



Oil Industry in Romania

(Exploration, Production, Refining, Petrochemical
Infrastructure and Distribution)

10 April 2003

Production Estimated, 2002-2010

2002

Domestic production	- Crude	6 mil tons
	- Natural gas	6 bn cm

2002 - 2010

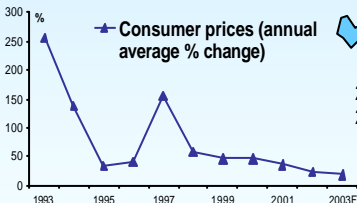
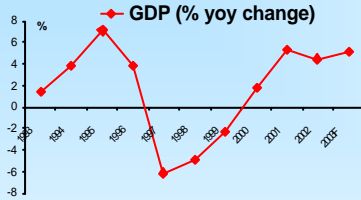
Crude production	- Domestic	46.5 mil tons
	- International	6 mil tons
Natural gas production		48 bn cm

2010 - Total

Total production	- Crude	7.7 mil tons
	- Natural gas	6.3 bn cm

Romania

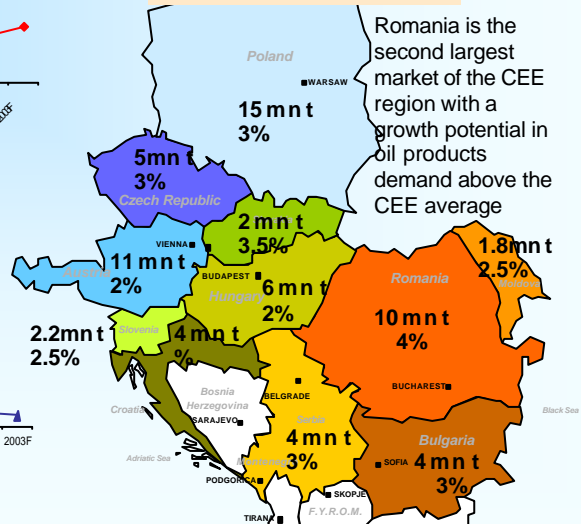
Sustainable Economic Growth Starting since 2000



*Source: EU Pre-accession Program, July 2002

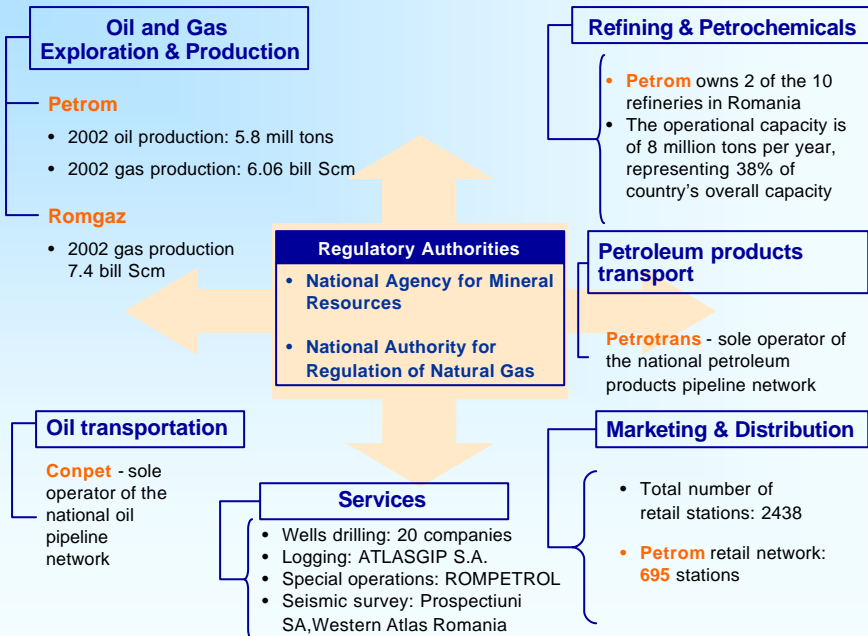
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CEE Oil Product Demand and Estimated Growth Rate



