



**ROMPETROL RAFINARE**  
**Q3 and 9M 2006 IFRS CONSOLIDATED UNAUDITED RESULTS**

**GOOD OPERATIONAL PERFORMANCE IN THE “DRIVING SEASON”**

Romp petrol Rafinare S.A. (symbols, Bucharest Stock Exchange: RRC, Reuters: ROMP.BX, Bloomberg: RRC RO) has released today its Third Quarter 2006 and 9 months financial and operational results. 2006 figures include unaudited consolidated financial statements for these periods prepared by the company in accordance with International Financial Reporting Standards („IFRS”). The IFRS financial results differ in some respects from the Romanian Standards of Accounting.

Consolidated financial statements of Rompetrol Rafinare include the results of the parent company Rompetrol Rafinare and its subsidiaries Rompetrol Petrochemicals, Rom Oil, Rompetrol Downstream and Rompetrol Logistics (with its subsidiary Eurojet).

The document is posted on our website in the Investor Relations section: [www.rompetrol.com](http://www.rompetrol.com)

**HIGHLIGHTS - CONSOLIDATED**

		Q3 2006	Q3 2005	%	9M 2006	9M 2005	%
<b>Financial</b>							
Gross Revenues	USD	772,329,684	686,992,864	12%	1,930,884,623	1,676,423,714	15%
Net Revenues	USD	609,735,306	546,823,119	12%	1,547,003,391	1,313,621,943	18%
EBITDA	USD	45,313,960	53,693,881	-16%	95,301,433	151,050,125	-37%
EBITDA margin	%	7.4%	9.8%		6.2%	11.5%	
EBIT	USD	26,011,304	41,740,301	-38%	50,103,933	119,435,551	-58%
Net profit / (loss)	USD	536,526	36,232,265	-99%	(5,925,126)	107,594,146	-106%
Net Profit / (loss) margin	%	0.1%	6.6%		-0.4%	8.2%	
Basic Earnings per share	USD	0.0000	0.0017	-99%	(0.0003)	0.0051	-106%
Basic Earnings per share	RON	0.0001	0.0050	-99%	(0.0008)	0.0146	-105%

Romp petrol Rafinare Group's EBITDA for Q3 stood at USD 45.3 million (-16% smaller than Q3 2005), in line with Q2 results and recovering after modest results of Q1 2006.

Gross revenues are close to USD 2 billion supported mainly by increase of prices for oil products as a result of crude oil price increase.



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**ENVIRONMENT**

		Q3 2006	Q3 2005	%	9M 2006	9M 2005	%
Brent Dated	USD/bbl	69.60	61.65	13%	66.98	53.72	25%
Ural Med	USD/bbl	65.80	57.39	15%	62.97	49.79	26%
Brent-Ural Differential	USD/bbl	3.80	4.26	-11%	4.00	3.93	2%
PVM Ural Cracking Margin	USD/bbl	5.67	7.48	-24%	6.36	6.14	4%
Premium Unleaded 50 ppm FOB Med	USD/t	666	610	9%	638	513	24%
Diesel ULSD 50 ppm FOB Med	USD/t	638	597	7%	614	533	15%
RON/USD Average exchange rate		2.78	2.89	-4%	2.85	2.86	-1%
RON/USD Closing exchange rate		2.79	2.96	-6%	2.79	2.96	-6%
RON/EURO Average exchange rate		3.54	3.53	0%	3.54	3.62	-2%
RON/EURO Closing exchange rate		3.53	3.56	0%	3.53	3.56	-1%
USD/EURO Closing rate		1.27	1.20	5%	1.27	1.20	5%
Inflation in Romania		0.09%	1.71%		2.77%	5.94%	

Crude oil market reversed its ascending trend since beginning-August declining around 25% from record highs, mainly due to brimming inventory levels, weakening demand and mounting supplies. The market for Mediterranean sour crude oil followed same descending trend. Differentials to Brent (Dtd) returned to their normal span, reaching an average of \$3.8/bbl. Year-on-year comparison for the first nine months of 2006 shows that the increase in price levels for crude oil is around 25%, while for automotive fuels it increased to around 25% for gasoline and 15% for gas oil.

Refiners and crude suppliers saw margins decline heavily in Q3 after surging to over \$8/bbl in June and remaining quite strong at around \$5/bbl to end-August, reaching under \$3/bbl in September.

Gasoline cracks corrected downwards as well, losing around 50% of the strong level registered at the beginning of August. Nevertheless, average crack levels for Q3 remained stronger than the values in the 2 years before, result coming as a surprise considering that in 2005 refinery outages following active hurricane season propelled gasoline cracks to all-time highs. Middle distillates



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can be regarded as the stabilizing factor among products with strong demand during driving season followed by high agricultural consumption and weather-related supply fears as driving forces behind the outstanding performance during the last 3 months. Fuel oil has been the only product benefiting from fall in crude oil prices.

