

OMV Petrom Investor Presentation

November 2016



OMV Petrom

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All figures throughout this presentation refer to OMV Petrom Group (herein after also referred to as “the Group”). The financials represent OMV Petrom Group’s consolidated results prepared according to IFRS (Q3/16 financials are unaudited). The financials are expressed in RON mn and rounded to closest integer value, so minor differences may result upon reconciliation.



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The background image shows an industrial oil field under a clear blue sky. Several large, shiny, metallic pipes curve through the scene, some running horizontally and others vertically. In the center, a pumpjack (oil pump) is visible, silhouetted against the sky. The ground is dry and dusty. The overall scene conveys a sense of large-scale industrial operations.

At a glance



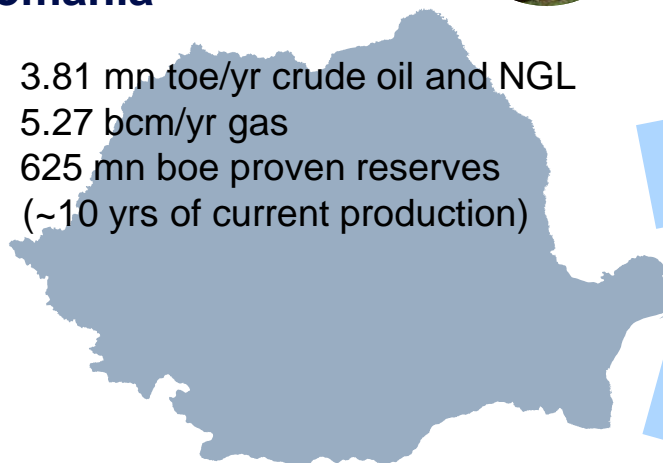
OMV Petrom is an operationally integrated oil & gas company

Upstream



Romania

- ▶ 3.81 mn toe/yr crude oil and NGL
- ▶ 5.27 bcm/yr gas
- ▶ 625 mn boe proven reserves (~10 yrs of current production)



Kazakhstan

- ▶ 0.39 mn toe/yr crude oil and NGL
- ▶ 0.05 bcm/yr gas
- ▶ 22 mn boe proven reserves



Oil

Gas

Downstream Oil



- ▶ Petrobrazi refinery (4.5 mn t/yr capacity)
- ▶ 2.5 mn t retail sales
- ▶ 788 filling stations (Romania, Bulgaria, Serbia, Moldova)

Downstream Gas



- ▶ Gas sales 4.8 bcm/yr (up to ~42% of Romania's demand)
- ▶ Brazi gas-fired power plant (860 MW)

OMV Petrom is the leading industrial company in Romania



One of the largest private employers

~16,000 direct employees and more than 50,000 indirect jobs



Main energy supplier

Accounts for ~40% of oil, gas and fuel supply, and can cover up to 10% of power generation in Romania



Largest investor

Over EUR 1bn CAPEX spent per year since privatization



Largest contributor to state budget

EUR ~2.5 bn in 2015²

¹ Source: internal data and analysis; ² Include: profit tax, royalties, employer social contributions, excises incl. custom duties, VAT, employee related taxes, other direct and indirect taxes, dividends paid to Romanian State

OMV Petrom has transformed from an inefficient state-owned company into a high-performing private company

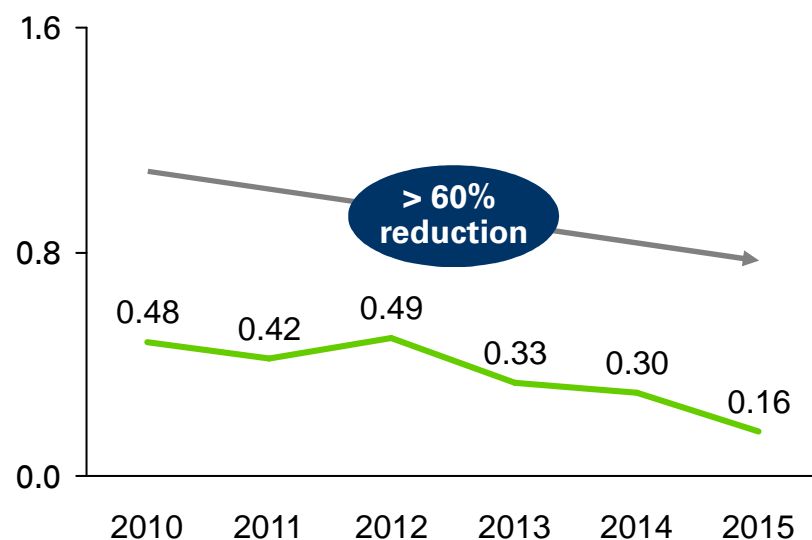
	From...	To...	Impact
Corporate governance & Culture	<ul style="list-style-type: none"> ▶ 'State company mindset' ▶ Bureaucracy ▶ State interference in commercial decisions 	<ul style="list-style-type: none"> ▶ Professional organization ▶ Two-tier management system ▶ Blue chip on BSE Code¹ ▶ A strategy incorporating sustainability 	Transparency and performance mindset
Turnaround & Operational efficiency	<ul style="list-style-type: none"> ▶ Large non-core businesses ▶ Declining production and aging underinvested assets ▶ Lack of management systems 	<ul style="list-style-type: none"> ▶ Focus on oil & gas core ▶ Stable production in Romania at ~170 kboe/d ▶ Modern technology, facilities and management systems 	Good operational performance
HSSE²	<ul style="list-style-type: none"> ▶ Lack of monitoring systems ▶ Low safety awareness ▶ Limited HSSE trainings 	<ul style="list-style-type: none"> ▶ Security Management Plans ▶ Safety Day 	LTIR³ 0.16

¹ Bucharest Stock Exchange Code of Governance in adherence to OECD standards; ² Health, safety, security and environment; ³ Lost time injury rate (employees and contractors) for OMV Petrom Group, excluding Kazakhstan; LTIR of 0.16 in 2015 compared with 1.11 in 2004



High safety and efficiency focus

LTIR¹ Romania



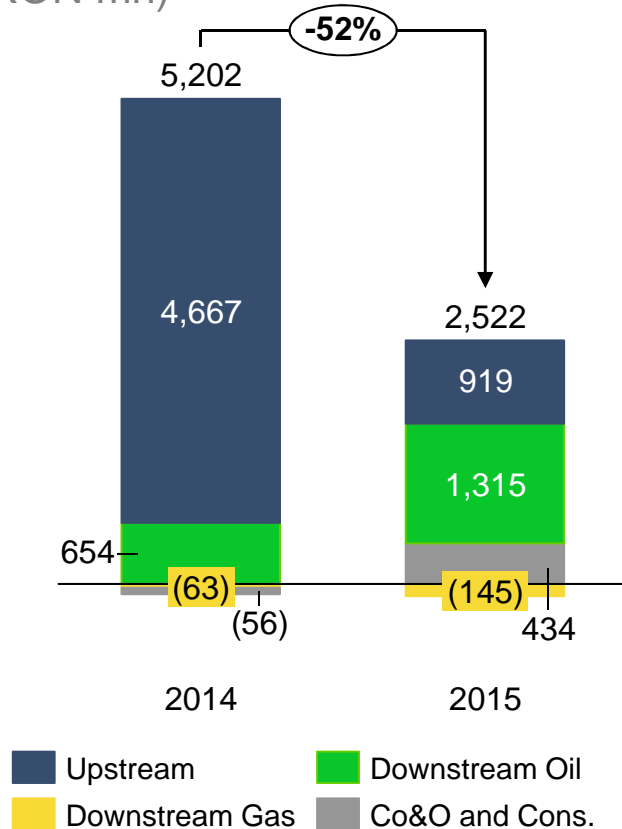
- ▶ **Operational safety – our top priority**
- ▶ **LTIR substantially improved**
 - ▶ 2015: the lowest level since privatization
 - ▶ Lower than IOGP² international benchmark
- ▶ **Significant reduction of GHG³ emission intensity, ~15% less in 2015 compared to 2014**
 - ▶ **25 G2P/CHP⁴** units burning well gas ensured ~ **50%** Upstream onshore electricity demand in 2015

¹ Lost time injury rate (employees and contractors) for OMV Petrom Group, excluding Kazakhstan; ² International Association of Oil & Gas Producers

³ GHG – Greenhouse Gas; ⁴ G2P – Gas to Power, CHP – Combined Heat and Power

Financial performance in 2015

Clean CCS EBIT 2015 vs. 2014 (RON mn)



Upstream

- ▶ Production slightly lower
- ▶ Exploration expenses increased
- ▶ Significantly depressed oil prices

