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ROMPETROL RAFINARE S.A.

ANNUAL REPORT OF THE BOARD OF DIRECTORS for the financial year 2009

Audited financial reports

2009 ANNUAL REPORT

OF THE BOARD OF DIRECTORS REGARDING THE FINANCIAL YEAR 2009

ROMPETROL RAFINARE – Joint Stock Company

Registered office: Constanța, County Road 226, Km. 23, Constanța County

Telephone no./Fax: +(40) 241 506100
+(40) 241 506930

**Unique Registration Code at
the Trade Registry Office**

attached to Constanța High Court: 1860712

Registration Number at the Trade Registry: J13/534/1991

**The shares of Rompetrol Rafinare S.A. are traded in the IInd Categorie of
Bucharest Stock Market (BVB)**

Subscribed and paid-in share capital: 2,109,927,600.20 lei

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

**Dematerialized nominative common shares registered with the Central
Depository S.A. Bucharest**

- **Total number of shares:** 21,099,276,002
- **Nominal value:** 0.10 lei
- **BVB symbol of shares:** RRC

**- Bonds issued in accordance with Emergency Government Order no.
118/2003:**

- **Issue Value** Euro 570,302,441
- **Total number of issued bonds:** 22,812,098
- **Nominal value:** EURO 25
- **Issue symbol:** PTRM



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MAJOR ACHIEVEMENTS DURING THE YEAR 2009, IN AN UNFAVORABLE ECONOMICAL ENVIRONMENT:

The operational and financial results have been influenced by the global financial crisis, by the international evolution of crude oil and fuels quotations, as well as by a series of internal macroeconomic factors, such as the devaluation of the national currency. Despite such unfavorable context, the Company still had major achievements, as follows:

- an 80.66% degree of utilization of the refining capacity in 2009;
- launching 10 new products on the retail market;
- production of biofuels within the range of gasolines, utilizing biocomponents;
- continuing the ecologization of the slurry pits from Vega Refinery;
- high rates of utilization of Company's loading facilities from Midia port;
- complying with the European requirements concerning the production of Euro 5 fuels;

By continuing the development projects, Rompetrol Rafinare shall be able, in 2012, to produce exclusively Euro 5 fuels by processing solely sulphurous oil, whilst increasing the raw material processing capacity to 5 million tons / annum, from 4.03 tons in 2009 and 1.15 million tons in 2000, prior to the take over by the Rompetrol Group.

1. ASSESSMENT OF COMPANY'S ACTIVITY

The international financial context determines the companies to adapt their behaviour to the new economical situations.

The great challenge to Rompetrol Rafinare, a company member of the Rompetrol Group, was to achieve its performance objectives by increasing the efficiency of all its activities, by controlling and reducing costs, so that the business strategy and plans may be adapted for the coming years.

1.1. a) Description of the main activity of ROMPETROL RAFINARE SA

Rompetrol Rafinare, a member of the Rompetrol Group, operates the Petromidia Refinery located in Năvodari, Constanța County, as well as Vega Refinery in Ploiești.

According to Rompetrol Rafinare's Constitutive Act, (hereinafter „the Company”), the main area of activity is „the fabrication of products obtained by processing crude oil” (CANE code 192) and the main object of activity is „the fabrication of products resulting from crude oil processing” (CANE code 1920). Other secondary objects of activity are listed in the Company's Constitutive Act.

Rompetrol Rafinare is also a fiscal warehouse, according to the applicable fiscal legislation. Petromidia and Vega Refineries are authorized as fiscal production warehouses, as they manufacture energetical products, in compliance with the fiscal regulations governing the activity of manufacturing energetical products.

For both above-mentioned refineries, Rompetrol Rafinare holds Environmental Integrated Authorizations, issued by the competent authorities according to the applicable environmental legislation.

In 2009, Rompetrol Rafinare continued the ascending trend of its activity, which was sustained by the continuation of the investments initiated in the previous years as well as by the production increase and, consequently, of the quantity of oil products delivered.



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I. The production activity

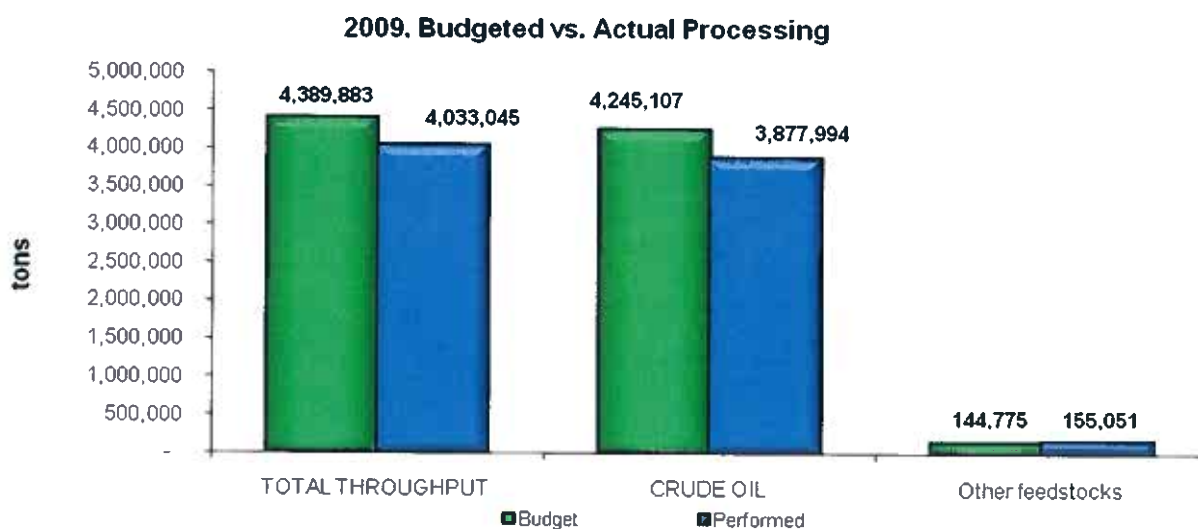
Rompetrol Rafinare – Năvodari Place of Business (Petromidia Refinery)

The production programme of S.C. ROMPETROL RAFINARE S.A. for the year 2009 included a total processed quantity of 4,389,883 tons, out of which 4,245,107 tons of crude oil and 144,775 tons of other raw materials.

Said programme was the basis of the income and expense budget for the year 2009.

The total quantity processed in 2009 is 4,033,045 tons, out of which 3,877,994 tons of crude oil and 155,051 tons of other raw materials. Such processed quantity represents 91.87% of the programme set out for the budget of the year 2009.

		tons
	<i>Budget</i>	<i>Performed</i>
Total throughput	4,389,883	4,033,045
Processed crude oil	4,245,107	3,877,994
Other raw materials	144,775	155,051



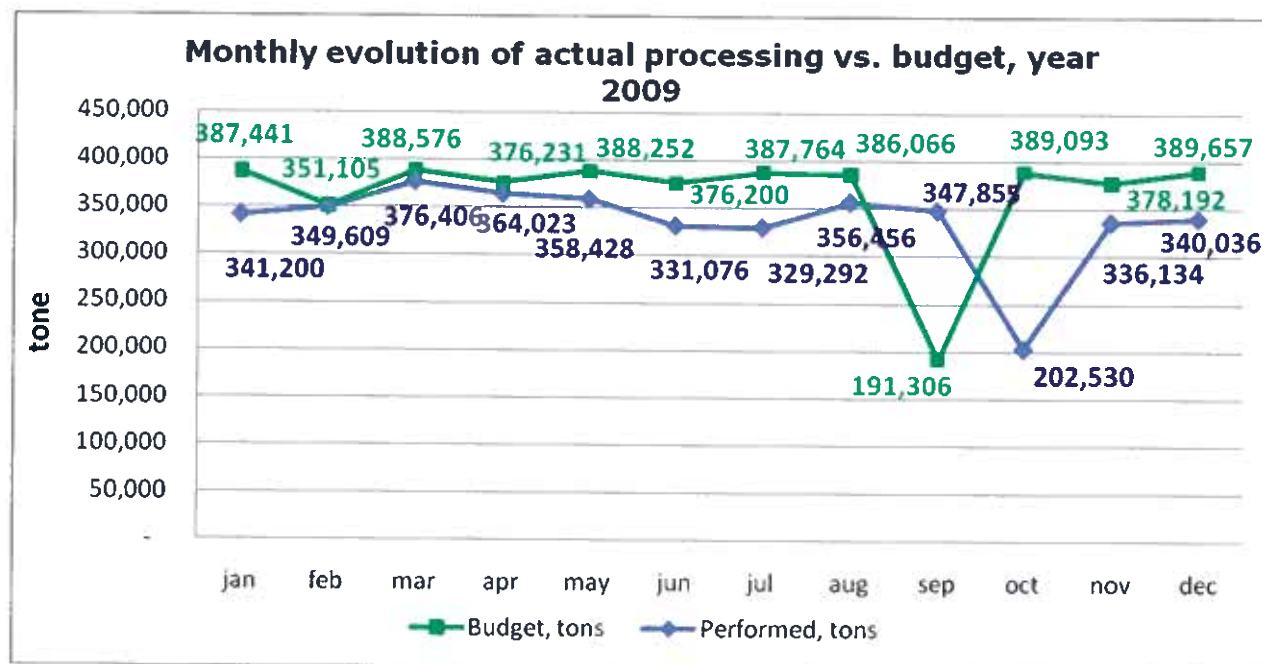
The processing situation, by trimesters, is explained in the table below:

	TRIM. I	TRIM. II	TRIM. III	TRIM. IV	2009
Budget (tons)	1,127,122	1,140,683	965,135	1,156,942	4,389,883
Performed (tons)	1,067,215	1,053,527	1,033,603	878,700	4,033,045
Performed/Budgeted (%)	94.68	92.36	107.09	75.95	91.87

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The same strategy of ensuring a continuous functioning and an appropriate load in the plants included the processing of other feedstocks.

In October, the processing was smaller than the monthly average as an overhaul of the plants within Petromidia refinery was scheduled. The chart below highlights that the overhaul planned in September was actually performed in October.



The actual structure of production, compared to the Budget, in 2009, is as follows:

YEAR 2009	Budget [tons]	Obtained [tons]
Finished products	4,288,644	3,922,891
Gasolines	1,460,525	1,296,456
Oils	136,930	90,869
Diesel fuels	1,690,210	1,571,384
Fuel Oil	59,462	105,339
Vacuum distillate	115,000	60,004
Propylene	95,542	104,951
Coke	254,802	193,655
Sulphur	37,089	29,216
Other products	439,083	471,018

White products obtained, %	Budget	Performed
Vs. total throughput	83,35	83,89

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Vs. commercial products	85,31	86,25
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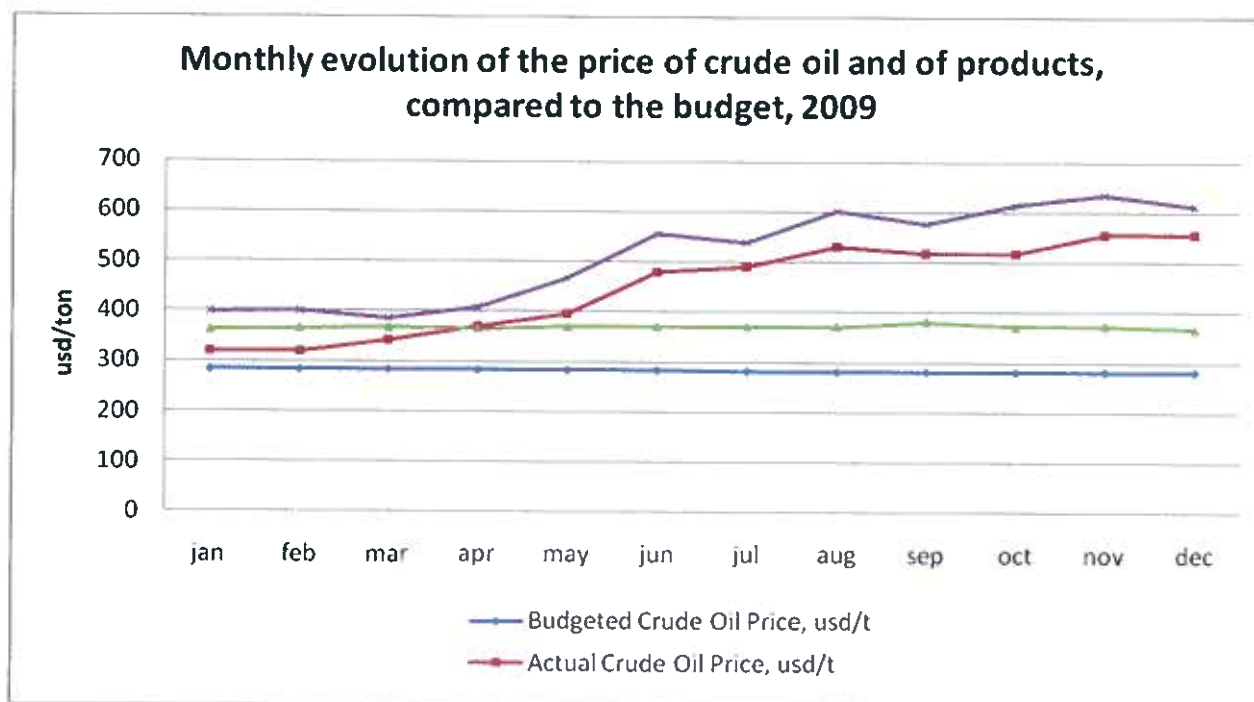
The comparison between the budget and the actual performance indicates the preoccupation to obtain oil products that are in accordance with the market request.

A special attention was paid to producing gasolines and diesel fuels which meet the quality requirements of the external market (Euro 5 products) and of the internal market (Bio products).

In the year 2009, the feedstock price was budgeted at USD 282,45 per ton, but the final average price was actually USD 445,57 per ton.

The average price of finished products was budgeted for the year 2009 at USD 363,97 per ton but the actual average price was USD 509 per ton.

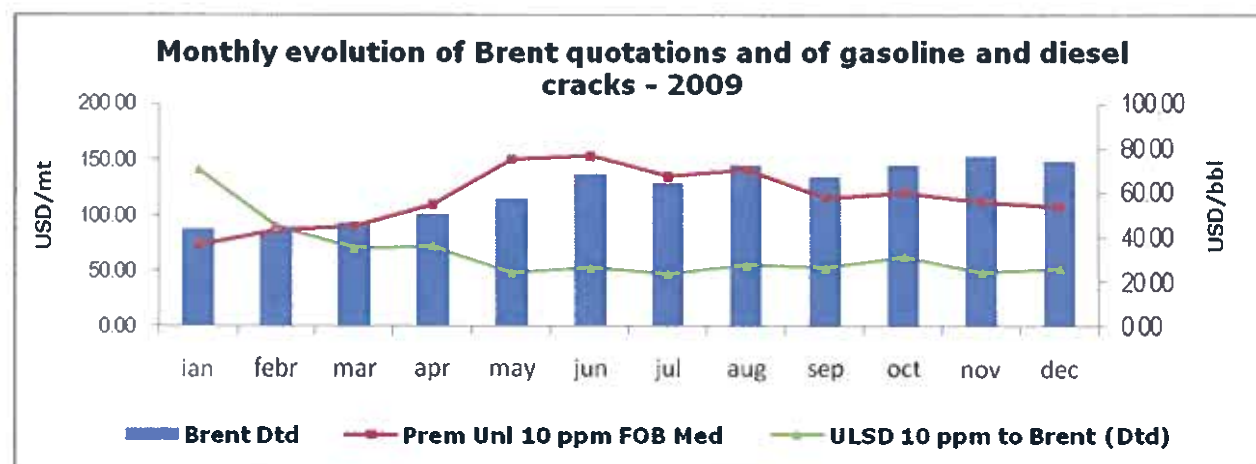
The evolution of the crude oil market was higher than the budget by 1.58%, whilst the oil products price did not follow the same trend, the increase being 1.38%, i.e. by 13% less.



During the first two months of the year 2009, the gasoline price was lower than the diesel price, but the situation reversed during the remaining period of the year, i.e. the price of gasoline was higher than the price of diesel (by an average of USD 70/ton).

Source: Platts.

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In 2009, the energy consumption (Gj/t) per ton of throughput was lower by 2.91% compared to the year 2008.

Nevertheless, the cost of energy per ton of throughput was higher in 2009 than in 2008, especially due to the lower throughput quantity, by 8%.

The structure of the quantity of delivered products is described in the following table:

OIL PRODUCTS	TOTAL DELIVERIES	DELIVERIES					
		INTERNAL MARKET *		EXPORT MARKET		Transfer to VEGA	
	tons	tons	%	tons	%	tons	%
Motor gasoline	1,166,070	393,082	33.71	772,987	66.29	0	0.00
Chemization gasoline	153,377	0	0.00	0	0.00	153,377	100.0
Oils	92,022	78,919	85.76	0	0.00	13,103	14.24
Motor diesel	1,567,908	993,398	63.36	574,509	36.64	0,000	0.00
Fuel oil	111,503	35,585	31.91	54,965	49.29	20,954	18.79
Vacuum distillate	59,010	0	0.00	59,010	100.00	0	0.00
Propylene	104,951	104,951	100.0	0	0.00	0	0.00
Liquefied petroleum gas	244,823	240,238	98.13	4,585	1.87	0	0.00
Petroleum coke	197,417	88,078	44.61	109,340	55.39	0	0.00
Petroleum sulphur	29,200	46	0.16	29,154	99.84	0	0.00
Other products	129,693	63,907	49.28	0	0.00	65,786	50.72
TOTAL	3,855,973	1,998,204	51.82	1,604,550	41.61	253,219	6.57

* The deliveries to the internal market include petroleum products sold to the internal market, deliveries to Vega being included in the "transfers" column.

Romp petrol Rafinare – Vega Refinery Place of Business

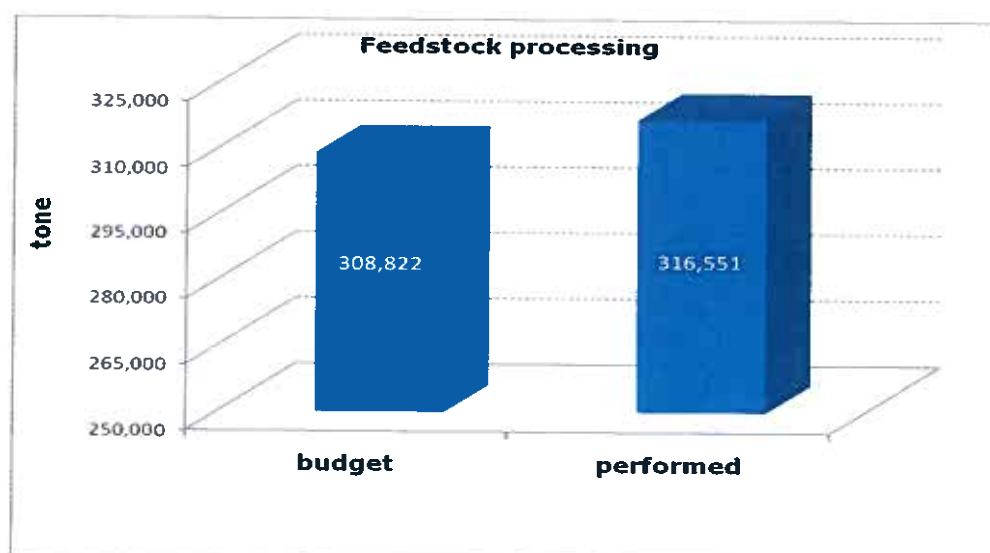
The production programme of ROMPETROL RAFINARE S.A. – Vega Refinery Place of Business, for the year 2009, included a total processed quantity of 308,822 tons, out of which 176,038 tons represented raw materials from within the group and 132,787 tons represented raw materials purchased from outside the group.

