



ANNUAL REPORT OF THE BOARD OF DIRECTORS OF ROMPETROL RAFINARE ON THE CONSOLIDATED FINANCIAL STATEMENTS PREPARED FOR THE FINANCIAL YEAR 2012

2012 figures include consolidated financial statements in accordance with International Financial Reporting Standards („IFRS”). Consolidated financial statements of Rompetrol Rafinare include the results of the parent company Rompetrol Rafinare and its subsidiaries Rompetrol Petrochemicals S.R.L., Rom Oil S.A., Rompetrol Downstream S.R.L., Rompetrol Quality Control S.R.L and Rompetrol Logistics S.R.L. (with its subsidiary Rompetrol Gas S.R.L.).

COMPANY HISTORY

Rompetrol Rafinare (formerly known as Petromidia) is the main refining facility of the Rompetrol Group located in Navodari, Constanta. Starting with December 1, 2007, the company also operates Vega refinery, located in Ploiesti. “Complexul Petrochimic Midia Navodari” (the former name of Rompetrol Rafinare S.A.) was part of the large oil refining plants which appeared after 19. The plant was designed between 1975 and 1977. In 1991, Combinatul Petrochimic Midia Navodari became a stock company, by taking over all the assets of the former unit. In February 2001, as a result of the privatization of the company by the State Ownership Fund, The Rompetrol Group NV became the main shareholder. In 2003, by Decision no. 50640 of Trade Registry Directorate, based on the General Shareholders' Meeting as of February 20, 2003, the company was renamed S.C. Rompetrol Rafinare S.A. The company processes a variety of crude oils with different content of sulphur, reaching an average percent of 1.26% sulphur. The crude oil feeding (approx. – 90%) is carried out mainly through the marine terminal built by the Group, close to Petromidia Refinery, and the rest of 10% is carried out through Oil Terminal facilities in Constanta port. The products obtained can be delivered by railway, road and by sea.

At the end of 2008 the company also finalized the operations for the 350% expansion of the transit capacity for finished products through Midia harbour, by building two new loading and offloading berths, Berth 9B and Berth 9C.

Rompetrol Rafinare is a company managed in a unitary system, issuing stocks listed on the regulated market operated by the Bursa de Valori București S.A. (“BVB”) - Bucharest Stock Exchange. The shares of the Company were accepted for trading on the BVB secondary market following Decision no.27/March 25th 2004 of the Stock Exchange Board regarding the acceptance for trading and the trading start date was April 7th 2004. Prior to this date, the Company's shares were listed on the regulated market operated by RASDAQ.

Rompetrol Rafinare is listed and traded on the Bucharest Stock Exchange - BVB. The market symbol of the securities at the Bucharest Stock Exchange is RRC.

The company has an agreement with S.C. Depozitarul Central S.A. Bucuresti (the former name S.C. REGISCO S.A.), authorized by the National Securities Committee according to the authorization 3564/14.12.2006.

The contact information for S.C. Depozitarul Central S.A. is: Carol I Street no. 34-36, sector 2, Bucharest, site: www.depozitarulcentral.ro.



Rompetrol Rafinare shares' symbols:	
Bucharest Stock Exchange	RRC
Bloomberg	RRC RO

Rompetrol Rafinare Shares	2010	2011	2012
Number of shares	21,099,276,002 ¹	44,109,205,726	44,109,205,726
Stock exchange capitalization, mill. of lei ²	1,213.208	1,689.383	1,389.440
Stock exchange capitalization, mill. of EUR ³	282.951	391.088	313.707
Maximum price, lei ⁴	0.0751	0.0839	0.0429
Minimum price, lei ⁵	0.0530	0.0370	0.0276
Price at the end of the year, lei	0.0575	0.0383	0.0383

