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office rafinare@rompetrol.com
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www.rompetrol.com**ROMPETROL RAFINARE**
Q2 and H1 2017 IFRS CONSOLIDATED UNAUDITED RESULTS**Increasing revenues in the first 6 months of 2017**

Rompetrol Rafinare S.A. (symbols, Bucharest Stock Exchange: RRC, Reuters: ROMP.BX, Bloomberg: RRC RO) has released today its Second Quarter and First Semester 2017 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 S.A and its subsidiaries Rompetrol Downstream S.R.L, Rompetrol Gas S.R.L, Rompetrol Quality Control S.R.L, Rom Oil SA, Rompetrol Logistics S.R.L and Rompetrol Petrochemicals S.R.L.

The document is posted on our website in the Investor Relations section:

www.rompetrol-rafinare.ro

HIGHLIGHTS – CONSOLIDATED

		Q2 2017	Q2 2016	%	H1 2017	H1 2016	%
Financial							
Gross Revenues	USD	896,964,832	987,817,768	-9%	1,718,414,575	1,702,624,994	1%
Net Revenues	USD	660,231,116	676,904,714	-2%	1,274,423,444	1,153,144,118	11%
EBITDA	USD	23,015,714	55,221,080	-58%	57,538,863	90,198,125	-36%
EBITDA margin	%	3.5%	8.2%		4.5%	7.8%	
EBIT	USD	(2,179,652)	31,811,711	N/A	7,434,687	42,452,061	-82%
Net profit / (loss)	USD	(6,966,587)	21,991,076	N/A	(7,030,136)	22,031,313	N/A
Net Profit / (loss) margin	%	-1.1%	3.2%		-0.6%	1.9%	

Rompetrol Rafinare Constanta (RRC) gross revenues reached USD 897 million in Q2 2017 and over USD 1.718 billion for H1 2017. The decrease of this indicator by 9% respectively the increase by 1% as against the same periods in 2016 was influenced by the volatility of international quotations for petroleum products.

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		Q2 2017	Q2 2016	%	H1 2017	H1 2016	%
Brent Dated	USD/bbl	50	46	9%	52	40	30%
Ural Med	USD/bbl	48	44	10%	50	38	32%
Brent-Ural Differential	USD/bbl	1.15	1.69	-32%	1.32	1.67	-21%
Premium Unleaded 10 ppm FOB Med	USD/t	519	487	7%	531	442	20%
Diesel ULSD 10 ppm FOB Med	USD/t	449	409	10%	464	360	29%
RON/USD Average exchange rate		4.14	3.98	4%	4.19	4.03	4%
RON/USD Closing exchange rate		3.99	4.06	-2%	3.99	4.06	-2%
RON/EURO Average exchange rate		4.55	4.50	1%	4.54	4.49	1%
RON/EURO Closing exchange rate		4.55	4.52	1%	4.55	4.52	1%
USD/EURO Closing rate		1.14	1.11	3%	1.14	1.11	3%
Inflation in Romania*		0.60%	-0.07%	N/A	0.40%	-0.99%	N/A

Source: Platts, * INSS

Over H1 2017 crude prices were again driven by market oversupply as producers ramped up output to maximize revenue in the lower flat price environment. After a strong start, the steady downward pressure from the supply side resulted in an H1 average price for outright Brent in the range of around \$52 per barrel compared to \$40 for H1 2016.

Several factors converged to make rebalancing possible. Output agreement between OPEC and 11 non-OPEC producers, pushed price levels up to around \$55 per barrel until March, when trend changed in March on fears of a US production recovery and indications of returning Libyan production. In April, another upward move was brought on by Libyan force majeure interrupting exports from an important terminal. End-April prices have started to decrease due to steady upward march of US crude production, return of Nigerian crude oil from force majeure and recovery of Libyan production plus a stubbornly high crude stocks despite record levels of crude intake over Q2.

