



ROMPETROL RAFINARE S.A.
Q4 AND 12M 2010 IFRS CONSOLIDATED UNAUDITED RESULTS

STRONG OPERATIONAL RESULTS COMPARED WITH 2009

Rompetrol Rafinare S.A. (symbols, Bucharest Stock Exchange: RRC, Reuters: ROMP.BX, Bloomberg: RRC RO) has released today its Fourth Quarter 2010 and yearly financial and operational unaudited results. The figures include unaudited consolidated financial statements for this period 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, Rompetrol Logistics and Rompetrol Gas.

The document is posted on our website in the Investor Relations section: www.rompetrol.com

HIGHLIGHTS - CONSOLIDATED

		Q4 2010	Q4 2009	%	2010	2009	%
Financial							
Gross Revenues	USD	835,018,436	853,643,406	-2%	3,554,159,541	3,184,794,951	12%
Net Revenues	USD	636,616,531	654,486,187	-3%	2,782,957,387	2,480,440,002	12%
EBITDA	USD	23,351,077	(3,921,586)	N/A	16,585,372	3,258,567	N/A
EBITDA margin	%	3.7%	-0.6%		0.6%	0.1%	
EBIT	USD	(17,084,098)	(48,571,344)	N/A	(102,221,088)	(97,118,364)	N/A
Net profit / (loss)	USD	(53,522,989)	(65,562,281)	N/A	(193,137,684)	(173,720,999)	N/A
Net Profit / (loss) margin	%	-8.4%	-10.0%		-6.9%	-7.0%	

Rompetrol Rafinare Constanta (RRC) gross revenues reached USD 3.55 billion in 2010. The increase in gross revenues, compared to the same period last year, is mainly the result of higher international quotations for petroleum products, on gasoline as well as on diesel.

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ENVIRONMENT

		Q4 2010	Q4 2009	%	2010	2009	%
Brent Dated	USD/bbl	86.46	74.53	16%	79.50	61.67	29%
Ural Med	USD/bbl	85.08	73.91	15%	78.16	60.94	28%
Brent-Ural Differential	USD/bbl	1.38	0.62	122%	1.34	0.73	83%
PVM Ural Cracking Margin	USD/bbl	4.30	2.04	111%	4.11	2.90	42%
Premium Unleaded 10 ppm FOB Med	USD/t	787	677	16%	729	583	25%
Diesel ULSD 10 ppm FOB Med	USD/t	751	619	21%	682	533	28%
RON/USD Average exchange rate		3.15	2.89	9%	3.18	3.05	4%
RON/USD Closing exchange rate		3.20	2.94	9%	3.20	2.94	9%
RON/EURO Average exchange rate		4.29	4.27	1%	4.21	4.24	-1%
RON/EURO Closing exchange rate		4.28	4.23	1%	4.28	4.23	1%
USD/EURO Closing rate		1.34	1.44	-7%	1.34	1.44	-7%
Inflation in Romania		8.20%	1.44%		7.90%	4.75%	

Source: Platts

In Q4 2010, crude oil prices exceeded 75 - 85\$/bbl and settled to over 90\$/bbl at the end of December 2010. The increase was supported by significant decrease of stocks in OECD countries, upward demand revisions by IEA and OPEC, positive market developments in Asia and improved refinery margins.

The increase of crude oil prices will be kept within boundaries by: OPEC spare capacity (approx. 5 million barrels), quota compliance, growing fears of supply glut due to additional potential volumes coming from Iraq and Brazil, higher energy consumption efficiency due to increase of prices, increased use of natural gas as substitute for crude oil.

During last quarter, Urals differential to Brent increased by 0.76\$/bbl and reached 1.75\$/bbl in December when the quote was above the benchmark of 90\$/bbl. Market analysts expect premium of Urals Mediterranean over North-West Europe to increase after Russian officials announced their intention to re-route some volumes from the Black Sea both North and Eastwards.

Contrary to Q3 forecast and seasonal trends, gasoline performed well during Q4 (110 \$/mt higher in Q4 2010 than in Q4 2009). Recovery can be mainly attributed to short term developments: French strikes, unplanned shutdowns, run cuts in the US and strong support for naphtha. In the near future, the gasoline performance is not expected to improve significantly, as diesel will become the driving factor again and efficiency improvements in Western markets will not bring positive results. Naphtha will become again an important supporting factor for light products.