Looking ahead to Q4, a number of factors should contribute to margins remaining fairly unchanged: a rather light refinery maintenance season, a healthy refined product stock situation. On the downside, OPEC is set to defend a \$50/bbl crude oil price level by cutting output quota by around 1.2 million bbls. Mediterranean refiners face the prospect of their November crude supply from the Mideast Gulf to decline, turning to Russian medium sour Urals as an alternative.



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**REFINING**

		Q3 2006	Q3 2005	%	9M 2006	9M 2005	%
<b>Financial</b>							
Gross Revenues	USD	712,551,654	652,735,162	9%	1,800,643,296	1,585,429,282	14%
Net Revenues	USD	549,777,084	513,718,087	7%	1,421,184,416	1,223,780,180	16%
EBITDA	USD	28,245,126	38,807,838	-27%	61,066,511	119,343,137	-49%
EBITDA margin	%	5.1%	7.6%		4.3%	9.8%	
EBIT	USD	16,019,279	30,059,406	-47%	33,425,102	96,850,777	-65%
Net profit	USD	(2,093,117)	27,510,936	-108%	1,392,833	88,788,497	-98%
Net profit / (loss) margin	%	-0.4%	5.4%		0.1%	7.3%	
Gross cash refinery margin/tonne	USD/t	59.97	71.63	-16%	60.60	79.51	-24%
Gross cash refinery margin/bbl	USD/b	8.26	9.86	-16%	8.34	10.95	-24%
Net cash refinery margin/tonne	USD/t	29.38	39.39	-25%	23.94	44.19	-46%
Net cash refinery margin/bbl	USD/b	4.02	5.40	-25%	3.28	6.05	-46%
Taxes paid to State Budget	USD	276,270,490	236,209,524	17%	586,436,532	578,605,353	1%
<b>Operational</b>							
Feedstock processed	Kt	1,001	952	5%	2,698	2,761	-2%
Gasoline produced	Kt	324	315	3%	858	846	1%
Diesel & jet fuel produced	Kt	386	397	-3%	1,065	1,135	-6%
Motor fuels sales - domestic	Kt	386	350	10%	908	922	-3%
Motor fuels sales - export	Kt	319	387	-18%	994	1,024	-2%
Export	%	45%	53%		52%	53%	
Domestic	%	55%	47%		48%	47%	

*Refining segment comprises only the results of the refinery (parent company of Rompetrol Rafinare)*



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*Rompetrol Rafinare computes Gross cash refinery margin as follows – (Oil Product Sales – Cost of Feedstock) / Quantity of Feedstock related to the sales. Net Cash Refinery margin is the EBITDA of the refinery divided by quantity of feedstock related to sales*

Gross revenues reached USD 1.8 billion supported mainly by increase of prices for oil products as a result of crude oil price increase.

The refinery recorded good operational results in 2006, EBITDA amounting to 28.2 million USD for the third quarter and to 61 million USD for the nine-month period. Nevertheless, the results were below last year's exceptional figures mainly as a result of unfavorable market conditions particularly in Q1.

First, one of our competitive advantages, the ability to capture in full the Ural differential, after being very strong in July and August, reached a low of 2.25 \$/bbl in September, compared to an average of 4.26 \$/bbl in Q3 2005.

Secondly, after a high of 10.6 \$/bbl recorded in July, our gross refinery margin started decreasing, reaching a low of 6.2 \$/bbl at the end of September, mainly due to decreases in international fuels quotations which exceeded the decrease in crude oil prices.

Rompetrol Rafinare has just finalized launching a Diesel In Line Blending system following a greenfield investment of about \$7 million. In Line Blending is a technology which enables all components of a certain type of fuel are simultaneously blended together in the correct proportions required to comply with certain standards. The mixing is done automatically and the entire system employs state-of-the-art software and in-line analysis equipment. As a result of employing this technology, a series of intermediate costs will be cut down, durations for achieving end products will be far shorter, and the proportions in which compounds undergo blending will be under precise control.

Also, at the end of September, the company completed tests on a new product developed for the domestic market – Efix, a new fuel based on an optimum blend of additives and active compounds that clean up deposits, protect against corrosion, optimize engine behavior, and push down consumption. Efix has been launched on the market in October in all the gas stations operated by Rompetrol Downstream

The refinery continued to be an important contributor to Romania's fiscal budget with USD 586 million paid during the first nine months of 2006, accounting for more than 6% of the central state budget revenues.