Said programme was the basis of the income and expense budget for the year 2009.

The actual quantity processed during the year 2009 is 316,551 tons, out of which 252,112 tons from the group and 64,439 tons non-group.

This processing represents 102.50% of the total quantity forecasted for the year 2009.

2009	Budgeted	<i>tons</i> Performed
Total throughput	308,822	316,551
- group	176,038	252,112
- non-group	132,784	64,439



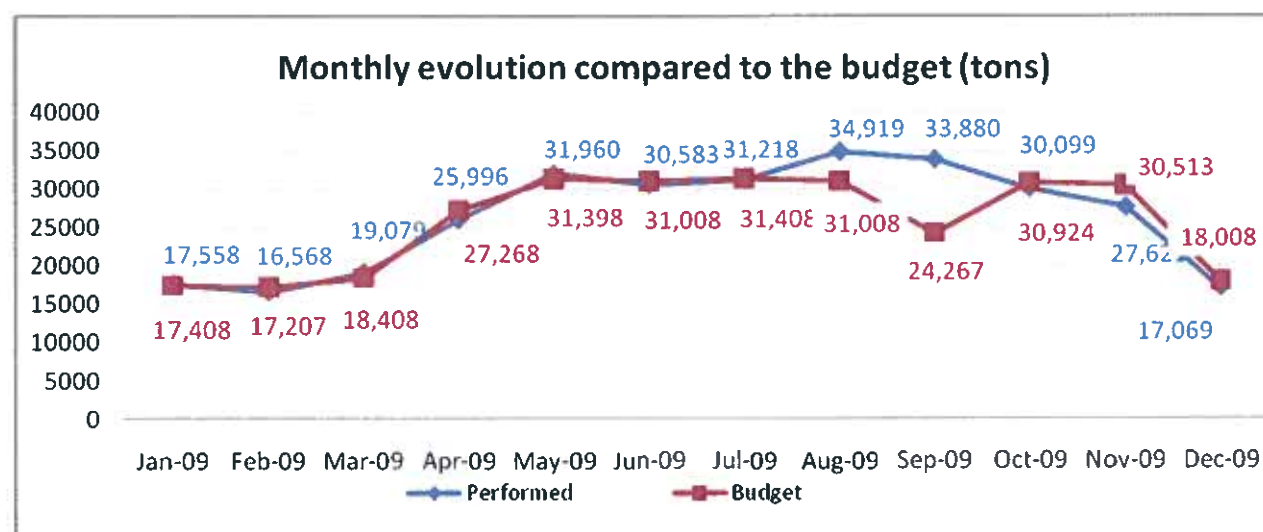


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The processing performed during each quarter of the year 2009 is presented in the following table:

TOTAL THROUGHPUT	Ist Quarter	IIInd Quarter	IIIrd Quarter	IVth Quarter	TOTAL
Obtained/Budget	100.34 %	98.74 %	115.38 %	94.14 %	102.50 %

During 2009 the total processed quantity was higher than budgeted by approx. 3%, the monthly average being 26,379 tons in comparison to the budgeted 25,735 tons.



The actual production structure, in comparison to the budget, in the year 2009, is as follows:

THE YEAR 2009	Budget [tons]	Performed [tons]
Finished products	302,939	312,058
Gasolines + n-Hexane	152,387	202,612
White spirit	27,134	8,908
Diesel	23,528	9,928
Type III light liquid fuel	27,864	16,238
Fuel oil	16,316	29,855
Bitumen	55,710	42,881
Other products	0	1,635

White products obtained, %	Budget	Performed
Vs. total throughput	58,13	66,82
Vs. commercial products	59,26	67,78

The comparison Budget – Performed reveals the preoccupation to obtain petroleum products that are in accordance with the market requirements.

During 2009, the energy consumption per ton of throughput was lower by 11.8% than in 2008.

The structure of the delivered quantities is explained in the following chart:

PRODUCT	TOTAL DELIVERIES tons	INTERNAL MARKET		EXPORT MARKET	
		tons	%	tons	%
Delivered products	312,932	101,882	32.56	211,050	67.44
Gasolines + n-Hexane	205,394	9,296	4.57	194,176	95.47
White spirit	9,225	2,362	25.60	6,863	74.40
Diesel	10,213	8,938	87.51	1,275	12.49
Type III light liquid fuel	17,904	13,208	73.78	4,695	26.22
Fuel oil	25,776	23,657	91.78	2,119	8.22
Bitumen	42,859	42,859	100.00	-	-
Other products	1,562	1,562	100.00	-	-

II. Investments

The investments in 2009 were mainly focused, according to the programme, on:

- Debottlenecking the refinery, producing fuels having a specification which complies with European requirements and increasing the white products output;
- Complying with the European Union requirements and with the applicable environmental requirements, especially in relation to the reduction of emissions.

The investments made in 2009, both in Petromidia Refinery and in the Vega Refinery have added up to **100,827,057 USD**.

The main projects finalized in the year 2009:

- **The increase of the transit capacity through Berths 9** (operating since January 2009), a project which includes the development of new facilities in the Midia – Năvodari Port, by constructing two new oil berths provided with the required facilities, which allow the delivery of petroleum products on maritime ships of 25,000 tdw (deadweight tons) maximum capacity – in Berth 9B, as well as the tank-type barges of max. 3,000 tdw – in Berth 9C. These new



developments have allowed an expansion by 350% of the finished products transit capacity through Midia Port.

- **The petroleum coke briquetting plant** which includes the development of a new briquetting plant having a capacity of 40 t / h (approx. 320,000 tons / annum). At first, the capacity of the plant shall be 60,000 tons / annum.

The main raw material used in the plant shall be the petroleum coke produced by Rompetrol Rafinare, but, depending on the opportunities, other raw materials (coal etc.) or coke from other sources may be briquetted.

Aside from the projects already finalized, during the subject year, the projects commenced in 2006, grouped under the name "2010 Refinery Investment Package", were continued.

The main objectives of such projects are:

- Complying with the EU product specifications, which have become mandatory since 01.01.2009: the production of fuels (gasoline and diesel) with a sulphur content lower than 10 ppm, by processing 100% sulphurous crude oil;
- Increasing Refinery's processing capacity from 3.8 to 5 million tons / annum, by eliminating the operational constraints which allow the operation of the refinery at the capacity of 5 million tons / annum, for the purpose of obtaining EURO 5 fuels ;
- Increasing the diesel output in Refinery's structure of products, due to the increasing demand of Diesel in the global market ;
- Complying with the EU environmental requirements concerning the emissions into the atmosphere and the storage of hazardous waste.

The projects which shall allow the achievement of the above-mentioned goals are :

- The "Mild Hydrocracking Project";
- The "Hydrogen Plant" Project;
- The "Catalytic Cracking Revamp" Project;
- The "Reconfiguration of the existing HDV unit into a diesel hydrofination unit" Project;
- The "Gas Desulphurization Plant Revamp" Project;
- The "Sulphur Recovery Unit Revamp" Project;
- The "New Sulphur Recovery Unit" Project;
- The "Coking Plant Revamp" Project.

The investments in 2009 at Rompetrol Rafinare – Vega Refinery Place of Business were focused on increasing the energetical efficiency and on operations required in order to keep up with the compliance programme.



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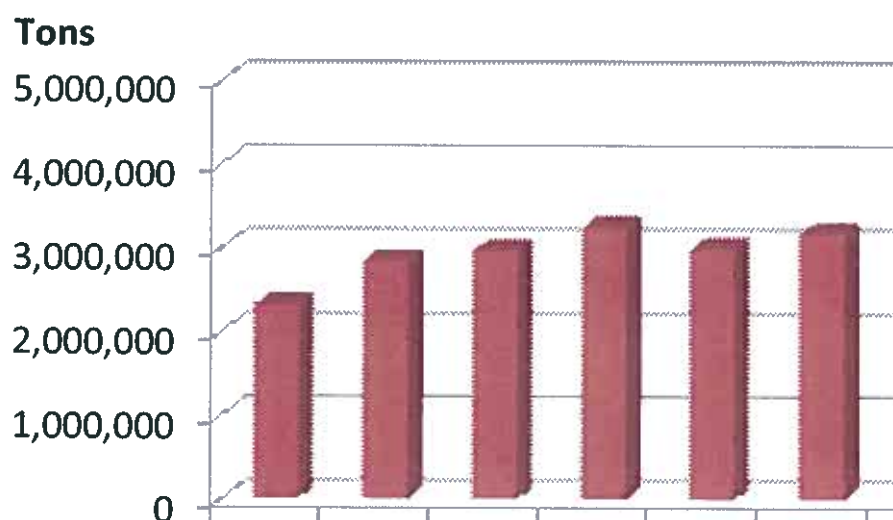
III. The Commercial Activity

Rompetrol Rafinare –Năvodari Place of Business (Petromidia Refinery)

In 2009, Rompetrol Rafinare S.A. purchased crude oil and other raw materials both from abroad and from the domestic market, as described in the table below:

Raw materials purchased from abroad	Quantity (tons)	Value (USD)
Crude Oil	3,819,721	1,751,743,657
MTBE	45,500	31,316,306
ETBE	20,087	22,994,863
Biodiesel	27,247	23,166,927
Methanol	1,075	364,923
Molasses	2,851	415,249
Total raw materials	3,916,481	1,830,001,925

The evolution of purchased crude oil (tons)



In 2009, the crude oil was purchased through group's trading company, Vector Energy.

The quantity of raw materials purchased from external sources decreased in 2009 by approx. 10% compared to the one in 2008 and the value of such raw materials reached in 2009 USD 1,830,001,925, significantly lower than in the previous year (approx. 60%), due to the decreased crude oil quotations on international markets.

The quantity of raw materials purchased from the domestic market decreased this year by approx. 52%.

Raw materials / commodities purchased from the domestic market	Quantity (tons)	Value (USD)
Pyrolysis propane	23,283	10,984,009
Methanol	9,644	2,632,587
Biodiesel	19,067	18,459,585
TOTAL ACHIZIȚII ȚARĂ	51,993	32.076.182

To the above are added the exchanges between Vega Refinery and Petromidia Refinery, adding up to a total quantity of 5,951 tons of raw material originating from Vega (fuel oil, naphta gasoline, light naphta).

The domestic suppliers have been:

- Rompetrol Petrochemicals S.R.L. – Pyrolysis propane;
- Doljchim S.A., Viromet S.A., Rafo Onesti S.A., Chemtransfert S.R.L. – methanol;
- Prio Biocombustibil S.R.L., Bioromoil S.R.L.– biodiesel.

1. Sales

In 2009, the volume of sales was of 3,602,754 tons of finished products, by almost 10% lower than in the previous year. The net value of finished products sales was USD 1,838,756,707, by about 75% lower than in 2008, due to the reduced quotations of petroleum products on the international reference markets.

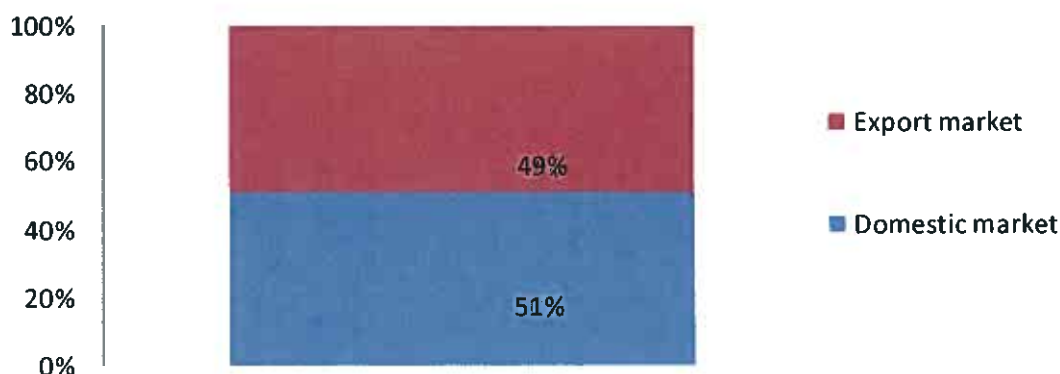
The domestic market absorbed approx. 55% of the total quantity of finished products sold by Rompetrol Rafinare S.A. On the external market, a quantity of 1,604,550 tons, the net value of such quantity being USD 754,437,352.

Finished products sales structure



In 2009, the sales of motor fuels were slightly superior to the ones in 2008, i.e. 2,733,977 tons. The distribution of sales between the two distribution channels was relatively even. A quantity of 1,347,496 tons was sold to the external market, the net value of such quantity being 709,141,642 USD.

Sales of motor fuels



Gasolines

Out of a total quantity of 1,166,070 tons of sold gasolines, approx. 34% was sold to the internal market, the balance being sold to the external market. About 51% of the total quantity of sold gasolines was unleaded europlus with 10ppm.



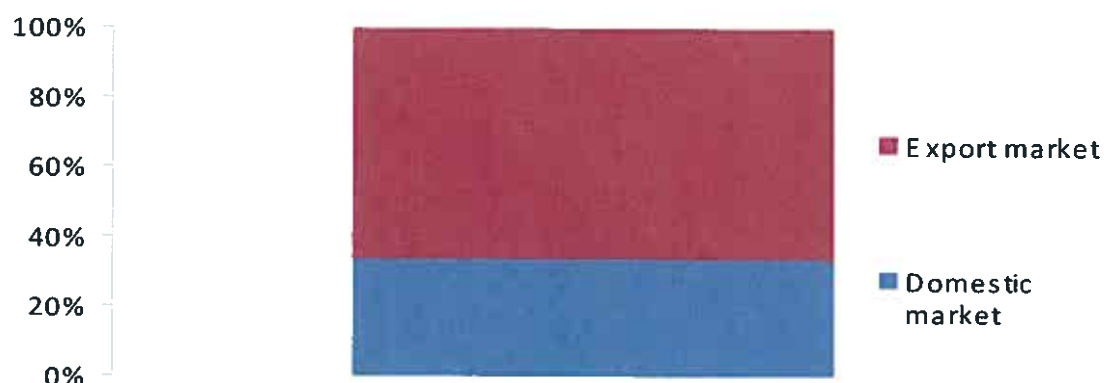
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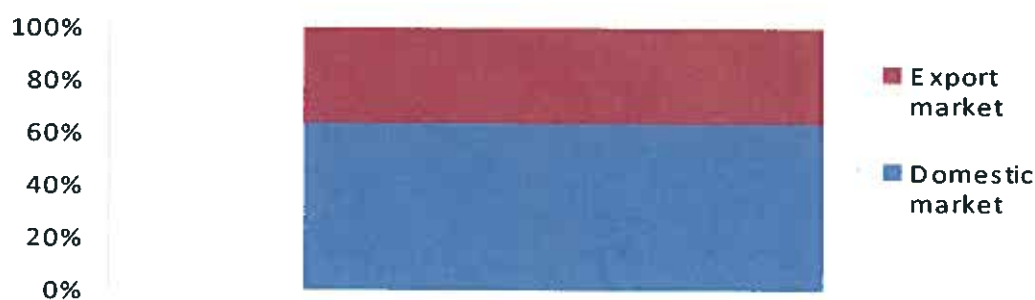
Gasoline sales



Diesel fuels

In 2009, a total quantity of 1,567,908 tons of motor fuels was sold, the sales to the domestic market being superior to the sales to the external market, i.e. 63%.

Sales of diesel fuels



Liquefied petroleum gases

During the year 2009, a quantity of 245,086 tons of petroleum gases was sold. The domestic market absorbed 98% of the total volume of LPG.

As far as the other groups of products are concerned, the sales to the domestic market were superior to the ones on the external market.

In 2009, the exchanges between Petromidia Refinery and Vega Refinery added up to 253,219 tons (refined, fuel oil, naphta gasoline, toluen).

Rompetrol Rafinare – Vega Refinery Place of Business

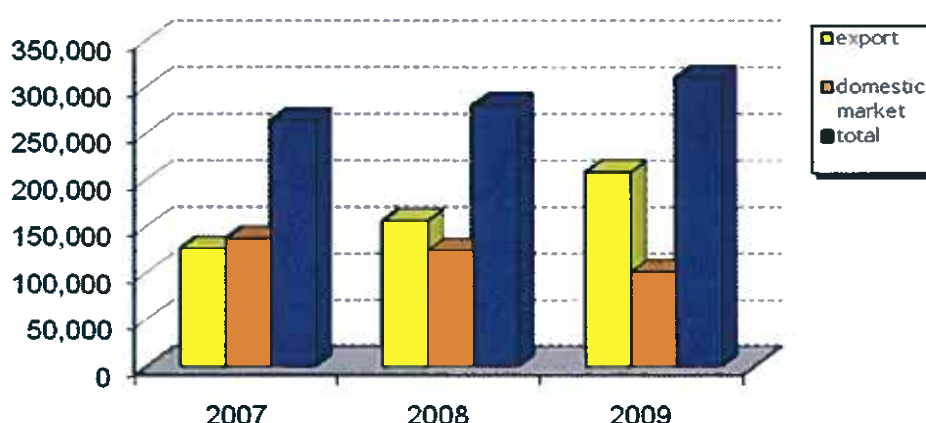
Sales market

The trading operations of Vega Refinery maintained its ascending trend in 2009 as well, being sustained by the increased procurement of raw material, as well as by the sales of finished products.

The sales increased by 10% in comparison to the previous year, due to the diversification of the range of products that are in compliance with the European quality and environmental standards.

The above measure lead to the consolidation of Rompetrol Rafinare – Vega Refinery's presence on the reference traditional markets specialized in petroleum products.

Total sales (tons)



In 2009, the Vega Ploiești Refinery expanded its regional markets, by identifying new customers and entering new markets, such measures determining a 33% increase of the deliveries of petroleum products to the external market, in comparison to 2008.

The increased quality of solvents, according to the state of European technology, represented an advantage which facilitated a significant increase of sales to the external market. Also, the expansion on the regional markets determined an important increase of fuel sales as well as of « light naphta » deliveries, such increase reaching approx. 34%.



