



2004 Annual Report



The Rompetrol Group

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LETTER FROM THE CHAIRMAN DINU PATRICIU

the most successful listings of a company in the history of the Bucharest Stock Exchange.

True to our tradition of transparency we continued to conduct our business in an open and visible manner reporting our unaudited quarterly results in meetings with financial analysts and the media. We publish end-of-year results according to international accounting standards and every year we have the final figures certified by independent auditors Deloitte & Touche Romania and Deloitte Accountants B.V.

I am proud to report that in 2004 Rompetrol Rafinare, the jewel in our crown, ended the year with a net profit of \$11.8 million this being the first year of net profit in the 30-year history of the refinery. Even more significant is the five-fold increase in Petromidia's operational profit, reaching \$86.4 million in 2004, and The Rompetrol Group operational profit standing at \$101.4 million on gross revenues of \$1.61 billion. The net profit, albeit not very large, shows that the turnaround process started to produce a return on our investment. This fact is confirmed by our Q1 2005 preliminary results showing a net profit of \$41 million for Rompetrol Rafinare.

After a successful privatization and restructuring program we turned Petromidia into the most modern refinery in Romania. We gradually moved to controlling the refining process through state of the art, fully automated systems and improved the efficiency of refining and trading activities. Our results are a testament to our sustainable growth and successful business model backed by

our competitive management and one of the most qualified workforces in this region.

Today we have proof that we based our growth strategy on a winning idea. Technological development of our refinery allowed us to process Urals-only crude, heavier but cheaper, and transform it entirely into products meeting European emission standards. Not many refineries can do this. Our progress was also supported by rapid development of regional distribution networks.

In the retail and wholesale sectors we continued our expansion improving distribution, and adding sales capacity. The liberalization of the domestic motor fuel prices has also contributed to a positive bottom line by allowing oil companies to freely calculate sales prices unhindered by state influence and according to market conditions. In the region our output increased in all of our markets and we opened Rompetrol Albania. For all of these reasons and more, 2004 has been a year of accumulation and expansion, bringing excellent results and placing us in an advantageous position for the challenges and opportunities of 2005 and beyond. From launching new products, pioneering environmental standards, and getting more focused in our community involvement, to extending our distribution network, developing production fields away from home and building the most recognizable Romanian brand, Rompetrol is moving full speed ahead to becoming a fully integrated major regional player in the Black Sea area.

We are more focused and determined than ever to prove

that Rompetrol is one of the most ambitious and lucrative projects carried out in this region. We combine the skill and dedication of more than 7,300 staff, bringing significant added value to clients, shareholders, employees, and the community, beyond the immediate financial benefits.

At times we operate in an adverse environment caused by unfounded allegations brought forth by adverse political groups of interest that led last year to several investigations against the company. It comes as further proof of our moral, fiscal, financial, and business integrity that despite this reality we continue to overachieve and deliver results in a functional and transparent manner.

I believe our results, outlined in this company report, and our overall business conduct speak for themselves and will enable us to continue our growth, allowing us to expand and transform Rompetrol into the first Romanian-based multinational company.

Dinu Patriciu
Chairman & CEO

Dear Shareholders and Partners:

In 2004 The Rompetrol Group (TRG) has reached maturity and emerged as a significant oil industry company in Southeastern Europe and the Black Sea region. Capitalizing on the development and investments carried out in previous years, Rompetrol forged ahead and ended the year with outstanding results. We continued to expand at an aggressive pace, captured more of the margins, became profitable, and consolidated our brand name and presence in the regional markets.

In April of 2004 we listed Rompetrol Rafinare (Petromidia refinery) on the Bucharest Stock Exchange. By December we were included in the blue chip BET index as a result of investor's interest in our company and positive stock performance. Rompetrol Rafinare, which trades under the symbol RRC, has been one of the most liquid stocks in 2004 and ended the year with a gain of more than 130 percent and a market capitalization of \$563 million, proving to be one of



LETTER FROM THE DEPUTY CEO
PHILIP STEPHENSON

Dear Stakeholders:

Last year – in our Group’s first annual report – I wrote extensively on our operational achievements and strategic priorities. This year there is nothing I can add to the excellent summary provided by my partner and our Chairman Dinu Patriciu in the preceding pages.

Therefore, I want to focus your attention on something that started in 2004 and re-launched as a “subsequent event” in 2005 – though, in my opinion, this is a continuation of matters going all the way back to our acquisition of Petromidia and the manner in which we have tried to change the nature of the way business has historically been done in the Romanian oil sector.

The path we have pursued since 1998 when Rompetrol SA was first purchased was ahead of its time. The things we have done -- using international banks, auditing ourselves to IAS standards with a Big 4 firm, publishing quarterly data to IAS standards, even producing these annual reports – are very far away from the “bad old days” of Romanian oil done through shell companies, murky trading relationships, counterfeit products and excise tax evasion. Those bad old days are coming to an end, but the people involved in those businesses (and their political/administrative protectors) have made a lot of black money and I do not believe they will go easily and quietly.

We believe these elements of our industry provoked, as you may recall from last year’s annual report, the National Anticorruption Prosecutor (“PNA”) in March 2004 to

launch an investigation in rem against our main listed subsidiary Rompetrol Rafinare SA (“RRC”) relating to issues regarding the privatization and subsequent operations of Petromidia. We cooperated fully with that investigation, even to the extent of opening a public “data room” where interested parties could view the same evidence we provided to the PNA. Finally, after more than six months, in November 2004 the head of the PNA announced publicly that the PNA would not pursue the case further and that instead certain matters would be referred for further examination by the Prosecutor’s Office of the High Court of Justice of Romania (the “General Prosecutor”).

In late March, the General Prosecutor summoned eleven people (current and former directors and employees of RRC including Dinu Patriciu) for interviews in relation to existence of a criminal investigation against them. We were informed that this investigation is an extension of the investigation commenced against three other company officials initiated in September 2004.

We welcome any properly-conducted investigation that scrutinizes the oil industry in Romania and pledge to cooperate. As always, we have build a reputation of being transparent and open and have a vested interest that this inquiry proceeds swiftly and professionally to prove once and for all that we are a strong and honest company conducting business by the rules.

We believe the specific allegations discussed during the preliminary interviews indicate lines of inquiry which are similar to those investigated by the National Anticorruption Prosecution Department (“PNA”) during the period March - October 2004, but ultimately did not result in any official charges being brought. We also believe that we can quickly and comprehensively respond to the matters raised by the Prosecutor’s Office.

However, we will not accept any misuse of the Prosecutor’s office or authority to unjustly harass our personnel or our company via multiple, prolonged, or unjustified inquiries. To protect our interests we have retained top local and international lawyers and we will insist that the rights of both the individuals concerned and the company itself are protected according to the Romanian legal and constitutional norms as well as under international treaties to which Romania is a party.

Romanians suffered so long under an unjust system that I sometimes fear they have forgotten what justice is, and that they deserve to have it. Fortunately for all of us we live in a country that is integrating into the world community (NATO and the EU in particular).

Those of us raised under democratic systems know that justice has two components -- punishing the guilty to be sure but also allowing the innocent a chance to prove themselves under due process of law.

I am confident I will be able to write to you in next year’s Annual Report that “In 2005, justice was done.”

Philip Stephenson
Deputy CEO



ANNELIESE ANGHEL

Vice President, Human Resources and Shared Services

Anneliese Anghel is responsible for the development and implementation of Human Resources management systems and practices, for all Rompetrol companies and its subsidiaries. She has extensive experience in industrial relations and organizational restructuring, as well as in training and development. Prior to joining Rompetrol in 2000 she developed HR structures for the Building Company Bucharest, Mercury Promotions and produced HR diagnosis and strategic plans for several companies. Her aim is to design and implement a modern on-line HR system, able to respond to the fast changes of a dynamic company like Rompetrol, with HR results oriented to productivity, quality, innovation and performance. Mrs. Anghel graduated from Bucharest Civil, Industrial and Agricultural Constructions University and completed an executive MBA with the Harvard Business School.

ALEXANDRU BUCȘĂ

Vice President Finance

Alexandru Bucsa is responsible since 1999 with overseeing the day-to-day financial operations of Rompetrol including statutory accounting, management reports and operating budgets. Mr. Bucsa has many years of experience in the financial field, both as a Financial Manager and as a Chief Accountant. His work has focused on financial projects, where he developed analytical tools in order to monitor the business and to adapt it to the international financial standards, as well as to provide workable solutions to daily or strategic issues. Before joining Rompetrol Mr. Bucsa was Financial Manager of RJ Reynolds Tobacco where he supported a four-time increase of the corporate market share during his tenure. Mr. Bucsa graduated from the Bucharest Academy of Economic Studies and completed an executive MBA program organized by Bristol University and KPMG.

DORIN GHERMAN

Vice President Marketing

Dorin Gherman is responsible for realizing Rompetrol's marketing strategy, by taking lead responsibility for the marketing mix and setting the corporate marketing agenda. From this perspective, he works closely with the Group management team to agree marketing priorities and to formulate short, medium and long-term plans, in accordance with the corporate vision and strategy, and to ensure that marketing support is provided for strategic initiatives across the business. Mr. Gherman, who joined in 2005, is also in charge with the initiation, development and delivery of marketing solutions for the organization, ensuring collaboration and connectivity between corporate marketing and individual practices. He started his career as a Brand Manager in Brau Union Romania having an ascending professional evolution. Mr. Gherman graduated from Timisoara Institute of Economic Studies.

ERIC KISH

Vice President Business Development, M&A

Eric Kish has focused his career on turnaround management, having restructured five companies in the last six years, the latest being the Petromidia Refinery. Currently he is the VP for Business Development and M&A and leads the regional expansion program of the Rompetrol Group, which he joined in 1999. Prior to joining Rompetrol, Mr. Kish had a 12-year expatriate career with the Tetra Pak Group in Sweden and Romania, with ELWE Electrical Equipment in Germany and with Eshed Robotec Industrial Automation in Israel, Hong Kong, the US and Holland. Mr. Kish holds an MSc in Power Electronics from the University of Bucharest and is a graduate of the executive MBA program of Carnegie Mellon University.



DUMITRU MĂNOIU

Vice President R&D, New Technologies

Dumitru Manoiu, is in charge of the R&D and new technologies programs for Rompetrol working closely with the management in identifying and formulating new areas of development for the business. Prior to his current position he was the CEO of Rompetrol's Vega Refinery since 1999. Before joining Vega Mr. Manoiu was Principal Researcher and Scientific Manager for the Research Institute for Petroleum Processing and Petrochemicals (Romania) and the Tokyo Institute of Technology for more than 27 years. He has developed more than 27 technologies based on new zeolite catalysts, and holds 31 patents. He also acted as a consultant in the field of abnormal situation management and engineering for petrochemical plants and refineries. Mr. Manoiu holds a MS degree and a Doctoral degree in Chemical Engineering from Bucharest Chemical Technology School and from Tokyo Institute of Technology. He also holds an UNESCO expert degree in the field of Petroleum Processing and a Best-in-Class Refinery Performance certificate from Performance Management Inc, USA.



BOGDAN POPESCU

Senior Vice President Upstream

Bogdan Popescu is in charge since 2003 with designing and implementing the overall upstream strategy and activities of Rompetrol: exploration and production, drilling and well services. Until 1968 he worked as a geologist with the Romanian State Company for Mineral Resources as an exploration geologist, and, later, joined the Institute of Geology and Geophysics to work as an earth scientific researcher. He also supported part-time the activities of the Petrology Chair of the University of Bucharest and successfully completed several post-graduate courses in management and petroleum operations. In 1980, Mr. Popescu joined Petroconsultants and acted successively as Editor of the Foreign Scouting Service, Chief Editor of that same department, and later Vice President of the Information Research Division and General Manager for Europe Energy Division. Mr. Popescu also acted as Senior Vice President for Millennium Oil Australia CEO of Millennium International Resources Corp. Switzerland. Mr. Popescu holds MSc and PhD degrees in sciences from Bucharest University.



SORIN POTÂNC

Vice President and CEO of Rompetrol Rafinare

Sorin Potanc is in charge of running Rompetrol's largest asset, the Petromidia Refinery. Before joining Rompetrol in 2002, Mr. Potanc worked with the Romanian National Oil Company – SNP Petrom, as project manager for Iran and India, his tasks including the supervision and conclusion of investment projects and development projects. Previously Sorin Potanc was secretary of state with the Trade and Industry Ministry of Romania, coordinating regional and European integration and supervising bilateral economic relations with EU countries. Mr. Potanc was also the executive director of the Business Advisory Foundation in Baia Mare and credit administrator with Bucharest Bank. Mr. Potanc is a graduate of the Bucharest Polytechnic Institute with a MA in equipment and installations for extractive metallurgy. He also completed an MIB program with the Bucharest Academy of Economic Studies.



ION STURZA

Vice President for Russia and CIS

Ion Sturza coordinates Rompetrol's activities in Russia and the CIS. Acting also as CEO of Rompetrol Moldova, Mr. Sturza is actively involved in designing and implementing the business strategy and expansion plans of the Group in the region. Prior to joining Rompetrol in 2003, Mr. Sturza started and operated several businesses in Moldova and the CIS, developed a banking career with FinComBank, and served in government and public administration. He is a former Prime Minister of Moldova, the pinnacle of a political track he had since left behind to return to private business. Involved in civic organizations he serves as the President of "Junior Achievement Moldova" and is the honorary consul of Kazakhstan in Moldova. Mr. Sturza holds degrees from the University of Moldova and Moscow Institute of Economic Studies.

ROMPETROL -
THE ENERGY OF A
MODERN SOCIETY



Rompetrol Creates Energy for a Quality Life

Rompetrol – The Energy of a Modern Society

In 2004, Rompetrol, the largest Romanian group of private companies, confirmed its potential by closing the year with outstanding results and establishing a strong reputation in Romania and in the region. The Rompetrol brand is not only synonymous with oil products and services, but it is also identified with the concept of quality.

Rompetrol represents a lively value in modern Romania, continuing to grow and develop. Today we can truly speak of a renewed country, with Romanians proud of their achievements and who choose to move onward guided by national values. They prove Romania has now a new set of strong and stable features, comparable with any other European Union country. These Romanians, independent, emancipated, and living life with passion, will be proud to call themselves European Romanians.

New thinking is supported by new values. Rompetrol fuels the independence, success and energy of the Romanian society towards a life of quality and safety, a pragmatic mentality, a clean environment, and a modern and valuable Romania.

Rompetrol is the quintessence of Romanian corporate success, an undisputed promoter of specific local values fine-tuned and fully adjusted to the new global environment. The growth strategy of the Rompetrol Group is evidence of the maturity of Romanian capital, the Company being the most important

example of the globalization of the business environment in Romania, acting as a catalyst for the regional expansion of Romanian business in general.

Rompetrol is identified today in everyone's mind with the very attributes of a modern Romanian society. The Rompetrol brand reflects the personality of a group of independent Romanian businesspeople with vision and a passion for quality.

They sustain the force and expansion of a brand that is understood and profitable on any Southeastern European market. Both in business and in communicating Rompetrol speaks an universal language: the language of those motivated by their national values, with a free mindset, and who place passion in overachieving. Rompetrol sums up the most representative values of any developing, young, and modern market.

The Rompetrol Group maintains European level quality on its domestic and regional markets for all its technology, products, and services. We can only talk of quality if we notice it in the progress and the comfort level of a developing society. To this end Rompetrol has a commitment to support community life by taking care of the environment, being a responsible corporate citizen, and standing behind education and arts in Romania.

Today we can truly speak of the largest private group of Romanian companies, 2004 being the year in which Rompetrol Group has reached maturity as an independent

company. This is the time in which the vision and expectations of those led by internal energy and the will to succeed enter a new era. For at Rompetrol achievements are not an end but just as many new ways of understanding business evolution. The energy of success continuously opens new directions for Rompetrol.

The energy invested in Rompetrol is the profitable energy carrying society ahead.

Rompetrol Values

The Rompetrol Group

Rompetrol Group, the largest Romanian group of private companies, creates the energy of a modern, developing society. Rompetrol maintains its Romanian leadership position, providing the power for a better life through superior technologies, products, and services for industry and society.

Rompetrol Values

The Rompetrol brand is built on the values of those who work at, and form the Rompetrol Group – a powerful brand born of people with strong personalities. The force of this unique brand relies on what we do and what we are.

National Pride/Romanian Success

The Rompetrol Group is comprised of daring Romanians with a passion for success, people with the strength to build a powerful and lively business in Romania. What we do for the country is representative for what Romania communicates further.

Independence

With its unconventional and intuitive thinking Rompetrol follows its unique path. Developing by using its resources the Company invests in unconventional business concepts on the domestic and regional markets. Rompetrol has the unique vision of a powerful, independent company.

Creativity for Quality

We surpass quality standards providing the society with the energy for a better and simpler life. The Company constantly invests in and renews its technology. The Rompetrol products and services constantly fuel new development directions for the society.



ACTIVITIES

UPSTREAM
MIDSTREAM
DOWNSTREAM
SERVICE COMPANIES

In the next pages, we kindly invite you to take a better look at the components of the Rompetrol Group, a strong group of integrated companies which provide oil products and services, as well as other support services such as: maintenance, transportation, ecological services, etc.

While in the past years we prepared the ground for consolidation and construction, starting from 2004 we began reaping the results of our efforts, investments and efficient management applied constantly within Rompetrol. This is the evolution and success story in 2004 of a complex industrial group which developed the culture of a winner and which is currently expanding its regional network. Welcome to Rompetrol!

Upstream

Rompetrol Upstream went through a process of development and consolidation of its component units in 2004. As such, the first two concessions in Romania were awarded to the Exploration and Production Division, business expanded in Kazakhstan and the Middle East for Well Services, and we consolidated our market and diversified services in Libya for the Drilling & Workover Division.

The outlook for strong demand is healthy in the petroleum service industry both at home and abroad. At the beginning of this year, our drilling and well service units already signed strategic alliances with two world-class foreign companies. Moreover, negotiations for exploration and production contracts started in 2004 are advancing and we are confident we will reach a positive conclusion before the end of this year.

Exploration and Production (E&P)

Key 2004 Achievements

- *Obtained licenses for the first two production fields in Romania for the E&P Division*
- *Expanded business in Kazakhstan and the Middle East for the Well Services Division*
- *Consolidates market and diversified services in Libya for the Drilling Division*
- *Started negotiations for international exploration and production contracts*

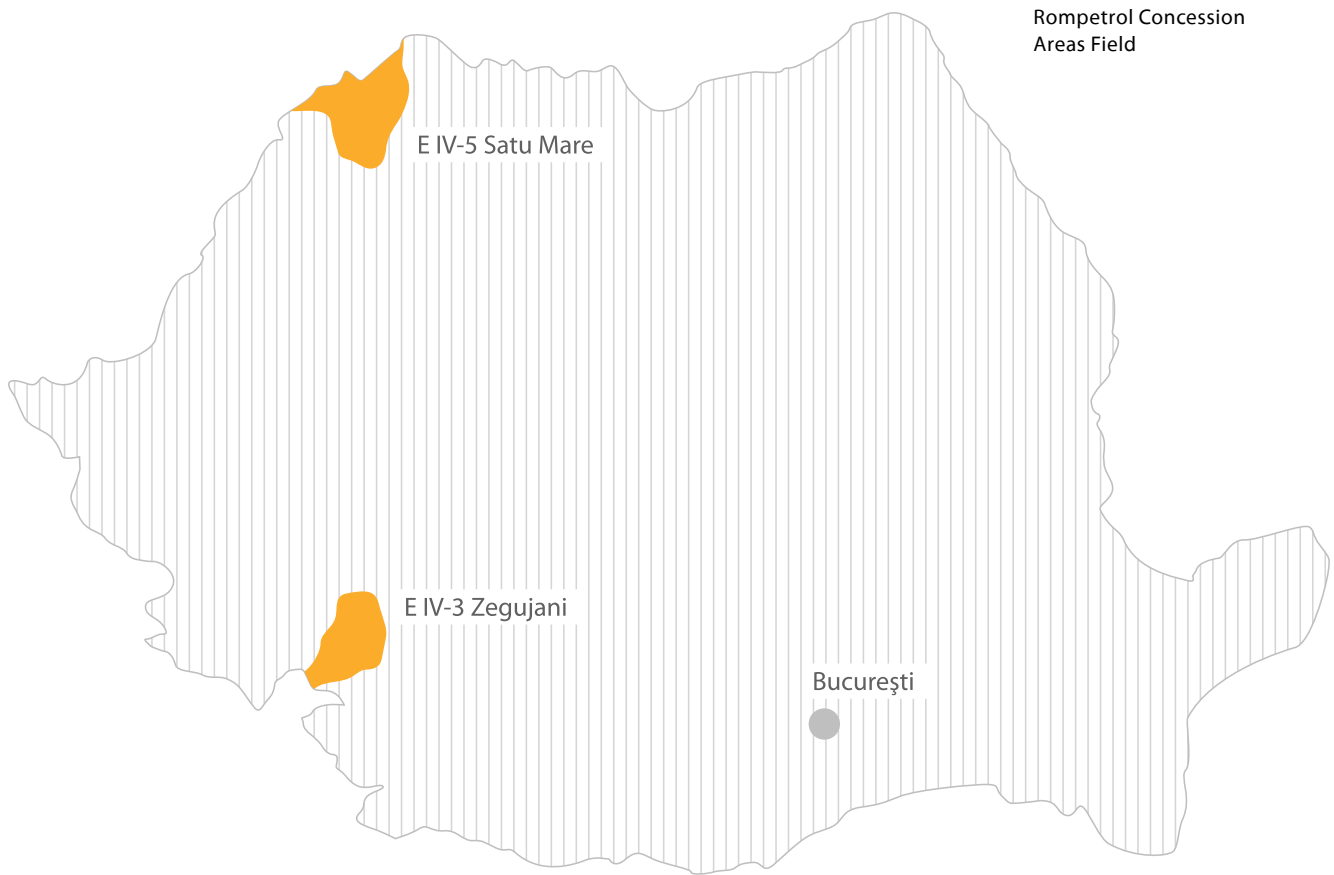


Romania: Contract Area Summary	Zegujani (EIV -5)	Satu Mare (EIV -3)
License Area	1,777 sqkm	2,949 sqkm
Location	Getic Basin - SW Romania	Pannonian Basin - NW Romania
Award	September 2004	September 2004
Phase I	September 2007	September 2007
Commitment	USD 2.5 million	USD 6.6 million

Key 2004 Achievements

Romania: signed with the National Agency of Mineral Resources (ANMR), effective September 2004, two exploration and production agreements to explore and produce in Zegujani and Satu Mare blocks for a period of maximum 30 years.