Downstream Oil

- ▶ High refining margins
- ▶ Increased oil product sales

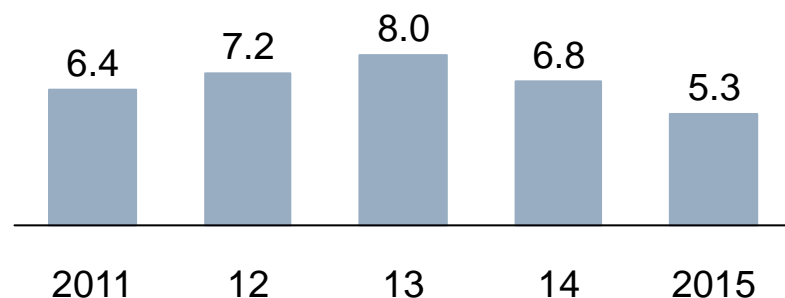
Downstream Gas

- ▶ Higher sales
- ▶ RON (87) mn provisions for outstanding receivables

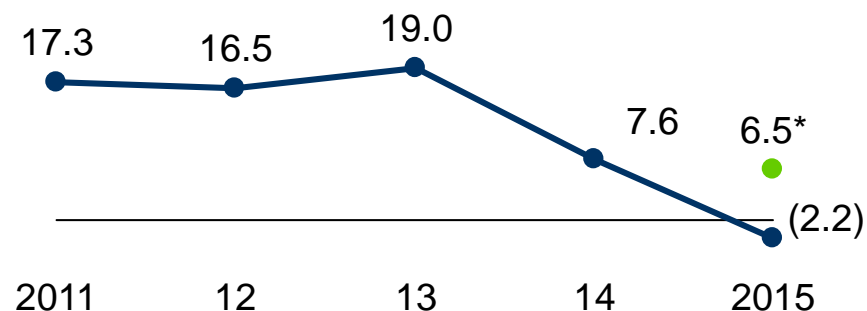


Evolution of financial indicators

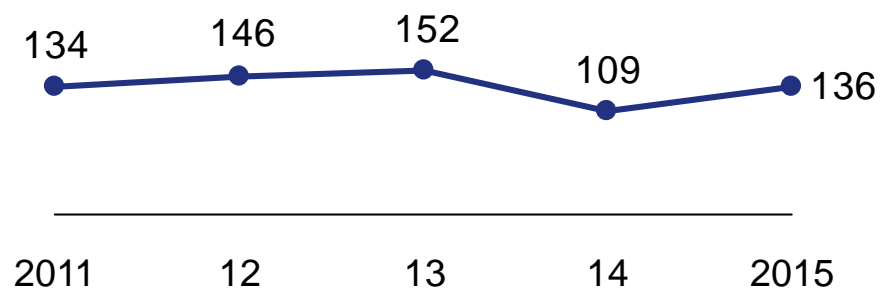
Operating cash flows, RON bn



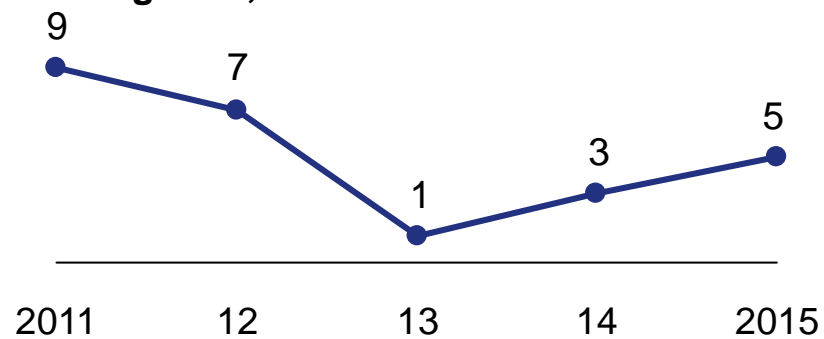
ROACE, %



Operating cash flows / Capex ratio, %



Gearing ratio, %



*Clean CCS ROACE



Shareholder structure and capital market environment

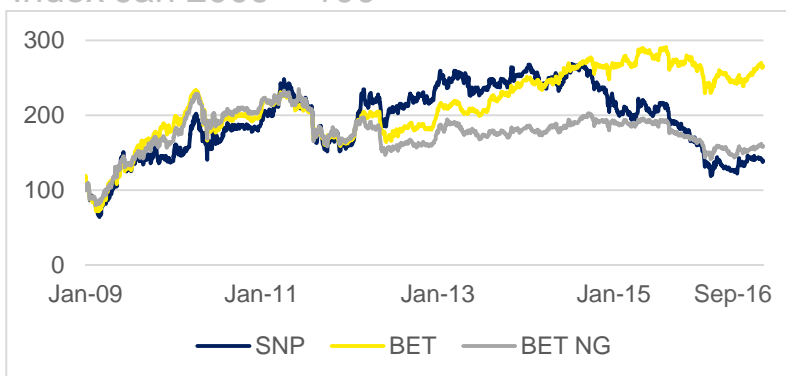
OMV Petrom S.A. shareholder structure¹



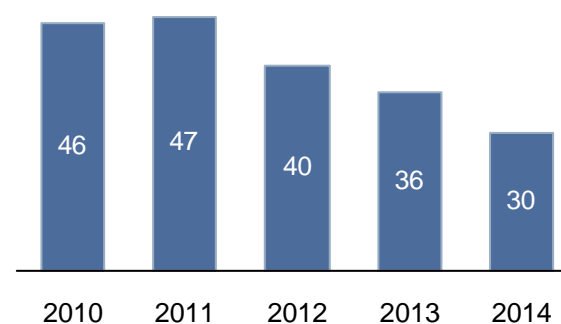
Starting October 20, 2016, the GDRs are traded on the London Stock Exchange

Share price evolution⁵

Index Jan 2009 = 100



Payout ratio⁶, %



¹ As of October 20, 2016; ² Shareholder since December 2004; ³ As at Sept 2016; ⁴ Premium tier on the Bucharest Stock Exchange and main market on the London Stock Exchange;

⁵ Historical quotations on Bucharest Stock Exchange; ⁶ No dividends to be distributed for the 2015 financial year, as approved by the Ordinary General Meeting of Shareholders on April 26, 2016





Business overview



Strategy 2021*: Sustainable performance for growth



We aim to remain the leading regional, **integrated oil and gas company** with **sustainable performance** to support potential upstream growth in the neighboring Black Sea region



Upstream

Maximize portfolio value and position for growth



Downstream Gas

Enhance value of equity gas



Downstream Oil

Optimize integrated equity oil

* We are currently revisiting our strategic priorities in order to ensure resilience in a low oil price environment, while maintaining our focus on sustainable value generation and ensuring opportunities to grow.

Strategy – we have delivered on our 2012-2015 objectives

2012-2015 - DELIVERED



Upstream

- ✓ **Stabilize production** through field redevelopment, drilling, workovers
- ✓ Continue with **operational excellence**
- ✓ **Optimize** Upstream **portfolio** through partnerships
- ✓ Explore and start appraisal of **Neptun block** (Black Sea deepwater)



Downstream Gas

- ✓ Bring **Brazi CCPP** on stream
- ✓ Enhance value of equity gas by **strengthening gas sales**



Downstream Oil

- ✓ Modernize/improve efficiency of **Petrobraz** refinery
- ✓ Revamp fuel **storage network**

2016-2021+ main strategic directions remain...

...but pace depends on market fundamentals and investment friendly environment



Upstream

- ▶ Increase **oil and gas recovery**
- ▶ Appraise and develop* **the discovered resources in Neptun block** (Black Sea deepwater)
- ▶ Explore **deeper and frontier hydrocarbons** (incl. NFOs)



Downstream Oil

- ▶ Enhance **the integration value of Downstream businesses**



Downstream Gas

- ▶ **Optimize across commodities** and leverage the evolving regulatory framework



Group

- ▶ Ensure **sustainable performance and profitability** while maintaining a **strong balance sheet** and achieving **cash flow neutrality**** in the short-term
- ▶ **Optimize business portfolio**

People: Develop and empower human capital to achieve operational excellence

Resourcefulness: Create shared value with stakeholders for long-term sustainable operations, having high safety and environmental standards.

* Development subject to confirmation of commercial viability

**Before dividends

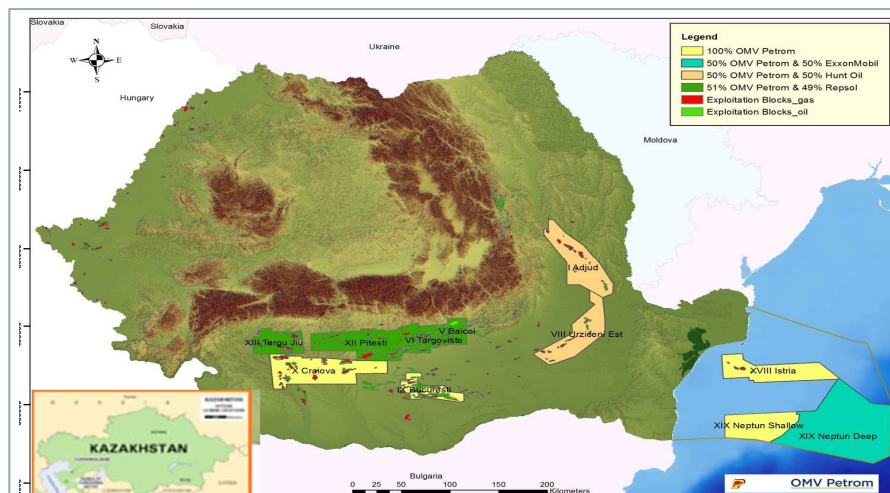


Upstream

OMV Petrom footprint is concentrated in Romania



Exploration and production concessions



Reserves¹
mn boe, eop

Proved

**Proved and
probable**

Romania 594 842

Kazakhstan 20 43

Total 615 885

Key facts

Romania

- ▶ Existing blocks/fields: 232 commercial oil and gas fields (~45/55% oil/gas production mix) and ~8,400 active wells²
- ▶ Exploration license for 8 onshore and 2 offshore blocks
- ▶ Recovery factor: oil ~25%; gas ~50%
- ▶ RRR³ at 33% (2015 single year: 25%)

Kazakhstan

- ▶ OMV Petrom entered Kazakhstan in 1998
- ▶ Challenging environment

¹ As of June 2016 ; ² Average number of wells; ³ Reserve replacement rate 3-year average

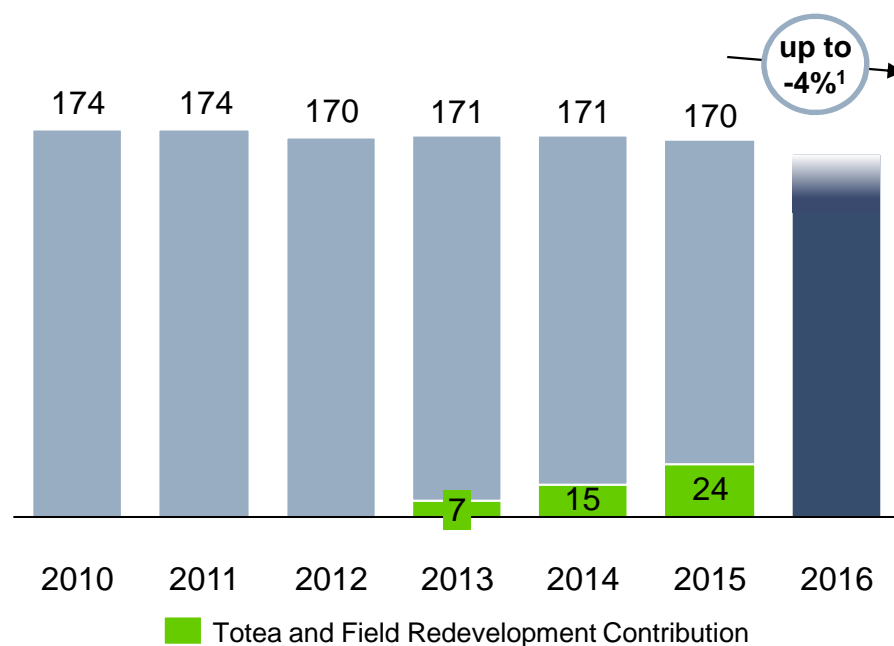


Upstream

Production largely maintained due to past investments and discoveries



Production in Romania, kboe/d



- ▶ **2015 production relatively stable:**
 - ▶ FRDs (incl. Totea) contribution to production increased by 60% vs. 2014
 - ▶ Production losses lower by ~10% vs. 2014 mainly due to increased MTBF²
- ▶ **2016 production expected to drop due to:**
 - ▶ Reduced CAPEX and E&A expenditures
 - ▶ Portfolio optimization, increased number of uneconomic wells
 - ▶ Impacted by planned surface facilities upgrade in Totea Deep in October 2016

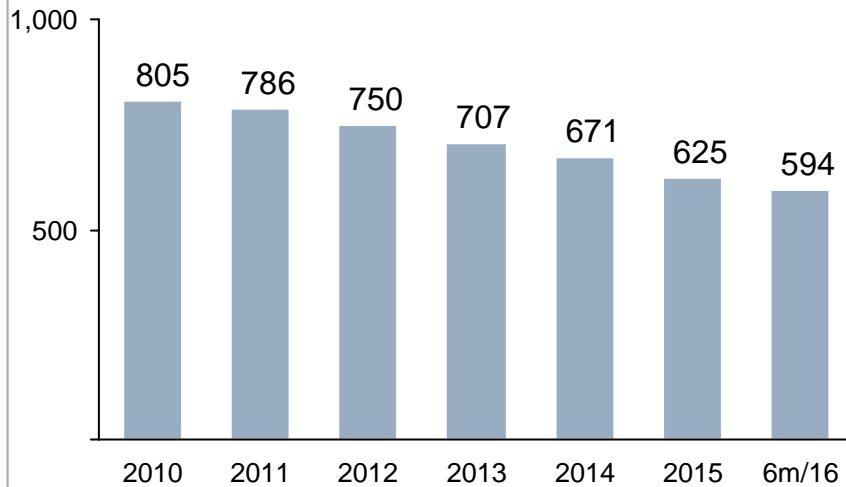
¹ per annum ; ² Mean time between failure

Upstream

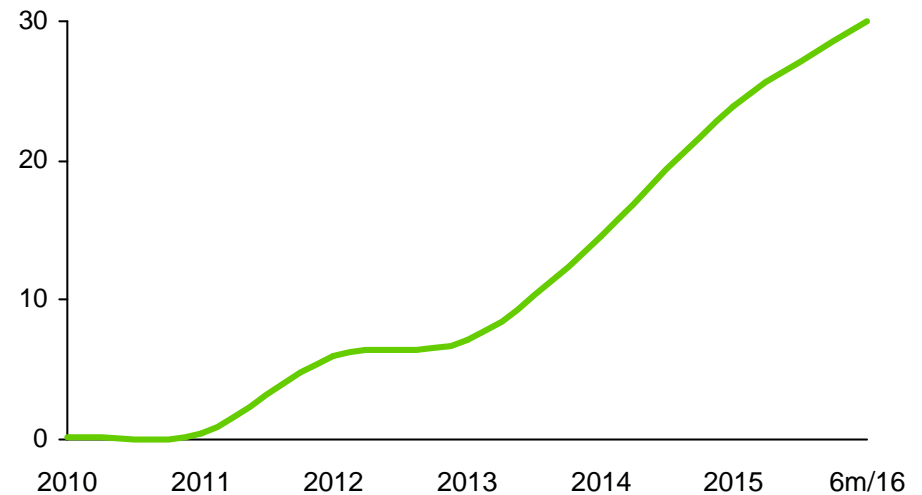
Transforming additional reserves into production



1P Reserves Romania, mn boe



Production from FRD investments¹, kboe/d



- ▶ Reserves run life of ~10 years
- ▶ It generally takes 3 to 4 years for projects to deliver