IV) Quality, Health, Labor Safety and Environmental Protection (QHSE)

- A surveillance audit was performed by the agents of Germanischer Lloyds Industrial Service, for the purpose of preserving the ISO 9001:2008 quality management system, the ISO 14001:2004 environmental protection management system and re-certifying the BS ISO 1800: 2007 occupational safety and health management system.
- QHSE services have been provided to the companies: Midia Marine Terminal S.R.L., Rompetrol Quality Control S.R.L., Rompetrol Gas S.R.L., Rompetrol Logistics S.R.L., Ecomaster Servicii Ecologice S.R.L., Rominserv - Vega Place of Business, their activity being carried out accordingly. The provision of services is reported on a monthly basis to the representatives of the above-mentioned companies.
- The following were elaborated: Security Report, Fire Prevention and Fighting Intervention Plan, Fire Security Scenarios, Identification and evaluation of fire hazards, Internal emergency plan, in accordance with the Government Decision no. 804/2007 regarding the control of major accident hazards and with the Order no. 163/2007 which approved the General Norms of defence against fire.

Labor Safety and Health - Emergencies

1. Indicators for Rompetrol Rafinare:

- Lost Time Injury Rate - **LTIR** = 0.72
- Lost Time Injury Seriousness - **LTIS** = 0
- Fatal Accidents Rate - **FAR** = 0.72

Medical verification – performed 100%

2. For the purpose of increasing employee's and subcontractor's consciousness in relation to labor safety, the following have been performed:

- Rompetrol Rafinare trainings – 3,344 contractors (2 hours/person);
- Training of Subcontractors – 1,110 hours (2 hours/person);
- 8 additional safety trainings for the employees on Petromidia Platform and subcontractors; number of participants: 435 (2h/person);

- The annual labor safety and health instruction and testing of Company's personnel, as well as of the personnel of the following companies: Rominserv SRL, Ecomaster Servicii-Ecologice SRL, Rompetrol Quality Control SRL.

3. 76 exercises / applications regarding emergency situations have been performed, which also including training on first aid techniques.

Key Performance Indicator (KPI) = number of resolved unconformities / total number of unconformities x100= 80 %

Environmental Protection

1. No accidental environmental pollutions have been recorded at Rompetrol Rafinare during 2009, whilst Vega Refinery encountered two situations where accidental pollution of environment occurred, due to the extremely unfavorable wather conditions (floods).
2. The greenhouse effect gases during the year 2008 was validated by an accredited greenhouse effect gases verification body. The verifiers have drawn up the Validation Report and the Verification Statement – documents which were approved by the National Agency for the Protection of Environment – Climat Changes Service. The verification body is in the course of validating the quantity of CO₂ released during the year 2009.
3. An number of certificates equivalent to the CO₂ emissions during the year 2008 has been returned to the European Greenhouse Effect Register.
4. The actions specified in the Action Plan enclosed to the **Integrated Environmental Authorization** are in the scheduled stage. The required documentation for the revision of the **VEGA Integrated Environmental Authorization** has been submitted.
5. The actions specified in the Staging Programme enclosed to the **Water Management Authorization** are in the scheduled stage.
6. The required documentation for the revision of the Integrated Environmental Authorization, to include the Petroleum Coke Briquetting Unit, has been submitted; such documentation has already been accepted by the Technical Evaluation Board.
7. Between January and December no overruns have been recorded in relation to the impurifiers in the epurated water at its exit in the emissary.
8. The quantity of **CO₂** released in the year 2009 was 764 658 tons at Petromidia Refinery and of 38 866 tons at Vega Refinery of Rompetrol Rafinare.
9. No sanctions were applied during the inspections performed by the relevant authorities (the National Environment Guard, the Dobrogea-Seaside Waters Directorate).
10. The Greenhouse effect gases monitorization plan for the year 2010 was submitted to the National Agency for the Protection of Environment in Bucharest and the Greenhouse effect gases monitorization plan for the year 2009 has been revised.

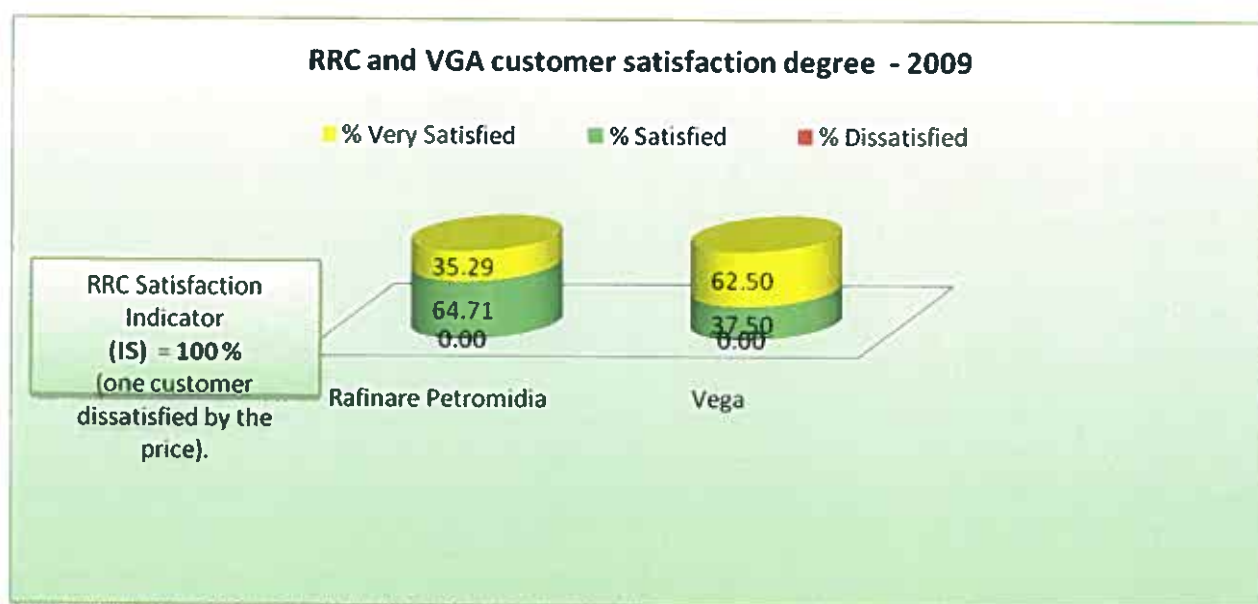
Quality

1. Quality objectives - The stage of the targets set out for the year 2009 is as follows:

- The Integrated Management System documents issued by QHSE have been unified for the companies on Petromidia and Vega Platforms and have been aligned to the new requirements of the ISO 9001:2008 standard.
- The **QHSE application** has been constructed in the **Share Point** and populated with the Integrated Management System documents, for all the companies on Petromidia and Vega Platforms.

2. Monitorization of customer satisfaction degree

Customer satisfaction measurement indicator (IS), which measures the customer satisfaction degree and, implicitly, their trust degree with respect to Company's products, is calculated as a percentage:



3. ROMANIAN VEHICLE REGISTER (RAR) – for the purpose of complying with the legal requirements applicable to the release on the market of new motor fuels (Law no. 375/2005, Law no. 671/2002, Government Order no. 80/2000, Government Decision 689/2004, Order no. 2135/2005) an inspection was performed for:

- the evaluation by the Romanian Vehicle Register agents of the new product conformity
- ALTO 55 diesel – for the purpose of certifying and obtaining the right to release the above-mentioned new product.
- the verification of the conformity of motor fuels manufactured and released by Rompetrol Rafinare.



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The required documents (Certificate of Conformity, License), which allow the release on the market of said products, have been obtained.

4. The State Office for Inventions and Trademarks – 11 trademarks have been applied for, for the protection of the name of Rompetrol Rafinare's products (ALTO 101 Gasoline, ALTO 55 Diesel, Motor LPG, Super Diesel Euro 5, Q PROCEC-T AQC, VegaSolv, Ultrafoc, Euroizolir, Eurobitum, Carflux, Vegamicogenil, Mai multă putere pentru mașina ta / More power for your car).

5. The Ministry of Economy and Business Environment – in compliance with the requirements provided in the Order no. 662/2004 and in the Government Decision no. 15/2006, the information related to the quantity and quality of fuels released on the domestic market has been submitted on a quarterly basis.

**THE SITUATION
OF THE MAIN FINANCIAL INDICATORS
AND OTHER INFORMATIVE DATA, AS AT 31.12.2009, COMPARED TO
THE INCOME AND EXPENSE BUDGET APPROVED IN
THE 2009 GENERAL ASSEMBLY OF SHAREHOLDERS**

No.	NAME OF INDICATOR	LEI	
		OMFP 1752/2005	
		2009	BVC 2009
1	Processed crude oil and other raw materials (tons)	3,877,994	4,245,107
2	Net turnover	6,281,160,059	4,601,222,058
3	Total revenues, out of which:	7,186,208,363	4,586,442,751
	Operational	6,332,902,636	4,586,356,567
	Financial	853,305,727	86,184
4	Total expenses, out of which:	7,660,295,781	4,685,146,462
	Operational	6,675,887,362	4,529,149,684
	Financial	984,408,419	155,996,778
5	Net result, out of which:	(474,087,418)	(98,703,712)
	Operational	(342,984,726)	57,206,882
	Financial	(131,102,692)	(155,910,594)
6	Profit tax	28,667	
6	Total result	(474,116,085)	(98,703,712)
7	Liabilities	919,208,685	
8	Inventories	636,774,965	
9	Equities	1,151,854,310	
10	Total liabilities	3,991,131,032	
11	Average number of employees	1,016	1,049

The following conclusions are drawn out of the data presented in the table above, after comparing the results as at 31.12.2009 with the data approved in the Income and Expense Budget (IEB):

1. During the year 2009, Rompetrol Rafinare processed a quantity of crude oil of 3,877,994 tons, lower than specified in the IEB by 367,113 tons (approx. 92%), in the context of the global economical and financial crisis which also affected the crude oil and petroleum products market.

The total throughput quantity (crude oil and other raw materials) ensured a continual load in the processing units, at a monthly average of about 336,087 tons, no plant shut downs being recorded due to discontinued crude oil supply.

2. The turnover recorded at 31.12.2009 is by 36.5% higher than planned, due to the increased crude oil quotations versus the amounts specified in the budget. The budget provided an amount of USD 363.97 / ton whilst the average sale price of the products was USD 509 / ton.
3. The total expenses at the end of the year 2009 are higher than budgeted, the overruns being recorded both with respect to the operational expenses as well as to the financial expenses, as follows:
 - a) The operational expenses overrun is due mainly to the worldwide increase of the crude oil purchase price, especially during the last two months of the year. The average budgeted price was USD 282.45 / ton and the actual price was USD 445.56 / ton. If at the beginning of the year the average purchase price was USD 308.22 / ton, at the end of the year said price was USD 555.27 / ton.
 - b) The overrun of the value specified in the « Financial Expenses » chapter by RON 828,411,64, which is 5.3 times higher than the budgeted value.
Against the forecasted amount of RON 155,996,778, said expenses reached the value of RON 984,408,419, the largest part (approx 78.2%) being recorded in the « Difference in the currency exchange » chapter in relation to the foreign currency receivables and liabilities, which amounted to RON 770,028,984.

The total result recorded a negative value of RON 474,116,085, the loss resulting from the exploitation activity (RON 342,984,726) as well as from the financial activity (RON 131,102,692). The total result (from exploitation and financial) was strongly influenced by the global financial crisis, by the international evolution of the crude oil and fuel quotations as well as by a series of internal macroeconomical factors (national currency devaluation).

4. The total amount paid during the year 2009 to the state budget and to the local budget was RON 2,962,868,748 (approx. USD 981,449,143).

b) Company's date of incorporation

The Midia-Năvodari Petrochemical Complex (the first name of ROMPETROL RAFINARE – Joint Stock Company) was one of the large crude oil processing centers created after 1975.

The Midia-Năvodari Petrochemical Complex was designed between the years 1975 – 1977, based on successful Romanian technologies and on certain foreign licenses.

The year 1991 brought the commencement of the transformation of Midia-Năvodari Petrochemical Complex into a joint stock company, the entire patrimony of the former unit being completely undertaken by the new company. The new company, named S.C.



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PETROMIDIA S.A., was incorporated based on the Government Decision no. 1176/1990, issued in accordance with the Law no. 15/1990 regarding the reorganization of the state companies as Autonomous Régies and corporations.

In February 2001, following withdrawal from the Company of the State Property Fund due to the sale of all its shares, The Rompetrol Group N.V. (previously The Rompetrol Group B.V.) from Holland, became Company's main shareholder.

The name of the Company was modified in 2001 from "S.C. PETROMIDIA S.A." into "S.C. ROMPETROL RAFINARE – COMPLEXUL PETROMIDIA S.A." and again in 2003 into "**S.C. ROMPETROL RAFINARE S.A.**"

The Company is registered with the Trade Registrar in Constanța under no. J13/534/1991 and has been assigned the unique registration code 1860712.

Given the mandatory provisions of section 61, para. 4, and section 8, para. 5, of the Fiscal Code Application Methodology, according to which all fiscal warehouses authorized for the production of products subject to excise must own or lease (under financial lease agreements) the plants and equipments directly involved in the production of such products, the General Assembly of Shareholders from September 17th, 2007, decided to fully acquire title of the plants and equipments from Vega Refinery, located in Ploiești, Văleni Street, no. 146, Prahova County.

Following acquisition of title and repossession of all the assets in Vega Refinery, the Company established its own work location in Ploiești and, since December 1st, 2007, the Company was authorized in accordance with the provisions of Title VII in the Fiscal Code as a fiscal warehouse for the production of fuels in Vega Refinery; the authorization also includes the mineral residue processing activity.

Since December 1st, 2007, the Company has been operating Vega Refinery in Ploiești as its second fiscal warehouse, together with its other fiscal warehouse at Petromidia Refinery.

c) Mergers or significant restructuring of the Company, of its subsidiaries or of the controlled companies, during the financial year.

During 2009 the Company did not participate in any merger.

Company's subsidiary Rominserv SRL changed its legal form from a joint stock company into a limited liability company.

Also, the Extraordinary General Assembly of Shareholders of Rompetrol Industrial Parks S.A. (a company under the indirect control of Rompetrol Rafinare S.A.) from July 24th, 2008, decided the voluntary dissolution and the commencement of the liquidation procedure with respect to Rompetrol Industrial Parks S.A., a procedure which continued during the year 2009.

d) Asset aquisition and alienation

During 2009, the Company increased its participation in Rompetrol Petrochemicals S.R.L. by a cash contribution in the amount of RON 244,944,000 lei. Later, the Company aquired 100% of the share capital by purchasing the shares held by the natural person shareholder.

The participation in Rompetrol Downstream S.R.L. was increased by a cash contribution in the amount of RON 630,000,000.

No assets were alienated during the subject year.

e) The main results of the evaluation of Company's activity

Rompetrol Rafinare S.A. recorded in 2009 a net turnover of RON 6,281,160,059 lei and a net loss of RON 470,315,740.

In 2009, the largest part of the turnover is represented by the sold production, which amounts to RON 6,171,259,842.

Rompetrol Rafinare S.A. took actions in order to improve the efficiency of the refining activity and to reduce the consumptions and technological loss.

Investments were made in the revamp of refinery's production units and in the increase of the degree of environmental protection, for the purpose of obtaining petroleum products which comply with the European Union requirements.

Company's main objectives included :

- the increase of the refining capacity to max. 5,000,000 tons / annum ;
- the increase of product quality according to the European Union requirements (products with a sulphur content lower than 10 ppm) ;
- the compliance with the environmental requirements and labor safety requirements.

1.1.1. General evaluation elements

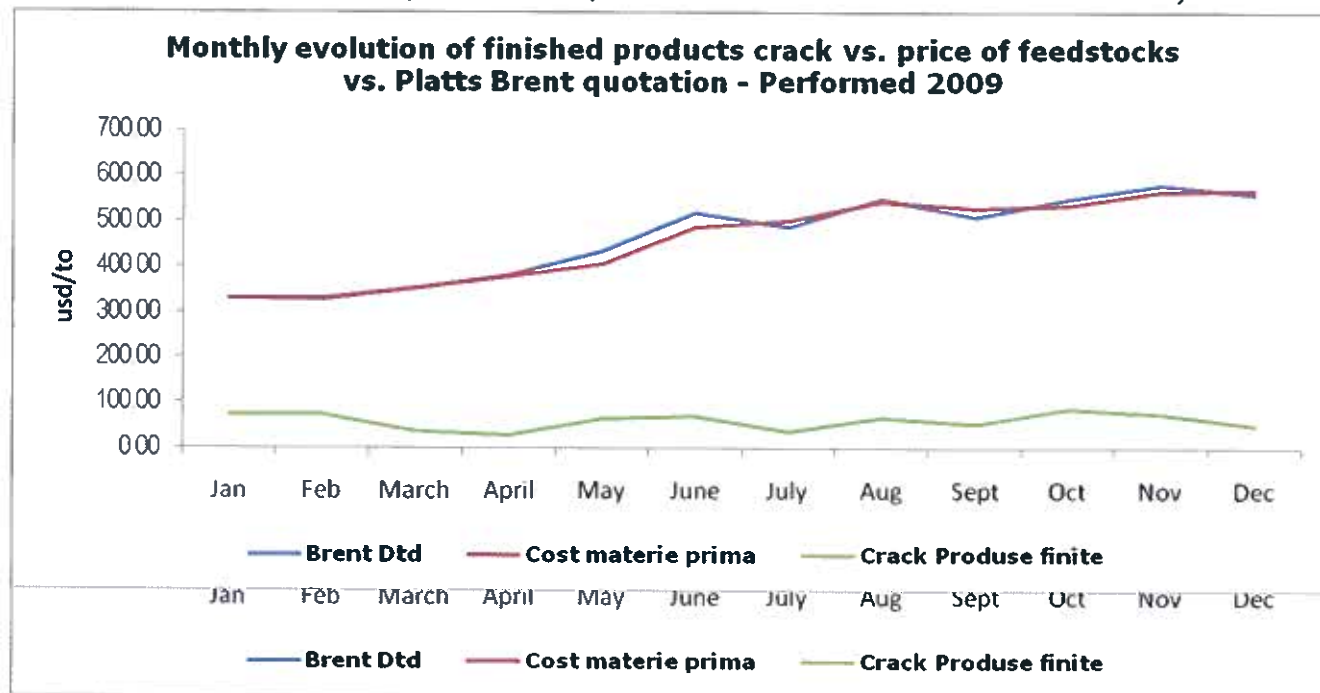
Indicators (RON)	2009
Profit/(loss)	(470,315,740)
Operational result	(339,184,381)
Turnover, out of which:	6,281,160,059
Export	2,650,037,138
Operational expenses	6,672,087,017
Market share (%)	25%
Liquidity (amounts available in the account and cash equivalents)	49,795,828

a) Profit

The Company recorded losses from both the operational activity and the financial activity.

The operational activity of Rompetrol Rafinare generated a loss of RON 339,184,381, especially due to the abnormal conditions on the crude oil market and petroleum products market, in the

sense that the increasing trend of the price of products did not keep up with the increasing trend of the crude oil price (i.e. it was by 13% smaller than the one of crude oil).



The financial activity generated a loss of RON 131,102,692, which is mainly due to higher financial expenses than financial income, the largest part of such financial expenses being represented by:

- Net differences in the exchange rate = RON 770,028,984
- Interest paid to banks for contracted loans = RON 22,599,858.

