</b>	<b>1.109.461.945</b>	<b>1.147.107.652</b>	<b>1.147.107.652</b>	

**ROMPETROL RAFINARE S.A.**

**NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS**  
for the fiscal year ended at December 31<sup>st</sup>, 2011

(all amounts are expressed in new lei ("RON"), unless specified otherwise)

		Balance at December 31 <sup>st</sup> , 2010	Balance at December 31 <sup>st</sup> , 2011	Liquidity term for the balance at December 31 <sup>st</sup> , 2011	
				Less than 1 year	Over 1 year
	<b>Receivables</b>				
	<b>Other receivables and debts</b>				
6	Amounts to be collected from affiliates	208.118.178	102.697.102	102.697.102	
7	Amounts to be collected from other entities in which the company holds equity and other related parties				
8	<b>Other receivables</b>	50.308.306	67.261.830	67.261.830	
9	Value adjustments for other receivables	4.914.605	5.018.952	5.018.952	
10=8- 9	<b>Other receivables, net value</b>	45.393.701	62.242.878	62.242.878	
11	<b>Subscribed and not paid in capital</b>	0	0		
12	<b>Total commercial receivables and other receivables</b>	<b>1.362.973.824</b>	<b>1.312.047.632</b>	<b>1.312.047.632</b>	

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

	Balance at December 31 <sup>st</sup> , 2010	Balance at December 31 <sup>st</sup> , 2011
-	1	2
Loan to Rompetrol Petrochemicals S.R.L.	129.286.481	-
Interest related to loans	9.698.457	11.886.085
TVA to be collected from the companies of the fiscal group	69.133.240	90.811.017
<b>At December 31<sup>st</sup></b>	<b>208.118.178</b>	<b>102.697.102</b>

The Company has to collect the interest related to the loan granted on July 28<sup>th</sup>, 2010 to Rompetrol Petrochemicals S.R.L., This loan agreement was concluded for the total amount of USD 55 million. The loan agreement maturity was one year from the granting date. The relevant interest rate was Libor 1 month + 4%.



ROMPETROL RAFINARE S.A.

NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS  
for the fiscal year ended at December 31<sup>st</sup>, 2011

(all amounts are expressed in new lei ("RON"), unless specified otherwise)

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

Receivables	Balance at December 31 <sup>st</sup> 2010	Balance at December 31 <sup>st</sup> 2011	Liquidity term		
			Less than 1 year	1 - 5 years	More than 5 years
Receivables with shareholders					
Receivables with affiliates	1.594.476	4.780.813	4.780.813		
Other receivables with the state budget	29.824.449	42.821.218	42.821.218		
Other receivables	18.889.381	19.659.799	19.659.799		
<b>Total other receivables</b>	<b>50.308.306</b>	<b>67.261.830</b>	<b>67.261.830</b>		
			0		
Value adjustments for other receivables	4.914.605	5.018.952	5.018.952		
			0		
<b>Other receivables, net value</b>	<b>45.393.701</b>	<b>62.242.878</b>	<b>62.242.878</b>		

The other receivables line covers the paid amounts of derivative financial instruments (options) remained in balance at December 31<sup>st</sup> 2011 in total amount of RON 19.475.068.

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

	Balance at December 31 <sup>st</sup> , 2010	Balance at December 31 <sup>st</sup> , 2011
0	1	2
At January 1 <sup>st</sup>	32.346.234	33.163.706
Increase over the year	1.009.974	12.146.018
Amounts recorded as expenses		
Reversions over the year	192.502	150.605
At December 31 <sup>st</sup>	33.163.706	45.159.119

ROMPETROL RAFINARE S.A.

NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS

for the fiscal year ended at December 31<sup>st</sup>, 2011

(all amounts are expressed in new lei ("RON"), unless specified otherwise)

The debts at December 31<sup>st</sup>, 2011 and at December 31<sup>st</sup>, 2010, are as follows:

	Debts	Balance at December 31 <sup>st</sup> 2010	Balance at December 31 <sup>st</sup> 2011	Maturity term for the balance at December 31 <sup>st</sup> , 2011		
				Less than 1 year	1 - 5 years	More than 5 years
1	Debenture loans					
2	Amounts payable to credit institutions	66.626.122	99.534.891	99.534.891		
3	Advances collected on account of orders	15.085.398	26.089.949	26.089.949		
	out of which – for affiliates and other related parties	13.002.022	23.573.581	23.573.581		
4	Commercial debts – suppliers of affiliates and other related parties	1.766.476.727	2.429.091.183	2.429.091.183		
5	Commercial debts - third party suppliers	53.628.834	56.124.589	56.124.589		
6=3+4 +5	<b>Total commercial debts</b>	1.835.190.959	2.511.305.721	2.511.305.721		
7	Goodwill payable					
8	Amounts due to affiliates	3.306.692.721	3.619.474.784	3.619.474.784		
9	Amounts due to other entities in which the Company holds equity and other related parties					
10	Other debts, including fiscal debts and social insurance related debts	337.192.019	387.658.472	387.658.472	0	
11	<b>Total</b>	5.545.701.821	6.617.973.868	6.617.973.868	0	

The amounts due to affiliates include the following:

Debts	Balance at December 31 <sup>st</sup> , 2010	Balance at December 31 <sup>st</sup> , 2011
Loans from the companies of the group (see note 10b)	3.130.255.496	3.309.985.228
Interest related to loans	160.880.713	308.468.967
VAT to be collected from the companies of the fiscal group	15.556.512	1.020.589
<b>Total</b>	3.306.692.721	3.619.474.784

**ROMPETROL RAFINARE S.A.**

**NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS**

for the fiscal year ended at December 31<sup>st</sup>, 2011

(all amounts are expressed in new lei ("RON"), unless specified otherwise)

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

Debts	Balance at December 31 <sup>st</sup> , 2010	Balance at December 31 <sup>st</sup> , 2011	Maturity term		
			Less than 1 year	1 - 5 years	More than 5 years
Salaries and similar debts	6.561.376	14.815.758	14.815.758		
Debts to shareholders	0	0	0		
Other fees	329.032.238	319.900.448	319.900.448		
Other debts	1.598.405	52.942.266	52.942.266	0	
Total-other debts	337.192.019	387.658.472	387.658.472	0	0

The collection deadlines are: for sale of products to Vector Energy AG – on the date of receipt of the final invoice (immediately); Vector Energy AG to Near Abroad – 32 days from delivery for delivery by ship and railway, 10 days from delivery for delivery by road; Rompetrol Downstream S.R.L. – 30 days; Rompetrol Gas S.R.L. – 30 days and 5 days for delivery by ship< for deliveries of products outside the group the sale is made against down payment.

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

Penalties to Vector Energy AG for delays in payment for its acquisitions from KMG – Libor 1 month + 2% per year; and if oil is placed in BNP financing line: interest is calculated LIBOR 1 month + 2% per year plus pre-financing 3% per year plus risk fee (on request of the bank)

The delay increases shall be calculated for non-payment in due time of the budgetary obligations, that includes VAT and oil products special fund. For the period January – June 2010 the penalties were of 0,1% per day. For the period July – September 2010 the penalties were 0,05% per day. Other penalties were added to the ones mentioned above, as follows:

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

**ROMPETROL RAFINARE S.A.**

**NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS**

for the fiscal year ended at December 31<sup>st</sup>, 2011

*(all amounts are expressed in new lei ("RON"), unless specified otherwise)*

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Starting with October 1<sup>st</sup>, 2010, the interests calculated per day of delay are 0,04% per day.

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

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

	2010	2011
<b>Bancpost</b>	66.626.122	99.534.891
Short-term revolving facility for up to Euro 30 million, for issuance of letters of credit and bank letters of guarantee, maturing on January 29 <sup>th</sup> , 2012; the interest rate is EURIBOR/LIBOR 3 months + 5.9% or ROBOR + 5%; the loan was secured through a pledge in the positive balance of all current accounts and an assignment of receivables from the agreement with Rompetrol Downstream 120%; blank promissory note; unconditional and irrevocable corporate guarantee issued by TRG; mortgage in the delayed coking installation, fuel supply station; real movable security in the installations and equipment; mortgage in the real estate consisting in a land plot with the area of 30,380.96 sq. m.		
<b>Total</b>	<b>66.626.122</b>	<b>99.534.891</b>

On December 31<sup>st</sup>, 2011 the following assets were encumbered in order to secure the bank loans and the group loans (value of balances at the balance sheet date):

- a) Receivables worth RON 876.953.464;
- b) Tangible non-current assets worth RON 521,906,799 (first rank securities in favour of banks, worth RON 287.881.651 and second rank securities in favour of The Rompetrol Group, worth RON 234.024.948);

## ROMPETROL RAFINARE S.A.

### NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS

for the fiscal year ended at December 31<sup>st</sup>, 2011

*(all amounts are expressed in new lei ("RON"), unless specified otherwise)*

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- c) Interest titles and shares worth RON 1.998.804.563 (second rank security in favour of The Rompetrol Group).

#### **Note 6: Accounting principles, politics and methods**

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

##### **a) Accounting and reporting basis**

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

- The Accountancy Law no. 82/1991 (republished in 2008)
- The provisions of the Order of the Ministry of Public Finance no. 3055/2009 ("OMF 3055/2009"), with previously changes: OMF 2869/2010

The Order of the Ministry of Public Finance no. 3055/2009 ("OMF 3055/2009") entered into force starting the 1<sup>st</sup> of January 2010 and substitutes The Order of the Ministry of Public Finance no. 1752/2005. Hence, the financial statements of 2010 and 2011 were prepared in concordance with this.

These financial statements refer only to Rompetrol Rafinare S.A. The Company has subsidiaries and it is necessary, according to the provisions of OMF 3055/2009, to prepare consolidated financial statements. The consolidated financial statements shall be included in a separate document, at the end of the fiscal year 2011.

The fiscal and the financial year of the Company ends on December 31<sup>st</sup>.

The financial statements are prepared based on the historical cost, except for the fixed assets that are recorded at values re-assessed, respectively at fair value diminished by the accumulated depreciation and provisions for impairment.

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

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

At December 31<sup>st</sup>, 2011, the Company had total losses worth RON 5.009.526.021 and for the period January-December 2011 the losses were worth RON 722.133.561. Losses result from the operation activity (RON 260.385.402), from the financial activity (RON 461.748.159). Over this period, the Company depends first and foremost of the continuous support offered by the group companies by loans.

The Company is running a continuous process of development of the refining activities. Pursuant to the investments made, 60% of the gasoline production was achieved in accordance with the

## ROMPETROL RAFINARE S.A.

### NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS for the fiscal year ended at December 31<sup>st</sup>, 2011

*(all amounts are expressed in new lei ("RON"), unless specified otherwise)*

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Euro 5 standard (2010: 57%), 96% of the Diesel fuel production for 2011 was achieved according to the Euro 5 standard (95% in 2010).

