



ROMPETROL

**ROMPETROL RAFINARE S.A.
ANNUAL REPORT OF THE BOARD OF DIRECTORS for the financial year 2012
Audited financial statements**

ANNUAL REPORT 2012

**OF THE BOARD OF DIRECTORS
FOR THE FINANCIAL YEAR 2012**

**Company
ROMPETROL RAFINARE S.A.**

Registered office: 215 Năvodari Blvd.,
Administrative Pavilion,
Năvodari, Constanța county

Telephone/Fax no.: +(40) 241 506100
+(40) 241 506930

**Sole Registration Code with the
Trade Register Office attached to the
Constanța Tribunal:**

1860712

Order number with the Trade Register: **J13/534/1991**

**The shares of S.C. Rompetrol Rafinare S.A. are transacted at Category II
of the Bucharest Stock Exchange**

Subscribed and paid in capital: **4,410,920,572.60 RON**

**Main characteristics of the securities issued by S.C. Rompetrol Rafinare
S.A.:**

- **Dematerialized nominal common shares whose record is kept by
the Central Depository S.A. Bucharest**
 - o **Total number of shares:** **44.109.205.726**
 - o **Nominal value:** **0.10 RON**
 - o **Shares symbol to BVB** **RRC**



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MAJOR PERFORMANCES IN THE YEAR 2012 IN AN UNFAVORABLE ECONOMIC ENVIRONMENT:

The operational and financial results were influenced both by the global financial crisis, by the international evolutions of the crude oil and fuels prices, and by a series of domestic macroeconomic factors, such as the depreciation of the national currency as opposed to the USD and the Euro. On the background of the unfavorable context, the Company however achieved major performances, as follows:

- Continuous improvement of the financial figures: in 2012 was reached an EBITDA index of 58.35 million USD;
- 85.4% profit rate in white products in the Petromidia Refinery, the highest in the refinery history;
- 39.6% profit rate at diesel fuels, thanks to the completion of the investment package "Pachet 2010";
- Growth of the NELSON index from 8.3 to 10.5;
- Over 118 million USD investments made in 2012, both for the Petromidia Refinery and for the Vega Refinery, to increase the efficiency, environment protection and the processing capacity;
- Production of biofuels (Diesel fuels and petrol) using bio-components according to the legal provisions;
- Launching a new product EFIX S starting with October 2012;
- Alignment with the national and European environment requirements concerning the emissions of sulfur oxide and nitrates into the atmosphere, as well as the storage of dangerous wastes;

The most important investments and modernizations completed in 2012 at Rompetrol Rafinare were:

- ✓ New Hydrogen Plant (commissioned in May 2012);
- ✓ Mild Hydrogen Cracking Installation (commissioned in August 2012);
- ✓ The new Sulfur Recovery and residual gas treatment installation (commissioned in October 2012).

Also, in the year 2012 continued the investment works on a series of important projects:

- ✓ Modernization of the Delayed Carbon Producing Installation;
- ✓ Installation of a particle reduction system at chimney in the Catalytic Cracking Installation;

By the commissioning of the new installations in the "Investment Projects Package 2010", Rompetrol Rafinare has the possibility to exclusively produce from semester II 2012 the Euro 5 fuels, processing only sulfur crude oil, on the background of an increase of the processing capacity of raw material to 5 million tons/year (from 4.03 million tons processed in 2009 and 1.15 million tons processed in 2000 - before taking over by the Rompetrol Group).



1. ANALYSIS OF THE TRADE COMPANY ACTIVITY

The international financial context determines the companies to adapt their behavior according to the new economic situations.

The greatest challenge for Rompetrol Rafinare, Member Company of the Rompetrol Group, was to reach its performance objectives by improving the efficiency of all the activities, by cost control and reduction, so as to allow the adaptation of the strategy and of the business plans for the following years.

1.1. a) Description of the basic activity of S.C. ROMPETROL RAFINARE S.A.

Rompetrol Rafinare, Member Company of Rompetrol Group, operates the Petromidia Refinery located in Năvodari, Constanța county, as well as the Vega refinery in Ploiești, Prahova county.

According to the provisions of the Articles of Incorporation of Rompetrol Rafinare S.A. company (hereinafter referred to as "Company"), the main activity field is the „manufacture of products obtained from crude oil processing” (CAEN code 192), and the main activity object is represented by the „manufacturing of products obtained from crude oil processing” (CAEN code 1920). Other secondary activity objects are detailed in the Articles of Incorporation of the Company.

Rompetrol Rafinare has the quality of authorized repository, according to the applicable fiscal law. The Petromidia and Vega Refineries are authorized as fiscal production repositories, being producers of energy products, observing the fiscal norms for regulating the production activity of energy products.

Rompetrol Rafinare also has Integrated Environment Authorizations, issued by the competent environment authorities according to the environment legislation, for the 2 refineries operated.

In 2012 Rompetrol Rafinare continued the ascending trend of its activity, supported by the continuation and completion of the investments started in the previous years to align to the European norms regarding the quality of the fuels produced - Euro 5.



I) Production activity in the year 2012

Rompetro Rafinare – Work point Năvodari (Petromidia Refinery)

The production program of S.C. ROMPETROL RAFINARE S.A. for the year 2012 was designed with a total processing capacity of 4,641,049 tons, of which 4,397,754 tons crude oil and 243,295 tons other raw materials.

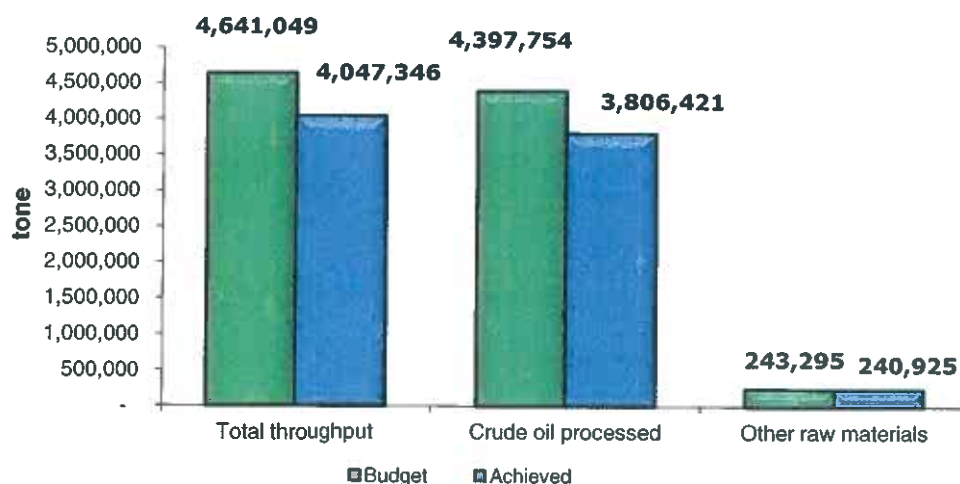
This program was the basis of drafting the incomes and expenses budget for the year 2012.

The processing performed in the year 2012 is of 4,047,346 tons, of which 3,806,421 tons crude oil and 240,925 tons other raw materials.

This processing capacity represents 87.21 % of the program established for the budget of the year 2012.

	Tons	
2012	Budget	Achieved
Total throughput	4,641,049	4,047,346
Crude oil processed	4,397,754	3,806,421
Other raw materials	243,295	240,925

2012, Program vs Achieved Processing



The situation of the processing capacities, on quarters is given in the table below:

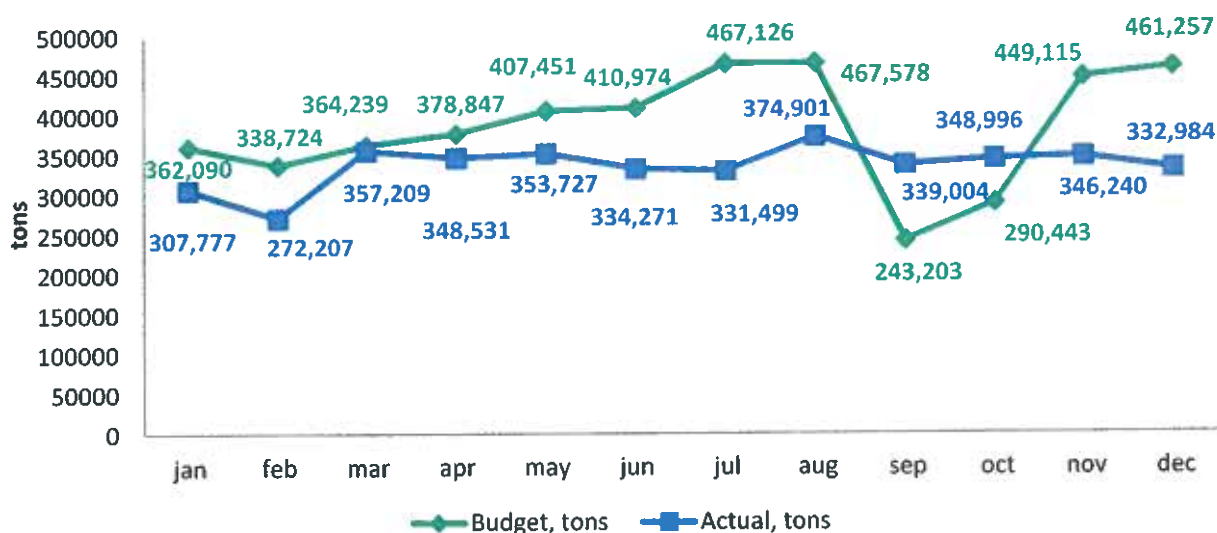
	QUART. I	QUART. II	QUART. III	QUART. IV	2012
Budget, tons	1,065,053	1,197,272	1,177,908	1,200,816	4,641,049
Achieved, tons	937,193	1,036,528	1,045,404	1,028,220	4,047,346
Achieved/Budget (%)	88.00	86.57	88.75	85.63	87.21



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Romp petrol Rafinare completed in the quarter III 2012 the last phase of the increase program of the processing capacity of Petromidia refinery reaching 5 million tons of raw material/year. The program of increasing the refining capacity allows the consolidation and development of Rompetrol`s presence in the Central and Eastern Europe region both in Romania, Bulgaria, The Republic of Moldavia, Ukraine and Georgia, where the Rompetrol stations are located, as well as in countries such as Turkey, Serbia or Greece. Initiated in 2006, the package was aimed at achieving two major projects, the building of five new installations (mild hydro cracking installation, hydrogen production installation, sulfur recovery installation, nitrogen production installation and a new flare system) as well as the modernization / extension of other four already existing (gas sulfur removal installation, transformation of the vacuum distillate hydrofining installation into diesel fuel hydrofining installation, catalytic cracking installation, sulfur recovery installation).

2012 Monthly processing evolution versus Budget





The structure of physical production compared with the Budget, in the year 2012, is the following:

Year 2012	Budget [tons]	Achieved [tons]
Finite products	4,507,584	3,930,111
Petrol	1,342,270	1,293,061
Diesel fuel	1,946,361	1,602,852
Black oil	175,754	113,193
Propylene	123,710	120,873
Coke	189,691	175,512
Sulfur	39,253	33,326
Other products	690,546	591,293
Total consumption:	133,465	119,717
Of which: Technologic Consumption	41,769	36,049

White products obtained, %	Budget	Achieved
Reported to total obtained	84.26	85.4
Reported to finite products	86.76	87.94

From the Budget-Achieved comparison can be noticed the preoccupation to obtain petroleum products in accordance with the market requirements.

An accent was placed on the production of petrol and diesel fuels meeting the qualities required by the specific of the sale markets - the external and domestic market (bio-fuel products).

In the year 2012, a purchase price of the crude oil was budgeted of 778.60 USD/ton, in the end obtaining an end price of 817.68 USD/ton.

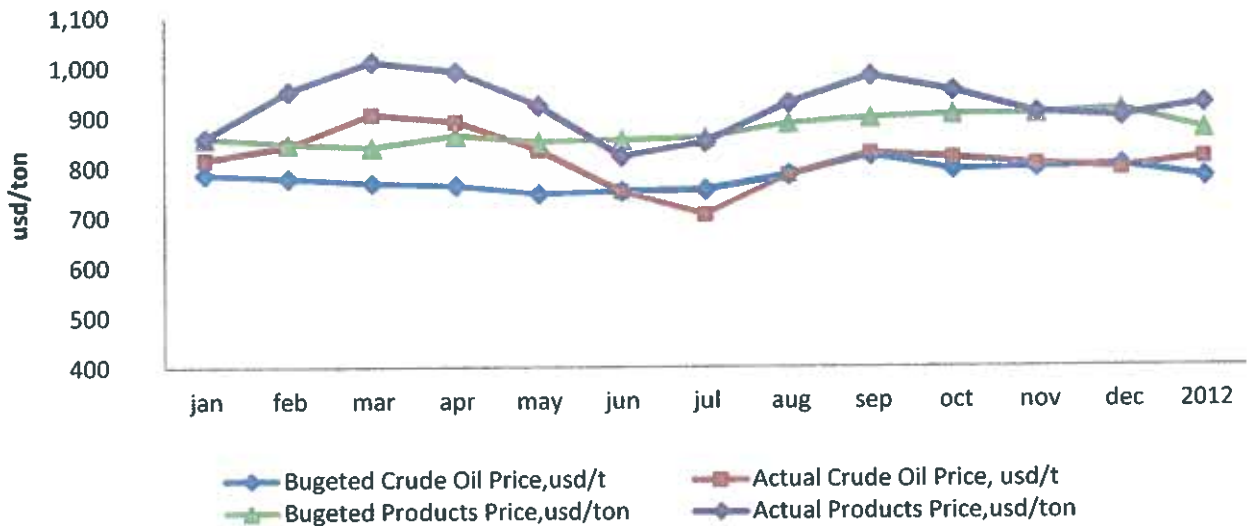
The average value of the end products was budgeted for 2012 at 874.38 USD/ton and an average price of 925.13 USD/ton was achieved.



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As it can be noticed, the evolution of the crude oil market, as compared with what was estimated in the Budget, recorded an increase of 5.02%, and the price of petroleum products followed the same growing trend from the Budget, the increase being of 5.80%; thus, the increase of the prices for finite products compared with the crude oil was of 15.66%.

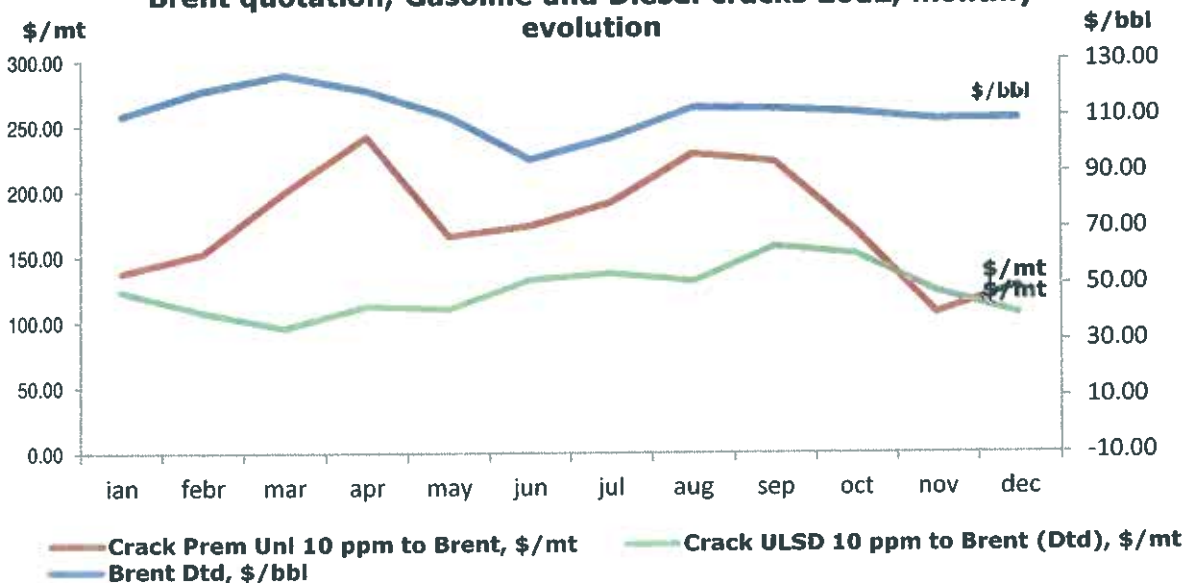
Crude Oil and Products Price, 2012 monthly evolution



During the year 2012 the petrol price overcame that of diesel fuel on the average by about 60 USD/ton. In the months of March and April the excesses were even larger of 100 USD/ton (104.3 USD/ton and respectively 130 USD/ton). An exception was November, when the petrol price was under the price of diesel fuel by 16.7 USD/ton.

Source: Platts

Brent quotation, Gasoline and Diesel cracks 2012, monthly evolution





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In the year 2012, although new technologic installations have been commissioned (Hydrogen Plant, Mild Hydro cracking, Sulfur recovery/residual gas treatment plant), the energy consumption (GJ/t) reported to the ton of raw material recorded a decrease of 1.1% from the year 2011, due to the permanent preoccupation to improve the energy efficiency but also due to a higher obtained surplus. The utility cost per ton of surplus was higher in the year 2012 compared with the year 2011 by 1.5 USD/ton, determined especially by the increase of the electric power, thermal power and natural gas prices.

The quantitative structure of the supplies is synthesized in the following table:

PETROLEUM PRODUCTS	SUPPLIES						
	TOTAL SUPPLIES	DOMESTIC *		EXPORT		Raw materials at VEGA	
	tons	tons	%	tons	%	tons	%
Car petrol	1,146,548	310,913	27.12	835,634	72.88	0	0.00
Chemical petrol	155,859	0	0.00	0	0.00	155,859	100.00
Oils	129,893	107,815	83.00	0	0.00	22,077	17.00
Car diesel fuel	1,588,700	1,117,182	70.32	471,518	29.68	0	0.00
Black oil	114,280	14,156	12.39	20,282	17.75	79,842	69.87
Propylene	120,873	120,873	100.0	0	0.00	0	0.00
Liquefied petroleum gas	261,191	261,191	100.0	0	0.00	0	0.00
Oil coke	168,268	158,809	94.38	9,459	5.62	0	0.00
Oil sulfur	34,828	61	0.18	34,767	99.82	0	0.00
Other products	111,891	61,159	54.66	0	0.00	50,733	45.34
TOTAL	3,832,332	2,152,159	56.16	1,371,660	35.79	308,512	8.05

* the domestic supplies include the petroleum products sold on the domestic market, the supplies to Vega being recorded in the hearing "Raw materials".

Romp petrol Rafinare – Work point Vega Refinery

The production program of S.C. ROMPETROL RAFINARE S.A. the Vega Refinery work point for the year 2012 was designed with a total processing capacity of 367,331 tons, of which 365,606 tons raw materials from the Rompetrol Group and 1,725 tons raw materials purchased from outside the group.

This program was the basis for drafting the incomes and expenses budget for the year 2012.

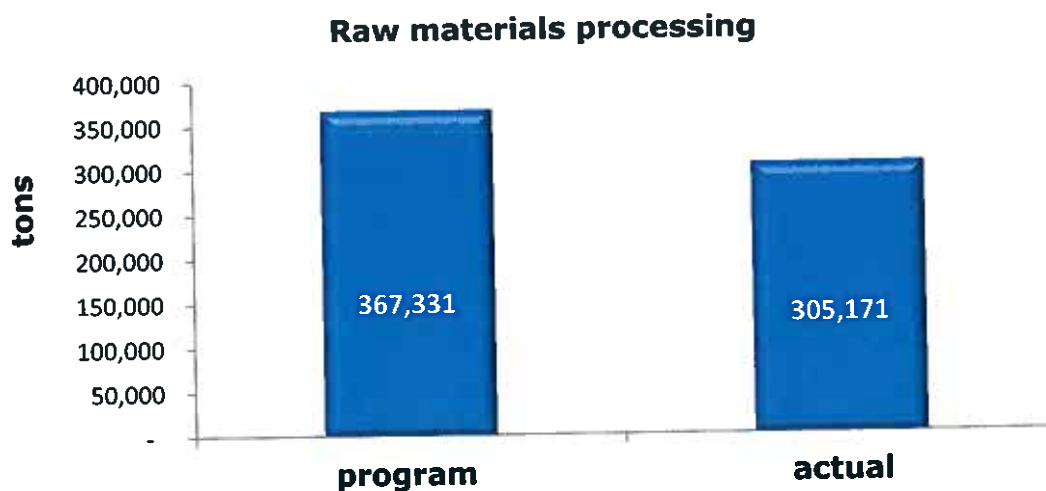
The processing made in the year 2012 is of 305,171 tons, of which 302,581 tons from Rompetrol Group and 2,590 tons non group.



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This processing capacity represents 83.1 % of the program established for the budget of the year 2012.

	tons	
2012	Budgeted	Achieved
Total throughput	367,331	305,171
- group	365,606	302,581
- non group	1,725	2,590



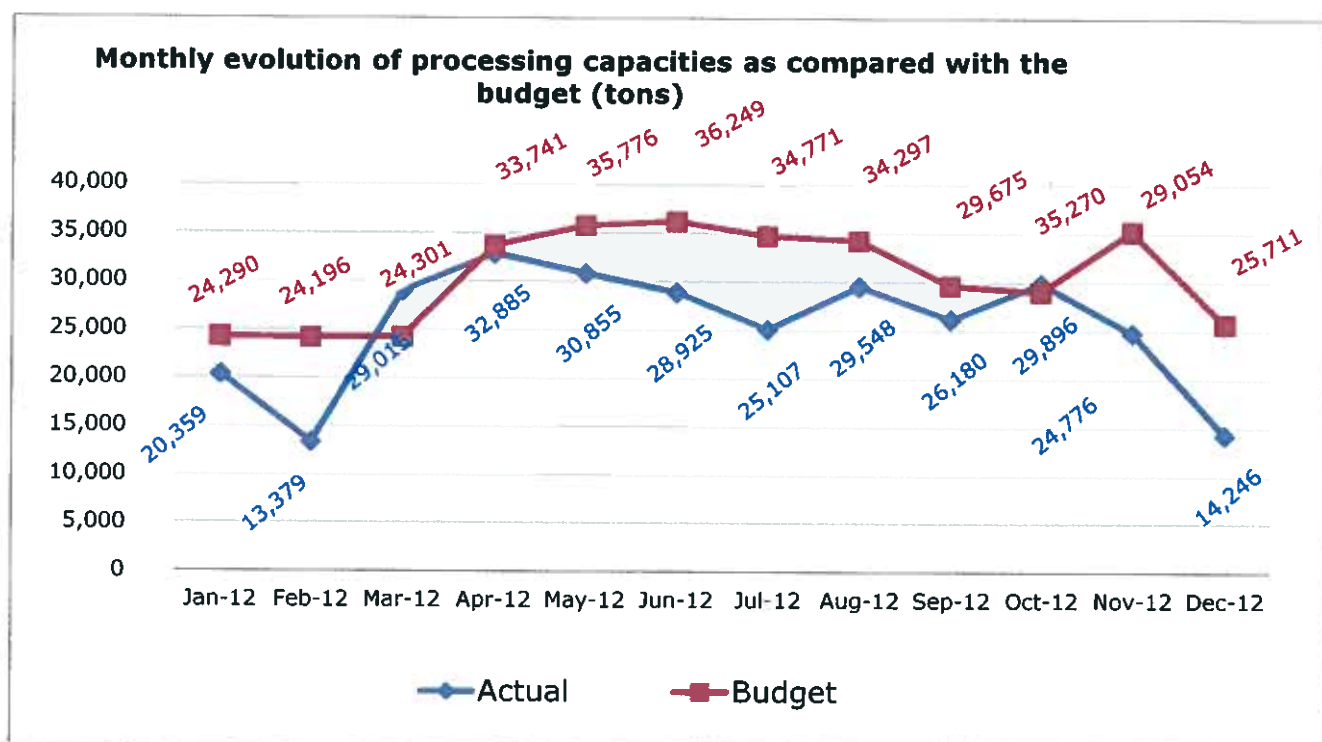
Situation of processing capacities, on quarters is presented in the table below:

Throughput	Quart. I	Quart. II	Quart. III	Quart. IV	TOTAL 2012
Achieved, tons	62,753	92,665	80,835	68,917	305,171
Budget, tons	72,787	105,766	98,742	90,035	367,331
Achieved/Budget (%)	86.2%	87.6%	81.9%	76.5%	83.1%



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In the year 2012 were processed approximately 17% less than the budget, the monthly average being of 25,431 tons as compared with 30,611 tons budgeted.



The structure of the physical production as compared with the budget, in the year 2012, is the following:

Year 2012	Program [tons]	Achieved [tons]
Finite products	361,254	302,953
Naphtha +Solvents+ n-Hexane	217,372	193,250
White spirit	38,801	18,247
Diesel fuel	10,879	6,469
Light liquid fuel type III	6,223	5,679
Black oil	29,416	34,076
Bitumen	58,262	45,022
Other products	300	209

White products obtained, %	Budget	Achieved
Reported to total product	69.8	69.4
Reported to commercial products	71.0	69.9



From the comparison Budget - Achieved can be noticed the preoccupation to obtain petroleum products in conformity with the market requirements.

In the year 2012, the energy consumption reported to the ton of product recorded an increase by 30% as compared with the year 2011, the influence coming from the different operation of the installations as compared with the previous year.

The quantitative structure of the deliveries is synthesized in the following table:

PRODUCT	TOTAL SUPPLIES [tons]	DOMESTIC		EXPORT	
		[tons]	%	[tons]	%
Supplied products	287,968	131,246	45.58	156,722	54.42
Naphtha +Solvents+ n-Hexane	179,043	45,580	25.46	133,463	82.43
White spirit	17,338	3,047	17.57	14,291	82.43
Diesel fuel	5,806	5,635	97.06	171	2.94
Light liquid fuel type III	6,508	6,508	100.00	-	-
Black oil	34,353	25,652	74.67	8,702	25.33
Bitumen	44,706	44,611	99.79	95	0.21
Other products	214	214	100.00	-	-

II) Investment activity

The investment activity for the year 2012 was directed, according to the program, to:

- increasing the processing capacity of the refinery and production of fuel with the specification aligned to the European norms as well as the increase of the profit rate in white products;
- alignment to the requirements of the European Union, to the applicable environment norms, especially with the purpose to reduce emissions.

The investments achieved in the year 2012, both for the Petromidia Refinery and for the Vega Refinery, summed up 118,621,775 USD.

