

County: 13—CONSTANTA BIG CONTRIBUTORS  
Legal person: SC ROMPETROL RAFINARE SA  
Address: CONSTANTA, County road 226 KM 23, tel. 506100

Number with the Register of Commerce: J13/534/February 5, 1991  
Form of ownership: 34—Joint-stock companies  
Main activity (NACE class code and name): 1920—Manufacturing of the products obtained from crude oil processing

Tax identity code: 1860712

**S.C. ROMPETROL RAFINARE S.A.**

**UNCONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2009**

PREPARED ACCORDING TO  
ORDER NO. 1752/2005 ISSUED BY THE MINISTER OF PUBLIC FINANCES

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

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

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

**1 Am auditat situatiile financiare anexate ale societatii S.C. Rompetrol Rafinare S.A. ("Societatea") care cuprind bilantul la data de 31 decembrie 2009, contul de profit si pierdere, situatia modificarilor capitalului propriu si situatia fluxurilor de trezorerie pentru exercitiul financiar incheiat la aceasta data si un sumar al politicilor contabile semnificative si alte note explicative, numerotate de la pagina 3 la pagina 46. Situatiile financiare mentionate se refera la:**

- ▶ **Activ net/Total capitaluri:** 1.151.854 mii lei
- ▶ **Rezultatul net al exercitiului financiar:** 474.116 mii lei, pierdere

**1 We have audited the accompanying financial statements of S.C. Rompetrol Rafinare S.A. ("the Company"), which comprise the balance sheet as at 31 December 2009, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes set out on pages 3 to 46, presenting the following:**

- ▶ **Net assets/Total equity and reserves:** 1,151,854 thousand lei
- ▶ **Loss for the year:** 474,116 thousand lei

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

**2 Conducerea Societatii are responsabilitatea intocmirii si prezentarii fidele a acestor situatii financiare in conformitate cu Ordinul Ministrului Finantelor Publice nr. 1752/2005 cu modificarile ulterioare si cu politicile contabile descrise in notele la situatiile financiare. Aceasta responsabilitate include: proiectarea, implementarea si mentinerea unui control intern relevant pentru intocmirea si prezentarea fidela a situatiilor financiare care sa nu contina denaturari semnificative, datorate fraudei sau erorii; selectarea si aplicarea politicilor contabile adecvate; elaborarea unor estimari contabile rezonabile in circumstantele date.**

**2 Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Order of the Minister of Public Finance no. 1752/2005 and subsequent amendments and as described in the accounting policies presented in the notes to the financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.**

## Responsabilitatea auditorului

### *Auditors' responsibility*

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

**Opinia***Opinion*

6 In opinia noastra, situatiile financiare ofera o imagine fidela si justa a pozitiei financiare a Societatii la data de 31 decembrie 2009, ca si asupra performantei financiare si a fluxurilor de numerar pentru exercitiul financiar incheiat la aceasta data, in conformitate cu Ordinul Ministrului Finantelor Publice nr. 1752/2005 cu modificarile ulterioare si cu politicile contabile descrise in notele la situatiile financiare.

6 In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2009, and of its financial performance and its cash flows for the year then ended in accordance with the Order of the Minister of Public Finance no. 1752/2005 and subsequent amendments and as described in the accounting policies presented in the notes to the financial statements.

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

In conformitate cu Ordinul Ministrului Finantelor Publice nr. 1752/2005, articolul 263, punctul 2, noi am citit raportul administratorilor atasat situatiilor financiare. Raportul administratorilor nu face parte din situatiile financiare. In raportul administratorilor, noi nu am identificat informatii financiare care sa nu fie in mod semnificativ in conformitate cu informatiile prezentate in situatiile financiare la 31 decembrie 2009, atasate.

In accordance with the Order of the Minister of Public Finance no 1752/2005, article no. 263 point 2) we have read the Administrators' Report. The Administrators' Report is not a part of the financial statements. In the Administrators' Report we have not identified any financial information which is not in accordance, in all material respects, with the information presented in the accompanying financial statements as at 31 December 2009.

**In numele***On behalf of***Ernst & Young Assurance Services SRL**

Inregistrat la Camera Auditorilor Financiari din Romania

Cu nr. 77/15 august 2001

Registered with the Chamber of Financial Auditors in Romania

Nr. 77/15 August 2001

 ERNST & YOUNG**14-04-2010**

Numele semnatarului: Andreas Hadjidamianou

Name of signing person: Andreas Hadjidamianou

Initialed for identification  
Semnat pentru identificare

Inregistrat la Camera Auditorilor Financiari din Romania

Cu nr. 3357/11.01.2010

Registered with the Chamber of Financial Auditors in Romania

Nr. 3357/11.01.2010

Bucuresti, Romania

14 aprilie 2010

Bucharest, Romania

14 April 2010

Traducere in limba engleza in scopul informarii.

English translation for information purposes.

S.C. ROMPETROL RAFINARE S.A.

Unconsolidated balance sheet for the year concluded at December 31, 2009

(Unless otherwise stated, the amounts are expressed in RON)

	Row no.	Balance at the beginning of the period	Balance at the end of the period
A	B	1	2
<b>A. FIXED ASSETS</b>			
<b>I. INTANGIBLE ASSETS</b>			
1. Set up expenses (acc. 201-2801)	01	0	0
2. Development expenses (acc. 203-2803-2903)	02	0	0
3. Concessions, patents, licenses, trademarks, rights and similar values and other intangible assets (acc. 205+208-2805-2808-2905-2908)	03	4,683,053	6,739,066
4. Goodwill (acc. 2071-2807-2907)	04	152,720	152,720
5. Advances and intangible assets in progress (acc. 233+234-2933)	05	30,698	30,698
<b>TOTAL (rows 01 to 05)</b>	06	<b>4,866,471</b>	<b>6,922,484</b>
<b>II. TANGIBLE ASSETS</b>			
1. Land and buildings (acc. 211+212-2811-2812-2911-2912)	07	620,215,482	688,202,336
2. Technical installations and machines (acc. 213-2813-2913)	08	335,782,440	395,179,444
3. Other installations, machines and furniture (acc. 214-2814-2914)	09	1,503,185	3,629,815
4. Advances and tangible assets in progress (acc. 231+232-2931)	10	343,377,964	476,220,049
<b>TOTAL (rows 07 to 10)</b>	11	<b>1,300,879,071</b>	<b>1,563,231,644</b>
<b>III. FINANCIAL ASSETS</b>			
1. Shares held in affiliated entities (acc. 261-2961)	12	1,123,860,148	1,998,804,563
2. Loans to affiliated entities (acc. 2671+2672-2964)	13	0	0
3. Participating interests (acc. 263-2962)	14	0	0
4. Loans to entities the company is related to through participation interests (acc. 2673+2674-2965)	15	0	0
5. Investments held as fixed assets (265-2963)	16	85,415	80,415
6. Other loans (acc. 2675*+2676*+2678+2679*-2966*-2968*)	17	12,724	38,101
<b>TOTAL (rows 12 to 18)</b>	18	<b>1,123,958,287</b>	<b>1,998,923,079</b>
<b>FIXED ASSETS - TOTAL (rows 06+11+18)</b>	19	<b>2,429,703,829</b>	<b>3,569,077,207</b>
<b>B. CURRENT ASSETS</b>			
<b>I. INVENTORIES</b>			
1. Raw materials and consumables (acc. 301+302+303+/-308+351+358+381+/-388-391-392-3951-3958-398)	20	305,868,197	427,699,499
2. Production in progress (acc. 331+332+341+/-348-393-3941-3952)	21	55,795,559	121,125,554
3. Finished products and merchandise (acc. 345+346+348+354+356+357+361+/-368+371+/-378-3945-3946-3953-3954-3956-3957-396-397-4428)	22	89,466,397	71,374,471
4. Advances for the purchase of stocks (acc. 4091)	23	48,741,710	16,575,441
<b>TOTAL (rows 21 to 23)</b>	24	<b>499,871,863</b>	<b>636,774,965</b>

S.C. ROMPETROL RAFINARE S.A.

Unconsolidated balance sheet for the year concluded at December 31, 2009

(Unless otherwise stated, the amounts are expressed in RON)

	Row no.	Balance at the beginning of the period	Balance at the end of the period
A	B	1	2
<b>II RECEIVABLES</b> (The amounts to be collected after more than one year shall be presented separately for each item)			
1. Commercial receivables (acc. 2675*+2676*+2678*+2679*-2966*-2968*+4092+411+413+418-491)	25	1,183,323,922	710,395,457
2. Amounts to collect from affiliated companies (acc. 451*-495)	26	10,006,799	188,889,885
3. Amounts to collect from the entities the company is related to through participation interests (acc. 453-495)	27	0	0
4. Other receivables (acc. 425+4282+431+437+4382+441+4424+4428+444+445+446+447+4482+4582+461+473-496+5187)	28	36,106,195	19,923,343
5. Subscribed and unpaid capital (acc. 456-4953)	29	0	0
<b>TOTAL (rows 25 to 29)</b>	30	<b>1,229,436,916</b>	<b>919,208,685</b>
<b>III. SHORT-TERM FINANCIAL INVESTMENTS</b>			
1. Shares held in affiliated entities (acc. 501-591)	31	0	0
3. Other short-term investments (acc. 505+506+508-595-596-598+5113+5114)	32	0	0
<b>TOTAL (rows 31 to 32)</b>	33	<b>0</b>	<b>0</b>
<b>IV. CASH AT BANK AND IN HAND</b> (acc. 5112+512+531+532+541+542)	34	110,929,187	49,795,828
<b>CURRENT ASSETS - TOTAL (rows 24+30+33+34)</b>	35	<b>1,840,237,966</b>	<b>1,605,779,478</b>
<b>C. PREPAID EXPENSES</b> (acc. 471)	36	1,609,240	1,106,427
<b>D. DEBTS TO BE PAID WITHIN ONE YEAR</b>			
1. Loans from the issuance of bonds, presenting the loans from the issuance of convertible bonds separately (acc. 161+1681-169)	37	76,437,239	66,360,429
2. Amounts due to credit institutions (acc. 1621+1622+1624 +1625+1627+1682+5191+5192+5198)	38	755,140,676	37,664,604
3. Advances collected on account of orders (acc. 419)	39	34,275,851	14,604,176
4. Commercial debts (acc. 401+404+408)	40	1,269,758,137	1,088,206,862
5. Bills of exchange payable (acc. 403+405)	41		
6. Amounts due to affiliated entities (acc. 1661+1685+2691+451)	42	119,669,133	2,473,269,231
7. Amounts due to entities the company is related to through participating interests (acc. 1663+1686+2692+453)	43		
8. Other debts, including fiscal debts and other debts for social insurance (acc. 1623+1626+167+1687+2693+421+423+424+426+427+4281+431+437+4381+441+4423+4428+444+446+447+4481 +455+456+457+4581+462+473+509+5186+5193+5194 +5195+5196+5197)	44	325,747,065	310,644,073
<b>TOTAL (rows 37 to 44)</b>	45	<b>2,581,028,101</b>	<b>3,990,749,375</b>

## S.C. ROMPETROL RAFINARE S.A.

Unconsolidated balance sheet for the year concluded at December 31, 2009

(Unless otherwise stated, the amounts are expressed in RON)

	Row no.	Balance at the beginning of the period	Balance at the end of the period
A	B	1	2
<b>E. NET CURRENT ASSETS / NET CURRENT DEBTS</b> (rows 35+36-45-62)	46	(741,026,573)	(2,383,863,470)
<b>F. TOTAL ASSETS MINUS CURRENT DEBTS</b> (rows 19+46)	47	1,688,677,256	1,185,213,737
<b>G. DEBTS: AMOUNTS TO BE PAID WITHIN MORE THAN ONE YEAR</b>			
1. Loans from the issuance of bonds, presenting the loans from the issuance of convertible bonds separately (acc. 161+1681-169)	48	90,854,266	0
2. Amounts due to credit institutions (acc. 1621+1622+1624+1625+1627+1682+5191+5192+5198)	49		
3. Advances collected on account of orders (acc. 419)	50		
4. Commercial debts (acc. 401+404+408)	51		
5. Bills of exchange payable (acc. 403+405)	52		
6. Amounts due to affiliated entities (acc.1661+1685+2691+451)	53	0	0
7. Amounts due to entities the company is related to through participating interests (acc. 1663+1686+2692+453)	54		
8. Other debts, including fiscal debts and other debts for social insurance (acc. 1623+1626+167+1687+2693+421 + 423+424+426+427+4281+431+437+4381+441+4423 + 4428+444+446+447+4481+455+456+457+4581 +462+ 473+509+5186+5193+5194+5195+5196+5197)	55	436,405	381,657
<b>TOTAL (rows 48 to 55)</b>	56	91,290,671	381,657
<b>H. PROVISIONS</b>			
1. Provisions for pensions and similar obligations (acc. 1515)	57	7,020,473	5,709,841
2.Provisions for taxes (acc. 1516)	58		0
3. Other provisions (acc. 1511+1512+1513+1514+1518)	59	27,803,125	27,267,929
<b>TOTAL PROVISIONS (rows 57+59)</b>	60	34,823,598	32,977,770
<b>I. DEFERRED INCOME</b>			
- Subventions for investments (acc. 131+132+133+134+138)	61		
- Deferred income (acc. 472)	62	1,845,678	0
<b>TOTAL(rows 61+62)</b>	63	1,845,678	0
<b>J. CAPITAL AND RESERVES I. CAPITAL</b>		2,109,927,600	2,109,927,600
- subscribed paid capital (acc. 1012)	64	2,109,927,600	2,109,927,600
- subscribed unpaid capital (acc. 1011)	65	0	0
- autonomous régie patrimony (acc. 1015)	66		
<b>TOTAL (rows 64 to 66)</b>	67	2,109,927,600	2,109,927,600
<b>II. CAPITAL PREMIUMS (acc. 104)</b>	68		
<b>III. REVALUATION RESERVES (acc. 105)</b>	69	132,172,373	195,579,781



