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www.kmginternational.com**ROMPETROL RAFINARE
Q2 AND H1 2019 IFRS CONSOLIDATED UNAUDITED RESULTS****Operational performance maintaining good level trends, while financials heavy pressured by unfavorable market environment**

Rompetrol Rafinare S.A. (symbols, Bucharest Stock Exchange: RRC, Reuters: ROMP.BX, Bloomberg: RRC RO) has released today its second quarter and first semester 2019 financial and operational unaudited results. The figures include unaudited consolidated financial statements for this period prepared by the company in accordance with International Financial Reporting Standards („IFRS”).

Consolidated financial statements of Rompetrol Rafinare include the results of the parent company Rompetrol Rafinare S.A and its subsidiaries Rompetrol Downstream S.R.L, Rompetrol Gas S.R.L, Rompetrol Quality Control S.R.L, Rom Oil SA, Rompetrol Logistics S.R.L and Rompetrol Petrochemicals S.R.L.

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

www.rompetrol-rafinare.ro

HIGHLIGHTS – CONSOLIDATED

		Q2 2019	Q2 2018	%	H1 2019	H1 2018	%
Financial							
Gross Revenues	USD	1,363,132,989	1,397,926,705	-2%	2,501,387,792	2,604,142,235	-4%
Net Revenues	USD	1,031,529,188	1,042,599,018	-1%	1,888,361,762	1,986,047,716	-5%
EBITDA	USD	37,766,243	51,279,759	-26%	54,929,775	85,880,579	-36%
EBITDA margin	%	3.7%	4.9%		2.9%	4.3%	
EBIT	USD	11,115,108	22,441,439	-50%	7,706,116	27,866,936	-72%
Net profit / (loss)	USD	(5,392,606)	6,557,797	N/A	(19,438,112)	2,778,742	N/A
Net Profit / (loss) margin	%	-0.5%	0.6%		-1.0%	0.1%	

Rompetrol Rafinare consolidated gross revenues reached USD over 1.3 billion in Q2 2019 and over 2.5 billion in first semester 2019, lower by 2% as against Q2 2018 and lower by 4% as against first semester of 2018 being negatively affected by lower market quotation as against similar periods last year despite the similar level of sales volumes reached within the first six months of 2019.

The company's consolidated results in terms of EBITDA and Net result were affected by the high volatility of oil and gas market environment in the period, mainly triggering significant pressure in the gross refinery margins in Q2 and H1 2019, decreasing substantially from the comparison benchmark of 2018 similar periods (i.e. 36.4\$/t vs 54.8\$/t in Q2 2018 and 35.8\$/t vs 40.0\$/t in H1 2018).

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Q2 AND H1 2019 IFRS CONSOLIDATED UNAUDITED RESULTS****ECONOMIC ENVIRONMENT**

		Q2 2019	Q2 2018	%	H1 2019	H1 2018	%
Brent Dated	USD/bbl	68.9	74.4	-7%	66.0	70.6	-7%
Ural Med	USD/bbl	68.8	72.7	-5%	66.1	68.0	4%
Brent-Ural Differential	USD/bbl	0.04	1.65	-98%	(0.13)	1.65	N/A
Premium Unleaded 10 ppm FOB Med	USD/tonne	644	707	-9%	596	669	-11%
Diesel ULSD 10 ppm FOB Med	USD/tonne	603	657	-8%	594	623	-5%
HON/USD Average exchange rate		4.22	3.90	8%	4.20	3.84	9%
RON/USD Closing exchange rate		4.16	4.00	4%	4.16	4.00	4%
RON/EURO Average exchange rate		4.75	4.65	2%	4.74	4.65	2%
RON/EURO Closing exchange rate		4.74	4.66	2%	4.74	4.66	2%
USD/EURO Closing rate		1.14	1.16	-2%	1.14	1.16	-2%
Inflation in Romania*		0.84%	1.03%	-19%	2.98%	2.42%	23%

Source: Platts, * INSS

Dated Brent decreased by -5.5 \$/bbl. (-7.4%) in Q2 2019 against Q2 2018 and settled to an average of 68.9\$/bbl., and decreased by -4.6 \$/bbl. (-6.6%) in H1 2019 against H1 2018 and settled to an average of ~ 66 \$/bbl. mainly driven by increasing US crude inventories and pressured by an economic slowdown that has started to impact fuel consumption, following the trade conflict between US and China.