¹ including Totea Deep



Upstream: Mid-term production

FRD projects to unlock growth potential



As of June 2016

FRDs aim at maximizing ultimate recovery

- ▶ Additional drillings and workovers
- ▶ Modernizing operations
- ▶ EOR/IOR



10 FRDs in development phase continue

- ▶ **Lebada Est NAG:** optimize exploitation value of Lebada East Eocene by upgrading existing gas compression system within the platform limits to accommodate optimum non-associated gas production
- ▶ **Phoenix Ph1:** Drilling of new wells and building up of production facilities
- ▶ **Tazlau Ph1:** Increase oil recovery in the Tazlau pilot area in the most potential layer Kliwa I, by pattern water injection
- ▶ **FRD Independenta:** Increase oil production from the Independenta field by drilling several horizontal wells, construction and modernisation of collecting and metering points

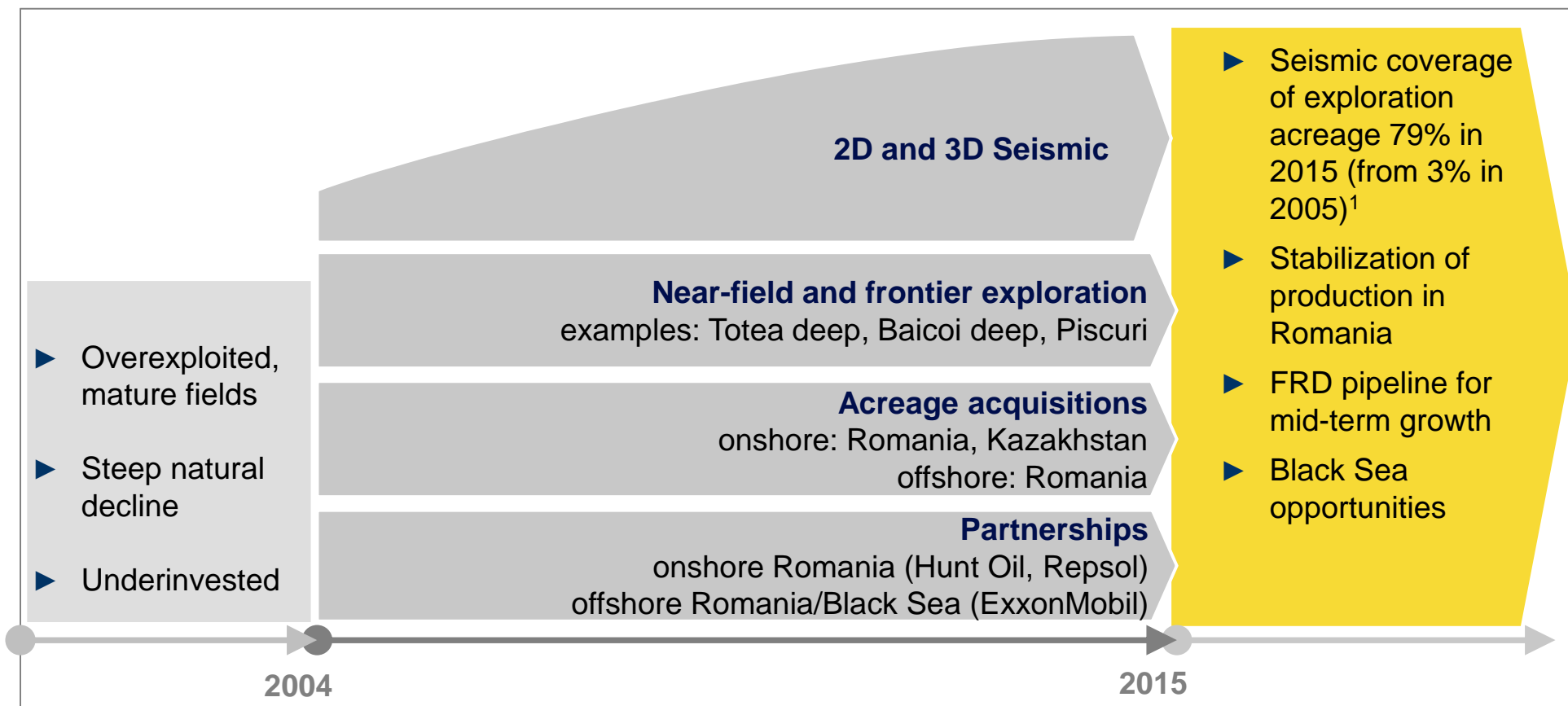
3 FRDs in appraisal phase further pursued

- ▶ Cumulative potential production of ~ 35 mn boe, coming on stream 2015 - 2017



Upstream

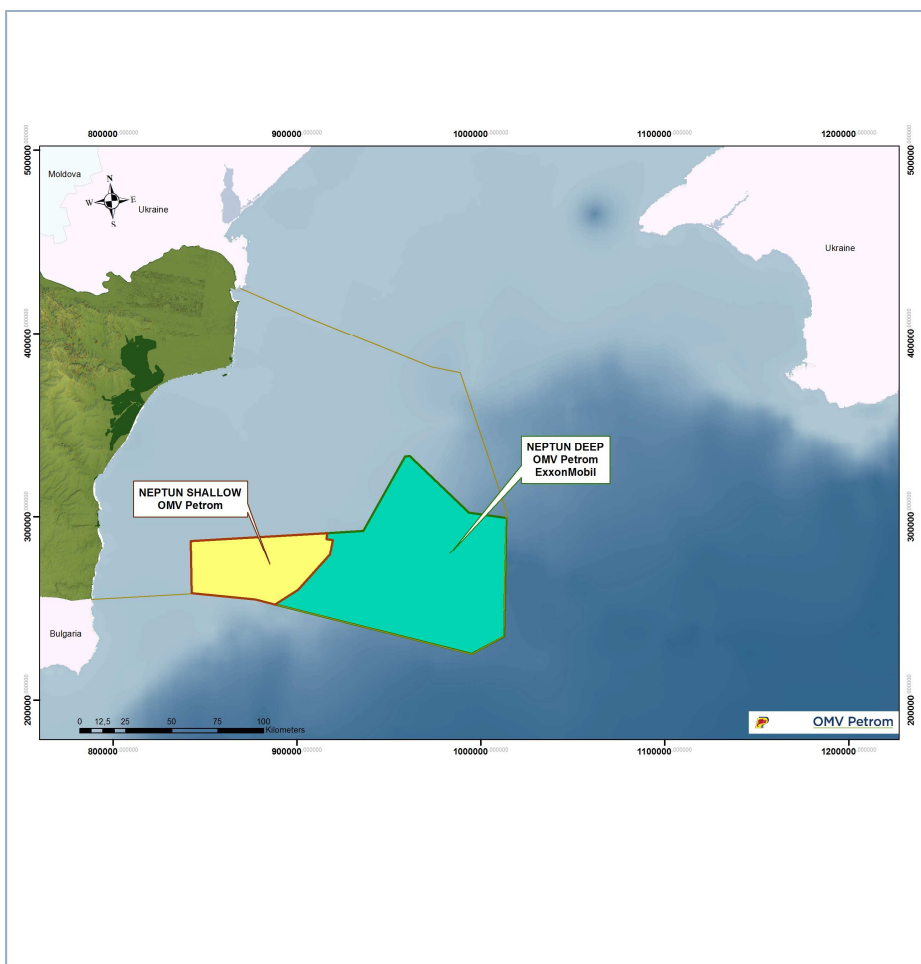
Exploration and partnerships efforts to rejuvenate production base



¹ Seismic coverage - weighted average onshore and offshore

Upstream

Strong position in the Black Sea: Neptun Block



Romania

Neptun Deep

- ▶ JV established in 2008: OMV Petrom (50%), ExxonMobil (50%, Operator)
- ▶ First exploration drilling campaign in 2011 – 2012
 - ▶ Domino-1 well gas discovery: a play opener
- ▶ Two seismic acquisition campaigns: 2009; 2012 – 2013
- ▶ Second exploration drilling campaign 2014 - 2016
 - ▶ Seven wells drilled; most of them encountered gas
 - ▶ Successful well test of Domino structure
- ▶ Sufficiently encouraging results to continue assessment of commercial viability
- ▶ Final Investment Decision¹ expected in around two years

Neptun Shallow (100% operatorship)

- ▶ 3D seismic completed; data processing is ongoing

¹ If commercially viable

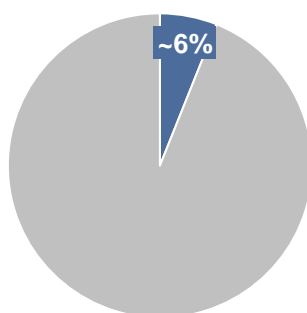


Downstream Oil

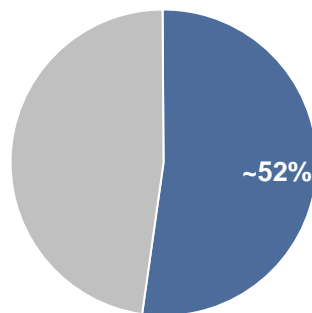
Contribution to Group results proves integration benefits



Downstream Oil share of OMV Petrom Group's Clean CCS EBIT



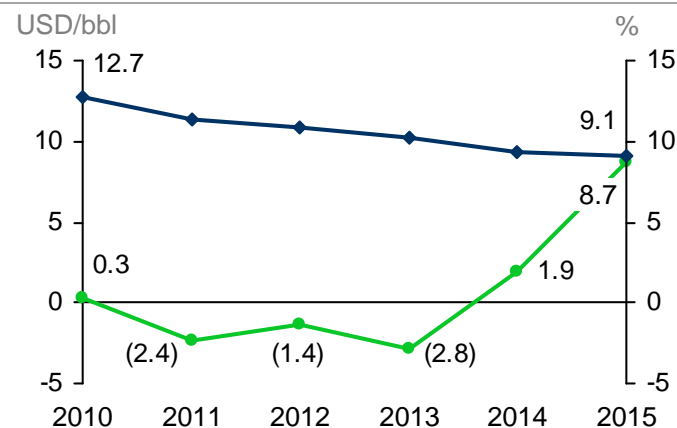
Average 2012-2014



2015

■ Downstream Oil ■ Upstream, Downstream Gas & Other

Indicator refining margin and Fuel & Loss



—●— Indicator refining margin (left axis) —●— Fuel & loss (right axis)

- ▶ Higher **refining margins** in 2015 yoy
- ▶ Increased **oil product demand** in 2015 yoy

- ▶ **Utilization rate** stood at 88% in 2015
- ▶ Sustainable **energy efficiency** improvements

Downstream Oil Sales performance



Market position in Romania in 2015¹

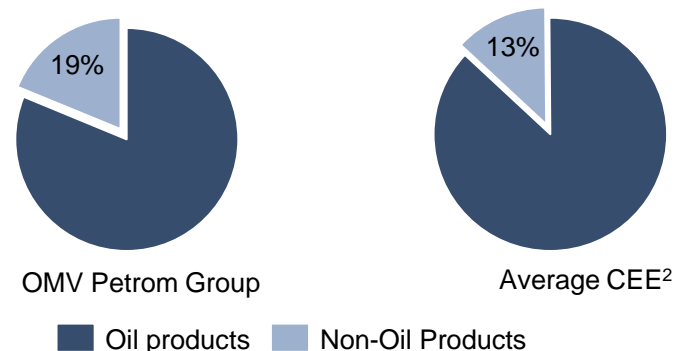
Retail	# 1
Wholesale	# 2
Aviation	# 1

2015 vs 2014

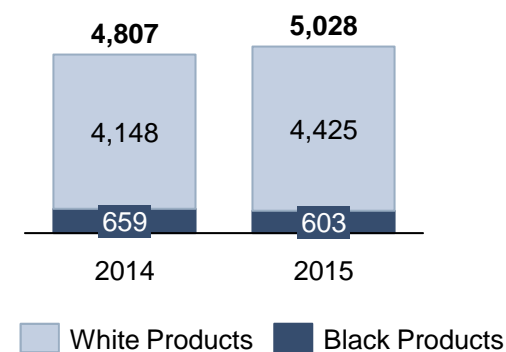
- ▶ Group **total refined product sales** increased by 5%, despite competition in the operating region
- ▶ Group **retail sales volumes** up 7% driven by higher demand