The main projects completed in the year 2012:

The new mild hydro cracking installation

The project had as purpose to create a new Mild hydro cracking installation (Mild Hydro Cracker - MHC), capacity 220m³/h, as part of the "Pachet 2010" program, investment program having as major objectives:

- increasing the processing capacity of the refinery to 5 million tons/year
- total production of Euro 5 fuel processing only sulfur based crude oil
- increasing the diesel fuel pool.



The installation was commissioned in the middle of the year 2012, and the performance test was made in November 2012. Following the performance test all the parameters were reached according to the licensor design. Currently the installation is under normal operating conditions.

New Hydrogen Plant

The project had as purpose the creation of a new Hydrogen Production Plant (Hydrogen Production Plant – HPP), with a production capacity of 40.000Nm³/h. The project was an integral part of the investment program „Pachet 2010“.

The hydrogen produced in the new hydrogen production plant serves both the new MHC installation and the other consumers in the Petromidia Refinery (HDV, HPM, HB installations).

The HPP installation was commissioned at the beginning of the year 2012, and the performance test was made in November 2012. Following the performance test all the parameters were reached according to the licensor design. Currently the installation is under normal operating conditions.

New Sulfur Recovery Unit and Tail Gas treatment

The project had as purpose the creation of a new Sulfur Recovery Plant (Sulfur recovery Unit), with a production capacity of 220 t/d combined with a residual gas treatment installation of 250 t/day (Tail Gas Treatment- TGT). The project was an integral part of the investment program „Pachet 2010“.

The installation takes over the gases with sulfur hydrogen from all the refining installations (including the new production capacities – MHC) and is ready to process additional gas from the refinery capacity increase (from 3.5 to 5 million tons/year) as well as the supplementation due to the increase of the sulfur removal degree (the refinery produces only Euro 5 products).

The (SRU) installation was commissioned in October 2012 and TGT in November 2012. The performance test was made in November. Following the performance test all the parameters were reached according to the licensor design. Currently the installation is under normal operating conditions.

The main objectives of the projects included in the „Investment projects package“ are:

- The alignment with the products specifications of the European Union, which became compulsory starting with 01.01.2009: the production of fuels (petrol and diesel fuel) with sulfur content lower than 10 ppm, in the conditions of processing 100% sulfur based crude oil;
- Increasing the processing capacity of the Refinery from 3.8 to 5 million tons/year, by eliminating the operational constraints allowing the operation of the refinery at the capacity of 5 million tons/year in order to obtain EURO 5 fuels;
- increasing the diesel fuel profit rate in the refinery structure of products, following the increase of the Diesel fuel demand on the work market;



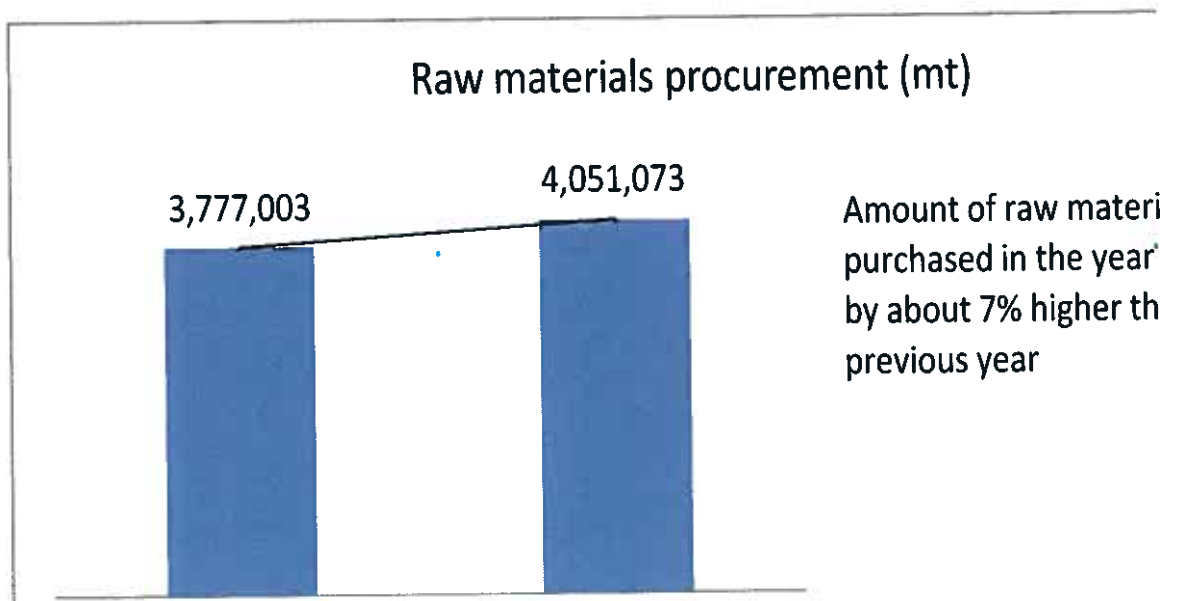
- Alignment to the European Union environment requirements, regarding the emissions into the atmosphere and the storage of dangerous wastes.

The investment activity from 2012 at Rompetrol Rafinare –Vega Refinery Work point was focused on increasing the energy efficiency, diversifying the products range, doubling the capacity at the hexane production installation, increasing the operating safety and framing into the conformity program.

III) Commercial activity

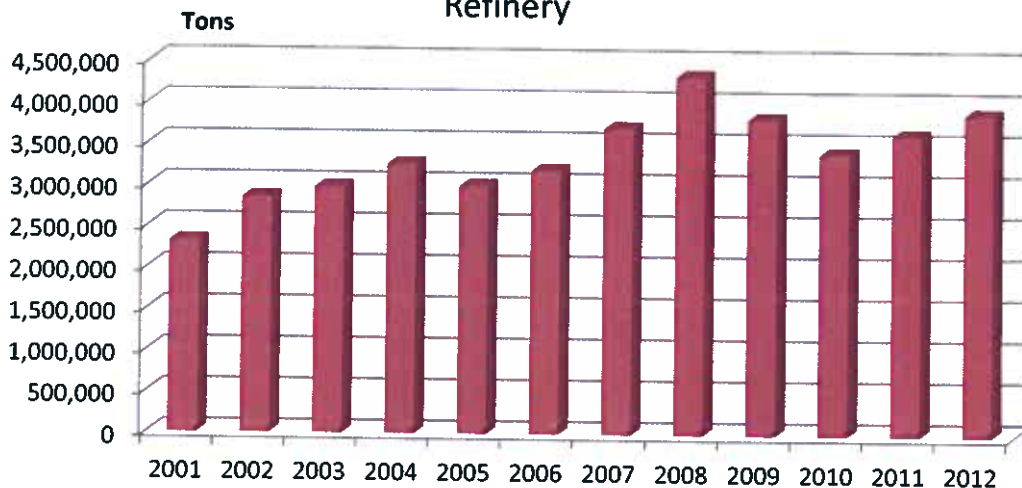
Rompetrol Rafinare – Năvodari Work point (Petromidia Refinery)

1. Raw materials supply activity





Evolution of crude oil volumes purchased by Petromidia Refinery



In 2012 the crude oil acquisitions were made as in the previous years, exclusively through the trading company of the group, Vector Energy.

As compared with the year 2011, the volume of raw materials coming from external sources increased by 7%. The same was the percentage of increasing the value of external procurements in 2012 as compared with 2011, in the conditions in which the crude oil prices kept relatively at the same level (in 2012 the average price for Brent was of about 111.67 USD/bbl as compared with about 111.26 USD/bbl in 2011).

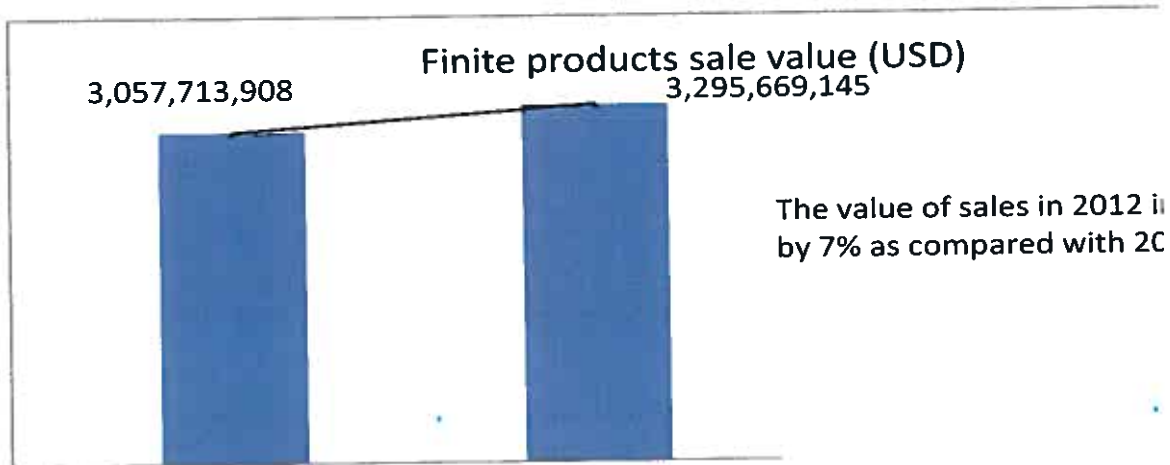
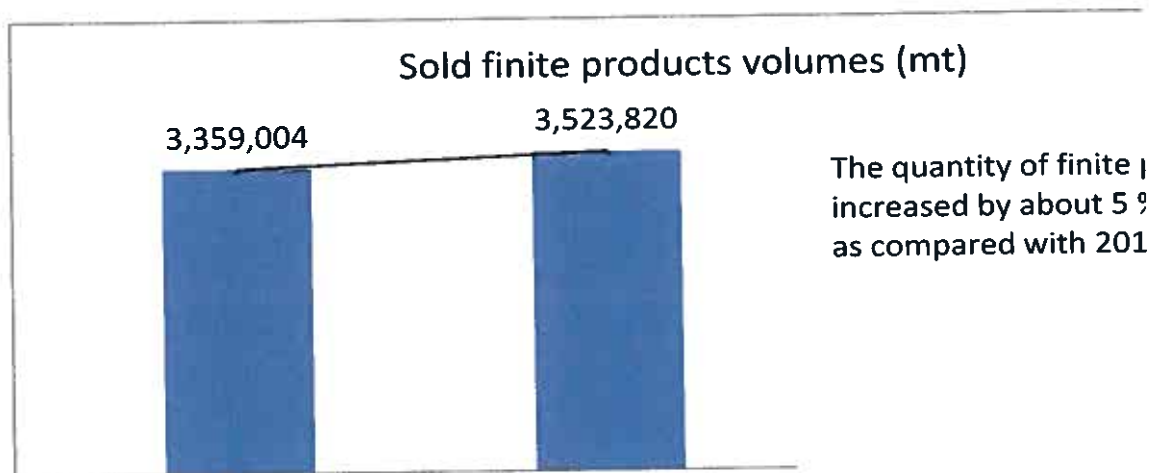
The procurement volume of raw materials from the country increased in 2012 as compared with 2011 by about 12%, in the conditions in which MTBE were also purchased from the domestic market. This is in addition to the quantities of light naphtha type A and naphtha petrol coming from Vega in total amount of about 40,000 tons.

The suppliers of raw materials in the country were:

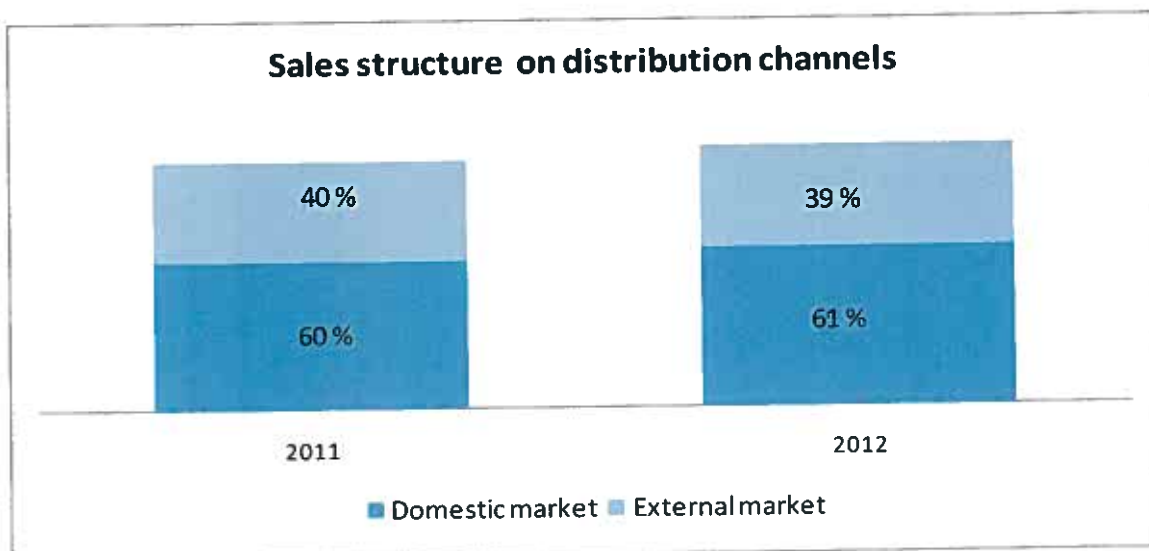
- Rompetrol Petrochemicals S.R.L. – propane pyrolysis
- Kronospan Sebeş/Interagro – methanol
- Marex/Bio Fuel Energy – bioethanol
- Energy Bio Chemicals – MTBE

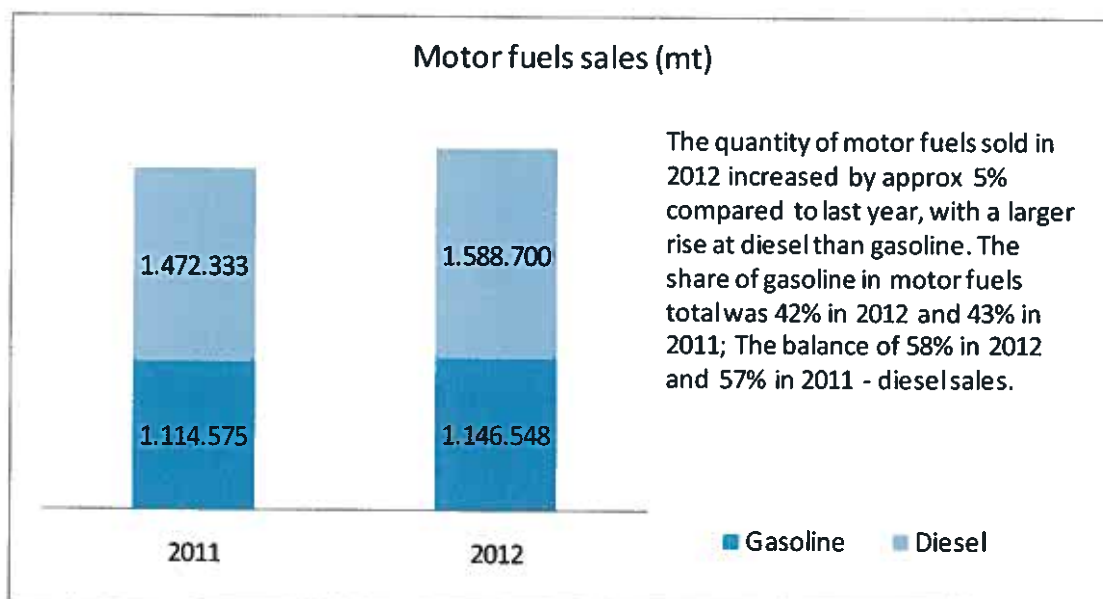


2. Sales activity



Sales structure on sale markets





Romp petrol Rafinare – Vega Refinery Work point

The quantitative structure of petroleum products in the year 2012 is synthesized in the following table:

Product group	Total deliveries 2012		Internal		External	
	[MT]	%	[MT]	%	[MT]	%
ADD	214	0.07	214	0.16	-	-
Naphtha gasoline	99,013	34.38	40,000	30.48	59,013	37.65
Bitumen	44,706	15.52	44,611	33.99	95	0.06
Light Fuel Oil	1,192	0.41	1,192	0.91	-	-
Hexane	52,047	18.07	3,454	2.63	48,593	31.01
Fuel Oil	34,353	11.93	25,652	19.54	8,702	5.55
White spirit	17,338	6.02	3,047	2.32	14,291	9.12
Romp petrol Calor	11,121	3.86	10,951	8.34	171	0.11
Ecological solvents	27,983	9.72	2,126	1.62	25,857	16.50
Total	287,968	100	131,246	100	156,722	100

In the year 2012 the supplies of products on the external market were in proportion of 54%, and on the internal market of 46%.



The main foreign sale markets were:

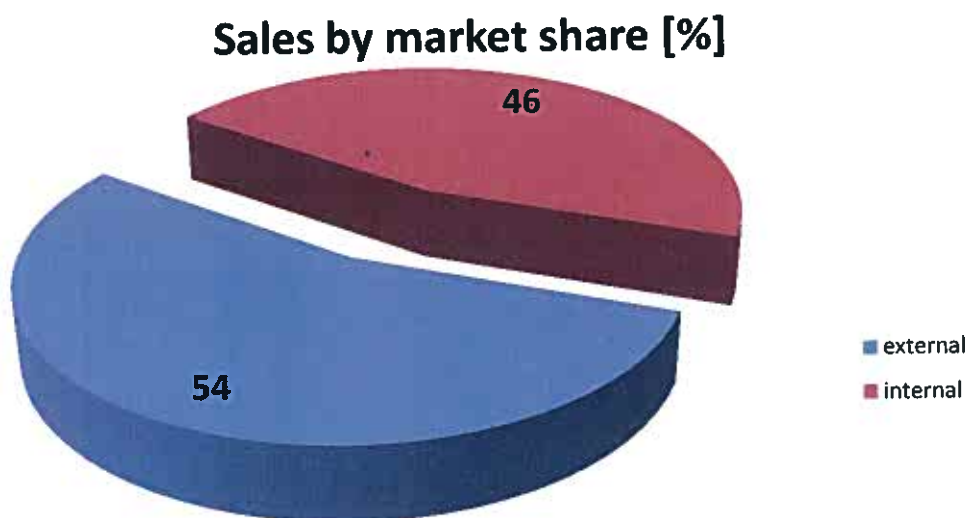
- Hungary, Serbia, United Arab Emirates for naphtha petrol;
- India, Turkey, Russia, Ukraine, Bulgaria for hexane;
- Germany and the Republic of Moldova for ecological solvents;
- Turkey and Bulgaria for white spirit;
- Bulgaria for black oil.

Sale market

The sales in the year 2012 totaled an amount of 287,968 tons.

On the external distribution channel were sold about 157 thousand tons, and on the domestic distribution channel were sold about 131 thousand tons.

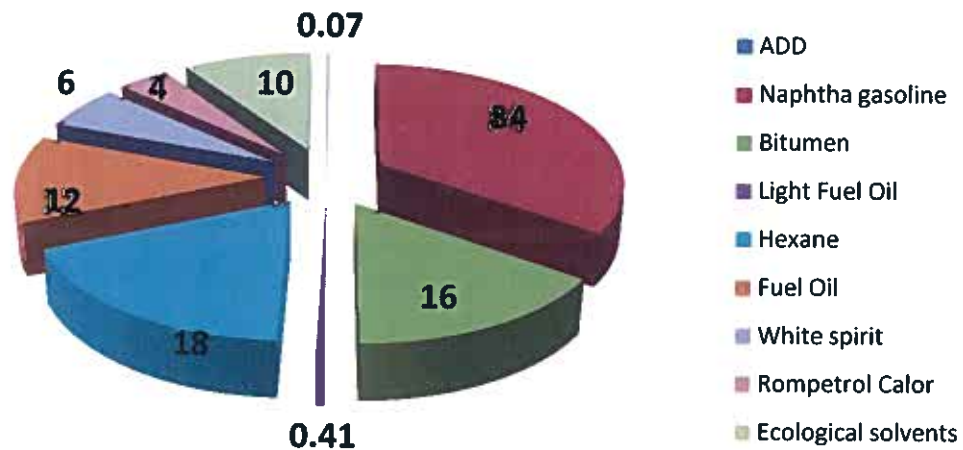
The share of finite products on the sale markets is presented in the graph bellow:



The sales of white products (naphtha petrol, ecologic solvents, hexane and white spirit) represents approximately 68% of the total sales for the year 2012.



Sales by product group [%]



IV) Activity regarding Quality, Occupational Health and Safety and Environment Protection (QHSE)

The specific QHSE activities were aimed at reaching the objectives established for the year 2012. All these were materialized by **maintaining** the integrated quality-environment-occupational health and safety management system, confirmed by the **recertification audit**, performed by the representatives of the company Germanischer Lloyd Industrial Service (June 2012).

Main activities performed in the year 2012 (details on the environment and safety activities can be found in the corresponding chapters of the hereby report):

- the system documents (procedures / work instructions / regulations etc.) were maintained / elaborated / revised / checked and the organization of the specific information from the QHSE share point was improved, in order to facilitate the communication to the users. In the same context, following the completion of new investments, the Security Report and the Internal Emergency Plan of Rompetrol Rafinare - Navodari Work point were revised, by their inclusion;
- Internal audits, safety audits, inspections according to the schedules were performed in order to identify both the weak points and the improvement opportunities;
- Statistics and specific reports were made, with different frequencies (weekly / monthly / quarterly / biannually / yearly / upon request), in order to answer both to internal requirements and to legislative requirements and to the requirements of other interested parties;



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- The legal and regulatory provisions were observed, so that following the external controls regarding the observance of the environment, occupational health and safety and emergency situations law, no sanctions were applied by the competent authorities;
- The satisfaction of the company customers was monitored, and following the evaluation it resulted that the objective referring to "maintaining the customers satisfaction indicators, from the point of view of the quality of the supplied products, at minimum 90%" was reached;
- The car fuels of Rompetrol Rafinare - Petromidia Refinery work point (Năvodari) and the additives of Rompetrol Rafinare - Vega Refinery work point were recertified by RAR and the SRAC certification of the road bitumen was maintained;
- Both the programs provided in the environment strategy and the safety awareness project of the employees on the of Petromidia and Vega Platforms were continued;
- The participation to "Green Business Index" was continued;
- Personnel recognition and motivation actions were undertaken:
 - making of 2 million hours worked without accidents in the Unit Refining Business;
 - the PSI caravan "Are you prepared for an emergency situation?";
 - safety contests - "9 VIP"; "Best safety auditor", radio interviews, etc.
- CSR type projects were organized and attended;
 - open gates day for the employees` children;
 - charity contest "1000 km Balkan Charity Challenge" (biathlon and cycling).

**SITUATION OF THE MAIN ECONOMICAL - FINANCIAL INDICATORS AND OTHER INFORMATION DATA, AS OF 31.12.2012, AS COMPARED WITH THE INCOMES AND EXPENSES BUDGET APPROVED by GMS 2012**

No.	INDICATOR NAME	RON	
		OMFP no. 1286/2012	
		Achieved 2012	BVC 2012
1	Processed crude oil and other raw materials (tons)	4,012,039	4,641.049
2	Net turnover	12,323,113,339	11,913,156,286
3	Total incomes, of which:	13,834,199,984	11,888,369,668
	From operation	12,623,179,868	11,887,709,557
	Financial	1,211,020,116	660,111
4	Total expenses, of which:	14,131,853,484	12,150,699,341
	From operation	12,799,583,288	11,970,607,790
	Financial	1,332,270,196	180,091,551
5	Net result, of which:	(297,653,500)	(262,329,673)
	From operation	(176,403,420)	(82,898,234)
	Financial	(121,250,080)	(179,431,439)
6	Profit tax	-	-
7	Total result	(297,653,500)	(262,329,673)
8	Liabilities	1,174,070,883	-
9	Stocks	1,167,936,143	-
10	Own capitals	2,143,733,843	-
11	Total debts	4,956,060,954	-
12	Average number of employees	946	989

From those presented in the table, comparing the results recorded on 31.12.2012 with those approved by the Incomes and expenses budget (BVC), the following result:

1. In the year 2011, Rompetrol Rafinare processed an amount of crude oil of 3,806,421 tons, less than that provided in the Incomes and Expenses Budget, with 591,333 tons (about 13%), because of the market conditions which required a reduced processing, in the context of the global economic and financial crisis which also affected the crude oil and petroleum products market.



By the total amount of raw materials (crude oil and other raw materials), a continuous loading of the installations was ensured, at a monthly average of about 334,337 tons, without recording downtimes of the installations for reasons of discontinuity in the supply with crude oil.

2. The turnover recoded as of 31.12.2012 is by 3% higher than that provided in the Budget.
3. The total incomes recorded by the Company at the end of the year 2012 are higher by 16% than those provided in the budget approved following the recording of the favorable exchange rate differences of 1,208,165,865 RON.
4. The total expenses, at the end of 2012, are higher than those provided in the approved budget by about 16%, significant excesses being recorded in the financial expenses. The exceeding of the budgetary value in chapter "Financial expenses" by 1,152,178,645 RON, is due mainly to the following two factors:
 - a) Recording of interests for the contracted loans in amount of 66,044,371 RON;
 - b) Recording of exchange rate differences in amount of 1,210,689,101 RON.
5. Concerning the total result, this records a negative value of 297,653,500 RON, the loss being both from the operating activity of 176,403,420 RON as well as from the financial activity of 121,250,080 RON. The total result (both the operating and the financial one) was strongly influenced both by the global financial crisis, by the distortions in the international evolutions of crude oil prices from those of fuels, as well as by a series of domestic macroeconomic factors (national currency depreciation).
6. The total amount paid during the year 2012 to the state budget and to the local budgets was of 4,384,386 thousand RON.

b) Date of incorporation of the trade company.

Midia Năvodari Petrochemical Complex (first name of the trade company ROMPETROL RAFINARE S.A.) was designed in the period 1975 - 1977, based on Romanian refining technologies and based on foreign licenses.



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The year 1991 meant for the Midia Petrochemical Complex the transformation into joint stock company, the patrimony of the former unit being taken over integrally. The new company, bearing the name of PETROMIDIA S.A., was constituted by virtue of the Government Decision no. 1176/1990, issued based on Law no. 15/1990 regarding the reorganization of state run companies as government business enterprises and trade companies.

In February 2001, by the withdrawal from the company of the State Property Fund following the sale of all shares, The Rompetrol Group N.V. (former The Rompetrol Group B.V.), Holland, became the main shareholder of the Company.

In the year 2001 the company name was changed from "**S.C. PETROMIDIA S.A.**" to "**S.C. ROMPETROL RAFINARE-COMPLEXUL PETROMIDIA S.A.**", and in the year 2003 the Company changed its name to "**S.C. ROMPETROL RAFINARE S.A.**". The company is registered with the Trade Register Constanța with the no. J13/534/1991, and has the sole registration code 1860712.