Ecuador: sale of Block 11 in the Oriente to CNOC Amazonas (Chinese National Oil Company) thus complying with the strategy of asset disposal.



The E&P division has been evaluating a number of producing or development properties in Romania, Kazakhstan, Russia, Oman, and Tunisia. This is an ongoing effort with the aim of buying stakes in producing fields in "close to home" areas: CIS, Middle East, Northern Africa.

Key 2005 Objectives

On the international stage the Company is looking to sign an exploration and production joint venture with local partners in the CIS.

In Romania we will concentrate on the two concessions signed in 2004 continuing to reprocess old seismic data, conduct new seismic acquisitions, processing and interpretation, conclude the exploration well design and tender to select a drilling contractor.

Drilling and Well Services



Drilling, Workover and Well Services are the oldest and most experienced entities of the Rompetrol Group. The list of services provided is wide ranging from wildcat and production wells drilling, well cementing, completion and testing, to workover and production formation stimulation.

Key 2004 Achievements

The division continued its international expansion and consolidation of existing markets such as Libya, Romania, and Kazakhstan. We returned to the Jordan market through cementing services and pre-qualified in Oman with PDO for well services. In Oman we set up a joint venture with a local partner aiming to sign a long-term contract in 2005. Starting from this point further expansion in the Persian Gulf area is being evaluated.

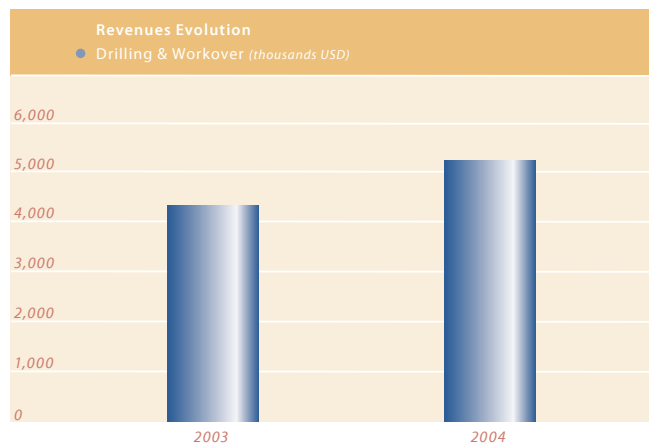
LIBYA: We consolidated our well services market and started diversifying our offer to include: seismic acquisition, reservoir engineering and reservoir geology consultancy, cementing services, water drilling, etc.

KAZAKHSTAN: we have opened the second operational base in Kazakhstan and passed the mark of \$1 million annual revenue.

OMAN: Rompetrol was pre-qualified with PDO (Oman National Oil Company) for cementing services. During the period under review, an offer for a long-term contract was submitted to PDO.

Despite the first half-year decrease of the domestic market, 2004 figures were well above those of 2003. This came as a result of our strategy designed to:

- increase the volume of international operations, namely in Northern Africa, Caspian Sea Region, and the Middle East
- enlarge the services range provided and diversify customer portfolio



Key 2005 Objectives

- Closing E&P business agreements with CIS partners
- Expanding on the Libyan market by increasing the number of wells and diversifying services
- Market consolidation in the Middle East with a focus on Oman
- Doubling turnover in Kazakhstan compared with 2004

Key Financial Data (Drilling & Workover Division) <i>(all figures in thousands USD unless otherwise stated)</i>	2004	2003	%
REVENUES	5,287	4,364	21
GROSS MARGIN	2,725	1,934	41
EBITDA	1,259	969	30
CAPITAL EXPENDITURE	411	35	1,059

according to International Financial Reporting Standards - IFRS

Key 2005 Objectives

In Romania we aim to continue expanding our well and workover services market, upgrade operation standards to fully comply with domestic and foreign customer requirements.

In Libya we actively work for market expansion by increasing the number of rigs and offering diversified services.

At the same time we are looking at entering or consolidating our position in high quality standard markets in the Middle East, focusing on Oman. In UAE and Qatar we have been monitoring the market evolution and are evaluating various well service opportunities. We still plan to return to the Iraqi market once we can ensure the security of our staff and operations there.

In Kazakhstan we envision a doubling of our turnover compared to 2004, on the back of continued development of our operation basis and expansion of client portfolio.

Rompetrol Well Services (Petros)

Key 2004 Achievements

- *Opening of a second operational base in Kazakhstan*
- *Starting the first independent cementing services contract in the Middle East (Jordan)*
- *Closing a contract for Romania with an important international well services company*
- *Focused on expanding international operations*



Key 2004 Achievements

Rompetrol Well Services (RWS) is a TRG member company specializing in oil and gas field well services. In 2004 the Company continued to expand its offer and implemented advanced process programs for all domestic and international operations.

RWS also opened the second operational base in Kazakhstan, started its first independent cementing services contract in the Middle East (Jordan), and concluded a Joint Operation Agreement for Romania with a major international well services company.

The Rompetrol Well Services 2004 financial results were well above those registered the previous year despite a demand fall on the domestic market. The Company managed to shift focus fast and registered significant orders increase stemming from its international operations in the Caspian Sea region and the Middle East.

In 2004 RWS continued its guiding principle of diversifying and balancing its client portfolio to ensure revenues steadiness. The year marked a milestone in technology investments. Almost 50 percent of the equipment now used for cementing services is brand new, adapted to oilfields specific conditions and allowing for high process efficiency. Additionally, a new cementing process software was implemented for all services provided in Romania and abroad.

The year marked also a turnaround in the recruitment policy of RWS, following a restructuring process. We started an intensive recruitment of young, experienced field engineers accompanied by specialized training of existing staff with the aim to have all operations supervised by university educated personnel.

Key Products & Services

RWS performs special services in oil and gas fields at home and abroad. Services include cementing, sand control, stimulation, testing, slickline and casing running, etc. An average of 500 casing strings and liners ranging in depth from 500m to 4,500 m are cemented each year by RWS. Sand Control is performed for more than 100 oil, gas and gas storage wells per year.

Stimulation services range from nitrogen treatments and acidizing to hydraulic proppant fracs. Stimulation Crews are servicing a number of well sites daily and Drill Stem Tests are carried out for every customer. Slickline Services, Casing and Liner running of all sizes as well as other special services are delivered to the majority of all operators and drilling companies in Romania.

The job design for above services is done in-house in close co-operation with the client. All necessary equipment, tools and chemicals are provided by RWS, which also offers tools for rental.

Through its headquarters in Ploiesti, Romania, RWS supervises all the ongoing projects and provides the technical support in its area of expertise for 10 Company locations in Romania, Kazakhstan, Azerbaijan and Jordan.

Key 2005 Objectives

- Upgrade cementing technology and operation standards
- Invest in modernizing equipment to reach a ratio of 60 percent new tools
- Develop the operational basis in Kazakhstan and seek a strategic alliance with a local partner in the Middle East
- Expand the client portfolio, aiming to double gross revenues

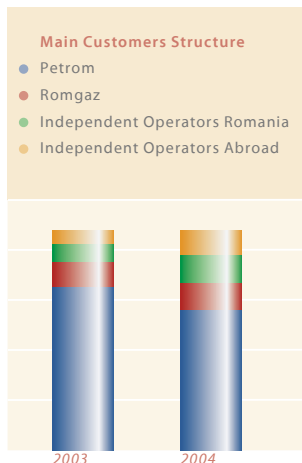
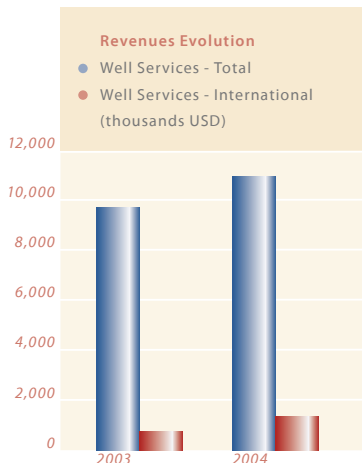
KEY FINANCIAL DATA <i>(all figures in thousands USD unless otherwise stated)</i>	2004	2003	%
REVENUES	14,070	15,690	(10)
GROSS MARGIN	3,276	3,170	3
EBITDA	2,195	2,328	(6)
CAPITAL EXPENDITURE	1,891	1,554	22

according to International Financial Reporting Standards - IFRS

Key 2005 Objectives

RWS plans to upgrade cementing technology and operation standards to fully comply with major domestic and international operators requirements. The Company will continue to invest in modernizing its equipment and plans to reach a ratio of 60 percent new tools by the end of 2005.

In 2005 the Company will continue to develop its Kazakhstan operational basis and seek a strategic alliance with a local partner in the Middle East. We will also activate the domestic Joint Operation Agreement signed in 2004 and expand the client portfolio, aiming to double our gross revenues.



MIDSTREAM

Refining and Marketing

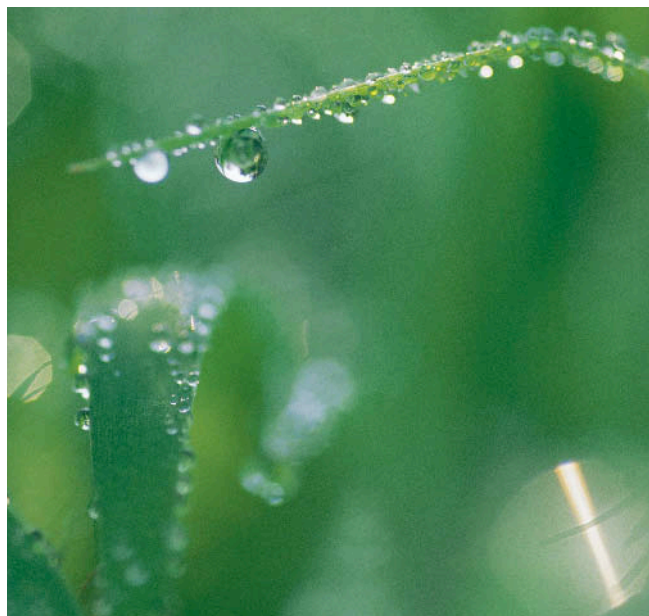
The two TRG refineries, Rompetrol Rafinare-Petromidia (located in Navodari on the Black Sea coast) and Vega (located in Ploiesti) cover together 32 percent of Romania's refining capacity. Rompetrol Rafinare is the most modern refinery in Romania with an annual nameplate capacity of 4.8 million tons and 3.3 million tons of processed crude in 2004.

Petromidia is the only Romanian refinery on the Black Sea coast enjoying a competitive advantage due to easy access to maritime and river transportation routes. Vega, is a small an flexible refinery with a capacity of 500.000 tons per year, specializing on processing alternative feedstock and producing ecological solvents, road and special bitumen, ecological heating oils, and other specialty products.

Rompetrol Rafinare (Petromidia)

Key 2004 Achievements

- *Listing on the Bucharest Stock Exchange and inclusion in the blue chip BET index*
- *Posting a net profit for the first time in the 30-year history of the refinery*
- *Increased operational profit more than five fold*
- *Building a modern Control and Command Center digitally controlling all the technological processes*
- *Installing a new HPM resulting in increased capacity and the ability to produce low sulfur diesel Euro 5 (10 ppm)*



Key 2004 Achievements

Rompetrol Rafinare reached several milestones in 2004. In April the Company was listed on the Bucharest Stock Exchange moving from the OTC market, RASDAQ. By December it was included in the blue chip BET index as a result of investor's interest in the company and positive stock performance. Rompetrol Rafinare, which trades under the symbol RRC, has been one of the most liquid stocks in 2004 and ended the year with a gain of more than 130 percent.

The Distributed Control System, a \$33 million automation project, inaugurated in November, delivered full automation of the Petromidia refinery, from modernizing the existing control units and the automation of all systems, to controlling all the technological processes from a single digitized Control and Command Room. This marked an improvement in our operating and maintenance culture that reflected positively in the refinery's bottom line.

As such, the Company ended 2004 with a net profit of \$11.8 million this being the first year of net profit in the 30-years history of the refinery. Even more significant was the five-fold increase in the operational profit, reaching \$86.4 million on gross revenue of \$1.44 billion.

In 2004, Rompetrol Rafinare increased its sales both on domestic and foreign markets, expanding its position as a producer and supplier of a high quality, diversified range of petroleum products and services to Southeastern Europe and beyond.

Significant Technological Upgrades

The Company's management structure has been constantly improved resulting in a better coordination and control of production flow. Continuous training enabled staff and management to make a swift transition to a state-of-the-art refining technology.

Distributed Control System:

Automation process that transferred existing plant controls to modern digital control systems, allowing for a more reliable and safer operation of the units, a drastic reduction of operational errors, an overall improvement of the capacity utilization and its products yields, and a tighter control of the quality of the products.

Diesel Hydrotreater:

Installing a new reactor in the existing unit that resulted in a capacity increase and the ability to produce low sulfur diesel.

Fluid Catalytic Cracker:

Upgrade of the heat removal system at the top of the main column and at the top of the debutanizer column in order to increase the unit capacity and comply with new European standards for gasoline and LPG.

Vapor Recovery Unit:

Installed the unit to recover volatile emissions of organic compounds during storing and shipment of gasoline in order to satisfy international standards for environmental protection.

Sour Water Unit:

Installing of a new tank to allow the storage of refinery's sour water residues in order to improve the efficiency of the stripping column and to protect the wastewater system.

In 2004 Rompetrol IT Shared Services continued to develop the IT Infrastructure (including data and voice) implementing new information systems and improving the functionality of the existing networks. Two major projects started last year are ongoing:

Optical Fiber Ring: will connect all computerized workstations from the refinery to the Rompetrol Network at high speed and with high reliability.

Investments 2004	USD
Investments in Technology	18,778,679
Investments in Environment	4,280,700
IT Investments	1,393,201
Asset acquisition	771,086

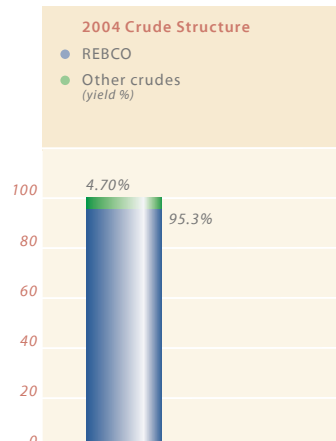
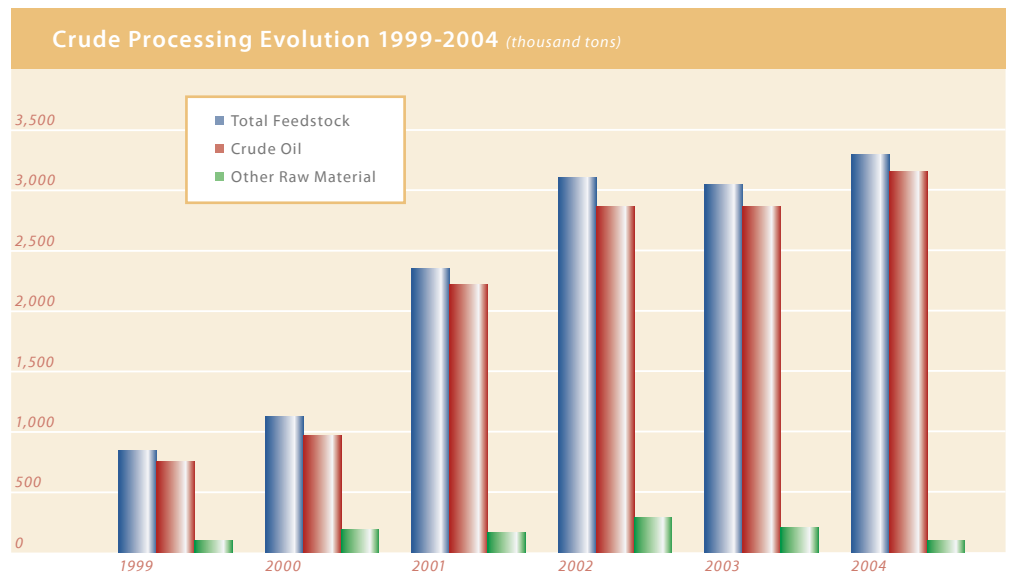
Data Center: a new location for servers and core infrastructure equipment which will maximize the data availability, reliability,

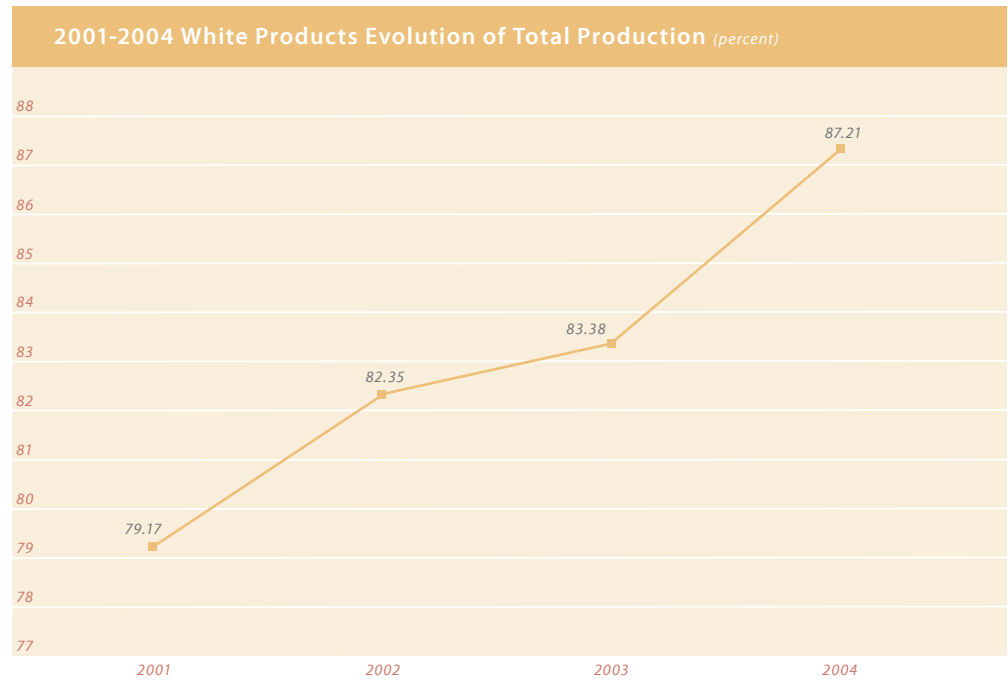
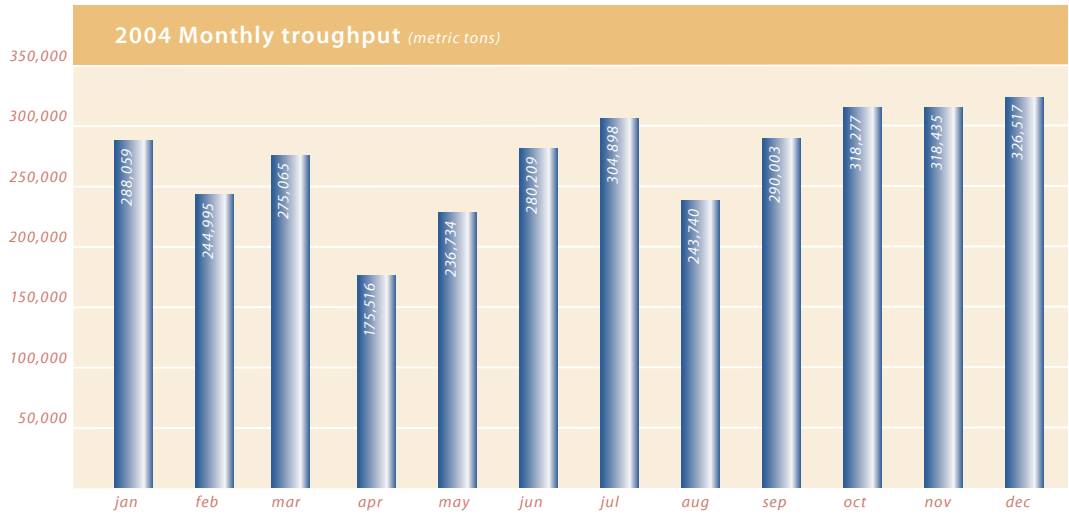
and redundancy, guaranteeing excellent uptime and performance for our information systems.