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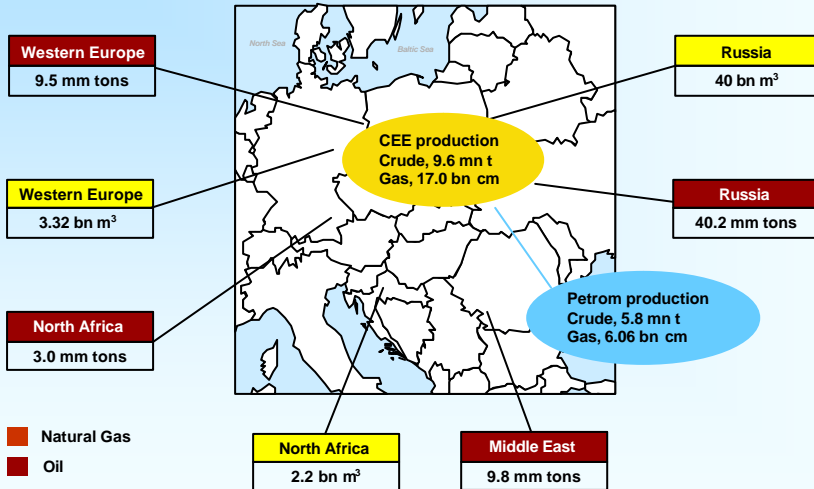
Romanian Oil and Gas Industry



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Romanian production accounts for 63% and 35% of CEE Oil and Gas production

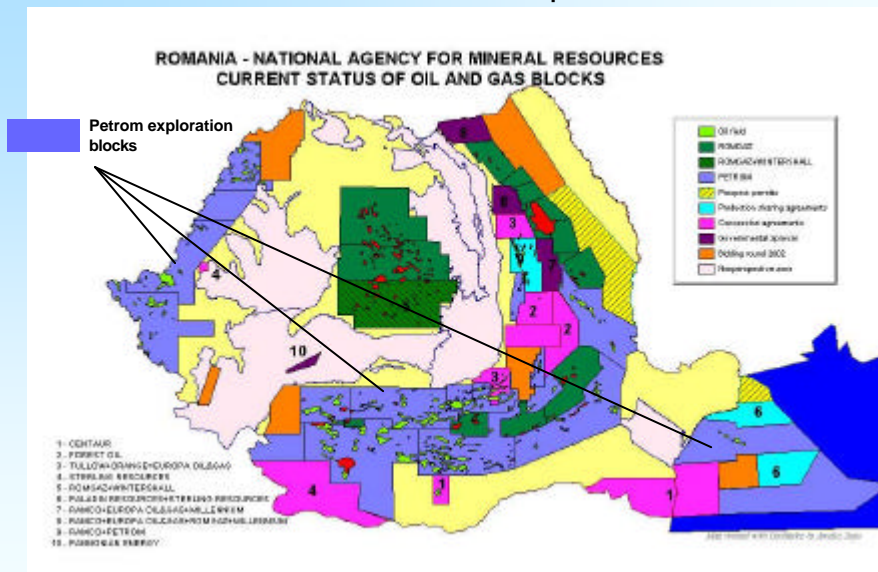


Source: 2001 BP Statistical review of world energy, Energy Information Administration

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Romanian - Oil and Gas Exploration Blocks



- Romania provides free access for any foreign operator to the oil and gas blocks

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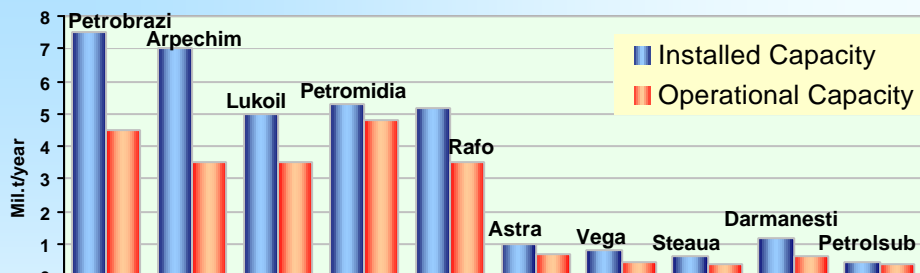
Strategic Objectives in Exploration & Production Sector

- Maintaining the crude production at a relatively constant level: 6 mn.tons per year until 2005 and 5.6 mn.tons until 2010;
- Reducing operating production cost of crude oil;
- Achieving reserve discovery costs of maximum 15 USD/ton and development costs of 25USD/ton;
- New external concession fields for exploration and production purposes so as to reach a reserve level of 25 mn.tons and a production level of 2 mn. tons/year up until 2010;
- Environmental reconstruction in compliance with the European environment standards.