Considering the provisions of the applicable law, the General Extraordinary Meeting of Shareholders of September 17th 2007 decided to acquire full property over the installations and equipments of Vega Refinery, situated in Ploiești, 146 Văleni street, Prahova county.

Acquiring the property right and resuming the possession over the land and all the assets on the premises of Vega Refinery, the Company opened an own Work point in Ploiești and obtained, starting with December 1st 2007, the quality of Authorized production repository for energy products also on Vega Refinery Ploiești, by including the processing activity of mineral wastes.

Thus, starting with the same date of December 1st 2007, the Company also operated the Vega Refinery in Ploiești, as a second fiscal production repository, together with the fiscal production repository of Petromidia refinery.

c) Significant mergers or reorganizations of the trade company, its branches or controlled companies, during the financial year.

During the year 2012, the Company did not participate to any merger.

The commercial activity within the Company was outsourced starting with 01.09.2012 to the company Rompetrol Downstream S.R.L., and the supply contracts performance activity was centralized at the level of the company The Rompetrol Group Corporate Center S.R.L. starting with 01.11.2012.

d) Acquisitions and asset sales.

In the year 2012, the Company did not record any participation to other companies and did not sell assets.

e) Main results of the company activity evaluation

Romp petrol Rafinare S.A. recorded in 2012 a net turnover of 12,323,113,339 RON and a net loss of 297,653,500 RON.

Romp petrol Rafinare S.A. continued the actions to improve the efficiency of the refining activity and reducing the consumptions and technologic losses.

Investments were made in upgrading the production installations of the refinery increasing the environment protection level, with the purpose to obtain petroleum products according to the European Union norms.

1.1.1. General evaluation elements

Indicators (RON)	2012
Profit/(loss)	(297,653,500)
Operating result	(176,403,420)
Net turnover, of which:	12,323,113,339
Export	5,130,861,706
Operational expenses	12,799,583,288
Market share (%)	23.9%
Liquidity (account available and cash equivalents)	435,731,646

a) Profit

Both from the operational and from the financial activity the company recorded losses. From the operational activity Romp petrol Rafinare incurred a loss of 176,403,420 RON, especially due to the distorted conditions on the crude oil and petroleum products market, meaning that the growth trend of the products` prices did not follow the growth trend of crude oil price.

From the financial activity the company recorded a loss of 121,250,080 RON, less than that recorded at the end of the year 2011 3.2 times.

In conclusion, the total result recorded by Romp petrol Rafinare S.A. at the end of the year 2012 is negative, of 297,653,500 RON.

b) Turnover

In 2012, the net turnover of the company was of 12,323,113,339 RON, higher by 3% from that provided in the Budget.

c) Export

In the year 2012, the share of external sales in the total sales represented about 40%, relatively the same as that recorded at the end of the year 2011 (about 41%). The total amount obtained during the year 2012 from external sales of finite products was of 1,487,707,759 USD.

We mention that the external market absorbed about 73% of the total production of petrol and from that of diesel fuels about 30%.

d) Costs

The operational expenses in the year 2012 reached the value of 12,799,583,288 RON of which 11,534,467,299 RON (about 90%) represent expenses with raw materials, and 406,780,624 RON (about 3%) represent expenses with energies. Compared with the year 2011 can be noticed an increase of the expenses by the raw materials with the amount of 1,832,928,100 RON and an increase of the expenses with energies by 87,789,716 RON.

e) Market share

From the data we have the estimated market share in the year 2012 reached the level of about 23.9%, not being influenced by major changes in the structure of the other distributors on the domestic market.

f) Liquidity

From the point of view of the liquidity, the company made efforts to maintain the capacity to cover the current debts from the current assets, the current liquidity indicator being of 0.58.

1.1.2. Evaluation of the company technical level

The main products developed by S.C. Rompetrol Rafinare S.A in the year 2012:

The production schedule of Rompetrol Rafinare S.A., Petromidia refinery work point, includes a wide range of finite products grouped in the following categories:



1. Liquid fuels

a) Petrol

- Natural petrol COR 92
- Efix 95 Petrol
- Euro Standard Petrol
- Europlus Petrol
- Euro Super 98 Petrol
- RON 98 Petrol
- Efix S 98 Petrol

- Chemical petrol (light naphtha fraction, Chemical refined, Naphtha)

b) Diesel fuels

- Euro 5 Diesel fuel
- Euro 5 Diesel fuel (Super Diesel Euro 5)
- Efix 51 Diesel fuel
- Efix 51 Winter Diesel fuel
- Diesel fuel 55
- Euro 5 Diesel fuel (Winter Diesel)
- Efix S 55 Diesel fuel
- Slurry

c) Oils

- Reactor oil Jet A1

d) Black oil

- Black oil type 1
- Catalytic cracking waste

2. Gaseous fuels

a) Liquefied petroleum gas

- Household use LPG
- Car fuel LPG
- Fuel propane
- Commercial Propane Butane

b) Propane propylene mixture

c) Fraction C5-C6

d) Refinery fuel gas



3. Solid fuel

- Oil coke
- Oil sulfur

The production schedule of Rompetrol Rafinare S.A., Vega refinery work point, includes a wide range of finite products grouped in the following categories:

1. Liquid fuels

a) Petrol

- Ecologic solvents
- Chemical petrol (Petrol Naphtha, Light Naphtha type II, Light Naphtha type A)
- N-hexane

b) White spirit

- White spirit
- White spirit Refined

c) Oils

- Non-industrial liquid fuel type P

d) Diesel fuels

- Rompetrol Calor Extra I

e) CLU

- Light liquid fuel type III
- Rompetrol Calor Economic 3

f) Black oil

- Black oil 40-45

g) Bitumen

- Road bitumen
- Waterproofing bitumen
- Pipe protection bitumen

h) Additives



Description of the main services provided by Rompetrol Rafinare:

During the year 2012, the company performed the following services:

- energy and utilities distribution services. These services were performed by the Thermal - Hydro section together with the Power Section for the companies located on Petromidia Platform as well as for other companies outside the platform;

Sold utilities: instrumental air, technical air, nitrogen, liquid nitrogen, oxygen, re-circulated water, fire water, drinking water, hot water, returned condensate, wastewater treatment, de-mineralized water, raw water, filtered water, refinery fuel gas, electric power, thermal power.

All these utilities are transported and distributed through the pipe network operated by the Utilities Plant. The transport and distribution costs are embedded in the utility price, except for:

- electric power - the electric power distribution tariffs on the two low voltage and medium voltage levels are regulated by the National Agency for Regulation in the Field of Energy.
 - drinking water - the drinking water distribution tariff is regulated by the National Regulation Agency for Public Utility Community Services.
- technical assistance services regarding the information technology and consultancy regarding the inspections to pressurized equipments and their ISCIR authorization.

a) Main sale markets for each product and service and the distribution methods:

Around 61% of the sales of petroleum products in the year 2012 were sold on the domestic market, covering all the geographic areas by means of the national gas stations network. Out of the total quantity of car fuels (petrol and diesel fuels) about 52% were sold on the Romanian market.

On the external market, petroleum products were sold both in the community area, and in the non-community area. The community market absorbed about 20% of the total finite products sold, the difference of 80% being represented by export sales on non-community markets.

Detailed on countries and products, the sales had the following main destinations:

Petrol - Ukraine, Georgia, Bulgaria, Tunisia, Lebanon, Moldova

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Diesel fuels - Serbia, Bulgaria, Georgia, Moldova, Ukraine

Coke - Ukraine

Sulfur - Egypt

The distribution of the sold products was made with by road and railway transport means in the cases of sales on the domestic market. In the case of the sales on the foreign market, the distribution of the products was made largely by boat through the Midia port and by road and railway transport means.

b) Share of each category of products or services in the incomes and in the total turnover of the company for the last 3 years.

Indicators	Value - million RON			% in turnover		
	2010	2011	2012	2010	2011	2012
Net turnover, of which:	7,099	10,175	12,323	100%	100%	100%
Petrol and diesel fuels	5,227	7,761	9,685	74%	76%	76%
Other petroleum products	1,471	1,937	2,179	21%	19%	19%
Raw materials for petro chemistry	279	372	337	4%	4%	4%
Goods	42	10	18	1%	0.1%	0.1%
Utilities	73	80	88	1%	1%	0.8%
Services	8	15	16	0%	0%	0.1%

Most of the incomes of Rompetrol Rafinare is represented by the sale of petroleum products, mainly car fuels.

c) New products taken into consideration for which a substantial volume of assets will be allocated in the next financial year as well as the development stage of such products.

In the year 2013 Rompetrol Rafinare will continue to supply on the domestic market only Euro 5 fuels (sulfur content of max. 10 mg/kg) and with a bio-fuel content of minimum 5% of the volume for petrol (according to GD 1308/2012) and minimum 6% of the volume for diesel fuel (according to GD 935/2011).



The sorts of Euro 5 fuels are:

- Efix S Petrol 98
- Efix Petrol 95
- RON 98 Petrol
- Euro Plus Petrol
- Efix S 55 Diesel fuel
- Efix 51 Diesel fuel
- 55 Diesel fuel
- Euro 5 Diesel fuel

For the year 2013, Rompetrol Rafinare no longer aims to increase the portfolio of supplied products. In order to meet the legal requirements regarding the promotion of the use of bio-fuels and the progressive increase of the percentage used in the mixture, Rompetrol Rafinare intends, starting with 2013, to transform the MTBE installation into ETBE installation with the purpose to obtain bio ETBE.

1.1.3. Evaluating the technical - material supply activity

Rompétrol Rafinare has concluded fixed annual contracts for supply of crude oil, being provided exclusively from external sources, which gives safety for operating in optimum conditions of the refinery. The main source of import for the crude oil is represented by the Kazakhstan market. The crude oil volumes purchased are operated through the Midia Marine Terminal. The other raw materials were ensured both from the country, and from external sources.

The purchase prices of raw materials obtained both from the external market, and from the internal market, followed the trend of the international quotations on the reference petroleum markets - characterized by dynamism and variation. Their level was induced by the fluctuation and by the circumstances on the oil market, the reference international prices representing the calculation base for them.

Information regarding the safety of supply sources and the prices of raw materials and the dimensions of the stocks of raw materials and materials.

The takeover by KazMunayGaz from Kazakhstan, of the entire share package held by the mother company of Rompetrol Group (Rompétrol Holding N.V.) with the Dutch company The Rompetrol Group N.V., ensures the stability of the supply sources of crude oil necessary for the operation within optimum parameters of Petromidia Refinery, as well as a financial support from the part of the majority shareholder to finance the investments.

The entire amount of crude oil for 2012 was contracted with the company Vector Energy A.G. – which is the trader of the Rompetrol Group, situated in Switzerland and which is specialized in sale operations of crude oil and petroleum products. The latter ensures the imports of crude oil and other raw materials and at the same time takes over the petroleum products for sale on the foreign markets. The prices of raw materials follow the trend of the international prices of crude oil and other raw materials on the international markets of reference, the latter representing the calculation base for the purchase prices of Rompetrol Rafinare. For the year 2013 no modifications of the supply flow with raw materials and materials is estimated.

Moreover, the Rompetrol Group completed at the end of the year 2008 the building of the Marine Terminal containing port quays for the supply of petroleum products and the procurement of raw materials, which provides safety in the procurement of raw materials and the expedition of petroleum products.

Also, contracts are concluded with the service suppliers (S.C. Conpet S.A., Midia Marine Terminal S.R.L), ensuring the loading and unloading of raw materials and petroleum products in the ports of Constanța and Midia.

The chemical products purchased by Rompetrol Rafinare S.A. (for the two refineries) during the year 2012 can be grouped into:

- catalysts
- additives
- chemical water treatment services
- other chemicals (inhibitors, process chemicals, etc.)
- reactive
- oils

1.1.4. Evaluation of the sale activity

a) Evolution of sales on the domestic market and/or foreign market and their estimation on a medium and long term.

Despite the economic crisis which continued this year also, sales of petroleum products grew compared with last year, both on the domestic market, and on the external markets.

On the external plan, most of the volumes expedited were distributed on the regional markets, the main destinations being: Ukraine, Georgia, Bulgaria, Serbia, Moldova.

The perspectives for 2013 regarding the sales of petroleum products follow the consolidation of the already existing markets but also the development and access on new markets from other regions.



b) Description of the competition situation in the activity field of the company, the market share of the products and services of the company and of the main competitors

The main **competitors** (who are also producers) on the domestic market are:

- OMV Petrom S.A.
- Lukoil Romania S.A.

The main **competitors** on the foreign market are: OMV, Shell, Mol, Agip.

c) Describing any significant dependency of the company on a single customer or on a group of customers whose loss would have a negative impact on the company incomes.

From the point of view of the significant dependency to a single customer or group of customers:

Vector Energy A.G. - has over 10% of the company sales on the foreign market.

Customers with over 10% of the company sales on the domestic market: S.C. Rompetrol Downstream S.R.L.

1.1.5. Evaluation of the aspects related to the company employees / personnel.

a) Number and level of training of the company employees as well as the unionization level of the labor force.

On 31.12.2012, Rompetrol Rafinare, Năvodari Work point (Petromidia Refinery) had a number of 710 employees, of whom: 207 - higher education personnel.

On 31.12.2012, in the Vega Refinery Work point, Ploiești, the company had a number of 216 employees, of whom: 32 - higher education personnel.

TOTAL: On 31.12.2012, SC Rompetrol Rafinare S.A. had a total number of 926 employees, of whom: 239 - higher education personnel.

The unionization level of the work force was of 96,13 % (895 employees are members of the trade union).

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Within the company operate the following trade union organizations: Free Petrochimistul Trade Union (638 members), Vega Free Trade Union (129 members), The trade union of the Workers on the Industrial Platform Midia Năvodari (128 members).

The division of the employees on age groups:

- Rompetrol Rafinare Petromidia Refinery Work Point

Age range	Number of employees	Percentage of the total number of employees
< 30	64	9.01%
30 - 39	39	5.49%
40 - 49	366	51.55%
50 - 59	241	33.94%
Total	710	

- Rompetrol Rafinare Vega Work point

Age range	Number of employees	Percentage of the total number of employees
< 30	4	1.85%
30 - 39	20	9.26%
40 - 49	140	64.81%
50 - 59	52	24.07%
Total	216	

Also, in the reported period a series of employee training programs took place in the Company in the fields: functional competences; general knowledge; foreign languages (Romanian and English); law; management competences; communication; presentation skills; QHSE certifications; safety; professional knowledge – support functions, etc.

A total number of 315 employees participated to the training programs which totalled 13.099 hours, meaning an average of approx. 41.58 hours of training/employee.

Also in the **Safety DuPont – «Depinde de mine 2012»** project participated a number of 845 employees to the training programs which totalled 7.362 hours.

In 2012 training programs were performed under DuPont for the training of internal trainers, from among the company specialists.

The total cost of trainings in the year 2012 was of 66.646 USD.



b) Describing the reports between the manager and the employees as well as of any conflict elements characterizing these reports.

Between the management and the employees the relations are normal, without collective actions to contest the company management, with a regular dialogue between the trade unions and the management.

At the end of the year 2012 was negotiated a new Collective Employment Contract at Company level.

1.1.6. Evaluating the aspects related to the impact of the basic activity of the issuer on the environment

Synthetic description of the impact of the basic activities of the issuer on the environment as well as of any existing or estimated litigations regarding the breach of the law on environment protection.

The company holds and operates Petromidia Refinery, situated in Năvodari, Constanța county and Vega Refinery situated in Ploiești, Prahova county.

By the nature of the activities performed (of crude oil processing), these are part of the field of those with impact on the environment, reason for which the company management is continuously preoccupied to prevent and control the impact of the activities on the environment factors, allocating considerable financial resources to make investments in this respect.

The environment strategy of Rompetrol Rafinare is based on observing the law by permanently monitoring and periodically reporting the conformity level and continuing the investment programs, in view of aligning with the best techniques available in the field (BAT BREF) and is based on the following principles:

- Observance of the law and other applicable requirements, permanent monitoring of the level of legal conformity;
- Use of the environment management system to integrate in the company decisions performance and air, water, soil and natural resources protection criteria;
- Continuing the investment program in order to comply with the law in the field of environment protection;
- Evaluating the environment performances of the company, communication to the interested organizations and local communities, regarding the continuous improvement of the environment performances.
- Promotion of the company employees information and awareness, regarding the prevention and reduction measures of the emissions into the atmosphere, water and soil, including the measures regarding wastes management, for the activities performed and which can have an impact on the environment.
- Participation to volunteer and social responsibility projects in the neighboring communities.



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During the year 2012, Rompetrol Rafinare requested for the Năvodari Work point - Petromidia Refinery - the revision of the integrated environment authorization for the authorization of the new installations on the platform, respectively the Hydrogen Production Plant (HPP), MHC (Mild Hydro Cracking - MHC) and modernization of the Sulfur Recovery Section (New SRU).

The Integrated Environment Authorization has as validity term the date of 31.12.2012, reason for which, according to the legal provisions, was requested the issuing of a new authorization, on the date of 15.11.2012.

The Integrated Environment Authorization for Rompetrol Rafinare - Vega Work point is valid until 31.12.2014.

Water Management Authorization

At Rompetrol Rafinare- Petromidia Refinery Work point the Water Management Authorization was renewed by the National Administration "Apele Române" and by the Water Basin Administration Dobrogea Seaside. The new authorization no. 123/June 2012 (valid until 01.07.2013) has enclosed the Staging Program regarding the performance of the works and measures for water quality protection.

The last measure, having as term quarter III 2012, „Development of the Fast Emptying of Coking” was notified as being performed by the National Administration „Apele Române”.

Also, at Rompetrol Rafinare - Vega Refinery Work point the Water Management Authorization was renewed by the National Administration "Apele Române" - Water Basin Administration Buzău - Ialomița - Water Management System Prahova. The new authorization no. 176/21.12.2012 is valid until 31.12.2014.

Authorization regarding the Gases with Greenhouse Effect (CO₂)

The Authorization regarding the Gases with Greenhouse Effect had a validity period between 2008-2012, phase II corresponding to the scheme of the European Union - Emission Trade Scheme EU - ETS.

During the year 2012, were drafted and submitted with the National Environment Protection Agency the documents necessary for issuing a new Authorization regarding the Gases with Greenhouse Effect for the period 2013 - 2020 (Phase III), having as annex the Plan regarding the monitoring and reporting of the CO₂ emissions - 2013.

In the month of February 2012 took place the checking of the CO₂ emissions for the year 2011 and their validation by the accredited checkers (in order to report to the National Environment Protection Agency).

They returned to the National Register the certificates corresponding to the year 2011.

During the year 2012, continued the projects started in 2011, referring to the Cleaning of the Area of flares-dumps-channel and the emptying of the slurry dump no. 3 and the Project of Installing the Particles Reduction System from the Burnt Gas coming from the Catalytic Cracking Installation was started. At the work point of Vega Refinery were performed all the measures from the Action Plan with completion deadline on 31.12.2012 (less the elimination from the settling tanks of the acid tar and petroleum wastes for which the procedure was initiated to obtain an Environment Agreement).



1.1.7. Evaluating the research and development activities

Mentioning the expenses in the financial year as well as of those anticipated in the following financial year for the research and development activity.

Expenses performed in the year 2012	
Expenses for surveys and technical assistance	376,557 USD
Expenses planned for the year 2013	
Expenses for surveys and technical assistance	467,800 USD

1.1.8. Evaluating the company activity regarding risk management

Describing the company exposure to the price, credit, liquidity and cash flow risk.

The company is exposed to the risk induced by the high volatility of the crude oil prices and petroleum products, with direct impact on the gross sales margin.

From the point of view of the liquidity, on the background of the lack of liquidity on the market, in the conditions of the persistence of the economic and financial crisis, the company made efforts to maintain the covering capacity of the current debts from the current assets, the current liquidity indicator being situated in 2012 at a value of 0.58.

Describing the company policies and objectives regarding risk management

By the nature of the activity, the company is exposed to certain risks:

- the market risk deriving from the exposure to the fluctuations of the interest rate, euro - usd, usd - ron exchange rate, from the volatility of the sale prices of petroleum products and purchase of crude oil;

The company has as priority objective the reduction of the operational costs per ton of finite product obtained in order to limit to a minimum level the price risk following the correlation of the prices of products obtained with the market prices. A special importance in evaluating the price risk is that of the world evolution of crude oil prices, the basic raw material of the refinery.

- the credit risk deriving from the possibility not to be able to pay the contract obligations of the business partners, customers and suppliers, is periodically monitored,



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by evaluating the credit worthiness / solvability of the customers and by asking guarantees upon delivery.

- the liquidity risk deriving from the possibility that the financial sources may not be available to pay on time the due obligations; the company management monitors daily with the help of the provisioned cash the liquidity level and the assurance of meeting the obligations to the suppliers, the state budget, the local budgets etc., according to their contingency; the current and immediate liquidity coefficients are permanently monitored.

- the operational risk deriving from the possibility to produce accidents, errors, defective operation, as well as from the influences of the environment on the operational and financial results; Rompetrol Rafinare S.A. continued an ample upgrading process of the refinery technology, having as objective the increase of the production volume, the reduction of technologic wastes, the improvement of environment performances, as well as the elimination of accidental downtimes in processing.

The company is preoccupied to continuously maintain and improve the integrated quality-environment-health and safety management system, with results on improving the organization image, improving the relations with the public authorities, the social - economical community on the whole, limiting the civil and criminal responsibility, by meeting the legal and regulating requirements referring to quality - environment - security.

In this respect, Rompetrol Rafinare has certified all the car fuels introduced on the market and the certification of the Quality, Environment, Occupational Health and Safety Management Systems was maintained also during the year 2012.

At the level of Rompetrol Rafinare S.A. adequate actions were performed to reach the objectives regarding occupational health and safety and activities necessary for the conformity with the legal and regulating requirements.

The company also continued in 2012 to identify and evaluate the major dangers resulting from normal operation and accidental situations, as well as the evaluation of their probability and severity, in this sense a risk analysis of HAZOP type being performed for 2 technologic installations (HPM and n-Hexane)

The application of the Change Management also continued (MOC) by using the Sharepoint platform (application regarding the electronic filling and approval of the Initiation Form and of the Final Report) so as to ensure the identification / monitoring / communication / revision and approval of the changes before implementation.

All the risks of accident and professional illness at the work places were evaluated /reevaluated for the new (MHC) and existing installations (Automated Ramps, Thermal-Hydro).

The "Operating Organization" of the Saving station was maintained by the supervision audit performed by INCD INSEMEX Petroşani. The operating personnel active in the Saving Station was reauthorized by INSEMEX Petroşani.

In order to train the personnel performing their activity on the platforms and based on the scenarios in the Internal Emergency Plan, simulation exercises of a major accident are periodically performed in which are co-opted the works subcontractors.



In the same context, a simulation exercise also took place regarding the External Emergency Plan at the DGRS installation.

The "Safety Rompetrol" program was continued, aimed at developing and implementing an occupational health and safety management ("SSM") to the highest standards and reaching a safety level comparable with the levels in the most famous companies in the world. The program is aimed at improving the activity in the field of occupational safety, in order to make the workers aware, including the works subcontractors, of the approach of a safe behavior and of reducing the risks of accident and/or professional illness specific to all the activities performed on the Petromidia and Vega platforms.

The major challenge in 2012 was represented by reaching level 3 Dupont on the Petromidia and Vega platforms.

DuPont performed in December 2012 the SSM evaluation audit, made during 3 weeks. The 12 Cultural elements of the SSM management system on the Midia and Vega platforms were evaluated.

Following the efficiency analysis, the SSM management system was evaluated to **level 3**, on the DuPont scale, from 1 to 5.

1.1.9. Perspective elements regarding the company activity

a) Presenting and analyzing the trends, elements, events or uncertainty factors affecting or which could affect the company liquidity compared with the same period of the previous year.

The company made efforts to increase its capacity to cover the current debts from the current assets, so that in 2012 as compared with 2011, the current liquidity indicator increased significantly, from the value of 0.34 to 0.58.

The risk of liquidity derives from the possibility that the financial sources may not be available so as to pay on time the due obligations of the Company. The company management monitors daily with the help of the provisioned cash the liquidity level and the assurance of meeting the obligations to the suppliers, the state budget, the local budgets etc., according to their contingency. The current and immediate liquidity coefficients are permanently monitored.

Knowing the effects of these liquidity risks represents one of the preoccupations of the management of the company Rompetrol Rafinare S.A. in performing without problems its economical - financial activities. The provision of financing resources continues and at the planned levels an adequate credit policy was possible, correlated with the identification of the current and investment needs.

The company activity will continue to be influenced by the evolutions of the international context regarding the crude oil and petroleum products market, as well as by a series of domestic macroeconomic factors.



In the specific market context of petroleum products, marked by an increased volatility of the prices, the company management implemented a risk management policy having as main objective the reduction of the price risk impact of crude oil and petroleum products in the financial reports of the company. Also, a major interest was given to the risk management policy regarding the evolution of the currency exchange rate and the interest rate.

b) Presentation and analysis of the effects of current or anticipated capital expenses, on the financial situation of the company compared with the same period of the previous year.

In the year 2012, Rompetrol Rafinare S.A. continued the investment activity started in the previous years, namely: increasing the obtained production volume and implicitly the sales volume.

The company continued the projects grouped in the processing capacity growth program from 5 million tons, the main projects completed in the year 2012, being:

New mild hydro cracking installation (MHC)

The project had as purpose the creation of a new Mild Hydro Cracking Installation (Mild Hydro Cracker - MHC), capacity 220m³/h, being part of the program „Pachet 2010“, investment program having as major objectives:

- increasing the processing capacity of the refinery to 5 million tons/year
- total production of Euro 5 fuel processing only sulfur based crude oil
- increasing the diesel fuel pool

The installation was commissioned in the middle of the year 2012, and the performance test was made in November 2012. Currently the installation is under normal operating conditions.

New Hydrogen Production Plant (H2 Plant)

The project had as purpose the creation of a new Hydrogen Production Plant (Hydrogen Production Plant – HPP), with a production capacity of 40.000Nm³/h. The project was an integral part of the investment program „Pachet 2010“.

The hydrogen produced in the new hydrogen production plant serves both the new MHC installation and the other consumers in the Petromidia Refinery (HDV, HPM, HB installations).

The HPP installation was commissioned at the beginning of the year 2012, and the performance test was made in November 2012, and currently the installation is under normal operating conditions.