¹ Company estimates; ² calculated based on data from Wood Mackenzie

Non-oil products contribution to retail margin in 2015



Group total refined product sales, kt

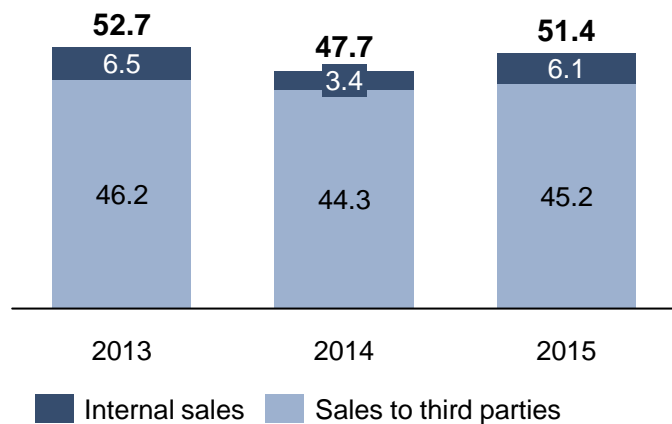


Downstream Gas

Good operational results in a weak market environment



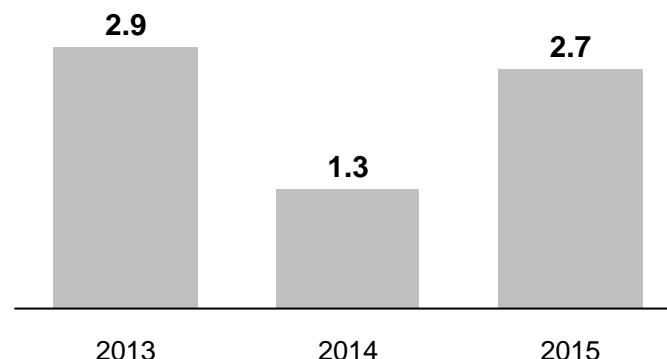
Gas sales, TWh



Gas in 2015 vs 2014

- ▶ **Sales volumes:** +8%
- ▶ **Brazi power plant:** competitive gas sales channel
- ▶ **Stored volumes** halved to 1.9 TWh

Net electrical output, TWh



Power in 2015 vs 2014

- ▶ Brazi power plant:
 - ▶ **Output:** +100%, 4% market share
 - ▶ **Forward** market optimization
 - ▶ 11% share on **balancing market**
- ▶ Dorobantu wind park: **divestment** initiated



Resilience in challenging times



2015: Resilient in highly volatile market

Safe operations: Record low LTIR, below international benchmark

Good operational performance

- ▶ Hydrocarbon production broadly stable
- ▶ Neptun Deep exploration successfully completed¹
- ▶ High refinery utilization rate, increased retail sales volumes
- ▶ Higher gas and power sales volumes

Maximized integrated value: Downstream share in group's EBIT² at ~50%

Scaled back investment plans: Group CAPEX down 38% yoy

Cost optimization across all business segments: reduction of ~RON 500 mn yoy

Portfolio optimization: selective wells shutdown, wind park divestment envisaged

¹ in January 2016; ² Clean CCS EBIT

2015: Efficiency and optimization programs in place, with significant results achieved

2015 vs. 2014			
Upstream Production Costs (USD/boe)	Reduced by USD 4.1/boe, from USD 17.3/boe to USD 13.2/boe ¹	- 24 %	~ RON 500 mn cost reduction² in 2015
Downstream Direct Cash Costs	Reduced consultancy, training and travel costs, energy efficiency improvements	- 6 %	
Corporate Costs	Material cutback of advertising, consulting, travel and training cost	- 16 %	
Headcount	Continuous rightsizing	- 5 %	
CAPEX	Reprioritization of projects in Upstream, reduced investment in refining	- 38 %	~ RON 2.3 bn CAPEX reduction in 2015

OPEX and CAPEX optimizations to continue in 2016+

¹ FX-rate impact on OPEX of USD -2.4/boe ; in RON/boe, OPEX dropped 9% (e.g. costs for materials, personnel, consultancy, training, etc.)

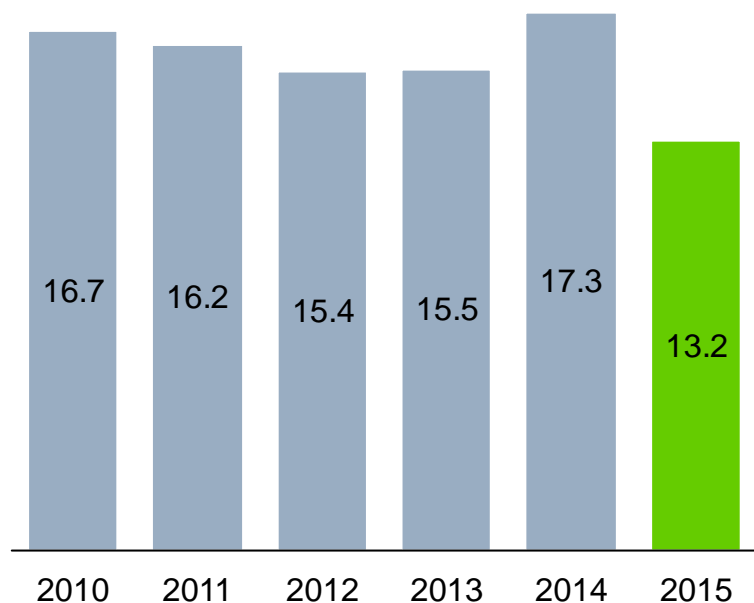
² Comparable basis. Costs defined as manageable costs considered to be most directly under management's influence



Upstream

Reduced OMV Petrom Group OPEX to a new level

Production costs, USD/boe



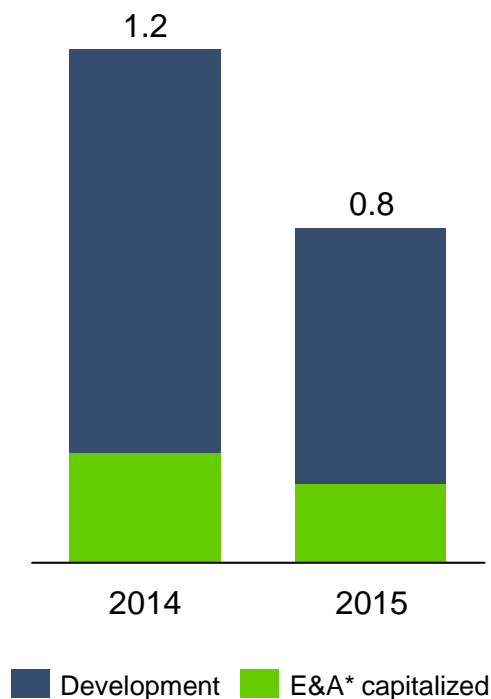
2015 OPEX reduced by 24% vs. 2014:

- ▶ Favorable FX effects
- ▶ Shutdown of uneconomic wells
- ▶ Improved running time of pumping units
- ▶ Resizing of the workover rig fleet
- ▶ Renegotiations of contracts

Cost reduction measures to continue

Upstream CAPEX adjusted to the low oil price environment

Upstream CAPEX, EUR bn



* Acquisitions included

- ▶ **2015 CAPEX reduced by ~35% yoy:**
 - ▶ Prioritize investments
 - ▶ E&A offshore maintained, lower onshore
- ▶ **Retaining options for the mid/long term**
 - ▶ Planning in a range of scenarios
 - ▶ Leverage our investment portfolio mix
 - ▶ Optionality to ramp up activities
 - ▶ Preserve subsurface knowledge
 - ▶ Partnerships sustain future potential



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A full-page background image showing a male worker in a blue long-sleeved shirt, blue trousers, a blue hard hat, and safety glasses. He is wearing white work gloves and is focused on adjusting a valve or component on a large industrial structure. The structure consists of a large white cylindrical tank with various pipes, valves, and a blue metal walkway. In the background, there are more industrial structures and a clear blue sky. A yellow banner is overlaid on the top right of the image.

Financial performance: Q3/16 and 9m/16 results



Romanian macroeconomic and fiscal environment

Macroeconomic environment

- ▶ **Q2/16 GDP growth¹**: +5.9%
- ▶ **CPI annual inflation**: -0.6% end-Sept; 12-month average: -1.7%
- ▶ **Budget balance**: -0.5% of GDP end Sept 2016
- ▶ **FDI**: EUR 2.7 bn in Jan-Aug, +19% higher yoy
- ▶ **Investment grade rating**: BBB- (S&P and Fitch), Baa3 (Moody's)
- ▶ **Demand in Q3/16 yoy**: Fuels² +5%; Gas -6%; Power³ +2%

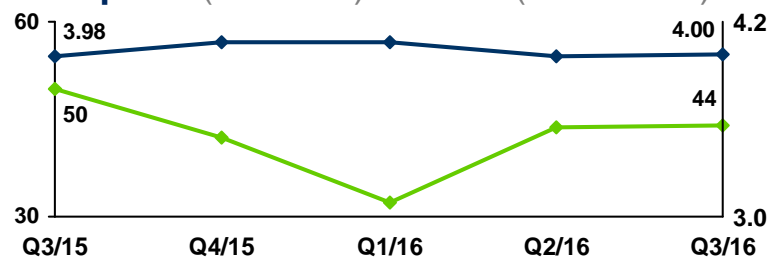
Fiscal framework

- ▶ **Tax on constructions** at 1%
- ▶ **Supplementary taxation⁴** in place until end 2016
- ▶ Engagement with stakeholders on **taxation and regulatory framework**

¹ Romanian National Institute of Statistics; ² Fuels refer only to retail diesel and gasoline; ³ According to preliminary data available from the grid operator; ⁴ Introduced at the beginning of 2013 simultaneously with the start of gas price liberalization

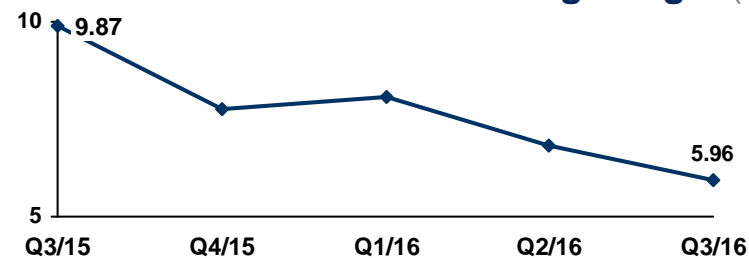
Economic environment

Oil price (USD/bbl) and FX (USD/RON)



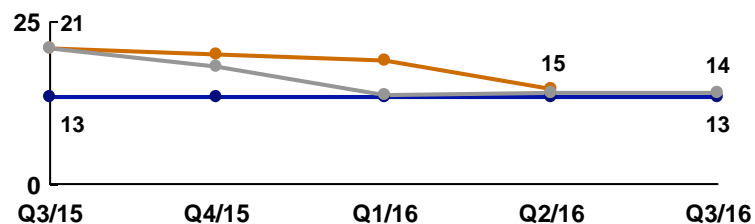
— Avg Urals price in USD/bbl (left scale) — Avg RON/USD (right scale)

OMV Petrom Indicator refining margin (USD/bbl)



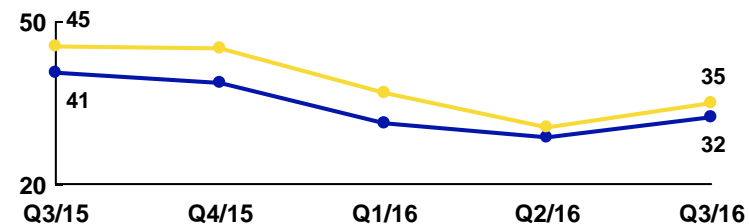
— Indicator refining margin

Gas prices (EUR/MWh)¹



— Domestic regulated households — Import² — CEGH

Power prices in Romania (EUR/MWh)¹



— OPCOM spot base load — OPCOM peak load

¹ Converted from RON into EUR, FX rate: 4.5; ² Final prices published by ANRE; Q2/16 price is the extrapolation of Apr/16 price (latest published by ANRE)



