



**ROMPETROL RAFINARE
Q1 2018 IFRS CONSOLIDATED UNAUDITED RESULTS**

**Positive operational results in Q1 2018,
higher as against the same period last year**

Rompetrol Rafinare S.A. (symbols, Bucharest Stock Exchange: RRC, Reuters: ROMP.BX, Bloomberg: RRC RO) has released today its first quarter 2018 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

		Q1 2018	Q1 2017	%
Financial				
Gross Revenues	USD	1,206,215,530	821,449,743	47%
Net Revenues	USD	943,448,698	614,192,328	54%
EBITDA	USD	34,600,820	34,523,149	0%
EBITDA margin	%	3.7%	5.6%	-35%
EBIT	USD	5,425,497	9,614,339	-44%
Net profit / (loss)	USD	(3,779,055)	(63,549)	N/A
Net Profit / (loss) margin	%	-0.4%	0.0%	N/A

The results have been supported by an increase in the volume of processed raw materials and of the petroleum products sold, as well as by optimizing and increasing the efficiency of the processing, logistics and distribution costs, but also by implementing programs for transformation of current activities to reduce operational expenses and increase profitability.

Rompetrol Rafinare consolidated gross revenues reached USD over 1.206 billion in the first quarter of 2018 higher by 47% against Q1 2017 influenced by the volatility of international quotations for petroleum products and by the increase in the volume of products sold.

The consolidated net result in Q1 2018 was impacted by changes in accounting policy, from cost model to revaluation model, as at December 31, 2017 for buildings category in non-current assets.

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www.rompetrol.com**ROMPETROL RAFINARE
Q1 2018 IFRS CONSOLIDATED UNAUDITED RESULTS****ENVIRONMENT**

		Q1 2018	Q1 2017	%
Brent Dated	USD/bbl	67	54	24%
Ural Med	USD/bbl	65	52	25%
Brent-Ural Differential	USD/bbl	1.65	1.48	12%
Premium Unleaded 10 ppm FOB Med	USD/tonne	631	543	16%
Diesel ULSD 10 ppm FOB Med	USD/tonne	589	478	23%
RON/USD Average exchange rate		3.79	4.25	-11%
RON/USD Closing exchange rate		3.78	4.26	-11%
RON/EURO Average exchange rate		4.66	4.52	3%
RON/EURO Closing exchange rate		4.66	4.55	2%
USD/EURO Closing rate		1.23	1.07	15%
Inflation in Romania*		1.38%	-0.20%	N/A

*Source: Platts, * INSSE*

Dated Brent increased by 13\$/bbl (24%) in Q1 2018 vs. Q1 2017 and settled to an average of 66.8\$/bbl. In terms of supply, the last events from March pushed up the Dated Brent price to 70\$/bbl, after U.S. crude inventories unexpectedly fell, dropping below their five-year average for the first time since 2014.

Additionally, OPEC and its allies came out with declarations sustaining the extension of the deal also next year. According to Saudi Arabian Energy Minister, OPEC members will need to continue coordinating with Russia and other non-OPEC oil-producing countries on supply curbs in 2019 to reduce global oil inventories to desired levels.

Further support for crude price came from on one hand from Iraq which supports OPEC's agreement to cut oil output and on the other hand due to concerns that tensions in the Middle East could lead to supply disruptions.

Oil price is expected to increase steady this year, but to remain in a tight band dictated by U.S. shale output growth on one side and OPEC supply restraint on the other.

Strong economy perspective will generate a strong crude demand.

In March, the last estimation from Reuters is that Dated Brent may rise to 75 \$/bbl in the second quarter of 2018.

European margins started the year at a record low level, around 30\$/MT. This pressure was coming from the high run rates in US amid still elevated European runs. US refineries were pumping at maximum taking advantage of the cheaper feedstock (i.e. WTI- Dated Brent differential up to -7\$/bbl) putting pressure on Europe margins.

But in February and March the refinery margins recovered consistently and even reached 62\$/MT due to heavy maintenance in U.S. which helped the European cracks. Despite this increase in the last part of Q1, the average level of the margins (approx. 45.8\$/MT) was 7% lower than Q1 2017.



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Jet cracks surged to high levels (16.3\$/bbl) last seen in 2014 as the European market remained tight due to low imports from other regions. European jet fuel demand should continue growing strongly (+40,000 b/d year-on-year in March), keeping the regional balance tighter year-on-year.

U.S. refined product inventories fell more than expected in the week ended March 16th, with gasoline demand rising to a seven-month high (Energy Information Administration), helping the European arbitrage to U.S.