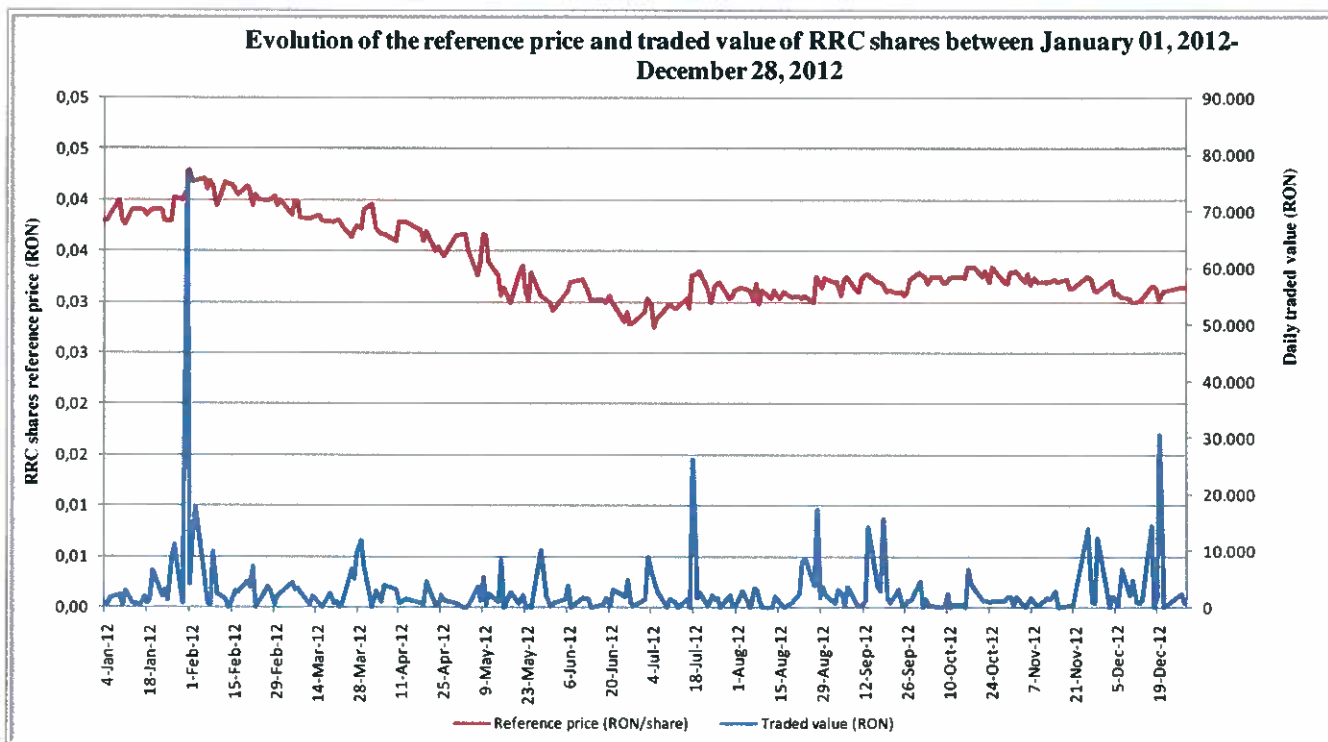
¹ Number of shares on 31.12.2010 registered with the Shareholders' Register kept by Depozitarul Central S.A. Bucharest. The capital increase from 21,099,276,002 shares to 24,394,196,673 shares, completed by Decision No. 1 of August 19, 2010 of the Company's Board of Directors, was entered with Constanța Trade Register Office on December 27, 2010 and entered with Depozitarul Central S.A. Bucharest on February 15, 2011.

² Calculated based on the share price valid on the last trading day of the year of analysis, respectively December 28, 2012.

³ Calculated at the EUR exchange rate (4.4291) valid during the last trading session of the year of analysis, respectively December 28, 2011.

⁴ Registered on February 1, 2012.

⁵ Registered on July 5, 2012.



Weighted Average Price (WAP) of RRC shares during 2012 = 0.0345 lei/share;

The volume traded in January represents 17.77% of the entire volume traded in 2012 (total traded volume in 2012 = 696,187.20 lei)

Rompertol Rafinare Shareholders Structure

During the period under analysis, there were no changes to influence the value of the Company's share capital.

Through the Government Emergency Ordinance No.30 published in the Official Journal of Romania No. 433/June 29,2012, the Company's shares owned by the Romanian state were transferred from the Ministry of Public Finance administration to Ministry of Economy, Trade and Business Environment („MECMA”) administration via the Office of State Ownership and Privatization in Industry.

Following the request sent by MECMA (address no.3522/July 9,2012) regarding the execution of the registration formalities, due to the enforcement of the ordonance above mentioned, through the Decision of the Board of Directors dated July 10, 2012 were approved the update and the adequate change of the Constitutive Document and the list of the registration formalities regarding the changes stipulated in the normative act at the Trade Register Office and Depozitarul Central Bucharest.

Therefore, the Company's shareholders, as mentioned in the Constitutive Document updated on July 10, 2012 are the following:

„A. Significant shareholders:

1) **The Rompetrol Group N.V. (Netherlands) owns 19,294,040,126 shares, payed of, in amount of RON 1,929,404,012.6 representing 43.7415% of the share capital;**