Romp petrol Group carries on the "2010 project" at the Petromidia refinery, which shall allow:

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

„2010 project" shall be finalized in 2012 and the commissioning of the installations shall begin at in the first months of 2012. Consequently, the management considers that these projects will help the Company improve its financial results starting with 2012.

The net asset of the Company was reduced down to less than half of the subscribed share capital. Consequently, the Extraordinary General Meeting of Shareholders from November 29<sup>th</sup> 2011 confirmed the carrying on by the company and its intention to settle the statement situation between the net value book of the company and its share capital, in the period stipulated by the law and according to the 153<sup>rd</sup> 24 art. from 31/1990 Trade companies law.

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

More, The Rompetrol Group N.V. has received the confirmation from the KazMunaiGaz group regarding financial support for the next 12 months, just in case of additional funds necessity to those that already are generated by its own activity or contracted from external sources.

#### b) Significant accounting politics which are specific for the Company

At the end of 2003, the Romanian government offered the legal framework for the issue concerning the Company's historical debts to be solved. In October 2003, the Romanian government issued Government emergency Ordinance no. 118/2003, which sets forth the legal framework for the swap of the outstanding obligations to the State, worth a total of RON 2.177.699.900, including penalties, into long-term bonds – representing Euro 570,3 million at the exchange rate of RON 3,8185/Euro 1, valid on September 30<sup>th</sup>, 2003. On April 15<sup>th</sup>, 2005, Law no. 89/2005 for the approval of Government emergency Ordinance no. 118/2003 was published in the Official Gazette of Romania no. 320.

According to the issuance documents, the Company, as issuer, is entitled to swap into shares the bonds at maturity. The bonds are denominated in Euro; the interest rate is EURIBOR + 1,5% p.a.; the interest is payable at the end of September of each year; the maturity is September 30<sup>th</sup>, 2010; the swap rate is

## ROMPETROL RAFINARE S.A.

### NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS for the fiscal year ended at December 31<sup>st</sup>, 2011 *(all amounts are expressed in new lei ("RON"), unless specified otherwise)*

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established according to a specific computation formula. The Company paid the interest for the period October 2003 – September 2010 by observing the terms set out in Government emergency Ordinance no. 118/2003 and in Law no. 89/2005. The Company redeemed bonds worth Euro 54.000.000 while the remaining bonds were swapped into shares in favour of the Romanian state.

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

At the time the bonds were initially recognized, the Company recorded the capital structure in the entry "other reserves" (this amount remained unchanged along the years until maturity), while the debt component representing the Net Updated Value of the future coupon payments to the Romanian state was measured at the date of each balance sheet, depending on the future cash flows, estimated for the payment of interests. On September 30<sup>th</sup>, 2010, the Company paid the amount of Euro 16,5 million representing the last interest to be paid to the Romanian state. The difference between the amount paid and the amount in balance was recorded in the profit and loss account.

The following events took place besides this payment:

- On August 9<sup>th</sup>, 2010, the Company paid to the Romanian state the amount of RON 229.321.800 (Euro 54.000.000) representing partial redemption of the issued bonds;
- On September 30<sup>th</sup>, 2010, pursuant to the decision of the Extraordinary General Meeting of Shareholders, the Company swapped the remaining bonds into shares in favour of the Romanian state, the resulting number of shares being 19.715.009.053, worth RON 1.971.500.905.

On July 19<sup>th</sup>, 2011, the Company recorded this increase with the Trade Register and the Romanian State through the Ministry of Public Finance became shareholder, holding 44.7% of Company shares.

#### c) Use of estimates

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

#### d) Tangible non-current assets

The tangible non-current assets are presented at the re-assessed value, respectively at fair value diminished by the accumulated depreciation and provisions for impairment.

The initial cost of the tangible non-current assets consisted in the purchase price, including import duties or non-recoverable acquisition duties, transport expenses, handling expenses, fees, notary fees,

**ROMPETROL RAFINARE S.A.**

**NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS**  
**for the fiscal year ended at December 31<sup>st</sup>, 2011**

*(all amounts are expressed in new lei ("RON"), unless specified otherwise)*

expenses for obtaining authorizations and other non-recoverable expenses directly attributable to the tangible non-current asset, and any direct costs attributable to the bringing of the assets to the place and in operating condition. The expenses incurred after the fixed asset was commissioned – such as expenses for repairs, maintenance and administrative costs – are generally recorded in the profit and loss account for the period in which they occurred. If proof can be produced that such expenses resulted in an increase in the future economic benefits expected to be obtained from the use of a fixed asset element beyond the performance standards initially assessed, then and in such event such expenses are capitalized as additional costs in the value of the asset.

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

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

In case of replacement of a part of long term asset, the company recognises the partial replacement cost, the book value of the replaced part being removed from the records by its accumulated depreciation value, if necessary information is available.

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

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

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

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

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



**ROMPETROL RAFINARE S.A.**

**NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS  
for the fiscal year ended at December 31<sup>st</sup>, 2011**

*(all amounts are expressed in new lei ("RON"), unless specified otherwise)*

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If a fixed asset element is re-assessed, than all the other fixed assets elements part of that group (or part of a sub-group, if there is a case) have to be re-assessed, excepting being made by when there is no active market for that asset. If the fair value of a fixed asset cannot be longer determined reported to an active market, than the asset's value presented in the balance sheet has to represent its fair value at the last revaluation diminished by accumulated value adjustments.

Re-assessments of fixed assets are sufficiently and regularly made, in order not to create substantially differences between the book value and the value that would be determined using the fair value at balance sheet.

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

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

In 2009 and 2011, the buildings were re-assessed as per the assessment report prepared by NATWORLD based on the market value. The purpose of the assessment was to bring the net accounting value to the fair value thereof, which, according to OMF 1752/2005 and OMF 3055/2009 was established based on assessments generally made by qualified professionals.

The management has analyzed the real estate market changes effects regarding construction and lands, finding that there is no risk of wrong presentation, therefore there is no reason for another revaluation at December 31<sup>st</sup> 2011 besides that already recorded.

**e) Intangible non-current assets**

Intangible non-current assets are initially recognized at cost. They are recognized if the assets are likely to generate future benefits for the Company, which may be reasonably quantified. Later on, the intangible non-current assets are recognized at cost less the accrued amortization and the adjustment for depreciation, if any. The intangible non-current assets are amortized according to the straight-line method during the lifetime established in accordance with the provisions of Law no. 15/1994 as amended from time to time.

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

Whenever events or certain changes of events indicate that the accounting value of some non-current assets might be partially or fully irrecoverable, a test is conducted in order to check the depreciation of the value of the fixed assets and intangible assets. When the accounting value of a non-current asset exceeds the recoverable value, the loss recorded through depreciation is recognized to be a decrease in the surplus from revaluation, to the extent the loss resulting from the test does not exceed the revaluation surplus for the same asset, or in the profit and loss account if the depreciation exceeds the related revaluation surplus. The recoverable value of the asset is calculated as being the higher of the net selling price of the asset and its utility value. The net selling price is the amount obtained from the sale within a transaction at the market value, net of the expenses incurred in connection with the sale, while the utility

**ROMPETROL RAFINARE S.A.**

**NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS  
for the fiscal year ended at December 31<sup>st</sup>, 2011**

*(all amounts are expressed in new lei ("RON"), unless specified otherwise)*

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value is the updated value of the net cash flows that are estimated to be obtained from the continuous use of an asset and from the potential sale thereof at the expiry of the useful lifetime. The recoverable values are estimated individually for each asset, and where this is not possible, for assets grouped in units generating cash.

**g) Financial non-current assets**

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

**h) Inventories**

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

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

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

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

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

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

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

**i) Receivables**

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

**ROMPETROL RAFINARE S.A.**

**NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS**

for the fiscal year ended at December 31<sup>st</sup>, 2011

(all amounts are expressed in new lei ("RON"), unless specified otherwise)

**j) Cash available**

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

**k) Currency operations**

The currency operations are recorded in RON at the exchange rate valid on the operation date. The assets and monetary debts expressed in hard currency are converted into RON at the exchange rate valid on the date of the balance sheet. The gains or losses from currency exchange rate variations, achieved and unachieved, are registered as income or, as the case may be, as expenses, in the profit and loss account. The RON/USD and RON/EUR exchange rates at December 31<sup>st</sup>, 2011 and December 31<sup>st</sup>, 2010 are presented in the table below:

Currency	December 31 <sup>st</sup> 2011	December 31 <sup>st</sup> 2010
RON/USD	3,3393	3,2045
RON/EUR	4,3197	4,2848

**l) Employees-related obligations**

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

According to the collective bargaining agreements in force within the Group companies, the employees are entitled to receive some pension benefits, payable at the time they retire, subject that they were employees of those entities at the time of retirement. These amounts are estimated on the date of the balance sheet according to the benefits stipulated in the agreements, depending on the number of employees of the companies and according to the actuarial assumptions concerning future debts. These obligations are recorded at the fair value on the date of the balance sheet, the cost of the related service being recorded in the profit and loss account. The current value of this obligation and costs of current and past services were measured using the projected credit factor method. The updating rate was 7,33% in 2011, respectively, 7,2% in 2010, and the rate of long-term salary increase was 4,3%(4,2% as of 2010).

**m) Profit tax**

The tax on current profit is calculated based on the annual retained earnings adjusted for the non-deductible expenses and non-taxable income according to the fiscal regulations in force. During 2006-

**ROMPETROL RAFINARE S.A.**

**NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS  
for the fiscal year ended at December 31<sup>st</sup>, 2011**

*(all amounts are expressed in new lei ("RON"), unless specified otherwise)*

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2011, the profit tax rate was 16%. The fiscal loss may be reported over a 5-year period until December 31<sup>st</sup>, 2008, inclusively, and over 7-year period starting with the fiscal loss of 2009.

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

**n) Provisions**

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

**o) Legal reserves**

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

**p) Recognition of income**

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

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

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

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

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

**q) Retained earnings per share**

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

The diluted retained earnings per share are calculated at the profit or loss attributable to the ordinary shareholders of the mother-company. In order to calculate the diluted retained earnings per share, the

**ROMPETROL RAFINARE S.A.**

**NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS**

**for the fiscal year ended at December 31<sup>st</sup>, 2011**

*(all amounts are expressed in new lei ("RON"), unless specified otherwise)*

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profit or loss attributable to the ordinary shareholders of the mother-company is adjusted by the weighted average of the circulating shares, with the effects of all potential diluting ordinary shares.

**r) Contingent assets and debts**

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

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

**s) Events occurring after the date of the balance sheet**

The events occurring after the date of the balance sheet, which offer additional information about the standing of the Company on the date of the balance sheet (events which result in the adjustment of the financial statements) are reflected in the financial statements. The events occurring after the date of the balance sheet, which do not result in the adjustment of the financial statements are presented in the notes, provided that such events are significant.

**t) Financial instruments**

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

The company uses the derivative financial instruments to hedge the foreign currency risks and also the price risk of crude oil and oil products.

For the derivative financial instruments used to hedge the price risk of crude oil and oil products, the company registers the realised result of these contracts, recording the amounts generated in the financial revenues and expenses categories.