Despite this fall as against H1 2018, crude price moved this year from 50.2\$/bbl. to 74.7\$/bbl., the highest level since October 2018, mainly as a result of the following key factors:

- OPEC oil supply decreased to a four-year low in March. The OPEC pumped 30.4 million barrels per day (bpd) in March, down 280,000 bpd from February and the lowest OPEC total since 2015;
- Russian oil output decreased at 11.34 million barrels per day (bpd) in February, down some 75,000 barrels per day from the October 2018 level, the baseline for a global deal between OPEC and Russia to reduce the crude supply;
- US sanctions against Iran and Venezuela;
- Russia stopped oil flows in the Druzhba pipeline to Eastern Europe and Germany in the last week of April because of contaminated crude by chemical compounds, contributing to a rise in global oil prices to a six-month high, leaving refiners in Europe scrambling to find supplies and affecting Russia's reputation as an exporter;
- United States eliminated in May all waivers granted to eight economies. The decision, taken by President Donald Trump, has sent oil prices to their highest in 2019 – 74.7\$/bbl. on 16th of May.
- Crude price remained low in June as result of U.S. oil output expectancy from seven major shale formations to further rise the daily production within July at record levels (EIA -i.e. Energy Information Administration - reports);
- The start of June has also brought the first signs of a downwards correction and Urals differentials have experienced a period of free fall, with differentials falling to their widest discount in more than seven months. As flows via all lines of the Druzhba network have restarted, contaminated crude started being transported to the seaborne ports, especially Novorossiysk, to be blended into the seaborne crude stream. This in turn lead to higher supply of seaborne Urals, something which has already helped push Urals into a healthier discount (-1.42\$/bbl.).



**ROMPETROL RAFINARE
Q2 AND H1 2019 IFRS CONSOLIDATED UNAUDITED RESULTS**

REFINING SEGMENT

		Q2 2019	Q2 2018	%	H1 2019	H1 2018	%
Financial							
Gross Revenues	USD	1,158,250,988	1,199,617,246	-3%	2,154,650,412	2,247,929,317	-4%
Net Revenues	USD	878,419,549	895,360,702	2%	1,634,329,508	1,714,237,781	5%
EBITDA	USD	28,741,501	47,203,350	-39%	37,808,454	76,739,772	-51%
EBITDA margin	%	3.3%	5.3%		2.3%	4.5%	
EBIT	USD	10,106,137	26,911,107	-62%	10,884,473	36,525,770	-70%
Net profit / (loss)	USD	(6,299,129)	19,932,084	N/A	(9,156,253)	17,471,003	N/A
Net profit / (loss) margin	%	-0.7%	2.2%		-0.6%	1.0%	
Gross cash refinery margin/tonne (Petromidia)	USD/tonne	36.4	54.8	-34%	35.8	49.6	-28%
Gross cash refinery margin/bbl (Petromidia)	USD/bbl	5.0	7.5	-34%	4.9	6.8	-28%
Net cash refinery margin/tonne (Petromidia)	USD/tonne	14.7	29.4	-50%	9.8	24.1	-59%
Net cash refinery margin/bbl (Petromidia)	USD/bbl	2.0	4.0	-50%	1.3	3.3	-59%
Operational							
Feedstock processed in Petromidia refinery	thousand tonnes	1,611	1,560	3%	3,126	3,087	1%
Feedstock processed in Vega refinery	thousand tonnes	123	117	5%	202	194	4%
Gasoline produced	thousand tonnes	407	410	-1%	804	856	-6%
Diesel & jet fuel produced	thousand tonnes	852	808	5%	1,632	1,562	4%
Motor fuels sales - domestic	thousand tonnes	655	630	4%	1,195	1,084	10%
Motor fuels sales - export	thousand tonnes	549	503	9%	1,123	1,210	-7%
Export	%	46%	44%		48%	53%	
Domestic	%	54%	56%		52%	47%	

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

Gross revenues of refining segment reached over USD 1.1 billion in Q2 2019 and over USD 2.1 billion in H1 2019 showing a 3% decrease on quarter level, and a 4% decrease as against first semester of 2018. Year on year variance was mainly influenced by the decrease of international oil & gas market quotation evolution of petroleum products, partly offset by a slight increase in the volume of products sold.



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ROMPETROL RAFINARE Q2 AND H1 2019 IFRS CONSOLIDATED UNAUDITED RESULTS

In Q2 and H1 2019, the total throughput for Petromidia refinery was 1.61 million tonnes, respectively 3.13 million tonnes, higher by 3.23% on quarter level, while also higher by 1.28% on half year level if compared with the same periods last year when the total throughput was 1.56 million tonnes in the quarter, alongside 3.08 million tonnes in H1 2018.

In Q2 and H1 2019, the refining capacity utilization in Petromidia refinery was 99.37%, and 98.17%, higher by 0.99%, and lower by 0.28% compared with the same periods last year.