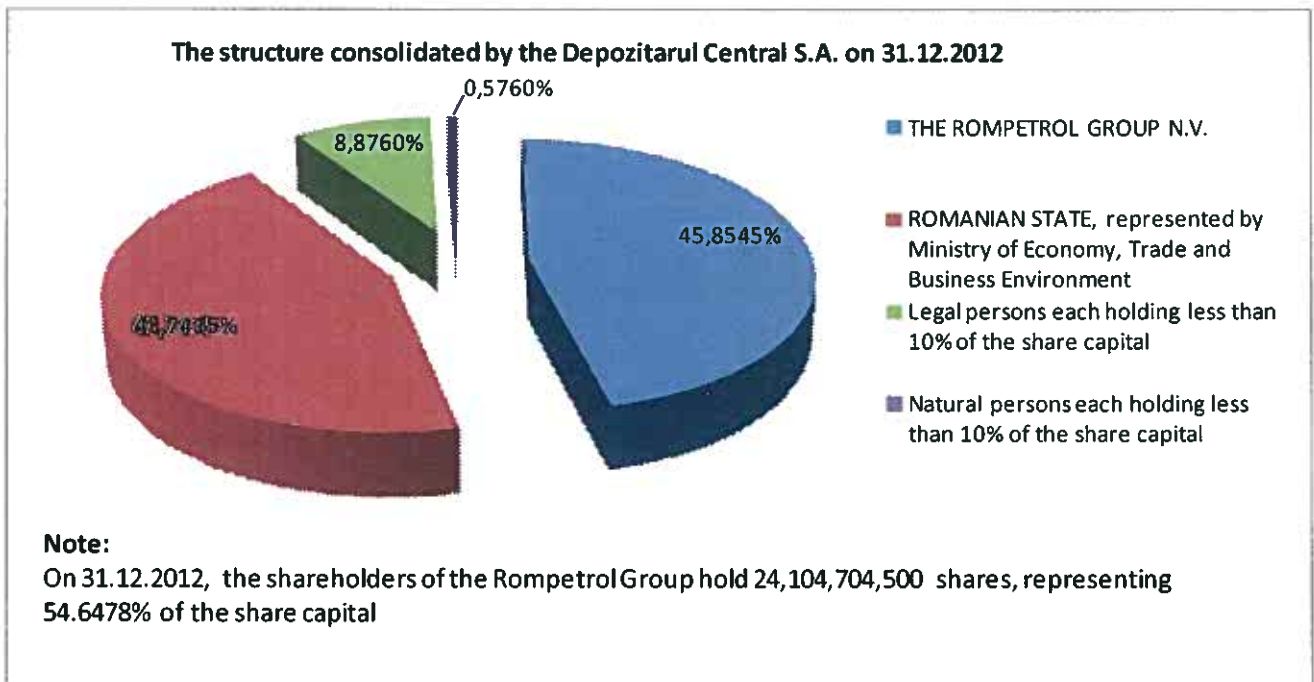


ROMPETROL

2) **The Romanian state represented by the Ministry of Economy, Trade and Business Environment through the Office of State Ownership and Privatization in Industry owns 19,715,009,053 shares, payed of, in amount of RON 1,971,500,905.3, representing 44.6959% of the share capital;**

B. Shareholders that each own less than 10% of the share capital representing a total of 5,100,156,547 shares, payed of, in amount of RON 510,015,654.7 representing a total of 11.5626% in the share capital.

According to the Shareholders' Register consolidated on December 31, 2012, the structure of the Company's significant shareholders is presented in the following graph:



Company's own shares

At 31.12.2012, ROMPETROL RAFINARE S.A. held a number of 6,134,701 having a nominal value of RON 0.10 per share and a total value of RON 613,470.10, which represents 0.029% of Company's share capital

The Company did not trade (by acquiring or selling) its own shares during 2012.



The Financial Calendar proposed for the year 2013

Financial Calendar	Date
<i>Presentation of the preliminary, unaudited, individual and consolidated results of the year 2012 and IVth Quarter of 2012</i>	<i>February 28th, 2013</i>
<i>Ordinary General Assembly of Shareholders, to approve the annual financial results of year 2012</i>	<i>April 29th, 2013</i>
<i>Publication of the 2012 Annual Report (i.e. publication of the financial results of 2012)</i>	<i>April 30th, 2013</i>
<i>Presentation of the results recorded during the first quarter of 2013</i>	<i>May 13th, 2013</i>
<i>Presentation of the results recorded during the first semester and second quarter of 2013</i>	<i>August 12th, 2013</i>
<i>Presentation of the results recorded during the third quarter of 2013 and between January – September 2013</i>	<i>November 14th, 2013</i>

Important information and news of interest to the shareholders, analysts and investors, regarding Company's activity, are available on the web-site www.rompetrol.com, in the Investor Relations section, Rompetrol Rafinare sub-section.

Investor Relations Contact

The annual, semiannual and quarterly reports are made available to shareholders upon request. Requests may be submitted electronically, via e-mail at: office.rafinare@rompetrol.com.

**HIGHLIGHTS – CONSOLIDATED**

Financial	2012	2011	%	2012	2011	%
	USD	USD		RON	RON	
Gross Revenues	4,619,549,311	4,812,587,305	-4%	15,510,136,812	16,158,261,877	-4%
Net Revenues	3,843,481,873	3,922,906,083	-2%	12,904,490,389	13,171,157,174	-2%
EBITDA	76,830,813	5,866,927	N/A	257,959,455	19,698,207	N/A
EBITDA margin	2.0%	0.1%		2.0%	0.1%	
EBIT	(119,532,295)	(183,207,529)	N/A	(401,329,681)	(615,119,279)	N/A
Net profit / (loss)	(163,033,733)	(258,175,945)	N/A	(547,385,760)	(866,825,737)	N/A
Net Profit / (loss) margin	-4.2%	-6.6%		-4.2%	-6.6%	

The consolidated gross revenues reached USD 4.6 billion in 2012.