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In Q4 2010 middle distillates yielded to 132\$/mt. This trend was partially supported by: the strikes in France resulting in increased import volumes, followed by refinery run rebounds from 74% in October to 82% in November. Nevertheless, subsequent high stock levels show that existing shortage was over-compensated. In 2010 the demand had a positive trend compared with 2009. At the same time, the specification change in Turkey (fully 10 ppm diesel) starting with January 2011 will induce a demand shift from Gasoil .1 to Diesel 10 ppm, but its impact is hard to quantify. In the future, the distillates should remain the principal margin driver at least through Q1 2011, based on healthy demand outlook (especially East of Suez) and improving on-shore and floating stock levels.

The French strikes had a positive influence on European refineries improving the forecasted shrinking margins on short term. An additional benefit came from China's shortage of middle distillates and a generally improved global demand reported by major agencies. Still, market analysts are sustaining their view concerning bleak outlook for downstream players on mature OECD markets. In Q1 2011 the cracking margins are forecast at 2.9\$/bbl in North-West Europe and 2.5\$/bbl in the Mediterranean. During 2011, a limited increase of distillation capacity in Asia is expected which may entail the export growth from Europe to the East.

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REFINING

		Q4 2010	Q4 2009	%	2010	2009	%
Financial							
Gross Revenues	USD	530,281,374	719,977,823	-26%	2,822,071,920	2,700,415,540	5%
Net Revenues	USD	422,076,852	539,720,711	-22%	2,212,742,024	2,038,188,994	9%
EBITDA	USD	7,993,516	(12,312,037)	N/A	(28,667,765)	(36,289,500)	N/A
EBITDA margin	%	1.9%	-2.3%	N/A	-1.3%	-1.8%	N/A
EBIT	USD	(9,398,964)	(31,336,556)	N/A	(72,825,912)	(82,354,477)	N/A
Net profit / (loss)	USD	(30,352,015)	(51,949,575)	N/A	(143,328,737)	(143,629,866)	N/A
Net profit / (loss) margin	%	-7.2%	-9.6%	N/A	-6.5%	-7.0%	N/A
Gross cash refinery margin/tonne	USD/t	82.99	29.80	178%	34.53	29.83	16%
Gross cash refinery margin/bbl	USD/b	11.43	4.10	178%	4.75	4.11	16%
Net cash refinery margin/tonne	USD/t	36.01	(14.22)	N/A	(2.81)	(6.77)	-58%
Net cash refinery margin/bbl	USD/b	4.96	(1.95)	N/A	(0.39)	(0.93)	-58%
Operational							
Feedstock processed	Kt	639	892	-28%	3,496	4,092	-15%
Gasoline produced	Kt	203	289	-30%	1,162	1,342	-13%
Diesel & jet fuel produced	Kt	230	344	-33%	1,397	1,649	-15%
Motor fuels sales - domestic	Kt	213	381	-44%	1,283	1,465	-12%
Motor fuels sales - export	Kt	170	232	-27%	1,060	1,347	-21%
Export	%	44%	38%		45%	48%	
Domestic	%	56%	62%		55%	52%	

Note: Refining segment comprises the results of Petromidia and Vega Refineries.

Rompertrol 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.

The gross revenues of the refining segment reached USD 2.8 billion in 2010 higher by 5% compared with the same period last year. The increase in gross revenues is mainly the result of higher international quotations for petroleum products.



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The operational results for Q4 2010 were positively influenced by higher international quotations for petroleum products, mainly for fuels, although the production of petroleum products decreased due to the refinery planned turnaround.

Ural/Brent differential increased (1.38 USD/bbl in Q4 2010 compared with 0.62 USD/bbl in Q4 2009), leading to improved operating results. In addition, the diesel quotations increased by 21% from 619 USD/bbl in Q4 2009 to 751 USD/bbl in Q4 201, thus higher than the increase in the international quotation of Brent (which increased by 16% from 74.53 USD/bbl in Q4 2009 to 86.46 USD/bbl in Q4 2010).