Key Products and Production Results

	Total Feedstock	Crude	Other Feedstock
metric tons	3,302,448	3,172,479	129,969

The refinery processed 3.3 million tons of feedstock in 2004 resulting in more than 3 million tons of finished products.



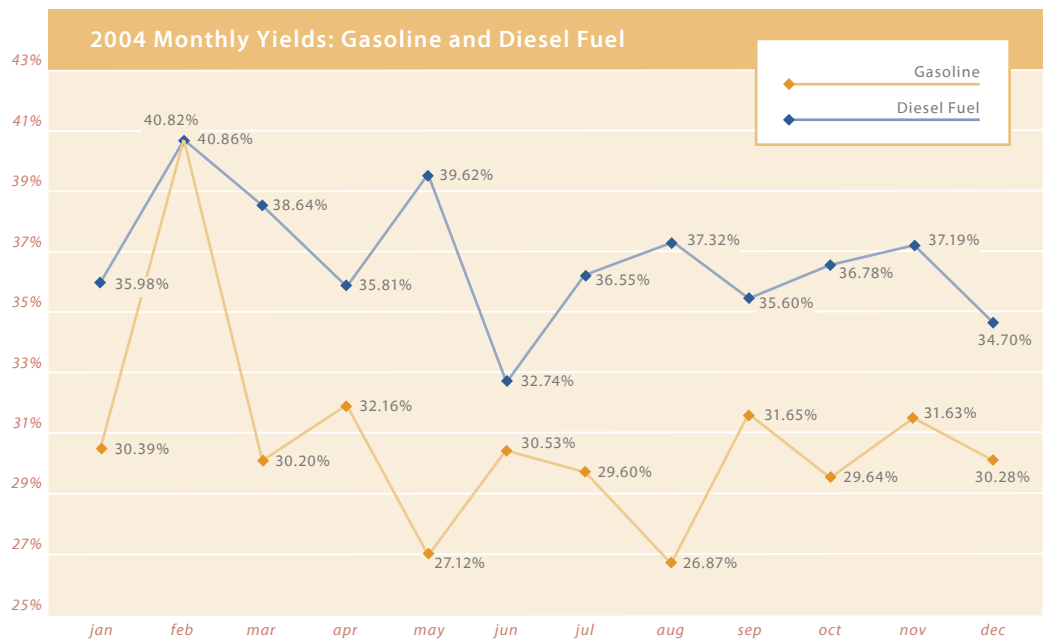


With a high yield of white products (gasoline and diesel), the refinery is the most modern facility in Romania and is approaching yields and efficiency levels of Western European refineries.

In line with the demand and consumptions structure in our traditional markets, the refinery increased its output of diesel auto fuel, which now represents more than 35 percent of the entire production. Our output of

diesel is likely to increase in the future as we constantly monitor market developments and fluctuations.

Refinery Yields	metric tons	%
Total Feedstock	3.302.448	100
Crude	3.172.479	96,06
Other feedstock	129.969	3,94
Finished Products	3.075.068	93,11
Gasoline:	1.018.323	30,83
• Auto	933.954	28,28
• Unleaded Gasoline	93.649	2,84
• Europlus Unleaded Gasoline	707.927	21,43
• Natural gasoline type 92	132.378	4,01
• For chemical use	84.369	2,55
Diesel	1.212.762	36,72
• Auto	1.168.610	35,38
Light fuel oil	25.916	0,78
LPG	158.290	4,79
Propylene	72.460	2,19
Other finished products	587.317	17,80
Unfinished products	(14.549)	-0,44
Total consumption	241.929	7,33



Market Details

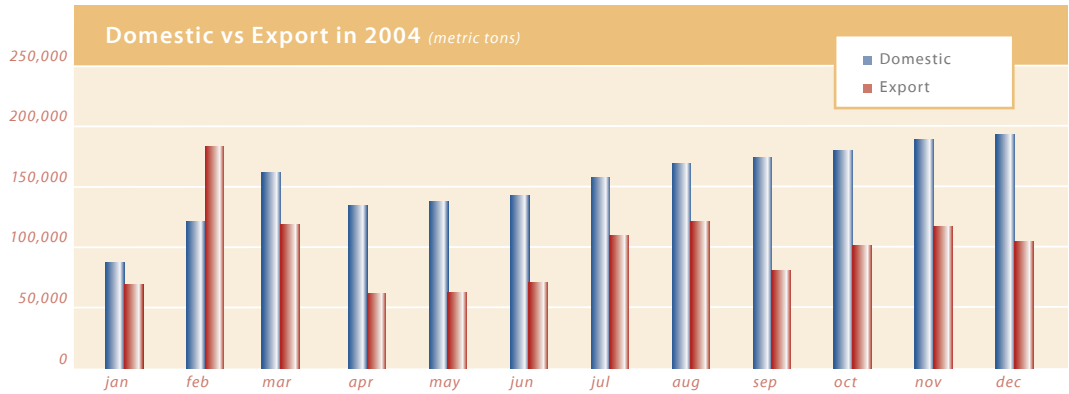
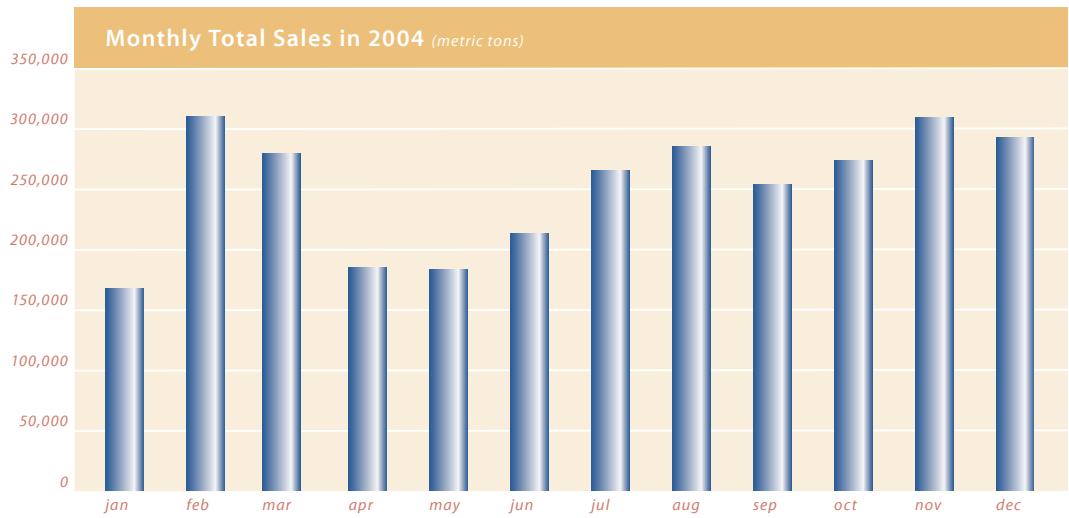
In the regional markets, the Company extended its sales to countries like Moldova, Bulgaria, Turkey, Georgia, Hungary and has developed stable exports to Croatia, Bosnia, Albania, and Western Europe. We offer a diversified range of products in line with European quality and environmental standards.

We increased sales by developing lasting trading partnerships at home and abroad.

Rompetrol Rafinare’s main domestic customers in 2004 were: Rom Oil, Rompetrol Downstream, Rompetrol Vega, OMV Mineral Oel, Shell. The main foreign customers were:

TRG, Kronos, Litasco, Abilo, Rompetrol Moldova, Rompetrol Bulgaria, Transamonia.

In 2004, Rompetrol Rafinare increased its domestic market share to 32 percent compared with 28 percent in 2003.



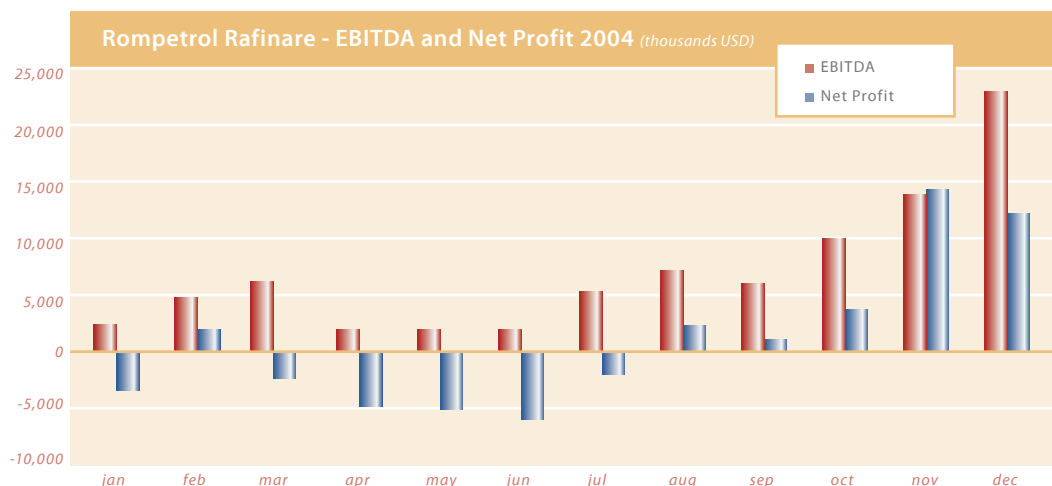
Romp petrol Rafinare posted 2004 gross revenue of \$1.44 billion, operational profit of \$86.4 million and a net profit of \$11.8 million.

By improving the efficiency of the refining and trading activities, Rompetrol Rafinare registered a five-fold increase of the operational profit in

2004 compared to the previous year and, for the first time in its history, a net profit.

KEY FINANCIAL DATA <i>(all figures in thousands USD unless otherwise stated)</i>	2004	2003	%
GROSS REVENUES	1,444,502	1,138,366	27
GROSS MARGIN	90,253	35,591	154
EBITDA	86,347	16,091	437
CAPITAL EXPENDITURE	19,264	21,539	(11)

according to International Financial Reporting Standards - IFRS



Key 2005 Objectives

- Intensify technological investment projects meant to support a long-term competitive advantage
- Surpass quality and environmental standards under domestic and international regulations
- Continue to increase production capacity by debottlenecking and boosting revenues

Key 2005 Objectives

Romp petrol Rafinare will continue its investment program in order to maintain a competitive advantage and surpass quality and environmental standards under domestic and international regulations. Development plans for 2005 include:

Removal of the C5/C6 Cut from hydro-treated naphtha resulting in de-bottlenecking of the Platforming Unit allowing the reduction of benzene production in line with recent fall of the aromatics market as well as in compliance with European standards on benzene level in gasoline fuel.

Jet Hydro-treating Unit: installing a new reactor in the existing unit in order to increase the unit capacity and to produce low sulfur content diesel.

Diesel In-Line Blending:

enabling production of higher value products at reduced costs through a better utilization of the feedstock and additives. A new installation will allow more flexibility to adjust production to specific market requirements, meet tighter delivery commitments to key customers through improved planning and on-the-spot response to given volume/quality customer demands.

New Diesel Drying Unit incorporated in the existing Diesel Hydro-treating Unit in order to dry the hydro-treated diesel to specified requirements.

Upgrade of the sour water system: replacing the existing tower with a new more efficient one that will allow compliance with new stricter EU environmental regulations.

Upgrade of the Sulfur Recovery Unit to improve burning of acidic gases from Sour Water Stripper in order to improve air quality.

Upgrade of the VGO Hydro-treating unit by installing the new EQUIFLOW feed distributors in order to increase VGO hydro-desulfurization.

Upgrade the existing SMR Unit by installing gas separating membranes for hydrogen recovery to improve the refinery hydrogen balance.

Vega Refinery

Key 2004 Achievements

- Increased investments by 117 percent compared to previous year
- Improved product quality, industrial processes safety and environmental protection
- Modernized N-Hexan processing units
- Implemented a new measurement and monitoring system to supervise product loading and transportation

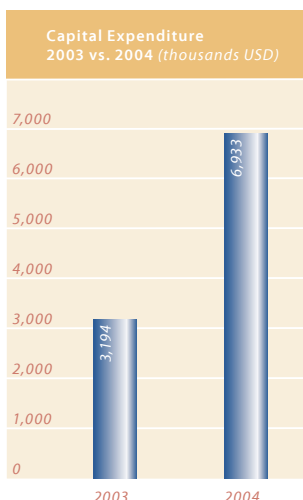
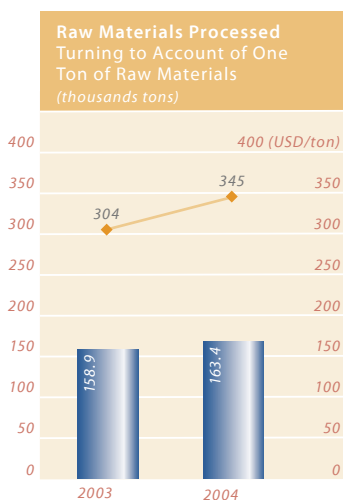


Key 2004 Achievements

Vega Refinery is specialized in manufacturing specialty, high yield products such as: ecological solvents, extraction gasoline, special bitumen, ecological heating oil, etc.

In 2004 the refinery had a better turning to account of raw materials, obtaining \$345/tons in 2004 compared to \$304/tons in 2003. We expanded our commodity markets and made several investments in the modernization of the refinery.

The 2004 investments reached \$6.93 million, an increase of 117 percent compared to the previous year. These investments improved product quality, safety of the industrial process, and environmental protection.



Vega is the only refinery in Romania able to produce ecological solvents with low content of aromatics and sulfur due to its solvents de-aromatization unit. In addition the Company also modernized its N-Hexane unit, built a wastewater retention basin to better protect the environment, and implemented a new measurement and surveying system at the loading unit to supervise the product shipment process.

Key Products and Services

Vega Refinery is the only Romanian producer of ecological solvents: **Ecological Extraction Gasoline – Rompetrol SE**

Normal Hexane

White Spirit

Rompetrol Ecological Heating Oils

Road and special Bitumen

Export sales increased by 27 percent in 2004, reaching 36,018 tons compared to 28,400 tons the previous year. This increase is due primarily to the expansion on the Turkish market with Normal-Hexane (4,838 tons in 2004 from 945 tons in 2003) and with solvents (6,724 tons in

2004 compared to 3,412 tons in 2003). Sales of White Spirits in Serbia and Montenegro grew to 9,240 tons in 2004 from 2,550 tons in 2003. The Company also started exporting heating fuel Calor to Serbia, selling 3,081 tons in 2004.

Key 2005 Objectives

- *Upgrading the Bitumen unit in order to produce Bitumen with additives*
- *Reducing energy consumption in order to decrease production cost*
- *Rehabilitation of internal roads, technological pipelines, and lighting network*
- *Expand the sales of Calor heating fuel by growing the distribution network*
- *Double our turnover by increasing domestic market share and exports*

KEY FINANCIAL DATA <i>(all figures are in thousands USD unless otherwise stated)</i>	2004	2003	%
GROSS REVENUES	62,567	69,675	(10)
GROSS MARGIN	12,400	10,204	22
EBITDA	3,400	1,807	88
CAPITAL EXPENDITURE	6,933	3,194	117

according to International Financial Reporting Standards - IFRS

The operational profit rose to \$3.4 million in 2004, up from \$1.8 million the previous year. Company gross revenues decreased by 10 percent in 2004 compared to 2003, as a result of adjusting production structures to market demands and to fiscal code regulations, as well as focusing on special products.

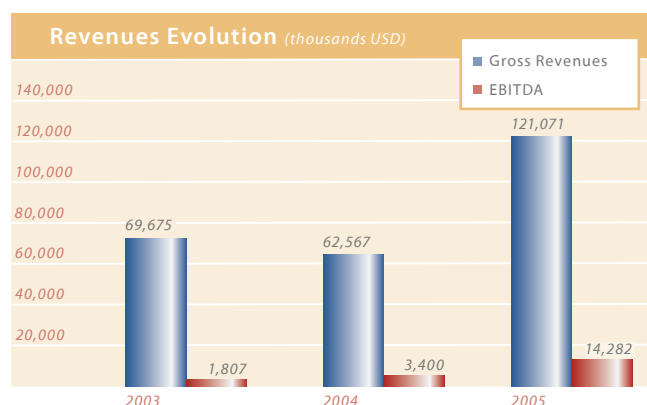
However, the gross margin increased by 22 percent especially due to a reduction of processing cost and a better turning to account of raw materials.

In 2005 we aim for an operational profit of \$14.3 on turnover of more than \$121 million.

Key 2005 Objectives

Investments in the modernization of the refinery will continue with a focus on: upgrading the Bitumen unit in order to produce Bitumen with additives, improving energy efficiency and reducing consumption in order to decrease production cost, and the rehabilitation of internal roads, technological pipelines, and lighting network.

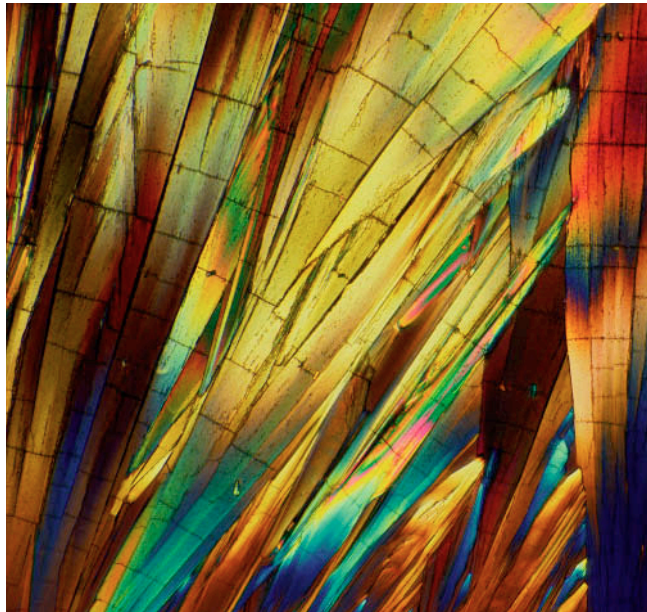
In 2005 we aim to double our turnover, increase domestic market share while also expanding our export markets to include Greece, double the sales of Calor heating fuel by growing the distribution network, and identify new sources of raw materials to meet increasing market demand for quality products.



Rompetrol Petrochemicals

Key 2004 Achievements

- Company turnover increased by 65 percent
- Operational profit increased by 130 percent
- Annual production rose by 17 percent and six new grades were manufactured to meet client requests
- Daily production output qualified for 240 tons
- Overall trading activity grew by 50 percent



Key 2004 Achievements

Rompetrol Petrochemicals focused on increasing production capacity and trading activities to create a strong and profitable petrochemical business. In comparison with the previous year the company's turnover rose by 65 percent and its operational profit by 130 percent.

The Company de-bottlenecked the existing polypropylene process in 2004, leading to the increase of daily production to 240 tons.

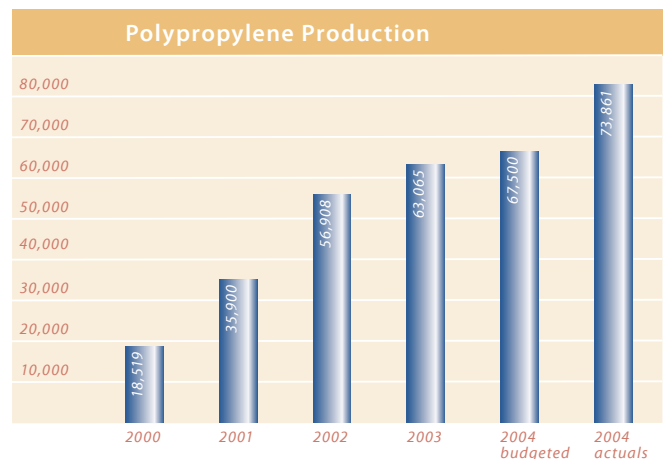
In order to achieve a critical mass, the Company managed to provide the necessary working capital to finance a 50 percent increase in trading activity. The business development plans had the support of new financing institutions, adding \$2 million of investment credit to the company's own resources. From the total amount of \$8 million commissioned for investments in 2004, 70 percent was dedicated to modernization, new technologies, and expansion projects.