Petromidia refinery managed to achieve in H1 2019 a very good operational performance, for its main technological and operational parameters such as:

- ✓ H1 2019 Total feedstock processed of 3.126 mil tons, the highest level reached by Petromidia refinery, +39 ktons above previous year record;
- ✓ H1 2019 the highest Crude Unit total throughput of 2.75 mil tons, +77 ktons above previous year according with improved crude diet;
- ✓ The highest H1 2019 Jet group production in Petromidia history as a result of cutting points optimization in crude unit, crude diet and minimization of jet into diesel blends;
- ✓ White finished products yield of 86.2%wt;
- ✓ Mechanical Availability of 97.5%;
- ✓ Technological loss of 0.84%wt;
- ✓ Energy Intensity Index of 97.4%, close to previous year.

In respect of Vega refinery (the oldest processing unit operating in Romania (since 1905) and the only domestic producer of bitumen and hexane), the total throughput was 122,594 tonnes in Q2 2019, and 201,604 tonnes in H1 2019, higher by 4.56% on the second quarter, and higher by 3.96% for the first 6 months if compared with the same periods last year when the total throughput was 117,253 tonnes in Q2 of 2018 and 193,929 tonnes in H1 of 2018.

Vega refinery also managed to achieve in H1 2019 very good performance results, of which the following are emphasized:

- ✓ Total feedstock processed of 202 ktons, above previous record by 8 ktons;
- ✓ Record for hexane production which reached 47 ktons level, above previous record by 3 ktons;
- ✓ Bitumen production of 44 ktons, above previous year by 8 ktons according with high market demand;
- ✓ Technological loss of 0.78%;
- ✓ Energy consumption of 2.46GJ/t, slightly below previous year;
- ✓ Mechanical Availability of 99%

The refining segment's financial results in Q2 and H1 2019, were negatively affected by unfavorable market conditions, Petromidia's gross refinery margin was lower in Q2 and H1 2019 compared with the same periods last year (i.e. 36.4\$/t in Q2 2019 vs 54.8\$/t in Q2 2018 and 35.8\$/t in H1 2019 vs 49.6\$/t in H1 2018).

Petromidia refinery continued its production process optimization programs (i.e. increase of processing capacity alongside increased production performance of valuable products yields; reduce technological loss, crude diet optimization; constant supply of the crude, alternative and other feedstock; downstream units operation optimization, mitigation of slowdown/shutdown/unplanned events) and operating costs optimization (energy efficiency and processing cost reduction), programs that started in 2014 and successfully continued until present days.

Rompetrol Rafinare S.A. continued to be an important contributor to Romania's fiscal budget with USD 409 million in Q2 2019 and over USD 728 million in H1 2019.

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Q2 AND H1 2019 IFRS CONSOLIDATED UNAUDITED RESULTS****PETROCHEMICALS SEGMENT**

		Q2 2019	Q2 2018	%	H1 2019	H1 2018	%
Financial							
Revenues	USD	37,551,936	53,159,496	-29%	90,650,355	114,352,408	-21%
EBITDA	USD	(3,527,609)	(5,102,399)	-31%	(10,093,285)	(8,831,546)	14%
EBI I	USD	(7,536,418)	(9,315,634)	-19%	(18,109,386)	(16,977,626)	7%
Net profit / (loss)	USD	(6,080,704)	(13,698,496)	-56%	(19,545,226)	(19,090,277)	2%
Operational							
Propylene processed	thousand tonnes	38	38	-1%	76	78	-2%
Ethylene processed	thousand tonnes	9	15	-39%	17	35	51%
Total polymers production	thousand tonnes	30	39	-22%	59	82	-27%
Sold from own production	thousand tonnes	39	50	-21%	94	106	-11%
Sold from trading	thousand tonnes	0	1	-82%	1	2	-72%
Total sold	thousand tonnes	39	50	-22%	95	108	-12%
Export	%	32%	43%		37%	50%	
Domestic	%	68%	57%		63%	50%	

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

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

The current petrochemicals activity is carried out through PP and LDPE units.

In terms of low density polyethylene unit (LDPE), the petrochemicals segment works 100% with ethylene from import, and for PP (polypropylene) unit is ensured through raw material produced and distributed entirely by Petromidia refinery.

In Q2 2019 and H1 2019, the total polymers production for Petrochemicals area was 30 thousand tons and 59.3 thousand tons, lower by 21.8% and by 27.4% as compared with the same periods last year when the total polymers production was 38.6 thousand tons for Q2 2018 and 81.6 thousand tons for H1 2018. The decrease in polymers production was mainly driven by operation in the polyethylene's units as result of the unfavorable market conditions.