New Sulfur Recovery and Residual Gas Treatment Plant (New SRU)

The project had as purpose the creation of a new Sulfur Recovery Plant (Sulfur recovery Unit), with a production capacity of 220 t/d combined with a residual gas treatment installation of 250 t/day (Tail Gas Treatment- TGT). The project was an integral part of the investment program „Pachet 2010”.

The installation takes over the gases with sulfur hydrogen from all the refining installations (including the new production capacities – MHC) and is ready to process additional gas from the refinery capacity increase (from 3,5 to 5 million tons/year) as well as the supplementation due to the increase of the sulfur removal degree (the refinery produces only Euro 5 products).

The (SRU) installation was commissioned in October 2012 and TGT in November 2012.

c) Presenting and analyzing the events, transactions and economic changes significantly affecting the incomes from the basic activity.

The turnover recorded as of 31.12.2012 is higher than that provided in the Budget by 409,957,053 RON. This is mainly due to the recording of an average price for the sale of the petroleum products higher than the one planned as well as from the additionally sold volumes as compared with the Budget.

Although the sale prices recorded an increasing trend, they were not aligned with the increase of the crude oil acquisition price, determining an operational loss of 176,403,420 RON.

The financial results were strongly influenced by the global financial crisis, by the international evolution of the crude oil and fuels prices.

The operational results of the year 2012 were positively influenced by the increase of the products prices, especially on petrol, the average price for Brent on 2012 increased by about 4% compared with the budget, while the crack of the petrol increased by 31%, respectively 5% for diesel fuel.

In the year 2012, the degree of using the refining capacity as compared with the designed one was of 78.99%.



2. TANGIBLE ASSETS OF THE COMPANY

2.1. Mentioning the location and characteristics of the main production capacities owned by the company.

The ROMPETROL RAFINARE S.A. company is located about 20 km North of Constanța city, between the Black Sea and the Năvodari Lake (Tașaul), on a land partially recovered from the sea and from the lake, in the vicinity of the Midia Port and of the Poarta Albă – Midia channel.

Petromidia Refinery is the only profiled unit in Romania situated at the Black Sea, thus having a competitive advantage due to the immediate access to the sea and river transport routes, namely:

- Strategic location in the Black Sea are, bear the Constanța Port – one of the largest in the region;
 - Direct access to the Danube - Black Sea Channel;
 - Direct access to the Midia Port;
 - Vicinity to the crude oil pipes network;
 - Own railway infrastructure system;
 - Logistic facilities (Midia Marine Terminal S.R.L.) allowing the reception of crude oil and supply of liquid products by ships, barges, tank carriages, and tank trucks.
- Project rated capacity from 1975: 3.5 million tons of raw material
- Used capacity: 4.047 million tons in 2012
- Future capacity starting with 2013: 5 million tons per year
- Infrastructure:
The Petromidia Platform has an area of 480 hectares where more than 20 companies operate, with different activity fields.

The supply of crude oil and other raw materials is mainly made by the marine terminal situated in the vicinity of Petromidia refinery, about 8 km away from the shore, and through the Midia port. As an alternative, the supply can also be made by the Constanța port (one of the largest in the region), by means of the OIL TERMINAL S.A. pipe, on a distance of approximately 40 km.

At the end of the year 2011 was completed the project of creating facilities in view of the supply of hexane through Pier 9B with the help of the Midia Marine Terminal operator. The first loading into the ship of the hexane took place in March 2012 and so far an amount of 23.033 tons of hexane was loaded through this new point delivery.

2.3. Potential problems related to the property right on the company stocks and shares.

During the year 2012 the company did not record any claims referring to the property right on the stocks and shares.

On September 10th 2010, ANAF issued an incorporation decision of the assurance lien on all the participations held by Rompetrol Rafinare in its affiliated companies, as well as on the movable and immovable assets of Rompetrol Rafinare, except for stocks. This measure is still in force and was appealed against in court by the Rompetrol Group. On the issuing date of the hereby report, this lien does not produce direct effects on the recurrent operations of the Company.

The Rompetrol Group contested this decision and asked the court to cancel the lien. The main reason invoked is the fact that, starting with October 1st 2010, there is no other obligation of Rompetrol Rafinare to MFP, taking into consideration the conversion of the bonds into share capital based on the Issuing Convention. On the issuing date of the hereby report, Rompetrol Group together with the Romanian State, represented by the Office of State Participations and Privatization in Industry (OPSPI), as sole director, have concluded a memorandum of understanding for the conclusion of the dispute regarding the conversion of the bonds of Rompetrol Rafinare into shares in favor of the Romanian State, the litigation being suspended at the request of the parties.



3. STOCKS AND SHARES ISSUED BY THE COMPANY

Due to the fact that, according to the provisions of the BVB Code the issuers whose stocks and shares are accepted for transaction on a regulated market are compelled to include the Declaration regarding the compliance or incompliance with the provisions of the Corporate Governance Code (Declaration „Apply or explain”), all the relevant information on the corporate governance practices were included in the section of Corporate Government and in the „Corporate Governance Declaration” corresponding to the Annual Report 2012.

3.1. Markets in Romania and other countries on which the stocks and shares issued by the Company are negotiated

Starting with April 7th 2004, the shares of the Company are transacted on the regulated market operated by the Stock Exchange Bucharest - Bursa de Valori București S.A. (“BVB”).

The shares of Rompetrol Rafinare are fully transacted on category II of BVB. On 31.12.2012, the total number of shares issued by the Issuer is of 44,109,205,726, representing a total value of the share capital of 4,410,920,572.,6 RON. The Company shares are common, nominative, issued in dematerialized form, whose record is kept by S.C. DEPOZITARUL CENTRAL S.A. Bucharest, authorized by the National Commission of Stocks and Shares by the authorization 3564/14.12.2006.

According to the legal provisions and of the Articles of Incorporation, each share held gives the shareholders the right to one vote in the General Meeting of Shareholders, the right to elects and be elected in the company management bodies, the right to participate to the distribution of the benefits and of the share asset on company dissolution, as well as other rights established by the law. The property right and any other attributes of it on the shares are sent according to the provisions of the capital market law.

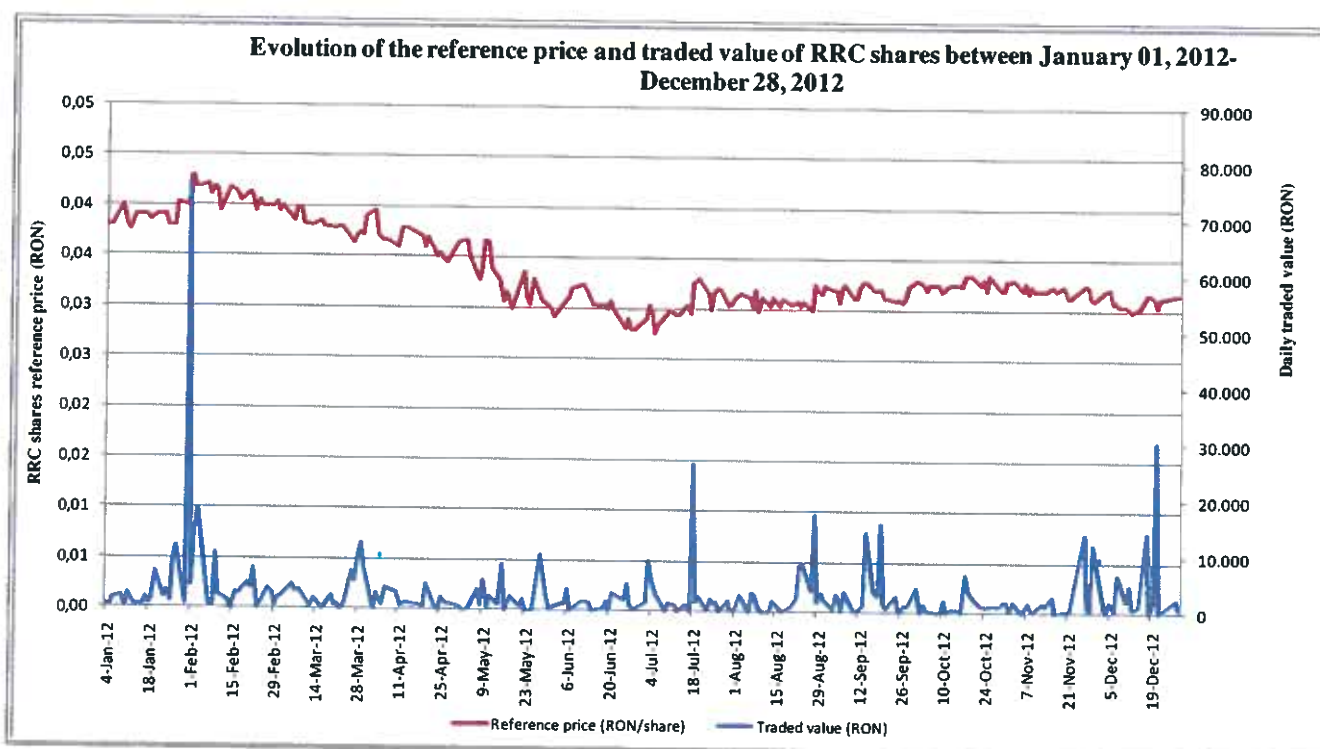
Referring to the shares, their transfer is not restricted, it is made according to the applicable legal provisions and with the provisions of the Company Articles of Incorporation.

Symbols of the shares of Rompetrol Rafinare:	
Bursa de Valori Bucharest	RRC
Bloomberg	RRC RO



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



The weighted average price (PMP) of the shares of RRC during the year 2012 = 0.0345 RON/share; the transacted volume in the month of January represents 17.77% of the transacted volume throughout the entire year 2012 (total volume transacted in 2012 = 696,187.20 RON).

¹ Number of shares as of 31.12.2010 in the Shareholders Register kept by the Depozitarul Central S.A. București. the capital increase from 21.099.276.002 shares to 24.394.196.673 shares, completed by the Decision no. 1 of August 19th 2010 of the Company Board of Directors, was recorded with the Trade Register Office Constanța on December 27th 2010 and recorded by the Depozitarul Central S.A. Bucharest on February 15th 2011.

² Calculated based on the price of the share on the last day of transaction in the analyzed year, respectively December 28th 2012.

³ Calculated against the exchange rate for euro (4,4291) on the last meeting of transaction in the analyzed year, respectively December 28th 2012.

⁴ Recorded on February 1st 2012

⁵ Recorded on July 5th 2012.



Shareholders structure of Rompetrol Rafinare

In the analyzed period no changes occurred which could have influenced the value of the Company share capital.

By the Government Emergency Ordinance no. 30 published in the Official Gazette no. 433/29.06.2012 the shares held by the Romanian State in the Company were transferred from the administration of the Ministry of Public Finances into the administration of the Ministry of Economy, Trade and Business Environment („MECMA”) through the Office of State Participations and Privatization in Industry.

Following the request issued by MECMA (address no. 3522/09.07.2012) by which was requested the performance of the registration formalities, due to the enforcement of the above mentioned ordinance, by the Decision adopted by the Company Board of Directors on July 10th 2012 the corresponding modification and updating of the Company Articles of Incorporation was approved, as well as the performance of the registration formalities with the Trade Register Office and the SC Depozitarul Central S.A. of the modifications mentioned in the normative act.

Thus, the shareholders of the Company mentioned in the Articles of Incorporation updated on July 10th 2012 became:

„A. Significant shareholders:

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

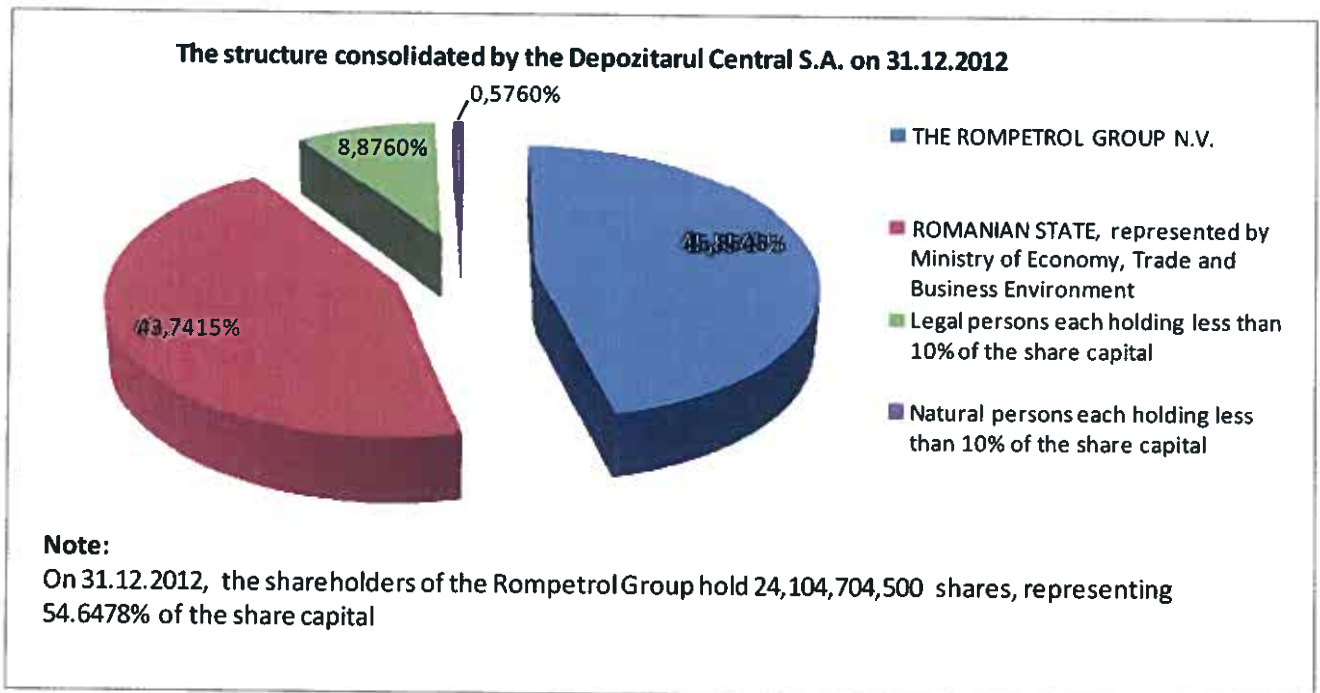
2) ***The Romanian State represented by the Ministry of Economy, Trade and Business Environment by the Office of State Participations and Privatization in Industry holds 19,715,009,053 shares, fully paid in, in amount of 1,971,500,905.3 RON, representing 44.6959% of the share capital.***

B. Shareholders holding each less than 10% of the share capital, holding together a number of 5,100,156,547 shares, fully paid in, in amount of 510,015,654.7 RON, representing 11.5626% of the share capital.”



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According to the Shareholders Register with the consolidation date of December 31st 2012, the structure of the significant shareholders of the Company is presented in the graph below:



3.2. Dividends.

On the date of December 31st 2010, S.C. ROMPETROL RAFINARE recorded a loss of 651,101,173* RON.

On the date of December 31st 2011, S.C. ROMPETROL RAFINARE recorded a loss of 713,259,001* RON.

On the date of December 31st 2012, S.C. ROMPETROL RAFINARE recorded a loss of 297,653,500 RON.

Considering the above, the company could not pay dividends to the shareholders for the financial years 2010, 2011 and 2012.

Remark: * - The financial information corresponding to the years 2010 and 2011 were retreated according to OMFP no. 1286/2012, art 8. for this reason the values of the hereby report differ from those presented in the previous years, 2010 and respectively 2011.



3.3. Own shares

S.C. ROMPETROL RAFINARE S.A. held as of 31.12.2012 a number of 6,134,701 own shares, with a nominal value of 0.10 RON each, in amount of 613,470.10 RON, representing 0.029% of the share capital of the Company.

In the year 2012, the Company did not transact (purchased, respectively sold) own shares.

3.4. Number and nominal value of shares issued by the mother company, held by branches.

In the year 2012, the company branches did not hold shares issued by Rompetrol Rafinare.



4. COMPANY MANAGEMENT

4.1. Presentation of the Company directors

In the year 2012, the consistency of the Board of Directors was changed as follows:

- By the decision no. 1 of the Board of Directors of August 6th 2012, by virtue of art. 137² of Law no. 31/1990 and of art 14.6 of the updated Articles of Incorporation of the Company, by the vote of the three directors in position on the date of this decision, Mr. Azamat Zhangulov, citizen of Kazakhstan, was appointed provisional director starting with the date of August 6th 2012.
He held this position until the date of adopting and recording the Decision no. 5/2012 of the Ordinary General Meeting of Shareholders ("AGO") on 26.10.2012, when he was elected as permanent director.
Also, by the decision no. 2 adopted by the Board of Directors on August 6th 2012, Mr. Azamat Zhangulov was appointed President of the Board of Directors, and he is currently holding this position.
- By the decision no. 2 of the Board of Directors of August 6th 2012 was recorded the request of Mr. Yerzhan Orynbassarov and the termination of the mandate was recorded, respectively the exercise by Mr. Yerzhan Orynbassarov of the position of director and that of President of the Board of Directors, starting with August 6th 2012.
- By the decision no. 5/2012 adopted by OGMS on 26.10.2012, were elected in the position of directors for a mandate which will expire on 30.04.2014 the following persons:
 - o Mr. Azamat Zhangulov, at the proposition of the shareholder The Rompetrol Group N.V.;
 - o Mr. Iulian-Marian Butnaru and Mr. Dumitru-Remus Vulpescu, both at the proposition of the Romanian State, represented by the Ministry of Economy, Trade and Business Environment ("MECMA"), according to the Order of MECMA no. 2012/11.10.2012.
- By the Decision no. 1 of the Board of Directors of December 24th 2012, was approved the termination of the mandate and of the quality of member of the Board of Directors of Mr. Arman Kairdenov starting with 20.12.2012. By virtue of art. 137² of Law no. 31/1990 and of art. 14.6 of the updated Articles of Incorporation of the Company, by this decision was approved the appointment as provisory director of Mr. Sorin Graure, starting with December 24th 2012.
Until the date of the hereby report, on March 5th 2013 took place the OGMS which, based on the secret vote expressed by the shareholders, approved with majority of

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votes the election of Mr. Sorin Graure in the position of permanent member of the Company Board of Directors.

a) Below are presented information about the Company directors in position as of 31.12.2012.

Name and first name	Age (years)	Position held in the Board of Directors and accumulated service	Other information (qualification, professional experience)
Azamat Zhangulov	33	<p>- President of the Board of Directors from August 6th 2012 until now;</p> <p>- elected as director by the Decision no. 5/2012 adopted by the General Ordinary Meeting of Shareholders on 26.10.2012, for a mandate which will expire on 30.04.2014 (the expiry date of the mandate of the other directors in position)</p>	<p>He graduated from the Faculty of International Relations within the Academy of Management in Kazakhstan.</p> <p>Over 11 years in the petroleum field, of which 9 years worked in different companies of the KazMunayGas Group.</p> <p>Joined the team of KazMunayGas Group in April 2003, initially holding the position of Senior Manager of the Corporate Development Department and Senior Manager of the Assets Development Department within the National Company "KazMunayGas".</p> <p>In the year 2007 he was appointed as Deputy Manager of the Corporate Development Department. One year later, he accepted a new challenge taking over the position of Counselor of the CEO of Trade House KazMunayGas, where his role was to make suggestions to improve the operations of the oil stations. Shortly after, he was appointed Manager of the External Projects Management Department. In 2009 he became General Manager in the same company.</p> <p>Before joining the Rompetrol team, he held the position of Manager of the External Investments Management Department within the National Company "KazMunayGas" for two years, being responsible for the management of external investments, but also be the governance of Rompetrol and the international Merger and Acquisitions projects.</p> <p><i>Responsibilities:</i> within Rompetrol Group he holds the position of Senior</p>



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			Vice - President.
Alexandru Nicolcioiu	61	<p>Member of the Board of Directors: 23.09.2010 - present;</p> <p>Held the position of President of the Board of Directors of Rompetrol Rafinare in the following periods:</p> <ul style="list-style-type: none"> - 30.04.2010 - 22.09.2010; - provisory assignment from 25.02.2010 until the performance of the General Ordinary Meeting of 30.04.2010; - 25.02.2006 -25.02.2010; - 26.02.2001 -25.02.2006; - 1990 - 1998 	<p>He graduated from the Faculty of Technology, Oil and Gas Chemical Processing attached to the Faculty of Oil, Gas and Geology Bucharest, graduation year 1975, having a Diploma in Engineering;</p> <p>He began working with the Company in the year 1975; in the period 1990 - 1998 he held the position of General Manager of the Company. He is one of the few people of Rompetrol Group who has been with the company for more than 30 years, having a vast experience in the oil and gas activities.</p> <p>PhD degree with the University of Oil and Gas Ploiești - „Strategies regarding engineering and technical/technological risk management in the processing of hydrocarbons”</p> <p><i>Responsibilities:</i> within Rompetrol Group he has the position of Vice-President of the Refining, Petro chemistry and Industrial Services division.</p>
Iulian-Marian Butnaru	49	<p>Member of the Board of Directors from 26.10.2012, for a mandate which will expire on 30.04.2014 (the expiry date of the other directors in position)</p>	<p>He graduated from the Military Technical Academy - Faculty of Telecommunications, class of 1988. In 2004 he graduated from Lucian Blaga University - Faculty of Law.</p> <p><i>Career landmarks:</i></p> <ul style="list-style-type: none"> - deputy manager and manager of the Department for Supervision and Customs Control and of the Department for Supervision of Excise Duty and Customs Operations attached to the National Customs Authority - in total about 6 years; - head of section in the National Company Romtehnica S.A.; - manager of the Legislation Department in the Field of Excise Duties attached to the Ministry of Public Finances; - General secretary within MECMA; - Member of COREPER 2 - representative of Romania within the European Commission for Customs Cooperation Working Group, operating in the JAI group, in the period 2005-2008; - Member of the delegation of Romania with the World Bank -



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			<p>1999, for negotiating a loan in order to facilitate the trade and transport in the South - East Europe;</p> <ul style="list-style-type: none"> - Member and head of delegations in working visits in more than 18 states.
Dumitru-Remus Vulpesu	40	<p>Member of the Board of Directors from 26.10.2012, for a mandate which will expire on 30.04.2014 (the expiry date of the mandates of the other directors in position)</p>	<ul style="list-style-type: none"> - Graduated from the University of Bucharest – Faculty of Law/“Nicolae Titulescu” Institute of Law and International Relations, class of 1996. During the same period of time, he graduated the University of Bucharest, the Faculty of Political and Administrative Sciences. <p><i>Career landmarks:</i></p> <ul style="list-style-type: none"> - General Manager of the Prime Minister’s Control Body within the Government Working Staff; - Manager of the Professional Conduct and Discipline Division within the Romanian Chamber of Tax Advisers; - Insolvency practitioner, member of the National Union of Insolvency Practitioners in Romania – Bucharest Subsidiary; - Attorney within the Bucharest Bar; - Collaborator of the Bucharest University, Sociology Faculty
Sorin Graure	34	<p>Provisory member of the Board of Directors from 24.12.2012, assigned in this position based on the Decision no. 1/24.12.2012.</p> <p>On the date of drafting this report, by the Decision no. 1 adopted by the General Ordinary Meeting of Shareholders of March 5th 2013 was elected as permanent member in the Board of Directors</p>	<ul style="list-style-type: none"> - graduated the Faculty of Oil Processing Technology and Petro chemistry attached to the Ovidius University Constanța. - has high qualifications and competences in his field. - Currently, General Manager of Rompetrol Rafinare S.A. from 20.12.2012. - In the period 22.11.2012 - 20.12.2012 exercised the attributions assigned to the General Manager of the Company during the leave of absence of the General Manager of the Company (following the termination of the mandate of General Manager of Mr. Arman Kairdenov)



b) Any agreement, understanding or family connection between the respective director and another person, due to which the respective person was appointed as director;

According to the knowledge of the directors, there was no agreement, understanding or family connection between the directors and another person due to which they could have been appointed as directors.

c) Director participation to the share capital of the company;

According to the Consolidated register of Company shareholders as of 31.12.2012 issued by Depozitarul Central S.A., the directors do not hold shares within the Company.

d) List of persons affiliated with the company;

None of the members of the Company Board of Directors is a person affiliated with the Company, within the meaning of the CNVM Regulation no. 1/2006.

4.2. Members of the Company executive management

a) Term for which the person is part of the executive management;

According to the dispositions of the Company Articles of Incorporation, the only positions to which the company management is delegated by virtue of the dispositions of art. 143 of Law 31/1991 regarding trade companies are those of General Manager and Financial Manager. Any other position of manager within the company (human resources manager, commercial manager, administrative manager, IT manager, etc), irrespective of its name, does not also imply the company management.

As of 31.12.2012, the two managers who were delegated the management within the above mentioned meaning, were:

Name and first name	Position
Sorin Graure	General Manager
Vasile-Gabriel Manole	Financial Manager

The members of the executive management exercise the positions held for a mandate which will expire on 30.04.2014 (at the same time with the directors who appointed them in position).



b) Any agreement, understanding or family connection between the respective person and another person, due to whom the respective person was appointed as member of the executive management;

We are not aware of any cases of agreements, understandings or family connections between the members of the executive management and other persons due to whom they were appointed in position.

c) Participation of the respective person to the company capital.

None of the two managers presented in the table at section 4.2. a) have shares with the Company.

4.3. Any possible litigations or administrative procedures in which the persons mentioned at sections 4.1 and 4.2 were involved in the last 5 years.

Starting with March 22nd 2005 and the date of the hereby report, the investigations regarding certain current and former directors, managers and external censors of S.C. Rompetrol Rafinare S.A. (« RRC ») were performed at formal level (despite interruptions appeared sometimes in the progress of the criminal investigation stage). Currently, only one of the current directors is under investigation by the General Prosecutor's Office attached to the High Court of Cassation and Justice ("PHCCJ").

The accusations brought at the start of the investigation were: a) failure to meet the investment objectives undertaken based on the privatization contract regarding the Mother-Company; b) illegal declaration of excise duties and other debts to the state budget; c) incorrect keeping of accounting records regarding the transactions performed at the oil terminal held by Oil Terminal. These accusations refer to the events that took place in the period April 2001 – October 2002. The respective accusations were split by the prosecutor's office from the initial file (which was sent to the court following this splitting) and representing the object of a separate file currently on the dockets of PHCCJ - DIICOT.