Operations - short description of development of operations in 2004

Production

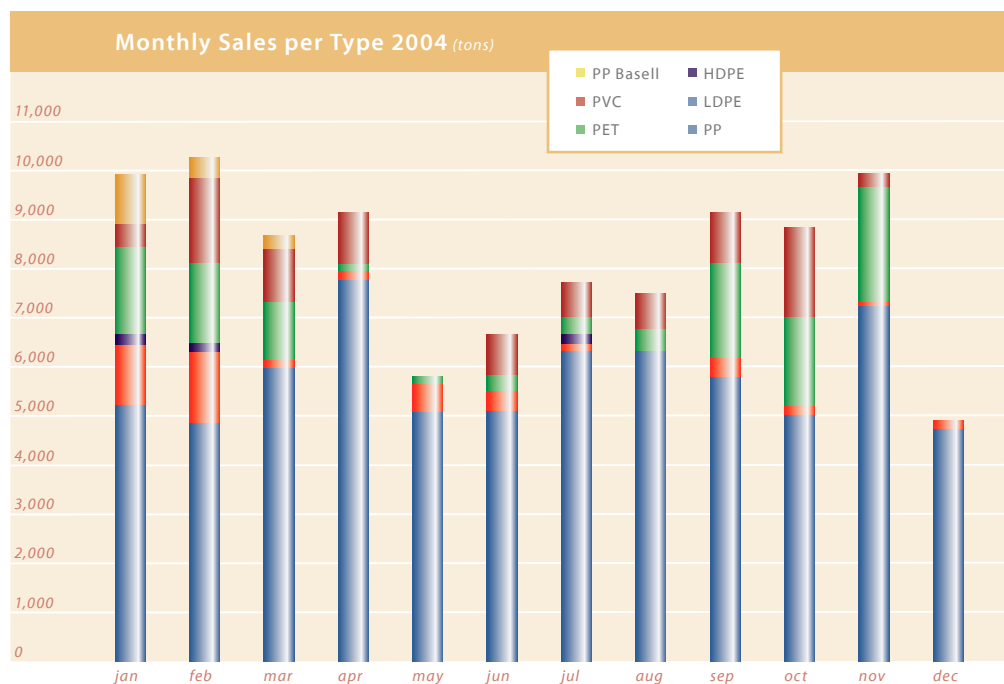
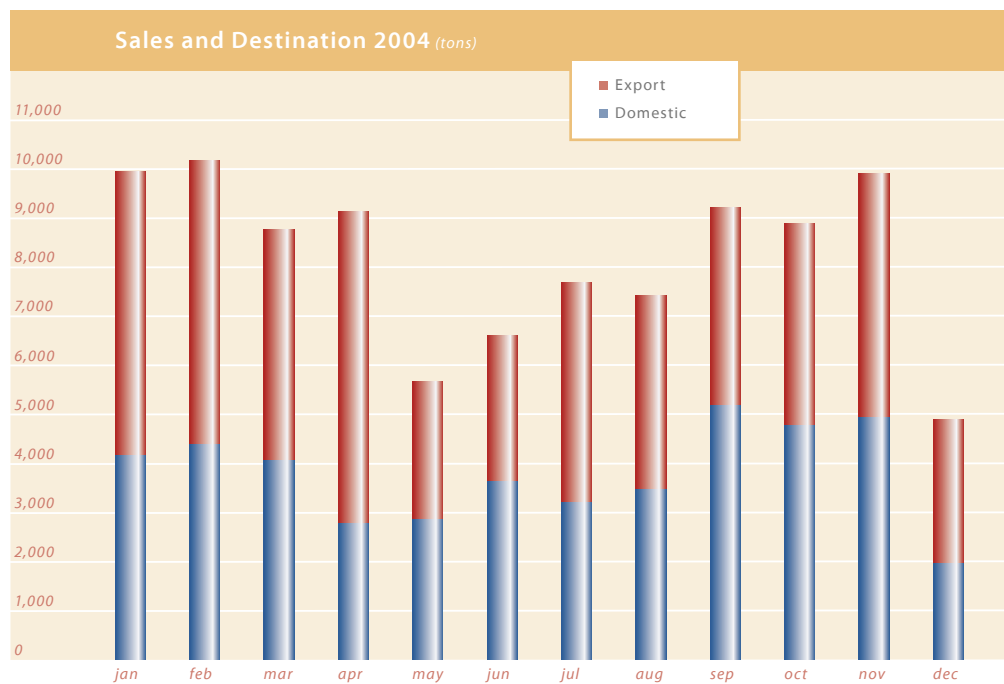
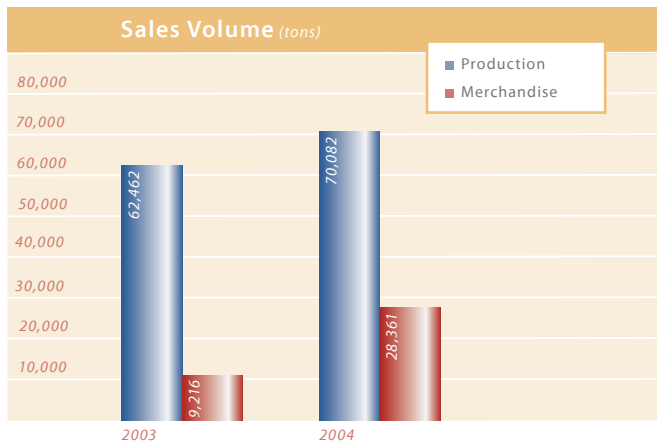
The polypropylene production, the Company's main activity, increased by 17 percent in 2004 compared with the previous year. Care to deliver products according to the clients' expectations and needs were rewarded by the positive

feedback that we received at the Rompetrol Petrochemicals' customers Annual Conference. Taking account of the particularities of internal and external demand, the Company extended its range of products to 52 grades.



Sales & marketing activity

The 50 percent increase in trading activity demonstrates the ability to operate on a wide range of petrochemical products and markets, paying special attention to direct sales to end customers.



Research & Development

The R&D activity focused on its dual mission of exploring and cultivating future opportunities, while enhancing the competitiveness of the existing business. During 2004, investments totaling \$2 million were directed towards purchasing new testing equipment for the laboratory, with direct consequences in delivering high quality products and services to customers.

Investments

During 2004, \$8 million have been invested in projects aiming at consolidating Rompetrol Petrochemicals' leading position on the market (modernization and revisions projects, asset acquisition) and also at expanding raw material supply and trade activities (cryogenic storage insulation and revamping).

Mothballed installations restart

Rompetrol Petrochemicals commitment towards restarting the Petrochemical installations currently mothballed was also underlined by the new impetus in the completion of various modernization and revision projects that have been included in the restarting strategy.

In the second half of 2004 Nexant ChemSystems performed a new market study to revise the domestic and regional petrochemical market trends and prices.

Key Products and Services

Rompetrol Petrochemicals is Romania's sole polypropylene producer with an actual market share of 70 percent. Rompetrol Petrochemicals production facility is located at Navodari, Constanta and has a nameplate capacity of 60,000 tons per year which was increased to up to 80,000 tons per year in 2004.

The main line of operations is the production of various polypropylene grades: for injection & blow moulding, films, monofilaments, fibers and tape. The Company also offers other products such as propane and steam for Rompetrol Rafinare and purified propylene, steam and brine for its own internal needs. In addition, Rompetrol Petrochemicals provides services for Rompetrol Rafinare (C5+ cut isomerization, laboratory analyses, products and chemicals storage).

Rompetrol Petrochemicals' main priority is to place its own products and to improve its position on the domestic market. However, the Company carries out a powerful trading activity that covers a wide range of petrochemical products that are not currently produced in the Rompetrol Petrochemicals facilities, but for which there is a strong demand on the Romanian market.

Polypropylene special grades and compounds, High Density Polyethylene (HDPE), Low Density Polyethylene (LDPE), PET are imported from third parties and sold under the Rompetrol Petrochemicals brand in order to balance the turnover and to increase market share.

Rompetrol Petrochemicals domestic market share reached 19 percent in 2004 for PET (a 15 percent increase compared to 2003), and 3.9 percent for LDPE (a 0.3 percent increase compared to 2003). Rompetrol Petrochemicals' sustained trading activity was also underlined by the high ranking in the hierarchy of National Trading of polymers:

Top of Exporters

PP homopolymer

1st place with a 97.7 percent quota

PET bottle

2nd place with a 10.9 percent quota

Top of Importers

PET

3rd place with a 21.9 percent quota

LDPE

3rd place with a 4.9 percent quota

Throughout 2004, Rompetrol Petrochemicals exports extended from one destination - Turkey - to new markets such as Italy, Slovenia, Serbia, Croatia, Moldova, Greece, and Russia. By the end of 2004 Rompetrol Petrochemicals' polypropylene has penetrated new markets such as North Africa, Poland and Iran.

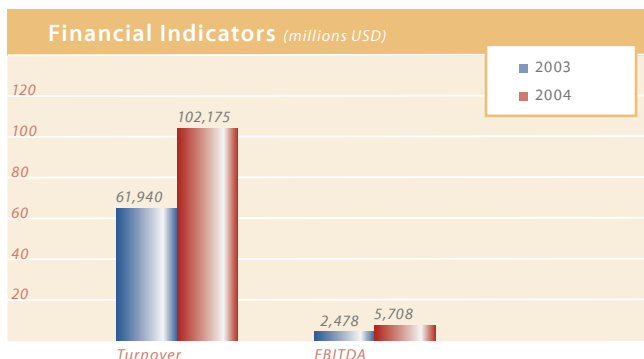
Key 2005 Objectives

- Increase trading activity by 40 percent and growing polypropylene production in order to raise turnover and net income by 50 percent
- Restart the LDPE Plant at nameplate capacity
- Complete the raw material (ethylene and propylene) cryogenic tanks insulation
- Commissioning the LPG terminal in the Midia Port

KEY FINANCIAL DATA <i>(all figures in thousands USD unless otherwise stated)</i>	2004	2003	%
REVENUES	102,175	61,940	65
GROSS MARGIN	12,093	4,060	198
EBITDA	5,708	2,478	130
CAPITAL EXPENDITURE	4,991	2,114	136

according to International Financial Reporting Standards - IFRS

The upward trend of petrochemical business is demonstrated by the 2004 financial data: 65 percent increase in turnover, 130 percent increase in operational profit, while the trading activity contribution to turnover rose from 23 percent in 2003 to 30 percent in 2004.



Key 2005 Objectives

We plan to increase the turnover and the net income by 50 percent, as a consequence of enhancing the solid product trading activity by 40 percent and growing the polypropylene production facility. Emphasis will also be placed on increasing trading activities and improving customer assistance.

The Company plans to restart the LDPE Plant at nameplate capacity until December 2005 - Rompetrol Petrochemicals will naturally benefit from its existing market contacts (the

Company has a 70 percent market share on the domestic polypropylene market, 2.7 percent of the polyethylene market and 19 percent of the PET market), especially since many of its traditional clients of polypropylene are also polyethylene consumers.

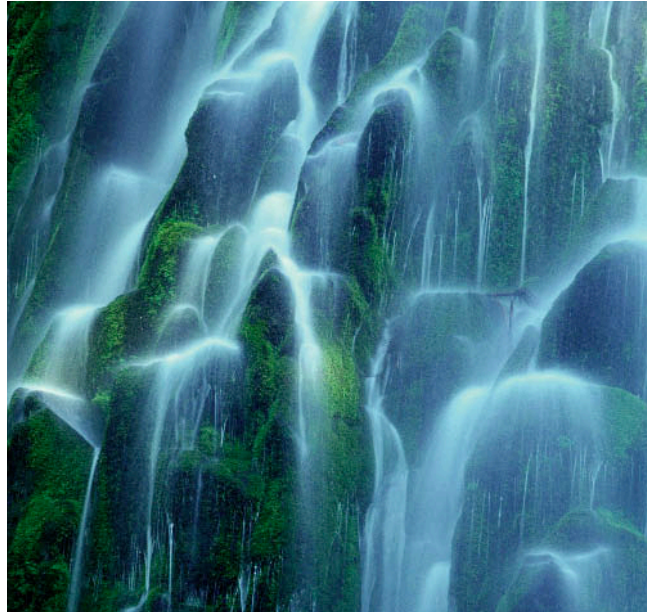
We will complete the raw material (ethylene and propylene) cryogenic tanks insulation until December 2005 – this additional storage facility for propylene will ensure the necessary feedstock during the scheduled shutdowns of the

Refinery, while creating the premises for large scale raw material trading. The ethylene storage facility will provide feedstock for the LDPE Plant. Additionally, we will commission the Midia Port LPG Terminal by Autumn 2005 – this complex investment will connect the cryogenic tanks with Midia Port allowing both the import and export of the raw material.

Rompetrol Downstream

Key 2004 Achievements

- *Built 21 new filling stations reaching a total of 80 outlets by the end of the year*
- *Increased sales per station by a daily average of 50 percent*
- *Launched **Fill&Go**, an automated fleet management system for corporate clients*



Key 2004 Achievements

In 2004 we pushed forward with rapid expansion of our network and constant improvement of our services. Rompetrol Downstream built and opened 21 new filling stations, reaching a total of 80 company owned outlets at the end of the year. Sales per station have also increased by a daily average of 50 percent, while we continued to maintain the same high standards of quality in products and services recognized by our clients and confirmed by market surveys.

For our corporate customers we launched a dedicated service, **Fill&Go**, which extends credit and allows customers to fill up and get invoiced at the end of the month for the full amount reflecting their fleet consumption. **Fill&Go** is an online automated fleet management system that enables managers and owners to constantly monitor their vehicles' consumption, fuel efficiency, routing, location, and servicing and maintenance scheduling, from their desktop computers.

Fill&Go is a unique service on the Romanian market designed to facilitate the control of customers' fuel expenses with a view on cost cutting by reducing losses and making the fleet exploitation more efficient. The introduction of **Fill&Go** allowed us to attract a significant number of corporate clients, starting from companies with just a few vehicles and ending with major fleet operators.

These services, alongside with the recognized quality of our products, confirm that Rompetrol has become a major fuel retailer in Romania.

Significant Upgrades and Investments

All 21 new filling stations opened in 2004 comply with the latest environmental requirements. Additionally, we reviewed the environmental compliance at all of our stations and made further investments to ensure that we are in line with relevant environmental regulations.

Launching **Fill&Go** required a significant investment in an integrated information system to enable us to offer high quality services. The related infrastructure and IT systems were quickly installed throughout the entire filling station network. As a result of our fast deployment the number of fleet customers tripled by the end of the year.

The fast pace of our expansion needs to be backed by an internal quality information system, able to provide the necessary operational and financial data for decision-making. Starting 2004 we have been using Oracle Financial Applications for reporting purposes, with resulted in improved quality of management reporting.

In these circumstances the total capital expenditure for 2004 exceeded \$23 million. This has been consistent with the efforts we have made to expand our network and increase our market share.

In order to increase quality of services the Training Department from Human Resources Shared Services, developed and implemented customer relations training programs for our employees, amounting to 7,800 training hours. In 2004 Rompetrol Downstream employed 1,099 staff compared with 739 the previous year.

Key Products and Services

We offer a full range of automotive fuels, gasoline and diesel, as well as fuels for domestic use. Our range of products is supplied entirely from Rompetrol Rafinare (Petromidia) refinery of TRG.

As result of significant investments in technology, the refinery provides only fuels that comply with the latest European quality and environmental regulations.

The Company aims to provide its customers with fuel products that deliver these features at all times: quality and environmental compliance at competitive prices.

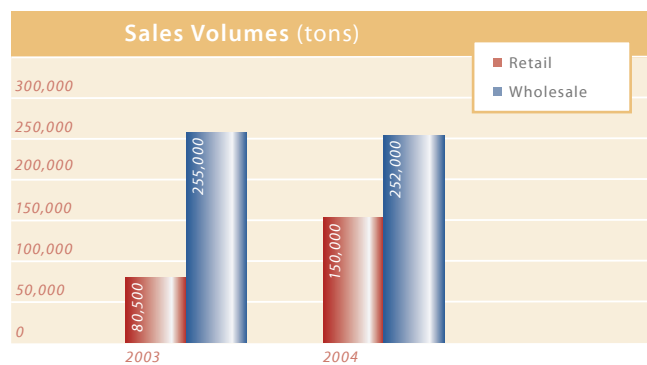
In addition to fuels, all stations operate convenience stores and, where possible, other service facilities (e.g. car wash). We work continuously on increasing the share of non-fuel sales of the network, in order to capitalize on the changes in customers' consumption habits, which are consistent

with patterns observed in more developed markets.

Our fast network development allows us to address the needs of all types of customers in the automotive market, throughout the country. The fuel products are widely recognized for their quality, both by the public at large and by corporate customers. We are the preferred supplier for several well-known international retailers and corporate entities active on the Romanian domestic market.

Key 2005 Objectives

- Building up to 40 new filling stations in Romania
- Increasing our market share and consolidate our position as a leading fuel retailers on the domestic market
- Developing a franchise network under an associated brand
- Implement a new shop concept, aimed at increasing sales of non-fuel products



	2004	2003
Retail	150,000	80,500
Wholesale	252,000	255,000
Total	402,000	335,500

The rapid growth is shown by the increased volumes sold every year (quantities expressed in metric tons):

KEY FINANCIAL DATA <i>(all figures in thousands USD unless otherwise stated)</i>	2004	2003	%
REVENUES	327,462	238,427	37
GROSS MARGIN	20,871	15,403	35
EBITDA	4,937	3,505	41
CAPITAL EXPENDITURE	23,133	24,274	(5)

according to International Financial Reporting Standards - IFRS

Rompetrol Downstream posted 2004 gross revenues of \$327 million, and operational profits of \$4.9 million.

Key 2005 Objectives

We aim to increase our market share and consolidate our position in 2005 as one of the leading fuel retailers on the Romanian market.

We are developing a franchise network under an associated brand, where we will offer the **Fill&Go** services and the quality fuel that our customers are accustomed to receive. This will allow us to expand our market share in retail while better serving our fleet customers throughout the country.

Rompetrol Downstream will implement a new shop concept, aimed at increasing sales of non-fuel products and building a

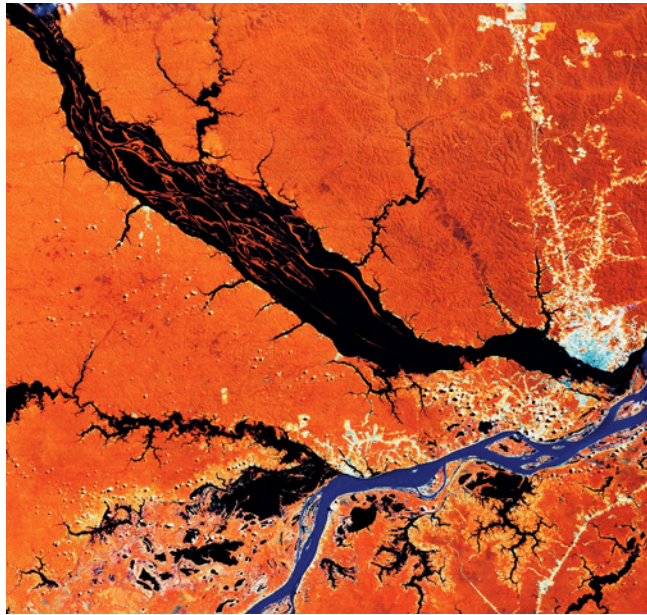
dedicated brand for non-fuel related products and services.

In addition we will introduce dedicated business applications that will help us to optimize the fuel supply process and inventories as well as reducing transportation costs. We will also increase environment-related expenditure in specific equipment for filling stations with the purpose of ensuring continuous compliance with increasingly demanding environmental regulations.

Rom Oil

Key 2004 Achievements

- Expanded the wholesale network with new storage facilities in Craiova
- Modernized the storage facilities from Vatra Dornei and Arad
- Equipped warehouses with sophisticated quantity measurement systems
- Equipped warehouses with a systems designed to observe environmental, fire, and labor protection legislation



Key 2004 Achievements

The expansion of our wholesale distribution network continued throughout 2004. A new storage depot opened in Craiova in June, while we expanded and modernized the facilities at Vatra Dornei and Arad.

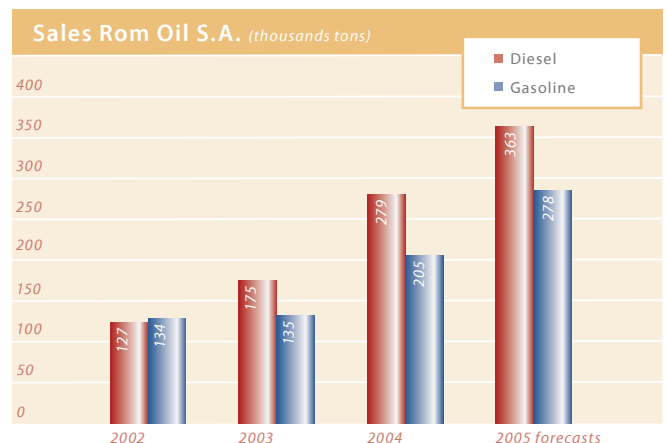
Rom Oil started to equip all warehouses with sophisticated quantity measurement systems, in order to automate tanker monitoring, by volume and weight, for received and delivered products. Also the company equipped the warehouses with a steam recovery system, finalizing a program for reduction of volatile organic compound emissions, in observance of strict environmental, fire, and labor protection legislation.

The modernization of the IT infrastructure, by buying equipment and implementing last generation programs, allowed for training of staff likely to use new technologies.

Key Products and Services

The Company's main activity is the wholesale trading of oil products. We offer related services in cooperation with other TRG entities, such as: selling to a third party of oil products in the name of Rompetrol Rafinare; selling to a third party of oil products in the name of Rompetrol Downstream; storage for a third party of oil products (additives) (MOL and Shell); rental of storage facilities for used mineral oil to Ecomaster.