For the derivative financial instruments used to hedge the foreign currency risks, the company applies the same procedure as for those to hedge the price risk of crude oil and oil products.

**u) Loans**

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

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

**ROMPETROL RAFINARE S.A.**

**NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS**

for the fiscal year ended at December 31<sup>st</sup>, 2011

(all amounts are expressed in new lei ("RON"), unless specified otherwise)

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**v) Accounting errors**

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

**x) Affiliates and other related parties**

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

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

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

An entity is "related" to another entity if:

- a) directly or indirectly, through one or several entities:
  - controls or is controlled by the other entity or is under the common control of the other entity (this includes the mother-companies, the subsidiaries or member subsidiaries);
  - Holds an interest in that entity, which offers it a significant influence thereon; or
  - Holds the joint control of such other entity.
- b) is an associated entity of the other entity;
- c) is a joint venture in which the other entity is a shareholder;

# ROMPETROL RAFINARE S.A.

## NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS for the fiscal year ended at December 31<sup>st</sup>, 2011

(all amounts are expressed in new lei ("RON"), unless specified otherwise)

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

### Note 7: Equity in other companies and sources of funds

On December 31<sup>st</sup>, 2011, the share capital registered with the Trade Register consisted of 44,109,205,726 shares with a face value of 0.10 RON each, that is, the equivalent of RON 4,410,920,573, and is fully subscribed and paid in.

	2011		2010	
	Number of shares	Percentage	Number of shares	Percentage
The Rompetrol Group NV	19.294.040.126	43,74%	19.294.040.126	79,09%
ROMANIAN STATE represented by the MINISTRY OF PUBLIC FINANCE	19.715.009.053	44,70%		
Rompetrol Financial Group S.R.L.	2.854.083.079	6,47%	2.854.083.079	11,70%
Rompetrol S.A.	1.928.466.296	4,37%	1.928.466.296	7,91%
Rompetrol Well Services S.A.	21.980.298	0,05%	21.980.298	0,09%
Rompetrol Rafinare S.A.	6.134.701	0,01%	6.134.701	0,03%
Others	289.492.173	0,66%	289.492.173	1,19%
<b>Total</b>	<b>44.109.205.726</b>	<b>100%</b>	<b>24.394.196.673</b>	<b>100%</b>

Pursuant to the decision of the Extraordinary General Meeting of Shareholders of June 30<sup>th</sup>, 2010, the Company swapped the swapped the bonds that had remained un-redeemed, into shares in favour of the Romanian state – 19.715.009.053 shares worth RON 1.971.500.905.

This swap of bonds into shares was registered with the Trade Register. Therefore, the Romanian State through the Ministry of Public Finance holds 44,7% of the Company shares.

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

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

# **ROMPETROL RAFINARE S.A.**

## **NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS** for the fiscal year ended at December 31<sup>st</sup>, 2011

*(all amounts are expressed in new lei ("RON"), unless specified otherwise)*

	2010	2011
Salaries paid or to be paid, related to the fiscal year	66.849.106	74.384.653
Contribution of the company to social insurance	14.856.881	16.195.040
Contribution of the company to the unemployment fund, health fund and other contributions	3,845,455	4.259.458
<b>Total</b>	<b>85.551.442</b>	<b>94.839.151</b>

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

The amounts paid to the Company's directors over 2011 totalled RON 448.596 (RON 561.862 in 2010).

The salaries and bonuses paid to the management of the Company over 2011 (for an average of 13 persons) totalled RON 2.122.536 (RON 5.542.943 in 2010 – in average 22 persons).

On 31.12.2011, Rompetrol Rafinare – Navodari working point (Petromidia refinery) had 858 employees, out of which 207 – college or university degree personnel.

On 31.12.2011, within the working point – Vega refinery – Ploiesti, the Company had 230 employees out of which 32 – college or university degree personnel.

On 31.12.2011, SC Rompetrol Rafinare S.A. had a total number of 1.088 employees, out of which 239 – college or university degree personnel.

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

The average number of employees in 2011 was 1.103, respectively 1.057 in 2010.

### **Note 9: Technical and economic indicators**

		2010	2011
<b>1</b>	<b>Liquidity indicators</b>		
	Current liquidity indicator	0,41	0,34
	Immediate liquidity indicator	0,25	0,20
<b>2</b>	<b>Risk indicators</b>		
	Indebtedness degree indicator	0%	0%
	Bank interests coverage indicator	N/A	N/A
<b>3</b>	<b>Activity Indicators</b>		
	Accounts payable turnover in days - customers	46,78	40,47
	Accounts receivable turnover in days - suppliers	74,76	77,22



**ROMPETROL RAFINARE S.A.**

**NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS**  
for the fiscal year ended at December 31<sup>st</sup>, 2011

(all amounts are expressed in new lei ("RON"), unless specified otherwise)

		2010	2011
	Non-current asset turnover	1.82	2,37
	Total asset turnover	1.15	1,55
	Number of days of storage	39,99	32,43
	Stock turnover	9,13	11,25
4	<b>Profitability indicators</b>		
	Cost effectiveness of the binding capital	N/A	N/A
	Gross margin from sales	N/A	N/A

**Note 10: Other Information**

a) **Framework for the activity**

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

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

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

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

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

In 2010 following the public tendering the Rompetrol Group companies increased their participation from 75,99% to 98,628%. The Rompetrol Group NV.

By swapping the bonds into shares, the Romanian State holds 44,7% of the share capital, and the Rompetrol Group companies hold 54,63% of the share capital.

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

**ROMPETROL RAFINARE S.A.**

**NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS**  
for the fiscal year ended at December 31<sup>st</sup>, 2011

(all amounts are expressed in new lei ("RON"), unless specified otherwise)

**b) Operations with affiliates and other related parties**

The nature of the main operations with affiliates and other related parties, performed by the Company in 2011 and 2010 is presented in the table below

	<b>Acquisitions</b>	<b>Sales</b>
Vector Energy AG	Raw materials (crude oil, etbe, mtbe, bio-diesel)	Oil products
The Rompetrol Group N.V.	Management services, interest to loan	
Rompetrol Downstream S.R.L.	Gas tickets	Oil products, rent, utilities and other services
Rompetrol Petrochemicals S.R.L.	Raw materials (propane), heating, laboratory analyses	Raw materials, rent, utilities and other services
Rompetrol Logistics S.R.L.	Transport services	Rent utilities, other services
Ecomaster Servicii Ecologice S.A.	Sanitation services (treatment of waste waters)	Rent, services
Rominserv S.R.L.	Maintenance services, acquisition of tangible non-current assets	Gas tickets, rent, utilities, re-invoicing other services
Rompetrol Moldova S.A.		Oil products
Rompetrol Gas SRL	Ramp operation, fuel propane, fittings	Oil products, rent and other services
Rominserv Therm S.A.		Oil products
Rompetrol Quality Control S.R.L.	Laboratory testing	Rent, utilities, re-invoicing other services
Midia Marine Terminal S.R.L.	Harbour services (unloading crude oil)	Rent, utilities, bunker storage, re-invoicing other services
Rompetrol Bulgaria J.S.C.	Bio-diesel	Oil products
Palplast S.A.		
Rompetrol Well Services S.A.	Interest to loan	
Uzina Termoelectrica S.A.	Utilities	Oil products
The Rompetrol Group Shared Service Center S.R.L.	Management services	
Byron Shipping SRL	Demurrage	Rent, re-invoicing other services
Global Security System S.A.	Security services, courier services, cleaning services, fire prevention	

**Balance as at December 31<sup>st</sup>, 2011:**

	<b>Receivables</b>	<b>Debts</b>
Vector Energy AG	390.822.460	2.169.632.990
Rompetrol Downstream S.R.L.	564.867.394	24.199.773
Rompetrol Petrochemicals S.R.L.	117.473.017	3.069.215
The Rompetrol Group N.V.	1.354.657	3.604.167.251

# **ROMPETROL RAFINARE S.A.**

## **NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS** for the fiscal year ended at December 31<sup>st</sup>, 2011

(all amounts are expressed in new lei ("RON"), unless specified otherwise)

	Receivables	Debts
Rompetrol Gas SRL	36.878.664	1.494.149
Rompetrol Moldova S.A.	1.647.996	
Rominerv S.R.L.	77.775.844	200.300.910
Ecomaster Servicii Ecologice S.A.	94.747	461.938
Rompetrol Quality Control S.R.L.	355.036	3.615.022
Rompetrol Logistics S.R.L.	14.363.123	137.194
Midia Marine Terminal S.R.L.	63.166	22.190.545
Rompetrol S.A.	92.681	
Palplast S.A.	250.178	
Rompetrol Well Services S.A.	809	24.787.954
Rompetrol Bulgaria J.S.C.	3.481.699	
Uzina Termoelectrica S.A.	5.397.796	12.444.991
The Rompetrol Group Corporate Center S.R.L.	15.222	4.071.743
Global Security Sistem S.A.	620.413	1.565.873
Rominerv Kazakhstan Ltd.	598.680	
Byron Shipping S.R.L.	2.425	
<b>Total</b>	<b>1.216.156.007</b>	<b>6.072.139.548</b>

The receivables from Vector include also down payments amounting to RON 8,122,908 which are presented in the Note for inventories (note 10 h)

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

	December 31 <sup>st</sup> , 2010	December 31 <sup>st</sup> , 2011
<b>The Rompetrol Group N.V.</b> Credit facility of up to USD 1.2 billion; interest – LIBOR 1 month + 4%; maturity – September 20 <sup>th</sup> , 2012; addendum 1/September 20 <sup>th</sup> , 2011; addendum 1 to the agreement for assignment of receivables under the loan agreement no. 433/14.05.2009, concluded with Rompetrol Petrochemicals S.R.L., principal and interest, on the date of signing the amount being USD 43,285,940.69; addendum 1 to the agreement for assignment of the receivables under the agreement no. 511/12.12.2003 with Rompetrol Petrochemicals S.R.L., on the date of signing the amount being USD 25,171,165; addendum 1 to the agreement for assignment of the receivables under the agreement no. 1/2010 with Rompetrol Downstream S.R.L., on the date of signing the amount being RON 525,343,138; addendum 1 to the agreement for assignment of the receivables under the agreement no. 38/10.09.2008 concluded with Rompetrol Gas S.R.L., on the date of signing the amount being RON 46,509,417 and USD 2,303,308.62; real movable security in some assets; real movable security in the shares held in Rompetrol Logistics S.R.L., Rompetrol Petrochemicals S.R.L., Rompetrol Downstream S.R.L., Rom Oil S.A.; real movable security in the bank accounts.	3.105.655.496	3.285.385.228
<b>Rompetrol Well Services S.A.</b> Short-term credit facility for working capital, of up to RON 13 million; maturity – January 9 <sup>th</sup> , 2012; interest rate – ROBOR 3M+2.5%. The loan is secured by a promissory note that covers the value of the debt.	13.000.000	13.000.000
<b>Rompetrol Well Services S.A.</b>	7.000.000	7.000.000