For certain accusations representing the object of the investigations – accusations which do not refer directly to the Mother - Company, part of the initial file opened by the prosecutor's office, even before splitting the file – PHCCJ decided to send to court certain managers of The Rompetrol Group N.V. ("TRG"), the company having control over S.C. Rompetrol Rafinare S.A. Following intensive discussions on certain procedural aspects, the first competent court, the Bucharest Tribunal, initiated the trial on fund (de factor situation) by hearing the accused persons. Following the hearing of September 17th 2010, the court decided to forward the file to the Constitutional Court to settle certain exceptions raised by the defense. Currently, the case is on the dockets of Bucharest Tribunal, is suspended, and will be replaced on the dockets after the Constitutional Court

will pronounce a decision (there is no term settled for debating the case by the Constitutional Court).

The Rompetrol Group N.V. and the Mother Company declared publicly and continue to consider that, referring to all the accusations, presented clear, justified and legitimate explanations regarding all the activities performed by the Mother Company and the persons involved.

The Mother Company considers as unjustified all the accusations formulated against it. The position of the Mother - Company was also confirmed by the court when they pronounced in favor of the exception formulated by The Rompetrol Group N.V. and S.C. Rompetrol Rafinare S.A. against the lien instituted on the goods and shares of the latter. The respective lien, instituted unilaterally by PÎCCJ, was finally and irrevocably cancelled by the competent court.

Moreover, on December 15th 2005, The Rompetrol Group N.V. formulated an arbitration request before the International Center for Investment Litigations Settlement within the World Bank (« ICSID ») in Washington D.C. against the Romanian Government by which it was asked the compensations of the prejudice caused. The arbitration request points out the breach by the Romanian State of the rights of The Rompetrol Group N.V. according to the Agreement for Reciprocal Promotion and Protection of Investments between the Government of the Netherlands and the Romanian Government, in force since February 1st 1995 (« Bilateral Romanian - Dutch Investment Treaty »). In May 2010, the debates on the case were completed (followed by two post-hearing rounds), and the court will give a decision (including any individual or separate opinion) during the year 2013.

4.4. Modification of the articles of incorporation

The articles of incorporation of the company can be amended by the General Meeting of Shareholders, according to the provisions of Law no. 31/1990 of trade companies, corroborated with the provisions of the Articles of Incorporation. The Articles of Incorporation can be amended also by the Company Board of Directors, based on the delegation of the attributions by the shareholders meeting, delegation given by virtue of art. 114 of Law no. 31/1990 of trade companies.



5. FINANCIAL - ACCOUNTING SITUATION

Presenting an analysis of the current economical - financial situation compared with the last 3 years, with reference at least to:

a) elements of the balance: assets representing at least 10% of the total assets; cash and other liquidities available; reinvested profits; total current assets; total current liabilities;

SITUATION OF THE MAIN INDICATORS IN THE PERIOD 31.12.2010 -31.12.2012

A. BALANCE INDICATORS

		RON		RON		RON	
	ASSET	decembrie 2012	%	decembrie 2011	%	decembrie 2010	%
I.	Fixed assets	4,509,761,691	61.2	4,216,020,449	65.1	3,751,480,375	61.5
1	Intangible assets	6,619,268	0.1	2,271,469	0.0	4,586,773	0.1
	Other intangibles	6,619,268	0.1	2,240,771	0.0	4,506,687	0.1
	Intangible assets under execution		0.0	30,698	0.0	80,086	0.0
2	Tangible assets	2,497,604,454	33.9	2,208,211,011	34.1	1,741,291,005	28.5
	Lands and constructions	847,132,061	11.5	649,097,561	10.0	649,880,959	10.6
	Technical installations and machinery	1,373,440,444	18.6	600,351,642	9.3	548,766,199	9.0
	Other tangible assets	3,530,634	0.0	3,607,788	0.1	3,412,511	0.1
	Tangible assets under execution	273,501,315	3.7	955,154,020	14.7	539,231,336	8.8
3	Financial fixed assets	2,005,537,969	27.2	2,005,537,969	30.9	2,005,602,597	32.9
	Fixed asset titles	926,154	0.0	926,154	0.0	990,782	0.0
	Shares held in affiliated entities	2,004,611,815	27.2	2,004,611,815	30.9	2,004,611,815	32.8
II.	Circulating assets	2,854,454,750	38.7	2,262,371,989	34.9	2,350,250,014	38.5
1	Stocks	1,167,936,143	15.9	871,141,638	13.4	889,816,568	14.6
	Raw materials and consumable materials	638,634,955	8.7	435,631,836	6.7	594,854,474	9.7
	Production under execution	227,375,019	3.1	222,637,534	3.4	172,502,103	2.8
	Finite products and goods	301,926,169	4.1	212,872,268	3.3	122,459,991	2.0
2	Other circulating assets	1,686,518,607	22.9	1,391,230,351	21.5	1,460,433,446	23.9
	Commercial liabilities	1,007,661,796	13.7	1,141,795,520	17.6	1,109,461,945	18.2
	Advance payments	76,716,078	1.0	41,432,703	0.6	69,364,178	1.1
	Other liabilities	166,409,087	2.3	164,939,980	2.5	253,511,879	4.2
	Cash and bank accounts	435,731,646	5.9	43,062,148	0.7	28,095,444	0.5
III.	Advance expenses	2,575,169	0.0	1,555,268	0.0	2,431,760	0.0
	Advance expenses	2,575,169	0.0	1,555,268	0.0	2,431,760	0.0
	Total assets	7,366,791,610	100.0	6,479,947,706	100.0	6,104,162,149	100.0



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LIABILITIES							
I.	Own capitals	2,143,733,843	29.1	-217,291,227	(3.4)	494,463,037	8.1
	Share capital	4,410,920,573	59.9	4,410,920,573	68.1	4,410,920,572	72.3
	Adjustments of the share capital	5,734,750,095	77.8	5,734,750,095	88.5	5,734,750,095	93.9
	Capital premiums	232,637,107	3.2	232,637,107	3.6	232,637,107	3.8
	Reserves	2,677,987,912	36.4	19,309,342	0.3	17,804,606	0.3
	Reserves from reevaluation	0	0.0		0.0		0.0
	profit (+) or loss (-) reported except for the reported result from the adoption for the first time of IAS 29	-4,852,834,241	(65.9)	-4,139,575,240	(63.9)	-3,488,474,067	(57.1)
	Profit (+) or loss (-) reported from the adoption for the first time of IAS	-5,762,074,103	(78.2)	-5,762,074,103	(88.9)	-5,762,074,103	(94.4)
	profit (+) or loss (-) of the year	-297,653,500	(4.0)	-713,259,001	(11.0)	-651,101,173	(10.7)
II.	PROVISIONS	266,996,813	3.6	79,265,065	1.2	61,138,133	1.0
III.	Debts	4,956,060,954	67.3	6,617,973,868	102.1	5,545,701,821	90.9
	Loans from issuing of bonds	0	0.0	0	0.0	0	
	Short term bank loans	43,931	0.0	99,534,891	1.5	66,626,122	1.1
	Commercial debts	3,001,403,610	40.7	2,485,215,772	38.4	1,820,105,561	29.8
	Advance payments received on account of the orders	21,451,546	0.3	26,089,949	0.4	15,085,398	0.2
	Loans from group companies	1,711,276,576	23.2	3,618,454,195		3,130,255,496	51.3
	Other debts	221,885,291	3.0	388,679,061	6.0	513,629,244	8.4
IV	Advance incomes	0	0.0	0	0.0	2,859,158	0.0
	Advance incomes	0	0.0	0	0.0	2,859,158	0.0
	Total liabilities	7,366,791,610	100.0	6,479,947,706	100.0	6,104,162,149	100.0

Remark: * - The financial information corresponding to the years 2010 and 2011 were retreated according to OMFP no. 1286/2012, art 8. For this reason the values in the hereby report differ from those presented in the previous years, 2010 and respectively 2011.

- i) In the case of the assets, an important share (33.9%) belongs to the **tangible assets** – lands, constructions, technical installations, fixed assets in progress. At the end of the year 2012 they reach the value of 2,497,604,454 RON, higher than in 2011 by 13% respectively higher by 43% than that recorded in 2010 especially influenced by the following factors:
- performance of new investments;
 - depreciation (depreciation of fixed assets).



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- ii) Within the **financial fixed assets** (27.2%), the largest share is that of the participation titles (99.95%).
- iii) **Total stocks**, as of 31.12.2012, record the value of 1,167,936,143 RON higher than those at the end of the year 2011, by about 34%. As compared with the stocks on 31.12.2010, they are higher by 31%.
- iv) Referring to the **commercial liabilities**, they dropped, in comparison with 2011, by 134,133,724 RON and by 101,800,149 RON compared with 31.12.2010, following the preoccupation of the management to receive on due date the amounts corresponding to the sales of finite products.
- v) **Own capitals**, they recorded the value of 2,143,733,843 RON compared with the negative level of 217,291,228 RON, recorded on 31.12.2011 and that of 494,463,037 RON recorded on 31.12.2010.
This is mainly due to the increase recorded by the element "Reserves" – increase during the year 2012 as compared with 2011 with the amount of 2,658,678,570 RON following the partial transformation of the short term loan from The Rompetrol Group NV into a hybrid long term loan in specific financial conditions.
- vi) **The total debts** at the end of the year 2012 record a decrease by 33.5% as compared with 31.12.2011 and by 12% as compared with 2010. Within them, the significant drop is recorded at chapter „Loans from Group companies“, with the amount of 1,907,177,619 RON than 2011, especially following the partial transformation of the short term loan given by The Rompetrol Group NV into a hybrid long term loan in specific financial conditions.



b) profit and loss account: net sales; gross incomes; elements of costs and expenses with a share of at least 20% in the net sales or in the gross incomes; the risk provisions also for different expenses; reference to any sale or stop of a segment of the activity performed in the last year or which is going to be performed in the next year; declared and paid in dividends;

B. FINANCIAL INDICATORS

	RON		
	2012	2011*	2010*
NET TURNOVER	12,323,113,339	10,174,808,952	7,099,249,720
SOLD PRODUCTION	12,305,177,131	10,165,998,550	7,066,996,021
OPERATING INCOMES	12,623,179,868	10,355,875,579	7,215,033,596
FINANCIAL INCOMES	1,211,020,116	1,440,414,600	1,179,981,642
EXCEPTIONAL INCOMES			
TOTAL INCOMES	13,834,199,984	11,796,290,179	8,395,015,238
OPERATING EXPENSES	12,799,583,288	10,679,974,712	7,361,768,349
Of which:			
-raw materials	11,534,467,299	9,701,539,199	6,555,510,650
-energy	406,780,624	318,990,908	265,990,442
FINANCIAL EXPENSES	1,332,270,196	1,829,574,468	1,684,315,812
EXCEPTIONAL EXPENSES			
TOTAL EXPENSES	14,131,853,484	12,509,549,180	9,046,084,161
OPERATING RESULT	-176,403,420	-324,099,133	-146,734,753
FINANCIAL RESULT	-121,250,080	-389,159,868	-504,334,170
EXCEPTIONAL RESULT	0	0	0
Profit tax	0	0	32,250
TOTAL RESULTED	-297,653,500	-713,259,001	-651,101,173

Remark: * - The financial information corresponding to the years 2010 and 2011 were retreated according to OMFP no. 1286/2012, art 8. For this reason the values in the hereby report differ from those presented in the previous years, 2010 and respectively 2011.

- i. **The turnover** recorded as of 31.12.2012 was by 21% higher than that recorded in 2011, and compared with the year 2010, by 74% higher, the main cause being the increase of the prices of petroleum products and raw materials in the 3 years analyzed;
- ii. As of 31.12.2012, **the total incomes** grew by 17% as compared with 2011 and respectively by 65%, as compared with 2010, affected by the same cause as that mentioned previously;

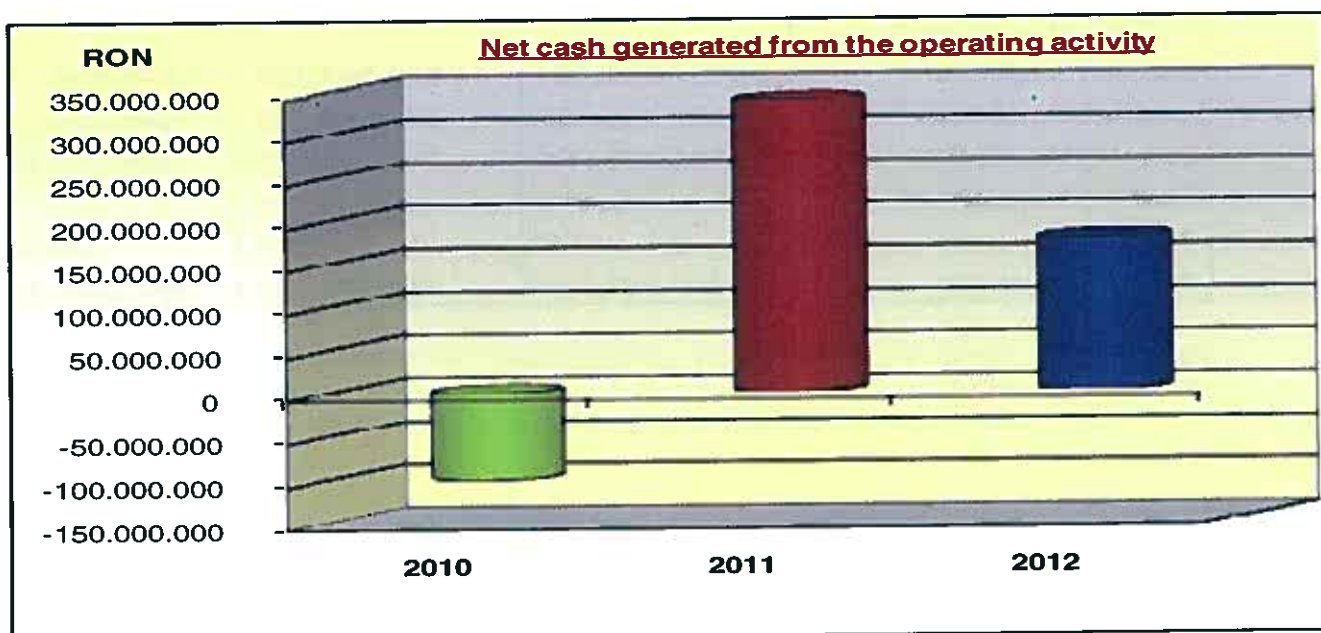


- iii. **The total expenses** recorded in the analyzed period an increase compared with 2011 by about 13% and compared with 2010 by 56%. Like the incomes, the expenses are in correlation with the fluctuations of the prices of raw materials, the expenses with their acquisition representing about 82% of the total expenses.
- iv. Concerning the **total result** as of 31.12.2012, the Company recorded a loss of 297,653,500 RON, much less than compared with the years 2011 and 2010 by 58% and respectively by 54%.

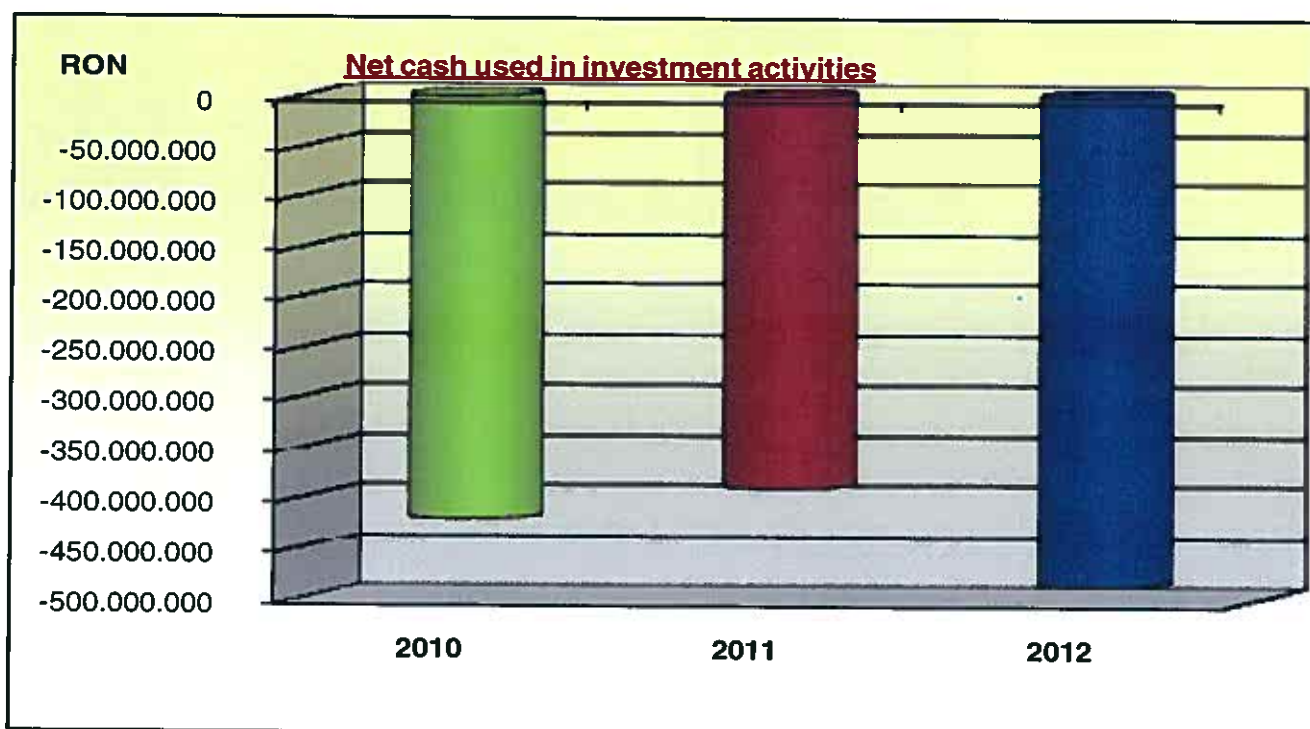
c) cash flow: all the changes appeared in the cash level in the basic activity, the investments and the financial activity, the cash level at the start and at the end of the period.

In the year 2012 the net situation of the cash flows reflects the company efforts to harmonize efficiently the cash needs from the operating activity with a balanced financing policy.

The cash flows from the operating activity were influenced both by the reduction of commercial liabilities and by the increase of commercial debts and provisions. At the end of the year 2012, the Brent crude oil reached a value of 109.99 USD/barrel, compared with the end of the year 2011, when it was at the level of 106.51USD/barrel.

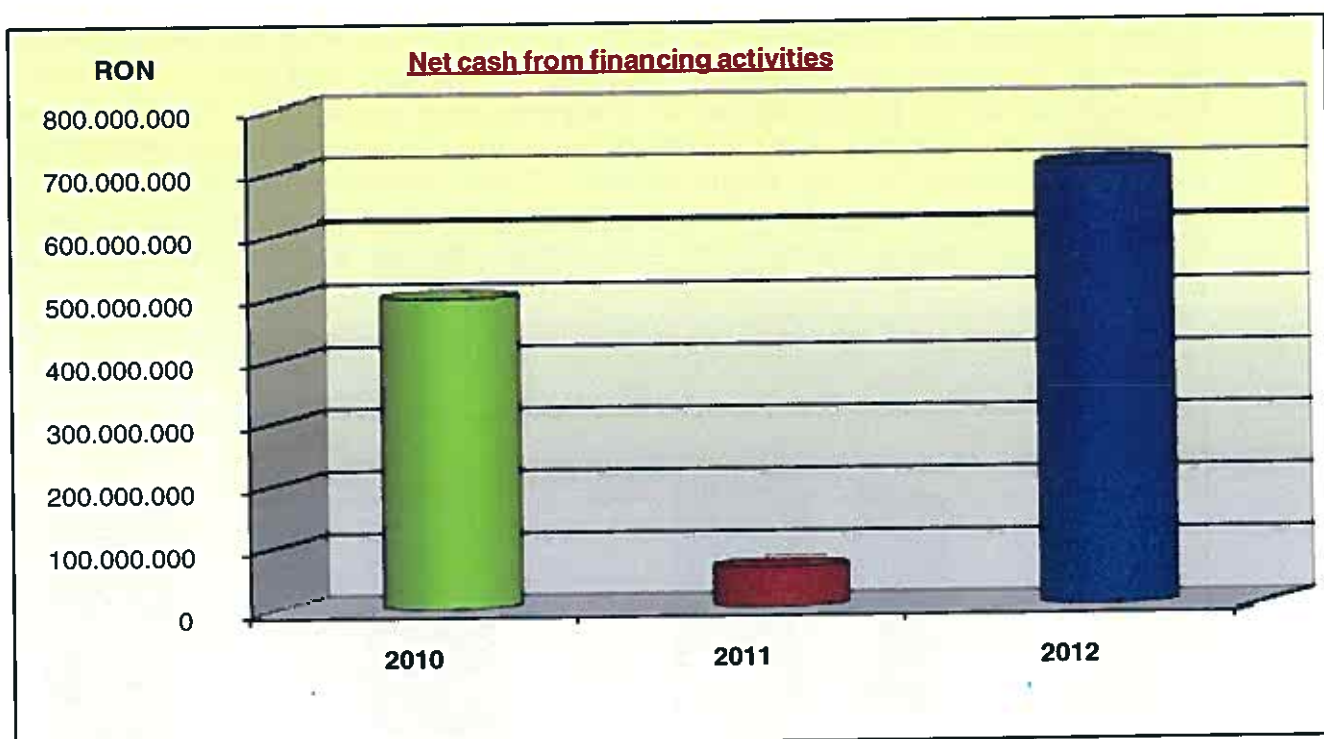


The cash flow from the investment activity reflects the Company preoccupation to continue the refinery upgrading investments. Thus in 2012 Rompetrol Rafinare continued and completed in quarter III 2012 the program to increase the processing capacity of Petromidia Refinery, from 3.8 million tons/year to over 5 million tons of raw material/year. The investments are aimed at implementing new technologies, allowing the processing of different types of crude oil and the obtaining of products with the quality required by European standards, the observance of the requirements of the Directives regarding the promotion and use of bio-fuels and other renewable fuels for transport as well as the increasing of the processing capacity of the refinery and of the output of white products. Another objective taken into account in the investment activity was the alignment to the requirements of the European Union and the applicable environment norms, especially with the purpose to reduce emissions of nitrogen oxides, sulfur, organic volatile compounds and carbon dioxide and the storage of dangerous wastes.





The cash flow from financing activities is positive, following the fact that the company enjoyed the support of the majority shareholder to support both the needs generated by the investment activity, and of developing the operational activity of the refinery.



6. CORPORATE GOVERNANCE

Rompertrol Rafinare is a trade company managed in unitary system, issuer of shares listed on the regulated market operated by Bursa de Valori București S.A. (Bucharest Stock Exchange) ("BVB"). The acceptance for transactions of the Company shares on the secondary market of BVB was decided by the Decision no. 27/25.03.2004 of the Stock Exchange Council regarding the admission for transaction and the starting date of the transaction was April 7th 2004. Prior to this date the Company shares were listed on the regulated market operated by RASDAQ.

The Company shares are transacted at BVB under the market symbol "RRC".

The Corporate Governance report of Rompertrol Rafinare S.A. for the year 2012 is drafted based on the Corporate Governance Code („CGC” or the „Code”) adopted by BVB in 22.01.2009, of Law no. 297/2004 regarding the capital market, as subsequently amended and supplemented, of the regulations and instructions issued by the National Commission of Shares and Bonds („CNVM”) and of the stock exchange regulations.

CGC of BVB includes a few recommendations that are provisions with suppletive character of normative acts in Romania namely: Law no. 31/1990 regarding trade companies, republished, as subsequently amended and supplemented, Law no. 82/1991 of accounting, as subsequently amended and supplemented and Law no. 297 regarding the capital market.

The code has as purpose to guarantee high transparency and visibility conditions for all the shareholders and for all the third parties („stakeholders”). The CGC rules are grouped into XI principles provided in 41 recommendations mentioned in a number of 11 articles. The principles and recommendations of CGC contain provisions referring to the Issuers, directors, auditors, shareholders or other structures of the issuers.

CGC of BVB, in the Romanian and English alternative, is available and can be consulted on the web site of BVB at the address: www.bvb.ro, the section „Companies, subsection "Corporate Governance". At the same address can be consulted the Implementation guide of the Corporate Governance Code and the Declaration „Apply or Explain”.



6.1. BVB standards regarding Corporate Governance

According to the rules of BVB contained in CGC, Rompetrol Rafinare complies partially and self-imposed with certain principles and recommendations of CGC, which results also from the Declaration "Apply or Explain". The Company proposes to improve the implementation manner of the principles and recommendations of CGC of BVB.

According to BVB standards, the Issuers whose financial instruments are transacted on the regulated market operated by BVB, have to transmit each year to BVB, a Declaration of compliance or incompliance with the provisions of CGC attached to the Annual Report. The declaration corresponding to the year 2012 is enclosed with the current report.

6.2. Information regarding the Board of Directors

According to the Articles of Incorporation updated on July 10th 2012, the Company activity is led by a Board of Directors consisting of 5 members, appointed by the General Ordinary Meeting of Shareholders, who can also be shareholders of the company, natural or legal persons, with Romanian or foreign citizenship respectively nationality.

The directors can be replaced in the following situations:

- a) At the expiry of the 4 years mandate;
- b) In case of resignation, or recalling by the General Meeting of Shareholders.

The attributions of the Board of Directors, according to the Articles of Incorporation, are the following:

"

- a) establishes the main activity and development directions of the company;
- b) establishes the accounting and financial control system and approves the financial planning;
- c) appoints, recalls, respectively concludes and terminates of the contracts of the Company managers;
- d) supervises the managers activity;
- e) prepares the annual report, organizes the general meeting and implements its decisions;
- f) introduces the request for opening the company insolvency procedure, according to Law 85/2006 regarding the insolvency procedure;
- g) except for the legal documents for the adoption / conclusion of which the approval of the General Meeting of Shareholders is necessary, according to the imperative provisions of the law, approves the adoption / conclusion in the name of the company of the legal documents whose object exceeds the value of:
 - i) USD **50,000,000** in the case of the legal documents having as object the supply of crude oil, respectively the distribution of refined products;
 - ii) USD **20,000,000** in the case of the legal documents having another object than the supply of crude oil, respectively the distribution of refined products, the approval of the participation to the development of a company with a contribution exceeding this value, other documents with patrimony content exceeding this value limit;

- h) To approve the Company organizational structure."



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These attributions cannot be delegated to the company managers.

The Board of Directors also has the following attributions delegated by the General Extraordinary Meeting of Shareholders in the conditions provided by art. 114 of Law no. 31/1990, republished:

- a) decides regarding the relocation of the company headquarters;
- b) decides regarding the change of the company activity object (except for the main domain and the main activities of the company);
- c) decides regarding the increase of the social capital by issuing new shares, according to the law.

The Board of Directors also meets other attributions, established as of right in their task, by virtue of the applicable normative acts.