**S.C. ROMPETROL RAFINARE S.A.**

Unconsolidated balance sheet for the year concluded at December 31, 2009

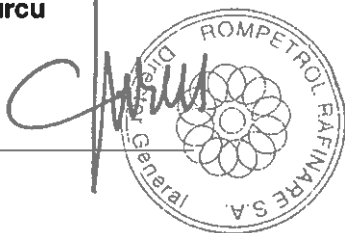
(Unless otherwise stated, the amounts are expressed in RON)

	Row no.	Balance at the beginning of the period	Balance at the end of the period
<b>A</b>	<b>B</b>	<b>1</b>	<b>2</b>
<b>IV. RESERVES</b>			
1. Legal reserves (acc.1061)	70	10,882,193	10,882,193
2. Statutory or contractual reserves (acc. 1063)	71		
3. Reserves representing the surplus from revaluation reserves (acc. 1065)	72	269,363	269,363
4. Other reserves (acc. 1068)	73	1,947,211,877	1,947,211,877
TOTAL (rows 70 to 73)	74	<b>1,958,363,433</b>	<b>1,958,363,433</b>
Equity (acc. 109)	75		
Gains related to equity instruments (acc.141)	76		
Losses related to equity instruments (acc.149)	77		
<b>V. CARRIED FORWARD PROFIT OR LOSS (acc. 117)</b>	78		
Credit balance			
Debit balance	79	2,172,887,278	2,637,900,419
<b>VI. PROFIT OR LOSS OF THE YEAR (acc. 121)</b>	80		
Credit balance		0	0
Debit balance	81	465,013,141	474,116,085
Profit distribution (acc. 129)	82	0	0
<b>TOTAL EQUITY</b> (rows 67+68+69+74-75+76-77+78-79+80-81-82)	83	<b>1,562,562,987</b>	<b>1,151,854,310</b>
Public patrimony (acc.1016)	84		
<b>TOTAL CAPITALS (rows 83+84)</b>	85	<b>1,562,562,987</b>	<b>1,151,854,310</b>

The unconsolidated financial statements from pages 3 – 53 were submitted for approval on 2010 April, 30<sup>th</sup> and signed by:

**General Manager**

**Cosmin Turcu**



**President of the Board of Directors**  
**Alexandru Nicolciolu**

**Economic Manager**

**Giani Iulian Kacic**

S.C. ROMPETROL RAFINARE S.A.

Unconsolidated income statement for the year concluded at December 31, 2009

(Unless otherwise stated, the amounts are expressed in RON)

Item	Row no.	Previous year	Current year
A	B	1	2
1. Net turnover			
(rows 02 to 05)	01	8,665,021,543	6,281,160,059
Sold production			
(acc. 701+702+703+704+705+706+708)	02	8,645,666,627	6,171,259,842
Income from the sale of merchandise (acc.707)	03	19,354,916	109,900,217
Income from the interest registered by the entities whose main object of activity is leasing (acc. 766)	04	0	0
Income from operating subsidies related to the net turnover	05	0	0
(acc. 7411)			
2. Variation of the stocks of finished products and of the production in progress (acc.711)			
Credit balance	06	4,502,303	48,023,730
Debit balance	07	0	0
3. Production performed by the entity for its own purposes and capitalized	08	3,894,619	2,730,013
(acc.721+722)		0	0
4. Other operating income	09	5,378,800	988,834
(acc.758+7417)			
<b>OPERATING INCOME - TOTAL</b>	10	<b>8,678,797,265</b>	<b>6,332,902,636</b>
(rows 01+06-07+08+09)			
5.a) Expenses related to raw materials and consumables	11	7,806,765,064	5,788,022,172
(acc. 601+602-7412)			
Other material expenses	12	1,427,134	1,891,084
(acc. 603+604+606+608)			
b) Other external expenses (related to electricity and water)	13	286,237,205	281,651,042
(acc. 605-7413)			
c) Expenses related to merchandise (acc. 607)	14	17,746,072	108,643,260
6. Personnel expenses (rows 16+17) of which:	15	71,545,104	74,004,904
a) Salaries and indemnities (acc. 641+642-7414)	16	56,088,795	57,964,203
b) Expenses related to insurance and social protection	17	15,456,309	16,040,701
(acc. 645-7415)		0	0
7.a) Value adjustments regarding tangible and intangible assets (rows 19-20)	18	150,087,194	154,866,640
a.1) Expenses (acc. 6811+6813)	19	150,087,194	159,750,213
a.2) Income (acc. 7813)	20	0	4,883,573
b) Value adjustments regarding current assets (rows 22-23)	21	70,511,551	(11,040,855)
b.1) Expenses (acc. 654+6814)	22	73,742,673	20,977,113
b.2) Income (acc. 754+7814)	23	3,231,122	32,017,968
8. Other operating expenses (rows 25 to 28)	24	271,986,276	279,694,943
8.1. Expenses related to external performances	25	256,378,443	260,906,418

## S.C. ROMPETROL RAFINARE S.A.

Unconsolidated income statement for the year concluded at December 31, 2009

(Unless otherwise stated, the amounts are expressed in RON)

Item	Row no.	Previous year	Current year
A	B	1	2
(acc. 611+612+613+614+621+622+623+624+625+626+627+628-7416)			
8.2.Expenses related to other taxes, duties and similar payments (acc. 635)	26	9,782,205	10,710,414
8.3.Expenses related to compensations, donations and assigned assets (acc. 658)	27	5,825,628	8,078,111
Expenses related to refinancing interest registered by the entities whose main object of activity is leasing (acc. 666)	28	0	0
Adjustments related to provisions (rows 30-31)	29	(14,668,287)	(1,845,828)
Expenses (acc. 6812)	30	0	0
Income (acc. 7812)	31	14,668,287	1,845,828
<b>OPERATING EXPENSES - TOTAL</b>	32	<b>8,661,637,313</b>	<b>6,675,887,362</b>
(rows 11 to 15+18+21+24+29)			
<b>OPERATING PROFIT OR LOSS:</b>			
- Profit (rows 10-32)	33	<b>17,159,952</b>	<b>0</b>
- Loss (rows 32-10)	34	<b>0</b>	<b>342,984,726</b>
9. Income from participating interests	35	255,345	0
(acc. 7611+7613)			
- of which, income obtained from affiliated entities	36	255,345	0
10.Income from other investments and loans which are part of			
fixed assets (acc.763)	37	0	0
- of which, income obtained from affiliated entities	38		
11.Interest income (acc. 766)	39	2,271,210	5,713,871
- of which, income obtained from affiliated entities	40	648,753	2,396,649
Other financial income	41	744,202,565	847,591,856
(acc. 762+764+765+767+768)			
<b>FINANCIAL INCOME - TOTAL</b>	42	<b>746,729,120</b>	<b>853,305,727</b>
(rows 35+37+39+41)			
12.Value adjustments regarding financial assets and investments			
held as current assets (rows 44-41)	43	0	0
Expenses (acc. 686)	44	0	0
Income (acc. 786)	45	0	0
13. Interest expenses (acc. 666 - 7418)	46	122,598,537	62,917,879
- of which, expenses in the relation with affiliated entities	47	2,961,693	40,269,530
Other financial expenses	48	1,106,303,676	921,490,540
(acc. 663+664+665+667+668)			
<b>FINANCIAL EXPENSES - TOTAL</b>	49	<b>1,228,902,213</b>	<b>984,408,419</b>
(rows 43+46+48)			
<b>FINANCIAL PROFIT OR LOSS:</b>			

**S.C. ROMPETROL RAFINARE S.A.**

Unconsolidated income statement for the year concluded at December 31, 2009

(Unless otherwise stated, the amounts are expressed in RON)

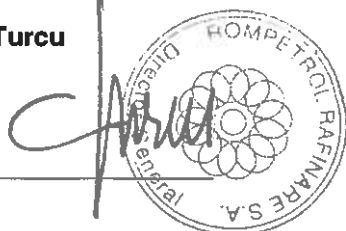
Item	Row no.	Previous year	Current year
A	B	1	2
- Profit (rows 42-49)	50	0	0
- Loss (rows 49-42)	51	482,173,093	131,102,692
<b>14.CURRENT PROFIT OR LOSS:</b>			
- Profit (rows 10+42-32-49)	52	0	0
- Loss (rows 32+49-10-42)	53	465,013,141	474,087,418
15.Extraordinary income (acc. 771)	54	0	0
16.Extraordinary expenses (acc. 671)	55	0	0
<b>17.PROFIT OR LOSS FROM THE EXTRAORDINARY ACTIVITY:</b>			
- Profit (rows 54-55)	56	0	0
- Loss (rows 55-54)	57		
<b>TOTAL INCOME (rows 10+42+54)</b>	58	<b>9,425,526,385</b>	<b>7,186,208,363</b>
<b>TOTAL EXPENSES (rows 32+49+55)</b>	59	<b>9,890,539,526</b>	<b>7,660,295,781</b>
<b>GROSS PROFIT OR LOSS:</b>			
- Profit (rows 58-59)	60	0	0
- Loss (rows 59-58)	61	465,013,141	474,087,418
18.TAX ON PROFIT (acc. 691)	62		28,667
19.Other taxes not included in the above items	63		
(acc. 698)			
<b>20.NET PROFIT OR LOSS OF THE YEAR:</b>			
- Profit (rows 60-62-63)	64	0	0
- Loss	65	465,013,141	474,116,085
(rows 61+62+63)			
(rows 62+63-60)			

The unconsolidated financial statements from pages 3 - 53 were submitted for approval on 2010 April, 30<sup>h</sup> and signed by:

President of the Board of Directors  
Alexandru Nicolciou

General Manager

Cosmin Turcu



Economic Manager

Giani Iulian Kacic

S.C. ROMPETROL RAFINARE S.A.

Unconsolidated cash flow statement for the year concluded at December 31, 2008 and 2009

(Unless otherwise stated, the amounts are expressed in RON)

	Row no.	Previous year	Current year
		1	2
<b>Profit / (Loss) of the year</b>	01	<b>(465,013,141)</b>	<b>(474,087,418)</b>
Adjustments for:			
Expenses related to depreciation	02	135,198,344	149,460,862
Provisions	03	70,732,115	(7,480,568)
of which			
assets		14,888,851	1,070,237
inventories		69,411,619	(11,362,697)
receivables		1,099,932	322,178
liabilities		(14,668,287)	(1,845,828)
reevaluation buildings		0	4,335,542
Penalties	04	44,472,361	53,552,156
Interest expenses related to the issuance of bonds	05	79,597,234	(42,764,398)
Income (expense) from exchange rate differences related to the issuance of bonds and others	06	20,283,690	4,731,686
Income (expense) from exchange rate differences related to loans	07	109,099,109	33,230,757
Income (expense) from exchange rate differences related to receivables/liabilities	08	(5,200,565)	38,017,522
Interest expenses	09	43,001,303	62,917,879
Interest income	10	(2,271,210)	(5,713,871)
Income from financial assets	11	(255,345)	-
Loss/ (net income) from the write-off of fixed assets and financial assets	12	1,233,094	234,818
<b>Cash used in/ from the operating activity before the changes in the working capital (rows 01 to 12)</b>	13	<b>30,876,989</b>	<b>(187,900,575)</b>
Inventories (increase) / decrease	14	59,408,819	(125,540,405)
Receivables (increase) / decrease	15	269,152,795	(561,866,603)
Liabilities increase / (decrease)	16	94,394,210	(286,211,219)
<b>Variation of net current assets /current liabilities (rows 14 to 16)</b>	17	<b>422,955,824</b>	<b>(973,618,227)</b>
<b>Paid profit tax</b>		-	<b>(17,917)</b>
<b>Net cash generated from /used in the operating activity (rows 13+17)</b>	18	<b>453,832,813</b>	<b>(1,161,536,719)</b>
<b>Cash flow used in investment activities</b>	19		

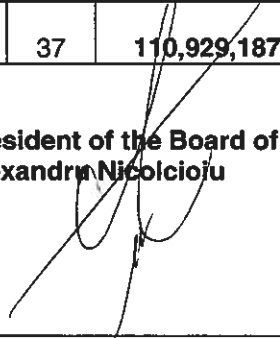
S.C. ROMPETROL RAFINARE S.A.

Unconsolidated cash flow statement for the year concluded at December 31, 2008 and 2009

(Unless otherwise stated, the amounts are expressed in RON)

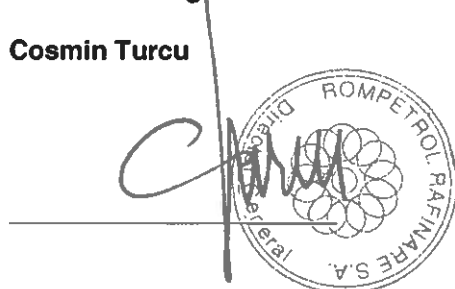
	Row no.	Previous year	Current year
		1	2
Purchase of intangible assets	20	(1,723,946)	(4,918,028)
Purchase of tangible assets	21	(275,232,188)	(351,446,612)
Purchase of financial assets	22	(155,876,715)	(20,377)
Sales of fixed assets	23	171,108	262,002
Collected dividends	24		
<b>Net cash used in investment activities (rows 20 to 24)</b>	<b>25</b>	<b>(432,661,741)</b>	<b>(356,123,015)</b>
<b>Cash flow from financing activities</b>	<b>26</b>		
Increase of the share capital	27	-	-
Increase of financial leasing	28	105,139	(34,242)
Paid interest	29	(43,001,303)	(26,089,723)
Payment of the interest related to the issuance of bonds	30	(148,812,618)	(65,683,986)
Payment of penalties	31	(16,753,238)	(17,730,787)
Received loans	32	593,953,876	2,356,591,915
Reimbursed loans	33	(308,839,203)	(790,526,802)
<b>Net cash from financing activities (rows 26 to 32)</b>	<b>34</b>	<b>76,652,653</b>	<b>1,456,526,375</b>
<b>Net increase of available funds (rows 18+25+33)</b>	<b>35</b>	<b>97,823,725</b>	<b>(61,133,359)</b>
Cash at the beginning of the period	36	13,105,462	110,929,187
<b>Cash at the end of the period (rows 34+35)</b>	<b>37</b>	<b>110,929,187</b>	<b>49,795,828</b>

President of the Board of Directors  
Alexandru Nicolcioiu



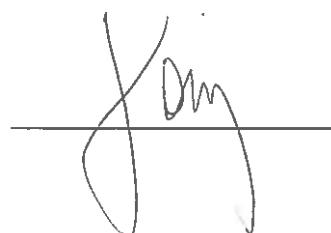
General Manager

Cosmin Turcu



Economic Manager

Giani Iulian Kacic



**S.C. ROMPETROL RAFINARE S.A.**

Unconsolidated statement of changes in equity for the year concluded at December 31, 2008 and 2009  
(Unless otherwise stated, the amounts are expressed in RON)

Item	Balance at the beginning of the year -January 1, 2008	Increases		Decreases		Balance at the end of the year - December 31, 2008
		Total, of which:	By transfer	Total, of which:	By transfer	
<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
Subscribed capital	2,109,927,600	0	0	0	0	2,109,927,600
The Autonomous Régie Patrimony						
Capital premiums	0	0	0	0	0	0
Revaluation reserves *	132,172,373		0			132,172,373
Legal reserves	10,882,193		0	0	0	10,882,193
Statutory or contractual reserves	0	0	0	0	0	0
Reserves representing the surplus achieved from revaluation reserves	269,363					269,363
Other reserves**	1,943,487,496	3,724,381	0	0	0	1,947,211,877
Equity	0	0	0	0	0	0
Gains related to equity instruments						
Losses related to equity instruments						
Carried forward result representing the unachieved profit or the uncovered loss	0	0	0	0	0	0
Credit balance-	0	0	0	0	0	0
Debit balance-	1,754,871,531	314,323,203	314,323,203		0	2,069,194,734
Carried forward result resulting from the adoption for the first time of IAS, less IAS 29	0	0	0	0	0	0
Credit balance	67,357,816	0	0	0	0	67,357,816
Debit balance	0	0	0	0	0	0
Carried forward result resulting from the correction or accounting errors	0	0	0	0	0	0
Credit balance--	0	0	0	0	0	0
Debit balance--	114,936,489	40,270,238	0	0	0	155,206,727

S.C. ROMPETROL RAFINARE S.A.