The consolidated operational results achieved in 2012 were much better compared to last year, EBITDA increased to over USD 76.8 million, positively impacted by margins increase for fuels against the same period last year, especially in the second half of 2012.



ENVIRONMENT

		2012	2011	%
Brent Dated	USD/bbl	111.67	111.26	0%
Ural Med	USD/bbl	110.72	109.60	1%
Brent-Ural Differential	USD/bbl	0.95	1.65	-43%
Premium Unleaded 10 ppm FOB Med	USD/l	1,023	978	5%
Diesel ULSD 10 ppm FOB Med	USD/l	969	957	1%
RON/USD Average exchange rate		3.47	3.05	14%
RON/USD Closing exchange rate		3.36	3.34	1%
RON/EURO Average exchange rate		4.46	4.24	5%
RON/EURO Closing exchange rate		4.43	4.32	3%
USD/EURO Closing rate		1.32	1.29	2%
Inflation in Romania*		4.96%	3.13%	

Source: Platts, * INSSE

The global economy grew at 2.3% year over year in 2012, compared to a 3% year over year growth the previous year. The European Union had entered into a recession at the end of 2011, which continued in 2012. Its Gross Domestic Product (GDP) shrank 0.6% last year. However, the European Central Bank took a decidedly more Interventionist approach to stabilize bond markets in 2012. The activation of the European Stability Mechanism, an agreement on a banking supervision and more time given to Greece to work through its economic and fiscal crisis also somewhat settled the pessimism over the future of the Union. The United States economy remained stable, despite several headwinds caused by political instability in face of the presidential elections and the so-called fiscal cliff at the end of the year. In the emerging world, China posted the slowest Gross Domestic Product (GDP) growth since 1999 at 7.6%, substantially lower than the 9.3% year over year growth registered in 2011. Brazil, India and Russia also grew at a slower pace than the previous year.

Over 2012, Dated Brent prices improved slightly on an annual average basis, up to 41 cents on the 2011 figure up to 111.67 USD/ barrel. The year proved to be more exciting than the yearly average would indicate, with sizeable swings seen occurring to both the up-as well as the downside. The initial move to the topside saw prices overcome the 120 USD/barrel marker as the wider Iran issue prompted traders to start worrying about the effects of a potential closure of the Strait of Hormuz. As it became increasingly clear that the market was able to deal with the ever growing absence of Iranian barrels and the economic clouds above the European continent darkened, bringing with it a global slowdown in economic activity, oil prices took a dive and fell by around 40 USD/barrel to levels below 90 USD/barrel. However, concerted efforts by central banks and governments around the world were able to contain the situation and the subsequent recovery took oil prices back to the 110 USD/barrel level. Dated Brent prices remained near those levels for the rest of the year, as oil market fundamentals and a still elevated geopolitical risk premium prevented the market from breaking out in either direction.

The Urals market was strongly driven by developments in the MENA region over 2012. Additional longer-term support also came from a shift of Ural loadings to the new outlet at Ust-Luga. Overall, Urals traded at an average discount of around 90 cents per barrel to Dated Brent, demonstratively stronger than the 2011 figure of 1.7 USD/barrel. The EU's import ban on Iranian crude made the Russian grade the most obvious replacement and it was thus much sought after, helping Urals Med to climb to occasional premiums against Dated Brent, especially during periods of peak feedstock demand in the region. However, the steep fall in crude prices also weighed on the Urals differential, taking the Med differential down to a maximum discount of 3 USD/barrel against Dated Brent. The subsequent recovery was fuelled by improvements across the entire oil market as well as the final implementation of the Iranian import ban, which lifted Urals values back above the parity with Brent. The second



half of the year was less eventful, with increasing availability of Middle Eastern barrels, and Iraqi crude in particular, giving some respite to the market and Urals trading around 75 cents below Dated Brent.

Standard cracking margins in the Mediterranean based on Urals crude had a good year, particularly when compared to 2011. They averaged 4 USD/barrel over the year, up twice as high as the 2011 reading of 2.1 USD/barrel. On the product side the biggest contributor to the positive development was clearly gasoline, particularly during the period from February to the beginning of May as well as in August and September. The strong margin environment witnessed over June and July was mostly driven by the strong fall in crude prices. Towards the end of the year, when margins were the weakest, refiner profits suffered mostly on the back of a fall in gasoline and later on in December from a fall in diesel cracks.