In Q4 2010, the refining capacity utilization rate was 73.61% by 6.22% lower than in Q4 2009 due to the overhaul.

Rompetrol Rafinare continued to be an important contributor to Romania's fiscal budget with over USD 1.2 billion in 2010.

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MARKETING

		Q4 2010	Q4 2009	%	2010	2009	%
Financial							
Gross Revenues	USD	584,667,807	569,125,278	3%	2,199,075,415	1,961,007,497	12%
EBITDA	USD	13,970,549	10,143,845	38%	31,758,060	47,273,465	-33%
EBIT	USD	1,428,032	(9,322,203)	N/A	(21,163,725)	(5,229,799)	305%
Net profit / (loss)	USD	(8,755,767)	(12,846,839)	N/A	(36,976,783)	(28,298,939)	N/A
Operational							
Quantities sold in retail	Kt	187	195	-4%	732	755	-3%
Quantities sold in wholesale	Kt	168	192	-13%	666	662	1%
Retail Gross Margin	USD/t	122	133	-8%	114	129	-12%
Wholesale Gross Margin	USD/t	48	62	-23%	47	61	-23%

Note: Marketing segment includes the results of Rompetrol Downstream, Rom Oil, Rompetrol Quality Control Rompetrol Logistics and Rompetrol Gas.

The sustained growth from recent years was followed in 2010 by a slight decline of 1% in trading volumes, visible mostly in the retail segment (-3%), more sensitive to economic crisis than the wholesale segment, which recorded an increase of 1%.

The financial results were influenced by the decrease in the commercial margins due to the economic crisis, as well as by the RON depreciation against the US dollar by 9% compared with 2009.

At the end of 2010, the distribution sector operated a network of 788 stations, by 2% lower compared with 2009, of which: 131 own stations, 153 gas stations operated in franchise system, 151 express stations, 155 RIB (Rompetrol Internal Basis) and 198 CUVA stations.

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PETROCHEMICALS

		Q4 2010	Q4 2009	%	2010	2009	%
Financial							
Revenues	USD	51,419,256	59,244,336	-13%	265,705,434	240,151,382	11%
EBITDA	USD	2,143,329	(1,133,569)	N/A	13,716,908	(13,665,459)	N/A
EBIT	USD	(3,581,110)	(10,352,178)	N/A	(659,401)	(15,963,963)	N/A
Net profit / (loss)	USD	(4,810,585)	(10,447,041)	N/A	(5,265,045)	(12,208,698)	N/A
Operational							
Propylene processed	kt	16	22	-26%	107	107	0%
Ethylene processed	kt	16	21	-25%	72	107	-33%
Sold from own production	kt	31	44	-31%	175	222	-21%
Sold from trading	kt	5	3	46%	20	16	29%
Total sold		35	47	-26%	195	238	-18%
Export	%	53%	59%		55%	60%	
Domestic	%	47%	41%		45%	40%	

Romp petrol Petrochemicals gross revenues reached USD 265.7 million in 2010 by 11% higher compared with the same period last year. The increase in gross revenues is mainly the result of higher international quotations for petrochemical products.

In 2010 versus 2009, the company's financial results improved significantly due to positive margins from petrochemical products sales, diversification of product portfolio and streamlining of the company's activity, therefore EBITDA reached USD 2.1 million in Q4 2010 and 13.7 million in 2010, higher compared with the same period last year.

The decrease in the quantity of raw materials processed compared with 2009 is the result of the shutdown of HDPE unit, starting November 2009.

In 2010 Romp petrol Petrochemicals improved the quality of its products, thus the weight of high quality rated products reached 97% compared with an average of 96% in 2009.

Against the background of the reduction or shutting down of production capacities in Central and Eastern Europe, the company maintains its objective set in 2007 of becoming one of the main suppliers and producers of polymers in the region. In November 2010 the high density polyethylene installation (HDPE) was restarted. In 2011 the modernization program will allow an increase in the installation capacity, a reduction in the processing costs, a diversification of the range of products provided, as well as an increase in the operating safety.