Unconsolidated statement of changes in equity for the year concluded at December 31, 2008 and 2009  
(Unless otherwise stated, the amounts are expressed in RON)

Item	Balance at the beginning of the year -January 1, 2008	Increases		Decreases		Balance at the end of the year - December 31, 2008
		Total, of which:	By transfer	Total, of which:	By transfer	
0	1	2	3	4	5	6
Carried forward result resulting from the application of accounting regulations according to the fourth directive of the European Economic Communities	0	0	0	0	0	0
Credit balance-						
Debit balance-	15,843,633					15,843,633
Profit or loss of the year	0	0	0	0	0	0
Credit balance			0	0	0	
Debit balance	314,323,203	465,013,141	0	314,323,203	314,323,203	465,013,141
Profit distribution	0	0	0	0	0	0
<b>Total equity</b>	<b>2,064,121,985</b>	<b>(815,882,201)</b>	<b>(314,323,203)</b>	<b>(314,323,203)</b>	<b>(314,323,203)</b>	<b>1,562,562,987</b>



S.C. ROMPETROL RAFINARE S.A.

Unconsolidated statement of changes in equity for the year concluded at December 31, 2008 and 2009  
(Unless otherwise stated, the amounts are expressed in RON)

Item	Balance at the beginning of the year - January 1, 2009	Increases		Decreases		Balance at the end of the year - December 31, 2009
		Total, of which:	By transfer	Total, of which:	By transfer	
<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
Subscribed capital	2,109,927,600	0	0	0	0	2,109,927,600
The Autonomous Régie Patrimony						
Capital premiums	0	0	0	0	0	0
Revaluation reserves *	132,172,373	65,913,247	0	2,505,839		195,579,781
Legal reserves	10,882,193		0	0	0	10,882,193
Statutory or contractual reserves	0	0	0	0	0	0
Reserves representing the surplus achieved from revaluation reserves	269,363					269,363
Other reserves**	1,947,211,877		0	0	0	1,947,211,877
Equity	0	0	0	0	0	0
Gains related to equity instruments						
Losses related to equity instruments						
Carried forward result representing the unachieved profit or the uncovered loss	0	0	0	0	0	0
Credit balance-	0	0	0	0	0	0
Debit balance-	2,069,194,734	465,013,141	465,013,141		0	2,534,207,875
Carried forward result resulting from the adoption for the first time of IAS, less IAS 29	0	0	0	0	0	0
Credit balance	67,357,816	0	0	0	0	67,357,816
Debit balance	0	0	0	0	0	0
Carried forward result resulting from the correction or accounting errors	0	0	0	0	0	0
Credit balance--	0	0	0	0	0	0
Debit balance--	155,206,727	0	0	0	0	155,206,727

S.C. ROMPETROL RAFINARE S.A.

Unconsolidated statement of changes in equity for the year concluded at December 31, 2008 and 2009  
(Unless otherwise stated, the amounts are expressed in RON)

Item	Balance at the beginning of the year - January 1, 2009	Increases		Decreases		Balance at the end of the year - December 31, 2009
		Total, of which:	By transfer	Total, of which:	By transfer	
0	1	2	3	4	5	6
Carried forward result resulting from the application of accounting regulations according to the fourth directive of the European Economic Communities	0	0	0	0	0	0
Credit balance-						
Debit balance-	15,843,633					15,843,633
Profit or loss of the year	0	0	0	0	0	0
Credit balance			0	0	0	
Debit balance	465,013,141	474,116,085	0	465,013,141	465,013,141	474,116,085
Profit distribution	0	0	0	0	0	0
<b>Total equity</b>	<b>1,562,562,987</b>	<b>(873,215,979)</b>	<b>(465,013,141)</b>	<b>(462,507,302)</b>	<b>(465,013,141)</b>	<b>1,151,854,310</b>

S.C. ROMPETROL RAFINARE S.A.

Unconsolidated statement of changes in equity for the year concluded at December 31, 2008 and 2009  
(Unless otherwise stated, the amounts are expressed in RON)

The Company set its legal reserve in accordance with the Company Law, which requires that 5% of the annual accounting profit before tax is transferred to "legal reserve" until the balance of this reserve reaches 20% of the share capital of the Company.

The revaluation surplus reserve is a distributable reserve, while the revaluation reserve is not. The Company does not intend to distribute the revaluation surplus reserve recorded as at 31 December 2008.

When the revaluation surplus reserve is distributed, the reserve will be considered taxable if in accordance with the applicable fiscal legislation at the date the revaluation was performed, the depreciation expenses related to the revalued fixed assets was tax deductible.

The attached notes are part of this financial statements:

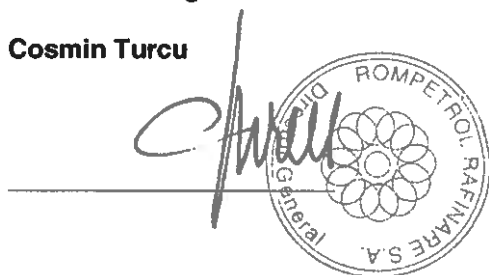
**The unconsolidated financial statements from pages 3 - 53 were submitted for approval on 2010, April, 30th and signed by:**

**President of the Board of Directors**  
**Alexandru Nicolciuiu**



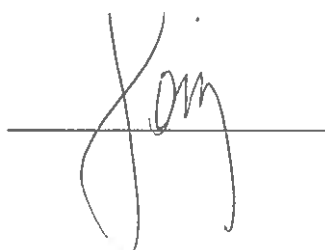
**General Manager**

**Cosmin Turcu**



**Economic Manager**

**Giani Iulian Kacic**



# Annex 1: Fixed Assets

In 2008, the movements of fixed assets were as follows:

Items		Gross values				
		Initial balance	Increases	Decreases		Final balance
	Ro w no.			Total	Of which: dismember ments and write-offs	(col. 5=1+2-3)
A	B	1(1)	2(2)	3(3)	4(4)	5(5)
Intangible assets						
Organizational and development expenses	1	1.106.220	0	0	0	1.106.220
Other fixed assets	2	14.053.149	4.258.793	0	0	18.311.942
Advances and intangible assets in progress	3	2.565.545	0	2.534.847	0	30.698
Total (rows 01 to 03)	4	17.724.914	4.258.793	2.534.847	0	19.448.860
Tangible assets						
Land	5	166.378.518	282.377	475.773	0	166.185.122
Buildings	6	1.052.685.372	28.125.940	7.421.249	469.553	1.073.390.063
Technical installations and vehicles	7	947.936.784	116.542.031	17.922.174	17.466.509	1.046.556.641
Other installations, machines and furniture	8	3.359.203	252.673	36.289	36.289	3.575.587
Advances and tangible assets in progress	9	216.226.115	273.839.671	143.807.217	0	346.258.569
Total (rows 05 to 09)	10	2.386.585.992	419.042.692	169.662.702	17.972.351	2.635.965.982
Financial assets	11	1.083.541.391	166.463.980	0	0	1.250.005.371
FIXED ASSETS - TOTAL (rows 04+10+11)	12	3.487.852.297	589.765.465	172.197.549	17.972.351	3.905.420.213

S.C. ROMPETROL RAFINARE S.A.  
Notes to unconsolidated financial statements at December 31, 2009  
(Unless otherwise stated, the amounts are expressed in RON)

Items		Depreciations			
	Row no.	Initial balance	Depreciation during the year	Depreciation related to de-registered fixed assets	Depreciation at the end of the year (col. 9=6+7-8)
A	B	6(1)	7(2)	8(3)	9(4)
<b>Intangible assets</b>					
Organizational and development expenses	13	1.106.220	0	0	1.106.220
Other fixed assets	14	12.263.004	1.213.165	0	13.476.169
<b>Total (rows 13+14)</b>	<b>15</b>	<b>13.369.224</b>	<b>1.213.165</b>	<b>0</b>	<b>14.582.389</b>
<b>Tangible assets</b>					
Land-	16	14.543.560	829.650	0	15.373.210
Buildings-	17	550.445.280	45.201.397	748.892	594.897.785
Technical installations and vehicles	18	635.425.776	87.648.979	17.058.564	706.016.191
Other installations, machines and furniture -	19	1.800.250	308.441	36.289	2.072.402
<b>Total (rows 16 to 19)</b>	<b>20</b>	<b>1.202.214.866</b>	<b>133.988.467</b>	<b>17.843.745</b>	<b>1.318.359.588</b>
<b>TOTAL DEPRECIATIONS (rows 15 + 20)</b>	<b>21</b>	<b>1.215.584.090</b>	<b>135.201.632</b>	<b>17.843.745</b>	<b>1.332.941.977</b>

Items		Provisions for impairment			
	Row no.	Initial balance	Provisions established during the year	Provisions reverted under income	Final balance (col. 13=10+11-12)
A	B	10(1)	11(2)	12(3)	13(4)
<b>Intangible assets</b>					
Set up and development expenses	22	0	0	0	0
Other fixed assets	23	0	0	0	0
Advances and intangible assets in progress	24	0	0	0	0
<b>Total (rows 22 to 24)</b>	<b>25</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Tangible assets</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Land	26	0	0	0	0
Buildings	27	0	9.088.708	0	9.088.708
Technical installations and machines -	28	233.051	4.524.959	0	4.758.010
Other installations, machines and furniture	29	0	0	0	0
Advances and tangible assets in progress -	30	1.605.422	1.275.183	0	2.880.605
<b>Total (rows 26 to 30)</b>	<b>31</b>	<b>1.838.473</b>	<b>14.888.850</b>	<b>0</b>	<b>16.727.323</b>
Financial assets -	32	126.047.084	0	0	126.047.084
<b>FIXED ASSETS - TOTAL (rows 25+31+32)</b>	<b>33</b>	<b>127.885.557</b>	<b>14.888.850</b>	<b>0</b>	<b>142.774.407</b>

S.C. ROMPETROL RAFINARE S.A.  
Notes to unconsolidated financial statements at December 31, 2009  
(Unless otherwise stated, the amounts are expressed in RON)

In 2009, the movements of fixed assets were as follows:

Items		Gross values				
		Initial balance	Increases	Decreases		Final balance
	Ro w. no.			Total	Of which: dismemberments and write-offs	(col. 5=1+2-3)
A	B	1(1)	2(2)	3(3)	4(4)	5(5)
Intangible assets						
Organizational and development expenses	01	1,106,220	0	0	0	1,106,220
Other fixed assets	02	18,311,942	4,918,028		0	23,229,970
Advances and intangible assets in progress	03	30,698			0	30,698
Total (rows 01 to 03)	04	19,448,860	4,918,028	0	0	24,366,888
Tangible assets						
Land	05	166,185,122			0	166,185,122
Buildings	06	1,073,390,063	125,867,689	74,997,934	448,761	1,124,259,818
Technical installations and vehicles	07	1,046,556,641	159,582,598	3,771,387	1,399,620	1,202,367,852
Other installations, machines and furniture	08	3,575,587	2,520,753	41,566	41,566	6,054,774
Advances and tangible assets in progress	09	346,258,569	357,839,753	224,402,230		479,696,092
Total (rows 05 to 09)	10	2,635,965,982	645,810,793	303,213,117	1,889,947	2,978,563,658
Financial assets	11	1,250,005,371	875,194,337	229,545	0	2,124,970,163
FIXED ASSETS - TOTAL (rows 04+10+11)	12	3,905,420,213	1,525,923,158	303,442,662	1,889,947	5,127,900,709

As at December 31, 2009 the investments in progress are in amount of RON 272.731.841 and the advances are in amount of RON 206.994.949. They are mainly advances and expenses in progress for far-reaching projects such as Mild Hydrocracking Plant (RON 170.334.051), New Hydrogen Plant (RON 124.784.945), Coke Briquetting Plant (RON 51.585.563). The Company has in progress investment projects which are part of the "2010 Package" program.

S.C. ROMPETROL RAFINARE S.A.