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Processing Capacities in Refineries



Name of Refinery	Installed Capacity	Operational Capacity	Nelson Index
SNP PETROM SA- PETROBRAZI Branch	7.50	4.50	11.70
SNP PETROM SA- ARPECHIM Branch	7.00	3.50	9.40
SC PETROTEL LUKOIL SA Ploiesti	5.00	3.50	10.73
SC ROMPETROL SA - PETROMIDIA	5.30	4.80	8.69
SC RAFO SA ONESTI	5.20	3.50	9.54
SC ASTRA SA Ploiesti	1.00	0.70	4.52
SC ROMPETROL SA - VEGA Ploiesti	0.80	0.45	1.90
SC STEAUA ROMANA SA	0.60	0.35	3.52
SC DARMANESTI SA Refinerv	1.15	0.60	5.49
SC PETROLSUB SA Suplacu de Barcau	0.45	0.40	2.50
Total	34.00	22.30	

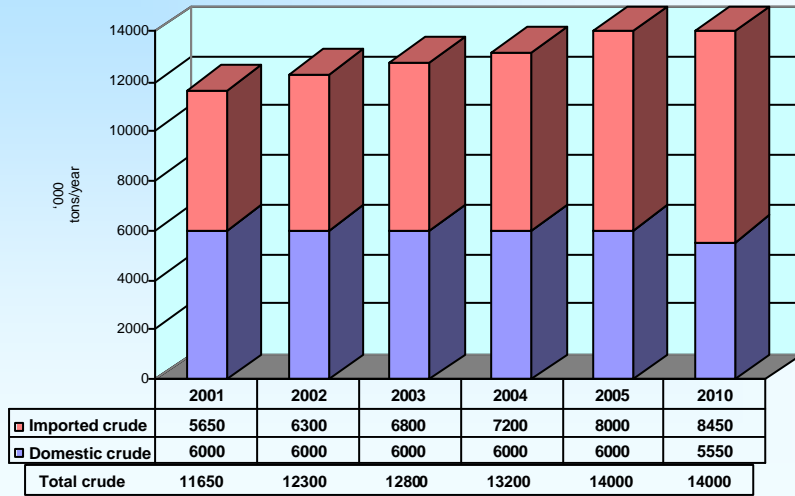
State owned: 8 m. t

Private: 14.3 m t

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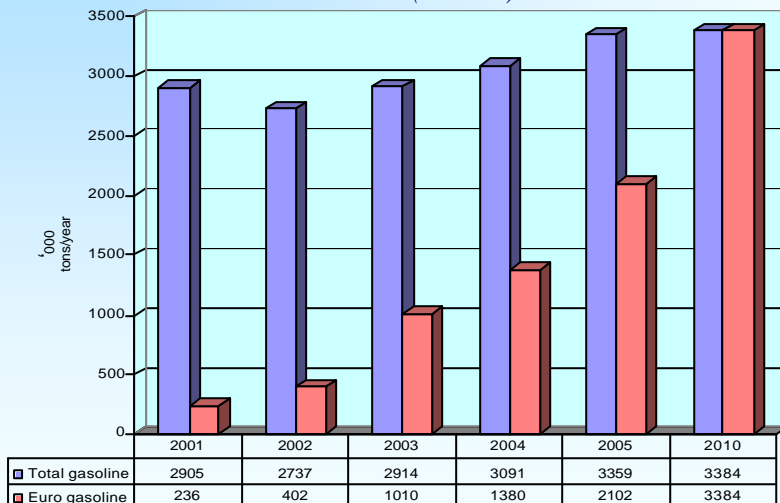
CRUDE REFINING DYNAMICS



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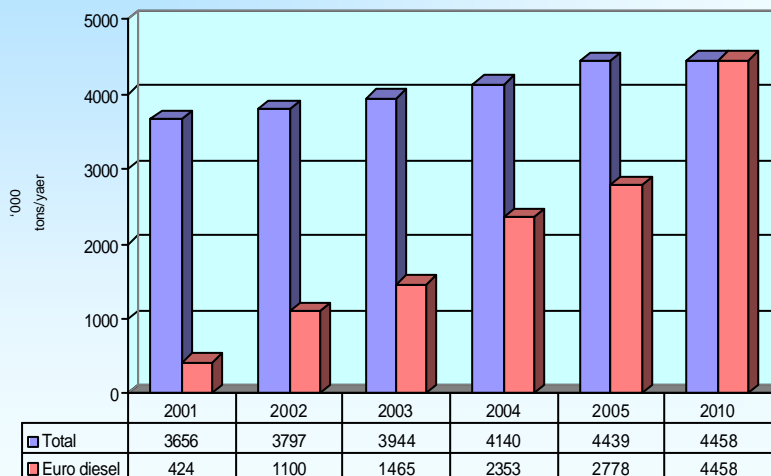
THE DYNAMICS OF EURO GASOLINE PRODUCTION (EN228)