# ROMPETROL RAFINARE S.A.

## NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS for the fiscal year ended at December 31<sup>st</sup>, 2011

(all amounts are expressed in new lei ("RON"), unless specified otherwise)

	December 31 <sup>st</sup> , 2010	December 31 <sup>st</sup> , 2011
Short-term credit facility for working capital, of up to RON 7 million; maturity – January 13 <sup>th</sup> , 2012; interest rate – ROBOR 3M+ 2.5%. The loan is secured by a promissory note that covers the value of the debt		
<b>Rompetrol Well Services S.A.</b> Short-term credit facility for working capital, of up to RON 3.1 million; maturity – January 3 <sup>rd</sup> , 2012; interest rate – ROBOR 3M+ 2.5%. The loan is secured by a promissory note that covers the value of the debt.	3.100.000	3.100.000
<b>Rompetrol Well Services S.A.</b> Short-term credit facility for working capital, of up to RON 1.5 million; maturity – January 27 <sup>th</sup> , 2012; interest rate – ROBOR 3M+ 2.5%. The loan is secured by a promissory note that covers the value of the debt.	1.500.000	1.500.000
	<b>3.130.255.496</b>	<b>3.309.985.228</b>

## Operations during January – December 2011

	Acquisitions	Sales
Vector Energy AG	9.456.794.603	3.364.111.758
Rompetrol Downstream S.R.L.	1.135.362	4.206.191.764
Rompetrol Petrochemicals S.R.L.	81.877.270	487.276.654
The Rompetrol Group N.V.	133.956.554	189
Rompetrol Gas SRL	755.128	554.037.201
Rompetrol Moldova S.A.		166.299.257
Rompetrol Bulgaria	4.290.335	86.414.010
Rominserv S.R.L.	289.238.206	4.288.453
Ecomaster Servicii Ecologice S.A.	2.233.197	80.352
Rompetrol Quality Control S.R.L.	14.678.919	1.316.151
Rompetrol Logistics S.R.L.	156.237	69.567
Midia Marine Terminal S.R.L.	36.724.570	1.890.301
Rompetrol Well Services S.A.	2.779.009	5.869
Uzina Termoelectrica S.A.	59.828.661	38.940.884
The Rompetrol Group Corporate Center S.R.L.	33.891.487	
Byron Shipping S.R.L.		14.011
Global Security Sistem S.A.	7.416.204	85
Rominserv Kazahstan Ltd.		534.770
Byron Shipping S.R.L.	72.162	
<b>Total</b>	<b>10.125.827.904</b>	<b>8.911.471.276</b>

**ROMPETROL RAFINARE S.A.**

**NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS**  
for the fiscal year ended at December 31<sup>st</sup>, 2011

(all amounts are expressed in new lei ("RON"), unless specified otherwise)

**Balances as at December 31<sup>st</sup>, 2010:**

	<b>Receivables</b>	<b>Debts</b>
Vector Energy AG	311.089.218	1.629.887.113
Rompetrol Downstream S.R.L.	628.923.338	23.537.612
Rompetrol Petrochemicals S.R.L.	199.281.366	8.711.829
The Rompetrol Group N.V.	1.877.039	3.276.659.567
Rompetrol Gas SRL	61.448.071	859.319
Rompetrol Moldova S.A.		1.114.398
Rominservices Therm S.A.	11.311.256	5.756
Rominserv S.R.L.	58.130.383	77.067.399
Ecomaster Servicii Ecologice S.A.	18.343	2.752.241
Rompetrol Quality Control S.R.L.	163.778	5.198.683
Rompetrol Logistics S.R.L.	12.267.053	859.144
Midia Marine Terminal S.R.L.	155.029	19.750.789
Rompetrol S.A.	92.681	2.677.723
Palplast S.A.	250.043	
Rompetrol Well Services S.A.		24.943.734
Rompetrol Bulgaria J.S.C.		2.429.173
Uzina Termoelectrica S.A.	6.043.484	8.024.085
The Rompetrol Group Corporate Center S.R.L.		922.765
Byron Shipping S.R.L.		6.818
Global Security Sistem S.A.	604.422	763.322
<b>Total</b>	<b>1.291.655.504</b>	<b>5.086.171.470</b>

**Operations January – December 2010**

	<b>Acquisitions</b>	<b>Sales</b>
Vector Energy AG	6.427.316.209	2.289.500.961
Rompetrol Downstream S.R.L.	36.787.794	2.822.108.824
Rompetrol Petrochemicals S.R.L.	63.962.188	369.153.114
The Rompetrol Group N.V.	120.835.440	
Rompetrol Gas SRL	1.044.465	397.204.240
Rompetrol Moldova S.A.	0	120.403.986
Rompetrol Bulgaria J.S.C.	3.026.126	12.479.599
Rominservices Therm S.A.	0	13.386.769
Rominserv S.R.L.	294.799.981	40.050.208
Ecomaster Servicii Ecologice S.A.	10.658.841	3.522.477

# **ROMPETROL RAFINARE S.A.**

## **NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS** for the fiscal year ended at December 31<sup>st</sup>, 2011

(all amounts are expressed in new lei ("RON"), unless specified otherwise)

	<b>Acquisitions</b>	<b>Sales</b>
Rompetrol Quality Control S.R.L.	15.431.312	1.523.455
Rompetrol Logistics S.R.L.	23.498.365	1.058.480
Midia Marine Terminal S.R.L.	41.236.303	1.695.079
Rompetrol S.A.	21.881.440	44.405
Rompetrol Well Services S.A.	3.500.333	
Uzina Termoelectrica S.A.	53.018.038	46.483.017
The Rompetrol Group Corporate Center S.R.L.	744.165	
Byron Shipping S.R.L.	6.884	
Global Security Sistem S.A.	7.534.779	10.011
<b>Total</b>	<b>7.125.282.663</b>	<b>6.118.624.625</b>

### c) **Currency operations**

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

### d) **Information about the tax on profit**

On December 31<sup>st</sup>, 2011, the Company does not owe any profit tax.

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

	<b>2010</b>	<b>2011</b>
Accounting net profit/(net loss)	-669.762.488	-735.847.584
Plus: non-deductible expenses	220.439.772	296.073.367
Minus: non-taxable income	-33.635.096	-29.182.076
Deductible legal reserve	0	0
Fiscal net profit/(net loss)	-482.957.812	-468.956.293
Fiscal loss from previous years	-812.090.793	-1.295.048.605
Taxable basis	-1.295.048.605	-1.764.004.898
Profit tax 16%	0	0
Annual minimum tax	32.250	0

### e) **Turnover**

**ROMPETROL RAFINARE S.A.**

**NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS**  
**for the fiscal year ended at December 31<sup>st</sup>, 2011**  
*(all amounts are expressed in new lei ("RON"), unless specified otherwise)*

The turnover component for the period January – December 2011 and 2010 is presented in the table below:

	<b>2010</b>	<b>2011</b>
Income from sale of finished products	6.968.074.592	10.070.215.776
Income from sale of commodities	41.681.923	10.073.931
Income from services rendered	89.493.205	94.519.245
<b>Total</b>	<b>7.099.249.720</b>	<b>10.174.808.952</b>

The turnover for the period January – December 2011 and 2010 by geographical areas is presented in the table below:

<b>DESTINATION COUNTRY</b>	<b>2010</b>	<b>2011</b>
ROMANIA	4.171.798.971	5.890.457.491
UKRAINE	417.579.783	733.004.736
GEORGIA	480.592.324	636.233.453
BULGARIA	501.584.087	600.590.295
TURKEY	439.483.023	545.342.658
SERBIA	243.457.317	372.260.274
LEBANON	260.859.656	279.933.764
HUNGARY	242.930.968	180.328.042
MALTA	0	176.218.404
MOLDOVA	126.641.996	175.242.778
TUNISIA	0	138.426.757
INDIA	25.030.930	66.325.288
GERMANY	27.703.878	54.731.079
SLOVENIA	0	48.988.481
ISRAEL	0	48.733.561
GIBRALTAR	0	45.653.250
SAUDI ARABIA	0	41.444.327
THE EMIRATES	0	36.056.314
SPAIN	0	33.196.775
ITALY	17.115	24.965.728
GREECE	25.743.842	22.681.613
EGYPT	2.583.817	10.508.834
KOREA	0	6.300.237
POLAND	3.483.482	2.947.245
THE NETHERLANDS	69.297	1.498.045
KAZAKHSTAN	804.116	1.265.240

**ROMPETROL RAFINARE S.A.**

**NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS**  
for the fiscal year ended at December 31<sup>st</sup>, 2011

(all amounts are expressed in new lei ("RON"), unless specified otherwise)

DESTINATION COUNTRY	2010	2011
AUSTRIA	657.568	1.005.557
CROATIA	2.357.930	240.434
MACEDONIA	0	164.139
SWITZERLAND	15.964	64.153
ALBANIA	19.300.938	0
UNITED KINGDOM	606	0
FRANCE	36.929.834	0
PAKISTAN	4.964.935	0
PANAMA	38.789	0
USA	64.618.554	0
<b>TOTAL</b>	<b>7.099.249.720</b>	<b>10.174.808.952</b>

**f) Paid fees to the auditors**

The auditor's fees for the 2011 financial statements audit is approximately RON 172.788, equivalent of EUR 40.000 (RON 171.392 as of 2010, equivalent of 40.000 EUR).

**g) Petty cash and bank accounts**

On December 31<sup>st</sup>, 2011 and December 2010, the cash available is composed of:

	2010	2011
Cash at banks in RON	10.777.534	31.318.839
Cash at banks in hard currency	13.323.164	4.057.323
Petty cash	116.763	273.322
Cheques to be collected	3.862.906	7.397.472
Amounts pending settlement	0	0
Other amounts	15.077	15.192
<b>Total</b>	<b>28.095.444</b>	<b>43.062.148</b>

**h) Inventories**

On December 31<sup>st</sup>, 2011 and December 2010, the inventories are comprised of

	2010	2011
Raw materials	484.410.480	374.956.940
Ancillary materials	32.767.395	28.138.557
Raw materials and materials held by third parties	83.321.034	73.938.985



**ROMPETROL RAFINARE S.A.**

**NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS**  
for the fiscal year ended at December 31<sup>st</sup>, 2011

(all amounts are expressed in new lei ("RON"), unless specified otherwise)

	2010	2011
Finished products	180.913.151	289.677.566
Finished products held by third parties	2.431.135	-
Production in progress	14.503	27.658
Semi-finished products	172.487.600	222.609.876
Commodities	600.183	369.460
Packaging and other materials	668.274	507.028
Provisions for depreciation of finished products	(61.484.478)	(77.174.758)
Provisions for depreciation of raw materials		(30.643.540)
Provisions for depreciation of materials	(6.312.709)	(11.266.134)
Advances for inventories	12.681.631	34.995.814
<b>Total</b>	<b>902.498.199</b>	<b>906.137.452</b>

Inventories are registered at the minimum value between cost and net value of production. The net value of production is estimated upon the practiced sale price used in the current activity diminished by the finality and sales & distribution costs. For low movement and damaged inventories are made value adjustments upon company's management estimations.