Year 2012 was an extraordinary year for gasoline, particularly in the Atlantic Basin. Cracks were uncharacteristically strong throughout the year, posting a particularly surprising spike over Q3. Compared to 2011, gasoline cracks based on Urals in the Med were higher by 33 USD/barrel and average 216 USD/mt. Support stemmed from a combination of fundamental as well as non-fundamental factors. Amongst those, the more prominent ones were an octane shortage, stronger speculative flows as well as tightening specs in non-OECD countries. Middle distillates on the other hand gave a rather lackluster performance over 2012, with the ULSD crack in the Med having remained virtually unchanged at around 160 USD/mt. Against expectations that gas oil/diesel would drive refining margins, cracks took a back seat to gasoline as large parts of the global refining system are increasingly geared towards middle distillates production, thereby limiting the upside potential to the crack.

The average refinery utilization rate in Europe climbed to 82.3% in 2012, an improvement of 2.7 pp from the previous year (Euroilstock). An improving margin environment, particularly in the third quarter of last year helped to boost throughput at European refineries, with run rates reaching 85.8% in this period. Countries such as Spain and France experienced notable improvements over 2012 with run rates rising to 79.7% (+7.0 pp year over year) and 81.2% (+5.4 pp year over year) respectively. Additionally, further consolidation in the Western European refining sector helped to support utilization. Over the course of 2012, almost 600,000 b/d of refining capacity was shutdown in Italy, France and the UK. Following the collapse of Petroplus in 2012, the 170,000 b/d Coryton refinery in the UK was shutdown when it failed to find a buyer. Petroplus's also shut its 155,000 b/d Petit Couronne refinery in France but this was partially revived in the second half of last year due to short-term production agreement with Shell. The final decision about fully closing the refinery is expected from a French court in the coming weeks. The closures seen in the market last year are 250,000 b/d increase from 2011 when refineries shutdowns also occurred in the French and Italian markets.



REFINING

		2012	2011	%	2012	2011	%
Financial		USD	USD		RON	RON	
Gross Revenues	USD/RON	4,270,625,763	4,118,169,894	4%	14,338,625,999	13,826,755,419	4%
Net Revenues	USD/RON	3,554,601,432	3,362,589,233	6%	11,934,574,308	11,289,893,350	6%
EBITDA	USD/RON	58,345,084	(36,730,131)	N/A	195,893,620	(123,321,415)	N/A
EBITDA margin	%	1.6%	-1.1%	N/A	1.6%	-1.1%	N/A
EBIT	USD/RON	(70,612,229)	(114,105,510)	N/A	(237,080,559)	(383,109,250)	N/A
Net profit / (loss)	USD/RON	(118,699,352)	(171,575,478)	N/A	(398,533,074)	(576,064,668)	N/A
Net profit / (loss) margin	%	-3.3%	-5.1%		-3.3%	-5.1%	
Gross cash refinery margin/tonne	USD/(RON)/t	32.58	30.35	7%	109.31	101.91	7%
Gross cash refinery margin/bbl	USD/(RON) /bbl	4.48	4.18	7%	15.05	14.03	7%
Net cash refinery margin/tonne	USD/(RON)/t	12.71	(4.40)	N/A	42.67	(14.77)	N/A
Net cash refinery margin/bbl	USD/(RON)/bbl	1.75	(0.61)	N/A	5.88	(2.03)	N/A
Operational							
Feedstock processed	Kt	4,012	3,882	3%			
Gasoline produced	Kt	1,287	1,284	0%			
Diesel & jet fuel produced	Kt	1,713	1,563	10%			
Motor fuels sales - domestic	Kt	1,536	1,441	7%			
Motor fuels sales - export	Kt	1,307	1,225	7%			
Export	%	46%	46%				
Domestic	%	54%	54%				

Note: Refining segment comprises only the results of the refinery (parent company of Rompetrol Rafinare), including the operations of Vega. Rompetrol Rafinare computes Gross cash refinery margin as follows – (Oil Product Sales – Cost of Feedstock) / Quantity of Feedstock. Net Cash Refinery margin is the EBITDA of the refinery divided by quantity of feedstock.

Rompetrol Rafinare gross revenues reached USD 4.3 billion in 2012 higher by 4% compared with the same period last year, mainly as a result of higher international quotations for petroleum products and higher volume sold.

In 2012 the total throughput of Petromidia refinery was 4.047 million tons higher by 4% than in 2011 due to the rescheduling of the planned shutdown from September 2012 to spring 2013.



Romp Petrol Rafinare recorded in 2012 much better results compared to last year, EBITDA reaching USD 58.3 million, positively impacted by good margins for fuels, the cracks for gasoline increased by 40 USD/t up to 197 USD/t, while diesel cracks increased by 10 USD/t up to 183 USD/t against the same period last year.

Regarding Vega refinery, in 2012 the throughput reached 305,171 tons by 9.3% lower than in 2011 due to a decrease in demand for naphtha gasoline, white spirit and bitumen.