Regarding the issuing of shares, the Board of Directors may perform this operation within the share capital increase operations, exercised based on the attributions delegated according to the provisions of Law no. 31/1990 corroborated with the provisions of Law no. 297/2004.

6.3. Information on the members of the Board of Directors of Rompetrol Rafinare on 31.12.2012

Name, year of birth, citizenship, duration of mandate for each member of the Board of Directors, responsibilities within the Rompetrol Group, professional training and qualification.

The membership of the current Board of Directors is the following:

Azamat Zhangulov

Born in year 1980, Kazakh citizen

Duration of administrator mandate: as of 06.08.2012 until 30.04.2014

President of the Board of Directors as of 06.08.2012, non-executive member.

Within the member companies of Rompetrol Group, he holds the positions of President of the Board of Directors of DYNEFF SAS, member of the Board of Directors or Vector Energy A.G., Sole Administrator of Rompetrol Financial Group S.R.L. and President of Rompetrol France SAS.

Responsibilities: Within the Rompetrol Group he holds the position of Senior Vice-president, coordinating the "corporate" functions of the Rompetrol Group.

Professional training and qualification: graduate of the Kazakh Economic Academy with a degree in international economy, oil industry. Experience of more than 11 years in the oil industry, of which he worked 9 years within different companies of the KazMunayGas Group, as Director of Corporate Development.



Alexandru Nicolcioiu

Born in year 1951, Romanian citizen

Duration of administrator mandate: as of 30.04.2010 until 30.04.2014

Currently, he is a non-executive member of the Board of Directors.

He held the position of President of the Board of Directors of Rompetrol Rafinare during the following mandates: 1990 – 1998 and 26.02.2001 – 26.02.2006; 25.02.2006 – 25.02.2010; 26.02.2010 - 22.09.2010

Responsibilities: within the Rompetrol Group he holds the position of Vice-president of matters of Refinery, Petro chemistry and Industrial Activities.

Professional training and qualification: graduate of the Faculty of Oil and Gas technology and Chemistry within the Faculty of Oil, Gas and Geology Bucharest, class of 1975. PhD degree with the University of Oil and Gas Ploiești – „Strategies regarding engineering and technical/technological risk management in the processing of hydrocarbons”. with a 37-year activity within the company and a vast experience in the field of Oil and Gas. In period 1990 - 1998 he held the position of General Director of the Company.

Sorin Graure

Born in year 1978, Romanian citizen

Duration of administrator mandate: as of 24.12.2012 until 30.04.2014

Executive member of the Board of Directors

Responsibilities: within Rompetrol Rafinare S.A. he holds the position of General Director

Professional training and qualification: graduate of the Faculty for the Technology of Processing Oil and Petro chemistry within Ovidius University of Constanta. Experience of more than 10 years in Rompetrol Rafinare. His first post within the company was Shift leader for units: Coke, Gas Desulfurization, Claus Furnaces, Flare Gas Recovery; in 2005 he took over the position of Refining Processes Engineering. In November 2009, Mr. Graure was promoted to the position of Processes Engineer Director, being responsible with coordinating the plans of development and investments for Rompetrol Rafinare and Petro chemistry, and as of month November 2012, he accepted a new challenge assuming the role of Temporary General Director of Rompetrol Rafinare. As of December 2012, he has been the General Director of Rompetrol Rafinare.

The two new positions of administrator established through Decision no. 7/2011 made by the Extraordinary General Shareholders' Meeting of November 29th 2011, whereby was approved to increase the membership of the Board of Directors from 3 to 5 members, as of 31.12.2012 are held by Mr. Iulian-Marian Butnaru and Mr. Dumitru-Remus Vulpescu. Both were chosen for these positions through Decision no. 5/2012 made by the OGMS of October 26th 2012, at the proposal of shareholder The Romanian

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State, represented by the Ministry of the Economy, Trade and Business Environment, through the Office of State Participation ("OPSPI").

Iulian-Marian Butnaru

Born in year 1963, Romanian citizen

Duration of administrator mandate: as of 26.10.2012 until 30.04.2014

Non-executive member of the Board of Directors

Professional training and qualification: Graduate in year 1988 of the Technical-Military Academy - Faculty of Telecommunications and in year 2004 of University Lucian Blaga - Law Faculty.

Career landmarks:

- deputy director and director of the Supervisory and Customs Control Direction and of the Supervisory Direction for Duties and Customs Operations within the National Customs Authority - 6 years in total;
- head of section within the National Company Romtehnica S.A.;
- director of the Legislation Direction in the field of Duties within the Ministry of Public Finances;
- General secretary within the Ministry of the Economy, Trade and Business Environment;
- in period 2005- 2008 - Member of COREPER 2 - Romania's representative within the European Commission for Customs Cooperation Working Group, operating within the JAI group;
- 1999 - Member of the Romanian delegation to the World Bank, for negotiating a loan in view of facilitating trade and transports in South-Eastern Europe;
- Member of and head of delegation within certain work visits in more than 18 states.

Dumitru-Remus Vulpescu

Born in year 1972, Romanian citizen

Duration of administrator mandate: as of 26.10.2012 until 30.04.2014

Non-executive member of the Board of Directors

Professional training and qualification: Graduated from the University of Bucharest – Faculty of Law/"Nicolae Titulescu" Institute of Law and International Relations, class of 1996. During the same period of time, he graduated the University of Bucharest, the Faculty of Political and Administrative Sciences.

Career landmarks:

- General Manager of the Prime Minister's Control Body within the Government Working Staff;



- Manager of the Professional Conduct and Discipline Division within the Romanian Chamber of Tax Advisers;
- Insolvency practitioner, member of the National Union of Insolvency Practitioners in Romania – Bucharest Subsidiary;
- Attorney within the Bucharest Bar;
- Collaborator of the Bucharest University, Sociology Faculty

6.4. The presence of the administrators in the meetings of the Board of Directors

According to the Articles of Incorporation, the Board of Directors meets at least once in three months and whenever required. In the course of year 2012, the Board of Directors reunited for 29 meetings. On the agenda of the meetings of the Board of Directors were matters concerning the current activity performed by the Company or by its subsidiaries, like: approving the organizational structure of the Company, approving the Annual Report and organizing the ordinary general meeting for approving the annual financial results, approving the reports and materials afferent to the quarterly and biannual financial results, summoning the general shareholders' meetings which were held in the course of year 2012, approving/passing significant juridical acts, initiating and holding the social dialogue between the Company and/or syndicate organizations/Company's representative syndicate and negotiation between the Company, as employer, and the employers' representatives as social partners of the collective labor contract concluded at Company level, approving and registering in the Accounting Records the result of the reevaluation of certain buildings and constructions, appointing administrators/permanent representatives of the Sole Administrator within the companies in which Rompetrol Rafinare holds participations, other approvals for the good development of the activities, etc.

Until October 26th 2012, the meetings of the Board of Directors took place with the presence of 3 administrators appointed in positions out of the total of 5 administrators stipulated in the Articles of Incorporation (of which two positions were vacant on the mentioned date) and all the decisions of the Board of Directors were adopted unanimously by the present members.

Through Decision no. 5/2012 of the Ordinary General Shareholders' Meeting of October 26th 2012 it was approved the appointment of 3 new administrators, of which by that date one administrator had held the position of temporary member in the Board of Directors. Pursuant to Decision no. 5/2012 of the OGMS of 26.10.2012, the numerical membership of the Board of Directors was completed to the number of 5 permanent members as stipulated by the Articles of Incorporation. Most meetings were held in the form of teleconference / videoconference.

The decisions of the Board of Directors in 2012 were made unanimously or with majority of votes of the present members.

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The tables below points out the presence at the meetings of the Board of Directors of the administrators appointed in position, for the year ended on December 31st 2012:

Name	Presence
Yerzhan Orynbassarov	17/17/29
Azamat Zhangulov	12/12/29
Alexandru Nicolcioiu	29/29/29
Arman Kairdenov	24/25/29
Iulian – Marian Butnaru	5/5/29
Dumitru-Remus Vulpescu	5/5/29

[A] The first figure indicates the number of meetings in which the person was present in their capacity of administrators, the second figure represents the number of meetings held during the mandate in year 2012, and the third figure represents the total number of meetings held in the course of year 2012.

As of 24.12.2012, Mr. Sorin Graure was appointed temporary administrator, replacing Mr. Arman Kairdenov, based on Decision no. 1 of the Board of Directors of December 24th 2012. On the date of concluding this report, Mr. Sorin Graure was appointed as definitive member of the Board of Directors through Decision no. 1 made by the Ordinary General Shareholders' Meetings of March 5th 2013.

6.5. Consultative committees, non-executive administrators and administrator independence

Considering that the organization within the Rompetrol Group involves the existence of supporting operations positions with various responsibilities, it was not required to set up consultative committees at entity level (audit, nomination, remuneration committees, etc.) The relation between the company and the positions at the level of Rompetrol Group is regulated through service provision contracts.

The remuneration of the members of the Board of Directors and of the directors (executive and non-executive) is presented in Explicatory note no. 22 corresponding to the individual annual financial statement on 31.12.2012.

The criteria for evaluating the independence of the non-executive members of the Board of Directors are stated in Principle VIII, Recommendation 16 of CGC of BVB. Currently, no appointed member of the Board of Directors of Rompetrol Rafinare meets the independence criteria stipulated by the above-mentioned principle and recommendation.



6.6. Information on the General Shareholders' Meeting and shareholders' rights

According to article 11 of the Company's updated Articles of Incorporation, corroborated with the applicable legal provisions, the Ordinary General Meeting is summoned at least once a year, as the law requires obligatorily, and includes the following attributions:

- a) to discuss, approve or to modify the annual financial statements, based on the reports presented by the board of directors and by the financial auditor and to establish the dividend;
- b) to appoint and revoke Company administrators;
- c) to appoint and establish the minimal duration for the financial audit contract, and also to revoke the financial auditor;
- d) to establish for each undergoing financial year the remuneration owed to the administrators;
- e) to pass opinion on the administrators' manner of administration;
- f) to establish the incomes and expenses budget, and, if such is the case, the activity schedule, for the following financial year;
- g) to decide the hypothecation, the lease or the abolishment of one or more units of the Company;
- h) approves the maximum limits of the remuneration of the persons handling/exerting managing positions when the law stipulates such.

The Extraordinary General Meeting has the following attributions:

- a) the change of the Company's legal form;
- b) moving the headquarters of the company;
- c) changing the company's object of activity;
- d) setting up or dissolving secondary offices: branches, agencies, representations or any other such units without legal personality;
- e) the extension of the company duration;
- f) increasing the shared capital;
- g) the reduction of the shared capital or replenishing it by an issue of new shares;
- h) merger with other companies or the division of the company;
- i) the company's anticipated dissolution;
- j) conversion of shares from one category to another;
- k) the conversion of one category of bonds into another one or into shares;
- l) issue of bonds;
- m) any other change of the articles of incorporation or any other resolution for which it is required the extraordinary general meeting consent;



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The Extraordinary General Meeting delegates the Board of Directors to exert the attributions stated at letter b) and c) of the paragraph above.

Moreover, the Extraordinary General Meeting may delegate to administrators the increase of the shared capital, according to the provisions of art. 236 of Law 297/2004 on the capital market.

The rights of the shareholders of Rompetrol Rafinare are those conferred by Law no. 31/1990 on commercial associations, Law no. 207/2004 on the capital market, C.N.V.M. regulations and instructions, Stock Code and other regulations currently in force.

Holding the General Shareholders' Meeting of Rompetrol Rafinare SA, according to its updated Articles of Incorporation:

The general shareholders' meeting is summoned by the administrators or whenever required, by publishing an announcement in the Romanian Official Journal, part IV, and in widely distributed local or national publications in the locality where the Company is headquartered. The general meetings are summoned by the Board of Directors, and the summoning is done at least 30 days before the date of holding the meeting. The summons of the general meetings is transmitted simultaneously to B.V.B. and C.N.V.M. and is available for at least 30 days before the date of holding the meeting on the Company's website, at address: www.rompetrol.com, at section Investor Relations.

The general meeting can be summoned at the headquarters of the Company or in other places established by the administrators through the summons. In the general shareholders' meetings have the right to participate and vote only the shareholders registered in the Register of Company Shareholders, held and issued by the Central Depository S.A. Bucharest, on the reference date established through the summons of the general meeting. According to the legal provisions, shareholders can be personally represented (by legal representatives) or by a representative, based on Special delegation, or by mail, based on Vote bulletin by mail, both documents being made available to the shareholders and translated in English. Shareholders can fill in the delegation/vote form by mail either in Romanian, or in English.

Shareholders can also be represented in the general meeting by persons who do not have the quality of Company shareholders, except for the administrators.

The summons of the general meeting includes information on the availability of the forms for special delegations, vote bulletins by mail and deadline to which these documents are to be sent / submitted at the Company headquarter, as well as the e-mail address for sending the mails.

Each shareholder, regardless of the participation to the shared capital, has the right to ask questions referring to the agenda of the general meetings, and the Company can answer the questions asked by the shareholders by posting such answers on the Company website. Questions have to be pertinent, be connected to the agenda and not harm the confidentiality and commercial interests of the Company and be in writing, either by mail or courier services, or by electronic means. Furthermore, in the summons of the general meeting shall be mentioned the deadline until which shareholders can exert the above-mentioned rights.



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One or several shareholders representing, individually or jointly, at least 5% of the shared capital has/have the right, in lawful conditions: a) to introduce new items in the agenda of the general meeting, provided that each item is accompanied by a justification or by a draft decision proposed for making by the general meeting and b) to present draft decisions for the items included or proposed to be included in the agenda of the general meetings.

The summons of the general meeting, the information materials regarding the items on the agenda of the general meeting, the forms for Special delegations, the Forms for Vote bulletins by mail and draft decisions are made available to the Company's shareholders at the headquarters of the Company and can be downloaded from the Company website. Shareholders can request in writing copies of these documents, by courier or e-mail.

The general meeting is presided by the president of the Board of Directors or by a person appointed by such, who, in turn, appoints from among the members of the general meeting members or the company shareholders, one to three secretaries, plus a technical secretary from among the employees. They will draft the list of presence of shareholders and verify the following:

- identity documents of the persons present at the General Meeting as shareholders or empowered representatives of such;
- special delegations presented by the delegates of the shareholders; Consideration shall be given to the fact that the delegation is only valid for the General Shareholders' Meeting for which it was requested.
- vote form by mail.

The meeting secretary shall also verify the fulfillment of the legal conditions regarding the quorum of presence of shareholders for validating the general meetings.

If the ordinary or extraordinary general meeting cannot take place because the legal conditions of presence are not met, the meeting which will reassemble in a second summoning can deliberate upon the matters of the agenda of the first meeting, regardless of the gathered quorum, passing resolutions with the majority of the expressed votes.

After presenting the materials afferent to the agenda, the shareholders are invited to ask questions and the problems subjected to debate are subject to vote by the meeting president.

The decisions of the general meeting are made by open vote, except for the cases when the general meeting decides for the vote to be secret or if the law requires a secret vote.

Each share entitles to express one vote within the sessions of the general shareholders' meeting of Rompetrol Rafinare. The person representing several shareholders based on special delegations expresses the votes of the represented persons by summing up the total number of votes "for", "against" and "refrain" without compensation (ex. "at point x on the agenda I represent "a" votes "for", "b" votes "against" and "c" refrains"). Votes expressed like this are validated or, as the case may be, invalidated, based on the third copy of the special delegations, by the secretary of the general meeting. The votes



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pertaining to the special delegation are exerted only in the manner decided by the shareholder.

The meeting secretary/ies, based on the freely expressed vote by the shareholders, shall draft the minutes of proceedings of the general meeting.

Within 24 hours as of the date the general shareholders' meeting took place, the company sends to B.V.B. and C.N.V.M. the current report afferent to the decision made by the general shareholders' meeting and such is published on the Company website. Moreover, the decisions of the general meeting are to be published in the Romanian Official Journal, Part IV.

Resolutions adopted during the shareholders' general meetings in 2012:

The Ordinary General Meeting of the Shareholders (OGMS) of Rompetrol Rafinare convened on April 27th, 2012 adopted the following resolutions:

- approval of the individual financial statements (drawn up according to the Romanian Accounting Standards) and the consolidated financial statements (drawn up according to the International Financial Reporting Standards "IFRS"), audited, corresponding to the financial year 2011, based on the Reports issued by the Board of Directors and the financial Auditor's Reports;
- the discharge of administration of all the Company's managers for the activities carried out throughout the financial year 2011, based on the submitted reports;
- approval of the income and expenditure budget and the Company's activity programme for the year 2012, including the investment plan for 2012;
- setting the remuneration due for the financial year 2012 to the members of the Company's Board of Directors, namely maintaining it at the same net amount of managers' remuneration that was applied in 2011;
- approval of the date May 16th, 2012 as the registration date for the identification of the shareholders subject to the effects of the resolutions adopted by OGMS on April 27th, 2012;
- authorization of Mr. Arman Kairdenov, member of the Board of Directors and General Manager of the Company to conclude and/or sign on behalf of the Company and the Company's shareholders the Resolution no. 1/2012 adopted by OGMS on April 27th, 2012, and to carry out all legal proceedings required for the registration, publicity, provision of opposability, enforcement and publication of said resolution, subject to the possibility to sub-appoint third parties to this effect.

The Extraordinary General Meeting of the Shareholders (EGMS) of Rompetrol Rafinare, convened on June 29th, 2012, adopted the following resolutions:

- ratification of conclusion by the Company of the Addendum no. 2 of May 2nd, 2012 to the Loan Agreement no. 448 concluded on September 20th, 2010, by and between the Company and the Rompetrol Group N.V., a major shareholder of the Company, with its registered office in Netherlands (the "Loan Agreement"), extended and amended by Addendum no. 1 dated September 20th, 2011, approved



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- by the EGMS Resolution no. 4 of October 10th, 2011, and the ratification of the Loan Agreement no. 2 concluded on May 2nd, 2012, containing the amendments to the Loan Agreement no. 448 of September 20th, 2010 according to this Addendum, under the terms and conditions provided in item 1.3 of the Information Material previously made available to the shareholders within the statutory deadline;
- approval and authorization of the Company's Board of Directors to carry out and validate transactions with fixed assets of an aggregate value throughout the financial year 2012 which may exceed 20% of the total fixed assets, minus receivables, but not more than USD 150,000,000. The transactions may consist in deeds of acquisition, disposal, swap and establishment as guarantee, as well as any other deeds and documents subsequent or related thereto, necessary to the conclusion of the respective transactions;
 - approval of the amendment and addition to the Company's Articles of Incorporation, letter h) at item 15.1 of art. 15, titled "Responsibilities" of Chapter V titled "Company Management (Unitary System Version). Board of Directors", which shall have the following content: " *h) To approve the organizational structure of the Company.*"
 - approval of the date July 16th, 2012 as the registration date for the identification of the shareholders subject to the effects of the Resolutions no. 2/2012, no. 3/2012 and no. 4/2012 adopted by the Extraordinary General Meeting of Shareholders convened on June 29th, 2012, according to the provisions of art. 238, paragraph (1) of Law no. 297/2004;
 - authorization of Mr. Arman Kairdenov, member the Board of Directors and General Manager of the Company to conclude and/or sign on behalf of the Company and the Company's shareholders the Resolutions no. 2/2012, no. 3/2012 and no. 4/2012 adopted by OGMS on June 29th, 2012, and to carry out all legal proceedings required for the registration, publicity, provision of opposability, enforcement and publication of said resolutions, as well as to update and sign the Company's Articles of Incorporation on behalf of the shareholders, subject to the possibility to sub-appoint third parties, including attorneys-at-law, to this effect.

The Ordinary General Meeting of Shareholders of Rompetrol Rafinare convened on October 26th, 2012, decided the following:

- approval of the termination of Mr. Yerzhan Orynassarov's mandate as member and president of the Board of Directors, following his request to resign from these positions as of August 6th, 2012. The approval of the decision on Mr. Yerzhan Orynassarov's management for the period January 1st, 2012-August 5th, 2012 shall be carried out upon the approval of the Company's financial statements for the financial year 2012;



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- election in the position of managers for a mandate that shall expire on April 30th, 2014 (the expiry date of the mandate of the current members of the Board of Directors) of the following persons: Mr. Azamat ZHANGULOV, upon the proposal of the shareholder the Rompetrol Group N.V.; Mr. Iulian-Marian BUTNARU and Mr. Dumitru-Remus VULPESCU, both upon the proposal of the Romanian State represented by the Ministry of Economy, Commerce and Business Environment ("MECBE") pursuant to the MECBE Order no. 2012/11.10.2012.
- approval of the date of November 13th, 2012 as the registration date for the identification of the shareholders subject to the effects of the Resolution no. 5/2012 adopted by the Ordinary General Meeting of the Shareholders convened on October 26th, 2012, according to the provisions of art. 238, paragraph (1) of Law no. 297/2004;
- authorization of Mr. Arman Kairdenov, member of the Board of Directors and General Manager of the Company to conclude and/or sign on behalf of the Company the Resolution no. 5/2012 adopted by OMGS on October 26th, 2012 and to carry out all legal proceedings required for the registration, publicity, provision of opposability, enforcement and publication of said resolution, subject to the possibility to sub-appoint third parties, including attorneys-at-law, to this effect.

The Extraordinary General Meeting of the Shareholders of Rompetrol Rafinare convened on October 26th, 2012, decided the following:

- ratification of conclusion by the Company of the Addendum no. 3 to the Loan Agreement no. 448 concluded on September 20th, 2010, between the Company and the Rompetrol Group N.V., a major shareholder of the Company (the "Loan Agreement"), extended and amended by Addendum no. 1 of September 20th, 2011, approved by the EGMS Resolution no. 4 of October 10th, 2011, and the ratification of the Loan Agreement no. 2 concluded on May 2nd, 2012, approved through the EMGS Resolution no. 2 of June 29th, 2012 (having as object the amount of USD 400,000,000);
- rejection of the decrease of number of members in the Board of Directors from 5 to 3 members, given that during the elections organized according to item 2 on the agenda of OGMS convened on October 26th, 2012, at 10:00 a.m., three new directors were elected, the Board of Directors thus comprising a number of 5 members, as provided by art. 14.1 of the Company's Articles of Incorporation;
- rejection of the amendment and/or addition to the Company's Articles of Incorporation in terms of amending art. 14.1 of the Company's Articles of Incorporation to reflect the corresponding changes in relation to the number of members in the Board of Directors;
- approval of the date November 13th, 2012 as the registration date for the identification of shareholders subject to the effects of the Resolution no. 6/2012 adopted by the EGMS on October 26th, 2012;



- authorization of Mr. Arman Kairdenov, member the Board of Directors and General Manager of the Company to conclude and/or sign on behalf of the Company and the Company's shareholders the Resolution no. 6/2012 adopted by EMGS on October 26th, 2012 and to carry out all legal proceedings required for the registration, publicity, provision of opposability, enforcement and publication of said resolution, subject to the possibility to sub-appoint third parties, including attorneys-at-law, to this effect.

Shareholders rights to dividends

In case that the General Meeting of the Shareholders approves the distribution of dividends from the net profit obtained by the Company, all shareholders registered in the Shareholders' Registry are entitled to receive dividends on the date of registration set by the same general meeting that approves the value of dividends and the statutory deadline for their payment to the shareholders.

6.7. Information on the executive management of Rompetrol Rafinare

Pursuant to article 16.1 of the Company's last Articles of Incorporation – updated on July 10th, 2012, the executive management of the Company which had been assigned management responsibilities by the Board of Directors, according to the provisions of art. 143 of Law no. 31/1991 on trade companies, was provided by the General Manager and the Economic Manager.

On December 31st, 2012, the executive managers of the Company are the following:

Mr. Sorin Graure	- General Manager and interim Director
Mr. Vasile-Gabriel Manole	- Economic Manager



6.8. Other elements concerning the Corporate Governance

6.8.1. Transparency, communication and periodic and continuous reporting

Romp petrol Rafinare attaches a great importance to the transparency of the communication and information of shareholders and investors. Throughout 2012, reports, presentations and press releases were issued with respect to the financial results, the convening of GMS (General Meeting of the Shareholders) and the resolutions adopted by GMS, as well as periodic (quarterly, biannual and annual) reports, significant transactions, reporting of litigations in which the Company is involved, etc. The information included in the current and periodic reports were communicated to the market operator, the Bucharest Stock Exchange, C.N.V.M, and were made available by posting on the Company's website, www.rompetrol.ro, in the Investor Relations/Romp petrol Rafinare/Presentations section.

According to the provisions of the law, the individual and consolidated financial statements are audited by the company Ernst & Young Assurance Services S.R.L., an independent financial auditor, appointed by the General Meeting of the Shareholders on April 29th, 2009, for a four year term.

Until the date when the hereby report was drafted, throughout 2013, the Ordinary General Meeting of Shareholders was convened on March 5th, 2013, and during this meeting the Company's shareholders approved the Resolution no. 2/2013 based on which Ernst & Young Assurance Services S.R.L., an independent financial auditor, was designated as financial auditor of the Company and a 4-year term was established for the audit services agreement.

6.8.2. Corporate Social Responsibility 2012

The Rompetrol Group (RG) considers that social responsibility represents a voluntary contribution to the development of the society, in connection to the company's main activity, the international legislation and the group's resources.

Mission and values

In its capacity as a leading corporate citizen, the Rompetrol Group seeks to act responsibly in all its activities. As a global company whose success has been built on innovation, passion for quality and individual leadership spirit, we have set high standards of corporate and social responsibility in all our areas of activity, with the ultimate purpose of improving our operational efficiency and the quality of life of those we influence.

We are committed to the following:

1. Sustainable and responsible development, valid for the entire life duration of our activities, as well as after their completion;



2. Operating in a manner that complies to the ethical standards and is responsible with respect to the safety, health and welfare of our employees and partners in the community;

3. The best practices in corporate governance, which influence all our interested parties, including our employees, local and regional communities, our suppliers, investors and partners;

4. Investing time and energy in promoting the leadership spirit by pursuing entrepreneurial and educational objectives.

Our commitment to CSR provides a guiding framework for all our management decisions, with special emphasis on using the best practices in the area, by encouraging the participation of the company and of the community in corporate citizenship projects focused on improving the standards in areas such as: business success, environment, health and safety, community responsibility, youth education and leadership spirit.

Guiding principles

The spirit of the approach taken by the Rompetrol Group with respect to CSR is reflected in our corporate motto, "Energy for Life", a call to ongoing, active involvement in projects that meet our CSR goals.