Notes to unconsolidated financial statements at December 31, 2009

(Unless otherwise stated, the amounts are expressed in RON)

Items		Depreciations			
	Row. No.	Initial balance	Depreciation during the year	Depreciation related to de-registered fixed assets	Depreciation at the end of the year (col. 9=6+7-8)
A	B	6(1)	7(2)	8(3)	9(4)
<b>Intangible assets</b>					
Organizational and development expenses	13	1,106,220		0	1,106,220
Other fixed assets	14	13,476,169	2,862,015	0	16,338,184
<b>Total (rows 13+14)</b>	<b>15</b>	<b>14,582,389</b>	<b>2,862,015</b>	<b>0</b>	<b>17,444,404</b>
<b>Tangible assets</b>					
Land-	16	15,373,210	829,652		16,202,862
Buildings-	17	594,897,785	46,060,326	63,718,935	577,239,176
Technical installations and vehicles	18	706,016,191	99,318,476	3,667,210	801,667,457
Other installations, machines and furniture -	19	2,072,402	394,123	41,566	2,424,959
<b>Total (rows 16 to 19)</b>	<b>20</b>	<b>1,318,359,588</b>	<b>146,602,577</b>	<b>67,427,711</b>	<b>1,397,534,454</b>
<b>TOTAL DEPRECIATIONS (rows 15 + 20)</b>	<b>21</b>	<b>1,332,941,977</b>	<b>149,464,592</b>	<b>67,427,711</b>	<b>1,414,978,858</b>

Items		Provisions for impairment			
	Row. no.	Initial balance	Provisions established during the year	Provisions reverted under income	Final balance (col. 13=10+11-12)
A	B	10(1)	11(2)	12(3)	13(4)
<b>Intangible assets</b>					
Set up and development expenses	22	0	0	0	0
Other fixed assets	23	0	0	0	0
Advances and intangible assets in progress	24	0	0	0	0
<b>Total (rows 22 to 24)</b>	<b>25</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Tangible assets</b>					
Land	26	0	0	0	0
Buildings	27	9,088,708	23,233	311,375	8,800,566
Technical installations and machines -	28	4,758,010	1,258,799	495,858	5,520,951
Other installations, machines and furniture	29	0	0	0	0
Advances and tangible assets in progress -	30	2,880,605	626,803	31,365	3,476,043
<b>Total (rows 26 to 30)</b>	<b>31</b>	<b>16,727,323</b>	<b>1,908,835</b>	<b>838,598</b>	<b>17,797,560</b>
Financial assets -	32	126,047,084		0	126,047,084
<b>FIXED ASSETS - TOTAL (rows 25+31+32)</b>	<b>33</b>	<b>142,774,407</b>	<b>1,908,835</b>	<b>838,598</b>	<b>143,844,644</b>

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At the end of 2009, the Company revalued the buildings according to the evaluation report elaborated by NATWORLD, based on the market value.

As a result of the revaluation, the value of the buildings increased with 59.071.866 RON (an increase of fixed assets in amount of 63.407.407 RON - recognized in the revaluation reserve of the fixed assets and a decrease of fixed assets in amount of 4.335.541 RON – charged in the income statement), the initial value before reevaluation was RON 109.818.341 and after the reevaluation was RON 168.890.207.

The Company recorded a provision for the impairment of tangible assets in amount of RON 1.908.835 for those fixed assets which don't operate or are broken and need to be replaced.

The net value of fixed assets held in leasing as at December 31, 2009 is RON 892.233 (in 2008 a net value of RON 1.105.931).

The Company pledged fixed assets in the net amount of 119.828.880 RON as at December 31, 2009 (RON 520.994.976 as at December 31, 2008) in order to guarantee the facilities obtained from suppliers or financial institutions.

Impairment tests have been performed by the Company for the carrying value of Property, Plant and Equipment as of 31 December 2009 using the Fair Value less Cost to Sell model. The recoverable amount for assets of Rompetrol Refineries has been determined based on the financial budgets approved by senior management covering a five-year period. The discount rate applied to cash flow projections is 11.5% and cash flows beyond the 5-year period are extrapolated using a 1.5 % growth rate that is the same as the long-term average growth rate for the industry. The capitalization rate used for residual values is 10%. Company considers that there is no need to record impairment provision for tangible assets.

The Company analyzed the activity of its subsidiaries in which it owns investment in order to evaluate any decrease in value due to impairment. A brief description of methodology used, and the results of impairment testing are provided below for the major entities in which the Company owns investments which for impairment testing considerations have been divided into two major groups i.e. Rompetrol Petrochemicals SRL and Downstream Romania Business Unit. Downstream Romania Business Unit includes the operations of Rompetrol Downstream SRL, Rom Oil SA and Rompetrol Gas SRL.

The recoverable amount of Downstream Romania business unit and Rompetrol Petrochemicals has been determined based on the fair value less costs to sell using financial budgets approved by senior management covering a five-year period. The discount rate applied to cash flow projections is 11.5% and cash flows beyond the 5-year period are extrapolated using a 1.5 % growth rate that is the same as the long-term average growth rate for the industry. The capitalization rate used for residual values is 10%. Based on the analysis no impairment has been identified for the investments in companies forming Downstream Business Unit and Rompetrol Petrochemicals SRL.

The financial assets consist in the following participations:

	Balance as at January 1, 2009	Increases	Decreases or reversals	Balance as at December 31, 2009
Rompetrol Logistics S.R.L.	46,330,304	0	0	46,330,304
Rompetrol Petrochemicals S.R.L.	414,557,201	244,944,420		659,501,621
Rom Oil S.A.	191,216,661		0	191,216,661
Rompetrol Downstream S.R.L.	460,406,072	629,999,995		1,090,406,067
Rompetrol Quality Control S.R.L.	11,349,910	-	0	11,349,910
<b>Total participation titles</b>	<b>1,123,860,148</b>	<b>874,944,415</b>	<b>0</b>	<b>1,998,804,563</b>
Ecomaster Servicii Ecologice S.A.	2,164	0	0	2,164
Rominerv S.A.	1,296		0	1,296
Other receivables	81,955		5,000	76,955
<b>Total titles held as fixed assets</b>	<b>85,415</b>	<b>0</b>	<b>5,000</b>	<b>80,415</b>



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	Balance as at January 1, 2009	Increases	Decreases or reversals	Balance as at December 31, 2009
Loans granted on a long term basis, including interest	0	0		-
Other non-current receivables	12,724	249,922	224,545	38,101
<b>Total</b>	<b>1,123,958,287</b>	<b>875,194,337</b>	<b>229,545</b>	<b>1,998,923,079</b>

The participation percentages are the following:

Company	Headquarters	Decembrie 31, 2009	Decembrie 31, 2008
Rompotrol Logistics S.R.L.	Ploiesti	66.19%	66.19%
Rompotrol Petrochemicals S.R.L.	Constanta	100.00%	99.99%
Rom Oil S.A.	Brasov	99.99%	99.99%
Rompotrol Downstream S.R.L.	Bucuresti	99.99%	99.99%
Rompotrol Quality Control S.R.L.	Navodari	99.93%	99.93%

In 2009, the Company increased its participation in Rompotrol Downstream SRL with RON 629.999.995, in Rompotrol Petrochemicals SRL with RON 244.944.420, by converting certain, liquid and exigible receivables from these companies into social parts.

The statement of equity, reserves and result of 2009 of the entities where the Company has participations is as follows:

Company	Equity	Reserves	Result 2009
Rompotrol Logistics S.R.L.	101,438,925	21,628,808	11,464,937
Rompotrol Petrochemicals S.R.L.	363,633,922	1,887,546	(43,351,896)
Rom Oil S.A.	10,115,286	7,880,127	(14,911,776)
Rompotrol Downstream S.R.L.	512,028,847	81,205,123	71,890,899
Rompotrol Quality Control S.R.L.	11,294,198	172,475	452,350

The Company owns indirect participations it Global Security Sistem SA (33.7%), Rompotrol Gas SRL (66.19%), Intreprinderea mixta Moldintergaz SRL (49.64%) and Contrast SRL (99.99%).

## Annex 2: Provisions

	Balance as at 31 December 2008	Additions during the year	Reversal of provisions	Balance as at 31 December 2009
Provisions for pensions and assimilated liabilities	7,020,473		1,310,632	5,709,841
Provisions for taxes	0			0
Other provisions	27,803,125		535,196	27,267,929
<b>Total</b>	<b>34,823,598</b>	<b>0</b>	<b>1,845,828</b>	<b>32,977,770</b>

"Other provision" line includes the provisions booked for potential environmental expenses related to environmental obligations of Vega Refinery for land decontamination

The provision for pensions and other related items have been computed based on the Company's collective labour agreement.

### Annex 3: Profit Distribution

Not applicable.

The Company in 2009 recorded a loss of RON 474.116.085 and a cumulative loss of RON 3.112.016.504 as at December 31, 2009.

### Annex 4: Operating Result

Item	2008	2009
A	1	2
<b>1. Net turnover</b>	<b>8,665,021,543</b>	<b>6,281,160,059</b>
<b>2. Cost of the sold goods and supplied services (3+4+5)</b>	<b>8,349,885,811</b>	<b>6,398,416,014</b>
3. Expenses related to the basic activity	7,826,709,078	5,758,412,291
4. Expenses related to auxiliary activities	357,001,097	447,027,636
5. Indirect production expenses	166,175,636	192,976,087
<b>6. Gross result related to the net turnover (1-2)</b>	<b>315,135,732</b>	<b>(117,255,955)</b>
7. Sale expenses	70,308,362	59,659,693
8. General administration expenses	254,840,246	208,535,294
9. Other operating income	27,172,828	42,466,216
<b>10. Operating result (6-7-8+9)</b>	<b>17,159,952</b>	<b>(342,984,726)</b>

### Annex 5: Statement of Receivables and Liabilities

As at December 31, 2009 and 2008, the statement of receivables is as follows:

Receivables	Balance as at December 31 2009	Liquidity term	
		below 1 year	over 1 year
0	1=2+3	2	3
<b>Total, of which:</b>	<b>919,208,685</b>	<b>919,208,685</b>	<b>0</b>
Commercial receivables, of which:	702,760,608	702,760,608	0
Customers and similar accounts	714,130,136	714,130,136	0
Advances to suppliers	16,645,511	16,645,511	0
Provisions for doubtful customers	(28,015,039)	(28,015,039)	0
Non-exigible VAT	3,485,278	3,485,278	0
Invoices to be issued	7,634,849	7,634,849	
Excise in advance	18,071,987	18,071,987	
Receivables from affiliates	188,889,885	188,889,885	
Provisions for various debtors	(4,331,195)	(4,331,195)	
Other receivables	2,697,273	2,697,273	0

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Receivables	Balance as at December 31 2008	Liquidity term	
		below 1 year	over 1 year
0	1=2+3	2	3
<b>Total, din care:</b>	<b>1,229,436,916</b>	<b>1,229,436,916</b>	<b>0</b>
Commercial receivables, of which:	1,183,323,922	1,183,323,922	0
Customers and similar accounts	1,207,688,251	1,207,688,251	0
Advances to suppliers	3,330,436	3,330,436	0
Provisions for doubtful customers	(27,694,765)	(27,694,765)	0
Non-exigible VAT	4,425,546	4,425,546	0
Excise in advance	34,589,034	34,589,034	
Receivables from affiliates	10,006,799	10,006,799	
Provisions for various debtors	(4,329,292)	(4,329,292)	
Other receivables	1,420,907	1,420,907	0

As at 31 December 2008, trade receivables were impaired and an allowance was recorded in full. Movements in the allowances for trade receivables and various debtors' impairment were as follows:

	Balance as at 31 Decembrie 2008	Balance as at 31 Decembrie 2009
0	1	2
As at 1 January	30,924,125	32,024,057
Charge for the year	2,777,129	445,295
Amounts written off		
Reversal	1,677,197	123,118
As at 31 December	32,024,057	32,346,234

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As at December 31, 2008 and 2007 the statement of liabilities is as follows:

Liabilities	Balance as at December 31 2009	Exigibility term		
		below 1 year	1 - 5 years	over 5 years
0	1=2+3+4	2	3	4
<b>Total, of which:</b>	<b>3,991,131,032</b>	<b>3,990,749,375</b>	<b>381,657</b>	<b>-</b>
Total short-term credits, of which:	37,664,604	37,664,604	-	-
Short-term credits	37,664,604	37,664,604	-	-
Current portion of long-term credits	0	-	-	-
Interest payable related to long-term credits	0	-	-	-
Commercial debts, of which:	1,088,206,862	1,088,206,862	-	-
Suppliers	805,676,439	805,676,439	-	-
Suppliers of fixed assets	20,265,567	20,265,567	-	-
Suppliers – non-arrived invoices	262,264,856	262,264,856	-	-
Advances from customers	14,604,176	14,604,176	-	-
Other debts, including fiscal debts and other debts for social insurance, of which:	2,850,273,733	2,850,273,733	-	-
Taxes and duties payable	307,159,337	307,159,337	-	-
Salaries and salary rights	3,057,061	3,057,061	-	-
Dividends payable	0	-	-	-
Current portion of the leasing debt	389,623	389,623	-	-
Loans from the issuance of bonds	66,360,429	66,360,429	-	-
Payables to affiliates	2,473,269,231	2,473,269,231	-	-
Other debts	38,052	38,052	-	-
Long-term credits less current portion	0	-	-	-
Other debts to be paid within more than one year	381,657	-	381,657	-

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Liabilities	Balance as at December 31 2008	Exigibility term		
		below 1 year	1 - 5 years	over 5 years
0	1=2+3+4	2	3	4
<b>Total, of which:</b>	<b>2,672,318,772</b>	<b>2,581,028,101</b>	<b>91,290,671</b>	<b>-</b>
Total short-term credits, of which:	755,140,676	755,140,676	-	-
Short-term credits	755,140,676	755,140,676	-	-
Current portion of long-term credits	0	-	-	-
Interest payable related to long-term credits	0	-	-	-
Commercial debts, of which:	1,269,758,137	1,269,758,137	-	-
Suppliers	997,604,588	997,604,588	-	-
Suppliers of fixed assets	49,605,594	49,605,594	-	-
Suppliers – non-arrived invoices	222,547,955	222,547,955	-	-
Advances from customers	34,275,851	34,275,851	-	-
Other debts, including fiscal debts and other debts for social insurance, of which:	521,853,437	521,853,437	-	-
Taxes and duties payable	322,296,803	322,296,803	-	-
Salaries and salary rights	2,947,536	2,947,536	-	-
Dividends payable	0	-	-	-
Current portion of the leasing debt	363,211	363,211	-	-
Loans from the issuance of bonds	76,437,239	76,437,239	-	-
Payables to affiliates	119,669,133	119,669,133	-	-
Other debts	139,515	139,515	-	-
Long-term credits less current portion	0	-	-	-
Other debts to be paid within more than one year	91,290,671	-	91,290,671	-

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The terms of encashment are as follows: for petroleum products to Vector: final invoice date (immediate), Vector to Near Abroad: 32 days, Rompetrol Downstream SRL: 30 days, Rompetrol Gas SRL :30 zile.

