



March 24, 2022

Press release

In the context of the recent incident in the port of Novorossiysk, which affected the ability to load crude oil from the Caspian Pipeline Consortium (CPC) pipeline, KMG International Group confirms that it does not experience difficulties in supplying raw materials and there are no elements that could lead, in the next period, to a reduction in the volume of oil products and deliveries at national level, but also in the region.

With the support of KMG Trading, the oil and petroleum products trading division, two oil tanker will reach the port of Midia, to supplement the current oil reserves of the Petromidia refinery. At the same time, we specify that the specialized entity KMG Trading has the necessary experience and capacity to identify and ensure the supply of crude oil to the Petromidia refinery, from the profile market and in any event.

In the last 15 years, the Petromidia refinery has benefited from major investments in modernizing and streamlining production processes. The technological complexity achieved gives the Năvodari refinery the ability and flexibility to process different types of crude oil.

The Petromidia refinery processes, in particular, crude oil of Kazakhstan origin (Ural, CPC), with loading at the onshore and offshore terminals from the port of Novorossiysk. The share of CPC crude oil (which is being loaded through offshore terminals - affected by the recent incident) in Petromidia's oil production recipes is low compared to other types of crude oil currently in use.

According to the internal procedures, the refinery has operational crude oil stocks, to which are added the emergency stocks, constituted according to the legal obligations. The stocks allow and ensure the operation of the refinery for a period of time, depending on the level of utilization, but also on any unfavorable weather conditions or technical problems on the supply flow.

Currently, the production activities in the Petromidia Năvodari refinery are stopped, in order to carry out the scheduled technological turnaround, the deadline for the completion of the works being estimated on April 3. During this period, the company honors its previously concluded contractual obligations and continues deliveries of



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petroleum products, from its own stocks or with the support of the trading division of the KMG International Group.

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