Rompetrol's guiding principles of its CSR policy are the following:

1. **Respect for employees:** respect for employees and contribution to provide a better life for them through development opportunities and fair employment practices, grounded on principles of equal opportunities and the best professional and safety practices
2. **Ongoing involvement:** involvement, at an appropriate level, of the authorities, community, and other interested parties, in all the decisions that concern them
3. **Health and safety:** ensuring the health and safety of all our employees, suppliers and the communities in which we carry out our activity
4. **Risk management:** identification, assessment, management and mitigation of risks to our communities, employees, contractors and activity, as well as to the environment
5. **Education and leadership spirit:** promotion of the leadership spirit among young people, through civic involvement and educational activities that encourage them to pursue goals of social responsibility and entrepreneurship
6. **Respect towards the local communities:** respect, protection and promotion of human rights, culture, customs and values of the communities in which we carry out our activity
7. **Best practices:** we are guided by the ten principles in the area of human rights, labour, environment and prevention of corruption, as defined in the UN "Global Compact" announcement.

The Rompetrol Group, in its capacity as a socially responsible company, is committed to the ongoing implementation and quality improvement of its social actions, in the following main directions:



- ✓ **External social responsibility**
 - Partnership and social sponsorship
 - Protection of the environment
- ✓ **Internal social responsibility**
 - Development of the human resources potential
 - Safety with respect to health and workplaces
 - Social causes supported by the Rompetrol employees

The guiding principles of the Group shall be fulfilled by applying the following rules:

1. All CSR projects shall be carried out in the spirit of transparency, fairness and respect for the human rights and practices related to labor and prevention of corruption.
2. All CSR projects require a proactive contribution on behalf of all employees and are coordinated by the Corporate Communication and Public Affairs Department.
3. All CSR projects are continuously reviewed, monitored and analyzed.
4. The company shall pursue projects that promote the development of the share capital between the interested parties.

External social responsibility

1. Social partnership and sponsorship

In 2012, through the fourth edition of the national program **"Together for everyone"** 16 projects in the areas of health and protection of the environment were financed, with a total budget in the amount of USD 250,000. All projects shared two components: the first one consisted in the rehabilitation of the medical care units in rural and urban areas, or in the construction of water collection systems, green water treatment plants, solar panels in schools, while the second component consisted in educational and cultural activities for the members of the community.

A few other projects in the area of health and protection of the environment were developed or continued within the "Energy comes from the heart" platform.

In the health area, the Rompetrol Group, the **SMURD** Foundation and the General Aviation Inspectorate (GIA) continued their partnership with view to support the air emergency interventions and the transportation of the medical personnel and victims. Within this partnership, since 2010 the Rompetrol Group has provided, through Rompetrol Rafinare, a monthly quantity of A1 Jet fuel necessary for the operation of the three helicopters in Bucharest, Targu Mures and Arad.

2. Sponsorship

The Rompetrol Group is involved in social partnerships, in the implementation of projects and joint programs, or in the organization of social events.

Special attention is given to the support of the national campaign "Every Child in School", initiated by the **Ovidiu Rom Association**. This partnership, initiated in 2004, promotes the following: programs of school education, teaching resources, uniforms and free hot meals for children that come from families with low income; incentives consisting in food vouchers; protection of children's right to education and legal rights, etc.

As of 2003, Rompetrol is a partner and main sponsor of the **Civil Society Gala** – an annual competition that awards the best programs of the year initiated by NGOs, trade unions, natural persons, etc.

3. Environment protection

The Rompetrol Group protects the environment in full compliance to the requirements set by the European Union legislation on the environment protection.

The environment strategy includes the following areas of interest:

- Conformity of activities and facilities to the national and international requirements;
- Mitigation of environmental incidents;
- Reducing the use of resources and the quantity of waste;
- Optimizing the activities with respect to the energy facilities and reduction of CO2 emissions;
- Maintaining the certified systems of environment management;
- Ongoing training of personnel specialized in this field;
- Ensuring an excellent communication within the Group and with the interested public, state authorities, NGOs, etc.

In 2012 there wasn't any environmental incident resulting in accidental pollution. All member companies of the Rompetrol Group have maintained their Germanischer Lloyd certifications for their own integrated management systems (ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007). In 2011, the certification of integrated management systems was obtained by two other companies: the Corporate Centre of the Rompetrol Group and Rompetrol Bulgaria.

Internal social responsibility

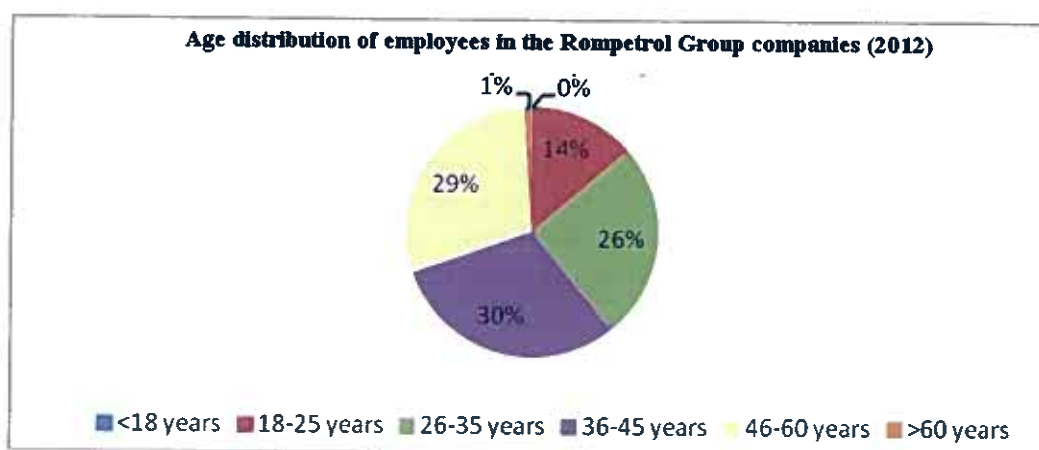
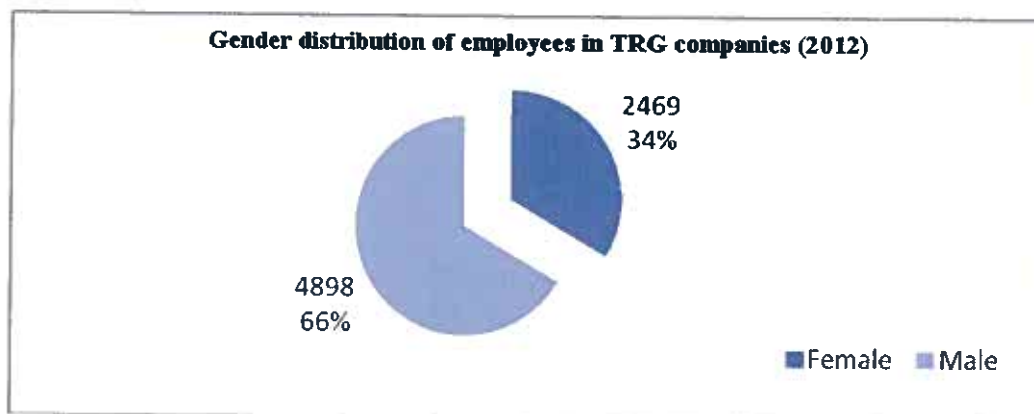
1. Development of human resources

In 2012, the Rompetrol Group companies had an average of **7,367** employees, **96%** of which were employed based on an unlimited term employment contract, and only **4%** were employed on a temporary basis. This year, the company has attracted a number of **609** new employees from the local and external labor markets.

From the demographic point of view, the group population consists in **4,898 (66%)** men and **2,469 (34%)** women, with an average age of **39** years, the majority of employees being between **36 to 60** years old.



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Training

In 2012, the Rompetrol Group focused on the key necessities for employee development and training, despite the limited available resources. The training budget was significantly lower, but there was a clear prioritization and efficient use of the available learning solutions.

The company had **3,685** employees involved in different training activities. Out of this number, **2,685** employees attended sessions for technical training aiming to improve or renew their professional knowledge and level of practical abilities, foreign languages courses, professional certifications (ACCA, CIMA, CIA, CFA) and behavioral courses (abilities related to sales, management, presentations, customer relations).

A number of **1,945** employees of the Petromidia and Vega platforms participated in internal training sessions organized by DuPont, with view to increasing awareness with respect to potential occupational dangers and prevention of workplace accidents.



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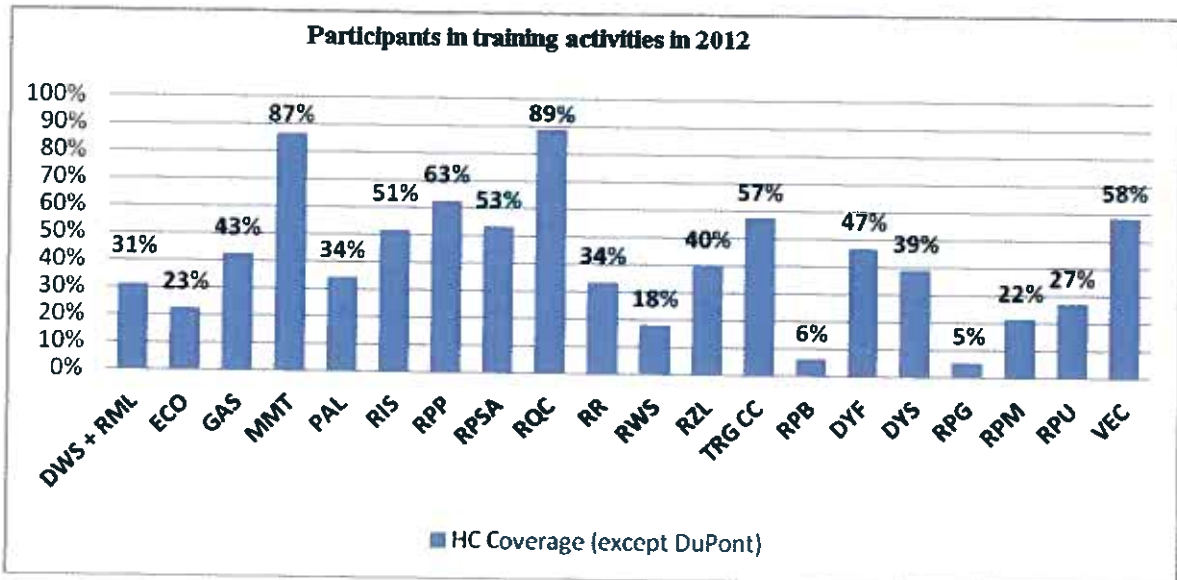


On average, **3.7** of each **10** employees of the group attended at least one training session. In some companies, according to the relevant legislation and regulations, all employees must take part in specific training activities; therefore, the number of participants is higher. Other entities preferred, as a consequence of the limited resources, to organize mandatory training courses, and authorizations and certifications provided by the law.

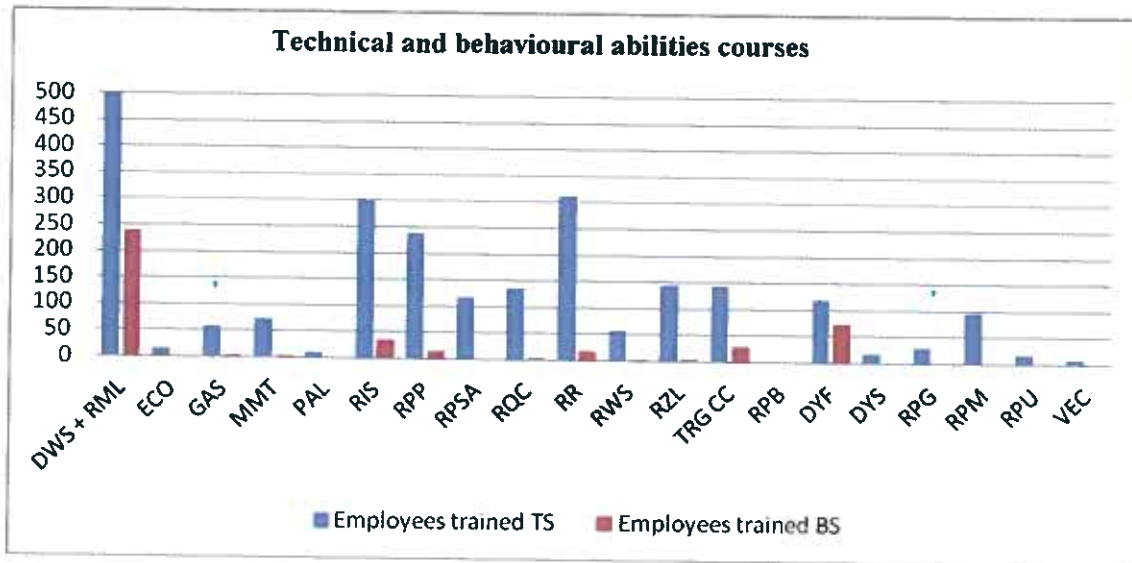




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Overall, in 2012 **8** of **10** employees attended courses of technical abilities, while the remaining 2 employees took part in behavioural development courses.

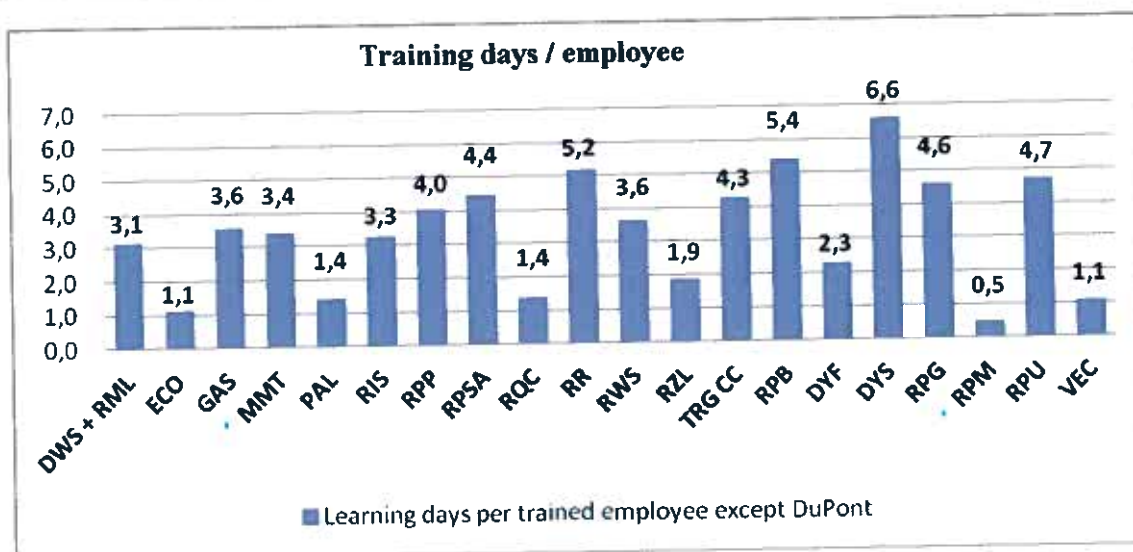
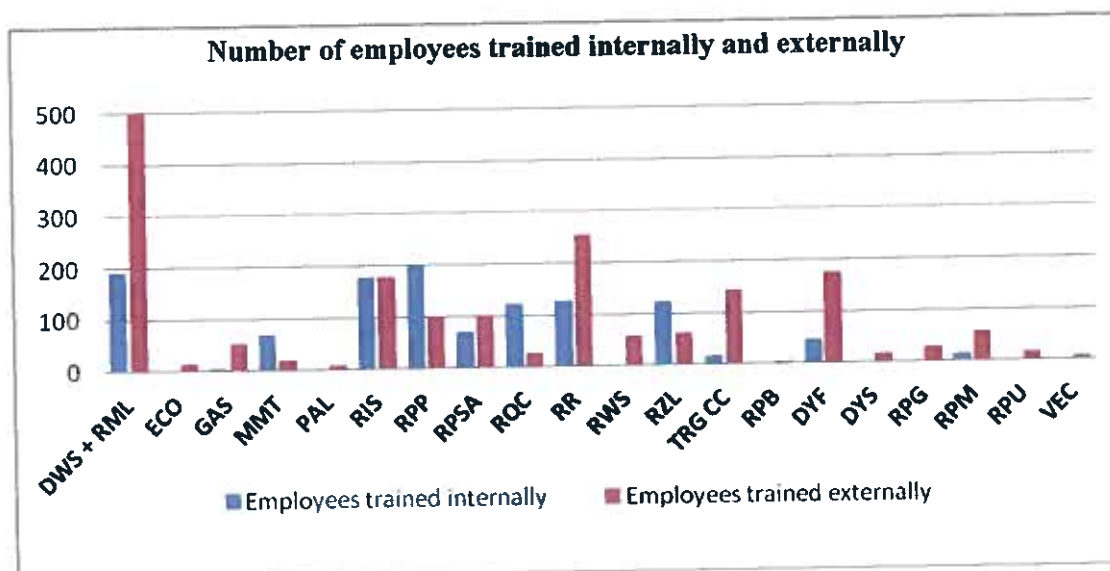


On average, each employee spent **3.3** working days in training activities, and, at the level of the group, all training courses cumulated a total of 10.947 working days spent in the classrooms. The analysis shows that, in 2012, **61%** of the trained employees attended courses provided by external suppliers, while 39% employees were trained by their more experimented colleagues in areas such as: IT, customer relations, technical areas specific to production.

In the future, the Group intends to best utilize the entire capital of internal knowledge and to create a framework in which the internal capacities are accessible and transferable to larger groups of employees. This shall allow the optimization of the costs and shall increase the flexibility of transfer and management of information.



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The goal of the Rompetrol Group’s training and development strategy is to provide a consistent and structured approach for all development needs. Thus, in 2012, several programs meant to provide the employees in the same area of activity with the abilities and tools necessary for the improvement of productivity and performance were carried out.

A few years ago, a customer relations program was initiated with view to reflect the company’s objective to create and maintain a culture of customer relations. After 2011, when all the employees and managers of the gas stations took part in customer relations courses, all the new employees attended this course in 2012, in order to learn how to offer an unforgettable experience in this area.

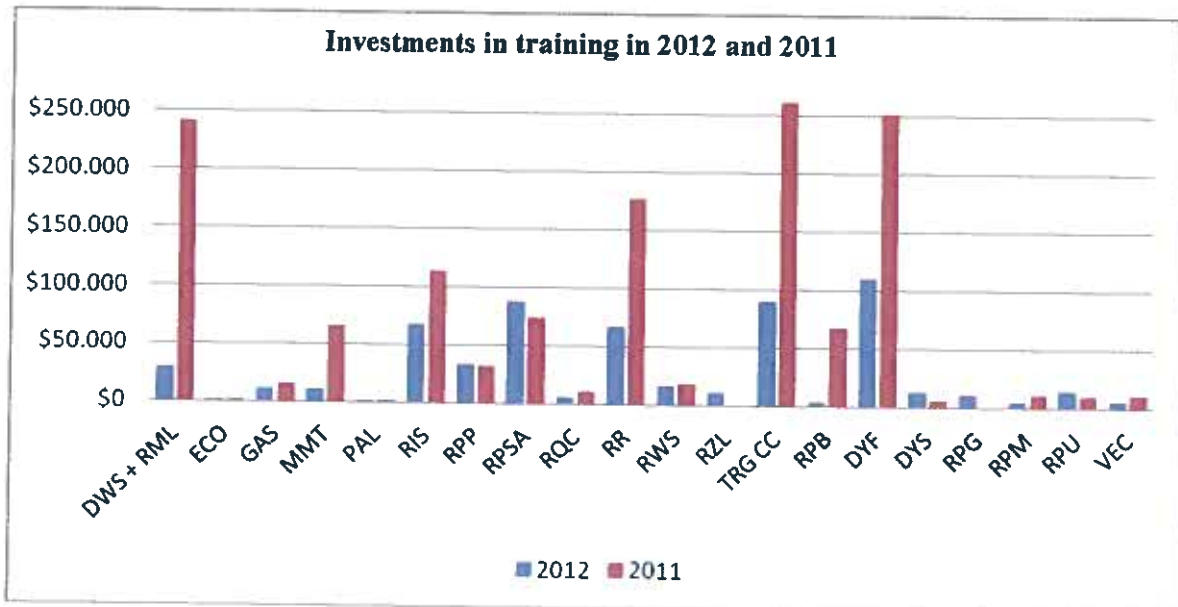
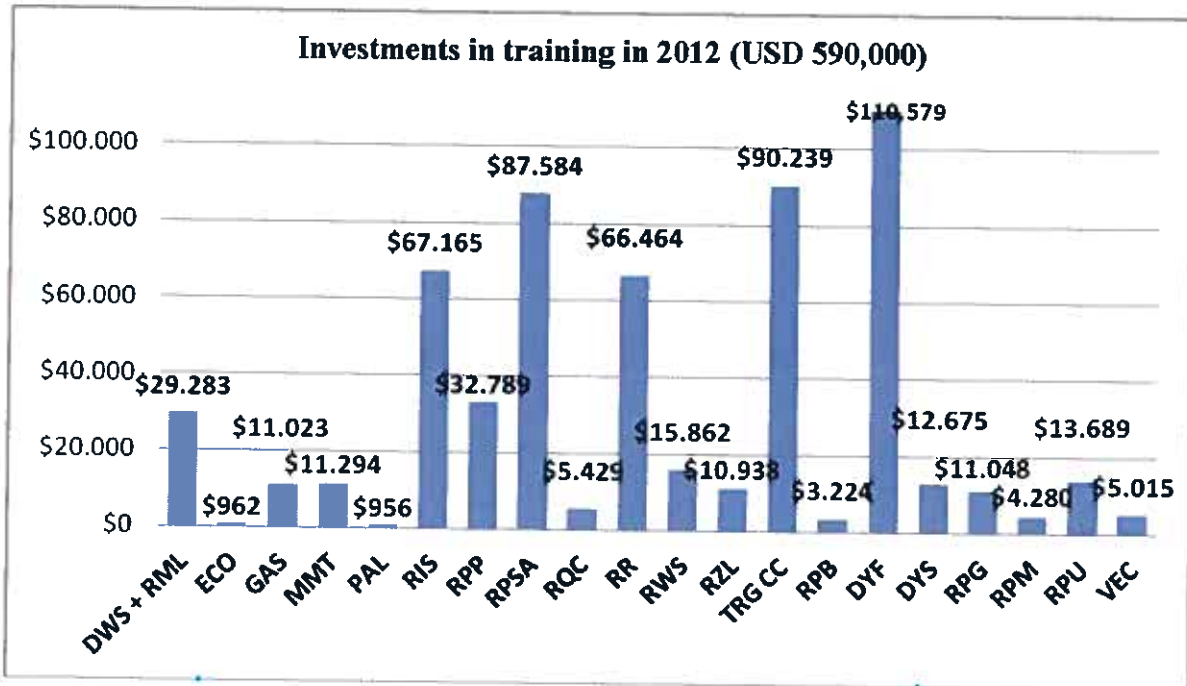
In the Romanian retail area, an umbrella training program was designed and implemented, meant for three categories of employees, and having as objective the creation of cross-functional abilities for the intermediate management category, the sales teams and the network operations coordinators. The intermediate management category attended several training sessions on the improvement of cooperation, solving



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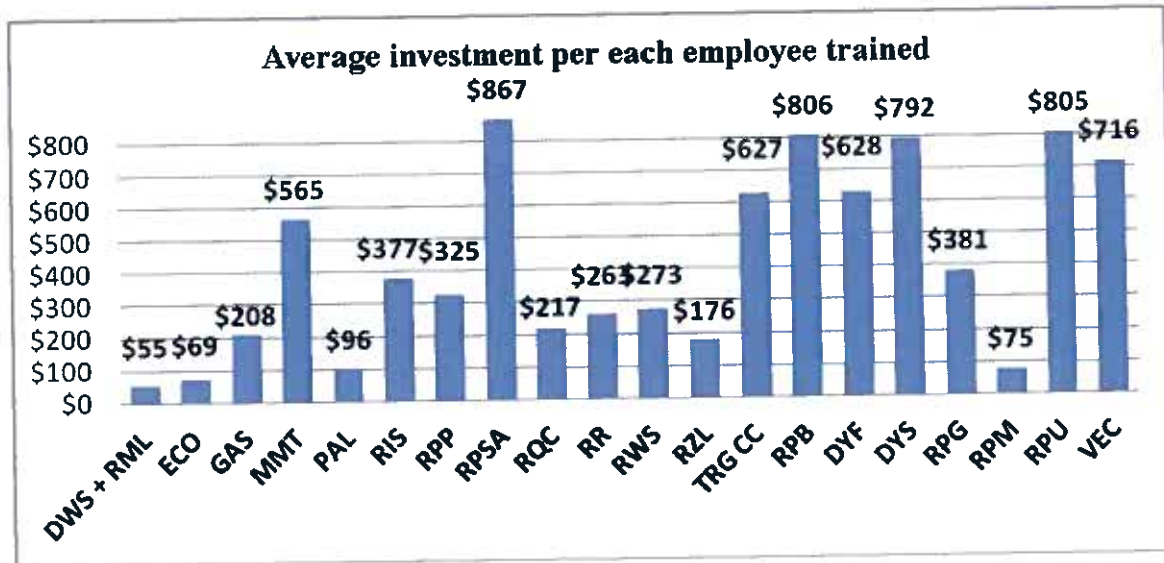
difficult issues in a timely manner and without involving superior levels of management, increasing the teams' capacity to communicate and implement the changes as soon as possible. The sales team attended a specific session focused on sales techniques, negotiation and after-sale follow-up activities. The network operations coordination team was focused on developing the abilities to train and the practical knowledge necessary to become dealers and to operate a gas station independently.

In France, the sales team took part in a program similar to the one attended by the team in Romania, focused on the negotiation and communication abilities.





In 2012 **USD 590,000** were invested in employee training and development activities. On average, the company invested **USD 317** for each employee who attended the external training sessions. In case of internal training sessions, the direct investment for each employee reached **USD 60**.



Compensation and benefits

The year 2012 was a difficult one, therefore, in order to increase the employee benefit package, we had to be creative and focus on providing non-financial benefits with added value, by negotiating with external suppliers of different products and packages of promotional services, adapted to the employees’ lifestyle and needs. Thus, our employees were able to purchase dental and medical services, house appliances, personal care services, catering services, books and fuel at preferential prices. Also, they had the opportunity to access promotional banking products and free financial counseling services.

2. Workplace health and safety

RG’s priority in 2012 was to continue to ensure a safe work environment, both for its employees, as well as for its contractors. Further implementing the “zero occupational accidents and diseases” program, together with the elimination of job positions involving high health risks helped us achieve all the KPI set for 2012.

Although these results are better than the ones achieved in the previous year and are above the industry’s average level, we considered that there is place for improvement and we wish to raise the bar for 2013.