For Nongroup deliveries the sales are made with payment in advance.

The terms of payment for crude oil: 30 days.

Penalties paid to Vector for late payment for Vector 's acquisitions from KMG between 30-60 days – 12% per year and over 60 days – 18% per year and for Vector acquisitions from other suppliers – LIBOR + 2 p.p. per year.

The increases for delay are calculated for not paying in time the budget obligations, VAT and special fund for petroleum products. For the delayed payment of these obligations a increase for delay in percent of 0.1% for each late day is collected.

The balances and transactions with affiliated parties are presented in annex 10 b.

Details regarding short-term credits are presented below:

	2008	2009
<b>Banca Unicredit Tiriac</b>	299,716,650	0
Letter of credit issuance facility agreement for crude oil imports, granted to Rompetrol Rafinare, in amount of USD 110 million, valid till March 25, 2009, interest rate LIBOR 2W+1.65% p.a, secured by The Rompetrol Group N.V. and Rompetrol SA, pledge on present and future stocks of crude oil and finished products, security on receivables and over credit balances on bank accounts, on insurance policies and on import contracts rights;		
<b>BRD SG - sucursala Mari Clienti Corporativi - Bucuresti</b>	148,680,455	0
Letter of credit issuance facility agreement for crude oil imports, granted to Rompetrol Rafinare in amount of USD 65 million, valid till January 19, 2009, interest rate LIBOR 1M+3.25% p.a. Guarantees: pledge on future receivables, off-take contract assignment agreement, promissory note, pledge on a cash collateral deposit account - if the case may be; real moveable security over crude oil&finished products, mortgage on fixed assets.		
<b>BRD SG - sucursala Mari Clienti Corporativi - Bucuresti</b>	39,852,000	0
Short-term facility granted to Rompetrol Rafinare in amount of EUR 10 million, valid till January 09, 2009, monthly drawings for VAT payment, other budget obligations and L/C payment, guarantees: mortgage on fixed assets, assignment on receivables from sales agreement with Air Total Romania SA, interest Euribor 1M+2.75%.		
<b>Citi Bank</b>	38,318,060	0
Letter of credit issuance facility agreement for crude oil imports, granted to Rompetrol Rafinare in amount of USD 20 million, valid till October 31, 2009, interest rate LIBOR 1M+2.75% p.a.		

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	2008	2009
<b>Bancpost</b>	55,722,000	3,245,765
Short term facility for working capital needs, granted to Rompetrol Rafinare, maturity date January 31, 2010, interest rate ROBOR 3 M+5% p.a., guarantees: pledge over refinery plants and promissory note.		
<b>Bancpost</b>		34,418,839
Short term facility for working capital needs, granted to Rompetrol Rafinare, maturity date January 31, 2010, interest rate EURIBOR 3 M+5,9% p.a., guarantees: pledge over refinery plants and promissory note.		
<b>EFG Luxembourg</b>	104,657,511	0
Revolving credit ceiling on short term, granted to Rompetrol Rafinare, for current activities, maturity date May 29, 2009, interest rate BUBOR 1M+3.75%, guarantee on current account balances and assignment of collections from Rompetrol Downstream. Starting with February 14, 2009, the amount of EUR 10 million will be transformed in non-cash facility for letters of guarantee and letters of credit, valid till May 29, 2009.		
<b>Citi Bank</b>	28,342,000	0
Letter of credit issuance agreement granted to Rompetrol Rafinare in amount of USD 10 million, valid till October 13, 2009, interest rate O/N Libor + 2%, guarantees: current account opened with Citibank and present and future receivables.		
<b>Credit Europe</b>	39,852,000	0
Short term facility for working capital needs, granted to Rompetrol Rafinare, in amount of EUR 10 million, maturity date April 30, 2009, interest rate EURIBOR 1M + 5.5% p.a. Guarantees: mortgages on several plants.		
<b>Total</b>	<b>755,140,676</b>	<b>37,664,604</b>

As at December 31 2008, in order to guarantee the bank credits, the following assets were pledged (values of the balances as at balance sheet date):

- a) receivables in amount of RON 152.217.994
- b) tangible assets in amount of RON 118.928.880.

## **Annex 6: Accounting Principles, Policies and Methods**

Below there are presented the significant accounting principles and policies used in the drafting of the attached unconsolidated financial statements:

### **a) Accounting and Reporting Basis**

The 2009 financial statements were drafted according to the provisions of The Accounting Law 82/1991 (republished 2008), OMF 1752/2005 which came into force on January 1, 2006, with its subsequent amendments, i.e.: OMF 2001/2006 and OMF 2374/2007.

These financial statements relate to Rompetrol Rafinare SA only. The Company has subsidiaries and is required, based on the requirements of OMF 1752/2005 to prepare consolidated financial statements. The consolidated financial statements are included in a separate document.

The fiscal year of the Company ends on December 31.

The financial statements were drafted at historical cost except for the fixed assets, which are registered at values revalued by an independent evaluator. In 2003, the Company revalued all the fixed assets and in 2009 the Company made a new revaluation of the buildings.

The Company's reporting currency is the Romanian leu ("LEU" or "RON").

The nature of the Company's business is such that there can be considerable unpredictable variation in the timing of future cash inflows. Management has addressed the issue of the appropriateness of the preparation of the financial statements under the going concern basis.

As at December 31, 2009 the Company recorded losses of RON 3.112.016.504 and related to 2009 losses of RON 474.116.085. Losses arise from financial loss of RON 131.102.692, from operating loss of RON 342.984.726 and as a result of minimum tax to be paid RON 28.667.

If, as a result of losses incurred, the net assets of the Company would decrease to less than 50% of the issued share capital, the EGM will be summoned in order to decide whether the Company will be dissolved. If the the Company's dissolution is not decided, the issued capital must be reduced at least with the losses that could not be covered out of reserves until the end of the year following the one in which losses occurred, if in the meantime, the net assets of the Company have not reached at least 50% of the issued capital.

Projections made by management take into consideration that the activity will be profitable on the medium term. During this period, the Company depends primarily on the continuing support of group companies loans.

Management believes that the support from group companies is sufficient to enable the Company to continue its operations and settle its obligations in the ordinary course of business without substantial disposal of assets, externally forced, reversing of its operations or similar actions.

### **b) Company specific significant accounting policies**

At the end of 2003, the Romanian Government provided the legal framework for settling the problem related to the historical debts of the company. In October 2003, the Romanian Government issued Emergency Ordinance 118/2003 providing for the legal framework for converting the outstanding obligations to the state totally amounting to RON 2.177.699.900, including penalties, into long-term bonds – representing EUR 570,3 million, using the RON /EUR exchange rate valid for September 30, 2003, of RON 3.8185 for EUR 1. On April 15, 2005, Official Gazette no. 320, was published Law no. 89/2005 approving EGO no. 118/2003.



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According to the issuance documents, the Company, as issuer, has the right to convert the bonds into shares until maturity, the bonds are denominated in EUR, the interest rate: EURIBOR + 1.5%.p.a., the interest payable at the end of September each year, due date: September 30, 2010, conversion rate set through a calculation formula. In addition, the Board of Directors of the Company decided on November 14, 2003 not to extinguish the bonds but to fully convert them into shares until the due date. Starting from the year 2004 until 2009, in September, every year, the Company paid the interest related to the period: October 2003 - September 2009, in compliance with the terms of Emergency Ordinance 118/2003 and Law 89/2005.

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

In the unconsolidated balance sheet as at December 31, 2009 the Company used the same accounting policy for bonds that it also applied in 2005-2008. The application of such accounting policy was also confirmed by the Minister of Public Finances in a 2005 letter.

At present, OMF 1752/2005 represents the standards according to which the Company drafted these financial statements (see also note 6 a)) followed by the 4<sup>th</sup> Directive of the European Economic Community and the International Financial Reporting Standards. The legislation in force is not clear as to the treatment of financial instruments. In consideration of this fact, and of the intention to present to the shareholders a faithful financial situation of the company, in the treatment of bonds, International Financial Reporting Standards No. 32 – „Financial Instruments – Presentation and Disclosure” and No. 39 – „Financial Instruments – Recognition and Measurement” were applied. According to these standards, the bonds issued according to EGO 118/2003 must be presented in the balance sheet at their market value. The difference between the nominal value and the market value was registered as „Other Reserves” in the Company’s equity. Also, due to the fact that such bonds are convertible into shares, the market value must be divided in two components: a debts component (on a long or short term, depending on their maturity) – representing annual interest, and an equity component, i.e. other reserves, calculated as the difference between the market value of bonds and their nominal value.

The application of such standards has significant influences on the Company’s 2005 - 2009 financial statements, which influences are presented below.

By the application of IAS 32 and IAS 39, the accounting treatment of the loans from the issuance of bonds issued according to EGO 118/2003 at the end of 2009 is the following:

	<b>Ron</b>	<b>Euro</b>
<b>Nominal value of issued bonds</b>	<b>2,177,699,900</b>	<b>570,302,449</b>
<i>Plus:</i>		
Foreign exchange differences at the end of the year	167,212,700	0
<i>Minus:</i>		
Equity component	573,442,328	139,465,994
Difference between the nominal value and the market value of bonds	1,354,404,017	329,402,441
<b>Debt component on the issuance date</b>	<b>417,066,255</b>	<b>101,434,014</b>
2003 accumulated interest	11,729,987	2,852,831
<b>2004 initial balance</b>	<b>428,796,242</b>	<b>104,286,845</b>
Coupon payment	(91,419,546)	(22,258,904)
2004 accumulated interest	47,512,999	11,710,162
Exchange rate differences	(13,096,255)	0

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	Ron	Euro
<b>2004 final balance</b>	<b>371,793,440</b>	<b>93,738,103</b>
2005 accumulated interest	36,025,020	9,961,786
Coupon payment	(76,987,180)	(21,717,117)
Foreign exchange differences	(29,372,428)	0
<b>2005 final balance</b>	<b>301,458,852</b>	<b>81,982,772</b>
2006 accumulated interest	68,555,781	19,491,208
Coupon payment	(106,135,667)	(30,037,830)
Foreign exchange differences	(22,303,340)	
<b>2006 final balance</b>	<b>241,575,628</b>	<b>71,436,150</b>
2007 accumulated interest	81,992,540	24,419,427
Coupon payment	(120,689,144)	(35,963,272)
Exchange rate differences	13,344,175	
<b>2007 final balance</b>	<b>216,223,199</b>	<b>59,892,305</b>
2008 accumulated interest	79,597,234	22,275,104
Coupon payment	(148,812,618)	(40,189,213)
Exchange rate differences	20,283,690	
<b>2008 final balance</b>	<b>167,291,505</b>	<b>41,978,196</b>
2009 accumulated interest	(42,764,398)	(10,588,750)
Coupon payment	(65,683,986)	(15,694,723)
Exchange rate differences	7,517,308	
<b>2009 final balance</b>	<b>66,360,429</b>	<b>15,694,723</b>
<i>Classified in:</i>		
Current portion	66,360,429	15,694,723
Long-term portion	0	0

**c) Use of estimates**

The preparing of financial statements according to OMF 1752/2005 requires the management to make certain estimations and presumptions affecting both the value of assets and debts and the description of potential assets and debts on the financial statements drafting date and the value of income and expenses during the reporting period. Such estimations are periodically reviewed and, if adjustments are necessary, they are registered in the income statement during the period in which they become known. Although such individual estimations have a certain degree of uncertainty, the cumulated effect on the financial statements is deemed to be insignificant.

**d) Tangible assets**

Tangible assets are presented at the revalued value calculated by an independent evaluator, or at the historic cost (for the tangible assets purchased after January 1 2004, except the buildings), less the cumulated depreciation and the impairment adjustments. (see also Note 6 a)).

The initial cost of tangible assets consists in the purchase price, including the import customs duties and other non-recoverable taxes, and any other costs which are directly attributable to the bringing of

the fixed asset in its existing condition and location. The expenses related to significant improvements are capitalized provided that they extend the life duration of fixed assets or lead to a significant increase of their capacity to generate income.

The interest related expenses are not capitalized in the cost of the tangible assets.

The depreciation is calculated using the straight line depreciation method and the estimated life durations of the fixed assets, used by the Company, are according to Law 15/1994, as subsequently amended. For land and tangible assets in progress, no depreciation is calculated.

The useful life durations for the main categories of tangible assets are:

Buildings	between 5 and 50 years
Technical installations and vehicles	between 3 and 12 years
Other installations, machines and furniture	between 3 and 10 years

As at December 31<sup>st</sup>, 2003 and 2002 the Company revalued the tangible assets based on the net replacement cost according to the evaluation report elaborated by Smith Hodgkinson Europe. This company is not affiliated to Rompetrol Rafinare SA.

In 2009, the Company revalued the buildings according to the evaluation report elaborated by NATWORLD based on the market value. The valuation was performed in order to bring the carrying amount of the respective assets to their fair value, which in accordance with the provisions of OMF 1752/2005 is to be determined usually based on valuation reports prepared by qualified professionals.

#### **e) Intangible Assets**

Intangible assets are initially recognized at cost. They are recognized if it is probable that the assets generate future benefits for the Company and they may be reasonably quantified. Intangible assets are subsequently recognized at cost less the cumulated depreciation and the potential impairment adjustments. The intangible assets are depreciated on a straight line basis over the life duration established according to Law 15/1994, as subsequently amended.