Key messages Q3/16

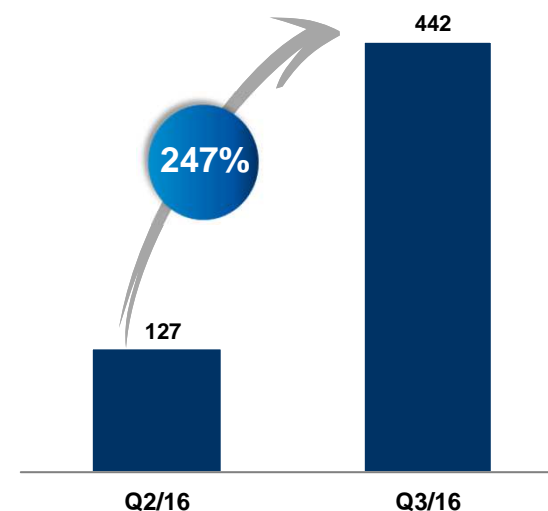
- ▶ Free cash flow at RON 1.1 bn, due to capex prioritization and solid operational performance
- ▶ Clean CCS EBIT at RON 602 mn, supported by Downstream contribution
- ▶ Upstream: hydrocarbon production at 174 kboe/d; efficiency measures continued
- ▶ Downstream Oil: high refinery utilization rate and good retail sales volumes
- ▶ Downstream Gas: high gas and power sales, challenging gas market
- ▶ Capex guidance for 2016 reduced by EUR 100 mn to EUR 0.6 bn
- ▶ Since 20 Oct 2016, OMV Petrom's GDRs are traded on the London Stock Exchange



Income statement summary

in RON mn	Q3/16	Q2/16	Δ (%)	Q3/15
EBIT	573	218	163	34
Financial result	(16)	(86)	82	(83)
Taxes	(84)	(15)	(454)	3
Net income	473	117	305	(46)
thereof attributable to non-controlling interests	(0.4)	(1.1)	60	(2.8)
thereof attributable to stockholders of the parent	473	118	302	(43)
Clean CCS net income attributable to stockholders	442	127	247	820

Clean CCS net income attributable to stockholders
in RON mn



Cash flow

in RON mn	Q3/16	Q2/16	Q3/15
Profit/(loss) before tax	557	132	(48)
Depreciation, amortization and net impairments	850	917	1,661
Net interest paid	(9)	(21)	(8)
Tax on profit paid	(28)	(25)	(179)
Other	(95)	1	67
Sources of funds	1,276	1,003	1,493
Change in net working capital	337	(120)	236
Cash flow from operating activities (CFO)	1,613	883	1,729
Cash flow from investing activities (CFI)	(498)	(753)	(1,009)
Decrease in borrowings	(36)	(59)	(266)
Dividends paid	(0)	(0)	(1)
Cash flow from financing activities (CFF)	(36)	(59)	(267)
Cash and equivalents at end of period	1,803	724	823
Free cash flow	1,115	130	720
Free cash flow after dividends	1,115	130	719

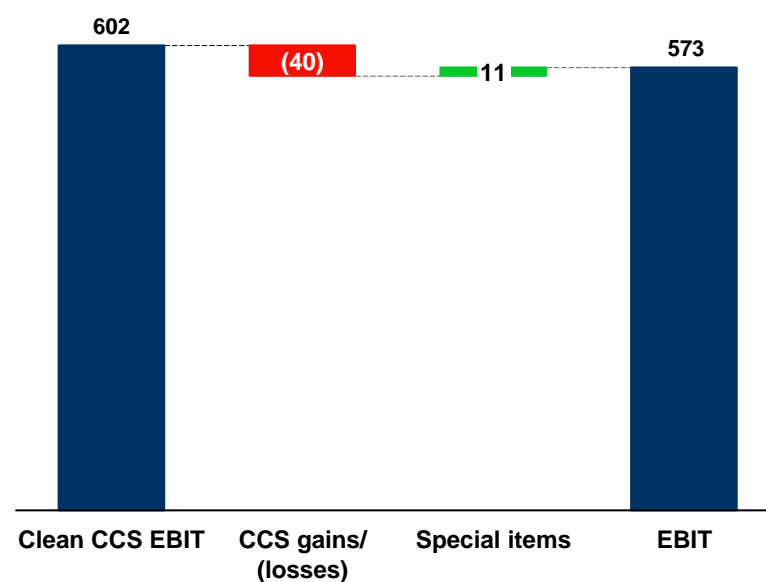


Key financials

in RON mn	Q3/16	Q2/16	Q3/15
Clean CCS EBIT	602	229	1,061
Thereof Upstream	193	210	416
Downstream	393	135	503
Thereof Downstream Oil	403	166	560
Downstream Gas	(10)	(31)	(56)
Corporate and Other	(19)	(8)	(23)
Consolidation	36	(108)	164

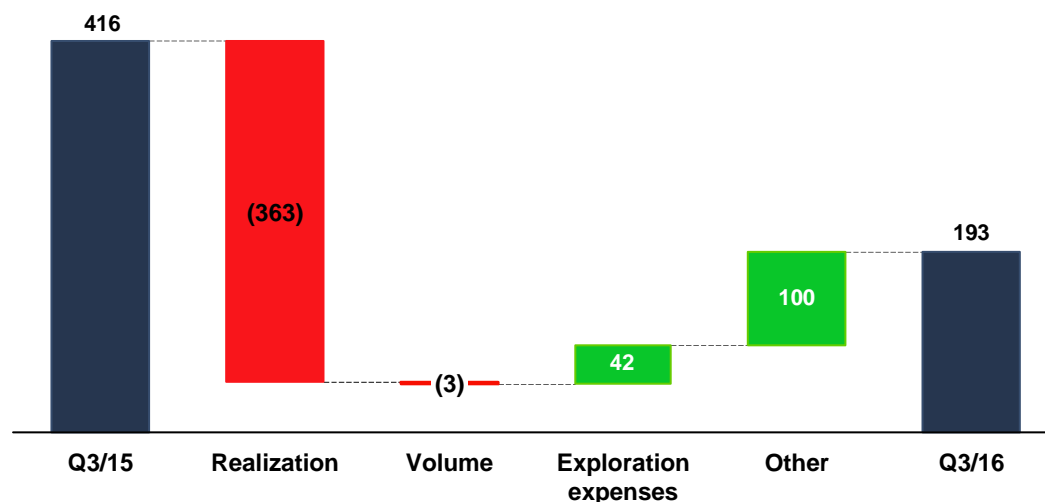
Special items and CCS effect in Q3/16

in RON mn



Upstream – Clean EBIT impacted by lower prices

Clean EBIT in RON mn



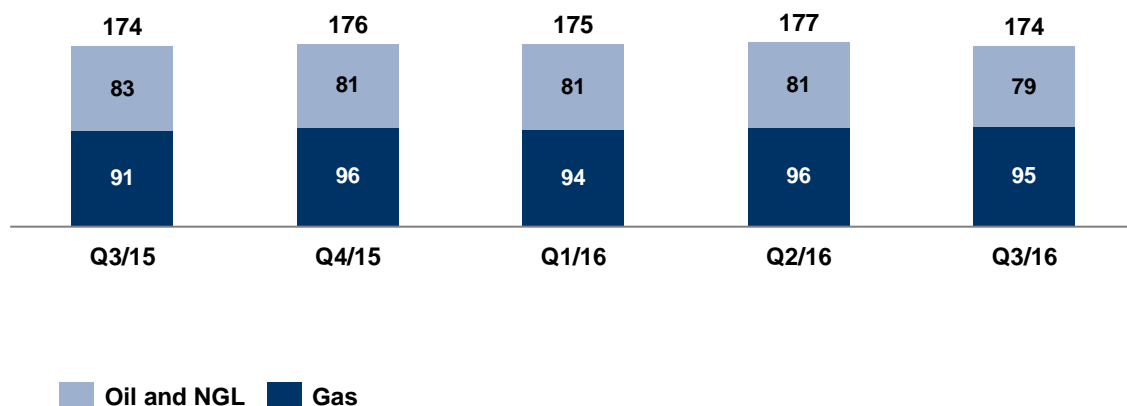
Q3/16 vs. Q3/15

- ▶ Realized oil price in USD/bbl down by 16%; Q3/15 included hedging effect of RON 84 mn
- ▶ Group hydrocarbon production almost flat
- ▶ Decreased exploration expenses due to lower activity in Neptun block
- ▶ Other: lower production cost, royalties and depreciation

Upstream – Key performance indicators

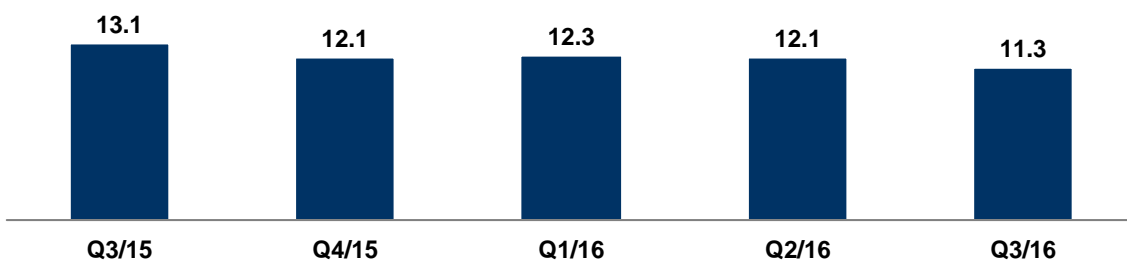
Hydrocarbon production

in kboe/d



OPEX

in USD/boe



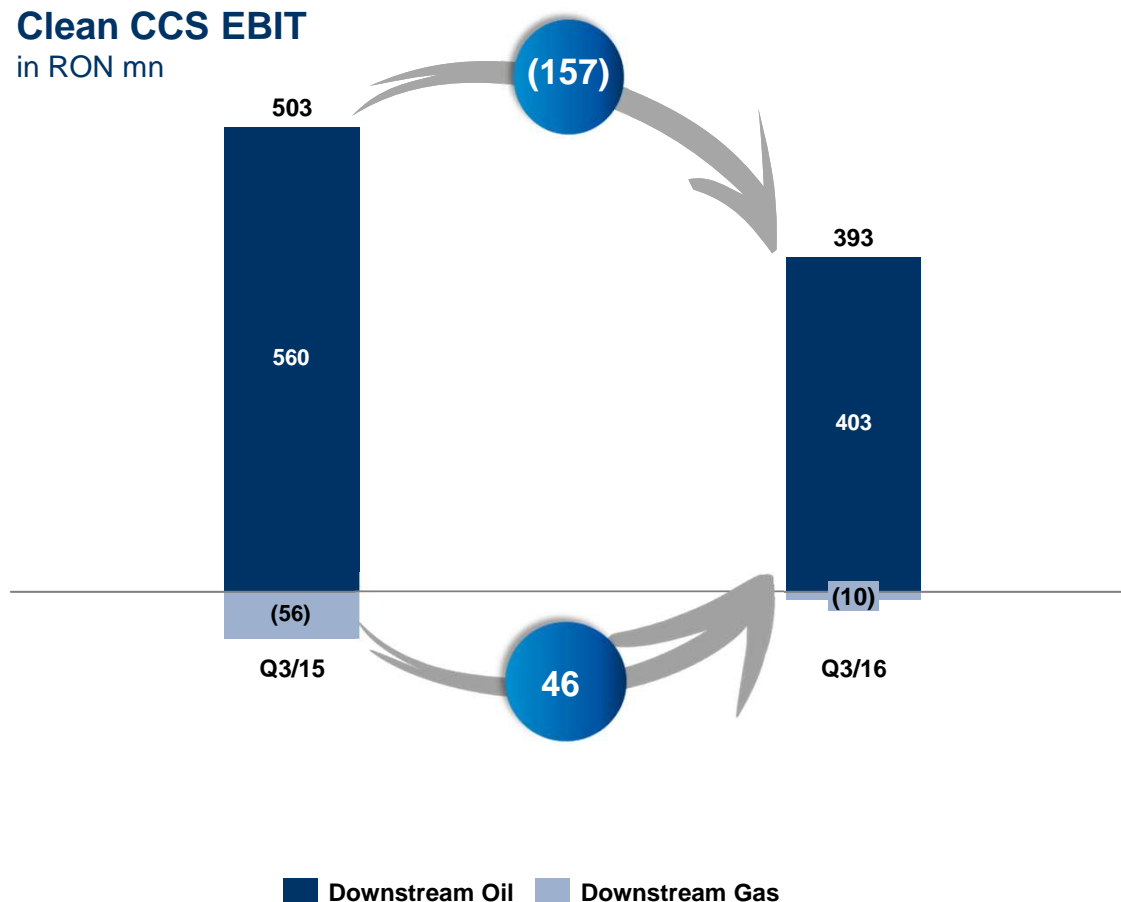
Q3/16 vs. Q3/15

- ▶ Total hydrocarbon production stable due to higher production in Romania:
 - ▶ low base effect – works at Totea Deep in Q3/15
 - ▶ additional production from Lebada Est NAG, commissioned in Q2/16
- ▶ OPEX in USD/boe decreased by 14% due to:
 - ▶ lower services, personnel and materials costs