In 2010 Romp petrol Petrochemicals successfully completed the automation of plants and the integration of operations into the Command and Control Center of the Petromidia platform (CCR). The integration of the automated control of petrochemical plants into the Command Center supports the company's objective to become one of the main polymer suppliers and producers in the region and also represents a natural continuation of the investments amounting to over USD 107 million made since 2002 and until present in order to increase the specific activities, the production capacities, the quality and the range of products provided. The new center allows full tracking of operations – the control and protection of technological flows, the collection and



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online transmission of process data and, implicitly, the reduction of production costs, which is a first for Romania, as well as for the South-Eastern part of Europe.

Rompetrol Petrochemicals is the sole polypropylene producer in Romania; in 2009 and 2010 the company was also the sole producer of polyethylene, given the economic circumstances on the market, thus constantly increasing its market share. Its dynamic development strategy has secured the company a competitive position on the domestic and regional markets – in the Balkans Region. One of the advantages of the company is determined by its proximity to its customers, providing the products required Just - In - Time, as well as offering technical consulting and monitoring of their production cycle.

APPENDIX 1 – CONSOLIDATED INCOME STATEMENT 2010, UNAUDITED
Amounts in USD

	Q4 2010	Q4 2009	%	2010	2009	%
Gross Revenues	835,018,436	853,643,406	-2%	3,554,159,541	3,184,794,951	12%
Sales taxes and discounts	(198,401,905)	(199,157,219)	0%	(771,202,154)	(704,354,949)	9%
Net revenues	636,616,531	654,486,187	-3%	2,782,957,387	2,480,440,002	12%
Cost of sales	(535,120,695)	(607,139,697)	-12%	(2,571,847,316)	(2,283,545,985)	13%
Gross margin	101,495,836	47,346,490	114%	211,110,071	196,894,017	7%
Selling, general and administration	(114,969,991)	(82,507,068)	39%	(305,566,057)	(298,070,317)	3%
Other expenses, net	(3,609,943)	(13,410,766)	-73%	(7,765,102)	4,057,936	N/A
EBIT	(17,084,098)	(48,571,344)	N/A	(102,221,088)	(97,118,364)	N/A
Finance, net	(34,071,163)	(21,498,273)	58%	(83,571,474)	(84,228,263)	-1%
Net foreign exchange gains / (losses)	(2,775,226)	3,960,584	N/A	(6,552,761)	7,982,062	N/A
EBT	(53,930,487)	(66,109,033)	N/A	(192,345,323)	(173,364,565)	N/A
Income tax	407,498	546,752	-25%	(792,361)	(356,434)	122%
Net result	(53,522,989)	(65,562,281)	N/A	(193,137,684)	(173,720,999)	N/A
EBITDA	23,351,077	(3,921,586)	N/A	16,585,372	3,258,567	N/A

APPENDIX 2 – CONSOLIDATED BALANCE SHEET DECEMBER 31, 2010, UNAUDITED
Amounts in USD

	December 31, 2010	December 31, 2009	%
Assets			
Non-current assets			
Intangible assets	29,244,458	44,958,147	-35%
Goodwill	100,355,787	100,355,787	0%
Property, plant and equipment	1,017,946,224	939,880,630	8%
Financial assets and other	3,390,005	2,375,022	43%
Total Non Current Assets	1,150,936,474	1,087,569,586	6%
Current assets			
Inventories	357,368,919	290,325,030	23%
Trade and other receivables	324,492,795	314,185,381	3%
Cash and cash equivalents	53,177,253	45,565,498	17%
Total current assets	735,038,967	650,075,909	13%
Total assets	1,885,975,441	1,737,645,495	9%
Equity and liabilities			
Total Equity	(4,103,436)	161,304,208	N/A
Non-current liabilities			
Hybrid instrument - long-term portion	-	-	
Long-term debt	1,907,918	5,208,938	-63%
Other	31,619,187	31,446,531	1%
Total non-current liabilities	33,527,105	36,655,469	-9%
Current Liabilities			
Trade and other payables	709,970,626	530,207,451	34%
Hybrid instrument - current portion	-	22,601,564	-100%
Short-term debt	1,146,581,146	986,876,803	16%
Total current liabilities	1,856,551,772	1,539,685,818	21%
Total equity and liabilities	1,885,975,441	1,737,645,495	9%

The financial figures are extracted from Company's unaudited IFRS financial reports.