The conclusion is that the total result recorded by Rompetrol Rafinare S.A. at the end of the year 2009 is a negative one, of RON 470,315,740.

b) Turnover

In 2009, Company's net turnover was RON 6,281,160,059, higher by 36.5% than the budgeted one.

c) Export

In 2009, the sales to the export market represent 45% of the total sales, in comparison to the year 2008, when the export represented 47% of the total sales.

The total amount received in 2009 from the export sales amounts to USD 754,437,352.

We hereby specify that 66% of the total production of gasoline and 37% of the total production of diesel were sold to the export market.

d) Costs

The operational expenses in the year 2009 amounted to RON 6,675,887,362, out of which RON 5,739,614,576 (about 86%) represent the cost of raw materials and RON 281,651,042 (about 4%) represent the cost of energy.

The increase of the operational expenses in 2009, in comparison to 2008, is mainly due to two factors:

- the increase of the purchase price of raw materials during the last months of the year 2009;
- the increase of the price of utilities (energy, gas, steam).

e) Market share

The market share during 2009 remained at the same level as in 2008, i.e. approx 25%, no influences being exercised by the structure of the other distributors from the domestic market.

f) Liquidity

The Company endeavoured to maintain its capacity to pay current debts from its current assets, the current liquidity indicator being 0.4 in 2009, compared to 0.71 in 2008, given the lack of liquidity in the market and the persistence of the global economical and financial crisis.

1.1.2. The evaluation of Company's technical stage

The main products manufactured by Rompetrol Rafinare S.A. in 2009

Rompetrol Rafinare's list of products includes a wide range of finished products, grouped in the following categories :

1. Liquid fuels

a. Gasoline

- Unleaded Euro Super 98 Gasoline
- Unleaded Europlus Gasoline
- ALTO 101 Gasoline
- Efix Gasoline
- Natural gasoline, type 92
- Chemization raffinate

b. Diesel

- ALTO 55 Diesel
- Euro 5 Diesel
- Super Diesel Euro 5
- Efix Diesel



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- Super Euro 4 Diesel
- Calor Extra 1
- Slurry

c. Petrols

- Reactor petrol Jet A1
- Solvents

d. Calor Economic 3

e. Fuel oil

2. Gaseous fuels

a) Liquefied petroleum gases

- GPL
- GPL Motor Fuel
- Fuel Propane
- Propane Butane for commercial use

b) Gases

- C5-C6 Fraction
- Fuel gases for refineries
- Propylene / Propane-propylene blend

3. Solid fuels

- Petroleum coke
- Petroleum sulphur

4. Semi-products

The products manufactured by Vega Refinery Place of Business

- Naphtha gasoline
- N – Hexan
- Ecological Solvents
- Gasoil & Heating Oils
- Light liquid fuel
- Bitumen
- Fuel oil

Description of the main services provided by Rompetrol Rafinare S.A.:

In 2009, the Company provided the following services:



- distribution of energy and utilities. These services were provided by the Thermo-Hydro Section together with the Electrical Power Section to the companies located on the Petromidia platform, as well as to other companies outside the platform;
 - Utilities produced: instrumental air, technical air, nitrogen, oxygen, re-circulated water, fire water, treated water;
 - Purchased utilities: steam, demineralized water, raw water, refinery combustion gas, electrical power, potable water;
 - Sold utilities: instrumental air, technical air, nitrogen, oxygen, recirculated water, fire water, treated water, steam, demineralized water, raw water, refinery combustion gas, electrical power, potable water.

All these utilities are transported and distributed through the pipelines operated by the Utilities Plant. The transport and distribution costs are included in the price of utilities, excepting:

- Electrical power – the prices of electrical power distribution on the two levels of low power and medium power are regulated by the Romanian Energy Regulatory Authority;
 - Potable water – the potable water distribution price is regulated by the National Agency for the Regulation of Comunitary Public Utilities.
-
- Technical assistance services on process control, information technology and consulting services on control and safety of non-destructive analyses, radiography etc.

a) Main outlets for each product or service and distribution methods:

In 2009, the sales of finished products on the domestic market were superior (55%) to the sales to the external market. The Rompetrol products were present on the Romanian market in all the geographical areas, through the gas stations network extended nationally. The domestic market absorbed more than half of the motor fuels sold throughout the year.

On the external market, sales covered both the European Community as well as other territories outside the European Community. The sales inside the European Community account for approx. 25% of the total sales on external markets, whilst the remaining share is accounted for by sales on markets outside the European Community. The largest part of external sales was mainly oriented to regional European markets.

By countries and products, the main destinations of the sales were the following:

Gasoline – Eastern and South-Eastern Europe, Small Asia

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Diesel – Eastern and South-Eastern Europe, Small Asia

Fuel oil – Central and South-Eastern Europe

Coke – Eastern and South-Eastern Europe

Sulphur – North-Eastern Africa, Eastern Europe

The distribution of products to the internal market was performed by road transportation or railway transportation. Products were distributed to the external market mainly by sea (through Midia port) but also by road and railway transportation.

b) The weight of each category of products or services in the revenue and Company's total turnover during the past three years

Indicators	Value – million lei			% of the turnover		
	2007	2008	2009	2007	2008	2009
Net turnover, out of which:	5.429	8.665	6.281	100%	100%	100%
Gasoline and diesel	4.316	6.297	4.779	79%	73%	76%
Other petroleum products	610	1.954	1.149	11%	23%	18%
Refinery feedstock	199	-		4%	-	0%
Petrochemical feedstock	184	276	133	3%	3%	2%
Commodities	35	20	110	1%	0%	2%
Utilities	59	98	94	1%	1%	2%
Services	26	20	15	1%	0%	0%

The greatest part of revenues was generated by the sale of petroleum products, mainly motor fuels.

c) Planned new products for which a substantial amount of assets shall be allocated during the next financial year as well as the stage of development of such new products

Rompotrol Rafinare aims to diversify its range of products, by making investments which are designed to implement new technologies, which permit the processing of various types of crude oils as well as obtaining new products which meet the quality required by European standards.

New products:

In order to comply with the Government Decision no. 689/2009, since January 2009 Rompetrol Rafinare has been supplying to the internal market only Euro 5 motor fuels (gasoline and diesel), with a sulphur content of max. 10 mg/kg.

Promoting the use of **biofuels** and of other renewable fuels, in order to replace gasoline or diesel, has a positive influence on certain objectives, such as the performance of commitments related to climate changes, securing the environment-friendly procurement and promoting the use of renewable energy sources.

The Directive 2003/30/EC on the promotion of use of biofuels and of other renewable fuels for transport has been implemented by Romania in its domestic legislation, via Government Decisions no. 1844/2005 and 456/2007.

Rompetrol Rafinare has produced and delivered only fuel blends (gasoline and diesel) with a **biofuel content of minimally 4%** (bioethanol and, respectively, biodiesel). In order to meet such requirements, the necessary logistics have been procured.

In the beginning of the year 2009, Rompetrol Rafinare has launched the Alto 55 diesel. The product ensures high performance even at low temperature, due to its low filtering temperature. Said fuel meets the Euro 5 standard and has the highest cetane number (min. 55) of the similar products available on Romanian market. The Alto 55 diesel is sold only on the domestic market. It ensures better working of the engine, from the perspective of noise and vibration.

In November 2009, the ALTO WINTER diesel was released on the market, a diesel fuel designed for harsh winter conditions (distemping point max -10°C, limit filtering temperature max. -26°C).

The production of gasoline according to the new formula has been started since november 2009, such new formula including the replacement of a significant quantity of MTBE with Light Naphta type A, which lead to the reduction of MTBE import and to the reduction of production costs. The development of such new-formula gasoline shall be continued in 2010 as well.

In order to obtain better value out of petroleum coke, the COKE BRIQUETTES, an inovative finished product, have started being produced, important investments being made in the related production facility. In 2010, Rompetrol Rafinare shall commence the production of coke briquettes for home-use.

At Vega business location, the "100 Vega products" started in 2008 was successfully continued in 2009 as well, in compliance with Company's goal to make Vega refinery an important player on the retail market.

35 new products have been released on the market (the bituminous range of products – EUROIZOLIR, Ultrafire gas etc.).

The release on the market of 25 new products is targeted in 2010 (the CARFLUX range of additives, the addition of new products in the EUROIZOLIR, Vegasolv, Kit Parchetin ranges etc.).

The range of products obtained at Vega refinery was extended beyond the "100 Vega Products" programme.



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To that end, the research programme carried out throughout the year 2009 in the Bitumen plant generated two new types of bitumen modified by polymers: Class 5 Eurobitumen and Class 4 Eurobitumen. The required technical approvals have been obtained in accordance with applicable legislation, without such approvals the new products not being allowed on the market.

Also, aside from the ADD8 additive obtained in 2008, which is used to obtain the ALTO 101 gasoline, a new additive formula has been developed in 2009 – ADD8M – necessary to obtain the type A light naphta gasoline, which is used to partially replace the MTBE in the RON95 gasoline.

Major projects, to be finalized in 2011, shall be continued, such projects ensuring the production of fuels (gasoline and diesel) with a sulphur content lower than 10ppm, by processing 100% sulphurous crude oil.

Aside from ensuring a low sulphur content in Company's products, the purpose of the investments in course at Rompetrol Rafinare is to also comply with the requirements related to the release of gasoline and fuel with a biofuel content of minimally 5%, starting January 1st, 2011, according to a project of Government Decision which was submitted for public debate by the Ministry of Economy.

1.1.3. The procurement of technical and material resources

The main raw material – crude oil – was imported only, the main sources being the markets in Russia and Kazakhstan. Crude oil imports were performed by sea, through Midia and Constanța ports. The other raw materials were procured both from the domestic market as well as from foreign sources.

The prices of raw materials procured from the external market as well as from the domestic market were in line with the international quotation tendency on the reference oil markets. The purchase prices were influenced by the fluctuation and condition of oil markets, the reference international quotations representing the basis of calculation of such prices.

Information regarding the security of procurement sources, the prices of raw materials and the feedstock and materials in stock

The take-over by KazMunayGaz from Kazakhstan of the entire package held by the mother-company of the Rompetrol Group (Rompetrol Holding N.V.) in the Dutch company The Rompetrol Group N.V. ensures the stability of crude oil procurement sources, for the optimal operation of the Petromidia Refinery, as well as financial support from the majority shareholder, in order to finalize the investments.

The entire quantity of crude oil for 2010 is contracted with Vector Energy A.G. – the trading company of the Rompetrol Group, located in Switzerland and which is specialized in crude oil and petroleum products trading. It ensures the import of crude oil and of other feedstock and, simultaneously, performs the sale petroleum products on external markets. The prices of raw materials follow the course of international quotations of crude oils and of other feedstock, on the reference international markets, the latter representing the basis of calculation of purchase prices of Rompetrol Rafinare.



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The Rompetrol Group finalized, at the end of the year 2008, the construction of the Marine Terminal which includes port berths for the delivery of petroleum products and the purchase of raw materials, which secures the purchase of raw materials and the dispatch of petroleum products.

Also, contracts have been concluded with service providers (Conpet S.A., Rompetrol Logistics S.R.L., Midia Marine Terminal S.R.L.) which ensures the loading and unloading of raw materials and of petroleum products in the Constanța and Midia ports.

The chemicals supplied by Rompetrol Rafinare S.A. (including the Vega Refinery – Ploiești business location) during 2009, may be grouped in:

- catalysts;
- additives;
- water treatment chemicals;
- other chemicals (inhibitors, process chemicals etc.);
- oils;
- special gases.

During 2009, chemicals and catalysts have been purchased for Petromidia Refinery and Vega Refinery, as follows:

- from the domestic market, in the amount of approx. RON 16.355.746,00;
- from the European market, in the amount of approx. EURO 13,479,895.00.

1.1.4. The evaluation of sales

a) The evolution of sales on the internal and/or external market and their average-term and long-term forecast

Rompetrol Rafinare S.A. is one of the most important and prestigious oil companies. Rompetrol is a brand acknowledged both, on the domestic market as well as on the external market.

The Romanian oil market expanded due to the increased request of motor fuels generated by the significant increase of the number of motor vehicles. This led to an important increase of the quantity of motor fuels sold through the gas station networks. Rompetrol maintained its fuel delivery rhythm and, implicitly, its market share, due to its sales and marketing strategies. Marketing strategies continue to pursue the expansion of Company's own motor fuel distribution network at a national level and, consequently, an increase of the market share.

The largest part of the quantities sold to external markets was distributed on regional markets, the main destinations being: Turkey, Georgia, Ukraine, Moldova, Bulgaria, Greece, Hungary. The perspectives for the year 2010 regarding the sales of oil products include the consolidation of the existing markets but also the development and penetration of new markets.



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b) Description of competition within Company's field of activity, of the market share held by Company's products or services and of the main competitors

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

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

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

c) Description of any significant dependency of the Company on a single customer or on a group of customers whose loss would have a negative impact on Company's income

Dependency on a single customer or group of customers:

Vector Energy A.G. – holds more than 10% of Company's sales to the external market;

Clients generating more than 10% of Company's sales to the domestic market: Rompetrol Downstream S.R.L. – more than 10% of the sales to the domestic market.

1.1.5. Evaluation of the issues related to Company's employees / staff

a) The number of Company employees and their expertise, as well as the labor syndication degree.

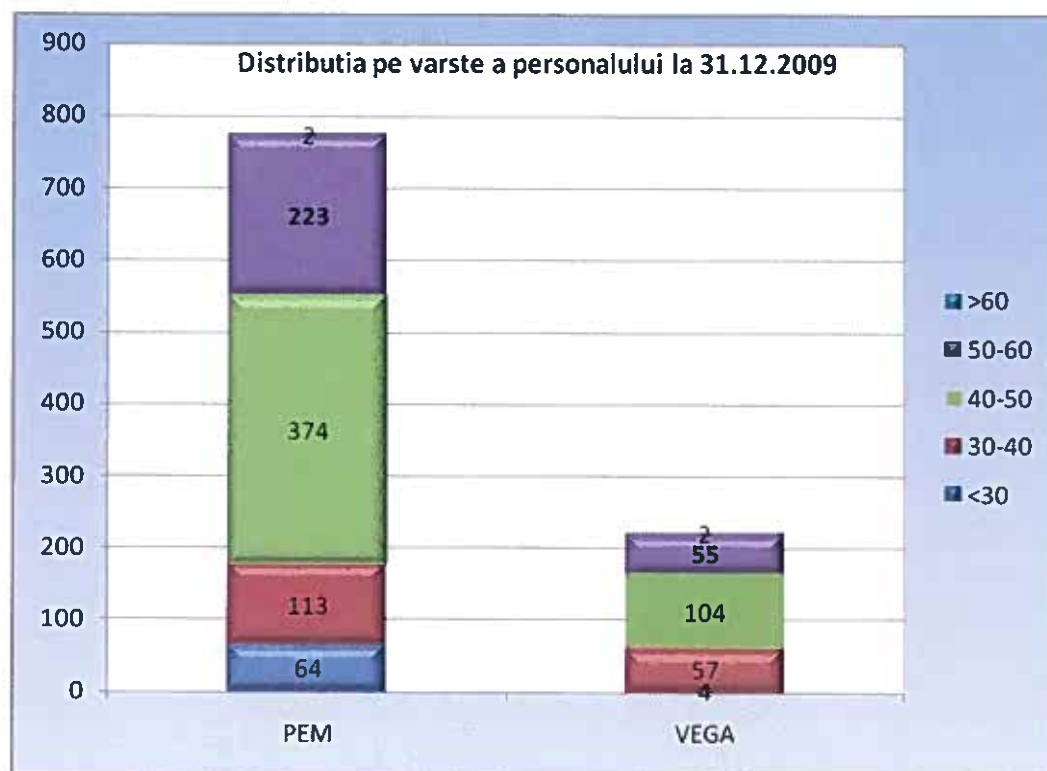
At 31.12.2009, Rompetrol Rafinare S.A. had at Năvodari Place of Business (Petromidia Refinery) a number of 776 employees, out of which 240 employees with high education.

At 31.12.2009, Rompetrol Rafinare S.A. had at Vega Refinery – Ploiești Place of Business a number of 222 employees, out of which 37 employees with high education.

TOTAL: At 31.12.2009, Rompetrol Rafinare S.A. had a total number of 998 employees, out of which 277 employees with high education.

The labor syndication degree was 91.18% (910 are members of trade unions).

The following trade unions exist within the Company: „The Petrochemist” Free Trade Union (654 members), „Vega” Free Trade Union (142 members) and The Trade Union of Workers from Midia-Năvodari Platform (114 members).



Action has been taken in order to recruit new employees that are newly university graduates, from the relevant faculties, by organizing the Summer Internship 2009 programme, also during the year 2009. The participants got in contact with the organizational environment and with the work concepts of a multinational company.

Said programme included the following two stages:

Stage 1: Summer Internship 2009

- included 20 participants;
- universities involved: Constanța / Ploiești / Cluj / Iași / Bucharest
- we approached students in their final years of study or 2009 graduates of Oil Technology, Polytechnics, Energetics, Economics and Environmental Protection Faculties.
- introduced participants to the work structure, operational flows and work procedures of Rompetrol Rafinare, between August 1st – September 30th.

Stage 2: Rompetrol Trainee

- 10 out of 20 participants have been selected;
- period: October 15th, 2009 – April 15th, 2010

- junior specialists have been trained by involving the participants in activities of increasing complexity, setting out performance objectives.

Also, during the reported period, the Company carried out employee training programmes, on the following subjects: functional competencies; general knowledge; information technology professional knowledge; foreign languages; legislation; management competencies; QHSE certification; safety; professional knowledge – support functions etc.

A total number of 609 employees participated in the training programmes which added up to 11,248.00 hours which represents an average of 19 training hours / employees.

In 2009, a series of training programmes have been developed with internal trainers, coming from Company's specialists.

b) Description of the management-employees relationship as well as of any conflict elements related to such relationship

The relationship between the management and the employees is normal; no collective actions have taken place to contest the management. The trade union and the management consult on a regular basis.

1.1.6. Evaluation of issues related to the impact of releaser's main activity upon the environment.

Short description of the impact of issuer's main activities upon the environment as well as of any pending or future litigations regarding the breach of environment-related legislation

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

Also, the Company is the owner and operator of VEGA Refinery located in Ploiești, Prahova County.

Due to the nature of its activity (crude oil processing), the Company is included in the category of companies which have an impact on the environment. This causes the management to constantly show preoccupation with the reduction of such impact, allocating important financial resources for investing in this direction.

The operated refineries hold the required technical and legal acts of authorization (authorizations, approvals) which entitle them to function in compliance with the applicable legislation. Out of these acts we would like to outline only the most important ones, which are required by environmental legislation:

1. The Integrated Environmental Authorization no. 26/11.10.2007 for PETROMIDIA Refinery, issued in accordance with the provisions of the Emergency Government Order (EGO) no. 152/2005;
2. The Integrated Environmental Authorization no. 23/14.03.2006, revised on 01.08.2008, for VEGA Refinery.

Both integrated authorizations include BAT (Best Available Technologies) requirements regarding compliance with the applicable environmental requirements, which must be satisfied by 31.12.2012 and, respectively, by 2014 in the case of Vega Refinery.