At December 2011 the movements of the provisions accounts states like this:

	Balance at 31.12.2010	Balance at 31.12. 2011
0	1	2
At January 1st	73.281.496	67.797.187
Increase over the year	27.312.017	66.971.173
Amounts recorded as expenses		
Reversions over the year	32.796.326	15.683.928
At December 31 <sup>st</sup>	67.797.187	119.084.432

**i) Leasing obligations**

	2010	2011
Amounts maturing during the next year	368.897	17.766
Amounts maturing over the next three years	17.743	-
<b>Total</b>	<b>386.640</b>	<b>17.766</b>

# **ROMPETROL RAFINARE S.A.**

## **NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS** **for the fiscal year ended at December 31<sup>st</sup>, 2011**

*(all amounts are expressed in new lei ("RON"), unless specified otherwise)*

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

The expenses for royalties and rents over the period January – December 2011 totalled RON 9.388.614, respectively RON 11.763.912 in 2010. The Company basically leased harbour premises – piers 1-4 and 9 – from CN Administratia Porturilor Maritime Constanta, for which it recorded rents amounting to RON 2.116.208, the AFPP and Acid and bases installations from Rompetrol Petrochemicals S.R.L. – worth RON 1.573.380, the SP1A Saligny station from the Administratia Nationala a Imbunatatirilor Funciare – worth RON 391.249, excavator from Gepco Alternative SRL – RON 162.000, computers from Hewlett Packard P – worth RON 1.564.991, and Xerox equipment from Xerox Echipamente si Servicii S.A. (Romania) – worth RON 126.222. It also incurred expenses for licenses concerning additives from Marine Resources Exploration International – worth RON 2.417.185 and Metastrom licenses from Rominserv SRL worth RON 234.978.

### **j) Retained earnings per share**

	2010	2011
Profit/(loss) due to the majority shareholders	-669.762.488	-735.847.584
Interest related to debentures less the related profit tax reduction	0	0
Profit/(Loss) related to the diluted retained earnings per share	-669.762.488	-735.847.584
<b>Number of shares</b>		
Average number of shares for the computation of the retained earnings per basic share	24.394.196.673	44.109.205.726
Shares issued based on debentures	19.715.009.053	0
Average number of shares for the computation of the diluted retained earnings per share	44.109.205.726	44.109.205.726
<b>Retained earnings (per share)</b>		
basic	-0,0275	-0,0167
diluted	-0,0152	-0,0167

**ROMPETROL RAFINARE S.A.**

**NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS**  
for the fiscal year ended at December 31<sup>st</sup>, 2011  
*(all amounts are expressed in new lei ("RON"), unless specified otherwise)*

**k) Other operation expenses**

	Fiscal year ended at December 31 <sup>st</sup> , 2010	Fiscal year ended at December 31 <sup>st</sup> , 2011
Transport of goods and personnel	21.476.142	8.565.916
Royalties and rental expenses	11.763.915	9.388.614
Bank commissions and similar charges	8.477.121	7.845.107
Insurance premium expenses	7.969.797	7.273.241
Commissions and fees	1.051.570	582.247
Maintenance and repair expenses	70.681.658	55.501.879
Postage and telecommunications	716.367	450.386
Travel, secondment and transfer of personnel	573.457	457.295
Protocol, promotion and advertising	2.469.616	507.980
Other third parties services	68.927.464	76.387.764
Environmental protection expenses	16.560.145	14.374.579
Other expenses	15.926.953	23.304.239
<b>Total</b>	<b>226.594.205</b>	<b>204.639.247</b>

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

	Fiscal year ended at December 31 <sup>st</sup> , 2010	Fiscal year ended at December 31 <sup>st</sup> , 2011
Security services	4.496.591	4.489.478
Outsourced activities	14.436.817	30.221.419
Costs for shared services	0	0
Consulting and audit	10.314.111	4.318.761
Management services	23.261.566	30.042.475
Others*)	16.418.379	7.315.631
<b>Total</b>	<b>68.927.464</b>	<b>76.387.764</b>

**l) Undertakings**

## ROMPETROL RAFINARE S.A.

### NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS for the fiscal year ended at December 31<sup>st</sup>, 2011

(all amounts are expressed in new lei ("RON"), unless specified otherwise)

On December 31<sup>st</sup>, 2011, the Company was part to several investments agreements for the purpose of increasing the production capacity and of observing the European standards, the remaining value of which is USD 124,9million.

The estimated value of the raw materials and utilities acquisitions is USD 3.782 mil, out of which USD 3.623 million from Vector (4.500.000 tons of crude oil).

The table below illustrates the securities established by the Company and still valid on December 31<sup>st</sup>, 2011:

bank	name_benef	Currency	Value	initial date	final date
Bancpost	ANAF - DGAMC	EUR	25.106.802	24-Jul-07	20-Apr-12
Bancpost	ANAF - DGAMC	EUR	2.855.088	5-Jun-08	20-Apr-12
Bancpost	ANAF - DGAMC	EUR	5.950.400	7-Apr-09	20-Apr-12
Bancpost	ANAF - DGAMC- for VEGA	EUR	372.230	15-Dec-09	23-Jun-12
Bancpost	CN ADMIN.PORT.MARITIME CTA	RON	761.566	23-Dec-09	30-Jun-12
Bancpost	CN ADMIN.PORT.MARITIME CTA	RON	33.481	23-Dec-09	30-Jun-12
Bancpost	CONPET	RON	55.971	30-Jan-10	30-Jan-12
Bancpost	ANAF - DGAMC	EUR	571.248	14-Oct-11	20-Apr-12
Unicredit	CN ADMIN.PORT.MARITIME CTA	RON	55.344	14-Oct-10	30-Mar-12
Unicredit	General division for social assistance and child protection of Bihor	RON	21.340	15-Dec-10	31-Dec-11
Unicredit	SGB Court of Appeal Constanta , Commercial, Maritime and River Division - CASH COLATERAL	RON	22.055.924	11-Jan-11	11-Jan-12
Bancpost	L/G VB Leasing Romania IFN	EUR	25.000	1-Jul-11	29-Jun-12
Bancpost	L/G VB Leasing Romania IFN	EUR	34.850	5-Jul-11	6-Jul-12

#### m) Contingent debts

Related to the Parent Company oil products technological lending practice to other refineries, D.G.F.P Constanta claimed unrecorded income for which it calculated excise, VAT and related penalties totalling RON 47,7 million (USD 15,3 million) to be paid by the Parent company. These claims (the legal effects) were suspended by the local court for admission. Subsequently, a second suspension has been issued by the fiscal authorities (D.G.S.C. – A.N.A.F.) until the final and irrevocable settlement regarding the criminal case, as the fiscal authority considers that this matter could influence the settlement of the challenge against the administrative act. The management is confident in the defence formulated.

In 2001, the Group processed crude oil for another refinery for which it originally raised excise invoices. However due to the law prevailing at the time, such invoices raised by the Group were challenged by the respective customer and the courts compelled the Group, through final and irrevocable rulings, to cancel such invoices. On the occasion of the execution in 2003 of an inspection minutes, DGFP Constanta considered that the court ruling represents an "explanation unjustified by the control authority", reason for which it recalculated the excise. The minutes were challenged for this matter as well, as the fiscal authorities ignored a final and irrevocable court ruling. The enforcement (legal effects) was suspended as presented in the paragraph above. The amount noted in the minutes issued by D.G.F.P Constanta is RON 9.5 Million (USD 3 million). The management is confident that the likelihood of reversal of the earlier court decision is very little.

## **ROMPETROL RAFINARE S.A.**

### **NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS for the fiscal year ended at December 31<sup>st</sup>, 2011**

*(all amounts are expressed in new lei ("RON"), unless specified otherwise)*

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The fiscal authorities initiated a fiscal inspection with respect to the profit tax, VAT, excises, the tax on income obtained by non-resident entities, fees related to salaries for the period January 1<sup>st</sup>, 2007 – December 31<sup>st</sup>, 2010. For the period controlled has been issued a taxation decision regarding additional payment fiscal obligations no.1 from March 29<sup>th</sup> 2012 in total amount of RON 49.447.797 based on the fiscal inspection report concluded on march 29<sup>th</sup> 2012. For details, see Note 10.

The Company is required to pay the assessed amount, however, the Company has filed a request for an administrative review of the decision with the Romanian fiscal authorities under Art. 205 of the Fiscal Procedure Code. The Company has also submitted a request for the suspension of the Notice of Assessment execution with the Constanta Court of Appeal. The first hearing was on April 12, 2012, and at this hearing the Constanta Court of Appeal was expected to advise a date for the next hearing to consider the Company's request for suspension, however, there was at the hearing on April 12, 2012 no date set for the next hearing by the Constanta Court of Appeal.

The company is confident about the suspension of the taxation decision and that it will be put under the court control before paying the amounts mentioned in this content.

#### **Legal matters**

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

The charges apprehended upon the initiation of the investigation were: a) failure to fulfil the investment commitments undertaken under the privatization contract concerning the Group; b) inaccurate 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 which took place during April 2001 – October 2002. The said charges have been split by the prosecutors' office from the initial file and are subject to a separate file currently open before PGO – DIICOT

For certain charges under investigation – charges not concerning the Group directly, that are part of the initial file open by the prosecutors' office, even after the split of the file – the PGO decided to send to trial certain officials of The Rompetrol Group N.V. ("TRG"), the parent company of S.C. Rompetrol Rafinare S.A. This file is under inquiry for the merits with Bucharest Tribunal. The trial procedure progressed rather slowly, the defence attorney raising several procedural pleas to the cause. Also, the procedure was suspended during September 17<sup>th</sup>, 2010 – September 14<sup>th</sup>, 2011, following the admission of a constitutional challenge of art. Currently, the case is still under judicial investigation of the merits, the stage of hearings of witnesses

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

## ROMPETROL RAFINARE S.A.

### NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS for the fiscal year ended at December 31<sup>st</sup>, 2011

*(all amounts are expressed in new lei ("RON"), unless specified otherwise)*

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

Furthermore, on 15 December 2005, The Rompetrol Group N.V. submitted a request for arbitration before the International Centre for Settlement of Investment Disputes within the World Bank ("ICSID") of Washington DC against the Government of Romania whereby it requested compensation for the damages incurred. The request for arbitration emphasizes the breach by the Romanian State of The Rompetrol Group N.V.'s rights under the Agreement on Encouragement and Reciprocal Protection of Investments between the Government of the Kingdom of the Netherlands and the Government of Romania, in force as of 1 February 1995 (the "Dutch-Romanian BIT"). The request has been registered with ICSID and has already been subject to a preliminary analysis regarding the admissibility thereof and the competence of ICSID over the case; the decision on these topics was favourable to The Rompetrol Group N.V.. Within this procedure, during 2010 took place the debates on the merits of the said request, after which each party submitted its written conclusions. The decision of the arbitration court is expected in 2012 (by the end of February or in March 2012 the arbitration court shall notify the parties regarding the status of deliberations).