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**MARKETING**

		Q3 2006	Q3 2005	%	9M 2006	9M 2005	%
<b>Financial</b>							
Gross Revenues	USD	425,877,425	331,114,210	29%	967,539,084	799,613,084	21%
EBITDA	USD	14,004,498	9,324,610	50%	28,461,684	23,570,455	21%
EBIT	USD	8,688,555	3,766,751	131%	16,589,066	16,249,317	2%
Net profit / (loss)	USD	2,936,974	4,209,018	-30%	(2,258,783)	13,914,026	N/A
<b>Operational</b>							
Quantities sold in retail	Kt	87	62	40%	207	152	36%
Quantities sold in wholesale	Kt	234	212	10%	540	550	-2%
Retail Gross Margin	USD/t	128	133	-4%	131	141	-7%
Wholesale Gross Margin	USD/t	45	31	46%	36	29	25%

*Marketing segment include the results of Rom Oil, Rompetrol Downstream and Rompetrol Logistics subsidiaries*

Good operational results realized in the third quarter of 2006 were driven by the retail expansion of Rompetrol Downstream. Rompetrol network operates now 100 own stations and has under contract 158 franchises (82 at the end of 3<sup>rd</sup> quarter of 2005). The year-over-year growth on quantities of fuel sold has been the positive effect of several strategic directions followed starting 2004-2005:

- a) Build or acquire additional retail sites up to a total of 200 COCO<sup>1</sup> stations by the end of 2010,
- b) Develop a franchise network of 300 DODO<sup>2</sup> stations by the end of 2008,
- c) Innovate and capture the emerging market of large corporate fleets via Fill & Go system, and
- d) Increase the non-petroleum sales contribution with the new concept of Hei shops.

We are satisfied to observe the continuing growth of Romanian auto market – 14% year on year according to APIA (Romanian Car Import and Manufacturing Companies' Association) encouraged by the relative low cars per capita ratio, increase of average income and affordable interest rates.

The LPG market served by Rompetrol Logistics is thriving in the high gasoline prices environment, following the successful model of diesel in the recent past. Rompetrol is following

<sup>1</sup> Company owned, Company operated stations

<sup>2</sup> Dealer owned, Dealer operated stations



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these new opportunities with increased interest and it is our intention to develop a retail distribution network build on strong fundamentals.

The wholesale distribution channel is slightly behind last year mostly due to the dislocation of OMV network in favor of competition refineries. This downside was compensated by the increased quantities successfully pushed into corporate fleets channel at higher margins as well as by the increased volumes in the DODO network.

In Q3 the distribution margins were slightly below levels compared with the similar period of 2005, with slight decrease for retail and slight increase for wholesale.



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**PETROCHEMICALS**

		Q3 2006	Q3 2005	%	9M 2006	9M 2005	%
<b>Financial</b>							
Revenues	USD	43,486,247	38,809,979	12%	112,199,239	93,680,189	20%
EBITDA	USD	2,475,141	2,982,626	-17%	6,249,472	4,688,042	33%
EBIT	USD	1,686,833	2,388,366	-29%	3,641,972	2,979,053	22%
Net profit / (loss)	USD	251,252	1,371,799	-82%	(691,599)	1,723,508	N/A
<b>Operational</b>							
Propylene processed	kt	27	25	8%	75	59	27%
Sold from own production	kt	26	30	-13%	71	63	13%
Sold from trading	kt	8	11	-27%	23	31	-26%
Total sold		34	41	-17%	94	94	0%
Export	%	54%	49%		49%	38%	
Domestic	%	46%	51%		51%	62%	

*Petrochemicals segment include the results of Rompetrol Petrochemicals subsidiary*

Petrochemicals turnover increased by 12% during Q3 2006 as compared to Q3 2005 upon continuing consolidation of Rompetrol share from Romanian and regional markets. In the near future it's estimated a further increase in turnover is estimated due to restarting in October 2006 of the LDPE plant with a capacity of 60 KTA.

The operating result – EBITDA has decreased slightly compared to the same period last year. This was caused by an increase in the cost of feedstock, well above the increase in the price of Polypropylene. A positive influence in the level of EBITDA was the increased and continuous production that reached a record level in September.