#### **f) Test for Verifying the Decrease of Fixed Assets Value**

Whenever events or certain modifications indicate the fact that the book value of a fixed asset could be unrecoverable, a test for the verification of the decrease of the fixed assets or intangible assets value is made. When the book value of a fixed asset exceeds the recoverable value, the loss registered through impairment shall be recognized as a decrease of the revaluation surplus, to the extent that the loss resulted through the test does not exceed the revaluation surplus for the same reference. The recoverable value of the asset is calculated as the maximum between the sale price of the asset and its utility value. The net sale price is the amount obtained from the sale from a transaction at the market value, while the utility value is the updated value of net cash flows estimated to be obtained by the continuous use of an asset and from its write-off upon the expiry of its useful life duration. The recoverable values are individually estimated for each asset, and unless this is possible, for assets grouped in cash generating units.

#### **g) Long term financial Investments**

Financial assets represent long-term strategic investments and are registered at historical cost less the potential impairment adjustments for value decrease. The main indicators taken into account for identifying a depreciation are the current and anticipated results of the company, in the context of relating industry.

#### **h) Inventories**

Inventories are held at the minimum between cost and the net realizable value. The cost of inventories includes all the costs incurred to bring the inventories in their existing form and place. The cost for all the inventories categories is determined by the weighted average cost method.

For the inventories obtained from the production process, the cost includes the appropriately allocated portion of fix and variable indirect costs.

The net realizable value is estimated based on the sale price practiced in the normal course of activity from which the costs necessary for finalization and the sale costs shall be deducted.

For deteriorated inventories or slow movement inventories, value adjustments are established based on the estimations of the Company's management.

#### **i) Receivables**

Commercial receivables are presented at the value estimated to be achieved. For doubtful receivables, value adjustments are registered based on the management estimations. Unrecoverable receivables are registered under expenses during the period in which they were identified.

#### **j) Available Funds**

The available funds include the petty cash, the current accounts and the short-term bank deposits.

#### **k) Foreign Currency Transactions**

Foreign currency transactions are registered in RON at the exchange rate on the transaction date. The monetary assets and liabilities expressed in foreign currency are converted into RON at the exchange rate on the balance sheet date. The gains or losses resulted from foreign exchange differences, achieved and non-achieved, are registered, as the case may be, under income or expenses in the income statement. The RON/USD and RON/EUR exchange rates as at December 31, 2008 and 2007 were as follows:

Currency		December 31		December 31
		2009		2008
RON/USD		2.9361		2,8342
RON/EUR		4.2282		3,9852

#### **l) Employee-related Obligations**

The company pays, to the benefit of its employees, social insurance contributions to different Romanian state institutions, calculated according to the legislation in force. The value of such contributions is registered in the income statement in the same period as the related salary expenses. The company has no other obligations related to future pensions, health insurance or other similar benefits.

According to collective labour agreements in place in certain of the Group's entities, employees are entitled to certain retirement benefits, payable on retirement, if they are employed with these entities at the date of their retirement. These amounts are estimated as of the balance sheet date based on benefits provided in the agreement, employees with the company and actuarial assumptions on future liabilities. These liabilities are recorded at their fair values as of the balance sheet date with the related service cost charged to the income statement. The present value of this obligation and the related

current and past service costs were measured using the Projected Unit Credit Method. The discount rate used was 8% with an expected rate of long-term salary increase of 3.5%.

**m) Tax on Profit**

The current tax on profit is calculated based on the year result adjusted for non-deductible expenses and non-taxable income according to the tax legislation in force. In 2003 and 2004 the tax on profit rate was 25%, and during the 2005-2009 period it was 16%. The fiscal loss may be carried forward over a period of 5 years until December 31 2008 inclusive and over 7 years starting with the fiscal losses relating to 2009.

The deferred tax on profit is not recorded in the unconsolidated financial statements according to OMF 1752/2005.

**n) Provisions**

A provision is recognized when and only when the Company has a current obligation as a result of a past event and when it is probable that a resource outflow bearing economic benefits shall result from the extinguishment of such obligation, and the value at which it shall be achieved may be credibly valued. When the impact of impairment of the obligation in time is significant, the size of the value adjustment is the present value of the expenses that shall be necessary for settling the obligation.

**o) Legal Reserves**

According to the Romanian legislation, the Company establishes a legal reserve of 5% from the gross profit of the year. According to the legal provisions, such reserve is established until its value reaches 20% of the paid share capital.

**p) Recognition of Income**

The income is recognized when the economic benefits related to the transaction are probable to be registered by the enterprise and the amount may be reasonably valued.

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

The income from the sale of goods is recognized when the delivery took place and the risks and benefits were transferred.

The income from the performed services is recognized when the services are supplied.

The interest income is periodically recognized based on such asset output.

**q) Earnings per Share**

The diluted earnings per share is calculated in relation to the net profit or loss attributable to ordinary shareholders of the parent. For the calculation of the diluted earnings per share, the net profit or loss attributable to ordinary shareholders of the parent is adjusted by the weighted average of ordinary shares, with the effects of all potentially diluter ordinary shares.

**r) Contingent Assets and Liabilities**

Contingent assets are not registered in non-consolidated financial statements but are presented when an economic benefits inflow is probable.

Contingent liabilities are not registered in the attached non-consolidated financial statements. They are presented except for the case when the possibility of a resource outflow implying economic benefits is low.

**s) Events Subsequent to the Balance Sheet Date**

The events subsequent to the balance sheet date which provide additional information on the Company's position on the balance sheet date (events leading to the adjustment of financial statements) are reflected in the financial statements. The events subsequent to the balance sheet date which do not result in the adjustment of financial statements are presented in notes if they are significant.

**t) Financial Instruments**

Financial assets and financial debts registered in the attached balance sheet include the cash and the cash equivalents, customers and other similar accounts, suppliers and other similar accounts, engaged debts and loans. The fair value of such instruments approximates their book value.

**u) Loans**

Short and long term loans are recorded at the received amount.

The short term portion of long term loans together with the related accrued interest are clasified in the balance sheet line named "Liabilities: Amounts to be paid in within 1 year" under current liabilities.

**v) Accounting errors**

The correction of the errors relating to prior periods does not trigger the modification of the financial statements of those prior periods presented in the financial statements. In case of errors in regards to prior periods, no adjustment is made on the comparative information. Any impact on the comparative information regarding the financial status and performance, respectively the change of the financial status is presented in the explanatory notes and adjusted against retained earnings during the year.

**Annex 7: Participations and Financing Sources**

As at December 31, 2009 the share capital consisted in 21,099,276,002 shares with a nominal value of RON 0.10, the equivalent of RON 2,109,927,600, fully subscribed and paid.

	2009		2008	
	Number of shares	Held percentage	Number of shares	Held percentage
The Rompetrol Group NV	10,674,636,478	50.59%	10,674,636,478	50.59%
Rompetrol Financial Group S.R.L.	2,854,083,079	13.53%	2,854,083,079	13.53%
Rompetrol S.A.	1,928,466,296	9.14%	1,928,466,296	9.14%
Rompetrol Downstream S.R.L.	551,802,170	2.62%	551,802,170	2.62%
Rompetrol Well Services S.A.	21,980,298	0.10%	21,980,298	0.10%
Rompetrol Rafinare S.A.	6,134,701	0.03%	6,134,701	0.03%
Others	5,062,172,980	23.99%	5,062,172,980	23.99%
<b>Total</b>	<b>21,099,276,002</b>	<b>100%</b>	<b>21,099,276,002</b>	<b>100%</b>

## **Annex 8: Information regarding Employees and the Members of Management, Leadership and Supervision Bodies**

The total personnel-related expenses were as follows:

	<b>2008</b>	<b>2009</b>
Salaries paid or payable related to the year	56.088.795	57.964.203
Unit's contributions to social insurance	11.750.877	12.713.855
Unit's contributions to unemployment fund, health fund and other contributions	3.705.432	3.326.846
<b>Total</b>	<b>71.545.104</b>	<b>74.004.904</b>

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

The indemnities paid to the Company's administrators in 2009 amounted to RON 554.376 (RON 592.722 in 2008)

The salaries and bonuses paid to the Company's management in 2009 amounted to RON 4.159.408 (RON 4.662.550 in 2008).

There are no credits granted to or guarantees in favor of the management members or administration personnel.

The average number of employees in 2009 was 1.016 and 1.127 in 2008.

As at December 31 2009, Rompetrol Rafinare, Navodari work point (Petromidia Refinery) had 776 employees, of which: 243 - superior studies personnel; 102 – medium studies personnel; 431- workers.

As at December 31 2009, Rafinaria Vega work point, Ploiesti had 222 employees, of which: 37 – superior studies personnel; 30 – medium studies personnel; 155 - workers.

As at December 31 2009, SC Rompetrol Rafinare SA had 998 employees, of which: 280 – superior studies personnel; 132 - medium studies personnel; 586 – workers.

As at December 31 2008, Rompetrol Rafinare, Navodari work point (Petromidia Refinery) had 812 employees, of which: 237 - superior studies personnel; 108 – medium studies personnel; 497- workers.

As at December 31 2008, Rafinaria Vega work point, Ploiesti had 238 employees, of which: 46 – superior studies personnel; 26 – medium studies personnel; 166- workers.

As at December 31 2008, SC Rompetrol Rafinare SA had 1050 employees, of which: 283 – superior studies personnel; 134 - medium studies personnel; 663 – workers.

#### Annex 9: Economic and Financial Indicators

		2008	2009
<b>1</b>	<b>Liquidity indicators</b>		
	Current ratio	0.71	0.40
	Acid test	0.52	0.24
<b>2</b>	<b>Risk indicators</b>		
	Gearing ratio	0%	0%
	Interest cover ratio	N/A	N/A
<b>3</b>	<b>Activity indicators</b>		
	Receivables turnover (days)	55.62	55.02
	Payables turnover (days)	51.29	68.51
	Fixed assets turnover	3.57	1.76
	Total assets turnover	2.03	1.21
	Number of stock days	24.67	32.42
	Stock turnover	14.80	11.26
<b>4</b>	<b>Profitability indicators</b>		
	Return on Capital Employed	N/A	N/A
	Gross Margin	0.20	-5.46%

#### Annex 10: Other Information

##### a) Activity Performance Framework

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

The Company's headquarters are located in Constanta, County Road 226, km 23, Constanta County.

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

S.C. Rompetrol Rafinare S.A. is listed on the Bucharest Stock Exchange from 2004.

The Company is a part of The Rompetrol Group. The annual consolidated financial statements are prepared by the parent company The Rompetrol Group NV, that has its registered office at World Trade Center, Strawinskylaan 807, Tower A, 8<sup>th</sup> floor, 1077 XX, Amsterdam, Netherlands. These annual consolidated financial statements (both the Group's and Subgroup's) are public. In August 2007 Rompetrol Holding SA, the parent of The Rompetrol Group NV concluded a contract for the sale of 75% of the shares of The Rompetrol Group to KazMunaiGaz PKOP Investments B.V. Certain previous conditions relating to this contract were fulfilled in November 2007. In 2009 the rest of 25% of the shares were sold.



**S.C. ROMPETROL RAFINARE S.A.**

Notes to unconsolidated financial statements at December 31, 2009

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The ultimate parent of The Rompetrol Group NV is the "State holding enterprise on assets management (Samruk)" JSC, an entity with its headquarters in Kazakhstan.

**b) Transactions with Related Parties**

The nature of the main transactions with related parties made by the company in 2009 and 2008 is as follows:

	<b>Purchases</b>	<b>Sales</b>
Vector Energy AG	Raw materials	Oil products
The Rompetrol Group N.V.	Management services	
Rompetrol Downstream S.R.L.	Gas tickets	Oil products
Rompetrol Petrochemicals S.R.L.	Raw materials	Raw materials, utilities and other services
Rompetrol Logistics S.R.L.	Transport services	Fuel
Ecomaster Servicii Ecologice S.A.	Ecologic services	Fuel and utilities
Rominerv S.A.	Services related to maintenance, purchase of tangible assets	Fuel
Rompetrol Moldova ICS		Oil products
Rompetrol Gas SRL		Oil products
Rompetrol S.A.	Management services	Reinvoicing of accommodation services

**Balances as at December 31, 2009**

	<b>Receivables</b>	<b>Liabilities</b>
Vector Energy AG	207,320,729	915,292,460
Rompetrol Downstream S.R.L.	379,532,057	20,916,420
Rompetrol Petrochemicals S.R.L.	207,658,525	5,475,069
The Rompetrol Group N.V.	11,146,419	2,466,179,330
Rompetrol Gas SRL	32,513,031	586,512
Rompetrol Moldova ICS	0	376,689
Rominerv Therm S.A.	10,519,324	0
Rominerv S.A.	229,414,692	39,663,052
Ecomaster Servicii Ecologice S.A.	575,996	14,655,877
Rompetrol Quality Control S.R.L.	293,381	1,610,901
Rompetrol Logistics S.R.L.	3,707,488	3,907,084
Midia Marine Terminal S.R.L.	484,182	2,138,264
Rompetrol S.A.	40,105	3,534,411
Rompetrol Industrial Parks S.A.	560,086	0
Palplast S.A.	249,775	0
Rompetrol Well Services S.A.	0	20,493,401
Odyssey S.R.L.	0	1,542
<b>Total</b>	<b>1,084,015,790</b>	<b>3,494,831,012</b>

The liability to The Rompetrol Group in amount of RON 2.466.179.330 contains two loans in amount of RON 2.407.220.307 (USD 917.870.000 respectively), representing a short-term facility for working capital needs in amount of up to USD 184 million granted to Rompetrol Rafinare, maturity date - 16 December 2010, interest rate 3M LIBOR+3.5% p.a. and USD 700 000, maturity date 12 August 2010, interest rate LIBOR 1M +4% p.a. These loans are not guaranteed.

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The liability to Rompetrol Well Services in amount of RON 20.493.401 contains a short-term facility for working capital needs in amount of up to RON 19.700.000 million granted to Rompetrol Rafinare, maturity date – March 2010, interest rate 15%. The loan is secured with a promissory note covering the debt.