BAT – Best Available Technologies (defined at section 18, art. 2 of the EGO no. 152/2005) represent the highest and the most efficient stage of development reached in the performance of a certain activity and in the manners of operation, which demonstrate the practical possibility to set out the reference when setting the limit-values of emission for the purpose of preventing pollution, and in the event that prevention is not possible, for the purpose of reducing the overall emissions and their impact on the environment.

The 2008/1/CE Directive on the prevention and integrated control of pollution of environment from 2008 (the IPPC Directive) regulates the authorizing of industrial plants which are relevant to the environment, based on a concept which includes all the elements of environment. This approach comprises the emissions into air, water and soil as well as the financial aspects related to the wastes, energy and resources efficiency and prevention of accidents. The purpose is to achieve a high protection of the environment, in its entirety.

The Company has implemented The Integrated System of Environmental Management (SIMM) accredited by Germanisher Lloyd, in accordance with the ISO 14001/2004 standard; a supervision audit was carried out by said company, during May 2009, the SIMM certification being granted. This is a composing part of the general management system which includes the organizational structure, the planning activities, the responsibilities, the practices, the procedures, the processes and the resources necessary to elaborate, apply, carry out, analyze and maintain the environment policy within the Company.

The continuous preoccupation of Company's management with increasing the energetical efficiency of the plants within the Refinery and with carrying out the business in accordance with the legal environmental requirements has materialized in a number of directions, as follows:

a) the reduction of CO₂ emissions.

The Company entered into contracts with suppliers of technical consulting services in order to identify efficient ways to reduce the CO₂ emissions which are released by the refinery processing units, following the base principle of the Kyoto Protocol: „limit and trade“.

b) the continuous measurement and monitorisation of CO₂ emissions as well as of other greenhouse effect gases.

This continuous action materializes in the annual report on the measurment and monitorisation of the emissions of greenhouse effect gases, which is an obligation according to the Government Decision 780/2006 and to the European Committee Decision no. 589/2007. The report drawn by the Company for the year 2009 shall be verified by certified auditors in accordance with the Order no. 1008/2008 and shall be transmitted to the competent authority (the National Agency for the Protection of Environment) by March 30th, 2010.

c) implementing a management system within the Company with respect to the greenhouse effect gases and merging such system into Company's Integrated Management System, in order to taking sustainable action towards reducing the greenhouse effect gases. The required documentation has been elaborated for this purpose (manual on the management of greenhouse effect gases, procedures and operational instructions) which were structured in compliance with Company's management policy and its objectives on greenhouse effect gases. One of the important goals of Company's management is to develop an organizational culture with respect to climate changes and to the impact of greenhouse effect gases on Company's activity.

d) the monitoring of other greenhouse effect gases (which is not a legal requirement) as well as of other emissions and air/water-polluting agents and the monthly reporting of their levels, as an obligation incumbent upon the Company in accordance with the integrated environmental authorizations.

e) the permanent preoccupation with eliminating the wastes generated by Company's business.

The preoccupation with the elimination of acid tar residue generated by the operation of Vega Refinery must also be highlighted.

g) the compliance with the requirements of SEVESO directive (transposed into domestic legislation by the Government Decision no. 804/2007 regarding the control of hazards which may cause major accidents that involve hazardous materials) in order to revise the Security Report of Rompetrol Rafinare S.A. During the month of October, 2009, Rompetrol Rafinare and Rompetrol Petrochemicals Safety Reports have been elaborated and the documentation has been commenced for the purpose of drawing-up the Internal Emergency Plan for each entity;

h) the revamp of the Sulphur Gases Recovery Unit in order to reduce the sulphur emissions from the fuel gases.

i) data collection and information editing for each of the categories of products which must be recorded in accordance with the requirements of the European Commission Regulation no. 1907 / 2006 (REACH): Petroleum Gases, Naphtha & Gasoline, Gas Oils, Kerosines, Heavy Fuel Oils, Bitumen, Sulphur, Petroleum Coke. As a producer and importer, Rompetrol Rafinare validated the list of substances which shall be recorded in each SIEF and collaborated with CONCAWE for the production of data that is necessary to the registration files, regarding: physical and chemical properties of each product, substance classification and labeling according to the old and new legislation on the CLP (Classification, Labelling, Packaging) matter, data collection regarding the identified manners of use of its own products and risk evaluation in relation to the use of each substance, so that, for products' quantitative range (>1000 tons / annum), the ECHA registration process may be carried out by December 1st, 2010, via IUCLID application.

The processing units within the Refineries fall under the provisions of the Government Decision no. 780 / 2006 regarding the scheme of trading the greenhouse effect gases certificates, according to Annex 1 of the above-mentioned Government Decision – crude oil processing units, as the emissions released during their normal operation also contain CO₂.

Under these circumstances, the refineries hold the required authorizations for the emissions of greenhouse effect gases (the Authorization no. 19 dated 29.02.2008, for PETROMIDIA Refinery and the Authorization no. 5 / 17.03.2008 for Vega Refinery), which are valid during the 2008 – 2012 period.

Also, the CO₂ emission monitorisation plans (which are an integrating part of the greenhouse emission gases authorisations for the year 2010) have been submitted by the required date (on 31.08.2009). Rompetrol Rafinare S.A. requested the revision of the greenhouse effect gases authorization held for Petromidia Refinery, by including a quantity of emmissions estimated at 1,323,646 tons of CO₂ in 2010 into the Action plan for the monitorization of and reporting the emmissions of greenhouse effect gases.

Due to the fact that Romania signed the Luxembourg Treaty in 2005, according to which it joined the European Union since January 1st, 2007, thus accepting all the European legislation regarding environment, the Government adopted the Decision no. 780/2006 by which the national greenhouse effect gases trading scheme was established.

The national authorities elaborated and issued the subsequent legislation as well as the National Plan of Allocation of Greenhouse Emissions Certificates for the year 2007 and for the period 2008 – 2012; the final version of such plan was approved by the European Committee and later by the Romanian Government through the Government Decision no. 60/2008. According to the Government Decision no. 60/2008, Rompetrol Rafinare – Petromidia Refinery has been allocated a total number of 3,378,467 certificates for the years 2008 – 2012 (675,693 per annum).

Due to the modernization of the PETROMIDIA Refinery after December 13th, 2006, an additional allocation of 630,000 CO₂ certificates was requested and received, for the 2008 – 2012 period. Thus, the annual allocation to the refinery is 801,693 certificates.

In 2008, our Company initiated a litigation against the Ministry of Environment and Forests, as we claim that the authorities did not include the new estimations of annual emissions in the final version of the National Plan of Allocation of CO₂ Certificates, as per the authorization issued by the competent authorities for the period falling under the provisions of Government Order no. 780 / 2006. For this reason, the Company decided to follow all the legal procedures in order to modify the allocation of certificates for PETROMIDIA Refinery according to the estimated level of emissions indicated in the authorization. The Company responded, through the Questionnaires submitted by the authorities for the protection of environment for the purpose of elaborating the National Allocation Plan, and communicated all the historical data for the years 2001 – 2004, a period which turned out to not be of any relevance as during such period the processing units within the Refinery were operated much below their capacities or were not functioning at all due to the investment and/or revamp programmes in progress. Under these circumstances, the company was allocated CO₂ certificates for the period 2008 – 2012 according to the production rate from the years 2001 – 2004.

1.1.7. The evaluation of research and development

Presentation of the expenses related to research and development during the financial year in question and the anticipation of the same expenses for the following financial year

Expenses incurred in 2009

Expenses related to studies and technical assistance **1,872,588 USD**

Planned expenses for the year 2010

Expenses related to studies and technical assistance **2,375,520 USD**

1.1.8. Evaluation of Company's risk management

Description of Company's exposure to price, credit, liquidity and cash flow risks

The Company is exposed to the risk created by the highly volatile price of crude oil and of oil products, which has a direct impact on the sales gross margin.

Rompetrol Rafinare S.A. has paid and has the capacity to pay all its obligations deriving from the financing contracted with financial institutions, upon their maturity. Also, the Company has paid and shall pay the interest when due for the bond-tipe loan which was granted to the Company in accordance with the Emergency Government Order no. 118/ 2003.

As far as the liquidity is concerned, the Company endeavoured to maintain its capacity to pay its current liabilities from its current assets, the current liquidity indicator being 0.4 in 2009 compared to 0.71 in 2008, due to the liquidity shortage on the market, in the context of the global economical and financial crisis.

Description of Company's policies and objectives on risk management

Due to the nature of its activity, the Company is exposed to certain risks:

- the market risk, deriving from the exposure to the fluctuation in the interest rate, in the exchange rate of Euro vs. US Dollar, US Dollar vs. Leu, from the volatility of the selling price of oil products and of purchase price of crude oil;

Company's foreground goal is to reduce its operating costs per ton of product in order to minimize the price risk due to the correlation between the price of its own products and the market prices. The worldwide evolution of the crude oil quotations, as crude oil is the primary feedstock in the refinery, is of great importance when evaluating the price risk.

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- the credit risk deriving from the possibility that business partners, clients and suppliers, may not carry out their contractual obligations, is periodically monitored by credit and solvency evaluations and by requesting guarantees prior to delivery.
- the liquidity risk deriving from the possibility that financial resources may not be available in order to carry out obligations when they are due. The Company management tracks the liquidities and the performance of the obligations to suppliers, to the state budget, to the local budgets etc., according to their maturity, on a daily basis, by using the predicted cash method. The current and immediate liquidity indicators are permanently monitored.
- the operational risk deriving from the possibility that accidents, errors, malfunctions may occur as well as from the influences of the environment upon the operational and financial results. Rompetrol Rafinare S.A. has continued a broad revamp process on the refinery technology, for the purpose of increasing the production, reducing the technological losses, improving the environmental performance as well as eliminating the accidental shut-downs in the industrial process. Also, the Company is preoccupied with maintaining and improving the quality-environment-safety integrated system on a constant basis, aiming to improve the organizational image, by protecting the environment and the labor safety, by improving the relationship with the public authorities and with the socio-economical society, in general, and by limiting the civil and criminal liability through compliance with the legal requirements related to quality-environment-safety.

Adequate action has been taken by Rompetrol Rafinare S.A. in order to achieve the objectives related to the labor health and safety, as well as necessary actions in order to comply with the legal requirements.

The Safety, Health and Labor Management Systems were re-certified during 2009, according to by the certifying firm Germanischer Lloyd Certification (GLC).

The Company continued, during 2009, to identify and evaluate major hazards which result in the normal course of operation and in accidental situations, as well as the evaluation of their probability and severity, for which purpose HAZOP studies have been performed in relation to the following processing units: H2 plants, crude oil tanks (50,000 m³) and oil products tanks. Also, HAZOP studies have been performed as part of the investment and revamp projects related to the Catalytical Cracking Unit and the Amine Unit, as well as to the Coke briquetting plant.

Procedures and instructions have been elaborated for the safe operation of process units, processes, equipments, for the maintenance activity, as well as for emergency shut-down situations.

Fire risks were identified and evaluated. Fire security scenarios have been elaborated, as well as the Fire Prevention and Fighting Plan and the security report.

In July 2009, the Company obtained the authorization for the operation of the Rescue Station, INCD INSEMEX Petroșani.

The Internal Emergency Plan applicable within the platform has been revised, in order for such plan to respond to all predictable emergency situations. When elaborating this action plan, the companies that carry out business within or in the neighborhood of the platform have been taken into account; the responsibilities of such companies with respect to emergency situations have been set out.

In order to instruct the personnel on the platform, periodical simulations of major accidents which include subcontractors are performed.

The "Rompetrol Safety" programme has been continued, aiming to develop and implement a work health and security management at the highest standards and to reach a safety level comparable to the safety levels of world's most renowned companies. An agreement was entered into with the consulting company DuPont Safety Resources. The target that we aim to achieve following implementation of the "Safety Rompetrol" programme is the 3rd Safety Level, by the end of the year 2011, and the 4th Safety Level, by the end of the year 2013.

The purpose of the programme is to improve the labor security, by increasing the individual consciousness of employees and of subcontractors regarding the necessity of a safe behavior and by reducing the risk of accidents and/or professional illness which are specific to the activities carried out on Petromidia platform.

The Company has implemented a Quality Management System certified by Germanischer Lloyd Certification according to the ISO 9001/2000 standard.

Rompetrol Rafinare has certified all the motor fuels distributed on the market, in order to comply with the legal requirements.

1.1.9. Estimates of Company's business

a) Presentation and analysis of the tendencies, elements, events or factors of uncertainty which affect or could affect Company's liquidity compared to the same period in the previous year

In 2009, the Company endeavoured to maintain its capacity to pay its current liabilities from its current assets, the current liquidity indicator being 0.4 in 2009, compared to 0.471 in 2008.

The liquidity risk derives from the possibility that financial resources may not be available in order to carry out obligations when they are due. The Company management tracks the liquidities and the performance of the obligations to suppliers, to the state budget, to the local budgets etc., according to their maturity, on a daily basis, by using the predicted cash method. The current and immediate liquidity indicators are permanently monitored.

Knowing the effects of such risks is one of the concerns of Rompetrol Rafinare's management, aiming to maintain Company's financial and economical steadiness. The continued ensurance of financing resources, at the planned level, and the elimination of any temporary blockage in the financial flows were possible in 2009 due to the following measures: delivery of products against guarantee instruments (promissory notes, checks) and the negotiation of payment terms with the customers and with the suppliers which placed Rompetrol Rafinare in an advantageous position, whilst maintaining an amicable relationship with all business partners.

Company's activity shall continue being influenced by the evolution of the international conjuncture concerning the crude oil and petroleum products market, as well as by a series of internal macroeconomical factors.

b) Presentation and analysis of the effects of the current or planned capital expenditures upon the financial condition of the company, compared to the same period in the previous year

In 2009, ROMPETROL RAFINARE S.A. continued its investment activity commenced in the previous years, the increase of the production and, therefore, the sales volume.

- **The increase of the transit capacity through Berths 9** (operating since January 2009), a project which includes the development of new facilities in the Midia – Năvodari Port, by constructing two new oil berths provided with the required facilities, which allow the delivery of petroleum products on maritime ships of 25,000 tdw (deadweight tons) maximum capacity – in Berth 9B, as well as the tank-type barges of max. 3,000 tdw – in Berth 9C. These new developments have allowed an expansion by 350% of the finished products transit capacity through Midia Port.

Aside from the projects already finalized, during the subject year the projects commenced in 2006, grouped under the name "2010 Refinery Investment Package", were continued.

The main objectives of such projects are:

- Complying with the EU product specifications, which have become mandatory since 01.01.2009: the production of fuels (gasoline and diesel) with a sulphur content lower than 10 ppm, by processing 100% sulphurous crude oil;
- Increasing Refinery's processing capacity from 3.8 to 5 million tons / annum, by eliminating the operational constraints which allow the operation of the refinery at the capacity of 5 million tons / annum, for the purpose of obtaining EURO 5 fuels ;
- Increasing the diesel output in Refinery's structure of products, due to the increasing demand of Diesel in the global market ;
- Complying with the EU environmental requirements concerning the emissions into the atmosphere and the storage of hazardous waste.

The Company allocated a budget of USD 50.965 million to the revamp of the crude oil, finished products and components tanks. The ample programme aiming to reduce the emissions of



volatile organic compounds in the air was thus continued in 2009 through the "Oil products tanks revamp" project. To this extent, all Company's tanks falling under the applicable legislation (Government Decision no. 568 / 2001, re-issued, concerning the technical requirements for the limitation of volatile organic compounds resulting from the storage, loading, unloading and distribution of gasoline in terminals and gas stations) were revamped. The covers of the tanks were provided with double seals in order to reduce the loss of crude oil volatile compounds.

In order to achieve the objective related to energetical efficiency, in 2009, the Company allocated the amount of USD 1,433,000 to the related projects.

Such projects included the revamp of electrical stations, of switches and 6kV protections, of general distribution pannels from electrical stations etc., in order to ensure the safety level required for the electrical power supply to the processing units.

c) Presentation and analysis of the events, transactions, financial changes which significantly affect the revenues from the main activity.

The turnover recorded on 31.12.2009 is by 36.5% higher than planned, due to the increased quotations of petroleum products compared to the values specified in the budget. The budget included a feagure of USD 363.97 / ton, whilst the average selling price of products was USD 509 / ton. Rompetrol Rafinare maintained its sales on the domestic market and on the export market, despite the international economical and financial crisis.

Although the selling prices have increased, they have not kept up with the purchase price of crude oil, generating an operational loss of RON 342,984,726.

The financial results were strongly influenced by the global financial crisis and by the international evolution of crude oil and fuel prices.

The operational results of the year 2009 were mainly influenced by the reduced margins obtained from the sale of petroleum products, by the diesel refining margin (USD 66 /to in 2009 compared to USD 200/ton in 2008) and the Brent-Ural difference (USD 0,73 /bbl in 2009 compared to USD 3 /bbl in 2008).

In 2009, the refining capacity utilization degree was 80.66%, in the context of reduced margins from the sale of petroleum products.

2. TANGIBLE ASSETS OF THE COMPANY

2.1. The location and the main features of the production equipment owned by the Company

ROMPETROL RAFINARE S.A. is located at about 20 km north from Constanța City, between the Black Sea and the lake Năvodari (Tașaul), on a land that has been partially recovered from the sea and the lake, in the vicinity of Midia Port and Poarta Albă – Midia Channel.

The Petromidia Refinery is the only refinery in Romania that is located nearby the Black Sea, this allowing an advantage against competitors due to the immediate access to naval and fluviate transportation, as follows:

- Strategic location in the Black Sea area, close to Constanța Port – one of the largest ports in the region;
- Direct access to the Danube – Black Sea Channel;
- Direct access to the Midia Port;
- The crude oil pipelines are located in the vicinity;
- The Company has its own train station;
- Logistic facilities (Rompetrol Logistics S.R.L., Midia Marine Terminal S.R.L.) which allow for the receipt of crude oil and for the delivery of liquid products through barges, tank-cars and tank-trucks.

◇ The nameplate capacity in 1975: 3.5 million tons of raw material;

◇ Utilized capacity: 4,033 million tons in 2009;

◇ Future capacity starting 2011: 5 million tons per annum;

◇ Infrastructure:

The Petromidia Platform has a surface of 480 hectares where more than 20 companies are carrying out various businesses.

The supply of crude oil and of other feedstocks is carried out mainly through the marine terminal located in the vicinity of Petromidia Refinery, at about 8 km away from the shore, and through Midia port. As an alternative, the supply may be carried out through Constanța Port (one of the largest in the region), through the OIL TERMINAL S.A. pipeline, on a distance of approx. 40 km.

At the end of the year, the Company finalised the expansion by 350% of the transit capacity of finished products through Midia Harbour, by building two new oil loading-unloading berths, i.e. Berth 9B and Berth 9C.

The Company is using multiple loading facilities for the shipping of gasolines, diesel fuels and other products: tank-cars, maritime terminals, tank-trucks.

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Since December 2007, the Company owns and operates VEGA Refinery.