Downstream – Good operational performance

Clean CCS EBIT
in RON mn



Q3/16 vs. Q3/15

Downstream Oil

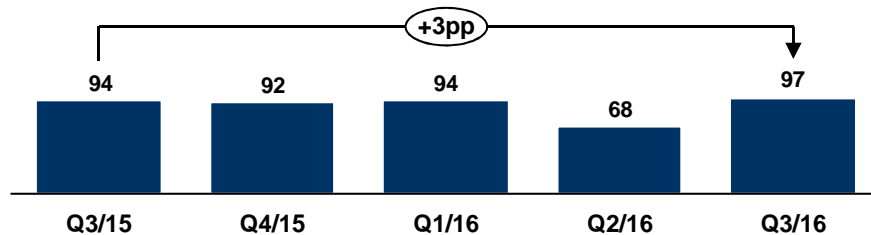
- ▶ Indicator refining margin down by 40%, impacted by lower product spreads
- ▶ Retail volumes up by 2% supported by improved market demand

Downstream Gas

- ▶ Higher sales revenues despite weaker market environment
- ▶ Improved operational performance of both gas and power businesses

Downstream Oil – Key performance indicators

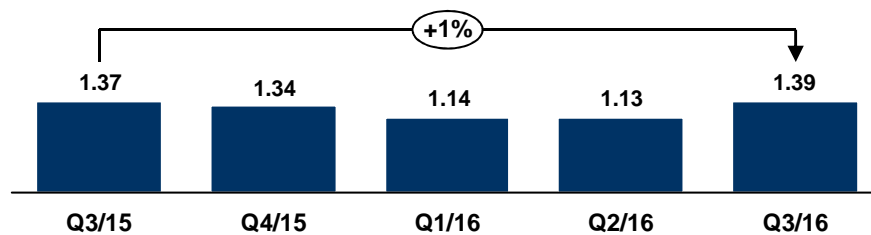
Refinery utilization rate in %



Q3/16 vs. Q3/15

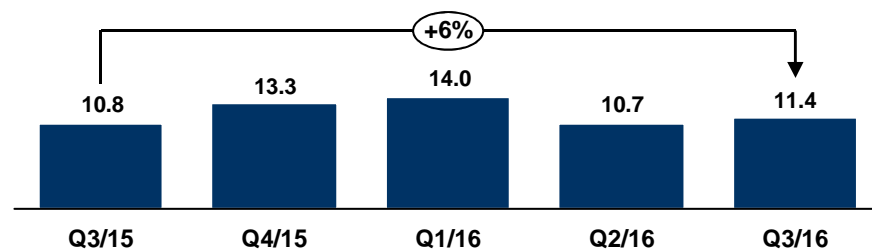
- ▶ Refinery utilization rate up to 97%
- ▶ Fuel and losses below 9%
- ▶ Improved total refined product sales volumes due to higher retail sales by 2%

Group refined product sales volumes in mn t



Downstream Gas – Key performance indicators

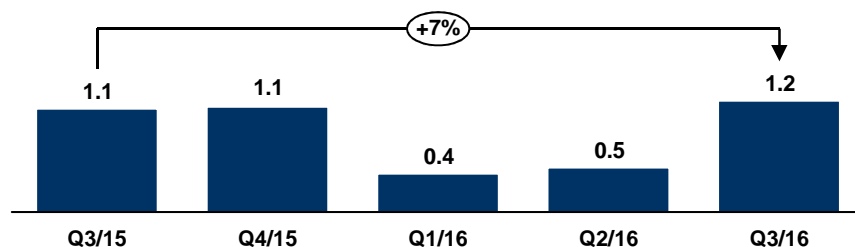
Gas sales volumes¹ in TWh



Q3/16 vs. Q3/15

- ▶ Higher gas sales volumes, despite the 6% drop in national demand² and increased imports
- ▶ Higher power output, benefitting from improved portfolio optimization

Net electrical output in TWh



¹ Including internal transfers within OMV Petrom (e.g. Brazi power plant); ² Company estimation

Financial performance 9m/16

Key financials in RON mn	9m/16	9m/15	Δ (%)
EBIT	1,134	1,315	(14)
Net income attributable to stockholders¹	882	999	(12)
Clean CCS EBIT²	1,240	2,312	(46)
Clean CCS net income attributable to stockholders^{1,2,3}	899	1,733	(48)
Clean CCS Earnings Per Share (RON)^{2,3}	0.0159	0.0306	(48)
Cash flow from operating activities	3,384	4,179	(19)
Free cash flow before dividends	1,127	296	280
Free cash flow after dividends	1,126	(333)	n.m.

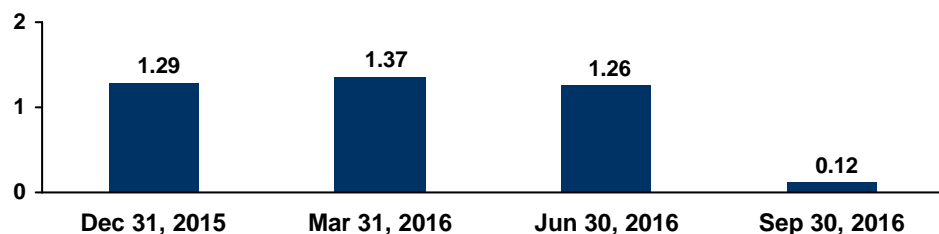
Figures on this and the following slides may not add up due to rounding differences.

¹ After deducting net result attributable to non-controlling interests; ² Clean CCS figures exclude special items and inventory holding effects (CCS effects) resulting from Downstream Oil; ³ Excludes additional special income of RON 67 mn from clearance of a legal dispute and reflected in the financial result



Strong balance sheet despite difficult market conditions

Net debt development in RON bn



Gearing ratio¹

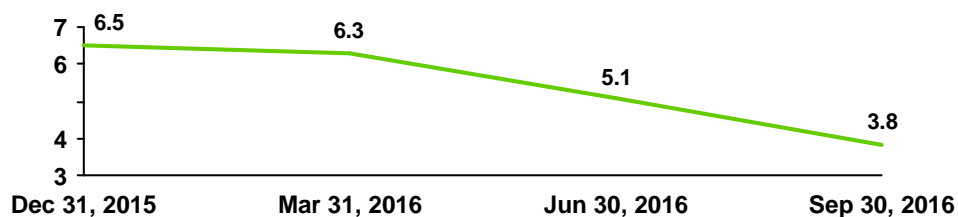
5%

5%

5%

0%

Clean CCS ROACE, %



Main developments

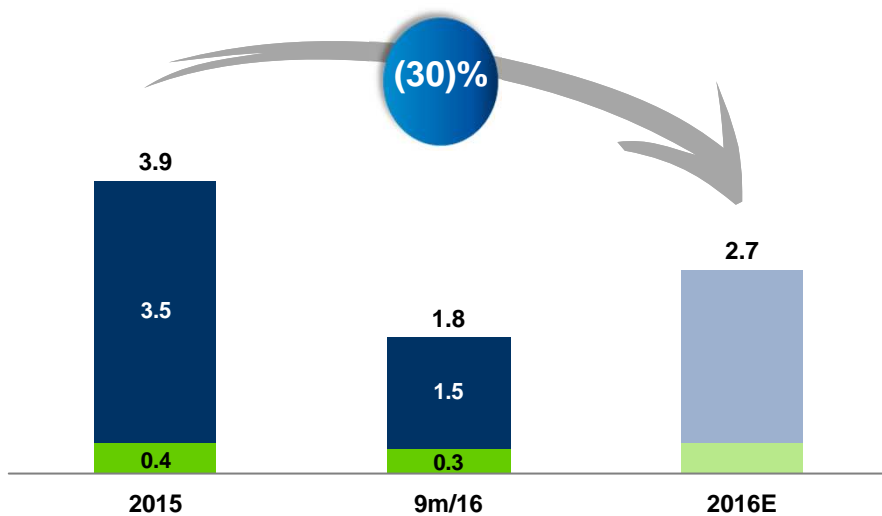
- ▶ Gearing ratio decreased
 - ▶ end 2015: 62%
 - ▶ end Sep 2016: 64%
- ▶ Equity ratio
- ▶ ROACE evolution reflects the challenging environment

¹Net debt divided by equity

2016 CAPEX guidance reduced to RON 2.7 bn

Group CAPEX

incl. capitalized E&A, in RON bn



Upstream
Downstream

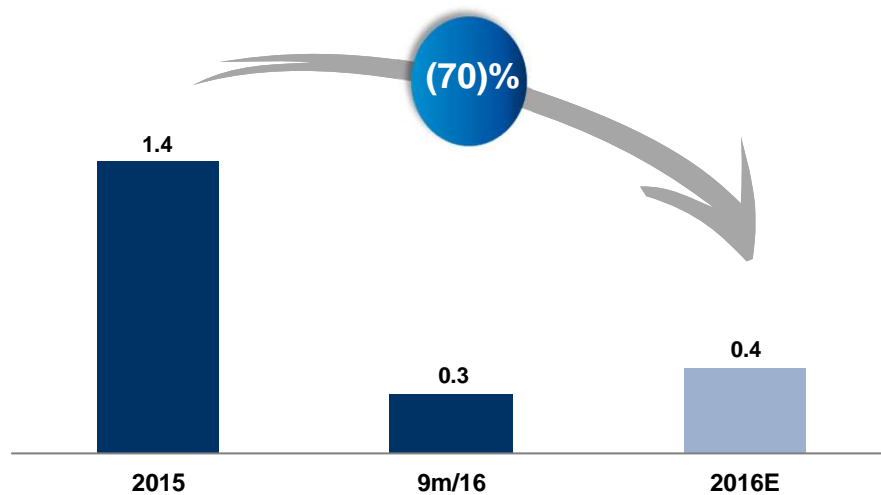
CAPEX cuts mainly driven by focus on the most profitable barrels

- ▶ 9m/16 CAPEX down by RON 1.2 bn, -39% yoy
 - ▶ Upstream CAPEX down by RON 1.3 bn mainly on projects prioritization
 - ▶ Downstream CAPEX up by RON 125 mn mainly due to Q2/16 refinery turnaround
- ▶ 2016 CAPEX guidance reduced to RON 2.7 bn from RON 3.2 bn



E&A spending further reduced in 2016

E&A expenditure
in RON bn



2016 E&A expenditure guidance reduced to RON 0.4 bn from RON 0.5 bn previously

- ▶ Peak level reached in 2015, due to Neptun Deep drilling campaign and onshore deep exploration (JV with Repsol)
- ▶ Lower activity level in the Black Sea due to finalization of drilling activities in January 2016



Outlook 2016



Outlook 2016

- ▶ **Oil price:** Brent annual average estimated at USD 44/bbl
- ▶ **Refining margins:** Q4/16 expected to be above Q3/16 level
- ▶ **Fuels market:** Demand supported by low oil prices and increased private consumption; higher competition
- ▶ **Gas market:** Demand to be lower; imports to increase; prices to reflect strong competition
- ▶ **Power market:** Demand relatively stable, improved spark spreads
- ▶ **CAPEX:** EUR 0.6 bn, with ~85% in Upstream
- ▶ **Production:** Decline up to 4%, driven by lower investments and planned surface facilities upgrade at Totea Deep
- ▶ **Dividend¹:** Target a dividend from the 2016 net earnings of a minimum of 30%²