Rom Oil supplies oil products on the domestic market to the following major clients: OMV Romania, MOL Romania, Shell Romania and Agip Romania. Other clients include transportation, agriculture, and small retail companies.



KEY FINANCIAL DATA <i>(all figures in thousands USD unless otherwise stated)</i>	2004	2003	%
REVENUES	376,023	210,563	79
GROSS MARGIN	7,868	9,832	(20)
EBITDA	(938)	2,697	135
CAPITAL EXPENDITURE	16,667	17,552	(5)

according to International Financial Reporting Standards - IFRS

Key 2005 Objectives

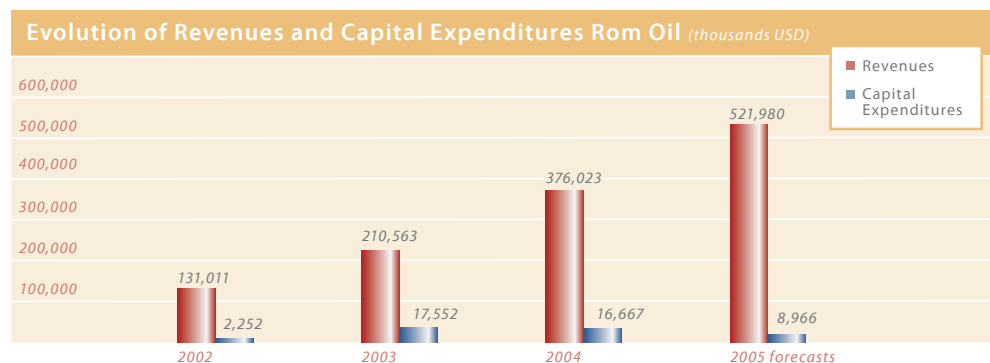
- *Building a new depot for heating fuel CALOR*
- *Finalizing construction of our new Brasov headquarters*
- *Expanding client portfolio to increase revenues by 25 percent compared to 2004*

The main factors that led to a positive evolution of revenues in 2004 are: network expansion, higher sales per warehouse, increase of sales prices and product quality. The gross margin decreased in 2004 due to discount policies applied for major clients caused by

increased competition, and the influence of raw materials prices on the international market.

We registered a drop in our operational profit due to impact of sale discounts and general and administrative expenses, which increased

by 27 percent in 2004 as a result of new warehouses in the administration of Rom Oil, and due to the decreased gross margins. Also, the Company allocated a large capital expenditure budget to enlarging and modernizing its network of storage facilities.



Key 2005 Objectives

In 2005 we plan to complete our storage facility technical upgrades in line with the upcoming EU regulations to be enforced as of 2007, and build a new depot for heating fuel CALOR. We will also finalize construction of our new headquarters located in Brasov.

Optimizing the administrative, general and sales expenses, and increasing our gross margin will help us achieve a targeted 25 percent increase in revenues compared to 2004. Implementing a new marketing strategy and expanding our client base will also have a positive impact on our bottom line in 2005.

Rompetrol Albania

Key 2004 Achievements

- Registered the companies in December 2004 as subsidiaries of Rompetrol Group
- Started operations and delivered fuels to Porto Romano depot

In December 2004, Rompetrol registered two companies in Albania: "Rompetrol Albania Wholesale" Sh.A is carrying out the wholesale distribution and "Rompetrol Albania Downstream" Sh.A is the retail company.

The main shareholder in both companies is The Rompetrol Group, with 60 percent of the shares. The Albanian partner is represented by "RIRA Oil" group, holding 40 percent of the shares.

The Company aims in 2005 to improve the retail network and achieve national coverage by taking under its administration 48 rented fuel stations, and build two new fuel stations in Tirana, in full accordance with Rompetrol standards.

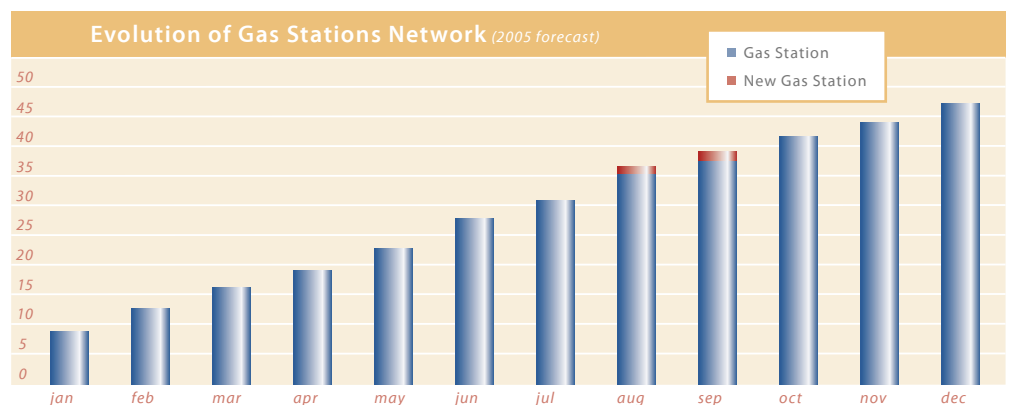
Our depot facility at Porto Romano will benefit from a new floating terminal for unloading and transportation. This will allow for efficient distribution of Euro standard quality products delivered from Rompetrol Rafinare by vessel. It will also

lower delivery cost, offer other importers and distributors the opportunity to rent the use of the terminal, and allow for diversification of traded products by importing and distributing LPG.

The storage capacity of the Porto Romano oil depot will increase from 14,000 cubic meters to 20,000 cubic meters by building two other tankers. The increased capacity and geographic proximity will allow us to export more petroleum products in the region.

Key 2005 Objectives

- Modernizing and expanding the retail distribution by including 48 rented fuel stations, and building two new fuel stations in Tirana
- Building a new floating terminal for unloading and transportation at Porto Romano depot
- Building two new tankers at Porto Romano to increase storage capacity to 20,000 cubic meters from 14,000 cubic meters



Rompetrol Bulgaria

Key 2004 Achievements

- Increased sales volume by 45 percent and gross revenues by 90 percent
- Reached a 9 percent market share of the Bulgarian wholesale market
- Upgraded Danube unloading capacity to up to 180 cubic meters per hour and increased storage capacity to 5,800 cubic meters

Key 2005 Objectives

- Developing a retail network in Bulgaria by building and franchising gas stations
- Distributing Vega products to the Bulgarian market
- Increasing fuel sales and improving financial results

Key 2004 Achievements

In 2004 Rompetrol Bulgaria increased sales of fuels by 45 percent compared to the previous year, reaching a 9 percent market share in the Bulgarian wholesale sector through the modernization and capacity increase of its Rousse oil terminal. The Rompetrol Group owns 85 percent of the Bulgarian subsidiary.

The Company upgraded its Danube operating equipments and increased the discharging capacity to up to 180 cubic meters per hour. The storage capacity has also been increased to 5,800 cubic meters by building new shore tanks. We continued to modernize the loading/unloading systems of rail and auto tanks by building a new auto loading ledge with 4 operating stations and a rail loading ledge with 8 operating stations.

At the same time we introduced a flexible price policy adapted to the market and competition landscape in Bulgaria, and started a program to attract new customers by promoting the quality of products and services offered by Rompetrol.

This led to a 90 percent increase in gross revenue and a 45 percent increase in sales volume in 2004 compared to the previous year. The operational expenses have decreased by 11 percent per metric ton due to storage facility modernization and use of last generation equipment.

The gross revenues rose by 87 percent in 2004 compared to the previous year. The operational profit decreased by 12 percent due to larger investments that will lead to a stronger position on the Bulgarian market.

Key 2005 Objectives

The main goal for 2005 is to develop a retail network in Bulgaria by building and franchising gas stations that will distribute Rompetrol quality fuels directly to the end consumers.

We also aim to introduce and distribute Vega products to the Bulgarian market in order to diversify our offer.

We expect these measures will lead to an increase of fuel sales and improved financial results.

KEY FINANCIAL DATA <i>(all figures in thousands USD unless otherwise stated)</i>	2004	2003	%
REVENUES	77,579	41,430	87
GROSS MARGIN	1,506	1,330	13
EBITDA	569	644	(12)
CAPITAL EXPENDITURE	1,594	1,018	57

according to International Financial Reporting Standards - IFRS

Rompetrol Moldova

Key 2004 Achievements

- *Increased sales volumes by 33 percent compared to the previous year reaching a market share of 7 percent*
- *Increased the domestic market share for HDPE pipes to 44 percent*
- *Started the manufacturing of industrial and technical oils*

Key 2004 Achievements

Rompetrol Moldova is a 90 percent owned subsidiary of The Rompetrol Group. The operation in Moldova is focused on the wholesale distribution of a full range of petroleum products. The Company reached in 2004 a market share of 7 percent in Moldova on sales increase of 33 percent compared to the previous year.

Another significant development in 2004 was a two-fold increase in the trading of HDPE pipes and fittings for construction of natural gas, water distribution networks, as well as irrigation systems. As a result the domestic market share increased to 44 percent.

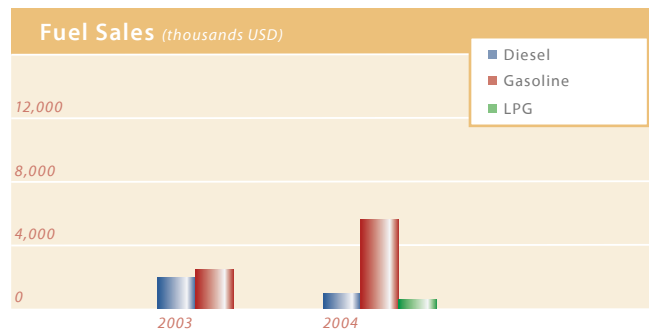
The company commenced last year the manufacturing of industrial and technical oils under the Rompetrol brand name, designed both for domestic and Romanian markets.

TRG Support Activities

Rompetrol Moldova serves as a springboard for Rompetrol Upstream's forays into the CIS markets, establishing contacts and developing business opportunities in services, exploration, and production in Russia, Kazakhstan, and Ukraine. Acting as a local information clearinghouse, we provide management assistance, political risk analysis, as well as acting as liaison support within the CIS area.

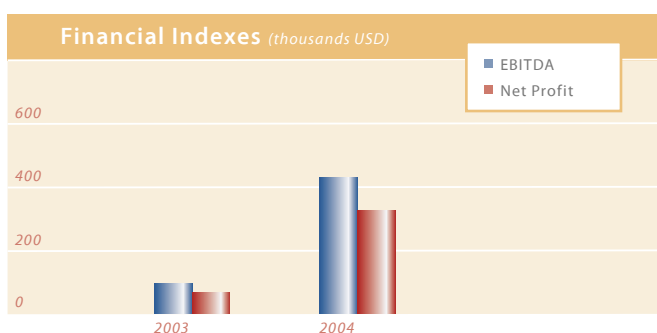
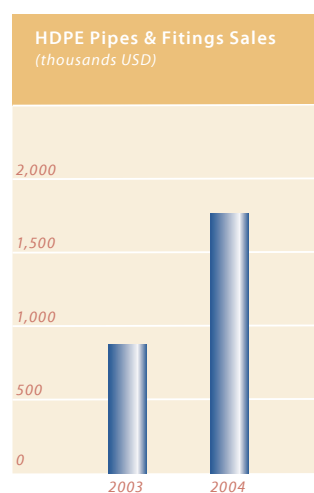
On commercial and trade cooperation, the Company is the preferred supplier of pipes and fittings products, manufactured by TRG Company Palplast, to the Republic of Moldova, Ukraine and other CIS locations. We are also promoting EPCM and general project management services, as well as the full range of Rominserv products (e.g. valves and fittings) to the same markets.

Products traded by Rompetrol Moldova come from Rompetrol Rafinare and other TRG companies, which we assist in commercializing a full set of raw materials and products, from crude oil to oil and petrochemical finished goods. We also contribute to contracting logistics opportunities in the region we cover.



Key 2005 Objectives

- Opening a new polyethylene pipes manufacturing plant as a subsidiary of Palplast
- Expanding the lubricants production capacity
- Starting an exploration and production partnership with a local operator from the CIS



KEY FINANCIAL DATA <i>(all figures in thousands USD unless otherwise stated)</i>	2004	2003	%
REVENUES	4,673	1,993	134
GROSS MARGIN	684	404	69
EBITDA	429	50	759

according to International Financial Reporting Standards - IFRS

Key 2005 Objectives

In 2005 the Company intends to increase the fuel sells and concentrate on strengthening the position of Palplast products. A major undertaking in this direction would be opening a greenfield

manufacturing plant as a subsidiary of Palplast in Moldova.

In the initial stage the facility would have a production of about 2,000 tons. We also aim to grow the lubricants production

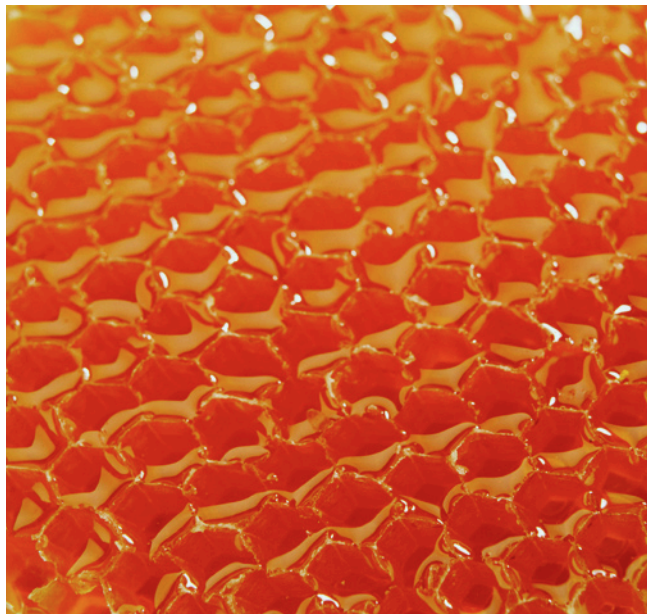
capacity.

Perhaps the most important goal is to identify and close a lucrative deal in exploration and production of crude, in partnership with a local operator from the CIS.

Rominserv

Key 2004 Achievements

- Completed the full automation of Rompetrol Rafinare (Petromidia refinery)
- Implemented a process in Vega Refinery to obtain high quality solvents
- Developed an infrastructure project for water supply in Turcoaia
- Established a business partnership with Bechtel International Systems on an Iraq infrastructure program



Key 2004 Achievements

Rominserv fully came of age as an EPCM contractor in 2004 and concluded an essential business chapter in its development by unrolling important projects that have essentially contributed to the company's performance.

- Completed the full automation of Petromidia Refinery – Distributed Control System Project (DCS)
- Implemented a process in Vega Refinery to obtain high quality solvents - Aromatics Extraction
- Developed an infrastructure project, part of a Sapard Program - Water Supply Infrastructure in Turcoaia
- Established a business partnership with Bechtel International Systems on an Iraq Infrastructure program - Power Distribution and Monitoring Control System

The Rompetrol Rafinare \$33 million automation project, (Distributed Control System), is the largest Rominserv undertaking to date as a general contractor. This project delivered full automation of the Petromidia refinery, from modernizing the existing control units and the automation of all systems, to controlling all the technological processes from a single digitized Control and Command Room.

Serving the same beneficiary, Rominserv also completed the automation of Petromidia's Platform 1 Crude Unit, RCC, Gasoline Hydrofination and Platform 4 FCC Unit and HDS Unit, part of the DCS Project.

The Aromatics Extraction Process is a separate project that allowed Vega Refinery to produce high quality solvents at lower costs by decreasing the percentage of aromatics content in the extraction gasoline.

The Company completed a Water Supply and Distribution System in Turcoaia, a complex rural infrastructure project carried out in partnership with EU's Sapard program co-financing rural development.

Internationally Rominserv established a business partnership with Bechtel International Systems to contribute to a power distribution and monitoring control system project in Iraq. The assignment was part of the US Agency for International Development's Iraq Infrastructure Reconstruction Program, Bechtel being the principal contractor. The project consisted of designing, manufacturing, testing and delivery of a Programmable Logic Controller (PLC) System with the capability to monitor and control a power distribution facility at the Baghdad International Airport.

Key 2005 Objectives

- *Conducting the scheduled maintenance for the Petrochemical plant in April and for Petromidia refinery in October*
- *Increasing revenues from third party customers to 30 percent of turnover*
- *Speeding the restructuring of Rominserv Valves Iaifo Zalau*
- *Integrating Palplast into Rominserv operations*

Description of 2004 Operations Development

In 2004, Rominserv has diversified its offer after the acquisition of the Industrial Platform Iaifo Zalau, one of the leading Romanian manufacturers and exporters of steel and cast iron valves, safety valves for oil, petrochemical and gas industries, gas distribution projects, power sectors, water distribution and irrigation projects, wastewater treatment projects.

Rominserv's new plant, Rominserv Valves Iaifo, represents a technical and logistic base to support regional development of our core business in industrial services, plant maintenance and as a contractor of major projects.

Key Products and Services

Turnkey Contractor for investment projects of industrial manufacturing companies, via specialized services provided upon clients request:

- the EPCM package: Engineering, Procurement, Construction and Management.
- Industrial Maintenance Services provided on a yearly basis for industrial platforms and operations.
- wholesale and retail trading of equipment, spare parts, and construction materials, through our storage facilities located in Constanta, Navodari, Ploiesti and Zalau, or via the virtual ROMINSERV QUICK STOCK warehouse an industrial equipment Internet portal (www.rominserv.ro).

- manufacturing and trading of a full range of industrial products: industrial fittings and valves for technical processes, installations, thermal district heating and electric power stations, water and gas utilities networks, etc.

Operator and distributor of thermal power in Mangalia, Neptun, and Olimp, through Rominservices Therm, a public-private partnership with Mangalia municipal administration.

Rominserv is the only industrial services integrator offering turnkey services on a Lump Sum Basis. The industrial and infrastructure investments increased last years and will continue to rise due to European integration and the requirement to comply with European standards. This increase in demand will benefit Rominserv, which is already leading the market.

KEY FINANCIAL DATA <i>(all figures in thousands USD unless otherwise stated)</i>	2004	2003	%
REVENUES	54,300	33,135	64
GROSS MARGIN	5,628	3,461	63
EBITDA	3,761	1,731	117
CAPITAL EXPENDITURE	4,640	357	1,200

according to International Financial Reporting Standards - IFRS

The 64 percent increase in revenue is the result of several projects completed for Rompetrol Rafinare and Vega refineries. We maintained our gross margin at 10 percent of total revenues, and registered a notable rise in operational profit due to lowering of trading, general and administrative expenses. The significant capital expenditure registered in 2004 derived from the acquisition of Iaifo Zalau assets.

Key 2005 Objectives

Rominserv will conduct the scheduled maintenance for the Petrochemical plant in April and for Petromidia refinery in October.

As a contractor of Rompetrol we will complete investment projects launched by group companies while aiming to increase revenues from other customers to 30 percent of our turnover.

The restructuring of Rominserv Valves Iaifo Zalau will continue focusing on expanding distribution and

client portfolio, revamping the product line, signing new contractual relations while consolidating existing markets, and developing new business lines in partnership with other entities.

Rominserv also plans to become the major shareholder at Palplast S.A., a polyethylene pipes and fittings manufacturing plant located in Sibiu.

The core objective for Rominserv is to transform Palplast into a turnkey solution provider.

Rompetrol Logistics

Key 2004 Achievements

- Increased turnover by 71 percent
- Opened new rail transportation routes
- Rehabilitated the rail track section at Capu Midia-Romcim
- Obtained a Quality Management System Certification
- Designed and build the first LPG auto gas skid



Key 2004 Achievements

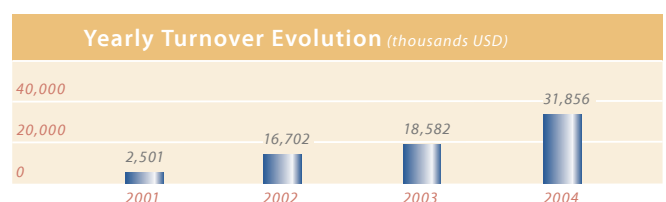
Rompetrol Logistics S.A. is primarily a railway and road carrier with expert knowledge of shipping and handling of crude oil and oil products. The Company provides repair and maintenance work for motor vehicles and oilfield equipment. Rompetrol Logistics is also managing the retail and wholesale trade of Liquefied Petroleum Gas (LPG).

In 2004 Rompetrol Logistics consolidated its position with an increase of 71 percent of its annual turnover.

The Company opened new railway transportation routes in 2004 to link Rompetrol Rafinare (Petromidia refinery) to the main Rompetrol depots located in Transilvania and Oltenia. In August 2004, the Company won a public tender to operate for five years the Capu Midia-Romcim non inter-operational rail track sector, which is the railway leading to the Petromidia refinery. Following an intensive rail track rehabilitation program the travel speed and safety have improved significantly ensuring a stable and secure rail access link to the domestic markets and beyond.

Rompetrol Logistics has become in 2004 the first Romanian transportation company to take full and comprehensive insurance coverage for its entire railway and vessel freight, guarding against such events as derailment, fire, theft, sinking, war, etc.