Vega refinery is located on the national road DN1A at approx. 60 km from the capital of Romania, close to the European road E60 (having access to both the European road and the railway network), and at about 1 km away from the Ploiești Nord Train Station, to which the refinery is directly connected. The railroad is operated by Rompetrol Logistics S.R.L., which also carries out all the handling and transportation operations, as the owner of the related assets.

Currently, the feedstocks are brought into the refinery by tank-cars, where they are unloaded through landing stages that are specialized by types of feedstocks.

From the specialized landing stages, the feedstock is pumped through pipes into the storage tanks from the AFP plant, from where they are uploaded for processing by each processing unit.

The refinery also includes a truck loading platform and a train loading platform. The delivery of petroleum products from Vega Refinery is currently performed only by tank-cars and by tank-trailers.

The refinery is also provided with a white-product loading and unloading platform with a capacity of 1000 tons/day.

2.2. Description and analysis of Company's assets wearing degree

As at 31.12.2009, the cummulated ammortization of the real estate and of the tangible assets (expressed in lei) is indicated below:

Tangible assets	Balance at	Balance at
-----------------	------------	------------

	01.01.2009	31.12.2009
Land (improvements)	15,373,210	16,202,862
Constructions	594,897,785	577,239,176
Plants and equipments	706,016,191	801,667,457
Other appliances, equipment and furniture	2,072,402	2,424,959
Total	1,318,359,588	1,397,534,454

2.3. Potential issues related to the ownership right over Company's tangible assets

No claims or litigations related to the title on Company's tangible assets were recorded in 2009.

3. THE SECURITIES ISSUED BY THE COMPANY AND CORPORATE GOVERNANCE

Due to the fact that, in accordance with the provisions of the Bucharest Stock Market Code applicable to the 2009 Annual Report, the issuers of securities traded on a regulated market may, at their option, include the Statement regarding the compliance or non-compliance with the provisions of the Corporate Governance Code (the "Apply or explain" Statement), all the information related to corporate governance practices, against which the Company shall decide upon the corporate governance principles implementation degree, shall be included in the Corporate Governance section and in the Statement of the 2010 Annual Report.

3.1. The markets in Romania and in other countries where Company's securities are negotiated.

The securities of the Company have started being traded at the Bucharest Stock Exchange as of April 7th, 2004.

Since December 3rd, 2004, Rompetrol Rafinare S.A. has been included in the list of companies with BET index of the Bucharest Stock Exchange.

Since March 15th, 2005, ROMPETROL RAFINARE S.A. is part of the ROTX index (The Romanian Traded Index) portfolio – the first index issued by the Bucharest Stock Exchange together with a foreign stock exchange, The Vienna Stock Exchange (Wiener Borse).

The shares of ROMPETROL RAFINARE are traded entirely in the IInd category of the Bucharest Stock Market. The total numbers of shares issued by the Issuer is 21,099,276,002, having a total value of RON 2.109.927.600,20. The shares are common, nominal, dematerialized, and they are recorded by the CENTRAL DEPOSITORY S.A. Bucharest, authorized by the National Securities Committee according to the authorization 3564/14.12.2006.

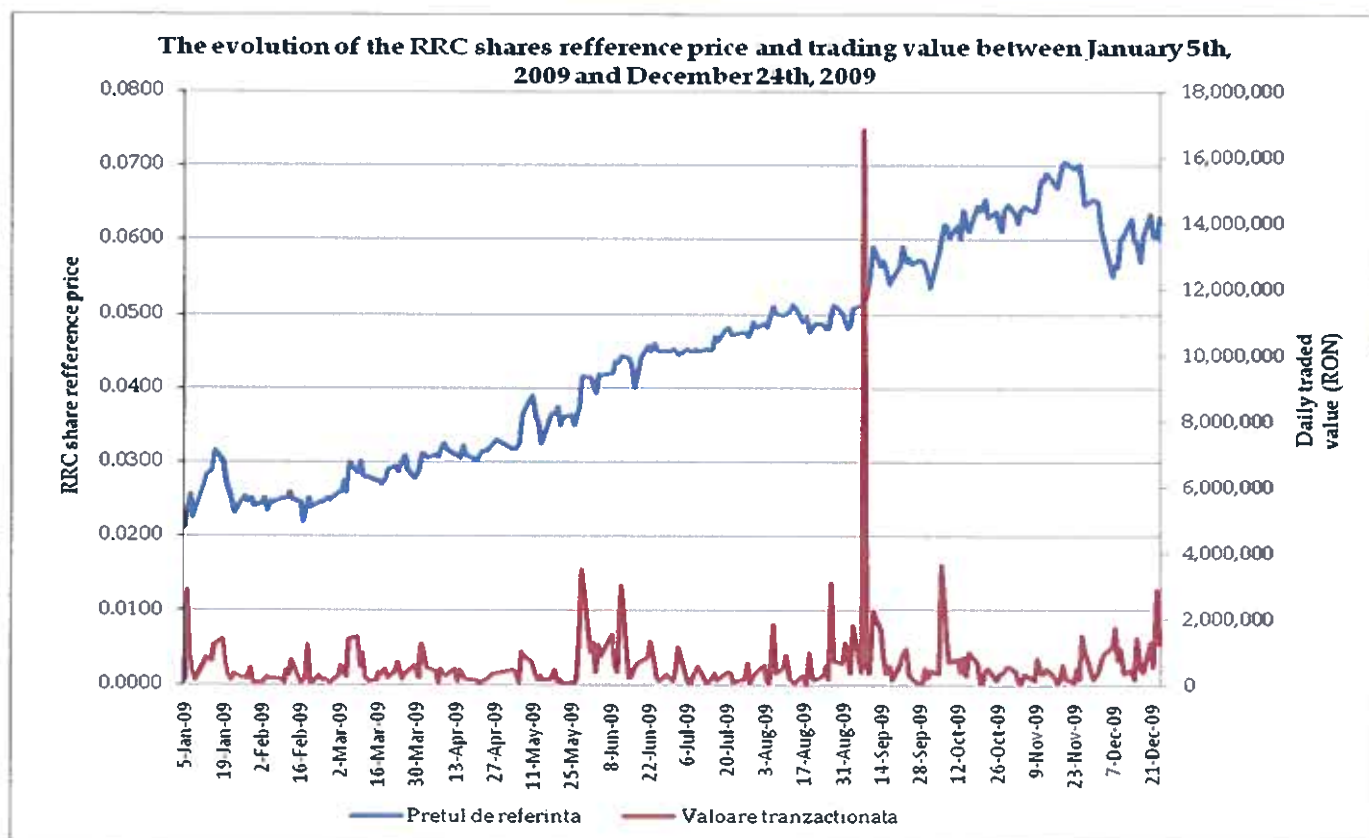
According to the legal provisions and to the provisions of the Constitutive Act, each share grants the right to a vote in the General Assembly of Shareholders, the right to elect and to be elected in Company's management bodies, the right to participate in the allocation of benefits and of Company's assets upon Company's dissolution, as well as other rights provided by law. The ownership and any other attributes related to the shares are transferred in accordance with the legal provisions concerning the stock market.

The transfer of shares is unrestricted and may be carried out in compliance with the applicable legal provisions and with the provisions of Company's constitutive act.

Symbols of Rompetrol Rafinare securities:	
Bucharest Stock Exchange	RRC
Reuters	ROMP.BX
Bloomberg	RRC RO

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Securities of Rompetrol Rafinare	2007	2008	2009
Number of securities	21,099,276,002	21,099,276,002	21,099,276,002
Stock exchange capitalisation, mio. lei ¹	2,320.920360	390.336,606	1,329,254,388
Stock exchange capitalisation, mio. Euro ²	664.201803	99.329874	316,278,288
Maximum price, lei	0.14100	0.11000	0.0705
Minimum price, lei	0.08000	0.01700	0.0212
Price at the end of the year, lei	0.11000	0.01850	0.0705



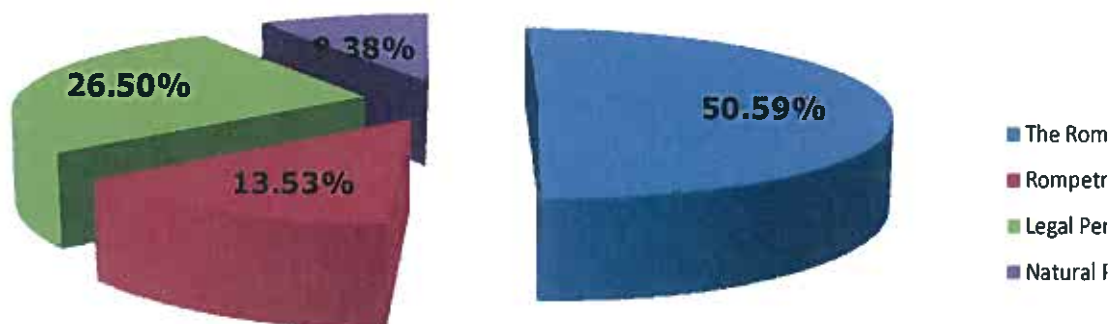
The weighted average price of RRC shares during the year 2009 = 0.042975 RON/share.

Rompetrol Rafinare Shareholders

The structure of Company's shareholders, as at 3.12.2009, is presents bellow:

¹ Calculated according to the price per security on the last trading day of the reported year

² Calculated according to the Euro rate on the last trading day of the reported year



Other securities issued by the Company

According to the Decision of the Extraordinary Assembly of Shareholders from 14.11.2003, the Company issued bonds in accordance with the Emergency Government Order no. 118/2003, later approved by Law no. 89/2005, published in the Official Gazette of Romania no. 320/25.04.2005. The value of the issue was 570.302.441 Euro, the equivalent of 22.812.098 bonds, at a nominal value of EUR 25.

The holder of the bonds issued by the Company is the Romanian State, through the Ministry of Public Finance (the sole holder).

3.2. Dividends.

On December 31st, 2007, ROMPETROL RAFINARE S.A. registered a loss of RON 314,323,203.

On December 31st, 2008, ROMPETROL RAFINARE S.A. registered a loss of RON 465,013,141.

On December 31st, 2009, ROMPETROL RAFINARE S.A. registered a loss of RON 474.116.085.

Due to the above, the Company was not able to pay dividends to the shareholders in the years 2007, 2008 and 2009.



3.3. Company's own shares

On 31.12.2009, ROMPETROL RAFINARE S.A. held a number of 6,134,701 shares, having a nominal value of 0.10 lei per share and a total value of 613,470.10 lei, which represents 0.029% of Company's share capital.

The Company did not trade (by acquiring or selling) its own shares during the year 2009.

3.4. The number and the nominal value of the shares issued by the mother company and held by the affiliated companies

At 31.12.2009, Rompetrol Downstream S.R.L., a company in which ROMPETROL RAFINARE S.A. holds 99.999992756% of the share capital, is a shareholder of the Company, holding 551,802,170 shares, accounting for 2.615% of Company's share capital.

3.5. The manner in which the Company performs its obligations to the holders of bonds issued by the Company

According to the Decision of the General Assembly of Shareholders dated 14.11.2003, the Company issued bonds as provided by the Emergency Government Order no. 118/2003, later approved by Law no. 89/2005, published in the Official Gazette of Romania no. 320/15.04.2005.

The holder of such bonds issued by the Company is the Romanian State, through its Ministry of Public Finances (the sole holder).

The shares are nominative, dematerialized, transferrable, with a nominal value of EUR 25, bearing interest at a rate equal to EURIBOR on 12 months plus 1.5% per annum. In the event that the annual profit rate registered by Rompetrol Rafinare S.A. during the previous year exceeds 10% per annum, the interest rate shall change to EURIBOR on 12 months plus 2% per annum, during the current year. Interest is paid annually.

The issue value is EUR 570,302,441; a total number of 22,812,098 bonds was issued, under the symbol „PTRM”.

The Company performed its obligation to pay interest for the bonds issued in accordance with the Emergency Government Order no. 118/2003, by paying any amounts due before September 30th, every year (the payment date).

The evolution by years of Euribor interest rate as well as the amounts paid are indicated below:

Year	Euribor Interest Rate + 1,5% (%)	Interest paid (euro)
2004	3.903	22,258,904
2005	3.808	21,717,117
2006	5.267	30,037,830
2007	6.306	35,963,272
2008	7,047	40,182,213
2009	2,752	15,694,723
	Total:	165.854.059

3.6. The public offer of mandatory repurchase of Company's shares

Based on the Decision no. 185/08.02.2010 of the National Securities Commission, The Rompetrol Group N.V. (acting as "Offerer") initiated a public offer of mandatory repurchase, addressed to all Company's shareholders, in accordance with the applicable legal provisions. The purpose of such offer is the repurchase of a number of 5,062,172,980 shares held by Issuer's (ROMPETROL RAFINARE S.A.) shareholders, available on the market and not held by the Offerer (The Rompetrol Group) and/or by the persons with whom the Offerer is acting concertedly, such shares representing 24.99% of the share capital. The public offer for the mandatory repurchase was valid between February 15th – March 26th, 2010.

The Offerer is acting concertedly with Rompetrol inancial Group S.R.L., Rompetrol S.A., Rompetrol Downstream S.R.L., Rompetrol Well Services S.A. and with Rompetrol Rafinare S.A, all these companies holding shareholders of the Issuer.

The concerted acting is deemed to derive from the fact that the Offerer holds 72.22% of the share capital of Rompetrol Financial Group S.R.L., 100% of the share capital of Rompetrol S.A., 51% of Rompetrol Well Services S.A. and 50.5924% of Rompetrol Rafinare S.A.

Rompetrol Downstream S.R.L. holds 2.62% of Rompetrol Rafinare S.A. The Issuer holds 6,134,701 of its own shares.

The consolidated structure of Company's shareholders, as at 31.12.2009, is the following:

- a)The Rompetrol Group N.V. – 50.5924%;
- b)Rompetrol Financial Group SRL – 13.5269%;
- c)Legal Persons – 26.5039%;
- d)Natural Persons – 9.3768%

Consequently, the majority shareholder and the persons with whom it acts concertedly hold together, directly and indirectly, 76.01% of Issuer's share capital.

The voting rights related to the shares which exceed 33% of the voting rights concerning the Issuer are suspended while the public offer of mandatory repurchase of shares is in progress, according to the provisions of art. 203, para. (3) of Law no. 297 / 2004.

3.7. The internal verification and risk management systems in relation to financial reporting procedures

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

Rompetrol Rafinare S.A. has paid and has the capacity to settle, upon maturity, all its obligations arising from the financing granted by financial institutions to the Company. Also, the Company has paid and shall pay on time the interest due for the bond-type loan granted to the Company in accordance with the Emergency Government Order no. 118/2003.

The Company has endeavored to maintain its capacity to pay current liabilities from the current assets, the current liquidity indicator being 0.4 in 2009, compared to 0.71 in 2008.

3.8. Description of Company's policies and objectives in relation to risk management

Due to the nature of its activity, the Company is exposed to certain risks:

- the market risk, deriving from the exposure to the fluctuation in the interest rate, in the exchange rate of Euro vs. US Dollar, US Dollar vs. Leu, from the volatility of the selling price of oil products and of purchase price of crude oil;

Company's foreground goal is to reduce its operating costs per ton of product in order to minimize the price risk due to the correlation between the price of its own products and the market prices. The worldwide evolution of the crude oil quotations, as crude oil is the primary feedstock in the refinery, is of great importance when evaluating the price risk.

- the credit risk deriving from the possibility that business partners, clients and suppliers, may not carry out their contractual obligations, is periodically monitored by credit and solvency evaluations and by requesting guarantees prior to delivery.

- the liquidity risk deriving from the possibility that financial resources may not be available in order to carry out obligations when they are due. The Company management tracks the liquidities and the performance of the obligations to suppliers, to the state budget, to the local budgets etc., according to their maturity, on a daily basis, by using the predicted cash method. The current and immediate liquidity indicators are permanently monitored.

- the operational risk deriving from the possibility that accidents, errors, malfunctions may occur as well as from the influences of the environment upon the operational and financial

results. Rompetrol Rafinare S.A. has continued a broad revamp process on the refinery technology, for the purpose of increasing the production, reducing the technological losses, improving the environmental performance as well as eliminating the accidental shut-downs in the industrial process. Also, the Company is preoccupied with maintaining and improving the quality-environment-safety integrated system on a constant basis, aiming to improve the organizational image, by protecting the environment and the labor safety, by improving the relationship with the public authorities and with the socio-economical society, in general, and by limiting the civil and criminal liability through compliance with the legal requirements related to quality-environment-safety.

3.9. The Financial Calendar proposed for the year 2010

Financial Calendar	Data
Presentation of the preliminary, unaudited, individual and consolidated results of the year 2009 and IV th Quarter of 2009	February 10 th , 2010
Ordinary General Assembly of Shareholders, to approve the annual financial results of year 2009	April 30 th , 2010
Publication of the 2009 Annual Report (i.e. publication of the financial results of 2009)	April 30 th , 2010
Presentation of the results obtained during the first quarter of 2010	May 12 th , 2010
Presentation of the results obtained during the first semester and second quarter of 2010	August 11 th , 2010
Presentation of the results obtained during the third semester of 2010 and between January – September 2010	November 11 th , 2010

Important information and news, of interest to the shareholders, analysts and investors, regarding Company's activity, are available on the web-site www.rompetrol.ro, in the Investor Relations section, Rompetrol Rafinare sub-section.

Investor Relations Contact

The annual, quarterly and trimestral reports are made available to shareholders upon their request. Requests may be submitted electronically, via e-mail at: office.rafinare@rompetrol.com.

4. COMPANY'S MANAGEMENT

The General Assembly of Shareholders

In accordance with the provisions of art. 11 of Company's Constitutive Act, corroborated with the applicable legal provisions, the Ordinary General Assembly convenes at least once a year, within the mandatory term provided by law, and has the following main responsibilities:

- a) discusses, approves or modifies the annual financial situations, based on the reports presented by the board of directors and by the financial auditor, and sets the dividend;
- b) appoints and dismisses Company's directors;

- c) appoints / dismisses Company's financial auditor and sets the minimal duration of financial auditor's contract;
- d) sets the compensation to be paid to the directors for the current financial year;
- e) assesses the activity of the directors;
- f) sets out the income and expense budget and, as the case may be, the activity schedule for the next financial year;
- g) decides upon the pledge, rental or the disbandment of one or more units of the Company;
- h) approves the maximum limits of the compensation due to persons holding management positions, when the law so requires.

The Extraordinary General Assembly has the following responsibilities:

- a) the change of Company's legal form;
- b) the change of Company's registered office;
- c) the change of Company's object of activities;
- d) the establishment or dissolution of secondary places of business: branches, agencies, representations or other similar units without legal personality, unless the constitutive act provides otherwise;
- e) the extension of Company's duration;
- f) the increase of Company's share capital;
- g) the reduction of Company's share capital or its replenishment by way of issuing new shares;
- h) Company's merger with other companies or division;
- i) Company's early dissolution;
- j) conversion of shares from one category into another;
- k) the conversion of a category of bonds into a different category or into shares;
- l) the issue of bonds;
- m) any other modification of the constitutive act or any other decision which requires the approval of the Extraordinary General Assembly.

The Extraordinary General Assembly delegates the responsibilities provided at b) and c) in the paragraph above to the Board of Directors.