In 2012, the production of n-hexane increased by 35.2% due to a higher recovery level of n-hexane, while the production of white spirit and bitumen decreased by 2.1 kt, respectively 8.2 kt compared with the same period last year. In the same time, in 2012, hexane yield of 43% was the highest achieved in refinery history, with highest yield of Bitumen of 74%, while technological loss reached the lowest level in the past 5 years of 1.67%.

In 2012, the financial results of Rompetrol Rafinare have been negatively impacted by a series of one off transactions determined by provisions for environmental obligations for Vega Refinery (USD 51 million), provisions for tax litigations (USD 39 million) which were partially offset by the reversal of past accrued tax liabilities in respect with FSP (USD 52 million) and also by the decrease of depreciation (USD 30 million) as result of assets valuation.

Romp Petrol Rafinare continued to be an important contributor to Romania's fiscal budget with over USD 1.2 billion in 2012.

In 2012 Rompetrol Rafinare completed the last phase of its capacity increase program for the Petromidia Refinery, named "Package 2010", from 3.8 million tons/year, to over 5 million tons/year of processed raw materials. The refinery's capacity increase investment program allows the consolidation and development of Rompetrol's presence in Central and Western Europe, in Romania, Bulgaria, Republic of Moldova, Ukraine and Georgia, where we have Rompetrol gas-stations, as well as in countries such as Turkey, Serbia or Greece. Initiated in 2006, the package aimed at carrying out nine major projects, such as the construction of five new plants (the mild hydro-cracking installation, the hydrogen production plant, the sulphur recovery unit, the nitrogen production plant and a new flare system), as well as the modernization/extension of other four such plants that were already in place (the gas desulphurization plant, the transformation of the vacuum distillate hydrotreating plant into a diesel hydrotreating plant, the catalytic cracking plant, sulphur recovery plant).

As the result of the Upgrade program implementation white products basket yields achieved during December 2012 was 92.5%, leading to the best yearly average yield from the history of the refinery at 85.4%.

In parallel with the program for increasing the production capacity, the Rompetrol Group also developed other projects needed in order to sustain this program: building the terminal for crude oil procurement located offshore in the Black Sea, the tripling of oil products transit capacities through Berth 9 in Midia Port, the rehabilitation of crude oil park and finished products tanks, the construction of the liquefied petroleum gas import-export terminal.



MARKETING

		2012	2011	%	2012	2011	%
Financial		USD	USD		RON	RON	
Gross Revenues	USD/RON	2,673,035,916	2,857,631,805	-6%	8,974,718,088	9,594,498,785	-6%
EBITDA	USD/RON	28,637,283	38,481,433	-26%	96,149,678	129,201,411	-26%
EBIT	USD/RON	(23,255,472)	(21,676,174)	7%	(78,080,248)	(72,777,754)	7%
Net profit / (loss)	USD/RON	(44,026,373)	(51,506,773)	-15%	(147,818,548)	(172,933,991)	-15%
Operational							
Quantities sold in retail	Kt	680	709	-4%	-	-	
Quantities sold in wholesale	Kt	746	778	-4%	-	-	
Retail Gross Margin	USD/t	99	123	-20%	332	413	-20%
Wholesale Gross Margin	USD/t	35	50	-30%	118	168	-30%

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

Despite prolonged negative effect of the financial crisis, the marketing segment managed to keep volumes at 2011 level, slightly below, reaching a total of 1.4 million tons of products sold.

Even with aggressive cost cutting program in retail activity of approximately USD 30 million compared with 2011 the achieved EBITDA was lower than 2011, due to market margin shrinkage, having a negative effect of approximately 24 USD/t for retail and 15 USD/t for wholesale.

As of the end of December 2012, the distribution network of Rompetrol Downstream operates a number of 741 stations (own stations, partner stations, mobile stations: express, cuves and internal bases).



PETROCHEMICALS

		2012	2011	%	2012	2011	%
Financial		USD	USD		RON	RON	
Revenues	USD/RON	247,294,513	355,088,274	-30%	830,291,327	1,192,208,880	-30%
EBITDA	USD/RON	(8,159,557)	967,306	N/A	(27,395,713)	3,247,730	N/A
EBIT	USD/RON	(20,239,957)	(47,426,554)	N/A	(67,955,656)	(159,234,654)	N/A
Net profit / (loss)	USD/RON	(21,494,955)	(41,572,845)	N/A	(72,169,312)	(139,580,826)	N/A
Operational							
Propylene processed	kt	119	119	0%			
Ethylene processed	kt	58	103	-44%			
Sold from own production	kt	167	217	-23%			
Sold from trading	kt	11	12	-11%			
Total sold		177	229	-23%			
Export	%	55%	60%				
Domestic	%	45%	40%				

Rompetro Petrochemicals is the sole polypropylene producer in Romania; starting with 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.

In 2012 only the Polypropylene (PP) and Low density polyethylene (LDPE) plants were in operation, while HDPE plant remained shutdown, thus leading to lower feedstock processed, as well as lower production and sales. The company finalized in 2012 the modernization of the high density polyethylene installation, in view of expanding its product range, by adding high-margin grades to its portfolio (large containers – up to 200 l, thin film and pipe grade PE 100).