Petrochemicals division results continued to be affected by the market margin pressure, having reached in H1 2019 the lowest level in the last decade - i.e. H1 2019 PolyPropylene crack - 450\$/t, PolyEthylenes crack - 202 \$/ton low density grades, 197\$/ton high density grades; also, as historical key highest references reached in the last decade, was within 2010: PP crack level was 614 \$/t and LDPE crack level was 401\$/t. As such, immediate decision triggered for the Polyethylene Units was to run at most economic run-rate, thus lowering the production in the first semester of 2019 (i.e. LDPE Unit operational less than three months, HDPE non-operational throughout entire H1 2019).

The petrochemicals segment is the sole polypropylene and polyethylene producer in Romania and has constantly succeeded to increase its market share on secondary categories of products. Its dynamic development strategy has secured the company a competitive position on the domestic market and in the region - the Black Sea and Mediterranean region and the Eastern and Central Europe, aiming to keep the competitive advantage once the market stabilizes.

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Q2 AND H1 2019 IFRS CONSOLIDATED UNAUDITED RESULTS****APPENDIX 1 – CONSOLIDATED INCOME STATEMENT Q2 2019 AND FIRST SEMESTER 2019,
UNAUDITED***Amounts in USD*

	Q2 2019	Q2 2018	%	H1 2019	H1 2018	%
Gross Revenues	1,363,132,989	1,397,926,705	-2%	2,501,387,792	2,604,142,235	-4%
Sales taxes and discounts	(331,603,801)	(355,327,687)	-7%	(613,026,030)	(618,094,519)	-1%
Net revenues	1,031,529,188	1,042,599,018	-1%	1,888,361,762	1,986,047,716	-5%
Cost of sales	(974,789,426)	(961,128,269)	1%	(1,791,622,150)	(1,849,997,164)	-3%
Gross margin	56,739,762	81,470,749	-30%	96,739,612	136,050,552	-29%
Selling, general and administration	(47,466,645)	(56,289,552)	-16%	(98,667,287)	(101,103,301)	-2%
Other expenses, net	1,841,991	(2,739,758)	N/A	9,633,791	(7,080,315)	N/A
EBIT	11,115,108	22,441,439	-50%	7,706,116	27,866,936	-72%
Finance, net	(15,685,261)	(11,644,660)	35%	(25,446,411)	(22,175,397)	15%
Net foreign exchange gains / (losses)	(100,817)	(4,765,297)	-98%	277,287	(3,192,346)	N/A
EBT	(4,670,970)	6,031,482	N/A	(17,463,008)	2,499,193	N/A
Income tax	(721,636)	526,315	N/A	(1,975,104)	279,549	N/A
Net result	(5,392,606)	6,557,797	N/A	(19,438,112)	2,778,742	N/A
EBITDA	37,766,243	51,279,759	-26%	54,929,775	85,880,579	-36%

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Q2 AND H1 2019 IFRS CONSOLIDATED UNAUDITED RESULTS****APPENDIX 2 – CONSOLIDATED BALANCE SHEET JUNE 30, 2019, UNAUDITED***Amounts in USD*

	June 30, 2019	December 31, 2018	%
Assets			
Non-current assets			
Intangible assets	7,933,586	7,606,675	4%
Goodwill	82,871,706	82,871,706	0%
Property, plant and equipment	1,189,956,318	1,235,103,661	-4%
Right of use assets	32,563,266	-	N/A
Financial assets and other	40,534,012	40,930,859	-1%
Total Non Current Assets	1,353,258,888	1,366,512,901	-1%
Current assets			
Inventories	325,696,788	292,898,693	11%
Trade and other receivables	480,719,274	409,254,839	17%
Derivative financial Instruments	84,146	2,608,512	-97%
Cash and cash equivalents	14,973,871	11,477,183	30%
Total current assets	821,474,079	716,239,227	15%
Total assets	2,174,732,967	2,082,752,128	4%
Equity and liabilities			
Total Equity	651,657,629	675,364,584	-4%
Non-current liabilities			
Long-term debt	240,000,000	224,103,204	7%
Hybrid instrument long term portion	17,000,920	17,000,920	0%
Provisions	85,664,505	85,664,505	0%
Net obligations under finance lease	33,740,295	-	N/A
Other	4,263,011	4,345,265	2%
Total non-current liabilities	380,678,631	331,122,894	15%
Current Liabilities			
Trade and other payables	1,074,459,853	916,434,940	17%
Contract liabilities	26,568,692	25,947,213	2%
Derivative financial Instruments	1,484,590	76,580	1839%
Net obligations under finance lease	3,603,800	-	N/A
Short-term debt	36,279,772	133,805,917	-73%
Total current liabilities	1,142,396,707	1,076,264,650	6%
Total equity and liabilities	2,174,732,967	2,082,752,128	4%



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The financial figures are extracted from Company's consolidated unaudited IFRS financial report as of 30 June 2019

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

Saduokhas Meraliyev

General Manager

Yedil Utekov

Financial Manager

Mircea-Stefan Stanescu

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