The General Extraordinary Assembly may delegate the increase of the share capital to the directors, in accordance with the provisions of art. 236 of Law no. 297/2004 concerning the stock market.

The carrying out of the General Assembly of Shareholders of Rompetrol Rafinare S.A., according to its up-to-date constitutive act:

The General Assembly of the Shareholders is convoked by the directors, whenever necessary, by publishing a convocation announcement in the Official Gazette of Romania, Part IV, and in a local or national newspaper widely spread in the town where Company's registered office is. The General Assembly may convene at Company's registered office or in other locations specified by the directors in the convocation announcement. The shareholders may be represented at the general assembly also by persons not holding Company shares.

The General Assembly is presided by the chairman of the Board of Directors or by a person appointed by the chairman, who shall appoint one to three secretaries, from among the members of the general assembly or Company's shareholders, as well as a technical secretary, from among Company's employees. Said secretaries shall draw-up the list of shareholders who are present, verifying the following:

- the identification documents of the persons attending the General Assembly, as shareholders or their empowered;
- the special power of attorneys presented by shareholders' empowered persons. The fact that a the power of attorney is valid only in the General Assembly for which it was issued must be taken into account.

The secretary of the assembly must also verify that the legal requirements concerning the presence quorum are met, for the validity of the general assembly.

If the ordinary general assembly cannot carry out its functions due to an insufficient number of shareholders attending the assembly, the assembly convening upon a second convocation shall decide upon the issues included on the agenda of the first assembly, regardless of the quorum achieved, the decisions being made by the majority of the votes expressed.

After presentation of the documentation related to the issues on the agenda, the matters under shareholders' debate shall then be submitted for vote by the President of the assembly.

The decisions of the general assembly shall be made by open vote, unless the general assembly decides that the vote should be secret or the secret vote is mandatory by law.

Each share entitles its holder to one vote in the General Assemblies. The person representing more shareholders, based on special power of attorneys, shall express the votes of the represented persons by adding the total number of votes "for", "against" and "abstentions", without balancing them out (e.g. "concerning issue X on the agenda, I represent "a" votes "for", "b" votes "against" and "c" "abstentions"). The votes so expressed are validated or, as the case may be, invalidated by the secretary of the general assembly, based on the third copy of the special power of attorney. The votes specified in the power of attorney must be expressed only as desired by the shareholder.

The secretary(ies) of the general assembly shall draw-up the minutes of the reunion of the general assembly, based on the vote freely expressed by the shareholders.

Decisions adopted by the general assemblies of shareholders during the year 2009:

The Ordinary General Assembly of Rompetrol Rafinare Shareholders from January 14th, 2009, decided the following:

- the revocation of the financial auditor S.C. Deloitte Audit S.R.L.;
- the appointment of the financial auditor S.C. Ernst & Young Assurance Services S.R.L.;

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- a duration of the financial auditing contract of 4 years.

The Ordinary General Assembly of Rompetrol Rafinare Shareholders from April 29th, 2009, decided the following:

- the approval of the annual individual financial reports (drawn-up according to the Romanian Accounting Standards) and of the consolidated financial reports (drawn-up according to the International Financial Reporting Standards "IFRS"), audited, for the financial year 2008;
- the discharge of Company directors with respect to the activity performed during the financial year 2008;
- the approval of the budget and expense budget as well as Company's activity programme for the year 2009, including the capital investment plan for the year 2009;
- the approval of the remuneration to be paid to the members of the Board of Directors during the financial year 2008, at the same level as in the previous year;
- the acknowledgement of the cessation of Mr. Marius Corcoman-Târcolea's appointment in the position of Company director;
- the appointment of Mrs. Doina-Elena PENU as Company director.

The General Assembly of Shareholders of Rompetrol Rafinare from April 29th, 2009, decided the following:

- the ratification of the amendment to the syndicated credit facility granted to the Company [acting as the borrower ("the Borrower")] by Unicredit Tiriac Bank S.A., Unicredit Bank Austria AG (previously called Bank Austria Creditanstalt AG) and Romanian Commercial Bank S.A. (together "the Lenders"), in the amount of USD 110,000,000 (the "Loan"), for the purpose of financing the purchase of crude oil, fuel oil and condensed gas, regarding the extension of the facility and the undertaking by the Company of all the obligations, including the obligation to repay the Loan and the interest, as they were set out in the supporting documents (Amendment no. 7 to the Contract of Letters of Credit for Import Facility, signed on March 24th, 2009, between the Borrower, the Creditors, The Rompetrol Group N.V. and Rompetrol S.A., acting as Guarantors).
- The ratification of the amendment to the Real Movable Guarantee Contract which guarantees the syndicated credit facility mentioned above;
- The approval of the conclusion and signature by the Company, together with Rompetrol S.A., The Rompetrol Group N.V., Rompetrol Holding S.A. and KazMunaiGaz PKOP Investments BV of a Subordination Agreement in relation to the above-mentioned syndicated facility.

The General Extraordinary Assembly of Shareholders from July 24th, 2009, decided the following:

- The approval of the initiation by the Company and Company's participation in the increase of the share capital of ROMPETROL PETROCHEMICALS S.R.L. (where the Company held 99,999922309% of the share capital) by the amount of RON



244,944,000, an increase which was performed by way of issuing new shares following compensation of the liquid, mature and certain debt that the Company was entitled to receive from ROMPETROL PETROCHEMICALS S.R.L.; the approval of the initiation by the Company and Company's participation in the increase of the share capital of ROMPETROL DOWNSTREAM S.R.L. (where the Company held 99,999992756% of the share capital) by the amount of RON 630,000,000, an increase which was performed by way of issuing new shares following compensation of the liquid, mature and certain debt that the Company was entitled to receive from ROMPETROL DOWNSTREAM S.R.L.

- the empowerment of Mr. Vasile-Cosmin Turcu, Company's Chief Executive Officer, and of Mr. Giani Iulian KACIC, Company's Chief Financial Officer, to carry out all the legally required procedures and to sign on behalf of the Company all the necessary documents in order to perform the aforementioned Decisions; the empowered officers shall participate in the General Assembly of Shareholders (General Assemblies of Shareholders) of ROMPETROL PETROCHEMICALS S.R.L. and ROMPETROL DOWNSTREAM S.R.L. and shall vote during such assemblies in favor of the increase of the share capital by cash contribution as mentioned hereinabove; in the performance of their task, the empowered officers may empower third parties, including attorneys.
- the approval and the empowerment of Company's Board of Directors in order to carry out and validate transactions concerning fixed assets of the Company, in a cumulated value during the financial year 2008 which may be higher than 20% of the total value of Company's fixed assets, less liabilities, but not higher than USD 150,000,000. The transactions may consist in acquisitions, sales, exchanges and placements as guarantee, and shall include any other subsequent or related acts and documents which may be required for the performance of such transactions.

The Board of Directors

According to the Constitutive Act, Company's activity is managed by a Board of Directors comprising 3 members, appointed by the Ordinary General Assembly of Shareholders, who may be Company shareholders, natural or legal persons, of Romanian or foreign nationality. In case of vacancy (resignation, legal incapacity, physical disability over more than 45 days, death etc) of one of the directors, the remaining directors shall appoint a temporary director until the general assembly convenes for the purpose of appointing a new director.

Directors may be replaced in any of the following situations:

- Upon the expiration of the 4-year term for which they were appointed;
- Following resignation or revocation by the General Assembly of Shareholders.

The responsibilities of the Board of Directors, according to the constitutive act, are the following:

- i. sets out the main direction of Company's operations and development;
- ii. sets out the accounting and financial control systems and approves the financial plans;

- iii. appoints, revokes Company's officers, enters into and terminates their contracts;
- iv. supervises the activity of Company's officers;
- v. draws-up the annual report, organizes the general assembly and implements its decisions;
- vi. submits the request to commence Company's insolvency proceedings, according to the provisions of Law no. 85/2006 concerning the insolvency proceedings;
- vii. with the exception of the legal acts which, in accordance with the mandatory provisions of the law, require the approval of the General Assembly of the Shareholders in order to be entered into, the Board of Directors approves the conclusion by the company of legal acts having an object exceeding:
 - i) USD 15.000.000, in the case of legal acts regarding the purchase of crude oil or the distribution of refined products;
 - ii) USD 1.000.000 in the case of legal acts regarding other issues than the crude oil purchase or the distribution of refined products;
- viii. the approval of Company's participation in the establishment of new companies involving a contribution which exceeds said limits and of other legal acts of patrimonial nature which exceed the above limits;

In accordance with the art. 114 of Law nr. 31/1990 (reissued), the Board of Directors has been delegated the following responsibilities by the General Extraordinary Assembly of Shareholders:

- a) decides upon the relocation of Company's registered office;
- b) decides upon the change of Company's object of activities (with the exception of the main field of activity and of the main activity of the Company);
- c) decides upon the increase of the share capital, by way of issuing new shares, in accordance with legal provisions.

The Board of Directors has also been assigned other responsibilities, according to the applicable legislation.

The Board of Directors has the delegated authority to decide upon the issuance of new shares as part of the operation of increasing the social capital, in accordance with the provisions of Law no. 31/ 1990, corroborated with the provisions of Law no. 297/2004. The board of directors is not authorized to carry out operations related to the repurchase of Company's shares, as part of the mandatory public offer of share repurchase.

4.1. Presentation of Company's directors

In 2009, the structure of the Board of Directors was modified as follows:

- On 29.04.2009, the Ordinary General Assembly of Shareholders enacted the Decision no. 3/2009 according to which the appointment of Mr. Marius Corcoman-Târcolea in the position of Company administrator was acknowledged to have ceased and Mrs. Doina-Elena PENU was appointed in the position of Company director.

- a) Information on Company's administrators, as at 31.12.2009, is provided below:



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Name and Surname	Age (years)	The position in the Board of Directors and the period since appointment	Other information (education, professional experience)
Alexandru NICOLCIOIU	58	Chairman of the Board of Directors during the following periods: <ul style="list-style-type: none"> - 25.02.2010 – temporary appointment until the General Ordinary Assembly convenes, on 30.04.2010; - 25.02.2006 – 25.02.2010; - 26.02.2001 – 25.02.2006; - 1990 – 1998. 	- engineer Graduated from the Faculty of Oil, Gas and Geology Technology and Chemisation in Bucharest, in 1975; Started his employment with the Company in 1975; between 1990 – 1998, he was the General Manager of the Company.
Iuri-Titov BUZESCU	48	Member of the Board of Directors since 03.09. 2007	Graduated from the Energetics Faculty within the Politehnics Institute in Bucharest, in 1986. Between June 2007 – 31.12.2008, he has been the Vice President conducting the Operational Efficiency Business Unit within the Rompetrol Group. Currently holds the position of Chairman of the Board of Directors of Rompetrol Downstream S.R.L.
Doina-Elena PENU	38	Member of the Board of Directors since 29.04.2009	Graduated in 1995 from the Law School within Bucharest University – Legal sciences specialty. Since 2008 has joined the Legal Department of ROMPETROL S.A. in the position of Coordinator of the Legal Department – Main Legal Adviser.

b) Any agreement, understanding or family binding between a director and another person, due to which such director was appointed;

To the extent of their knowledge, no agreement, understanding or family connection existed between the directors and another person due to which they were appointed as directors.

c) The participation of the director in Company's share capital

According to the consolidated data in the Company Shareholders Registry, as at 31.12.2009, the Chairman of the Board of Directors, Mr. Alexandru Nicolcioiu, holds a participation in Company's share capital of 481,516 shares, which account for 0.00282% of the share capital.

d) Persons affiliated to the Company;

None of the members of the Board of Directors is an affiliated person, as defined in the Regulation no. 1/2006 of the National Securities Commission

4.2. The members of Company's executive management

a) The term for which a member of the executive management is appointed;

According to the provisions of Company's Constitutive Act, the only positions to which the management of the Company is delegated, as stipulated at art. 143 of Law no. 31/1991, are the Chief Executive Officer and the Chief Financial Officer. Any other executive position within the Company (HR Manager, Commercial Manager, Administrative Manager, IT Manager etc.), regardless of its name, does not involve the management of the Company.

As at 31.12.2009, the two officers to which the management of the Company has been delegated as described above, are:

Name and Surname	Position
Vasile-Cosmin Turcu	Chief Executive Officer
Giani-Iulian Kacic	Chief Financial Officer

The executive officers have been appointed for a period of 4 years.

b) Any agreement, understanding or family binding between an executive officer and another person, due to which such executive officer was appointed;

To the extent of our knowledge, no agreement, understanding or family connection existed between the executive officers and another person due to which they have been appointed.

c) The participation of the officer in Company's share capital

Neither of the executive officers indicated at 4.2. a) above holds Company shares.

4.3. Litigation cases or administrative proceedings occurred during the past 5 years concerning the persons referred to under sections 3.2. and 3.3.

Starting with 22 March 2005 and as of the date of this report, the investigations concerning current and past administrators, officers and external censors of S.C. Rompetrol Rafinare S.A. ("RRC") have been formally developing (despite certain discontinuities occurred from time 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- The Directorate for Investigating

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Organized Crime and Terrorism ("DIICOT") is investigating only one of the current administrators.

The charges apprehended upon the initiation of the investigation were: a) failure to fulfill the investment commitments undertaken under the privatization contract concerning the Company; b) unlawful statement of excises and other debts to the state budget; c) incorrect maintenance of accounting registries regarding the transactions undertaken at the oil terminal owned by Oil Terminal. These charges concern events which took place during April 2001 - October 2002. Said charges have been split by the prosecutors' office from the initial file (which has been sent to trial following such split - the current case no. 30041/3/2006 of the Bucharest High Court, 1st Penal Section) and are subject to a separate file currently open before the DIICOT (case no. 225/D/P/2006).

The events under investigation as part of the case no. 30041/3/2006 concerning the Company are the de-listing of RRC from Rasdaq electronical market and re-listing of RRC shares on the main platform of Bucharest stock market. In this case, two officials of The Rompetrol Group N.V. ("TRG"), the mother-company of Rompetrol Rafinare S.A. have been sent before court - Mr. Dan Costache Patriciu and Mr. Alexandru Bucșă.

Currently, the case no. 30041/3/2006 is under the first debate proceedings before the Bucharest High Court. The case is in the stage of court investigation - currently, the indictees must be heard (a total number of 12). We must hereby specify that the decision which shall be made by the Bucharest High Court shall be subject to two consecutive appeals, the first one falling under the competence of the Bucharest Court of Appeals and the second one under the competence of the High Court of Cassation and Justice; only after all finalization of the above proceedings shall the sentence be final and binding.

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

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

Also, we hereby specify that, on 15 December 2005, TRG 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 due to the violation by the Romanian State of TRG'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 favorable to TRG, which opened the stage of debates on the merits of the above-mentioned request submitted by TRG.



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4.4. Modifications of the constitutive act

Company's constitutive act may be modified by the General Assembly of Shareholders, in accordance with the provisions of Law no. 31/1990 on companies, corroborated with the provisions of the Constitutive Act. The constitutive act may be modified by Company's Board of Directors, such responsibility being delegated by the assembly of shareholders, according to the provisions of art. 114 of Law no. 31 / 1990 on companies.



5. THE FINANCIAL-ACCOUNTING SITUATION

The current financial condition compared with the financial condition during the previous three years, minimally outlining:

a) annual statement elements; assets which account for at least 10% of the total assets; cash and other liquid availabilities; re-invested profits; total current assets; total current liabilities.

THE SITUATION OF THE MAIN INDICATORS BETWEEN 31.12.2007 – 31.12.2009

A. BALANCE SHEET INDICATORS

	ASSETS	Lei		Lei		Lei	
		decembrie 2009	%	decembrie 2008	%	decembrie 2007	%
I.	Fixed assets	3,569,077,207	69	2,429,703,829	57	2,144,382,650	50
1	Non-tangible assets	6,922,484	0	4,866,471	0	4,355,690	0
	other assets	6,891,786	0	4,835,773	0	1,790,145	0
	down payments and non-material assets in course of execution	30,698	0	30,698	0	2,565,545	0
2	Tangible assets	1,563,231,644	30	1,300,879,071	30	1,182,532,653	28
	land and constructions	688,202,336	13	620,215,482	15	654,075,050	15
	plants and equipment	395,179,444	8	335,782,440	8	312,277,957	7
	other tangible assets	3,629,815	0	1,503,185	0	1,558,953	0
	down payments and tangible assets in course of execution	476,220,049	9	343,377,964	8	214,620,693	5
3	Financial assets	1,998,923,079	39	1,123,958,287	26	957,494,307	22
	Immobilized receivables	118,516	0	98,139	0	85,415	0
	Shares held in affiliated entities and immobilized	1,998,804,563	39	1,123,860,148	26	957,408,892	22



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	investments						
II.	Circulating assets	1,605,779,478	31	1,840,237,966	43	2,146,602,363	50
1	Inventories	636,774,965	12	499,871,863	12	628,692,301	15
	Feedstocks and consumables	427,699,499	8	305,868,197	7	366,680,707	9
	Production in progress	121,125,554	2	55,795,559	1	76,943,011	2
	Finished products and commodities	71,374,471	1	89,466,397	2	139,087,486	3
	Down payments for purchases of inventories	16,575,441	0	48,741,710	1	45,981,097	1
2	Other circulating assets	969,004,513	19	1,340,366,103	31	1,517,910,062	35
	Commercial receivables	710,395,457	14	1,183,323,922	28	1,457,450,860	34
	Other receivables	208,813,228	4	46,112,994	1	47,353,740	1
	Cash and bank accounts	49,795,828	1	110,929,187	3	13,105,462	0
III.	Prepaid expenses	1,106,427	0	1,609,240	0	1,018,484	0
	Prepaid expenses	1,106,427	0	1,609,240	0	1,018,484	0
	Total assets	5,175,963,112	100	4,271,551,035	100	4,292,003,497	100
	LIABILITIES						
I.	EQUITY	1,151,854,310	22	1,562,562,987	37	2,064,121,985	48.1
	Share capital	2,109,927,600	41	2,109,927,600	49	2,109,927,600	49
	Reserves	1,958,363,433	38	1,958,363,433	46	1,954,639,052	46
	Reserves from re-evaluation	195,579,781	4	132,172,373	3	132,172,373	3
	Accumulated profit (+) or loss (-)	(2,637,900,419)	(51)	(2,172,887,278)	(51)	(1,818,293,837)	(42)
	Annual profit (+) or loss (-)	(474,116,085)	(9)	(465,013,141)	(11)	(314,323,203)	(7)
II.	PROVISIONS	32,977,770	1	34,823,598	1	9,221,647	
III.	Liabilities	3,991,131,032	77	2,672,318,772	63	2,216,524,886	51.6
	Loans from issue of bonds	66,360,429		167,291,505		216,223,199	5
	Short term bank loans	37,664,604	1	755,140,676	18	446,593,166	10
	Commercial debts	1,088,206,862	21	1,269,758,137	30	1,165,557,413	27
	Advance payments received for orders	14,604,176	0	34,275,851	1	34,463,500	1

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	Loans from companies within the Group	2,426,920,307	47	119,179,380	3		
	Other liabilities	357,374,654	7	326,673,223	8	353,687,608	8
IV	Income in advance	0	0	1,845,678	0	2,134,979	0
	Income in advance	0	0	1,845,678	0	2,134,979	0
	Amounts received and in course of clarification		0		0		0
	Total liabilities	5,175,963,112	100	4,271,551,035	100	4,292,003,497	100

- i) The **tangible assets** account for a large part of the total assets (30%) – land, constructions, plants, assets in course of immobilization. At the end of 2009, such assets reached a value of RON 1,563,231,644, higher than in 2007 and 2008 (RON 1,182,532,653 and, respectively, RON 1,300,879,071) especially due to:

- new investments;
- ammortisation (depreciation of fixed assets).