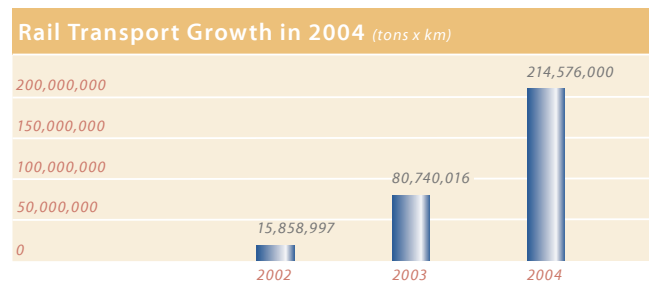
The Quality Management System Certification obtained in October 2004 from Germanischer Lloyd, Hamburg, has been added to the relevant certifications for the in-house designed and build LPG Auto-Gas Skid.



Key Products and Services

In addition to railway and road transportation of gasoline, diesel oil and fuel oil, Rompetrol Logistics specializes in the following areas of products and services:

- Operating Midia Port Oil Terminal, berths no. 1-4 for crude imports, and berth no. 9 for oil products export;
- Tankers shipping agency;
- Tank railcars maneuvering in the marshalling yards of Petromidia and Vega refineries;
- Bottling LPG (propane) for domestic consumption;
- LPG propane retail and wholesale trading;
- LPG auto-gas retail and wholesale trading;
- LPG propane bottling and trading for heating and industrial use;
- Heating oil retail trading;
- Heavy truck repairs;
- Well-services equipment repairs;
- Periodical motor-vehicles inspections;
- Auto-gas skid production, installation and trading.



Rompetrol Logistics in figures

Railway traffic operations increased by 165 percent in 2004, and is poised to grow further in 2005.

In 2004 the Company has invested \$3.2 million in locomotives, rail cars, gas cylinders, road cisterns and LPG storage tanks.

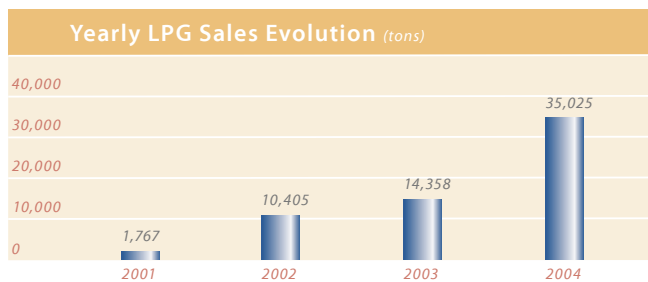
A total of 642 rail cars have been repaired in the Rompetrol Logistics workshops in 2004. This number is expected to rise in 2005 to more than 1,000 rail cars as an increasing number of customers engage the maintenance services of our expert teams.

In 2004 a total number of 4,745 motor vehicles have been inspected, maintained, modernized or restored by the Company's specialists. It is forecast that this number will reach 5,600 in 2005.

In 2004, the Company shipped 67,720 tons of oil products over a total distance of 1,030,193 km. For 2005 it is expected to transport 75,000 tons over a distance of 1,200,000 km.

Rompetrol Logistics is the main operator of Rompetrol's Black Sea Midia Port oil terminal through which it handled 933,682 tons of combined imported and exported freight in 2004. The estimates for 2005 show almost 1.9 million tons of freight will go through Midia Port.

In 2004 LPG sales grew by 143 percent compared to the previous year. The upward trend is expected to last with 37 percent increase forecast for 2005 and a further 87 percent increase predicted for 2006.



KEY FINANCIAL DATA <i>(all figures in thousands USD unless otherwise stated)</i>	2004	2003	%
REVENUES	31,856	18,582	71
GROSS MARGIN	5,438	2,314	135
EBITDA	3,841	1,823	111
CAPITAL EXPENDITURE	2,882	4,707	(39)

according to International Financial Reporting Standards - IFRS

Key 2005 Objectives

- Building a locomotive depot and two LPG terminals
- Adding a LPG filling station and 100,000 gas cylinders
- Expanding and upgrading the road and rail tanker fleets
- Undertaking steps for listing shares on the Bucharest Stock Exchange

The Company experienced significant increases in all the key financial indicators in 2004. While more than doubling its operational profit, the most dramatic increase came in the net profit line. These results were made possible by significant investments carried out since 2001, an increase in productivity brought on by effective management, as well as favorable market conditions.

Key 2005 Objectives

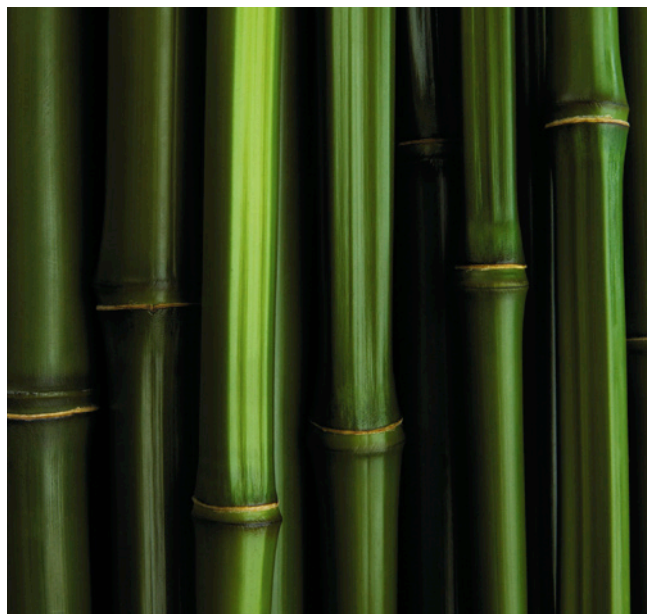
In 2005 the Company aims to further its growth in all areas, with special emphasis on the development of the LPG and rail transportation businesses. The company plans to build a locomotive depot and two LPG terminals, adding also an LPG filling station and 100,000 gas cylinders. Rompetrol Logistics will also continue to invest in enlarging and modernizing its road tanker fleet.

The Company aims to undertake the steps for listing its shares on the Bucharest Stock Exchange, joining other listed companies of the Rompetrol Group.

Palplast

Key 2004 Achievements

- *Increased revenues by 50 percent compared to previous year*
- *Raised client portfolio to 290 B2B customers compared to 95 in 2003*
- *Doubled sales to the Republic of Moldova covering 35 percent of market demand*



Key 2004 Achievements

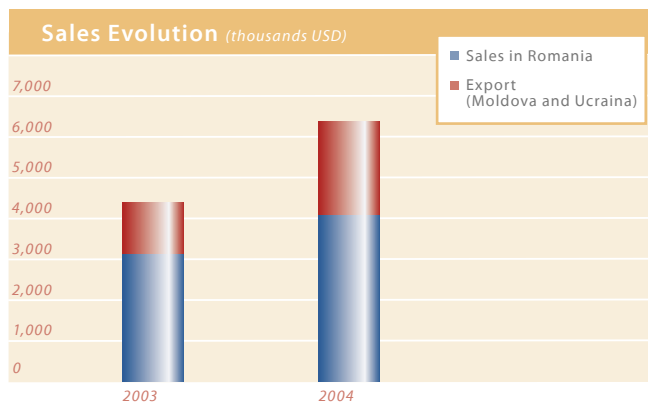
Palplast diversified its range of polyethylene pipes and fittings adding several large diameter products in 2004. The Company's products cover diverse applications such as: water distribution networks, crude oil and oil products transportation networks, irrigation systems, wastewater treatment and sewage systems, etc.

In 2004 Palplast doubled its sales to the Republic of Moldova covering now 35 percent of the necessary in that market. The offer is recognized as high quality, specialized polyethylene products on the Romanian market as well as in Moldova and Ukraine. In Ukraine Palplast participated in a water system rehabilitation project for the city of Lvov.

The growth of manufacturing and trading lead to a significant increase in our client portfolio, in 2004 the Company showing a client roster of 290 companies compared to 95 in 2003.

The Company also continued its expansion by adding new production and storage facilities, installing new manufacturing lines, and acquiring real estate property.

These developments determined our gross revenues for 2004 to grow by 50 percent compared to the previous year.



Key 2005 Objectives

- *Introducing new products and extending the range of fittings on offer*
- *Increasing sales on the domestic market by 40 percent*
- *Transferring the company into Rominserv's structure*

KEY FINANCIAL DATA <i>(all figures in thousands USD unless otherwise stated)</i>	2004	2003	%
REVENUES	6,375	4,465	43
GROSS MARGIN	919	988	(7)
EBITDA	632	779	(19)
CAPITAL EXPENDITURE	1,306	205	516

according to International Financial Reporting Standards - IFRS

Key Products and Services

In addition to traditional polyethylene pipes and fittings products forming the core offer, we added a complete range of Steel-PE Transitions (up to 400 mm diameter) and the production of irrigation systems rehabilitation components. In 2004 Palplast started offering onsite welding and special transport services for large components.

Key 2005 Objectives

Palplast plans to continue investments that started in 2004, introducing new products, such as water meter chambers, and extending the range of fittings on offer. We also aim to boost sales on the Romanian market by 40 percent

Plans are underway to allow Rominserv, another TRG company, to become the major shareholder of Palplast with the objective of transforming Palplast into a turnkey solution provider.

Rompetrol Quality Control

Key 2004 Achievements

- *Developed capacity to carry out 300,000 tests per year, in accordance with ISO 17025 certification*
- *Developed a high level of testing expertise officially recognized by the National Program for Monitoring of Gasoline and Diesel*



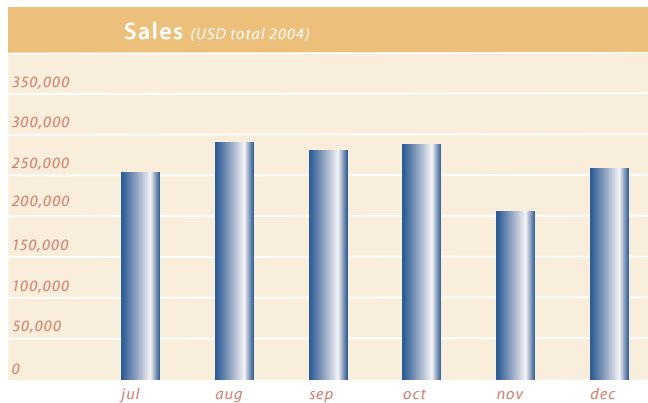
Rompetrol Quality Control (RQC) has been established in July 2005 with the aim of providing industrial laboratory tests related to the activities of the Rompetrol Group as well as to other third party clients.

Representative products and services

RQC has four laboratories for testing petroleum products (gasoline, diesel, crude, oil fractions as well as other derivatives); environment tests (water, air, soil); metal testing (destructive testing, chemical and metallographic testing) as well as medical bio-toxicological tests. RQC laboratories are certified in accordance with SR EN ISO/CEI 17025:2001 standards that are specific to laboratory activities.

Rompetrol Quality Control's main area of expertise is centered on monitoring the quality of fuels (gasoline, diesel, LPG) and the environmental parameters in accordance with Romanian and international regulations.

The central point of the RQC laboratories' activities is mainly directed towards satisfying the needs for industrial tests for the Rompetrol companies. However, several important companies from the Dobrogea region are among Rompetrol Quality Control's customers. The main inspection companies that are active in the Dobrogea region compile their independent reports on the imports/exports of petroleum products on the basis of tests carried out by RQC's laboratories. The quality of the metal subassemblies that are used in building of the reactors II and III from Cernavoda Nuclear Plant has its destructive and metallographic tests carried out by the RQC Metal Testing Laboratory.



Key 2005 Objectives

- Increasing the range of industrial tests performed and becoming the testing facility of choice for environmental, oil products, and metal tests
- Improving financial results by expanding the client portfolio

KEY FINANCIAL DATA <i>(all figures in thousands USD unless otherwise stated)</i>	2004
REVENUES	1,574
GROSS MARGIN	366
EBITDA	315
CAPITAL EXPENDITURE	64

according to International Financial Reporting Standards - IFRS

In 2004, the most important assets of the company – its people and the testing facilities – have benefited from important investments. More than \$64,000 has been allotted to purchase state-of-the-art laboratory equipment and for employees specific training needs.

In the first six months since being established, RQC posted a gross income of \$1.57 million, EBITDA of \$315,000 and a net profit of \$260,000, which set the basis for a strong growth in 2005.

Key 2005 Objectives

The Rompetrol Quality Control’s strategic objective is to strengthen its business and to put itself on the map as the main regional option (in the Dobrogea region and eastern Romania) for environmental, oil products and metal testing. At the same time RQC will focus on development by integrating new types of industrial tests and analysis.

In order to achieve this objective RQC will continue to upgrade its facilities to align itself to the European Union’s quality standards. RQC estimates that an increase in its client portfolio to 100 clients will lead to a significant increase of its 2005 financial results.

Ecomaster

Key 2004 Achievements

- *First place in the National Top of ecological service providers in 2004*
- *Germanisher Lloyd Certification for the Quality Management System standards ISO 9001:2000 and ISO 14001*
- *Developed environment cleanup techniques designed to eliminate historical pollution*

Key 2005 Objectives

- *A new wastewater treatment plant is under development*
- *Increasing the number of third party clients*
- *Generating increased revenues to finance further investment and development*



Ecomaster Ecological Services S.A. is a market leader in the industrial ecological services sector in Romania. The Company has been awarded first place in the National Top of Service Providers in 2004. Another milestone was obtaining the Germanisher Lloyd Certification that the Quality Management System of the company fulfills the requirements of the standards ISO 9001:2000 and ISO 14001.

The Company's main objective is fighting pollution and eliminating the effects of the current generation of residues harming the environment, in line with the permanent

concern of the Rompetrol Group for environmental protection. A new wastewater treatment plant is under development with commissioning due to start in mid August 2005. This project will conclude a major step towards bringing treated water in line with new environmental regulations.

Ecomaster took major steps towards increasing the volume of sludge processed and the volume and quality of the residual product obtained. In 2005 the company aims to generate a sustainable cash inflow in support of further investment and development.

The objective of increasing the total sales percentage derived from independent contracts remains a target for 2005, sustained also by the revenues expected from a waste oil processing line installed in 2004.

The raise in operational revenues was due mainly to the increased volume of sludge processed at the Vega refinery. The new waste oil processing line together with a growing national collection network, have also had an important contribution to these results.

While the gross margin and operational profit increased in absolute terms, the overall profitability of the operations has decreased from 21 percent to 17 percent for gross margin and from 18 percent to 12 percent for EBITDA reflecting investments in equipment and in research for the stabilization of a complex technological process.

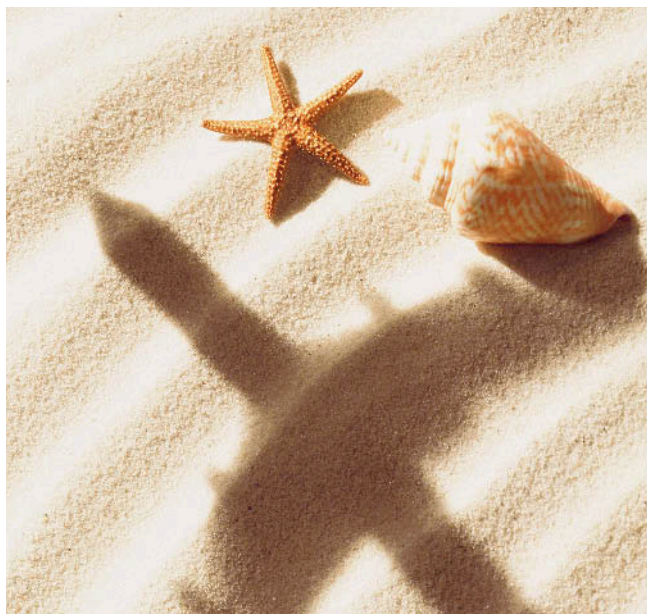
KEY FINANCIAL DATA <i>(all figures in thousands USD unless otherwise stated)</i>	2004	2003	%
REVENUES	5,802	3,216	80
GROSS MARGIN	991	674	47
EBITDA	680	584	16
CAPITAL EXPENDITURE	355	29	1,045

according to International Financial Reporting Standards - IFRS

Eurojet

Key 2004 Achievements

- Started operations in January 2004 as a subsidiary of TRG
- In one year more than 35 companies used Eurojet charter services
- Leased its second aircraft, a Cessna Citation Encore



Eurojet Romania SA is an executive air charter company based at the International Airport Bucharest Baneasa, operating two small aircraft: a British Aerospace Jetstream 3200 and a Cessna Citation Encore business jet.

Key 2004 Achievements

The Company started operating in January 2004 as a subsidiary of the Group. Our main objective is to offer schedule flexibility and cost efficiency to corporate flying customers, and to grow on a market niche of the executive charter flights both in Romania and in

the neighbouring countries. We are constantly working on expanding our customer network in the region.

In 2004 we obtained all the authorizations needed to operate an airline, and formed a dynamic, modern, and professional team to enable efficient and safe operations.

After one year of operation we managed to form an important portfolio of clients, with more than 35 companies using our services, in recognition of our customer-driven performance.

Key Products and Services

In 2004 Eurojet operated executive, business, and VIP charter flights in Europe, CSI, Middle East and Africa with an aircraft Jetstream 3200, owned by the company. In December we leased our new Cessna Citation Encore aircraft, which entered commercial operations in 2005.

Technical data of the aircrafts:

Manufacturer	British Aerospace	Cessna
Type	Jetstream 3200	Citation Encore
Commercial capacity	11 seats	8 seats
Configuration	Executive Jet	Executive Jet
Crew	2 pilots and 1 flight attendant	2 pilots and 1 flight attendant
Cruising speed	450 km/h	900 km/h
Maximum altitude	7.600 m	15.000 m
Range	1.800 km	3.700 km

The Company started two new business lines providing cargo flights and air ambulance flights. In June 2004 we introduced on demand air ambulance flights based on partnerships signed with individual ambulance services

(Biomedica, SMURD) and with private insurance companies (RAI/RIA). In November we started six cargo flights per week with a rented aircraft, serving Posta Romana Rapida (Romanian express postal services).

Key 2005 Objectives

- Expanding the fleet according to increasing demand in the region
- Increasing hours flown by third party customers to 60 percent of flying time and attracting new clients
- Boosting revenues by increasing brokerage activity in Central and Eastern Europe

KEY FINANCIAL DATA <i>(all figures in thousands USD unless otherwise stated)</i>	2004
REVENUES	1,865
GROSS MARGIN	197
EBITDA	(148)
CAPITAL EXPENDITURE	1,039

according to International Financial Reporting Standards - IFRS

The revenue was obtained from charter flight sales and registered a 200 percent increase in the last two months of 2004 compared with the first 10 months.

Capital expenditure reflects the modernization of the Jetstream 3200, which allowed us to improve safety conditions on board, and the acquisition of the air ambulance kit, which increased our client portfolio.

Key 2005 Objectives

Eurojet aims to become the most important executive charter flight operator on the Romanian market and to promote its services in Central and Eastern Europe. To achieve these targets in December 2004 we added a new Cessna Citation Encore business jet and plan to continue expanding our fleet as demand grows.

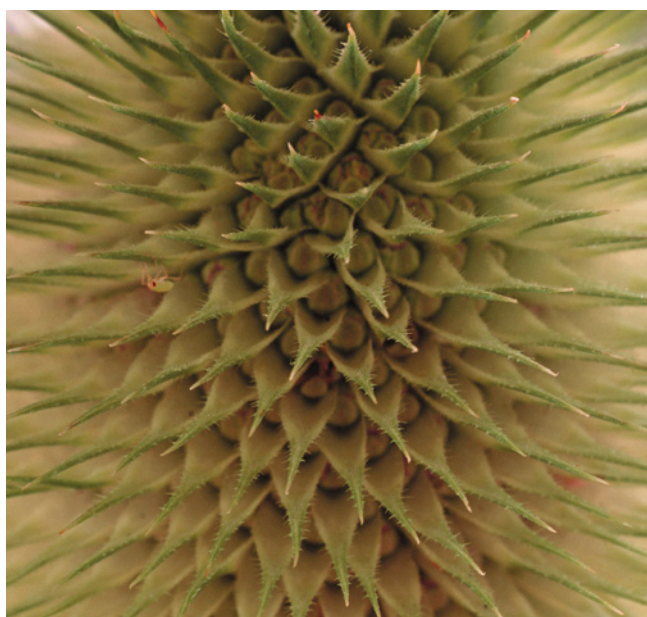
Our services are designed to increase productivity, efficiency, comfort and convenience for our clients. We aim to increase the number of hours flown by third party customers to 60 percent of flying time and attract new clients.

Another priority is to improve our bottom line by reducing the general expenses and by increasing our activity of brokerage in Central and Eastern Europe.

Global Security Systems

Key 2004 Achievements

- Started the Fire-Fighting Division at Ploiesti Branch
- Completion of the first optic fiber CCTV system
- Completion of the low-current and security system at Rompetrol Refinery Control Room
- Opening of the new technical support service for Transylvania region in Cluj



Key 2005 Objectives

- Increasing sales for security systems by 15 percent and by 25 percent for other security-related services
- Opening new technical support centers for Moldova and Banat regions
- Implementing new radio-link systems at the GSS Call Center
- Diversifying the range of imported security equipment
- Buying a new fire engine

Global Security System (GSS) is a security company that provides guarding and protection services for goods, installations, equipment and freight belonging to the Rompetrol Group. GSS also provides security services for other third party clients.