**Transactions in 2009**

	<b>Cumparari</b>	<b>Vanzari</b>
Vector Energy AG	5,685,930,133	2,161,959,879
Rompetrol Downstream S.R.L.	104,599,415	2,640,557,979
Rompetrol Petrochemicals S.R.L.	39,328,602	238,927,435
The Rompetrol Group N.V.	12,789,259	0
Rompetrol Gas SRL	1,052,766	276,559,998
Rompetrol Moldova ICS	0	66,547,982
Rompetrol Bulgaria	0	7,039,388
Rominerv Therm S.A.	0	9,919,550
Rominerv S.A.	514,254,587	107,039,371
Ecomaster Servicii Ecologice S.A.	25,729,028	5,356,306
Rompetrol Quality Control S.R.L.	14,728,038	1,435,049
Rompetrol Logistics S.R.L.	35,809,723	929,438
Romcalor Oil Services S.R.L.	-3,365	2,009
Midia Marine Terminal S.R.L.	4,229,942	1,920,824
Rompetrol S.A.	21,624,632	1,205,968
Rompetrol Well Services S.A.	3,447,279	0
Odissey S.R.L.	164,291	0
<b>Total</b>	<b>6,463,684,330</b>	<b>5,519,401,176</b>

**Balances as at December 31, 2008**

	<b>Receivables</b>	<b>Liabilities</b>
Vector Energy AG	88.655.788	1.070.306.577
Rompetrol Downstream S.R.L.	764.226.882	29.809.190
The Rompetrol Group N.V.	-	100.797.175
Rompetrol Petrochemicals S.R.L.	287.192.270	2.377.843
Rompetrol Gas SRL	22.477.398	1.005.802
Rompetrol Moldova ICS	3.777.170	-
Rominerv S.A.	305.216.860	64.686.044
Rompetrol Logistics S.R.L.	4.265.953	5.473.813
Rompetrol S.A.	5.852.226	20.815.040
Ecomaster Servicii Ecologice S.A.	610.448	16.009.156
Rompetrol Bulgaria	543.756	-
Rompetrol Quality Control S.R.L.	432.843	2.190.600
Rominerv Therm S.A.	14.106.164	-
Midia Marine Terminal S.R.L.	568.793	1.073.375
Romcalor Oil Services S.R.L.	9.914	13.754
Rompetrol Well Services S.A.	-	23.398.375
Rompetrol Industrial Parks S.A.	362.011	-
Odissey S.R.L.	-	15.810
Eurojet S.A.	975	195
Rom Oil S.A.	-	-
Palplast S.A.	249.673	-
	-	-
<b>Total</b>	<b>1.498.549.124</b>	<b>1.337.972.749</b>

**S.C. ROMPETROL RAFINARE S.A.**

Notes to unconsolidated financial statements at December 31, 2009

(Unless otherwise stated, the amounts are expressed in RON)

**Transactions in 2008**

	<b>Purchases</b>	<b>Sales</b>
Vector Energy AG	7.272.565.740	2.708.140.996
Rompetrol Downstream S.R.L.	9.860.659	3.440.175.896
The Rompetrol Group N.V.	8.382.887	374.041.067
Rompetrol Petrochemicals S.R.L.	36.921.244	385.289.518
Rompetrol Gas SRL	474.118	337.885.520
Rompetrol Moldova ICS	-	143.415.306
Rominerv S.A.	147.961.520	11.671.280
Rompetrol Logistics S.R.L.	35.022.071	988.617
Rompetrol S.A.	33.797.682	67.196
Ecomaster Servicii Ecologice S.A.	28.782.795	4.886.681
Rompetrol Bulgaria	-	21.648.930
Rompetrol Quality Control S.R.L.	12.634.286	1.573.252
Rominerv Therm S.A.	-	11.835.665
Midia Marine Terminal	7.275.649	480.792
Rompetrol Financial Group	1.998.962	-
Romcalor Oil Services	1.551.051	713.599
Rompetrol Well Services S.A.	825.153	-
Rompetrol Industrial Parks S.A.	623.248	56.853
Odissey S.R.L.	97.845	-
Eurojet S.A.	61.740	2.605
Rom Oil S.A.	14.532	-
	-	-
<b>Total</b>	<b>7.598.851.182</b>	<b>7.442.873.773</b>

**c) Foreign Currency Transactions**

The accounting policy for foreign currency transactions is presented in Note 6 K)

**d) Information regarding Tax on Profit**

As at December 31, 2009, the Company owes no tax on profit.

The reconciliation between the result of the year and the fiscal result is as follows:

	<b>2008</b>	<b>2009</b>
Accounting net profit /(Net loss)	(465,013,141)	(474,116,085)
Plus: non-deductible expenses	183,156,928	171,927,787
Minus: non-taxable income	(18,154,754)	(38,747,033)
Deductible legal reserve	0	0
	(300,010,967)	(340,935,331)
Fiscal loss in the preceding years	(508,593,066)	(471,155,462)
Taxable basis	(808,604,033)	(812,090,793)
Tax on profit 16%	0	0

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Notes to unconsolidated financial statements at December 31, 2009

(Unless otherwise stated, the amounts are expressed in RON)

In 2009 the fiscal loss relating to 2004 in amount of RON 337.448.571 has expired.

**e) Turnover**

The 2009 and 2008 turnover component is as follows:

	<b>2008</b>	<b>2009</b>
Income from the sale of finished products	8,527,278,662	6,061,550,445
Income from the sale of merchandise	19,354,916	109,900,217
Income from performed services	118,387,965	109,709,397
<b>Total</b>	<b>8,665,021,543</b>	<b>6,281,160,059</b>

The 2008 and 2009 turnover on geographical areas is as follows:

<b>DESTINATION COUNTRY</b>	<b>2008</b>	<b>2009</b>
ROMANIA	4.858.645.452	3.631.122.920
TURCIA	644.517.364	457.839.117
GEORGIA	356.719.758	374.981.291
BULGARIA	603.257.717	352.244.058
LIBAN	85.309.631	341.729.109
UCRAINA	722.233.282	274.920.647
UNGARIA	325.419.815	272.172.016
SERBIA	202.263.662	227.383.523
SPANIA	17.855.638	73.098.354
MOLDOVA	158.946.189	71.566.459
GRECIA	161.631.984	63.598.254
ITALIA	34.591.016	46.291.901
SIRIA	36.265.192	44.870.253
GIBRALTAR	85.166.193	15.363.561
MALTA	53.109.206	10.470.437
MAURITANIA		7.683.746
EMIRATE	99.364.054	3.102.390
BOSNIA	2.717.764	2.773.374
PAKISTAN		2.263.590
OLANDA	13.365.530	2.217.030
GERMANIA		1.690.125
POLONIA	1.034.945	1.621.895
KOSOVO		722.303
EGIPT	6.067.838	573.186
AUSTRIA	508.227	478.416
KAZAKHSTAN		199.935
CROATIA	63.617	149.470
MACEDONIA	-	32.489
FRANTA	78.212.589	210
TUNISIA	63.830.276	0
MEXIC	21.066.639	0

S.C. ROMPETROL RAFINARE S.A.  
Notes to unconsolidated financial statements at December 31, 2009  
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DESTINATION COUNTRY	2008	2009
USA	17.980.470	0
CIPRU	9.279.970	0
ALBANIA	5.597.525	0
<b>TOTAL</b>	<b>8.665.021.543</b>	<b>6.281.160.059</b>

**f) Fees Paid to Auditors**

The auditors' fee for the auditing of these financial statements is approximately RON 169.128, the equivalent of EUR 40.000 (RON 159.408 in 2008, the equivalent of EUR 40.000).

**g) Cash at Bank and in Hand**

As at December 31, 2009 and 2008 the available funds are made up of:

	2008	2009
Available funds in bank (in lei)	58,105,739	34,176,632
Available funds in bank (in foreign currency)	49,568,118	10,955,007
Available funds in hand	5,532	67,800
Other	3,249,798	4,596,389
<b>Total</b>	<b>110,929,187</b>	<b>49,795,828</b>

**h) Inventories**

As at December 31, 2009 and 2008 the inventories are:

	2008	2009
Raw materials	156,765,858	263,441,200
Auxiliary materials	35,105,965	30,679,507
Raw materials and materials with third parties	118,407,879	137,921,502
Finished products	153,866,503	130,297,052
Finished products with third parties	15,302,309	8,841,610
Production in progress	11,887	23,421
Semi-finished products	55,783,672	121,102,133
Merchandise	9,502	488,594
Packages and other materials	520,770	686,001
Provisions for finished products impairment	(79,711,917)	(68,252,785)
Provisions for materials impairment	(4,932,275)	(5,028,711)
Advances for inventories	48,741,710	16,575,441
<b>Total</b>	<b>499,871,863</b>	<b>636,774,965</b>

**i) Leasing Obligations**

	2008	2009
Amounts outstanding in the next year	363.211	389.623
Amounts outstanding in the next three years	436.405	381.657
<b>Total</b>	<b>799.616</b>	<b>771.280</b>

The Company has in its patrimony fixed assets purchased in financial leasing. In general, the financial leasing contracts have the following clauses: 2-3 years, interest rate: 8-9%, the financed amounts being expressed in EUR.

The fixed assets rents expenses and royalties were in amount of RON 11.258.052 in 2009 and RON 6.012.058 in 2008.

The Company rented mainly the Berth 1-4 and 9 from CN Administratia Porturilor Maritime Constanta for which it recorded rents in amount of RON 2.110.901, rented Berth 9 Midia Port goods from Marway – Fertichim in amount of RON 1.012.664, rented the AFPP and Acids and bases plants from Rompetrol Petrochemicals in amount of 1.820.179, rented the station SP1A Saligny from Administratia Nationala a Imbunatatirilor Funciare in amount of RON 391.072, rented computers from Hewlett Packard in amount of RON 2.334.737 RON and rented copiers from Xerox (Romania) Echipamente si Servicii SA in amount of RON 177.481. Also it recorded licence expenses relating to additives from Marine Resources Exploration International in amount of 2.473.600.

**j) Earnings per Share**

	2008	2009
Loss for the year attributable to ordinary equity holders of the parent entity	-465,013,141	-474,116,085
Interest on hybrid instrument, net of tax	55,787,215	-35,922,094
Earnings for the purpose of diluted earnings per share	-409,225,926	-510,038,179
<b>Number of shares</b>		
Weighted average number of shares for the purpose of basic earnings per share	21,099,276,002	21,099,276,002
Hybrid instrument	21,775,607,172	21,775,607,172

**S.C. ROMPETROL RAFINARE S.A.**

Notes to unconsolidated financial statements at December 31, 2009

*(Unless otherwise stated, the amounts are expressed in RON)*

	2008	2009
Weighted average number of shares for the purpose of diluted earnings per share	42,874,883,174	42,874,883,174
<b>Earnings per share</b>		
Basis	-0.022	-0.0225
Diluted	-0.0095	-0.0119

**k) Commitments**

As at December 31, 2009, the Company has investment contracts engaged for the increase of its production capacity and alignment to EURO standards, with a remaining performance value of USD 205 million.

The estimated value of raw materials and utilities in 2010 is USD 2.129 mil, of which USD 2.084 mil from Vector (3.700.000 tons of crude oil and 5.000 tons of other raw materials).

**l) Contingent Liabilities**

Related to Company's oil products technological lending practice to other refineries, D.G.F.P Constanta claimed recorded revenues for which excise, VAT and related penalties totaling RON 47.7 Million (USD 15.3 million) to be paid by the Company were not computed. These claims (the legal effects) were suspended by the local court for admission. Subsequently, a second suspension has been issued by the fiscal authorities (D.G.S.C. – A.N.A.F.) until the final sentence regarding the criminal case, as the fiscal authority believes that this matter is now to be dealt as part of the criminal investigation started by the General Prosecutor Office (see point m) below). The management is confident that Company is able to defend itself and likelihood of a negative outcome is remote.

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

**m) Legal Issues**

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

The charges apprehended upon the initiation of the investigation were: a) failure to fulfil the investment commitments undertaken under the privatization contract concerning the Parent; b) unlawful statement of excises and other debts to the state budget; c) incorrect maintenance of accounting registries regarding the transactions undertaken at the oil terminal owned by Oil Terminal. These charges concern events taken place during April 2001 – October 2002. The said charges have been split by the

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

Notes to unconsolidated financial statements at December 31, 2009

*(Unless otherwise stated, the amounts are expressed in RON)*

prosecutors' office from the initial file and are subject to a separate file currently open before PGO - DIICOT.

For certain charges under investigation – charges not concerning the Parent directly, that are part of the initial file open by the prosecutors' office, even after the split of the file – the PGO decided to send to trial certain officials of The Rompetrol Group N.V. ("TRG"), the controlling company of S.C. Rompetrol Rafinare S.A. Following the control of the regularity of intimation act, the first competent court, the Bucharest Tribunal, was assigned to pursue with the criminal trial on its merits, to date the matter being subject to several discussions on various procedural; following such discussions the court is expected to open the inquiry on the merits (the factual background) by interviewing the accused persons.

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

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

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

### **n) Events Subsequent to the Balance Sheet Date**

The credit facility contracted by Rompetrol Rafinare SA from Bancpost was prolonged until April 30, 2010.

The maturity of the short-term loans contracted by Rompetrol Rafinare S.A. from Well Services was prolonged until April 2010.

On 8 February 2010 The Rompetrol Group N.V. initiated the mandatory public offer for the acquisition of 5,062.17 million Rompetrol Rafinare S.A. shares (representing approximately 24% of the company's share capital) available on stock exchange, that are not in the property of the Group, for a price of RON 0.0741/share (USD 0.0246/share). The offer period has ended on 26 March 2010. During the offer period, the Group acquired from the market an additional 22,62% of Rompetrol Rafinare S.A. shares for approximately RON 358 million (USD 119 million). In the same period, the offer price has been increased to RON 0.0751/share (USD 0.0249/share).

### **o) Environmental Protection**

The Company's refining activity involves inherent environmental risks. Both the Company's management and the local authorities closely monitor the observance by the Company of the environmental rules in force.

The Company recorded a provision for environmental liabilities in amount of RON 27.267.929 as of December 31, 2009 related to the environmental obligations assumed by Vega Refinery for land decontamination.