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**APPENDIX 1 – CONSOLIDATED INCOME STATEMENT Q3 AND 9M 2006 AND 2005, UNAUDITED**

	<b>Q3 2006</b>	<b>Q3 2005</b>	<b>%</b>	<b>9M 2006</b>	<b>9M 2005</b>	<b>%</b>
Gross Revenues	772,329,684	686,992,864	12%	1,930,884,623	1,676,423,714	15%
Sales taxes	(162,594,378)	(140,169,745)	16%	(383,881,232)	(362,801,772)	6%
<b>Net revenues</b>	<b>609,735,306</b>	<b>546,823,119</b>	<b>12%</b>	<b>1,547,003,391</b>	<b>1,313,621,943</b>	<b>18%</b>
Cost of sales	(547,161,786)	(475,871,149)	15%	(1,393,864,853)	(1,115,245,737)	25%
<b>Gross margin</b>	<b>62,573,520</b>	<b>70,951,970</b>	<b>-12%</b>	<b>153,138,538</b>	<b>198,376,205</b>	<b>-23%</b>
Selling, general and administration	(35,784,309)	(34,600,203)	3%	(101,427,175)	(81,028,696)	25%
Other expenses, net	(777,907)	5,388,534	N/A	(1,607,430)	2,088,042	
<b>EBIT</b>	<b>26,011,304</b>	<b>41,740,301</b>	<b>-38%</b>	<b>50,103,933</b>	<b>119,435,551</b>	<b>-58%</b>
Finance, net	(24,408,936)	(9,255,946)	N/A	(47,170,888)	(29,915,295)	N/A
Forex	(555,348)	4,608,356	N/A	(7,302,859)	19,544,685	N/A
<b>EBT</b>	<b>1,047,020</b>	<b>37,092,711</b>	<b>-97%</b>	<b>(4,369,814)</b>	<b>109,064,942</b>	<b>-104%</b>
Income tax	(510,494)	(860,446)	-41%	(1,555,312)	(1,470,796)	6%
<b>Net result</b>	<b>536,526</b>	<b>36,232,265</b>	<b>-99%</b>	<b>(5,925,126)</b>	<b>107,594,146</b>	
<b>EBITDA</b>	<b>45,313,960</b>	<b>53,693,881</b>	<b>-16%</b>	<b>95,301,433</b>	<b>151,050,125</b>	<b>-37%</b>



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**APPENDIX 2 – CONSOLIDATED BALANCE SHEET SEPTEMBER 30, 2006,  
 UNAUDITED AND DECEMBER 31, 2005 AUDITED**

	September 30, 2006	December 31, 2005	%
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	5,348,977	5,567,945	-4%
Goodwill	100,355,787	100,355,787	0%
Property, plant and equipment	690,915,928	656,674,059	5%
Financial assets	1,763,360	1,255,579	40%
<b>Total Non Current Assets</b>	<b>798,384,052</b>	<b>763,853,370</b>	<b>5%</b>
<b>Current assets</b>			
Inventories	182,372,486	163,832,874	11%
Trade and other receivables	600,380,217	423,848,898	42%
Cash and cash equivalents	34,122,431	16,890,877	102%
<b>Total current assets</b>	<b>816,875,134</b>	<b>604,572,649</b>	<b>35%</b>
<b>Total assets</b>	<b>1,615,259,186</b>	<b>1,368,426,019</b>	<b>18%</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	735,554,456	735,554,456	0%
Reserves	32,094,914	(42,397,613)	-176%
Net result of the period	(9,873,299)	72,432,397	-114%
Minority interest	10,006,685	6,295,851	59%
<b>Total Equity</b>	<b>767,782,756</b>	<b>771,885,091</b>	<b>-1%</b>
<b>Non-current liabilities</b>			
Hybrid instrument - long-term portion	67,059,418	79,387,130	-16%
Long-term debt	61,181,570	38,422,702	59%
Other	11,229,585	10,433,217	8%
<b>Total non-current liabilities</b>	<b>139,470,573</b>	<b>128,243,049</b>	<b>9%</b>
<b>Current Liabilities</b>			
Trade and other payables	457,800,899	291,313,985	57%
Hybrid instrument - current portion	17,948,159	17,613,587	2%
Short-term debt	232,256,799	159,370,307	46%
<b>Total curent liabilities</b>	<b>708,005,857</b>	<b>468,297,879</b>	<b>51%</b>
<b>Total equity and liabilities</b>	<b>1,615,259,186</b>	<b>1,368,426,019</b>	<b>18%</b>



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In the interest of providing Rompetrol Rafinare and its subsidiaries (the “Company”) potential investors with information regarding the Company, including management’s assessment of the Company’s future plans and operations, certain statements throughout this presentation are “forward-looking statements” and represent the Company’s internal projections, expectations or beliefs concerning, among other things, future operating results and various components thereof or the Company’s future economic performance.

The projections, estimates and beliefs contained in such forward looking statements necessarily involve known and unknown risks and uncertainties which may cause the Company’s actual performance and financial results in future periods to differ materially from any estimates or projections.

The financial figures are extracted from Company’s IFRS financial reports.