GSS provides the following services: security and guarding services; alarm and intervention to sites and objectives under surveillance; installing automated security and surveillance systems; fire protection and fire fighting services (civil fire fighters); janitorial services.

The main services provided by GSS in 2004:

- Alarm and intervention services - the number of clients in Bucharest rose by 51 percent
- Designing and installing security systems - the number of third party clients rose by 10 percent
- Security Services (guarding, patrolling and access control) - contracted values rose by 60 percent in Constanta, while the number of clients in Bucharest went up by 50 percent
- Fire fighting services provided for Constanta region rose by 2.5 percent
- The value of the cleaning services contracted went up by 25 percent.

In 2004 GSS completed the implementation of a new quality management system that will lead to an ISO 9001 certification. The Company designed and implemented a new recruiting and staff selection procedure. Due to increased demand the number of employees grew by 33 percent in 2004 compared to the previous year. GSS also acquired a new office building, doubled its fleet of cars for intervention and implemented a comprehensive and secure e-mail communication system covering the entire Group. Our alarm and intervention units carried out 144 missions in 2004 while the security department solved nine incidents where the cases had to be handed over to the relevant state authorities.

KEY FINANCIAL DATA <i>(all figures in thousands USD unless otherwise stated)</i>	2004	2003	%
REVENUES	3.574	2.495	28
EBITDA	374	499	(33)
CAPITAL EXPENDITURE	204	140	30

according to International Financial Reporting Standards - IFRS

MANAGEMENT



Management

Corporate Shared Services

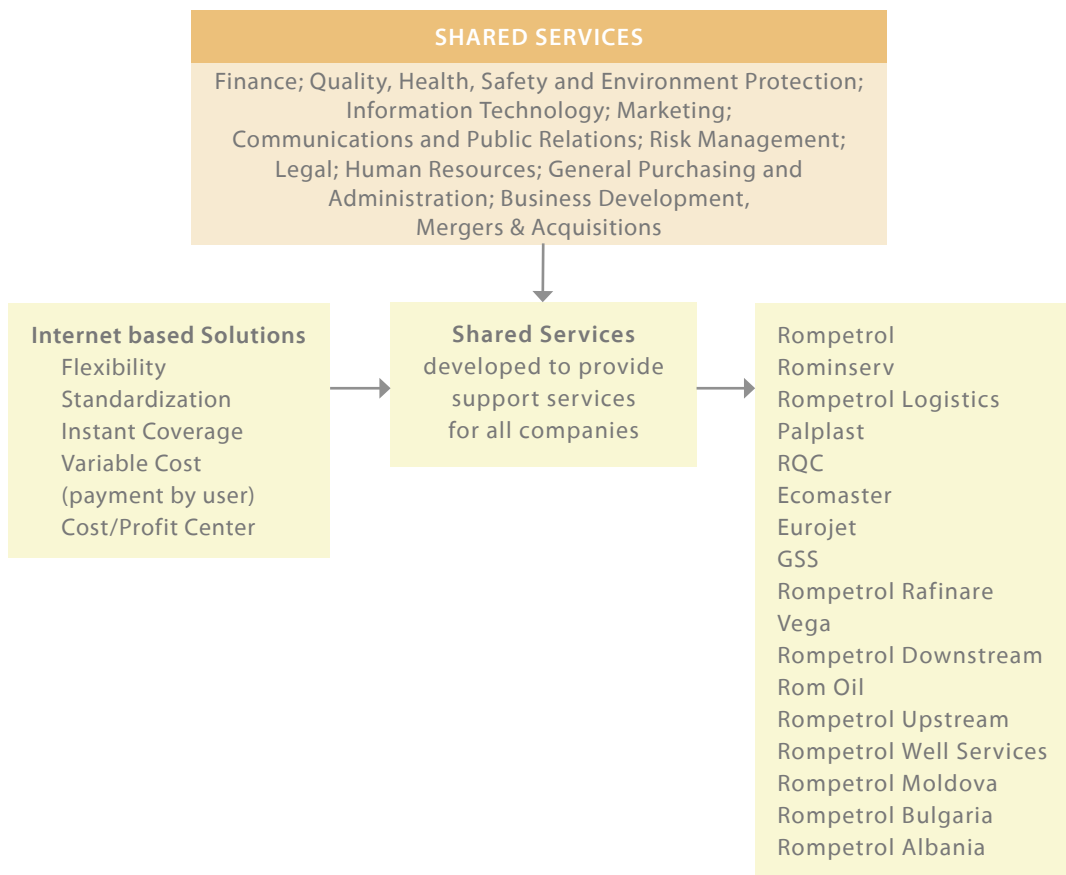
The Rompetrol Group (TRG) management model proved to be functional and resourceful in 2004. Considering we operate in a dynamic environment where legislation and market conditions are evolving rapidly, maintaining flexibility within a given structure allows us to run a nimble operation and adapt quickly to market changes.

This management approach earned us the reputation of a fast thinking, forward looking and performing team, ready to seize opportunities and well prepared to turn the most difficult challenges into competitive advantages.

In 2004 we finalized the implementation of a centralized model of management dubbed Shared Services. This concept has been fine-tuned to the benefit of the entire Group. Through Shared

Services all the specialized corporate support functions are delivered to the entities of TRG as needed.

The successful application of this model not only allows for cost reduction by eliminating duplication of corporate functions, but also assures a seamless application of our guidelines and policies allowing management to have a clear view into all parts of the business and collect valuable feedback from various units.



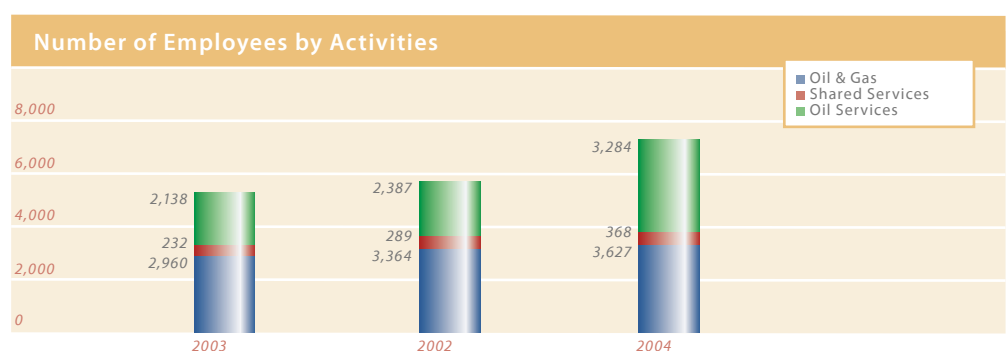
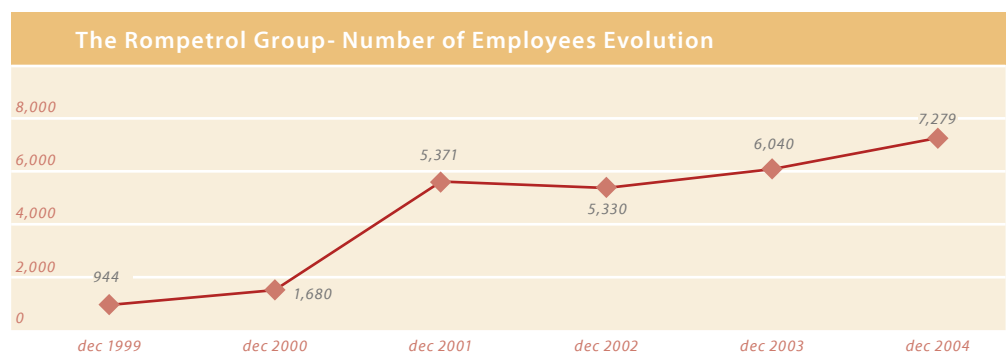
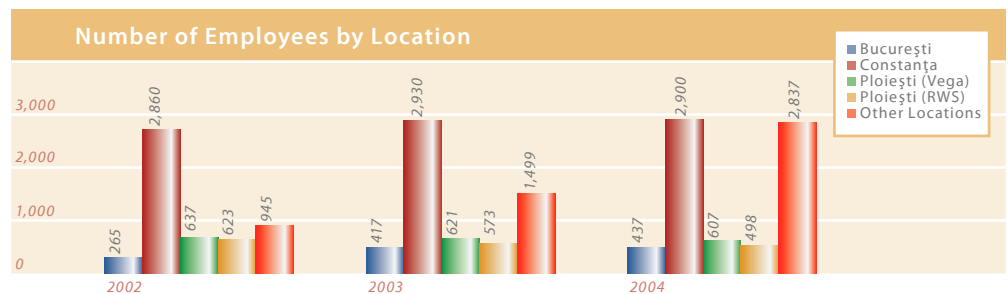
Human Resources

The central piece of this management architecture is our Human Resources – Shared Services (HRSS) Department, backing all the HR processes in Rompetrol Group. Recruiting, personnel administration, compensation and benefits, organizational development and performance management are implemented uniformly across the group for more than 7,300 employees in 20 companies.

In 2004, HRSS kept the pace with the rapid development of Rompetrol companies, while heavily investing in a stable and flexible environment for the future. Operationally, the HR Department is working on a tight cost control and high people efficiency (less than one HR employee for 150 employees versus the industry standard of one HR for 80 employees or less).

A fully automated, web-based application has been imple-

mented on a joint project with ITSS and Finance departments, providing accurate, timely and secure information from a central HR database to all managers and employees, and allowing management functions to be conducted in real time. This application supports the diverse business models for various Rompetrol entities and also opens the gates for future outsourcing of HR services as an independent provider to other clients beyond TRG and its component units.



The new on-line recruitment and selection tool of TRG reduces the time and cost to recruit dramatically and improves the level of staffing service. One of its main features is the collaborative functionality this tool brings, empowering recruiters to approach the staffing process from a team perspective and share information on the resumes received and candidates interviewed.

One of the strategic objectives in 2005 for our staffing team will be establishing partnerships with universities from the Group principal locations. This will continue the Group's initiative of attracting and retaining students or fresh graduates into the organization, providing them with the opportunity to develop their skills and assuring a constant influx of new and diverse ideas for the Company.

To be successful, Rompetrol Group must continually improve employee productivity and performance, consistent with budgetary parameters. This is possible through a good compensation & benefits plan. Our goal for 2005 is to develop such a plan that will provide a framework within which managers can effectively make payment and salary raise decisions that support the hiring, retention and motivation of their employees.

In order to stimulate and sustain individual and team performance we are going to introduce a structured performance management program built on management by objectives principles. Based on competency profiles we will develop a customized assessment tool – assessment center - which will help us identify high potential employee and develop specific fast-track programs for them.

The training activity in Rompetrol will continue to increase in 2005 both internally and externally. Along with diversifying the amount of available training, continuous attention will be given to quality and adaptation to Rompetrol needs. While offering unique training opportunities to Rompetrol employees, the new training and development center to be developed in Ploiesti will also provide high quality training services to companies outside the Group. All employees will benefit from the integrated HR applications, having real time access to their individual training plan and records and to other role-based general HR information.

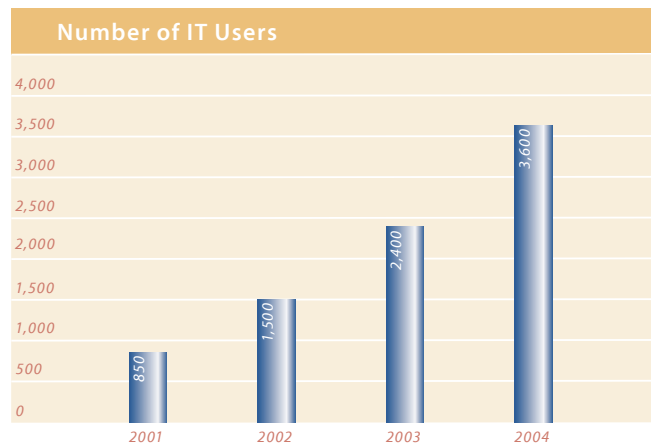
All of this confirms the idea that „our career is in our own hands“, because personal competence, sustained by motivation and a desire to learn, represents a succes formula in Rompetrol.

Information Technology

Rompetrol's Information Technology-Shared Services (ITSS) is one of the largest corporate IT services group in Romania. TRG and its subsidiaries, totalling 20 companies and more than \$1.6 billion in 2004 gross revenues, depend on systems implemented and operated by ITSS.

As information technology has increasingly become part of the business, ITSS improved its responsiveness, while increasing the quality and the number of services provided. ITSS deploys and operates state of the art systems while maintaining a tight cost control - we operate with half of the industry standard budget (less than 1 percent versus industry standard of 2.5 percent of turnover).

ITSS has spent the past five years helping TRG implement and operate its highly efficient IT systems. Now these unique skills are available on the open market. While maintaining a strong focus on Group companies we target at least \$1 million in revenues from services provided to third party clients in 2005.



Business Development Mergers & Acquisitions Unit

While the domestic business environment continues to be characterized by rapid changes, a high degree of risk and uncertainty, and intense competition with a continuing stream of new players and incumbents, TRG has to prepare its strategy in accordance with the specific opportunities, challenges and constraints existing on the market.

The work of the Business Development Mergers & Acquisitions Unit (BDU) plays

an essential and effective role in the top management decision-making process. This responsibility carried out for more than four years with increasing success and recognition is expected to continue in the years to come.

Throughout this past year, the Business Development Unit has played a key role in the main directions TRG focuses on: the regional development in Central and Eastern Europe, the involvement in the services sector, and other major investments.

Expansion plans in the neighboring countries such as Bulgaria, Hungary, Serbia, Bosnia, Croatia, and Turkey; projects relating to services sector such as: Downstream stations automation system (inventories and sales management), Fill & Go Fleet Management System; and strategic investments such as Petrochemical Complex re-commissioning and alternative fuels production, materialized in multifaceted programs which included business plans, financial analyses, market analyses and studies.

In 2005, the Business Development Unit will continue to focus on two major directions, equally important for TRG's strategy: the regional expansion and the growth of Rompetrol's involvement in the services sector. If in the first case it will be more of a continuance and conclusion of the projects already started, while uncovering and pursuing emerging opportunities, the services sector development will be about new projects, defined during 2004, such as the Partner filling stations project, the Fuel Marketing Solution (Inventory and Transportation Optimization), Fill & Go Personal and the Customer Relationship Management & Billing System.

The two strategic directions will be complemented by additional ones, as next year endeavors will also open a range of opportunities for projects and partnerships among different TRG entities.

Research & Development

The R&D Department is a Shared Service function working on planning the technologies of tomorrow for Rompetrol refineries and other TRG companies. With a vast network of experts and long standing tradition in the oil industry, our team works on providing technology updates and support, optimization of proprietary technologies, reaction engineering analysis related to catalysis, adsorption, and the development of other projects such as biodiesel processing, stable emulsions, new binders for briquetting technology, etc.

R&D also runs innovation and licensing projects for new products such as feedstock for bitumen, heating oils and petrochemical products.

In 2004 R&D designed or implemented six Rompetrol proprietary technologies in the following fields of applied research:

New developed technologies:

- Polymer Modified Bitumen
- Additivated Road Bitumen
- Aquafuels

New applied technologies:

- Solvents virtually free of toxic substances
- Petroleum Coke Briquetting
- Sludge Treatment and Processing

In 2005 the R&D focus will be on finding the best solution to allow Rompetrol to produce ultra-low sulfur diesel and gasoline by evaluating and selecting world-class technologies.

Projects are underway to obtain a new license for Paraffin Isomerization, FCC Gasoline Desulfurization, Mild Hydrocracking and Biodiesel production. We will also concentrate on obtaining new Rompetrol patents related to Polymer Modified Bitumen, Petroleum Coke Briquetting, Solvent Extraction and Treatment, as well as processing of Acidic Sludge.

Risk Management

The year 2004 has been characterized by record high market volatility. Brent crude barrel prices fluctuated in the range of \$29.12 to \$52.03; EN-590 FOB Med gasoil traded between \$249.50 and \$509.75 per mt, going from a maximum discount to PremUnl FOB Med gasoline of \$109.87 per mt in the second quarter to a maximum premium of \$91.25 per mt in the fourth quarter.

These circumstances may be seen as a great threat, but as well as a great opportunity to a risk management conscious organization. In that respect Rompetrol proved itself to be a solid, strong performer, able to maximize results, and thereby shareholder value, even in stormy markets.

This has been the result of integrating market risk, refinery planning and refinery scheduling processes, a project developed over a three years period in Rompetrol Rafinare. This project is being extended in 2005 to include Vega refinery in order to capitalize on existing synergies.

We expect to see significant improvements in our risk management capabilities once a new site utilities management system covering all Rompetrol Companies located in Navodari will become operational later this year.

Our goal is to emphasize the Enterprise Wide Risk Management approach over the next three to five years. Part of this process, the Supply Chain Optimization will be expanded from the refining area to the primary distribution and retail levels starting this year.

Corporate Communications and Public Affairs

The Corporate Communications and Public Affairs Department (CC&PA) manages the public face of Rompetrol and of our top management, representing the main conduit of communication with our various constituencies. From shareholders, customers and partners, and regulators, to our own employees and the public at large everyone benefits from an open flow of timely and relevant information charting the course of our Companies as well as the industry and the market environment.

We believe in transparency and the free flow of information to the benefit of the public. Informed customers make happier investors, self-regulation and consultation is better than coercion, and the availability of factual data benefits everyone by allowing us to concentrate on the functionality and sustainable profitability of our business in the service of our shareholders and customers.

In this spirit we work relentlessly with local, national, and international media to assure everyone has equal access to company public data. We also actively encourage a policy of access to our "C" level, top, and middle management, and serve as industry sources whenever we can contribute to relevant topics.

As part of its media relations role CC&PA contributes to the promotion of Group activities. In 2004 Rompetrol had the widest coverage in its industry and was one of the most reported stories in terms of volume. The high profile, results, and responsiveness of the company garnered not only the highest volumes of coverage compared to all of our competitors but also assured that a large majority of this coverage was factual and positive.

This is indicative of the skill and experience of our staff as well as of an improving business segment in the domestic media environment, which is rapidly becoming more specialized and professional. Unfortunately, while not being dominant on the media landscape, some outlets are mired in the past and produce a substandard banter passing for editorial content. More than 90 percent of the negative coverage on Rompetrol and other successful companies was published by two media outlets due to their patronage and financial dependency on narrow groups of interest.

In 2004 the CC&PA staff served all companies of the Group to promote activities, new launches, acquisitions, and their regular progress, as well as assisting with special events and managing the crisis communication as needed. We also coordinated the production of all corporate publications and literature, including brochures, presentations, white books, quarterly and annual reports, as well as all other materials used in promoting and marketing our business. The Department runs a speaker program that places our executives in speaking roles at various industry conferences, as well as handling conference sponsorship and organizing internal events.

As part of our internal communication program we cooperated closely with HRSS, and other Shared Services in producing internal publications such as the Intranet sites, the closed circuit Radio Rompetrol, or the quarterly newsletter. Under the lead of HRSS our staff contributed to labor relations and maintained an open line of communication with trade union representatives.

In the absence of a specialized marketing service, CC&PA worked closely with our agency of record, Odyssey, in coordinating the 2004 advertising production and placement. The new marketing team that came on board in early 2005 has taken over the design and coordination of all corporate advertising, marketing and media buying activities of the Group and will implement our strategies in cooperation with the agency.

QUALITY, HEALTH &
SAFETY, ENVIRONMENT
(QHSE)



Quality, Health & Safety, Environment (QHSE)

Key 2004 Achievements

- *Extended certifications to include international divisions and operations*
- *Achieved compliance for all Rompetrol entities with EU standards for management of quality, environmental protection, and health and safety*
- *Invested more than \$7.2 million in environmental protection projects*
- *Achieved compliance with new EU regulations ahead of scheduled conformity data for Romania and met EU standards for white products (gasoline and diesel)*
- *Implemented for our employees one of the most effective industrial medicine and preventive health system in Romania*

The year 2004 confirmed the continual expansion and improvement of The Rompetrol Group (TRG), as our operations have undergone significant reforms. During this transformation, QHSE (quality, health, safety and environment) management systems were integrated in terms of operation and organization to better reflect the new direction of the group of Companies.

TRG is able to respond quickly to emerging challenges. Our business efforts are backed-up by a strategy to ensure sustainable development. In 2004 we re-defined our policies related to quality, health, safety, and environmental protection, and developed a new operational model in order to successfully implement this new strategy.

The QHSE Department reports directly to the top management and is responsible for professional control, management and co-ordination of these functions. Our QHSE management systems ensure that customer service, environmental protection, and occupational health and safety issues are always considered. QHSE employs specialized

QHSE managers and other personnel required by law, such as waste inspectors, safety experts, risk assessment, and emergency breakdown staff.

Rompetrol runs an Integrated Management System (IMS) applicable to the management of quality, environmental protection, occupational health & safety. All Company locations implement QHSE integrated management systems with international standard certifications such as ISO 9001:2000 - for all subsidiaries and work locations -, and ISO 14001:1996 for the two refineries of the Group, Rompetrol Rafinare and Vega, as well as for Rompetrol Petrochemicals. The certification scope expanded in 2004, in order to include the Upstream Division and the Libyan operations. The documentation is also upgraded in order to meet the minor modifications imposed by the new version of ISO 14001 (ISO 14001:2004) issued in November 2004.