¹subject to adverse developments in the external market

²in the case it is fully covered by the free cash flows before dividends



Appendix



Key financial indicators (consolidated)

in RON mn	2008	2009	2010	2011	2012	2013	2014	2015	9m/16
Sales	20,127	16,090	18,616	22,614	26,258	24,185	21,541	18,145	11,652
EBIT	1,205	1,620	2,986	4,936	5,662	5,958	3,338	-530	1,134
EBITD*	3,875	4,109	5,797	7,766	8,514	9,313	8,145	6,231	3,731
Net income (loss)	896	833	2,190	3,759	3,946	4,824	2,100	-690	878
Net income (loss) attributable to stockholders	978	860	2,201	3,757	3,953	4,821	2,103	-676	882
Cash flow from operating activities	4,297	2,726	4,630	6,442	7,185	8,048	6,830	5,283	3,384
Non-current assets	23,320	25,940	28,459	31,022	32,777	34,560	37,243	36,020	35,378
Current assets**	5,597	4,586	6,306	5,467	5,368	5,487	5,882	5,098	6,029
Total liabilities	12,928	14,336	16,306	15,412	14,739	13,405	16,119	15,420	14,849
Total equity	15,990	16,191	18,459	21,077	23,405	26,642	27,005	25,688	26,558
Net debt	1,253	2,614	2,299	1,955	1,711	332	890	1,286	124
Gearing ratio	7.8	16.2	12.4	9.3	7.3	1.2	3.3	5.0	0.5
EPS (RON)	0.0173	0.0152	0.0389	0.0663	0.0698	0.0851	0.0371	-0.0119	0.0156
Payout ratio	-	-	46%	47%	40%	36%	30%	-	n.a.
Dividend per share (gross, RON)	-	-	0.0177	0.0310	0.0280	0.0308	0.0112	-	n.a.
EBITD/CAPEX	0.57	0.97	1.19	1.62	1.73	1.75	1.31	1.60	2.06
NBR rates	2008	2009	2010	2011	2012	2013	2014	2015	9m/16
EUR/RON average	3.680	4.238	4.211	4.238	4.457	4.419	4.444	4.445	4.485
USD/RON average	2.515	3.047	3.180	3.048	3.470	3.328	3.349	4.006	4.019
EUR/RON closing	3.986	4.228	4.285	4.320	4.429	4.485	4.482	4.525	4.452
USD/RON closing	2.805	2.936	3.205	3.339	3.358	3.255	3.687	4.148	3.982

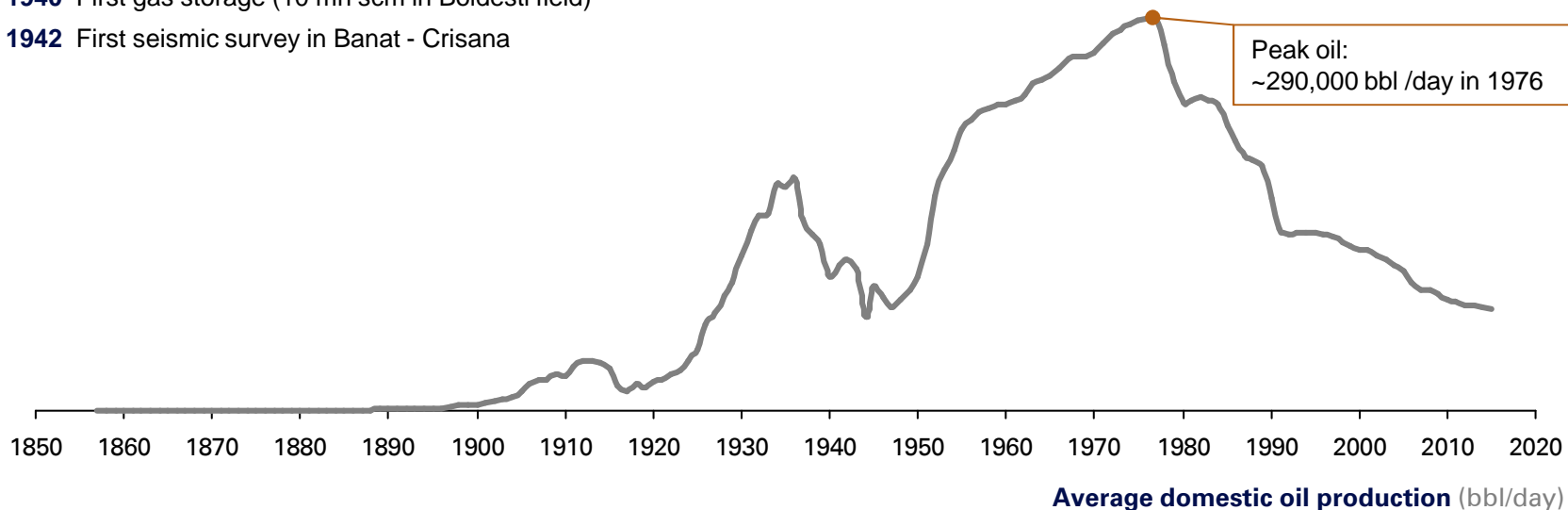
* Specific Upstream taxes in Romania for the first nine months of 2016 amounted to RON 827 mn, representing 16.4% of total Upstream hydrocarbon revenues, and include royalties (RON 423 mn), supplementary oil&gas taxation (RON 245 mn) and construction tax (RON 159 mn); ** include assets held for sale



OMV Petrom's heritage: 150 years of Romanian oil history

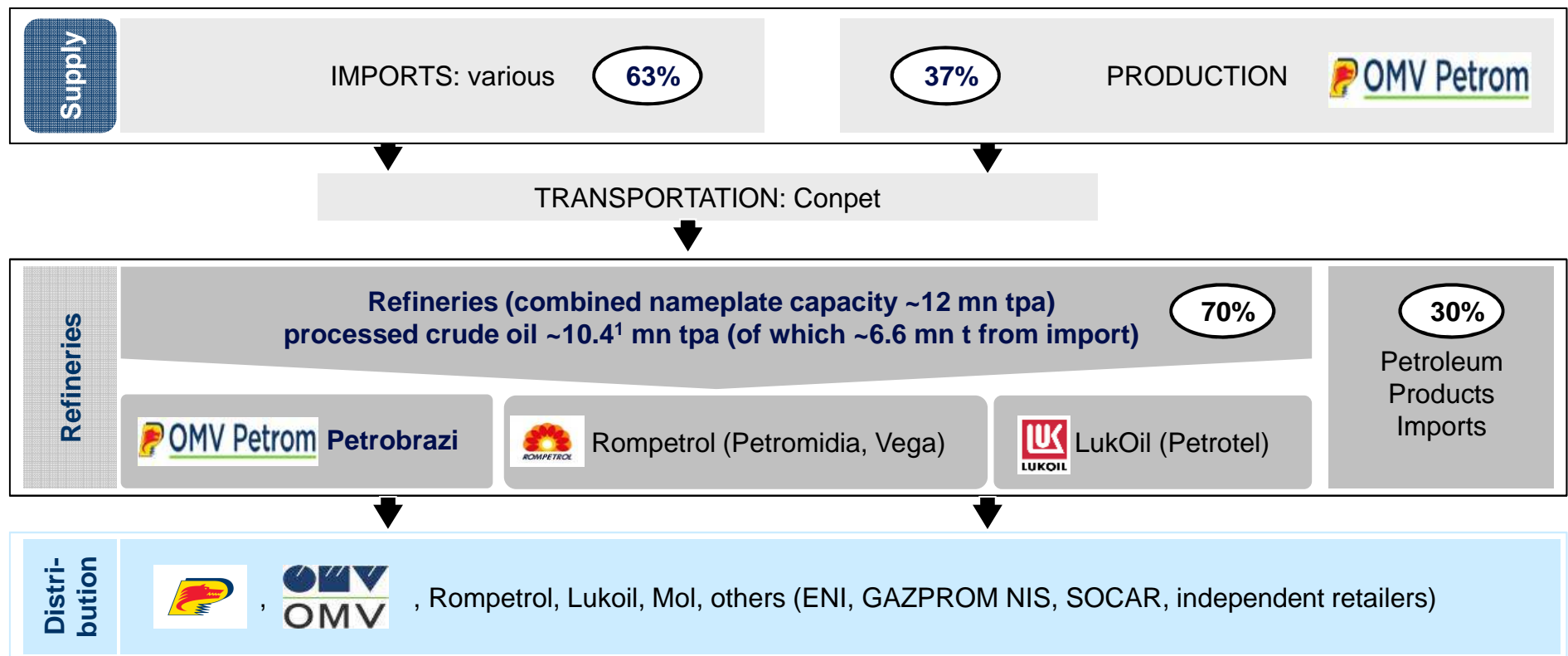
- 1857** First officially reported oil production in Romania: 275 t
- 1861** First well manually drilled by means of wooden rods and gimlet type bits
- 1895** Mining Law – oil exploitation can only be carried out by the land owner
- 1906** Romania's Geological Institute set up
- 1907** World Petroleum Congress in Bucharest
- 1913** First officially reported natural gas production: 0.113 mn cbm
- 1927** First electric logging performed by Schlumberger in Romania
- 1936** Highest oil production between the two world wars: 8.7 mn t
- 1940** First gas storage (10 mn scm in Boldesti field)
- 1942** First seismic survey in Banat - Crisana

- 1975** First exploration drilling in the Black Sea
- 1984** Well 7000 Baicoi drilled down to 7,025 m
- 1987** First crude oil production offshore (Black Sea)
- 2004** Petrom privatization
- 2011 - 2012** First deepwater exploration drilling in the Black Sea
- 2012 - 2013** Largest 3D seismic campaign in the Black Sea
- 2014 - Jan 2016** Finalized second exploration drilling campaign in Neptun Deep; results encouraging as to continue assessment of commerciality



Romanian oil market overview

2015 DATA



¹ only crude oil processed (other feedstock not included)

Source: 2015 figures, National Institute of Statistics (INS) and OMV Petrom calculations



Downstream Oil market environment in 2015

Our operating region¹

- ▶ **Strong refining margins** throughout 2015, however on downward trend in Q4/15
- ▶ Higher **oil product demand** vs 2014
- ▶ Persisting **overcapacity**
- ▶ **Competitive** fuel prices
- ▶ **Long on** both diesel and gasoline

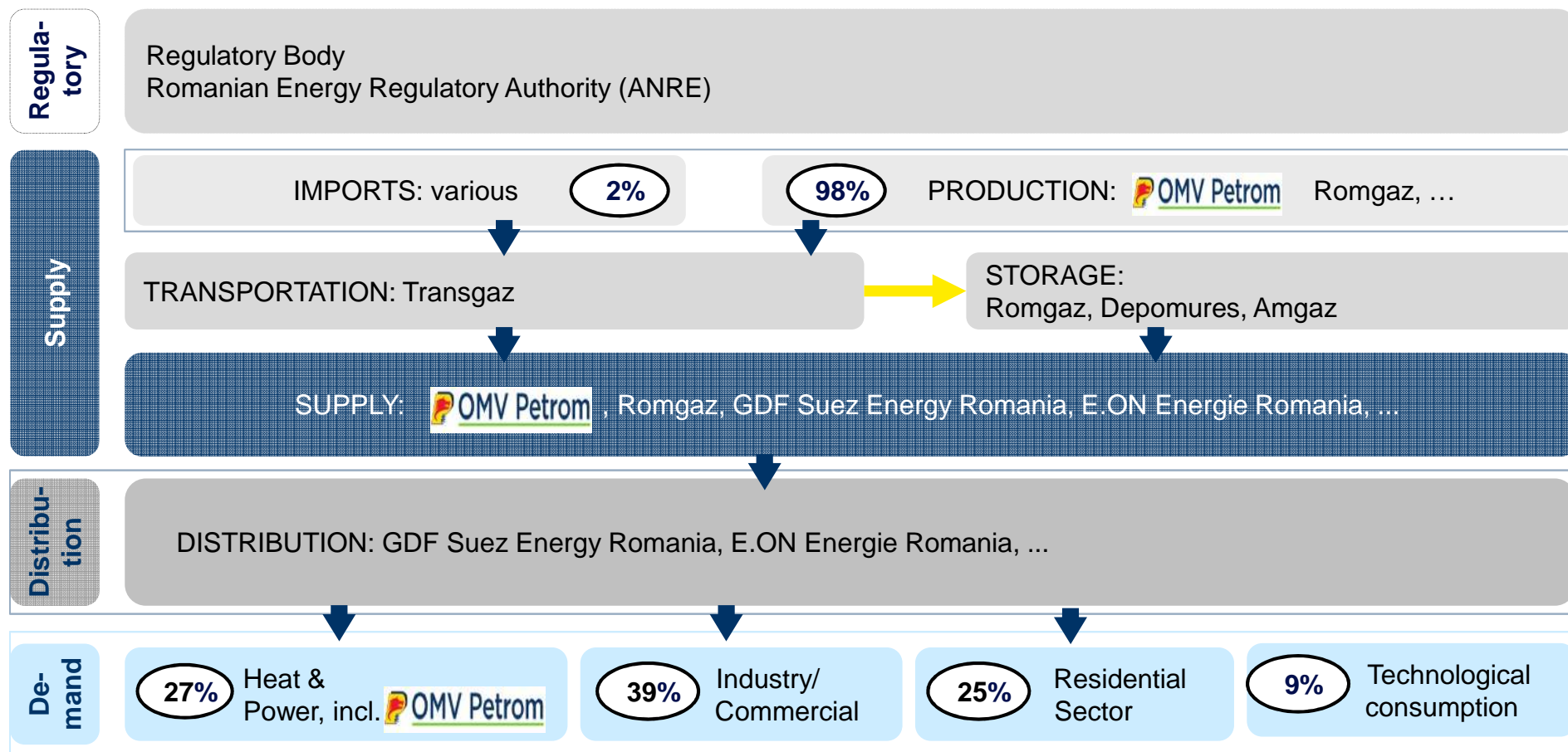
Romania

- ▶ Increased **oil product demand** vs. 2014
- ▶ Strong **market competition**
- ▶ **Long on** both diesel and gasoline
- ▶ Higher **crude oil imports**
- ▶ **Compulsory stock obligation** maintained