Further support in the Med has come from an unexpected outage at the 47,000 b/d cracking unit at Exxon's Augusta refinery in Sicily following a fire (Reuters).

JBC Energy expects European gasoline demand to increase by 150,000 b/d month-on-month in April, which alongside a globally tightening gasoline market should keep cracks supported over the coming weeks.

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



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REFINING

		Q1 2018	Q1 2017	%
Financial				
Gross Revenues	USD	1,048,312,071	698,019,450	50%
Net Revenues	USD	818,877,079	514,938,357	59%
EBITDA	USD	29,536,422	27,038,887	9%
EBITDA margin	%	3.6%	5.3%	-31%
EBIT	USD	9,614,663	8,935,613	8%
Net profit / (Loss)	USD	(2,461,081)	(1,368,524)	80%
Net profit / (Loss) margin	%	-0.3%	-0.3%	13%
Gross cash refinery margin/tonne (Petromidia)	USD/tonne	44.5	49	-9%
Gross cash refinery margin/bbl (Petromidia)	USD/bbl	6.1	6.7	-9%
Net cash refinery margin/tonne (Petromidia)	USD/tonne	18.8	22.9	-18%
Net cash refinery margin/bbl (Petromidia)	USD/bbl	2.6	3.1	-18%
Operational				
Feedstock processed in Petromidia refinery	thousand tonnes	1,527	1,201	27%
Feedstock processed in Vega refinery	thousand tonnes	77	61	26%
Gasoline produced	thousand tonnes	446	318	40%
Diesel & jet fuel produced	thousand tonnes	754	619	22%
Motor fuels sales - domestic	thousand tonnes	455	464	-2%
Motor fuels sales - export	thousand tonnes	708	397	78%
Export	%	61%	46%	32%
Domestic	%	39%	54%	-27%

Refining segment comprises the results of the company Rompetrol Rafinare related to 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 divided by quantity of sales.

Gross revenues of refining segment reached over USD 1.048 billion in Q1 2018 increase by 50% as against Q1 2017, being mainly influenced by the volatility of international quotations of petroleum products and by the increase in the volume of products sold compared to similar periods last year.

In Q1 2018, the total throughput for Petromidia refinery was 1.52 million tons by 27% higher compared with the same period last year when the total throughput was 1.2 million tons, the highest feedstock processed in Petromidia first quarter history.



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In Q1 2018 the refining capacity utilization in Petromidia refinery was 98.5% higher by 25.1% compared with the same period last year.

In Q1 2018, the total throughput for Vega refinery was 76,676 tons, by 26% higher compared with the same period last year, when the total throughput was 60,834 tons.

In Q1 2018 the refining capacity utilization was 92.9%, higher by 19.2% compared with the same period last year.

The company's financial results were positively influenced by favorable market conditions (refining margin of 44.5 \$/t) and by production and energy process optimization programs (increase of white products yields) and operating costs optimization, programs that started in the year 2014 and continued until present days.

Rompetrol Rafinare S.A. continued to be an important contributor to Romania's fiscal budget with over USD 333 million in Q1 2018.

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Q1 2018 IFRS CONSOLIDATED UNAUDITED RESULTS****PETROCHEMICALS**

		Q1 2018	Q1 2017	%
Financial				
Revenues	USD	61,192,912	40,610,359	51%
EBITDA	USD	(3,729,147)	(445,002)	738%
EBIT	USD	(7,661,992)	(4,251,161)	80%
Net profit / (Loss)	USD	(5,391,781)	(3,581,070)	51%
Operational				
Propylene processed	thousand tonnes	40	34	18%
Ethylene processed	thousand tonnes	19	11	69%
Total polymers production	thousand tonnes	43	33	30%
Sold from own production	thousand tonnes	56	44	27%
Sold from trading	thousand tonnes	1.6	0.0	3333%
Total sold		58	44	30%
Export	%	55%	46%	
Domestic	%	45%	54%	

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.

The current petrochemicals activity is carried out through PP and LDPE units. The HDPE unit is scheduled to be restarted at the beginning of the second quarter of 2018.

The operation of PP (polypropylene) unit is ensured through raw material produced entirely in the Petromidia refinery.

In terms of low density polyethylene unit (LDPE), the petrochemicals segment works 100% with ethylene from import.

The petrochemicals segment is the sole polypropylene and polyethylene 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 Q1 2018, the total polymers production for Petrochemicals area was 42.987 thousand tons by 30% higher compared with the same period last year when the total polymers production was 33.021 thousand tons, mainly due to continuous operation of PP and LDPE units in 2018.