Depending on the increase / decrease of one of these factors, the value of immobilizations increases or decreases throughout the financial year.

- ii) Within the category of **financial immobilizations** (39%), the greatest part is represented by the participation titles (99.99%). Their increase compared with the years 2007 and 2008 is due to the contribution in kind and in cash to the share capital of the companies within the Rompetrol Group.

In 2009, the Company increased its participation in Rompetrol Petrochemicals S.R.L., by the amount of RON 244,944,420 (conversion of debts).

Also, Company's participation in Rompetrol Downstream S.R.L. was increased in 2009, by way of conversion of debts, in the amount of RON 630,000,000.

- iii) **The total inventories** have increased by 27.4% in comparison to 2008 and by 1.3% in comparison to 2007. Compared to 2008, an increase was recorded in relation to:

- inventories of feedstocks and materials, by approx. 40%, mainly due to the increase of the purchase price at the end of the year 2009;

- semi-products inventories, 2.2 times larger than those recorded at the end of the year 2008 (from RON 55,795,559 in 2008 to RON 121,125,554 in 2009).

The difference in quotation recorded in December 2009, compared to December 2008, is the main cause of such significant increase.

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If, in December 2008, the Ural quotation was USD 282.68 / ton, in December 2009 said quotation reached USD 537.31 / ton.

- iv) **The receivables** are lower by 40% than those registered at 31.12.2008, due to management's concern to faster collect the amounts that the Company was owed from the sales of finished products.
- v) **Company's own capitals** (which represent 22% of the liabilities) have decreased at 31.12.2009 from RON 1,562,562,987 to RON 1.151.854.310, i.e. by approx. 26.2% lower than in the year 2008. In comparison to the year 2007, the capitals decreased by 44.2% due to the loss registered (both the cumulated loss from 2008 and the loss registered in 2009).
- vi) **The total liabilities** at the end of the year 2009 recorded an increase of 49.3% compared to 31.12.2008 and by 80% compared to the year 2007. The largest increase in the total liabilities is recorded in the section „other liabilities”, due to the loan granted to the Company by The Rompetrol Group N.V., whilst the values recorded in the sections „short term bank loans” and „commercial liabilities” decreased. The loan granted by The Rompetrol Group was utilized to ensure the working capital and the financing required for the investment projects (in technology and protection of environmental)

b) the profit and loss account; net sales; gross revenues; costs and expenses accounting for at least 20% of the net sales or gross revenues; provisions for risk and for various expenses; presentation of any sale or shut down of a segment of business which took place during the past year or which shall take place during the following year; declared and paid dividends.

Financial Indicators

	2009	2008	2007
NET TURNOVER	6,281,160,059	8,665,021,543	5,429,312,435
SOLD PRODUCTS	6,171,259,842	8,645,666,627	5,393,696,367
OPERATIONAL REVENUES	6,332,902,636	8,678,797,265	5,475,364,748
FINANCIAL REVENUES	853,305,727	746,729,120	527,129,145
EXCEPTIONAL REVENUES			
TOTAL REVENUES	7,186,208,363	9,425,526,385	6,002,493,893
OPERATIONAL EXPENSES	6,675,887,362	8,661,637,313	5,512,214,484
o/w:			
- feedstocks	5,739,614,576	7,763,202,520	4,846,992,109
- energies	281,651,042	286,237,205	184,525,286
FINANCIAL EXPENSES	984,408,419	1,228,902,213	804,602,612
EXCEPTIONAL EXPENSES			

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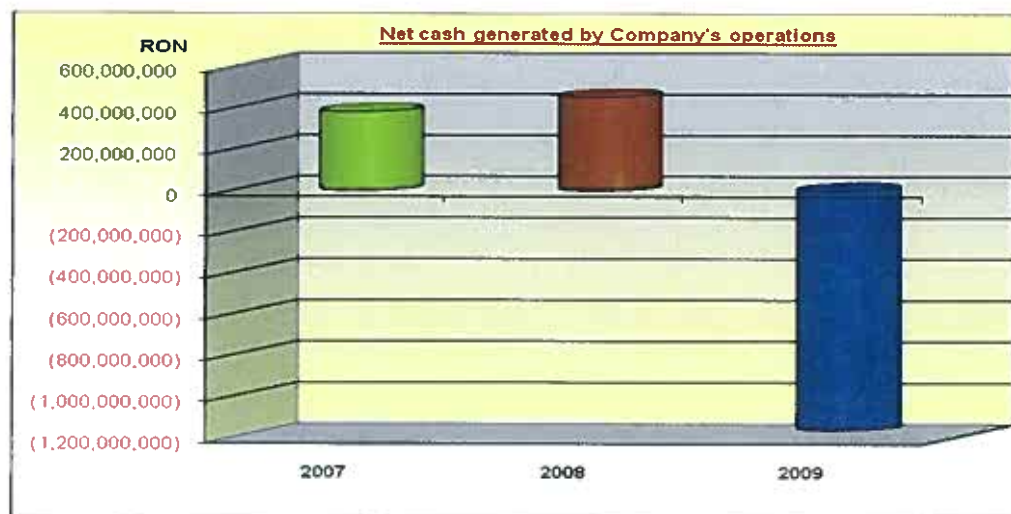
TOTAL EXPENSES	7,660,295,781	9,890,539,526	6,316,817,096
OPERATIONAL RESULT	(342,984,726)	17,159,952	(36,849,736)
FINANCIAL RESULT	(131,102,692)	(482,173,093)	(277,473,467)
EXCEPTIONAL RESULT	0	0	0
Profit tax	28,667		
TOTAL RESULT	(474,116,085)	(465,013,141)	(314,323,203)

- i. **The turnover** recorded at 31.12.2009 was by 16% higher than the one recorded in 2007 and by 28% lower than in 2008, the main cause of such decrease being the fluctuation of petroleum products and feedstock prices, from the 3 years in question;
- ii. **The net sales** increased by 14% in comparison with 2007 and have recorded lower values by 29% in comparison with 2008, due to the same influence mentioned above;
- iii. **The total expenses** increased by approx. 21% in comparison with the ones in 2007, and by 23%, in comparison with 2008. Similarly with revenues, the expenses are correlated to the fluctuation of the prices of raw materials, which represent 75% of the total expenses.
- iv. The total result of Rompetrol Rafinare, as at 31.12.2009, recorded a loss by 49% higher than in 2007 and by 1% higher than in 2008.

c) cash flow: all the changes in the cash level of the main activity, the investments and the financial activity, the cash level at the beginning and at the end of the reported period.

In 2009, the net cash flow situation reflects Company's effort to efficiently harmonize the operational cash requirements with a balanced financing policy.

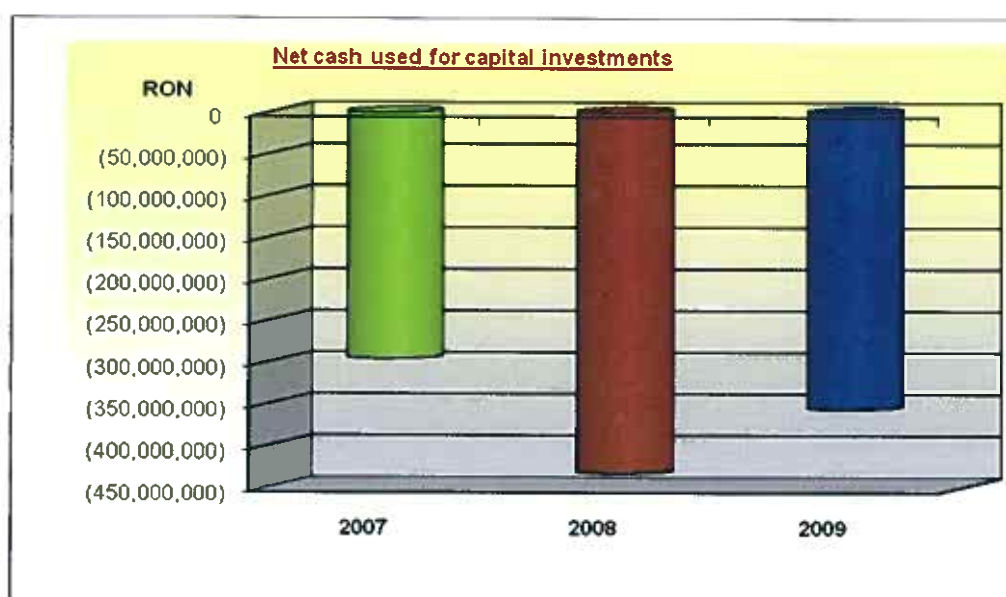
The Company recorded an increase in the commercial liabilities and in the value of petroleum products inventories, which affected the operational cash flow, due to the fact that the international crude oil quotations doubled, such quotations reaching the value of USD 77.67 / bbl at the end of the year 2009, compared to USD 36.55 / bbl on December 31st, 2008.



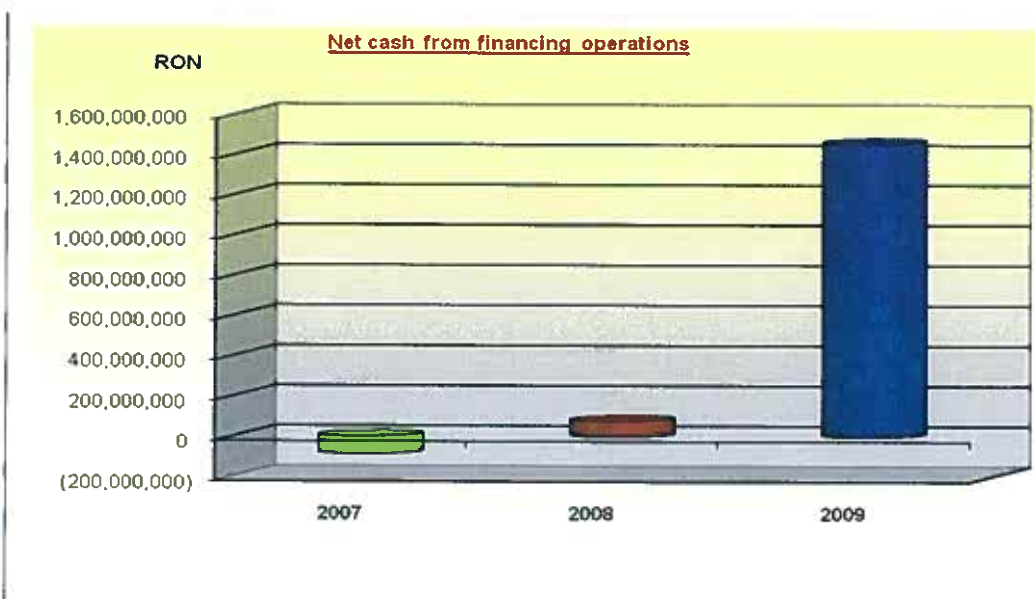
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The cash flow implied by capital investments reflects Company's preoccupation with the continuation of refinery revamp investments, for the purpose of reaching the following goals:

- debottlenecking the refinery and the production of fuels having a specification that complies with the European requirements, as well as the white products output;
- complying with the European Union requirements, with the applicable environmental requirements, especially for the purpose of reducing the nitrogen oxide, sulphur, volatile organic compounds and carbon dioxide emissions.



The financing cash flow is positive, due to the fact that the Company has been supported by the majority shareholder in relation to the coverage of urgent cash requirements for capital investments as well as of refinery's operational development.



6. ANNEXES

a) Modifications of Company's Constitutive Act

No modifications were made in Company's constitutive act, during the year 2009.

b) Important contracts concluded by the Company during the reported year

Important contracts under which Rompetrol Rafinare acts as supplier:

- Contract no. 331.12.2008 concluded with Rompetrol Downstream S.R.L., regarding the sale of oil products, of a value of RON 5,388,386,900;
- Contract 2009/16.12.2008 concluded with Vector Energy A.G., regarding the export sale of oil products, of a value of USD 724,092,137;
- Contract no. RR 511/12.12.2003, automatically extended during 2009, concluded with Rompetrol Petrochemicals S.R.L., regarding the sale of propane-propylene blend, of a value of RON 126.655.211;
- Contract no. RR 38/10.09.2008, concluded with Rompetrol Gas S.R.L., regarding the sale of LPG, of a value of RON 331.826.555.

Important contracts under which Rompetrol Rafinare acts as beneficiary:

- Contract Feedstock 2009 concluded with Vector Energy AG, regarding the purchase of crude oil, of a value of USD 1,507,500,000;
- Contract MTBE 2009, concluded with Vector Energy AG regarding the purchase of MTBE, of a value of USD 28,696,945;
- Contract no. CD530/16.12.2008 – RR-CP 370/29.12.2008, concluded with Conpet SA, regarding the provision of transportation services of crude oil stored at Oil Terminal S.A., of a total value of RON 8,325,376;
- Contract no. RR 224/16.04.2009, concluded with HALDOR TOPSOE, regarding the HPM catalysts, of a total value of EURO 1,381,136.37.
- Contract no. RR 421/30.07.2009, concluded with UOP LIMITED, regarding the RC catalysts, of a total value of USD 563,769.25;
- Contract no. RR 492/31.08.2009, concluded with HALDOR TOPSOE, regarding the HDV catalysts, of a total value of EUR 1,723,274.74;
- Contract no. RR 68/23.01.09, concluded with OLTCHIM SA RM. VALCEA, pentru chlorine hydride, soda-lye, hipoclorite, of a total value of RON 3,325,740;
- Contract no. RR 13/7.01.2009, (respectively, no. 1/2009 – WIEE), concluded with WIEE Romania S.R.L. regarding the purchase of natural gas, of a value of USD 25,000,000 /annum (RR+VEGA), according to Addendum no. 6/8.10.2010;
- Contract no. RR 377/31.12.2008 (respectively no. 1/2008 – UTM), concluded with Uzina Termoelectrică MIDIA S.A., regarding the purchase of heat, extended in accordance with the Addendum no. 1/16.12.2009, of a value of approx. RON 56,625,000 /annum;
- Contract no. RR 22/24.01.2008 (respectively no. 3/2008 - UTM), concluded with Uzina Termoelectrică MIDIA S.A. regarding the purchase of demineralized water, extended in



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accordance with the addendum no. 2/16.12.2009, of an approximate value of RON 6,100,000 / annum;

- Contract no. RR 118/22.02.2010 (respectively no. 5 PETROM GAS), concluded with PETROM GAS SRL regarding the purchase of natural gas, of a value of 51.500.000 lei/an;
- Contract no. RR 116/29.05.2008, concluded with ALPIQ ROMENERGIE SRL regarding the purchase of electrical power, of an approximate value of RON 115.170.000 /annum.

c) resignations/dismissals, by/of members of the board of directors, executive management, censors.

During the reported year, Mr. Marius Corcoman-Târcolea resigned from the position of director of ROMPETROL RAFINARE S.A.; he is currently holding the position of Deputy Finances and Corporative Center Officer, The Rompetrol Group N.V.

d) the list of subsidiary companies and of companies controlled by Rompetrol Rafinare S.A.

At the end of the year 2008, the Company had two work locations, as follows:

- i) Place of business in Năvodari, County Road 226, Km. 23, Constanța County;
- ii) Place of business in Ploiești, Văleni street, no. 146, Prahova county, carries out business in the location owned by Rompetrol Rafinare, named "Rompetrol Rafinare - VEGA Refinery Work Location".

Currently, Rompetrol Rafinare S.A. controls the following companies:

- directly:

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

- indirectly:

- S.C. Global Security Sistem S.A.;
- S.C. Rompetrol Gas S.R.L
- Intreprinderea Mixtă Moldintergaz S.R.L.
- S.C. Contrast S.R.L.

e) affiliated companies.³

Rompetrol Rafinare S.A. is part of the Rompetrol Group.

The Rompetrol Group is registered with the National Committee of Securities and comprises the following companies:

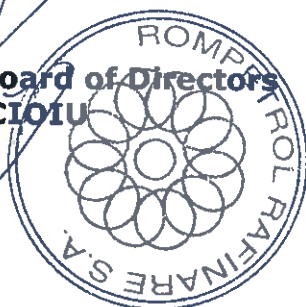
- The Rompetrol Group NV
- Rompetrol Georgia LTD
- Rompetrol Rusia LLC (SRL)
- Rompetrol SA
- Rompetrol Financial Group LLC (SRL)
- SC "IFN Fingroup Credit" SA
- SC "Fingroup Agent de Asigurare" LLC SRL
- Rompetrol Bulgaria JSC
- Rompetrol Albania Downstream Sh.A
- RP Albania Wholesale Sh.A
- Rompetrol Well Services JSC (SA)
- Geopetsa Servicios Petroleros JSC (SA)
- Rompetrol Upstream International Ltd
- Rominserv LLC (SRL)
- Ecomaster – Servicii Ecologice LLC (SRL)
- Întreprinderea Mixta Palplast LLLC(SRL)
- Întreprinderea Mixta "Rompetrol Moldova" JSC (SA)
- Vector Energy JSC (SA)
- Rominservices Therm JSC (SA)
- Rompetrol Logistics LLC (SRL)
- Rompetrol Petrochemicals LLC (SRL)
- Rompetrol Downstream LLC (SRL)
- Rom Oil JSC (SA)
- Rompetrol Quality Control LLC (SRL)
- Palplast JSC (SA)
- Global Security Sistem JSC (SA)
- SC Contrast LLC (SRL)
- SC Uzina Termoelectrica Midia JSC (SA)
- Romcalor Oil Services JSC (SA)
- Rompetrol France SAS
- Dyneff SAS
- DPPLN SAS
- Dyneff Espagne SAS

³ Due to the fact that the Emergency Government Order no. 28/2002, which defined the term "affiliated company", has been abrogated and in lack of another regulation issued by stock exchange institutions to define said term, all the companies of the Rompetrol Group are listed at this section.

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- TMP SAS
- Dyneff Catalogne SLU
- Rompetrol Gas LLC (SRL)
- Midia Marine Terminal LLC (SRL)
- LLC Rompetrol Ukraine
- Rompetrol Albania ShA
- Rompetrol Distribution Albania Sh.A.
- Intreprinderea Mixta "Moldintergaz" LLC (SRL)
- Byron Shipping LTD
- Rompetrol Holding JSC (SA)
- KazMunaiGaz PKOP Investment B.V.
- Rominserv Kazakhstan LTD
- Agat Ltd.

Chairman of the Board of Directors
Alexandru NICOLCIOIU



Chief Executive Officer
Vasile-Cosmin TURCU

Chief Financial Officer
Giani-Iulian KACIC