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DYNAMICS OF *EURO* DIESEL PRODUCTION (*EN 590*)



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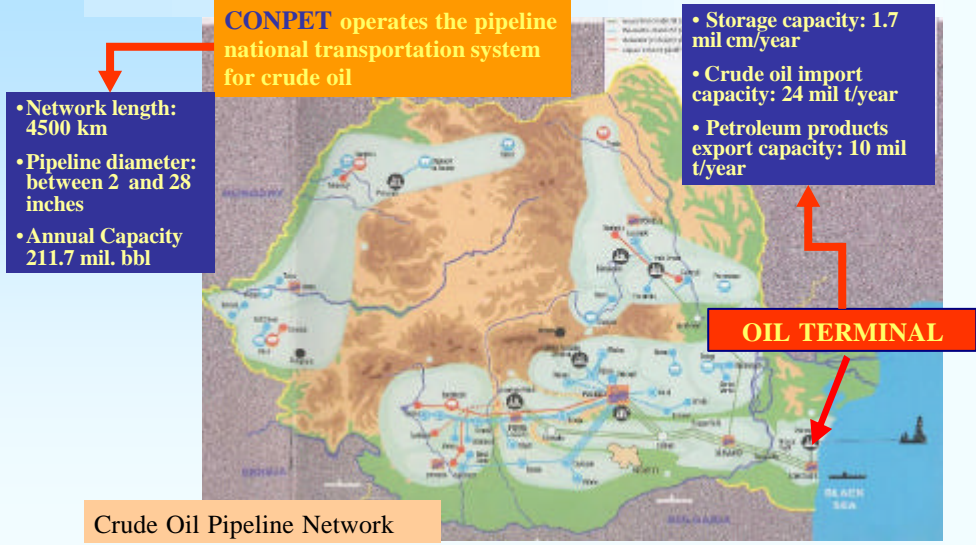
Strategic Objectives in Refining & Petrochemical Sectors

- Ensuring the fuel quantities for the energy domestic needs of the country;
- Meeting the throughput necessary for restarting petrochemical sector;
- Meeting the domestic demand of fuels and petrochemicals;
- Achieving compliance with EU standards for quality of products;
- Decreasing pollution and environment reconstruction;
- Increasing the security of operating the equipments;

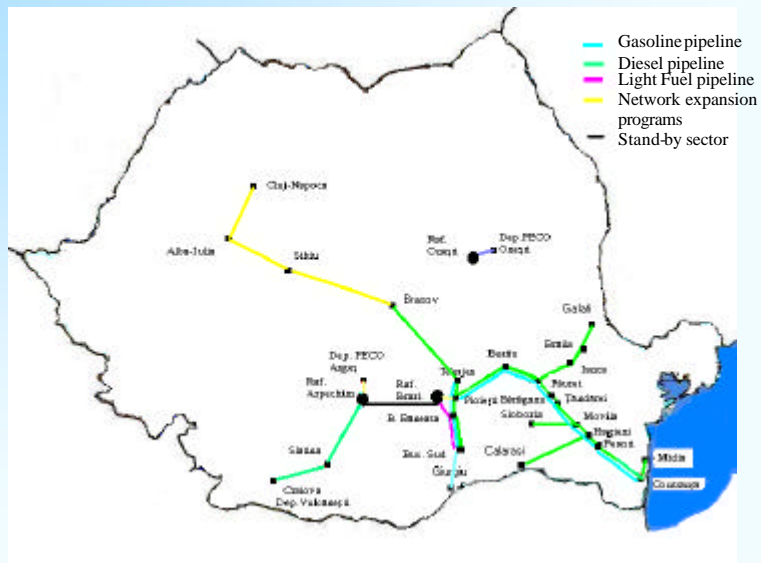
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Transportation infrastructure