#### Litigations related to Hybrid Conversion

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

The Hybrid Instrument was issued in accordance with Emergency Government Ordinance ("EGO") 118/2003 approved by Law 89/2005, converting RON 2.177,7 million of state budget liabilities, including penalties, into 22.812.098 Euro-denominated long-term bonds with face value EUR 25 each (i.e. a total of EUR 570,3 million at the RON/EUR exchange rate as of September 30, 2003 of 3,8185 RON/EUR or USD 719,4 million at the same date). The Bonds carried interest and were redeemable on or before maturity, whereas EGO no.118/2003 specifically provided that bonds not redeemed by September 30, 2010 should be convertible into ordinary shares of Rompetrol Rafinare SA at the option of the Company.

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

- 1) the Extraordinary General Meeting of the Shareholders as of June 30, 2010 approved, among others, the increase of the Company's share capital by USD 100.2 million, for the purpose of raising financing to redeem part of the Bonds and to pay trade and other liabilities;
- 2) on August 9, 2010, RRC redeemed 2.160.000 Bonds in aggregate value amounting to EUR 54 million;
- 3) the Extraordinary General Meeting of the Shareholders of September 14, 2010 issued, among others, the preliminary approval of the conversion of the unredeemed Bonds into shares. Subsequently, on September 30, 2010, the Extraordinary General Meeting of the Shareholders of Rompetrol Rafinare SA approved the conversion of the unredeemed Bonds into shares, the

## ROMPETROL RAFINARE S.A.

### NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS for the fiscal year ended at December 31<sup>st</sup>, 2011

*(all amounts are expressed in new lei ("RON"), unless specified otherwise)*

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corresponding share capital increase and the exact numbers of shares to be received by the Romanian Ministry of Public Finance for the Bonds it held, calculated based on the conversion rate of bonds into shares (see Note 6b).

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

- 1) the Company had the right to either redeem or to convert the Bonds, in each case in their entirety, but no legal option to combine a partial redemption and a partial conversion of the Bonds issue;
- 2) the payment of August 9, 2010 performed by the Company should be deemed as a final option to redeem the entire Bonds issued and, consequently,
- 3) the possibility of the Company to convert the balance of the unredeemed Bonds upon maturity was barred, thus the conversion being illegal and effectless, and
- 4) starting with October 1<sup>st</sup>, 2010, the Company has had a budgetary debt to the Romanian treasury amounting to the value of the unredeemed Bonds (approximately Euro 516 million).

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

- 1) MFP filed a request, asking by an injunction relief, for suspending the execution of GMS Decisions of June 30, 2010. The injunction request was irrevocably dismissed.
- 2) MFP filed also an intervention to the registration of the share capital increase with the Trade Register. The first court dismissed it and MFP filed an appeal which was also dismissed. The share capital increase was fully registered with all the capital market institutions.
- 3) MFP submitted a request for annulment of the GMS decisions of:
  - a. June 30, 2010, referring to the share capital increase by USD 100 million;
  - b. September 14, 2010, referring to the preliminary approval of the conversion option; and
  - c. September 30, 2010, referring to share capital increase by conversion of the unredeemed bonds into ordinary shares

adopted by RRC's shareholders. The case was settled by Constanța Tribunal by dismissing the MFP action, on June 24<sup>th</sup>, 2011. Currently the appeal initiated by MFP against this ruling is pending before Constanta Court of Appeal, having the next hearing on May 14<sup>th</sup>, 2012.

- 4) MFP submitted interventions to the registration of the all GMS decisions (decisions of June 30, 2010, of September 14, 2010 and of September 30, 2010) to the Trade Registry. Most of the cases were dismissed by Constanta Tribunal and MFP submitted appeal requests which are pending with Constanta Court of Appeal. The rest of the cases are either pending in first court proceedings, or suspended as result of relocation requests submitted to High Court of Justice and Cassation by MFP. The relocation requests were also dismissed, but the intervention requests are not yet reopened and settled. In relation to the MFP intervention to the registration with the Trade Register of the GMS dated June 30, 2010 the Constanta Court rejected the claim. Therefore, the Trade Register registered on December 27, 2010 the share capital increase according to GMS as of June 30, 2010. Consequently, CNVM approved on February 8, 2011 the issuing of the new shares registrations certificate following the share capital increase. MFP appealed the Constanta Court decision mentioned above.

- B) On September 10, 2010 ANAF issued a decision for establishment of a precautionary seizure on all the participations held by Rompetrol Rafinare S.A. in its affiliates as well as on all movable and immovable assets of Rompetrol Rafinare S.A. except inventories. This measure is still in force and it is



## ROMPETROL RAFINARE S.A.

### NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS for the fiscal year ended at December 31<sup>st</sup>, 2011

*(all amounts are expressed in new lei ("RON"), unless specified otherwise)*

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challenged by the Group. As of the date of these financial statements this seizure has not produced direct effects on the Company's recurring operations.

The Group has challenged this decision and requested the court to annul the seizure. The main ground the Group has taken is that starting October 1, 2010 no liability of RRC to MFP exists as the bonds were settled through conversion into share capital under the Issuance Convention. The case was dismissed at the first court hearing by Bucharest District 5 Court and Rompetrol Rafinare S.A. filed a final appeal which is pending with Bucharest Tribunal, having the next hearing on June 6, 2012. The management is confident, based on the advice of legal counsels, that there are sufficient grounds to believe that the matter will be decided in favor of Rompetrol Rafinare S.A.

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

No solution was yet issued concerning the annulment of the Letter, this dispute being suspended until final settlement of the cause mentioned at point 3) above. RRC also filed a challenge against the forced execution asking for the cancelation of the Summons and the Forced Execution Title with Constanta Local Court, which relocated the file to Bucharest Local District 5 Court, where the next hearing is to be scheduled. .

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

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

Finally, RRC defends its position by showing that the Bonds are credit titles issued by a company in exchange of borrowed amounts and generate the obligation to repay its value (principal) plus interest. Each Bond incorporated on obligation of RRC towards MFP. Hence, the stake of bonds incorporated a plurality (22,8 million) of obligations (one obligation per each Bond). Therefore, in relation with each such title, RRC had the option to implement a different strategy, namely either to redeem it or to convert it on due date. In other words, RRC may not choose, in relation to one bond, to make a partial redemption and to concert the balance of such bond into shares, but it may freely choose what number of outstanding Bonds to redeem or to convert.

#### Litigations related to salary benefits

In 2011 Constanta Tribunal and Prahova Tribunal had to rule on the requests submitted by three trade unions representing the interests of the majority of Rompetrol Rafinare employees.



**ROMPETROL RAFINARE S.A.**

**NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS  
for the fiscal year ended at December 31<sup>st</sup>, 2011**

*(all amounts are expressed in new lei ("RON"), unless specified otherwise)*

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1. In first instance, Constanta Tribunal admitted the request of two of the three unions and compelled the Company to increase the salaries of the employees who signed the writ of summons.

After notifying the ruling of the Tribunal, the Company filed an appeal requesting the suspension of the above mentioned ruling until final and irrevocable settlement of said disputes.

During 2011 summer, the Company obtained the suspension of execution of all rulings mentioned above.

The appeal was settled by Bucharest Court of Appeal which admitted the appeal filed and rejected the request of the unions as unjustified.

2. In first instance, Prahova Tribunal, where the dispute on salary increase was judged with the third union representing the interests of Company employees working at Ploiesti work facility, rejected the union's request as unjustified.

Against this ruling the Union filed an appeal which will be settled by Ploiesti Court of Appeal.

The lawsuit is pending and the ruling of the Court of Appeal cannot be estimated.

**n) Events occurring after the date of the balance sheet**

The loans taken from Rompetrol Well Services were extended monthly until April 27<sup>th</sup>, 2012, respectively, May 3<sup>rd</sup>, 9<sup>th</sup> and 14<sup>th</sup>, 2012 according to the loan agreements.

During January 2012, the due date of the loan contracted from Bancpost was extended till April 29<sup>th</sup> 2012.

The fiscal authorities finished the fiscal inspection on 29<sup>th</sup> of March 2012, for the period 01/1/2007 – 12/31/2010. For details, see Note 10.

**o) Environmental protection**

The Company's refining activity results in inherent environmental risks. Both the management of the Company and the local authorities are closely monitoring the observance by the Company of the environmental norms in force. The Company has recorded a provision for environmental protection related to the environmental obligations of Vega refinery for soil decontamination, worth RON 47.342.189 (RON 51.320.030 at December 31<sup>st</sup>, 2009). Also, the Company recorded a provision for environment related to environmental obligations for "Land remediation for the area flares-wasted dumps-fairway" and „empty of waste dump no 3" amounting to RON 10.951.472. In Petromidia Refinery

**p) Taxation**

All the amounts due to the state authorities for taxes were paid or recorded at the balance sheet date. The Romanian fiscal system is in course of consolidation and in keeping with the European legislation, being possible to exist different interpretations of authorities regarding the fiscal legislation, which could occur to additional taxes and penalties. In case of discovering violations of the Romanian legal provisions by the state authorities, can determine the followings: seizing the amounts, imposing additional

## **ROMPETROL RAFINARE S.A.**

### **NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS for the fiscal year ended at December 31<sup>st</sup>, 2011**

*(all amounts are expressed in new lei ("RON"), unless specified otherwise)*

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fiscal obligations, applying fines, applying delaying penalties (applied to the remaining amounts). Hence, the fiscal sanctions resulted from violation of the legal provisions can reach to important amounts to be paid to the fiscal authorities.

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

In 2012, the fiscal authorities finished the fiscal inspection with respect to the profit tax, VAT, excises, the tax on income obtained by non-resident entities, fees related to salaries for the period January 1<sup>st</sup>, 2007 – December 31<sup>st</sup>, 2010. For the controlled period the company received a taxation decision including taxes, contributions and additional penalties for delaying in total amount of RON 49.447.797 (USD 14.807.833).

The Company is required to pay the assessed amount, however, the Company has filed a request for an administrative review of the decision with the Romanian fiscal authorities under Art. 205 of the Fiscal Procedure Code. The Parent has also submitted a request for the suspension of the Notice of Assessment execution with the Constanta Court of Appeal. The first hearing was on April 12, 2012, and at this hearing the Constanta Court of Appeal was expected to advise a date for the next hearing to consider the Parent's request for suspension, however, there was at the hearing on April 12, 2012 no date set for the next hearing by the Constanta Court of Appeal.

The management considers that there is a big chance to be solved these litigate procedures in company's favour. Considering this risk, the company recognised a provision in total amount of RON 13,7 million.

#### **The transfer price**

According to the fiscal legislation, the fiscal valuation of a realised transaction with associated parties is based on the market price concept. Based on this concept, transfer prices must be adjusted so it can reflect market prices, at which transactions would normally have been established between entities, that are not associated and act independently on the market.