The financial results of the company were negatively influenced, mainly in June and July, due to the increased market volatility, the polyethylene ICIS quotations plunged by 17% (by approx 290 USD/to) in June versus May and by 20% in July (by approx. 330 USD/to). Starting with the month of August, the quotations followed an upward trend, increasing by 20% versus the previous month. Although EBITDA for the whole year amounted to USD -8.2 million, the company recorded improved results, especially in the last quarter of 2012.

In 2012 Rompetrol Petrochemicals maintained the quality of its products, thus the weight of high quality rated polymers products remained 98%.



APPENDIX 1 – CONSOLIDATED INCOME STATEMENT 2012, AUDITED

	2012	2011	%	2012	2011	%
	USD	USD		RON	RON	
Gross Revenues	4,619,549,311	4,812,587,305	-4%	15,510,136,812	16,158,261,877	-4%
Sales taxes and discounts	(776,067,438)	(889,681,222)	-13%	(2,605,646,423)	(2,987,104,703)	-13%
Net revenues	3,843,481,873	3,922,906,083	-2%	12,904,490,389	13,171,157,174	-2%
Cost of sales	(3,672,713,538)	(3,755,535,121)	-2%	(12,331,135,705)	(12,609,209,169)	-2%
Gross margin	170,768,335	167,370,962	2%	573,354,684	561,948,005	2%
Selling, general and administration	(220,106,359)	(274,335,906)	-20%	(739,007,099)	(921,082,803)	-20%
Other expenses, net	(70,194,271)	(76,242,585)	N/A	(235,677,266)	(255,984,481)	N/A
EBIT	(119,532,295)	(183,207,529)	N/A	(401,329,681)	(615,119,279)	N/A
Finance, net	(55,988,793)	(80,755,088)	N/A	(187,982,372)	(271,135,209)	N/A
Unrealized net foreign exchange (losses)/gains	22,681,452	4,663,826	N/A	76,152,974	15,658,796	N/A
Realized net foreign exchange (losses)/gains	(10,725,694)	1,811,829	N/A	(36,011,518)	6,083,216	N/A
EBT	(163,565,330)	(257,486,962)	N/A	(549,170,597)	(864,512,476)	N/A
Income tax	531,597	(688,983)	N/A	1,784,837	(2,313,261)	N/A
Net result	(163,033,733)	(258,175,945)	N/A	(547,385,760)	(866,825,737)	N/A
EBITDA	76,830,813	5,866,927	N/A	257,959,455	19,698,207	N/A



APPENDIX 2 – CONSOLIDATED BALANCE SHEET DECEMBER 31, 2012, AUDITED

	December 31, 2012	December 31, 2011	%	December 31, 2012	December 31, 2011	%
	USD	USD		RON	RON	
Assets						
Non-current assets						
Intangible assets	11,715,765	15,869,666	-26%	39,335,678	53,282,402	-26%
Goodwill	82,871,706	82,871,706	0%	278,241,754	278,241,754	0%
Property, plant and equipment	1,150,819,800	1,079,404,528	7%	3,863,877,473	3,624,100,701	7%
Financial assets and other	7,594,750	5,084,463	49%	25,499,372	17,071,082	49%
Total Non Current Assets	1,253,002,021	1,183,230,363	6%	4,206,954,277	3,972,695,939	6%
Current assets						
Inventories	446,917,386	341,849,388	31%	1,500,525,124	1,147,759,321	31%
Trade and other receivables	284,613,763	308,347,816	-8%	955,590,711	1,035,277,793	-8%
Derivative financial instruments	-	5,832,080		-	19,581,209	
Cash and cash equivalents	159,264,897	53,058,268	200%	534,731,891	178,143,135	200%
Total current assets	890,796,046	709,087,552	26%	2,990,847,726	2,380,761,458	26%
Total assets	2,143,798,067	1,892,317,915	13%	7,197,802,003	6,353,457,397	13%
Equity and liabilities						
Total Equity	361,897,872	(274,950,767)	N/A	1,215,072,103	(923,147,201)	N/A
Non-current liabilities						
Provisions	68,797,216	21,137,146	225%	230,986,655	70,967,968	225%
Long-term debt	-	-		-	-	
Other	869,785	1,767,661	-51%	2,920,303	5,934,922	-51%
Total non-current liabilities	69,667,001	22,904,807	204%	233,906,958	76,902,890	204%
Current Liabilities						
Trade and other payables	917,143,556	866,114,149	6%	3,079,309,493	2,907,978,253	6%
Derivative financial instruments	2,520,211	-		8,461,599	-	
Provisions - current portion	11,501,341	3,279,571		38,615,752	11,011,160	
Short-term debt	781,068,086	1,274,970,155	-39%	2,622,436,098	4,280,712,295	-39%
Total current liabilities	1,712,233,194	2,144,363,875	-20%	5,748,822,942	7,199,701,708	-20%
Total equity and liabilities	2,143,798,067	1,892,317,915	13%	7,197,802,003	6,353,457,397	13%



Risk Management

The Group's activities expose it to a variety of risks including the effects of: changes in the international quotations for crude oil and petroleum products, foreign currency exchange rates and interest rates. The Group's overall risk management main objective is to minimize the potential adverse effects on the financial performance of the Group companies.