Urals differentials have generally been stronger year-on-year over H1 2017. In early H1, the additional lightness in differentials could be attributed to the effects of the OPEC/non-OPEC cut. From the second half of H1 onwards the surge was fueled primarily by logistical problems – particularly extensive work on the pipeline network feeding Primorsk. Average spread between Urals Med and Dated Brent stood at around \$1.30 per barrel in H1, roughly 30 cents narrower than H1 2016. Urals Med differentials had their extreme ends at 67 cents per barrel and around \$2.00 per barrel against Dated Brent, representing a much wider range of values than in the same period last year. A significant factor has been a curtailment in Urals loadings from Baltic ports due to pipeline issues. Alongside the shorter loadings caused by the pipeline works, a significant demand increase from Asian buyers helped to strengthen the uptick in prices. India and China have become particularly keen importers of Urals, as multiple indicators show increasing arbitrage flows into these markets.

High stock levels kept gasoline cracks under a firm lid over the early year, and benchmark cracks in Europe, Asia, and the US all coming in below 2016 levels over the first couple of months. A largely seasonal recovery towards the end of Q1 brought with it some optimism, but since then, cracks have largely stagnated. At the same time, recovering middle distillate cracks have allowed for crude intake to remain high, or, in some cases,



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ROMPETROL RAFINARE Q2 and H1 2017 IFRS CONSOLIDATED UNAUDITED RESULTS

Increase even further. Parts of the pressure on gasoline cracks has clearly come from record crude intake in the US. Here, gasoline production levels moved from strength to strength, with stock builds only recently showing signs of easing. Some of the surplus production has found its way to Latin American countries ailing from persistent refinery issues, but this has nonetheless pressured arbitrage flows from Europe to America. Mediterranean gasoline has been trending at consistent discounts to Singapore 95 over the quarter, in contrast to the premiums observed over Q2 2016. A relatively strong Asian market meant that Med gasoline has likely increasingly been drawn into the Middle East, where there has been a chronic outage at Ruwais refinery.

This year, European gas oil/diesel cracks saw a relatively strong H1. Although still trending below the five-year average, they were consistently higher year-on-year over Q1 and most of Q2. Cold weather in Q1 underpinned strong regional demand growth which in turn tightened the European gas oil/diesel balance in addition to the seasonal tightening due to maintenance. In Q2, high crude runs kept gas oil/diesel lead to increasing product stocks, which translated into pressure for cracks over May amid a downside in heating requirements.

JBC Energy's standard Urals cracking margin, based on a basket of crudes typically bought by Med refiners improved by a solid \$1 per barrel over the first half of the year relative to H1 2016. The improvement came in combination with a soaring in crude runs, exceeding 2015 levels even though a refinery closure in France last year shrunk the region's CDU capacity. There is little doubt that rampant refinery outages in Central and South America contributed at least part of this good fortune. ULSD volumes from the US tended to find a more profitable home in the likes of Brazil and Mexico, while the rise in Russian ULSD output turned out to be milder than expected. Both factors left the Med ULSD market moderately tight, and elevated middle distillates into the primary drivers of refining margins.

**The information is based on analysis provided by JBC Energy GmbH*



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**ROMPETROL RAFINARE
Q2 and H1 2017 IFRS CONSOLIDATED UNAUDITED RESULTS**