It's possibly that future controls by the fiscal authorities to be made upon the transfer prices, to determine if these prices respect the "normal market conditions" concept and to make sure that taxation basis of the Romanian contributor is not distorted.

#### **q) Risk management**

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

The Group enters into contracts to purchase and sell crude oil and oil products at future delivery dates. These contracts expose the Group primarily to commodity risks of changes in fair value of crude oil and related oil products.

## ROMPETROL RAFINARE S.A.

### NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS for the fiscal year ended at December 31<sup>st</sup>, 2011

*(all amounts are expressed in new lei ("RON"), unless specified otherwise)*

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The Group uses financial instruments (primarily futures, options and swaps) to hedge its risks associated with fair value fluctuation relating to certain firm commitments and forecasted transactions. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on the use of financial derivatives. The Group determines gain/loss on a net basis based on the daily open positions. The net gain/loss realized and unrealised is taken to Cost of sales.

The Group is affected by the volatility of crude oil, oil product and refinery margin prices. Its operating activities require ongoing purchase of crude oil to be used in its production as well as supplies to its clients. Due to significantly increased volatility of crude oil, the management developed a hedge policy which was presented to the Group's Board of Directors and was approved in most significant aspects in 2010 and with some further amendments in February 2011. Following this approval, the Group started on January 2011 the hedge of commodities held by Rompetrol Rafinare.

According to the hedge policy, on the commodity side, the flat price risk for priced inventories above a certain threshold (called base operating stock) is hedged using future contracts traded on ICE Exchange and some OTC instruments for the basis risks. The base operating stock is the equivalent of priced stocks that are held at any moment in time in the Group, hence price fluctuations will not affect the cash-flow.

Trading activities are separated into physical (purchase from third parties other than KMG, and sales to third parties or Intercompany) and paper trades (for economic hedging purposes). Each physical transaction is covered through a related futures position according to the exposure parameters set by management (i.e. based on physical quantities sold or purchased). The Group sells or buys the equivalent number of future contracts. This paper trade is done only to hedge the risk of the Physical Trade and not to gain from the trading of these instruments.

#### *Oil Price risk*

The Company is exposed to the constant change in the prices of commodities, both at the time it purchases crude oil and at the time it performs the final sale of finished oil products. The Company imports crude oil and was affected by the increase in the average price of crude oil. The prices of crude oil and oil products sold/purchased on the external market are established by reference to the international quotations, while the price of oil products for the domestic market are established depending on other factors as well. The raw materials were basically taken from the import while the sale of products of the Company in 2011 was slightly higher in terms of domestic sales (60%), same as in 2010. The company uses financial derivative instruments (mainly futures contracts to hedge the risks associated with price fluctuations generated by some certain engagements or by estimated transactions).

## ROMPETROL RAFINARE S.A.

### NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS for the fiscal year ended at December 31<sup>st</sup>, 2011

*(all amounts are expressed in new lei ("RON"), unless specified otherwise)*

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#### *Currency risk*

The Company performs operations expressed in various currencies, mainly US dollars ("USD"). The inflation rate in Romania for the period January – December 2011, 2010 and 2009 was 3,14%, 7,96% and respectively 4.74% - as communicated by the National Institute for Statistics of Romania. The official exchange rates for December 31<sup>st</sup>, 2011, December 31<sup>st</sup>, 2010 and December 31<sup>st</sup>, 2009 were RON 3,3393, RON 3,0245, and respectively RON 2,9361 for 1 USD.

Crude oil imports and a significant part of the sales of oil products are denominated in hard currency, mainly in US dollars. Consequently, the company is exposed to the risk of appreciation of the American currency to the detriment of the Romanian currency. In addition, some of its assets and liabilities are denominated in hard currency. The treasury department of the Group coordinates the performance of the Group's operations in hard currency. The company uses financial instruments (mainly options and swaps contracts) to hedge the risks associated with price fluctuations generated by some certain engagements or by estimated transactions).

#### *Interest risk*

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

#### *Credit risk*

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

#### *Liquidity risk*

The liquidity risk derives from the fact that it is possible for some financial sources to be unavailable so as to allow the payment in due time of the outstanding obligations. The Company's management is monitoring daily, by means of the provisioned treasury flows, the level of liquidity and the fulfilment of the

## ROMPETROL RAFINARE S.A.

### NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS for the fiscal year ended at December 31<sup>st</sup>, 2011

*(all amounts are expressed in new lei ("RON"), unless specified otherwise)*

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obligations towards suppliers, to the state budget, to the local budgets etc., depending on their maturity. The current and immediate liquidity coefficients are permanently monitored.

Knowing the effects of these risks represent one of the main concerns of the management of Rompetrol Rafinare S.A. as to prevent the syncope in the economic and financial activity of the Company. In 2011, the necessary financial resources were permanently available in such amounts as required and at such times as planned and the temporary lack of financial flows was eliminated, thus ensuring the liquidity of the Company, all because the following measures were implemented: the delivery of products was secured with payment instruments (promissory notes, cheques) and the Company negotiated some terms for collection of amounts from clients and for payment of amounts to suppliers which were beneficial to Rompetrol Rafinare S.A., but at the same time maintaining an amicable relationship with the business partners

#### Fair values

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

#### Financial crisis

The current international financial crisis debuted in 2007 and deepened significantly in the second half of 2008, and continued in 2009 – 2011. The significant turbulences occurring at the level of the global crediting market have significantly influenced the entities that operate in various industries, thus generating an overall crisis of cash available and solvency at the level of the financial-banking markets.

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

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

**ROMPETROL RAFINARE S.A.**

**NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS**  
for the fiscal year ended at December 31<sup>st</sup>, 2011

(all amounts are expressed in new lei ("RON"), unless specified otherwise)

**Information data**

<b>I. Data about the recorded retained earnings</b>		<b>Row no.</b>	<b>No. of units</b>	<b>Amounts</b>
<b>A</b>		<b>B</b>	<b>1</b>	<b>2</b>
Entities with registered profit		01		
Entities with registered loss		02	1	735.847.584
<b>II. Data about overdue payments</b>		<b>Row no.</b>	<b>Total col. 2+3</b>	<b>out of which:</b>
				<b>For current activity</b>
				<b>For investments</b>
<b>A</b>		<b>B</b>	<b>1</b>	<b>2</b>
<b>Overdue payments -total (row .04+08+14 la 18+22) out of which:</b>		<b>03</b>	<b>706.233.316</b>	<b>702.126.632</b>
<b>Overdue payments to suppliers - total (row 05 to 07), out of which</b>		<b>04</b>	<b>706.233.316</b>	<b>702.126.632</b>
-over 30 days		05	615.245.151	612.485.959
-over 90 days		06	84.722.456	83.458.765
-over 1 year		07	6.265.709	6.181.908
<b>Overdue payments to the social security budget – total (row 09 to 13), out of which</b>		<b>08</b>		
- contributions to state social security payable by employers, employees and other assimilated entities		09	-	-
- contributions payable by legal entities or individuals hiring employees and contributions payable by persons insured with the health social insurance fund		10	-	-
- contributions to supplementary pension fund		11	-	-
other social contributions		12	-	-
- contribution payable by legal entities or individuals that use salary work and contributions for the unemployment fund payable by employees		13	-	-
Overdue payments to the special funds budgets		14		
Overdue payments to other creditors		15		

ROMPETROL RAFINARE S.A.

NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS  
for the fiscal year ended at December 31<sup>st</sup>, 2011

(all amounts are expressed in new lei ("RON"), unless specified otherwise)

Overdue taxes and duties to the state budget	16		-	-
Overdue taxes and duties to local budgets	17	-	-	-
<b>Bank credits unpaid until the due date -total(row 19 to 21), out of which</b>	<b>18</b>	-	-	-
-overdue after 30 days	19	-	-	-
-overdue after 90 days	20	-	-	-
-overdue after 1 year	21	-	-	-
<b>Overdue payable interest</b>	<b>22</b>	-	-	-
<b>III. Average number of employees</b>		<b>31.12.2010</b>	<b>31.12.2011</b>	
A	B	1	2	
Average number of employees	23	1.057	1.103	
Actual number of employees at the end of the fiscal year, namely on December 31 <sup>st</sup>	24	1.142	1.088	

IV Payments of interests and royalties	Row no.	Amounts (lei)
	B	1
Gross income from interests paid by Romanian legal entities to non-resident individuals, out of which:	25	
- tax due to the state budget	26	
Gross income from interests paid by Romanian legal entities to non-residents, out of which:	27	
- tax due to the state budget	28	
Gross income from interests paid by Romanian legal entities to affiliated <sup>a)</sup> legal entities, non-residents, out of which:	29	28.896.546
- tax due to the state budget	30	2.889.655
Gross income from interests paid by Romanian legal entities to affiliated <sup>a)</sup> legal entities, non-residents of the member states of the EU, out of which:	31	

**ROMPETROL RAFINARE S.A.**

**NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS**  
for the fiscal year ended at December 31<sup>st</sup>, 2011

(all amounts are expressed in new lei ("RON"), unless specified otherwise)

- tax due to the state budget	32	
Gross income from dividends paid by Romanian legal entities to non-residents, out of which:		
- tax due to the state budget	33	
Gross income from dividends paid by Romanian legal entities to affiliated*) legal entities non-resident, out of which:	34	
	35	
- tax due to the state budget	36	
Income from royalties paid by Romanian legal entities to affiliated *) legal entities non-resident of the member states of EU, out of which:		
- tax due to the state budget	37	
Royalties paid during the financial year for public interest goods, held in concession, out of which:	38	
- royalties for public interest goods paid to the state budget	39	
Mining royalty paid	40	
Subsidies received during the financial year, out of which:	41	
- subsidies received during the financial year related to assets	42	
- subsidies related to income	43	
Outstanding receivables, which were not received by the deadlines stipulated in the commercial agreements and/or regulations in force, out of which:	44	
- outstanding receivables from entities held in majority or totally by the state	45	389.591.763
- outstanding receivables from entities from the private sector	46	1.033.328
	47	388.558.435

<b>V. Meal tickets</b>	Row no.	Amounts (lei)
A	1	2
Value of the meal tickets offered to employees	48	2.140.701

<b>VI. Research and development expenses</b>		31.12.2010	31.12.2011
A	B	1	2
Research and development expenses, out of which:	49		
- from public funds	50		
- from private funds	51		

<b>VII. Innovation expenses</b>	Row no.	31.12.2010	31.12.2011
A	B	1	2



**ROMPETROL RAFINARE S.A.**

**NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS**  
for the fiscal year ended at December 31<sup>st</sup>, 2011

(all amounts are expressed in new lei ("RON"), unless specified otherwise)

Innovation expenses – total (row 43 to 45 ), out of which:	52		
- innovation expenses finalized during the year	53	-	-
- innovation expenses in progress during the year	54	-	-
- innovation expenses abandoned during the year	55	-	-