Commodity price risk

The Group is exposed to changes in commodity prices both on the purchase of crude oil and the eventual sale of the finished oil products. The Group is an importer of crude oil and was influenced by the increase in average crude oil prices in 2012 and 2011. The Group exports almost half of its petroleum products on external markets, the rest being sold on the Romanian market. The prices for crude oil and petroleum products bought/sold are determined by reference to international quotations, while the price of petroleum products for domestic market are mainly market driven.

Interest rate risk

Interest rate price risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates relative to the interest rate that applies to the financial instrument.

Interest rate cash flow risk is the risk that the interest cost will fluctuate over time. The Company has long-term debt and short-term debt that incur interest at fixed and variable interest rates that exposes the Company to both fair value and cash flow risk.

Foreign exchange risk

The Company's functional currency is USD since crude oil imports and a significant part of petroleum products are all denominated in foreign currencies, principally US Dollars. In addition, certain assets and liabilities are denominated in foreign currencies. Group Treasury is responsible for handling the Group foreign currency transactions.

Liquidity and cash flow risks

The liquidity risk consists in not having financial resources available in order to fulfill company obligations when they are due. Based on the forecasted cash flow, the management of the company checks daily the liquidity level and ensures the fulfillment of obligations to suppliers, to the state budget, to the local tax authorities etc. according to their maturity. The current and immediate liquidity ratios are monitored permanently.

One of the concerns of the management of Rompetrol Rafinare is to know the effects of all these risks in order to ensure that the economic-financial activity of the company is carried out without any problems. During 2012 the company enjoyed continuous financing resources at the needed levels and ensured that no cases of temporary lack of financial resources or of lack of liquidity of the company occurred, as a result of selling products guaranteed with payment instruments and negotiating receipt terms from clients and payment terms to suppliers that are advantageous, maintaining at the same time a good relation with the business partners.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract leading to a financial loss. The Group is exposed to credit risk from its operating activities primarily for trade receivables and from its financing activities including bank deposits, foreign exchange transactions and other financial instruments.



ROMPETROL

Trade receivables

The retail operational segment is exposed to credit risk. Overdue customer receivables are regularly monitored.

Financial instruments and bank deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury in accordance with the Group's policy.

Commodity price risk

The Group is affected by the volatility of crude oil, oil product and refinery margin prices. Its operating activities require ongoing purchase of crude oil to be used in its production as well as supplies to its clients. Due to significantly increased volatility of crude oil, the management developed a hedge policy, and following this, the Group started on January 2011 the hedge of commodities held by Rompetrol Rafinare.

Operational risk

The operational risk derives from the possibility that accidents, errors, malfunctions may occur, as well as from the influences of the environment upon the operating and financial results. Rompetrol Rafinare S.A. has continued a broad revamp process on the refinery technology, for the purpose of increasing the production, reducing the technological losses, as well as eliminating the accidental shut-downs in the industrial process. Also, the Company is preoccupied with maintaining and improving the quality-environment-safety integrated system on a constant basis, aiming to improve the organizational image, by complying with the requirements on quality, environmental protection and work safety, by improving the relationship with the authorities and with the socio-economic society, by limiting the civil and criminal liability and by meeting the legal requirements for quality – environment – security.



ROMPETROL

Note: The Board of Directors Annual Report was prepared based on the audited financial statements.

The functional currency, as basis for preparing the financial statements, is USD. RON currency is used as currency for presenting the informations in USD, according to the International Financial Reporting Standards. All the RON information were obtained by multiplying the USD values with the exchange rate USD/RON = 3.3575 as of 31 December 2012.

PRESIDENT OF BOARD OF DIRECTORS
Azamat Zhangulov



MEMBER OF THE BOARD OF DIRECTORS:
Alexandru Nicolciuiu

MEMBER OF THE BOARD OF DIRECTORS:
Sorin Garure

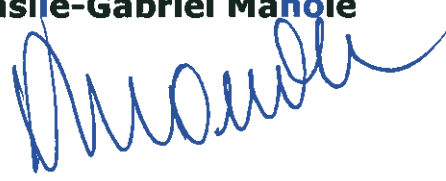


MEMBER OF THE BOARD OF DIRECTORS:
Iulian-Marian Butnaru

MEMBER OF THE BOARD OF DIRECTORS:
Dumitru-Remus Vulpescu



CHIEF FINANCIAL OFFICER
Vasile-Gabriel Manole



Prepared by,
Cristina Ana Dica