**p) Taxation**

The Romanian fiscal system is in an incipient development stage, being subject to many interpretations and constant modifications, sometimes with a retroactive character. In Romania, the prescription term for fiscal controls is 5 years.

The Company's directors believe that the fiscal obligations were calculated and registered as provided by law.

**q) Risk Management**

The Company's activities expose it to a variety of risks, including to the effects of: market risk (changes in the international quotations for crude oil and petroleum products, foreign currency exchange rates, interest rates), credit risk and liquidity risk. The main objective of the activity related to the general management of risks is to minimize the adverse effects of the financial performance of the Group's companies.

**Crude Oil Price Risk**

The Company is exposed to the change in the merchandise prices both upon the purchase of crude oil and in the final sale of finished oil products. The Company imports crude oil and was influenced by the increase of the average price of crude oil in the period 2006 - 2009. The prices for sold/purchased crude oil and oil products are established by reference to the international quotations, while the price of oil products for the internal market is established by additional factors. The provisioning with raw materials was realized mainly from imports, while the sale of the Company's products was balanced between the internal market and the external market.

**Currency Risk**

The Company performs transactions expressed in different currencies, including in US dollars ("USD"). The inflation rate in Romania for the years concluded as at December 31, 2009, 2008, 2007 was 4.74%, 6.3%, 6.57% which data were communicated by the Romanian National Statistics Institute. The official exchange rates for the years concluded as at December 31, 2009, 2008 and 2007 were RON 2.9361, 2.8342, and 2.4564/ USD 1.

The Company's functional currency is United States Dollar ("USD") and crude oil imports and a significant part of petroleum products are all denominated principally in US Dollars, therefore, limited foreign currency exposure arises in this context. Certain assets and liabilities are denominated in foreign currencies. The Group Treasury is responsible for handling the Company foreign currency transactions.

**Interest rate risk**

The increase in the turnover demands additional working capital in order to ensure the financing of inventories and receivables related to increased production. A significant part of working capital related to financing the current assets is secured by group loans and bank credit facilities. The interest rates for the Company's credit agreements are established by the banks taking into account the interest rates on the international markets (Euribor, Libor), thus the interest rates are influenced by their fluctuations. The Group Treasury is responsible for monitoring the evolution of the interest rates on the international markets.

**Credit Risk**

In its activity, the Company exposes to credit risk arising from receivables and funds deposited in financial institutions. The Company carries on significant commercial and financial activities with other Companies within the Group, relating credit risk is considered to be very low. No other significant risk concentrations can be found. The Company's management constantly monitors the exposure to the credit risk. The Company considers that no additional securities are necessary to support the financial instruments, due to the quality of financial institutions.

### **Liquidity risk**

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

One of the concerns of the management of Rompetrol Rafinare is to know the effects of all these risks in order to ensure that the economic-financial activity of the company is carried out without any problems. During 2009 the company enjoyed continuous financing resources at the needed levels and ensured that no cases of temporary lack of financial resources or of lack of liquidity of the company occurred as a result of selling products guaranteed with payment instruments (promissory notes and cheques) and negotiating receipt terms from clients and payment terms from suppliers that are advantageous, maintaining at the same time a good relation with the business partners.

### **Fair Values**

Financial instruments include participations, customers and other receivables, cash, suppliers and other debts, short-term loans and long-term loans. The book values of financial assets and liabilities reasonably approximate their fair value.

### **Financial Crisis**

The current worldwide financial crisis started in 2007 and deepened significantly in the second part of 2008, and also in 2009. The significant disruptions in the global credit markets had a broad effect on participants in a wide variety of industries, creating a widespread liquidity and solvency crisis in the financial and banking sector.

Some other significant effects of the crisis are the increase in the financing costs, contraction of lending market and consumer spending, a high volatility of the capital markets and foreign exchange rates, etc. The bankruptcies have affected the financial sector, various States having to re-capitalise financial institutions in order to avoid bankruptcy. Credit capacity has shrunk significantly, as well as the willingness to lend, such that most non-financial sectors and markets around the world are experiencing slow down or severe economic recession.

Currently, the final outcome of the current financial crisis cannot be determined. The management has addressed the current market conditions and believes that, based on the taken measures, the Company will continue to operate on a going concern basis.

### **Informative data**

## S.C. ROMPETROL RAFINARE S.A.

Notes to unconsolidated financial statements at December 31, 2009

(Unless otherwise stated, the amounts are expressed in RON)

I. Data regarding the registered result	Row no.	No. of units		Amounts
A	B	1		2
Units that registered profit	01			
Units that registered loss	02	1		474,116,085
II. Data regarding outstanding payments	Row no.	Total col. 2+3	Of which:	
			For the current activity	For investments
A	B	1	2	3
Outstanding payments - total (rows 04+08+14 to 18+22) of which:	03	114,933,608	114,416,304	517,304
Outstanding suppliers - total (rows 05 to 07), of which	04	35,509,858	34,992,554	517,304
-over 30 days	05	13,960,019	13,530,551	429,468
-over 90 days	06	14,957,814	14,944,602	13,212
-over 1 year	07	6,592,025	6,517,401	74,624
Outstanding obligations to the social insurance budget-total (rows 09 to 13), of which	08	-	-	-
- contributions to state social insurance due by employers, employees and other similar persons	09	-	-	-
- contributions from legal or natural persons hiring employed personnel and contribution of insured persons to the health social insurance fund	10	-	-	-
- contribution to additional pension	11	-	-	-
other social debts	12	-	-	-
- contribution from legal or natural persons using employed labor and contributions to the unemployment benefit from the employees	13	-	-	-
Outstanding obligations to special funds budgets	14	79,423,750	79,423,750	-
Outstanding obligations to other creditors	15		-	-
Taxes and duties unpaid to the state budget on the established term	16		-	-
Taxes and duties unpaid to local budgets on the established term	17	-	-	-
Bank credits not reimbursed upon maturity -total (rows 19 to 21), of which	18	-	-	-
-outstanding after 30 days	19	-	-	-
-outstanding after 90 days	20	-	-	-
-outstanding after 1 year	21		-	

S.C. ROMPETROL RAFINARE S.A.

Notes to unconsolidated financial statements at December 31, 2009

(Unless otherwise stated, the amounts are expressed in RON)

		-	-	-
<b>Outstanding interest</b>	<b>22</b>	-	-	-
<b>III. Average number of employees</b>		<b>31.12.2008</b>	<b>31.12.2009</b>	
A	B	1	2	
Average number of employees	23	1,127	1,016	

<b>IV Payments of interest and royalties</b>		Row no.	Amounts (RON)
A	B	1	
Gross income from interest paid by Romanian legal persons to non-resident natural persons in EU member states, of which	24		
-tax due to the state budget	25		
Gross income from interest paid by Romanian legal persons to non-resident affiliated*) legal persons in EU member states, of which	26		
-tax due to the state budget	27		
Income from royalties paid by Romanian legal persons to non-resident affiliated*) legal persons in the EU member states, of which	28		
-tax due to the state budget	29		

<b>V. Luncheon vouchers</b>		Row no.	Amounts (lei)
A		1	2
Countervalue of luncheon vouchers granted to employees		30	1,873,624
<b>VI Innovation expenses</b>	Row no.	31.12.2008	31.12.2009
A	B	1	2
-innovation expenses finalized during the period	31	-	-
-innovation expenses with finalization in progress during the period	32	-	-
-innovation expenses abandoned during the period	33	-	-

<b>Other informations</b>		Row no.	31.12.2008	31.12.2009
A	B	1	2	
Financial assets, in gross amounts (rows 36 + 42), of which:	35	1,250,005,371	2,124,970,163	
Shares held at affiliate		1,249,992,647	2,124,932,062	

## S.C. ROMPETROL RAFINARE S.A.

Notes to unconsolidated financial statements at December 31, 2009

(Unless otherwise stated, the amounts are expressed in RON)

Other informations	Row no.	31.12.2008	31.12.2009
A	B	1	2
afiliate, participating interests, other long term investments, in gross amounts (acc. 261 + 263 + 265) (rows 37 to 41), din care:	36		
- quoted shares	37		
- unquoted shares	38	191,300,780	191,295,780
- social parts	39	1,058,691,867	1,933,636,282
- bonds	40		
- shares issued by collective investment funds (SIF)	41		
Non-current receivables in gross amounts (rows 43 + 44), of which:	42	12,724	38,101
- non-current receivables in lei (acc. 267)	43	12,724	38,101
- non-current receivables in foreign currency (acc. 267)	44	0	0
Commercial receivables, advances granted to suppliers and other assimilated accounts, in gross amounts (acc. 4092 + 411 + 413 + 418)	45	1,211,018,687	738,410,496
Receivables related to personnel and assimilated accounts (acc. 425 + 4282)	46	250,178	237,136
Receivables relating to social insurances budget and state budget (acc. 431 + 437 + 4382 + 441 + 4424 + 4428 + 444 + 445 + 446 + 447 + 4482)	47	39,452,324	22,368,746
Other receivables (acc. 451 + 453 + 456 + 4582 + 461 + 471 + 473)	48	12,348,613	191,644,798
Accrued interest receivable (acc. 5187)	49	411	171
Short term investments, in gross amounts (acc. 501 + 505 + 506 + 508) (rows 51 to 55), of which:	50	0	0

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Notes to unconsolidated financial statements at December 31, 2009

(Unless otherwise stated, the amounts are expressed in RON)

Other informations	Row no.	31.12.2008	31.12.2009
A	B	1	2
- quoted shares	51	0	0
- unquoted shares	52		
- social parts	53		
- bonds	54	0	0
- shares issued by collective investment funds (SIF)	55	0	0
Other outstanding lodgements (acc. 5113 + 5114)	56	0	0
Petty cash in lei and in foreign currency (rows 58 + 59), of which:	57	5,532	67,799
- in lei (acc. 5311)	58	5,532	65,143
- in foreign currency (acc. 5314)	59	0	2,656
Current accounts at banks in lei and in current accounts (rows 61 + 62), of which:	60	107,673,856	45,131,640
- in lei (acc 5121)	61	58,105,739	34,176,632
- in foreign currency (acc 5124)	62	49,568,117	10,955,008
Other current accounts at banks and letters of credit (rows 64 + 65), of which:	63	3,232,831	4,582,573
- amounts under settlement, letters of credit and other outstanding lodgements, in lei (acc.5112 + 5125 + 5411)	64	3,232,831	1,621,446
- amounts under settlement and and letters if credit in foreign currency (acc 5125 + 5412)	65	0	2,961,127
Liabilites (row 67 + 70 + 73 + 76 + 79 + 82 + 83 + 86 la 90), of which:	66	2,674,164,450	3,991,131,032
- Debenture loans and relating accrued interests, in gross amounts (acc. 161 + 1681) (rows 68 + 69), of which:	67	167,291,505	66,360,429
- in lei	68	0	0
- in foreign currency	69	167,291,505	66,360,429
- Internal short term bank credits and relating interests (acc. 5191 + 5192 + 5197 + 5198), (rows 71 + 72), of which:	70	755,140,676	37,664,604
- in lei	71	55,722,000	3,245,765
- in foreign currency	72	699,418,676	34,418,839
- External short term bank credits and relating interests (acc.5193 + 5194 + 5195 + 5198), (rows 74 + 75), of which:	73	0	0

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Notes to unconsolidated financial statements at December 31, 2009

(Unless otherwise stated, the amounts are expressed in RON)

Other informations	Row no.	31.12.2008	31.12.2009
A	B	1	2
- in lei	74	0	0
- in foreign currency	75	0	0
- External long term credits and relating interests (acc. 1621 + 1622 + 1627 + 1682) (rows 77 + 78), of which:	76	0	0
- in lei	77	0	0
- in foreign currency	78	0	0
- External long term credits (acc. 1623 + 1624 + 1625 + 1682) (rows 80 + 81), of which:	79	0	0
- in lei	80	0	0
- in foreign currency	81	0	0
- State treasury credits (acc. 1626 + acc. 1682)	82	0	0
- other loans and relating interests (acc. 166 + 167 + 1685 + 1686 + 1687)(rows 84 + 85), of which:	83	799,615	771,280
- in lei	84	0	0
- in foreign currency	85	799,615	771,280
- commercial liabilities, advances received from clients and other assimilated accounts, in gross amounts (acc. 401 + 403 + 404 + 405 + 408 + 419)	86	1,304,033,988	1,102,811,038
- liabilities relating to personnel and assimilated accounts (acc. 421 + 423 + 424 + 426 + 427 + 4281)	87	2,947,536	3,057,061
- liabilities relating to social insurance budget and state budget (acc 431 + 437 + 4381 + 441 + 4423 + 4428 + 444 + 446 + 447 + 4481)	88	322,296,803	307,159,337
- other liabilities (acc. 451 + 453 + 455 + 456 + 457 + 4581 + 462 + 472 + 473 + 269 + 509)	89	121,654,327	2,473,307,283
- Accrued interest payable (acc. 5186)	90	0	0
Subscribed and paid share capital (acc.1012) (rows 92 to 94), of which:	91	2,109,927,600	2,109,927,600
- quoted shares	92	2,109,927,600	2,109,927,600
- unquoted shares	93	0	0
- social parts	94	0	0
<b>VII. Informations regarding</b>	<b>Row</b>	<b>31.12.2008</b>	<b>31.12.2009</b>

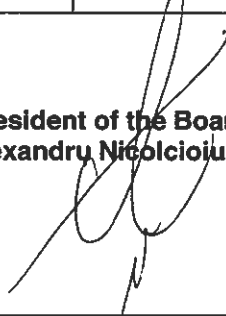
S.C. ROMPETROL RAFINARE S.A.

Notes to unconsolidated financial statements at December 31, 2009

(Unless otherwise stated, the amounts are expressed in RON)

Other informations	Row no.	31.12.2008	31.12.2009
A	B	1	2
management expenses	no		
A	B	1	2
Management expenses (acc. 621)	95	1,872,353	1,876,281

President of the Board of Directors  
Alexandru Nicolciou



GENERAL MANAGER

Cosmin Turcu



ECONOMIC MANAGER

Giani Iulian Kacic