<b>VIII. Other information</b>	<b>Row no.</b>	<b>31.12.2010</b>	<b>31.12.2011</b>
<b>A</b>	<b>B</b>	<b>1</b>	<b>2</b>
Financial assets, in gross amounts (row 57+65), out of which:	56	2.124.973.690	2.158.909.062
Shares in affiliates, investments, other long term investments and bonds, in gross amounts (row 58 to 64 ), out of which:	57	2.124.909.062	2.158.909.062
- listed shares issued by residents	58		
- non-listed shares issued by residents	59	191.272.780	191.272.780
- social parts issued by residents	60	1.933.636.282	1.967.636.282
- bonds issued by residents	61		
- shares issued by the collective investment bodies (including by Financial Investment Companies)			
by residents	62		
- shares and social parts issued by non-residents	63		
- bonds issued by non-residents	64		
Fixed receivables, in gross amounts (row 66 +67), out of which:	65	64.628	
- long-term receivables in RON and expressed in RON, the settlement of which depends on the			
exchange rate of a foreign currency (from acc. 267)	66	64.628	
- long term receivables in currency (from acc. 267)	67		
Trade receivables, advances to suppliers and other assimilated accounts,			
in gross amounts (acc. 4092 + 411 + 413 + 418) out of which:	68	1.137.711.046	1.187.247.818
-external trade receivables, advances to external suppliers and other			
assimilated accounts, in gross amounts ( from acc. 4092 + from acc. 411 + from acc. 413 + from acc.418)	69	319.542.344	415.586.857
Trade receivables unpaid on due date from acc. 4092+from acc 411+from acc 413	70	364.768.207	389.591.763
Employee-related receivables and assimilated accounts (acc. 425 + 4282)	71	342.542	72.945
Receivables related to social security budget and state budget (acc. 431 + 437 +			
4382 + 441 + 4424 + 4428 + 444 + 445 + 446 + 447 + 4482) , (row73 to 77) out of which:	72	29.497.725	42.821.218
- receivables related to social security budget (acc.431+437+4382)	73	160.620	151.666
- fiscal receivables related to state budget (acc.441+4424+4428+444+446)	74	28.842.081	42.164.528

**ROMPETROL RAFINARE S.A.**

**NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS**  
for the fiscal year ended at December 31<sup>st</sup>, 2011  
(all amounts are expressed in new lei ("RON"), unless specified otherwise)

<b>VIII. Other information</b>	<b>Row no.</b>	<b>31.12.2010</b>	<b>31.12.2011</b>
<b>A</b>	<b>B</b>	<b>1</b>	<b>2</b>
- subsidies to receive (acc.445)	75	0	0
- special funds - taxes and assimilated payments (acc.447)	76	0	0
- other receivables related to state budget (acc.4482)	77	495.024	505.024
Receivables in connection with affiliates (acc.451)	78	208.118.178	102.697.102
Receivables related to social security budget and state budget unpaid by the due date (from acc 431+from acc 437+from acc 4382+from acc 441+from acc 4424+from acc 4428+from acc 444+from acc 445+from acc 446+from acc 447+from acc 4482	79		
Other receivables (acc. 453 + 456 + 4582 + 461 + 471 + 473) (row81 to 82) out of which:	80	22.899.799	25.922.936
- settlements related to participation interests, settlements with shareholders/associates			
on capital, transactions from joint operations (acc.453+456+4582)	81		0
- other receivables related to individuals and legal entities other than			
receivables related to public institutions (of the state) (from acc. 461 + from acc. 471 + from acc.473)	82	22.899.799	25.922.936
Accrued interest receivable (acc. 5187), out of which:	83		0
- from non-residents	84		
Short-term investments, in gross amounts (acc. 501 + 505 + 506 + from acc.508)			
(row86 to 92), out of which:	85		
- listed shares issued by residents	86		
- non-listed shares issued by residents	87		
- social parts issued by residents	88		
- bonds issued by residents	89		
- shares issued by the collective investment bodies (including by Financial Investment Companies)			
- shares issued by non-residents	90		
- bonds issued by non-residents	91		
- shares issued by the collective investment bodies (including by Financial Investment Companies)	92		
Other outstanding lodgments (acc. 5113 + 5114)	93		0
Petty cash in lei and in currency (row 95+96 ), out of which:	94	116.763	273.322
- in lei (acc. 5311)	95	116.329	273.175
- in currency (acc. 5314)	96	434	147
Current account in banks in lei and in currency (row 98+100) , out of which:	97	24.100.699	35.376.161
- in lei (acc. 5121)	98	10.777.534	31.318.839
current accounts in lei opened with non-resident banks	99	0	0
- in currency (acc. 5124) , out of which:	100	13.323.165	4.057.322

**ROMPETROL RAFINARE S.A.**

**NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS**  
for the fiscal year ended at December 31<sup>st</sup>, 2011  
(all amounts are expressed in new lei ("RON"), unless specified otherwise)

VIII. Other information	Row no.	31.12.2010	31.12.2011
A	B	1	2
current accounts in currency opened with non-resident banks	101		16.702
Other current accounts in banks and letters of credit (row 103+104), out of which:	102	3.862.906	7.397.472
- amounts under settlement, letters of credit and other outstanding lodgments, in lei (acc. 5112 + 5125 + 5411)	103	3.862.906	7.397.472
- amounts under settlement and letters of credit, in currency (acc. 5125 + 5412)	104		
Debts (row106+109+112+115+118+121+124+127+130+1333+136+137+140+142+ +143+148+149+150+155), out of which:	105	5.548.560.979	6.617.973.868
loans from debenture, in gross amounts (acc. 161 )(row 107+108), out of which:	106	0	
- in lei	107		
- in currency	108	0	
Interests related to debenture loans, in gross amounts (acc.1681)			
(row110+111) , out of which:	109		
- in lei	110		
- in currency	111		
Internal short-term loans (acc. 5191 + 5192 + 5197 ), (row113+114), out of which:	112	66.626.122	99.534.891
- in lei	113	3.403.737	3.403.737
- in currency	114	63.222.385	96.131.154
Interests related to internal short term bank loans (from acc. 5198)			
row (116+117) , out of which:	115		
- in lei	116		
- in currency	117		
External short term bank loans (acc.5193+5194+5195)			
rd .(119+120) out of which:	118		
- in lei	119		
- in currency	120		
Interests related to short term external bank loans (from acc.5198)			
( row 122+123) out of which:	121		
- in lei	122		
- in currency	123		
Long term bank loans (acc. 1621 + 1622 + 1627 ), (row125+126) out of which:	124		
- in lei	125		

**ROMPETROL RAFINARE S.A.**

**NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS**  
for the fiscal year ended at December 31<sup>st</sup>, 2011

(all amounts are expressed in new lei ("RON"), unless specified otherwise)

VIII. Other information	Row no.	31.12.2010	31.12.2011
A	B	1	2
- in currency	126		
Interest related to long term bank loans (from acc.1682)			
(row128+129) out of which:	127		
- in lei	128		
-in currency	129		
Long term external bank loans			
(acc. 1623 + 1624 + 1625 ) (row131+132) out of which:	130		
- in lei	131		
- in currency	132		
Interest related to long term external bank loans ( from acc.1682)			
(row 134+135) out of which:	133		
- in lei	134		
- in currency	135		
State treasury loans (acc. 1626 + from acc. 1682)	136		
Other loans and related interests (acc. 166 + 167 + 1685 + 1686 + 1687)			
(row 138+139), out of which:	137	386.639	52.935.599
- in RON and expressed in RON, the settlement of which depends on the exchange rate of			
a foreign currency	138		0
- in currency	139	386.639	52.935.599
Trade receivables, advances from clients and other assimilated amounts,			
in gross amounts (acc. 401 + 403 + 404 + 405 + 408 + 419) out of which:	140	1.835.190.959	2.511.305.721
- external trade receivables, advances from external clients and other assimilated accounts			
in gross amounts ( from acc.401+from acc.403 +from acc. 404 + from acc. 405 +			
from acc. 408 + from acc.419)	141	1.652.225.925	2.190.767.205
Employee-related debts and assimilated accounts (acc. 421 + 423 + 424 + 426 + 427 +			
4281)	142	3.514.709	8.721.209
Debts related to the social security budget and state budget (acc. 431 + 437 +			
4381 + 441 + 4423 + 4428 + 444 + 446 + 447 + 4481) (row144 la 147) out of which:	143	332.078.905	325.994.998
- debts related to social security budget (acc.431+437+4381)	144	2.317.198	4.381.719
- fiscal debts related to state budget (acc.441+4423+4428+444+446)	145	122.370.251	120.092.403
- special funds - taxes and assimilated payments (acc.447)	146	43.123.520	35.806.578
- other debts related to state budget (acc.4481)	147	164.267.936	165.714.298

**ROMPETROL RAFINARE S.A.**

**NOTES ACCOMPANYING THE INDIVIDUAL FINANCIAL STATEMENTS**  
for the fiscal year ended at December 31<sup>st</sup>, 2011

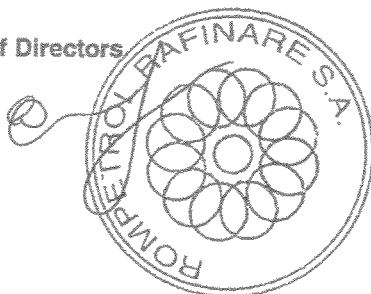
(all amounts are expressed in new lei ("RON"), unless specified otherwise)

VIII. Other information	Row no.	31.12.2010	31.12.2011
A	B	1	2
Debts related to affiliates (acc.451)	148	3.306.692.722	3.619.474.784
Amounts payable to shareholders (acc.455)	149		0
Other debts (acc. 453 + 456 + 457 + 4581 + 462 + 472 + 473 + 269 + 509)			
row(151 la 154) out of which:	150	4.070.923	6.666
-settlements regarding participation interests, settlements with hareholders			
on capital, transactions from joint operations (acc.453+456+457+4581)	151		0
-other debts related to individuals and legal entities, other than debts related to public institutions (state institutions) 1)			
(from acc.462+from acc.472+from acc.473)	152	4.070.923	6.666
- subsidies not recognized under income (from acc. 472)	153		0
- payments to be made for financial assets and short term			
Investments (acc.269+509)	154		0
Interest payable (acc. 5186)	155		0
Subscribed paid in share capital (acc. 1012)(row157 to160 ), out of which:	156	2.439.419.667	4.410.920.573
- listed shares 2)	157	2.439.419.667	4.410.920.573
- non-listed shares 3)	158		0
- social parts	159		0
- subscribed share capital paid in by non-residents (from acc 102)	160		0
Patents and licenses (from acc.205)	161	5.532.982	6.157.726

VII. Informatii privind cheltuielile cu colaboratorii	nr rd		
A	B	31.12.2010	31.12.2011
Expenses for collaborators (acc 621)	162	2.091.817	448.596

Chairman of the Board of Directors

Yerzhan Orynbasarov



General Manager

Arman Kairdenov

Financial Manager

Vasile-Gabriel Manole

DRAFTED BY,  
Chief Accountant  
Pasa Cherata