With respect to workplace health, the Group’s concerns were related to the employees’ health, by ensuring access to medical services that meet both the legal requirements, as well as the highest standards of medical practice.



Acknowledging the importance of our personnel’s health, we ensured that all our employees are physically and psychologically fit to carry out their assigned activities. We ensured an appropriate performance of all specific activities by continuously monitoring all processes, together with the ongoing assessment of related health risks.

The Group has permanently improved the workplace health and safety management system in all entities that form the RG, aiming to increase the safety level and to regularly monitor the employees’ health. A special attention is given to the appropriate training of employees, which ensures the performance of activities in a safe manner, and therefore minimizes the risks related to their daily activities.

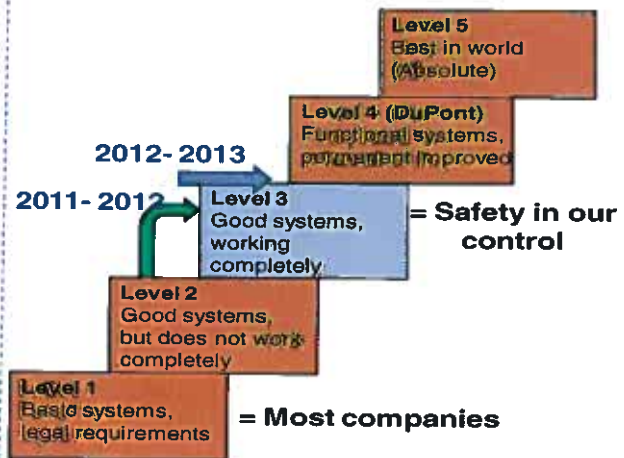
This year, the training and awareness-raising activities were continued for the employees and contractors, and included activities, procedures and policies of the Group with respect to safety. The training for health and safety activities and management of emergency situations reached a total of 39,580 hours. The Petromidia and Vega refineries, including the entities that are active in these locations, have continued their activities meant to improve the safety culture by maintaining the program developed in partnership with DuPont Safety Resources.

Petromidia – Safety First

DuPont – Refining relationship



DuPont – Evaluation matrix



In 2012, the Rompetrol Group employees were also involved in identifying and eliminating the unsafe workplace actions and conditions.

The performance indices were improved, and a 0.5 decrease (from 2.50 to 2) was registered in comparison to the target objectives set for 2011 (the incidents ratio, frequency of accidents leading to disability, frequency and gravity of incidents).



With respect to 2013, the Rompetrol Group aims a further 0.5 decrease (from 2 to 1.50) of the performance indices in relation to the target objectives set for 2012, as proof of the management's commitment to maintain workplace safety.

3. Social causes supported by Rompetrol employees

The Rompetrol Group employees are fully dedicated to carrying out their activity in an ethical and socially responsible manner, in an effort to continuously improve the company's performance and best practices. Thus, 2012 presented a new opportunity for community projects developed by employees – the charity marathon "1000 km Balkan Charity Challenge" for supporting the activity of the Hospice Association, charity actions carried out in support of school enrolment for children in under-privileged families (toys, clothes and money donations), blood donation campaigns, charity concerts in support of young musicians.

Internal Control and risk management systems in relation to procedures of financial reporting

The company continuously adopted the internal control mechanism as an assembly of work procedures and methods aiming to prevent actions that are contrary to the Company's economic interests and the framework of regulations set for the performance of activity, to identify deficiencies and to establish the necessary measures for redressing the regulations framework. It concerns the financial relations, phenomena, and processes, and its main goal is to ensure a proper performance of the economic activity. Aspects related to opportunity, necessity, economicity of operations carried out by the company are also analyzed. With respect to procedures of financial reporting, both internal and external reporting procedures are developed at the company level. The procedures are periodically reviewed by the company's specialized departments. The financial reporting systems are based on legal principles, rules and regulations in force.

Description of the company's policies and objectives with respect to risk management

Given the nature of its activity, the company is exposed to several risks:

- the market risk that results from exposure to fluctuations in the interest rates, the euro-USD, USD-RON exchange rates, from the volatility of the oil products selling prices and crude oil purchase prices; in order to reduce the impact of these risks, the company adopted in 2012 a risk management systems aiming to mitigate the impact of said risks; hedging operations for oil products and crude oil exchange rates have been implemented as of 2011.

- the credit risk, derived from the possibility that the business partners, customers, suppliers and creditors may fail to fulfill their contractual obligations, is periodically monitored through assessments of the customer's business and credit worthiness and solvability, guarantee systems and credit control.

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- the liquidity risk, derived from the possibility that the financial resources may not be available in order to pay in time the due obligations; the company's Management monitors daily with the help of previewed cash the level of liquidities and the fulfillment of obligations towards the suppliers, state budget, local budgets, etc., according to their maturity dates; the current and immediate liquidity indices are permanently monitored.
- the operational risk, derived from the possibility of occurrence of accidents, errors, malfunctions, as well as from the environment influence on the operational and financial results; Rompetrol Rafinare S.A. has continued an extensive process of modernization of the refinery technology, aiming to increase the production volume, to diminish the technological loss, to improve the environment performances, as well as to eliminate accidental breakdowns in the technological process. Also, the company is preoccupied to maintain and continuously improve the integrated quality-environment-safety management system, with results on the improvement of the company's image, by protecting the environment and work safety, improving the relations with the public authorities and the social and economic community as a whole, limiting the civil and criminal liability by observing all legal regulations related to quality – environment – safety.

Financial Calendar suggested for 2013

Financial calendar	Date
Presentation of preliminary results, unaudited, individual and consolidated, for the year 2012 and the Fourth Quarter of 2012.	February 28, 2013
Ordinary General Meeting of Shareholders to approve the annual financial results for 2012	April 29, 2013
Publication of the Annual Report for 2012 (respectively the annual financial results corresponding to 2012)	April 30, 2013
Presentation of results for the first quarter of 2013	May 13, 2013
Presentation of results for the first and second semesters of 2013	August 12, 2013
Presentation of results for the third quarter and for January-September 2013	November 14, 2013

Important information and news related to the interests of shareholders, analysts and investors with respect to the activity of the Company are available on the www.rompetrol.com website, the Romanian language version, the Investor Relations section, Rompetrol Rafinare/Investor Relations subsection.

Contact for the Relation with the Investors

The annual, bi-annual and quarterly reports are made available to the shareholders upon their request. The requests can also be submitted electronically, through the following e-mail address: office.rafinare@rompetrol.com.



7. OTHER RELEVANT ISSUES

1. Provision for environment obligations – the Vega Refinery

Romp petrol Rafinare (RRC) initiated in 2009 a project of environment rehabilitation aiming to ensure the compliance with the current conformity requirements related to the treatment of acid tar lagoons generated by the Vega Refinery, the ultimate purpose being to obtain the environment authorization. The rehabilitation project provides a completion term of approximately 10 years. The plan was initiated by selecting in 2009 a specialized supplier possessing the expertise and all authorizations necessary to provide all these reports.

In 2010, the specialized supplier performed an assessment (part of the technical report provided) estimating a quantity of 270,000 m³ of acid tars (the equivalent of 320,000 – 360,000 tons). This quantity was used as a base for the review of the integrated environment authorization no. 23, dated November 23rd, 2010 and valid until 2014, the deadline for the treatment of the acid tar lagoons being set for December 31st, 2012.

Also, the specialized supplier began the analysis of the technical methods available for cleaning this type of acid tars. Thus, 3 methods were identified and analyzed by RRC, and then were included as a basis for negotiation with the environment authorities, according to the agreed upon calendar.

Throughout 2012, following the technical expertise, a financial assessment of the three presented methods was performed, and the technological method selected by the Vega Refinery implied environmental costs of approximately 343.56 million lei (EUR 77.57 million). The technical report issued by the expert maintains the necessity to extend the ecological works for a 10 year period and presents all the actions that Rompetrol Rafinare ("RRC") must take in order to be able to treat the entire quantity of acid tars in the lagoons. Considering the complexity of this project for the activity of acid tar lagoons treatment, RRC initiated a public tender in order to select the contractor.

In 2012, after drafting the financial report for all three available technical methods, RRC re-assessed the impact of the environmental obligations on the financial statements. According to this financial report, the total value of environmental costs related to the method selected by RRC is 343.56 million lei, with a completion term of 10 years.

Thus, on December 31st, 2012, an additional value of 172.66 million lei was included as provision for environmental obligations, amount which was added to the value of 47.34 million lei that represented the environmental obligations provision that had already been set.



2. Customs control subsequent to the bio-waste import/release into free circulation operations

From June 14th to June 20th 2012, the Company was subject to a customs control subsequent to the bio-waste import/release into free circulation operations carried out by the Company from June 2009 to October 2010. The control was initiated based on the note no. 12080/23.05.2012 received from the European Anti-Fraud Office (**OLAF**), registered with the National Customs Authority (NCA) under no. 26702/29.05.2012.

As a result of the control, a report was drafted, which established that the Company owes an additional customs debt payment consisting in antidumping and compensatory taxes, VAT, late payment fees and delay penalties in total amount of **108,123,486.39 RON**:

- Antidumping and compensatory taxes **58,167,250.5 lei**
- Delay penalties related to the antidumping and compensatory taxes **27,690,789.19 lei**
- V.A.T. **7,875,937.82 lei**
- V.A.T. - related delay penalties **4,482,720.13 lei**
- Delay penalties related to the antidumping and compensatory taxes de **8,725,128.08 lei**
- V.A.T.-related delay penalties **1,181,390.67 lei**

The company paid in due term, to D.R.A.O.V. Constanța, through the Payment Order no. 2488/20.07.2012, the amount of **58,167,520.50 lei**, representing the antidumping and compensatory taxes.

The amount of **7,875,937.82 lei**, representing the added value tax related to the imports, which was additionally set by the Decision for adjustment of the situation concerning the additional obligations established by the customs control no. 26702-1/20.06.2012, was registered through the accounting affidavit /21.06.2012, both as collected tax and as deductible tax, according to the provisions of item 81, par. (3) of the Government Decision no. 44/2004 for the approval of the Fiscal Code, with its subsequent amendments and additions, based on the customs VAT payment delay certificates in the Company's possession, both at the time when the imports were carried out, as well as on the date when the payment obligation was established.

For the amount of **32,871,519.32 lei**, representing accessories to antidumping and compensatory taxes and VAT accessories, the payment by installments was approved through DRAOV Constanța Decision no. 318/05.10.2012, and for the amount of 9,906,518.75 lei, representing delay penalties, the payment postponement with view to exemption from payment was granted through the DRAOV Decision no. 319/05.10.2012.

The company filed an appeal against the NCA Decision on the adjustment of additional payment obligations established by the customs control no. 26702-1/20.06.2012 on July 30th, 2012.

Through Decision no. 64/07.03.2013, concerning the settlement of the RRC appeal no. 907038/03.07.2012 (Biodiesel), DGSC decided the following:



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- Admission of the appeal filed by RRC for the total amount of 797,693 lei (inaccurate calculation of taxes by using the wrong currency exchange rate, inaccurate calculation of the late payment fees);
- Rejection as ungrounded of the appeal for the total amount of 93,925,484 lei, representing:
 - 58,102,209 lei antidumping and compensatory taxes;
 - 35,813,275 lei late payment fees/penalties related to the antidumping and compensatory taxes.
- Partial annulment of the adjustment decision no. 26702-1/20.06.2012 and of the control report, for the total amount of 13,410,309 lei representing:
 - 7,862,412 lei VAT;
 - 5,547,897 lei VAT late payment fees and penalties.

Following the above mentioned, throughout 2012 a provision for fiscal litigations was established in the accounting, in the amount of 98,216,968 lei.

3. The fiscal inspection carried out by ANAF DGAMC for the financial period 2007-2010

The fiscal inspection was carried out in the 18.02.2010 – 29.03.2012 period, and upon its completion, the fiscal inspection authorities within DGAMC issued on March 29th 2012 the Taxation Decision no. 1 and the Fiscal Inspection Report, which establish additional obligations for the Company in total amount of **25,204,214 lei**, to which the related accessories in total amount of **24,243,583 lei** are added, as follows:

- Additional **VAT** to be paid in amount of **13,727,196 lei** as well as related accessories in amount of **14,426,408 lei**;
- Additional **Tax on income obtained in Romania by non-residents** to be paid, in amount of **11,451,736 lei**, as well as related accessories in amount of **9,762,296 lei**;
- **Additional contributions to the social insurances funds, namely the health and unemployment funds, and the special fund for social solidarity with persons with disabilities** in amount of **25,282 lei**, as well as related accessories in amount of **54,879 lei**.

On May 4th, 2012, RRC filed an appeal against the Taxation Decision no. 1/29.03.2012 issued by ANAF and establishing additional payment obligations in total amount of 49.5 million lei.

On February 19th, 2013 the Decision no. 33 was issued by DGSC with respect to the settlement of the appeal filed by RRC against the ANAF DGSC Decision no. 1/29.03.2012 issued on the basis of the fiscal inspection report no. 53816/29.03.2012, in which additional fiscal obligations in total amount of **49.5 million lei** were established for the Company.



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Through the Decision for the settlement of the appeal no. 33/19.02.2013, DGSC decided the following:

- Rejection as ungrounded of the appeal for the total amount of 30,326,059 lei of which:
 - 11,451,376 lei tax for non-residents;
 - 9.762.296 lei non-residents tax accessories;
 - 9.112.027 lei VAT.

- Partial annulment of the Taxation Decision no. 1/29.03.2012 for the total amount of 19,041,577 lei, of which:
 - 4.615.169 lei VAT;
 - 14.426.408 lei VAT accessories (with the mention that the Company owes the VAT-related accessories for which the appeal was rejected, approximately 5 million lei).

Also, through Decision no. 33/2013 it is noted that the appeal settlement authority does not have the material competence to decree the completion of the fiscal inspection by issuing a conclusion with respect to the documentation concerning the transfer prices, and to ascertain the completion of the inspection and the closing of the 01.01.2007 - 31.12.2010 period.

Following the above mentioned, on December 31st, 2012, the total amount for the established fiscal litigations provision was in amount of 49,367,636 Lei.

4. Reversal of the amounts representing late payment fees and penalties related to the Special Fund for Oil Products ("SFOP"), as well as some main obligations related to SFOP, by including them in the results of the financial year 2012

The Special Fund for Oil Products ("SFOP") was established and managed by the Ministry of Economy and Commerce ("MEC") and its purpose was to fully cover the payment obligations of the former Romanian Oil Company. According to the legal provisions in force, SFOP was established by including a fixed amount in lei in the selling price of oil products delivered on the domestic and foreign market, gasoline and Diesel fuel, obtained by the producers or resulted from technological processes.

In January 2011, the Ministry of Economy, Commerce and Business Environment ("MECBE") informed Rompetrol Rafinare that the Ministry of Public Finances (MPF) – the General Directorate of Treasury and Public Debt confirmed that the amounts paid by MECBE in the MPF account for the "Special Fund for Oil Products" according to the Emergency Government Ordinance no. 249/2000 and the Emergency Government Ordinance no. 55/2000, represent the full payment of the debts of the former Romanian Oil Company and therefore the SFOP was closed. According to the provisions of the



Government Emergency Ordinance no. 249/2000, "The Special Fund for Oil Products" is to be dissolved after the full payment of the debts.

Whereas SFOP had been created as a special fund with the fixed limited amount, an amount that was confirmed as being fully covered based on the notes issued by MECBE in January 2011, and therefore the SFOP was duly closed, and also considering the provisions of the note for the substantiation of the Government Ordinance no. 23/2012, in correlation with the provisions of art. 119 (3) of the Government Ordinance no. 92/2003 on the Fiscal Procedure Law, the Company considered that there are solid legal grounds and decided to reverse the amounts registered in the previous years as late payment fees and penalties related to SFOP in amount of 165,721,922 lei and the amount of 8,115,668 lei representing SFOP obligations constituted after December 21st, 2010. The reversal of the amounts was carried out by including the above mentioned amounts in the operation income records, which had a positive impact on the Company operation results.

5. Re-assessment of buildings and special constructions included in the Company's assets

On December 31st, 2012 the buildings and special constructions were re-assessed by PricewaterhouseCoopers Management Consultants S.R.L. for tax purposes.

6. Partial transformation of the loan granted by the major shareholder the Rompetrol Group NV through a long-term hybrid loan under certain financial conditions

On May 2nd, 2012, of the total amount used in the framework of the consolidated loan agreement no. 448/20.09.2010 (in total maximum amount of USD 1.2 billion), the amount of USD 800 million was included in a new loan agreement, characterized by the following main elements:

- The due date for the amount of USD 800 million is 51 years;
- The registration and payment of the interest related to this amount is restricted to the existence of profit and distribution of dividends;
- The USD 800 million is subordinated to all present and future debts;
- On the due date, the parties shall agree upon the total or partial conversion of the lent amount in shares, or the total or partial reimbursement in cash.



8. ANNEXES

a) Amendments to the company's Articles of Incorporation

A company's articles of incorporation may be amended by the General Meeting of the Shareholders, according to the provisions of Law no. 31/1990 on trade companies, in correlation to the provisions of the Articles of Incorporation. The Articles of Incorporation may also be amended by the Company's Board of Directors, subject to the delegation of authority by the shareholders, delegation issued on the grounds of art. 114 of Law no. 31/1990 on trade companies.

In 2012, the following amendments and updates of the Company's Articles of Incorporation were operated:

I) The amendment of the Company's Articles of Incorporation following the enactment of the Resolution no. 4 of the Extraordinary General Meeting of Shareholder ("EGMS") on June 29th, 2012. The amendment of the Articles of Incorporation consisted in adding the approval of the Company's organizational structure to the responsibilities of the Board of Directors members.

This amendment was included in the updated Articles of Incorporation drafted on June 29th, 2012 (Annex to the hereby Report) and registered with the Constanta Trade Registry on July 10th, 2012, based on the Resolution no. 516778 dated 09.07.2012., according to the Certificate of Recorded Amendments issued on July 11th, 2012 by the Trade Registry Office attached to the Constanta Court of Law ("TRO").

II) The amendment of the Company's Articles of Incorporation following the enforcement of the Government Emergency Ordinance no. 30 published in the Official Gazette no. 433/29.06.2012 and the adoption of the Decision of the Boards of Directors dated July 10th, 2012, according to which the shares held by the Romanian State were transferred from the administration of the Ministry of Public Finances to the administration of the Ministry of Economy, Commerce and Business Environment ("MECBE") through the Office of State Participation and Privatization Industry.

This amendment was included in the Articles of Incorporation updated and drafted on July 10th, 2012 (Annex to the hereby Report) and registered with the Constanta Trade Registry on July 20th, 2012 based on the Resolution no. 517905 of 19.07.2012 according to the Certificate of Recorded Amendments issued on July 23rd, 2012 by ORC Constanta.



b) Important contracts concluded by the Company in the year for which the reporting is made.

Important contracts in which Rompetrol Rafinare has the quality of supplier:

- Addendum no. 4/03.01.2012 for the extension of the Contract RR 1/04.01.2010 on 2012 concluded with S.C. Rompetrol Downstream S.R.L., having as object the sale of petroleum products;
- Contract 2012/03.01.2012 (respectively RR 3/03.01.2012), concluded with Vector Energy A.G., having as object the sale of petroleum products at export in 2012;
- Contract no. RR 4/03.01.2012 (respectively RPET 1/03.01.2012), concluded with S.C. Rompetrol Petrochemicals S.R.L., having as object the sale of propane-propylene mixture;
- Contract no. 38/10.09.2008 (respectively RGS 163A/10.09.2008), automatically renewed in 2012, concluded with Rompetrol Gas S.R.L., having as object the sale of liquefied petroleum gas;
- Contract no. RR 350/2008, renewed by the Addendum no. 1/21.10.2009, automatically extended in 2012, concluded with S.C. Rompetrol Petrochemicals S.R.L., having as object the sale of utilities;
- Contract no. RR 109/2004, automatically extended in 2012, concluded with S.C. UZINA TERMOELECTRICA MIDIA S.A., having as object the sale of fuel gas;
- Contract no. RR 264 and 265/2003, automatically extended in 2012, concluded with S.C. Rompetrol Petrochemicals S.R.L., having as object the sale and distribution of electric power;
- Contract no. RR 397/2010, taken over by the Novation act, automatically extended in 2012, to which was signed the Addendum no. 3/2012 - modification of contract clauses, concluded with S.C. Rompetrol Petrochemicals S.R.L., having as object the provision of services - wastewater treatment;

Important contracts in which Rompetrol Rafinare has the quality of beneficiary:

- Contract Feedstock 2012 (respectively no. RR 03/30.12.2011) concluded with Vector Energy A.G., in view of the acquisition of crude oil;
- Addendum no. 4/24.02.2012 (respectively RR 1/24.02.12) for the extension of the contract GOS - 02636/2011 on 2012, concluded with Vector Energy AG in view of the acquisition of biodiesel fuel;
- Contract no. RR 4/28.02.2012 (respectively no. 125/24.02.2012 - ALPIQ RomENERGIE), concluded with ALPIQ RomENERGIE for the purchase of electric power, for which was signed: Addendum no. 1/04.07.2012 (tariff modification) and Addendum no. 2/27.08.2012 (modification of tariffs and validity extension until 31.12.2012);
- Contract no. RR 4/22.03.2011, for which were signed the following Addendums: no. 3/28.08.2012 - modification of capacity reserve, no. 4/21.12.2012 validity extension until 31.12.2012, concluded with SC OMV PETROM GAS SRL. for the acquisition of mixture natural gas for Năvodari and Vega;



- Contract no. RR 377/31.12.2008 (respectively no. 1/2008 – Uzina Termoelectrică Midia), concluded with Uzina Termoelectrică Midia S.A., for the acquisition of thermal power, for which were signed: Addendum no. 6/29.02.2012 (amendment of contract clauses) and Addendum no. 7/17.12.2012 (validity extension and contract clauses);
- Contract no. RR 22/24.01.2008 (respectively no. 3/2008 - Uzina Termoelectrică Midia), concluded with Uzina Termoelectrică Midia S.A. for the acquisition of demineralized water, for which were signed: Addendum no. 6/03.04.2012 (tariff modification) and Addendum no. 7/17.12.2012 (validity extension).

Important agreements in which Rompetrol Rafinare has the capacity of borrower:

- Addendum no. 2 as of May 2nd, 2012 and Addendum no. 3 as of September 20th, 2012, both concluded in relation to the Loan Agreement no. 448 as of September 20th, 2010 between the Company and The Rompetrol Group N.V., a significant shareholder of the Company, having as scope the amount of USD 400,000,000;
- Agreement no. RR 2 as of May 2nd, 2012 concluded with The Rompetrol Group N.V., having as scope the amount of USD 800,000,000, containing the amendments to the Loan Agreement no. 448 as of September 20th, 2010 as per the provisions of the Addendum no. 2 as of May 2nd, 2012;

c) resignation/dismissal acts within the members of the management, executive management, censors.

In the reporting year the following resignations occurred among the members of the administration and executive management:

- Mr. Yerzhan Orynbassarov from the positions of director and president of the Board of Director;
- Mr. Arman Kairdenov from the positions of member of the Board of Directors and General Manager of the Company.

No resignations/dismissals occurred of the external financial auditor of the Company.

d) list of company branches and companies controlled by it.

At the end of the year 2012, the Company had two work points, namely:

- i) Work point situated in Năvodari, 1 – 283 Năvodari Blvd., Constanța county;
- ii) Work point situated in Ploiești, 146 Văleni street, Prahova county, performing its activity in the space in the property of the Company, hereinafter referred to as "Rompetrol Rafinare – Vega Refinery work point".



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Currently, S.C. Rompetrol Rafinare S.A. has a control position in the following companies:

directly:

- S.C. Rompetrol Logistics S.R.L;
- S.C. Rompetrol Petrochemicals S.R.L.;
- S.C. ROM OIL S.A.;
- S.C. Rompetrol Quality Control S.R.L.
- S.C. Rompetrol Downstream S.R.L.

indirectly:

- S.C. Global Security Sistem S.A.;
- S.C. Rompetrol Gas S.R.L.

e) list of persons affiliated to the company⁶

S.C. Rompetrol Rafinare S.A. is part of Rompetrol Group. Rompetrol Group is registered with CNVM and with 31.12.2012 and was made up of the following companies:

- The Rompetrol Group N.V.
- Rompetrol S.A.
- Rompetrol Downstream S.R.L.
- Rompetrol Well Services S.A.
- Palplast S.A.
- Ecomaster Servicii Ecologice S.R.L.
- Rompetrol Logistics S.R.L.
- Rominserv S.R.L.
- Rom Oil S.A.
- Global Security Sistem S.A.
- Uzina Termoelectrică Midia S.A.
- Rompetrol Petrochemicals S.R.L.
- Rompetrol Quality Control S.R.L.
- Rompetrol Financial Group S.R.L.
- Rompetrol Gas S.R.L.
- Midia Marine Terminal S.R.L.
- The Rompetrol Group Corporate Center S.R.L.
- Byron Shipping S.R.L.
- EPPLN SAS
- Rominserv Valves Iaifo S.R.L.
- Byron Shipping LTD
- Întreprinderea Mixta "Rompetrol Moldova" S.A.
- Rompetrol Georgia LTD
- Rompetrol France SAS

⁶ Due to the fact that GEO no. 28/2002 which defined the term of "affiliated person" was abrogated, and in the lack of another normative act issued by the institutions of the capital market defining this term, at this point all the companies within the Rompetrol Group were listed.



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- Dyneff SAS
 - Dyneff Espagne SL
 - BIONEFF SL
 - Dyneff Gas Stations Network SL
 - TMP SAS (Terminal Midi Pyrenees)
 - DPPLN SAS (Depot Petrolier de Port-la Nouvelle)
 - Rompetrol Ukraine LTD
 - AGAT LTD.
 - Rominserv Kazahstan LLC
 - TRG PETROL TICARET ANONIM ŞIRKETI
 - Rompetrol Bulgaria AD
 - Vector Energy A.G.
 - Rompetrol Energy S.A.⁷
 - Rompetrol Albania Downstream Sh.A
 - Rompetrol Albania Wholesale Sh.A
 - Rompetrol Albania ShA
 - Rompetrol Distribution Albania Sh.A.
 - KazMunaiGaz PKOP Investment B.V.
- under liquidation
- under liquidation
- under liquidation
- under liquidation

BOARD OF DIRECTORS

President
Azamat Zhanbulot

Member
Alexandru Nicolai

Member
Sorin Graure

Member
Iulian-Marian Butnaru

Member
Dumitru-Remus Vulpescu

Financial Manager
Vasile-Gabriel MANOLE