**ROMPETROL RAFINARE
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MARKETING

		Q1 2018	Q1 2017	%
Financial				
Gross Revenues	USD	602,163,912	500,596,517	20%
EBITDA	USD	10,335,430	7,865,022	31%
EBIT	USD	3,413,237	3,154,859	8%
Net profit / (Loss)	USD	3,955,236	3,111,496	27%
Operational				
Fuels quantities sold in retail	thousand tonnes	150	146	3%
Fuels quantities sold in wholesale	thousand tonnes	230	257	-10%
LPG quantities sold	thousand tonnes	107	90	20%

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

In Q1 2018 the marketing segment had a turnover of over USD 602 million, higher by 20% compared with the same period of 2017.

In Q1 2018 compared to Q1 2017, the Platt's quotations (FOB Med Italy-mean), expressed in the currency of reference, USD were on average by 16% higher for gasoline and by 23% higher for diesel. The decrease of the exchange rate USD/RON by 11% led to an effective increase of 4% for gasoline quotation and of 10% for diesel quotation.

The excise level increase in Q1 2018 with 19% for gasoline and 21% for diesel. Subsequently, fuel excises increased by 0.32 RON / liter in two stages of 0.16 RON / liter, the first stage starting on 15th of September 2017, and the second stage entered into force since 1st of October 2017.

During Q1 2018, Rompetrol Downstream continued the implementation of important investment projects, like opening 1 new station and 8 new cuves, rebranding of gas stations, LPG skids, partner stations and express stations. On top of this, the continuation of the implementation of the new business model by Rompetrol Downstream plus the enhancement of the cost control measures have allowed Rompetrol Downstream to obtain better operational results, generating a higher EBITDA by 68% in Q1 2018 as against the same period last year.

As of March 2018, the Rompetrol Downstream's distribution segment contained 818 points of sale, including the network of owned stations, partner stations and mobile stations: expres, cuves and internal bases.

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Q1 2018 IFRS CONSOLIDATED UNAUDITED RESULTS****APPENDIX 1 – CONSOLIDATED INCOME STATEMENT Q1 2018, UNAUDITED***Amounts in USD*

	Q1 2018	Q1 2017	%
Gross Revenues	1,206,215,530	821,449,743	47%
Sales taxes and discounts	(262,766,832)	(207,257,415)	27%
Net revenues	943,448,698	614,192,328	54%
Cost of sales	(888,868,895)	(562,168,222)	58%
Gross margin	54,579,803	52,024,106	5%
Selling, general and administration Other expenses, net	(44,813,749) (4,340,557)	(41,102,195) (1,307,572)	9% 232%
EBIT	5,425,497	9,614,339	-44%
Finance, net Net foreign exchange gains / (losses)	(10,530,737) 1,572,951	(8,541,229) (1,082,095)	23% N/A
EBT	(3,532,289)	(8,985)	N/A
Income tax	(246,766)	(54,564)	352%
Net result	(3,779,055)	(63,549)	N/A
EBITDA	34,600,820	34,523,149	0%



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APPENDIX 2 – CONSOLIDATED BALANCE SHEET MARCH 31, 2018, UNAUDITED

Amounts in USD

	31 March 2018	31 December 2017	%
Assets			
Non-current assets			
Intangible assets	8,414,930	8,252,455	2%
Goodwill	82,871,706	82,871,706	0%
Property, plant and equipment	1,235,927,962	1,254,559,178	-1%
Financial assets and other	38,134,247	37,839,253	1%
Total Non Current Assets	1,365,348,845	1,383,522,592	-1%
Current assets			
Inventories	326,715,485	342,623,825	-5%
Trade and other receivables	408,178,818	436,209,507	-6%
Cash and cash equivalents	9,957,151	12,592,193	-21%
Total current assets	744,851,454	791,425,525	-6%
Total assets	2,110,200,299	2,174,948,117	-3%
Equity and liabilities			
Total Equity	703,711,892	704,345,972	0%
Non-current liabilities			
Hybrid instrument - long-term portion	14,687,203	14,687,203	0%
Provisions	80,689,558	85,001,042	-5%
Other	4,538,592	3,923,537	16%
Total non-current liabilities	99,915,353	103,611,782	-4%
Current Liabilities			
Trade and other payables	864,707,071	966,666,960	-11%
Derivative financial instruments	744,689	48,387	1439%
Short-term debt	441,121,294	400,275,016	10%
Total current liabilities	1,306,573,054	1,366,990,363	-4%
Total equity and liabilities	2,110,200,299	2,174,948,117	-3%

The financial figures are extracted from Company's consolidated 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