REFINING SEGMENT

		Q2 2017	Q2 2016	%	H1 2017	H1 2016	%
Financial							
Gross Revenues	USD	715,911,958	815,890,922	-12%	1,413,931,408	1,392,259,088	2%
Net Revenues	USD	531,987,287	560,370,927	-5%	1,046,925,844	937,138,992	12%
EBITDA	USD	15,207,318	37,357,661	-59%	42,248,205	58,042,466	-27%
EBITDA margin	%	2.9%	6.7%		4.0%	6.2%	
EBIT	USD	(542,004)	22,888,855	N/A	8,393,609	28,718,178	-71%
Net profit / (loss)	USD	(15,841,722)	19,903,637	N/A	(17,210,246)	9,492,502	N/A
Net profit / (loss) margin	%	-3.0%	3.6%		-1.6%	1.0%	
Gross cash refinery margin/tonne (PEM)	USD/t	30.94	42.32	-27%	39.55	42.31	-7%
Gross cash refinery margin/bbl (PEM)	USD/b	4.28	5.83	-27%	5.45	5.83	-7%
Net cash refinery margin/tonne (PEM)	USD/t	10.70	22.45	-52%	16.49	19.87	-17%
Net cash refinery margin/bbl (PEM)	USD/b	1.47	3.09	-52%	2.27	2.74	-17%
Operational							
Feedstock processed in Petromidia refinery	Kt	1,222	1,495	-18%	2,422	2,792	-13%
Feedstock processed in Vega refinery	Kt	91	105	-13%	152	172	-11%
Gasoline produced	Kt	308	377	-18%	628	756	-17%
Diesel & jet fuel produced	Kt	688	789	-15%	1,288	1,406	-8%
Motor fuels sales - domestic	Kt	486	530	-8%	950	906	5%
Motor fuels sales - export	Kt	461	585	-21%	859	1,143	-25%
Export	%	49%	52%		47%	56%	
Domestic	%	51%	48%		53%	44%	

Note: Refining segment comprises the results of the company Rompetrol Rafinare (which operates Petromidia and Vega refineries). Rompetrol Rafinare computes Gross refinery margin as follows – (Oil Product Sales – Cost of Feedstock) / Quantity of sales. Net Refinery margin is the EBITDA of the refinery divided by quantity of sales.



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ROMPETROL RAFINARE Q2 and H1 2017 IFRS CONSOLIDATED UNAUDITED RESULTS

Refining segment gross revenues reached USD 716 million in Q2 2017 and USD 1.414 billion in H1 2017 decrease by 12% respectively increase by 2% as against the same periods last year, influenced by the volatility of international quotations for petroleum products.

During May 2017 Rompetrol Rafinare has stop production activities within its both refineries – Petromidia Navodari and Vega Ploiesti in order to perform scheduled technological works, established since November last year.

The works were coordinated by Rominserv, general contractor of the KMG International Group, and targeted the optimization and improvement of production flows, aligned to the new processing capacity of the Petromidia refinery, as well as carrying out of some preventive maintenance works for purposes of increasing the level of safety in operating the units and the level of environment protection.

During the mentioned period, both Rompetrol Rafinare SA production facilities provided supplying of petroleum products towards customers from accumulated stocks before shutdown.

In H1 2017 and in Q2 2017, the total throughput for Petromidia refinery was 2.422 million tons, respectively 1.222 million tons, lower by 13.26%, respectively 18.32% compared with the same periods last year when the total throughput was 2.792 million tons for H1 2016 and 1.495 million tons for Q2 2016. The decrease in volume of raw material processed compared to similar periods last year is due to the planned shutdown in May 2017.

The refining capacity utilization was 70.4% in H1, respectively 67.45% in Q2, lower by 22.05%, respectively 31.14% compared with the same periods last year, decrease generated by the planned shutdown scheduled in May 2017.

In respect of Vega refinery, the total throughput was 152.017 thousand tons in H1, respectively 91.183 thousand tons in Q2, lower by 11.40%, respectively 13.44% compared with the same periods last year when the total throughput was 171.573 thousand tons for H1 2016 and 105.342 thousand tons for Q2 2016.

The refining capacity utilization was 92.13% in H1 respectively 110.52% in Q2, lower by 11.85% respectively 17.16% compared with the same periods last year.

The financial results of the refining segment were influenced by the lower volume of production and sales achieved compared to the similar periods last year due to the planned shutdown in May 2017. During the analysis period, the processing cost optimization programs were continued and the benefits recorded are in line with budget assumptions.

Rompetrol Rafinare S.A. continued to be an important contributor to Romania's fiscal budget with over USD 266 million in Q2 2017 and over USD 520 million in H1 2017.