Petroleum Product Pipeline Network



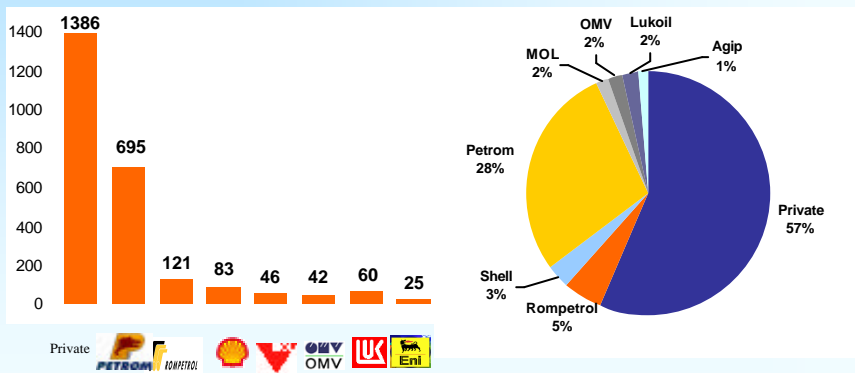
South-East European Pipeline (INOGATE Program)



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Distribution of the operators according to the number of stations

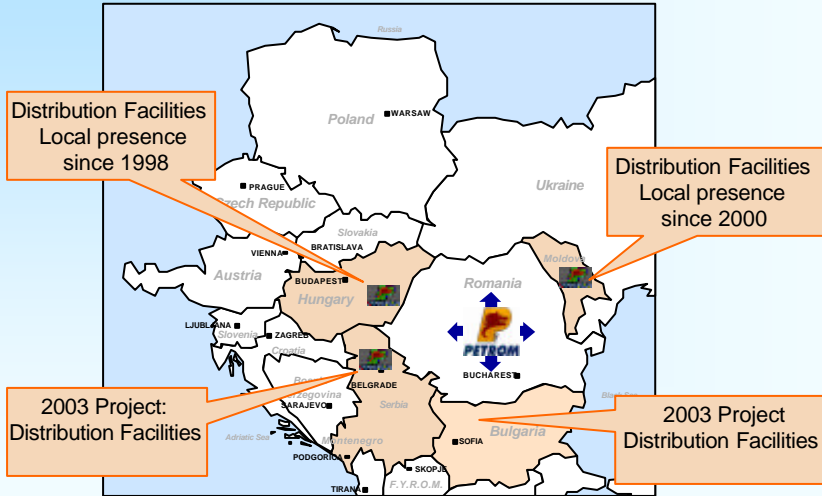


Number of retail sites (2002)

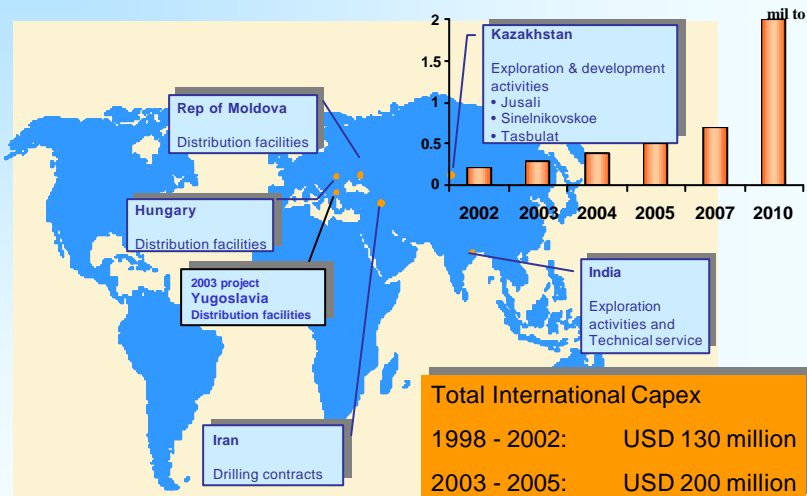
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Petrom Operations in CEE Marketing & Distribution



Increasing International Presence



Strategy for International Development

CEE

- To significantly increase the presence in the region as fuel retailer and E&P services provider
- To establish retail sales potential in countries where own refined fuel products could be efficiently distributed
- Targeted 3-10% mid-term market share in key countries
- Build well recognised premium fuel retail network brands
- Experience in reconstructing and expanding service station networks in transition economies
- Key markets: Hungary, Yugoslavia, Moldova Republic

Caspian Region and Middle East

- Pursuing research, exploration and production works of oil fields in Kazakhstan;
- Achievement of the basic programme for exploration of the Indian off-shore block;
- Attending farm – out agreement tenders in Qatar and Iran.