¹ Romania, Bulgaria, Serbia and Republic of Moldova

Romanian gas market overview

2015 DATA

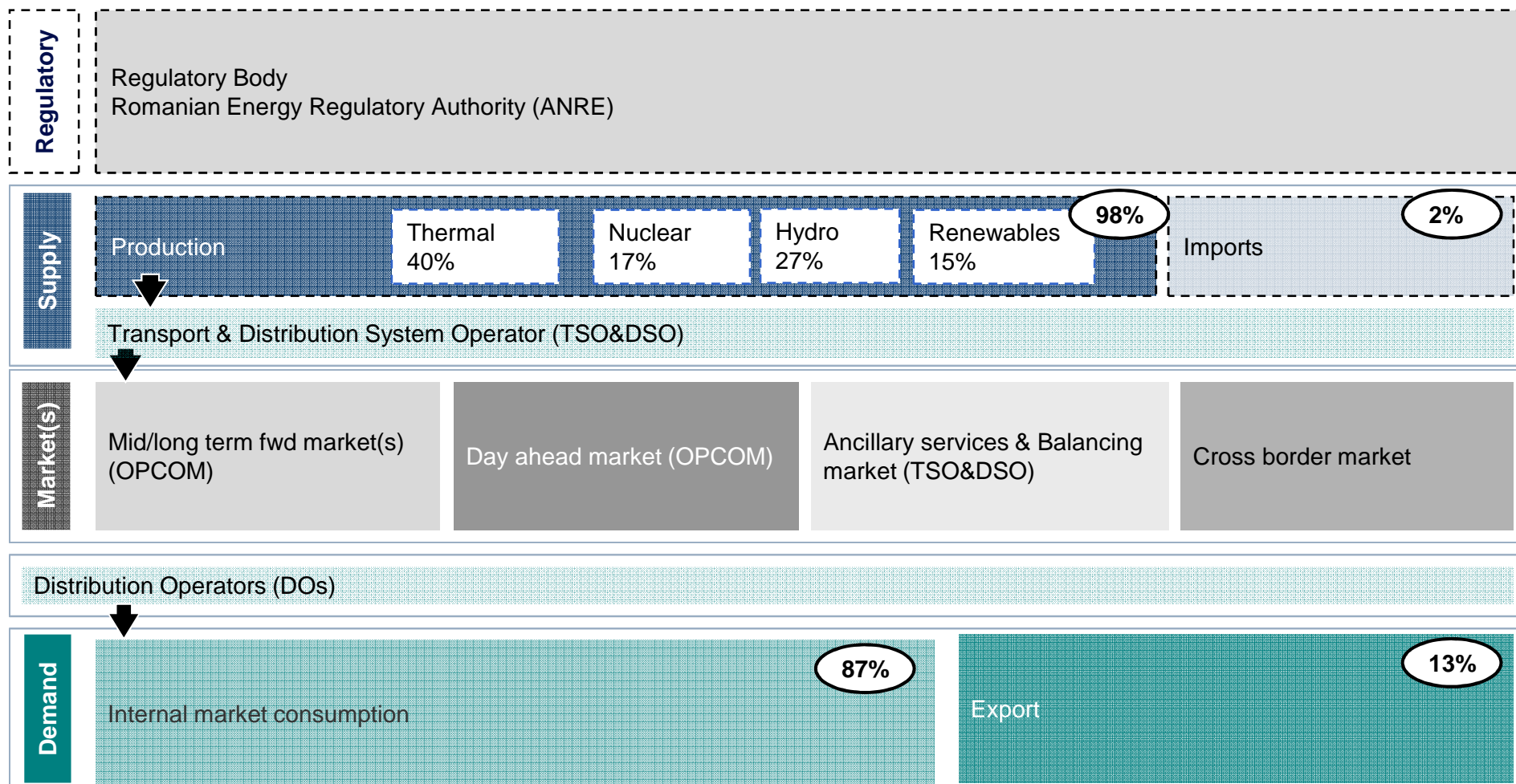


Data source: ANRE 2015 Market Monitoring Report



Romanian power market overview

2015 DATA

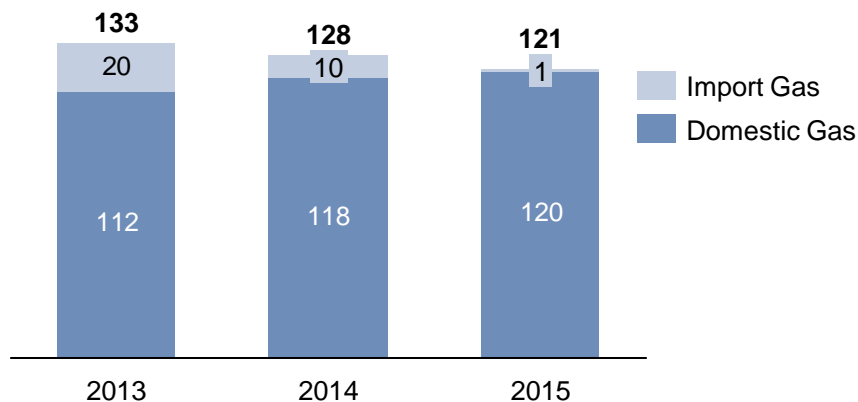


Data source: Transelectrica



Romanian gas and power markets overview in 2015

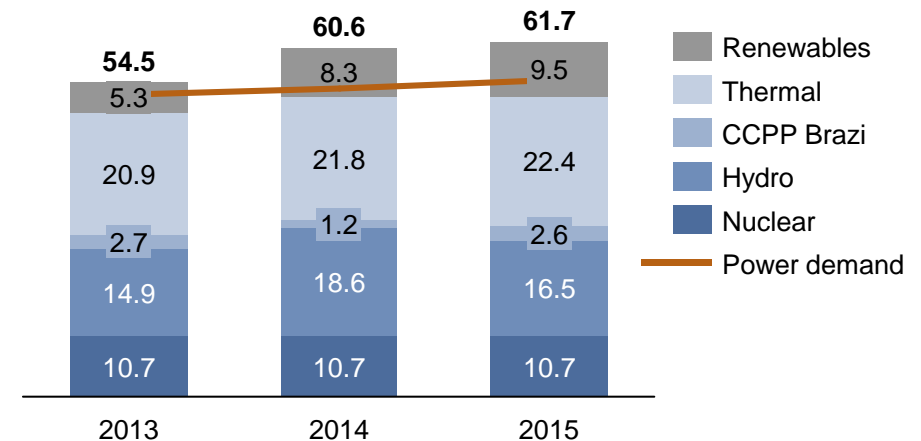
Gas demand, TWh



Gas market:

- **Demand:** -5% yoy
- **Prices** under pressure
- Progress on **market liberalization**
- Low liquidity on **centralized markets**
- Lack of progress on **interconnectors**

Power production, TWh



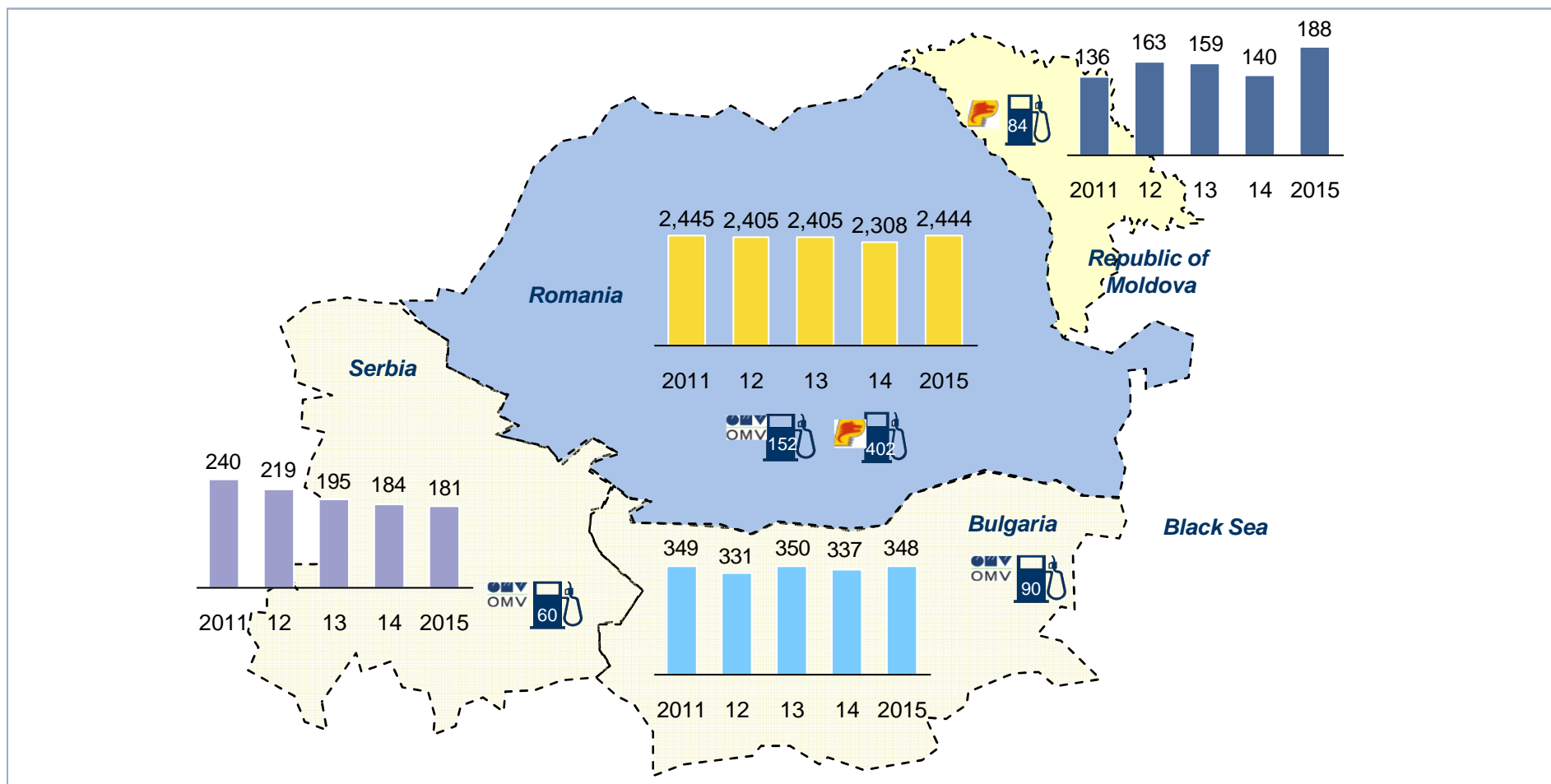
Power market:

- **Demand:** + 3% yoy and **production:** +2% yoy
- **Baseload prices:** +5% yoy
- Market dynamic largely influenced by **weather**
- Low **clean spark spread** levels
- 1st full year of **market coupling**

Data sources: ANRE, OPCOM, Transelectrica



OMV Petrom Group fuel retail sales (mn l)



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Homepage: www.omvpetrom.com



2017 Financial Calendar

February 16: Q4 and FY 2016 results

April 25: Annual General Meeting of Shareholders

May 11: Q1 2017 results

August 10: Q2 and HY 2017 results

November 9: Q3 2017 results