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Q2 and H1 2017 IFRS CONSOLIDATED UNAUDITED RESULTS****PETROCHEMICALS SEGMENT**

		Q2 2017	Q2 2016	%	H1 2017	H1 2016	%
Financial							
Revenues	USD	39,373,835	40,638,281	-3%	79,884,184	91,069,411	-12%
EBITDA	USD	(3,044,293)	3,829,066	N/A	(3,489,295)	7,045,456	N/A
EBIT	USD	(6,582,363)	2,782	N/A	(10,833,524)	(750,755)	N/A
Net profit / (loss)	USD	(1,921,768)	(2,190,631)	-12%	(5,502,836)	992,488	N/A
Operational							
Propylene processed	kt	26	32	-18%	60	65	-8%
Ethylene processed	kt	16	15	9%	28	31	-12%
Sold from own production	kt	38	42	-9%	82	97	-15%
Sold from trading	kt	0	0	-82%	0	1	-89%
Total sold		38	43	-10%	83	98	-15%
Export	%	49%	59%		48%	57%	
Domestic	%	51%	41%		52%	43%	

Petrochemicals segment comprises the petrochemicals activity from Rompetrol Rafinare and the activity of Rompetrol Petrochemicals SRL

Starting 1st of January 2014, the petrochemicals activity was transferred from Rompetrol Petrochemicals to Rompetrol Rafinare S.A., being fully integrated in the propylene, utilities and logistics flow.

In terms of low density polyethylene unit (LDPE), the petrochemicals segment works 100% with ethylene from import. The polypropylene unit (PP) works with 100% raw material from the Petromidia refinery.

The petrochemicals segment is the sole polypropylene producer in Romania and has constantly succeeded to increase its market share on secondary categories of products. Its dynamic development strategy has secured the company a competitive position on the domestic market and on the regional one – the Black Sea and Mediterranean region and the Eastern and Central Europe.

In Q2 2017, the total polymers production for Petrochemicals area was 31.670 thousand tons by 14.06 % lower compared with the same period last year when the total polymers production was 36.849 thousand tons, mainly caused by planned shutdown (PP unit) and unplanned shutdown (LDPE unit).

In H1 2017, the total polymers production for Petrochemicals area was 64.690 thousand tons by 14.36 % lower compared with the same period last year when the total polymers production was 75.538 thousand tons, mainly caused by planned shutdown (PP unit) and unplanned shutdown (LDPE unit).

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		Q2 2017	Q2 2016	%	H1 2017	H1 2016	%
Financial							
Gross Revenues	USD	551,419,259	606,170,506	-9%	1,052,015,776	1,033,754,848	2%
EBITDA	USD	11,309,598	14,610,986	-23%	19,174,620	26,521,498	-28%
EBIT	USD	6,684,078	10,256,282	-35%	8,838,937	17,729,225	-45%
Net profit / (loss)	USD	12,536,755	6,356,360	97%	15,648,251	15,532,992	1%
Operational							
Quantities sold in retail	Kt	173	158	10%	319	294	9%
Quantities sold in wholesale	Kt	282	330	-15%	539	556	-3%
LPG quantities sold	Kt	81	78	4%	171	145	18%

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

The marketing segment had a turnover of over 551 million USD in Q2 2017 and of 1.052 billion in H1 2017, lower by 9% respectively higher by 2% as against the same periods last year.

In Q2 2017 compared to Q2 2016, the Platt's quotations (FOB Med Italy-mean), expressed in the currency of reference, USD were on average by 7% higher for gasoline and by 10% higher for diesel. The decrease of the exchange rate USD/RON by 4% led to an effective increase of 11% for gasoline quotation and of 15% for diesel quotation.

A major influence in changing prices had a reduction in VAT starting with 1st of January 2017, from 20% to 19%, and excise duties on fuels were reduced by 70 eurocents / 1000 liters, cuts that were fully transferred to prices paid by customers at the pump.

As of June 2017, the Rompetrol Downstream's distribution segment contained 789 points of sale, including the network of owned stations, partner stations and mobile stations: expres, cuves and internal bases.

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Q2 and H1 2017 IFRS CONSOLIDATED UNAUDITED RESULTS****APPENDIX 1 – CONSOLIDATED INCOME STATEMENT 2017, UNAUDITED***Amounts in USD*

	Q2 2017	Q2 2016	%	H1 2017	H1 2016	%
Gross Revenues	896,964,832	987,817,768	-9%	1,718,414,575	1,702,624,994	1%
Sales taxes and discounts	(236,733,716)	(310,913,054)	-24%	(443,991,131)	(549,480,876)	-19%
Net revenues	660,231,116	676,904,714	-2%	1,274,423,444	1,153,144,118	11%
Cost of sales	(613,754,687)	(606,017,146)	1%	(1,175,922,909)	(1,033,407,093)	14%
Gross margin	46,476,429	70,887,568	-34%	98,500,535	119,737,025	-18%
Selling, general and administration	(47,063,251)	(40,564,164)	16%	(88,165,446)	(78,602,299)	12%
Other expenses, net	(1,592,830)	1,488,307	N/A	(2,900,402)	1,317,335	N/A
EBIT	(2,179,662)	31,811,711	N/A	7,434,687	42,452,061	-82%
Finance, net	(5,127,999)	(7,983,959)	-36%	(13,669,228)	(16,139,997)	-15%
Net foreign exchange gains / (losses)	701,570	(1,653,870)	N/A	(380,525)	(3,808,769)	-90%
EBT	(6,606,081)	22,173,882	N/A	(6,615,066)	22,503,295	N/A
Income tax	(380,506)	(182,806)	97%	(415,070)	(471,982)	-12%
Net result	(6,986,587)	21,991,076	N/A	(7,030,136)	22,031,313	N/A
EBITDA	23,015,714	55,221,080	-58%	57,538,863	90,198,125	-36%

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Q2 and H1 2017 IFRS CONSOLIDATED UNAUDITED RESULTS****APPENDIX 2 – CONSOLIDATED BALANCE SHEET JUNE 30, 2017, UNAUDITED***Amounts in USD*

	June 30, 2017	December 31, 2016	%
Assets			
Non-current assets			
Intangible assets	7,558,830	7,285,762	4%
Goodwill	82,871,706	82,871,706	0%
Property, plant and equipment	1,119,388,049	1,138,146,913	-2%
Financial assets and other	65,091,474	64,968,050	0%
Total Non Current Assets	1,274,890,059	1,293,252,431	-1%
Current assets			
Inventories	228,157,044	230,091,565	-2%
Trade and other receivables	390,035,870	287,577,488	36%
Derivative financial Instruments	401,671	5,340	N/A
Cash and cash equivalents	6,807,345	15,810,298	-57%
Total current assets	623,401,930	533,484,691	17%
Total assets	1,898,291,989	1,826,737,122	4%
Equity and liabilities			
Total Equity	472,308,011	478,624,262	-1%
Non-current liabilities			
Long-term debt	-	193,162,805	-100%
Provisions	74,981,195	76,429,343	-2%
Other	496,743	483,680	3%
Total non-current liabilities	75,477,938	270,075,828	-72%
Current Liabilities			
Trade and other payables	879,655,508	788,571,675	12%
Derivative financial instruments	-	323,130	-100%
Short-term debt	470,650,532	289,142,227	63%
Total current liabilities	1,350,306,040	1,078,037,032	25%
Total equity and liabilities	1,898,291,989	1,826,737,122	4%

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

Chairman of the Board of Directors
of ROMPETROL RAFINARE S.A.

Catalin Dumitru

Chief Executive Officer

Yedil Utekov

Chief Financial Officer

Vasile-Gabriel Manole

Trade Registry No. J 13/534/1991 IBAN: RO2256AC000000030500310
Fiscal Identification No. RO1860712 UniCredit Tuiasc Bank - Constanta