All the relevant environmental aspects have been identified and addressed in action plans for pollution prevention and emergency response. Some of the action plans are required

by the Romanian legislation in force (e.g. emergency response plans in case of air pollution from industrial accidents, including fire and/or explosions, accidental water pollution).

The decision of the Company to implement an ISO 9001:2000, ISO 14001 and OHSAS 18001 compliant management system demonstrates a forward thinking attitude of Rompetrol. We implemented European Union-standard QHSE requirements, which is not a common practice in Romania and not yet imposed by the regulators.

An effective evaluation of the performance of our QHSE program can be carried out with the help of our key performance indicator (kpi) system. In 2004 we expanded this evaluation system across the entire Rompetrol Group as well as to our key contractual partners.

The investments carried out in 2004 will have a significant positive impact in the QHSE area. It is our belief that our stakeholders will validate the successful implementation of the key targets identified in the corporate Group policies and the continual improvement of our performance.

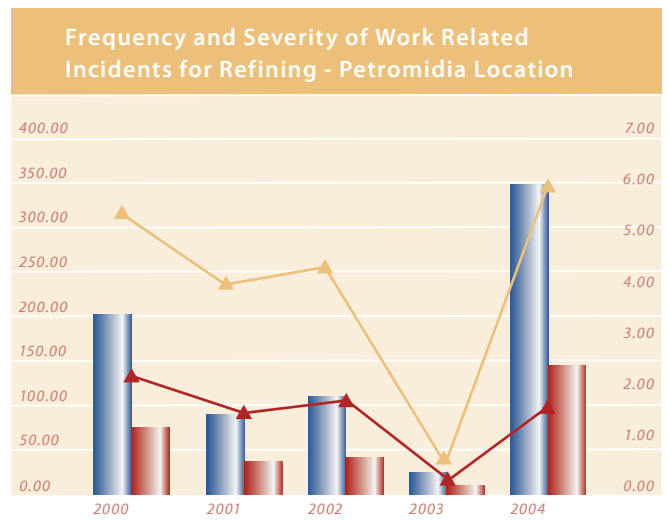
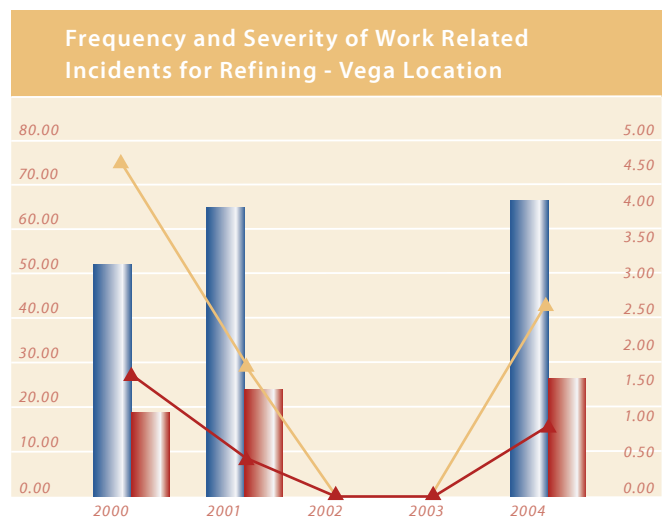
Health & Safety

Safety is an essential element of the management principles of Rompetrol. Our record validates the substantial improvement in our QHSE performance with no work-related fatal accidents occurring in Rompetrol entities in the past five years. These results are due mainly to the very sound prevention culture of our personnel and the ongoing projects designed to supplement this excellent feature with upgrades in the design and ergonomics of our processes.

At the same time, health and safety of the workforce and safe plant operation is an important corporate objective. We deployed a company-wide project related to the "implementation of a near-miss culture" in order to ensure that all work processes are safe – for our staff, our neighbors, our contractors/subcontractors and our customers.

Rompetrol offers its employees one of the best industrial medicine and preventive health system in Romania. This service was subcontracted to very reputable companies that cooperate continually with the QHSE and HR Departments at all TRG work locations. The number of annual medical consultations reached approximately 8,100 in 2004, including preventive investigations.

Emphasizing safety allowed us to maintain a record above industry standards. For our refining facilities, the exposure was slightly reduced in the past two years, although the number of employees decreased at a much higher rate. One minor incident occurred at Vega, the only such event in the past three years. Eight incidents occurred at Rompetrol Rafinare,



more than in 2003 but less than in the previous three years. Our safety record has to take into account the reduction of our workforce and the constant investments made in both protection and automation.

The number of incidents is also altered due to very strict regulations introduced after 2002, which include a much broader scope of incidents under the category of

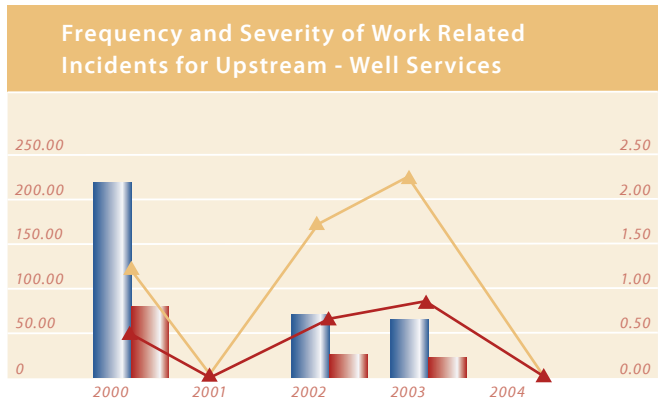
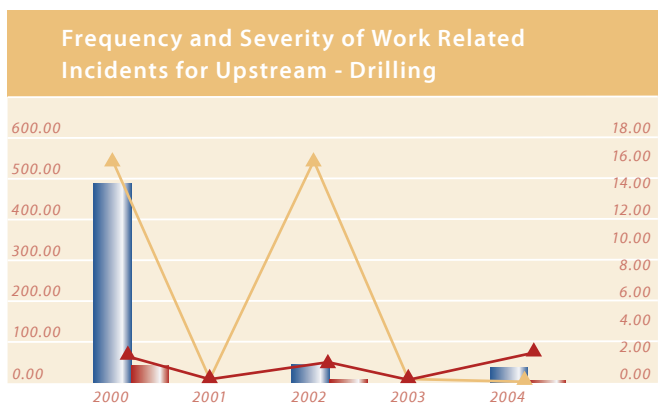
reportable incidents. Therefore, even the most insignificant incidents, which are not immediately work-related, are categorized as reportable. Despite staff reduction due to automation, and the stricter criteria for reporting, our refineries continue to meet EU safety standards. For 2005, we estimate a drastic reduction of the frequency and severity of work-related incidents, as the automation process is now finalized.

Key 2005 Objectives

- *Implementing a large scale QHSE program (P2 program- preventing pollution, reducing the frequency and gravity of work related incidents, effective use of resources, active involvement in improving quality of life and work for our employees)*
- *Upgrading the documentation for our integrated management system according to changes stipulated under the new version of ISO 14001 (ISO 14001:2004)*
- *Initiating and contributing to various corporate social responsibility (CSR) programs*
- *Community involvement through "Energie Vie" Foundation, which will run its own programs, allowing the Rompetrol Group to bring its contribution to the development and well being of the community*

In our Downstream practice we managed to achieve a 'zero reportable incidents' target in 2004, and are aiming for the same challenging objective in 2005. This represents a major achievement given the rapid expansion of our retail network, which would have doubled in size by the end of this year compared to 2003.

The preventative policies, procedures, and practices of the Group enable our operations to maintain an excellent QHSE performance record. At the same time, in order to expand this performance we expect our contractors to fully comply with all relevant laws and regulations, as well as internal Rompetrol standards. When qualifying contractors for work in hazardous conditions, our QHSE criteria have an important priority in the evaluation and selection process.





Corporate Social Responsibility (CSR)

Deeply rooted in community involvement our values are defined by the good we do. Although this is our primary purpose as a corporation, we know it is not enough to obtain and grow profits, as we realize that our destinies are entwined with the well being of our employees, customers, partners, and the public at large.

Rompetrol is actively engaged in improving the quality of life for all those it touches in the conduct of its business—from production and transportation, to trading and corporate activities, we are dedicated to fulfilling our corporate social responsibility (CSR) duty and be a respectable citizen of the communities in which we are present.

We subscribe to the idea that our business could not thrive unless we operate in a functional, content, and prosperous environment. As such, Rompetrol strives to bring a notable contribution and give back to society, starting in our own backyard.

Our employment and work conditions as well as our compensation policies are unmatched in our market and industry.

Forging ahead in our quest for quality, we have traditionally supported three broad areas: the environment, education, and arts and culture. We believe these are paramount directions to support in order to build a solid basis for sustainable social development in Romania.

In cooperation with public administration, government agencies, and NGOs, Rompetrol participates in various CSR projects. Our Corporate Communication and Public Affairs team together with QHSE and HR Departments often join forces in organizing information campaigns on CSR projects carried out, both at company level and with the beneficiaries of such programs, as well as for the general public.

In 2004 Rompetrol contributed to a vast array of educational programs, from supporting the Navodari high school,

working with various student organizations for internship and know-how transfer programs, and helping NGOs working with children and mothers in disadvantaged urban communities, to donating funds to high school national debate programs focusing on anti-corruption, and co-financing the training of anti-drug counselors for the first detoxification center targeting young urban drug addicts, to mention just a few of these projects.

For 2005 we plan to continue our community involvement and structure most of the CSR program around our own foundation, "Energie Vie." The foundation initiated last year, has obtained all the permits and will start running projects with funding primarily from Rompetrol. We aim to turn "Energie Vie" Foundation into a recognizable fund-raiser and project implementer that would allow Rompetrol and other donors to fulfill their social and moral obligation and make a significant contribution to society.

ENVIRONMENTAL
PROTECTION



Environmental Protection

In 2004 Rompetrol continued to implement environmental protection projects, as part of a larger scale QHSE program. From a quality point of view our refineries achieved the 2005 sulfur fuel content standards more than one year ahead of schedule. This ensures full compliance with the new EU regulations and is part of our "ahead-of-schedule" modernization program that will allow us to meet early EU targets for cleaner and more valuable white products (gasoline and diesel).

Lower sulfur content fuels have a reduced impact on the environment and contribute to lessening the emission of green house gases and heavy particles in the air. True to its promise, Rompetrol produces now gasoline and diesel fuels already compliant with January 2007 requirements of 50 parts per million (ppm) sulfur, and reduced aromatic hydrocarbons to 35 percent v/v for gasoline, and 11 percent v/v for diesel.

In 2004 we invested more than \$7.2 million in environmental protection projects. This brought the investment made by Rompetrol in improving environmental performance (modernization activities, implementation of pro-active strategies) and on the remediation of environmental liabilities of its refineries to a total of \$33 million for the past four years. Such projects included the modernization of wastewater treatment, gas desulfurization, elimination of acid tars, and decontamination of soil and groundwater.

TRG Companies are also actively engaged in safeguarding resources by improving energy efficiency, by increasing recycling programs, by minimizing industrial process emissions, and by reducing waste and improving waste disposal capabilities.

We have drastically reduced the emission levels of the most important pollutants (SO₂, CO₂, NO₂) and volatile organic compounds (VOC) by outfitting storage tanks with double roofs.

In absolute value, the concentrations of SO₂ are much below maximum acceptable concentration and have embarked on a decreasing trend.

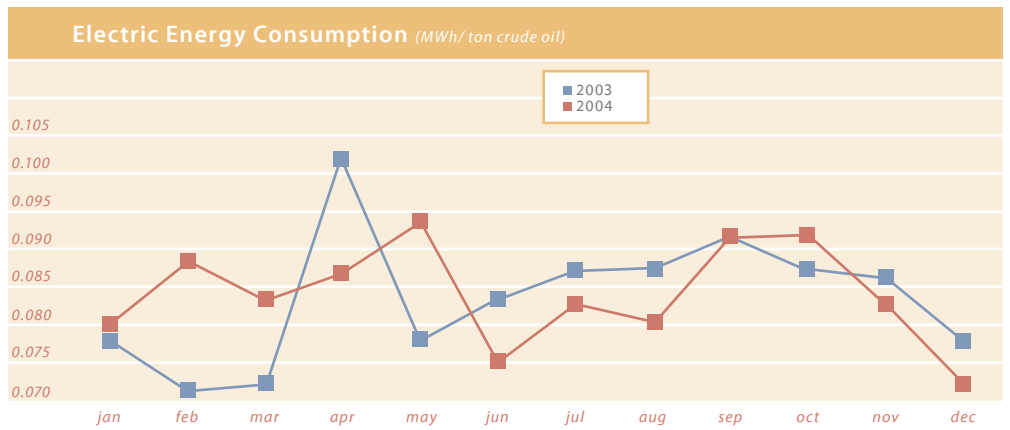
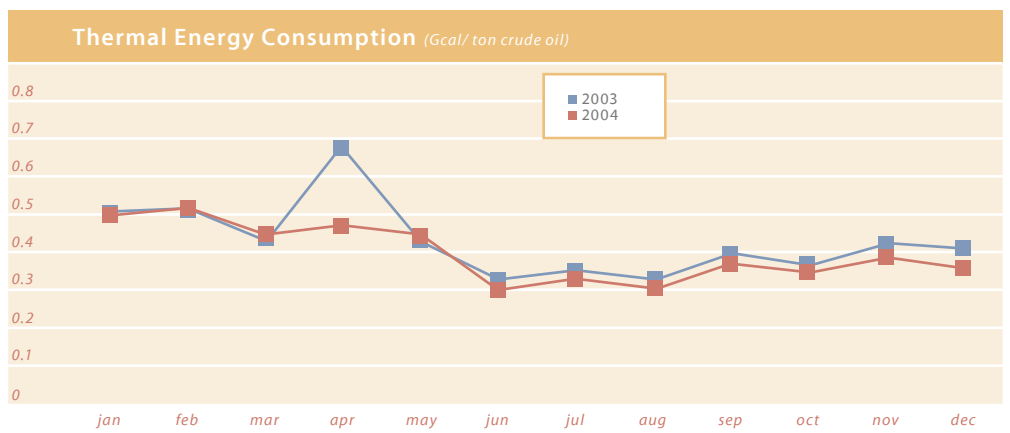
In 2004 we completed several investments in wastewater treatment in conjunction with improvements in production processes. Monthly monitoring of hydrocarbons content, sulfides, and biochemical oxygen demand (BOD) levels showed improved quality of wastewater treatment. Monitoring results revealed a reduction of hydrocarbons content by 8 percent, of sulfides content by 45 percent, and of biochemical oxygen demand (BOD) by 10 percent.

As a common practice Group companies develop technological units, processes, and products based on the latest safety engineering practices, ecological criteria and technologies, in order to improve the business process. We do not only follow the "stay-in-business" approach and rather aim to gain significant advances by conserving energy

and reduce consumption of thermal and electrical power.

Another significant step in our push to exceed ever-increasing regulations and protect the environment is achieved by activating Ecomaster, a young TRG company, which provides first-rate ecological clean-up and recycling services not only to our companies, but also for other Romanian operators.

Finally, our regional expansion carries the impact of our operations beyond the borders of Romania. We apply the same corporate policies in our international operations even if the regulatory environment in a given country happens to be less rigorous. For instance, the retail stations operating in neighboring countries are equipped with vapor recovery and water recycling systems, as good examples of applying state-of-the-art technologies.



Management Analysis of 2004 Financial Results

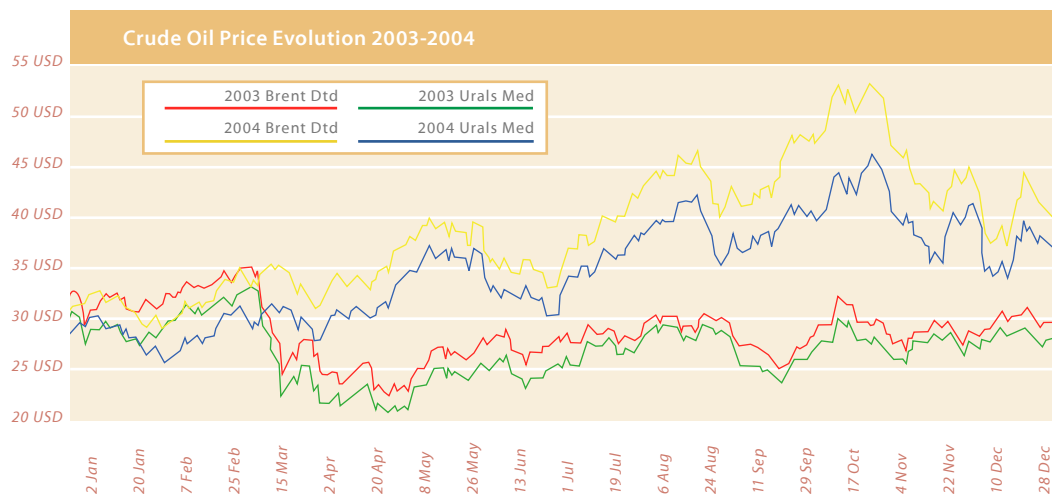
FINANCIAL HIGHLIGHTS Key Financial Data <i>(figures expressed in thousands USD unless otherwise stated)</i>	2004	2003	%
REVENUES	1,614,750	1,278,996	26
NET REVENUES	1,177,944	934,044	26
GROSS MARGIN	143,368	68,864	108
EBITDA	101,395	27,705	266
CAPITAL EXPENDITURES	104,288	87,688	19

according to International Financial Reporting Standards - IFRS

Best year ever in a context of high crude oil prices worldwide

In 2004 The Rompetrol Group (TRG) recorded its best results since inception. The increase in revenues was mainly caused by higher selling prices of refinery and petrochemical products. The price hikes for oil-related products was largely due to

the steady increase of crude oil price in 2004. More specifically, the average CIF Med quoted price of Ural Blend increased by 27.5 percent in USD terms compared to 2003, while the Brent dated average quoted price increased by more than 32.6 percent.



Record EBITDA level

For the first time in its history, TRG achieved an operational profit (EBITDA) exceeding \$100

million, a more than 3.5 times increase compared to 2003. The Refining and Marketing divisions contributed more than

99 percent, or \$100 million of the total TRG EBITDA.

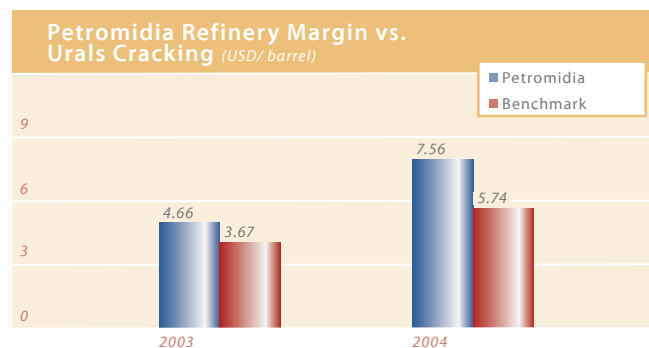
Breakdown of EBITDA	2004	2003	%
Rompetrol Rafinare	86,347	16,091	437
Rompetrol Petrochemicals	5,708	2,478	130
Vega Refinery	3,400	1,807	88
Rompetrol Downstream	4,937	3,505	41
Rom Oil	(938)	2,697	-135
Rompetrol Logistics	3,841	1,823	111
Rompetrol Well Services	2,195	2,328	-6
Palplast	632	779	-19
Drilling Services	1,259	969	30
Corporate & Other	(5,986)	(4,772)	25
Total	101,395	27,705	266

according to International Financial Reporting Standards - IFRS

The most important driver of profitability for the refining and marketing segment is the development of global, more specifically European refinery margins. The second biggest driver is the liberalisation of domestic pricing beginning with the second part of 2004 and completed in early 2005.

For Rompetrol Rafinare (Petromidia), the key benchmark refinery margin is the Ural-MED, since the refinery operates in the Mediterranean (and Black Sea) region, and currently uses exclusively Urals-type crude feedstock. Additionally, Petromidia has a competitive advantage compared to all its

regional and European peers because of its impressive white products yield (87.21 percent) and due to using only sour crude oil (Urals). The following graphic compares Petromidia and benchmark margins for the last two years:



The widening of the Brent – Ural differential was one element that influenced these high refinery margins for Petromidia refinery. These higher Brent – Ural differentials confirm our strategic decision taken in 2001 to invest important financial

resources in order to switch the refinery from a sweet crude oil processing refinery to a 100 percent sour crude throughput.

Starting in 2003 refining margins rallied to unprecedented highs, reaching

a record year in 2004 with an average margin of \$5.7/bbl for Ural-MED. The current high crude prices are expected to stay and the near-term outlook for refining margins remains positive.

Auditors' Report

We have audited the consolidated balance sheet, profit and loss account, cash flow statement and schedule of changes in equity of The Rompetrol Group N.V., Rotterdam, for the year 2004. The consolidated balance sheet, profit and loss account, cash flow statement and schedule of changes in equity have been derived from the financial statements of The Rompetrol Group N.V. in accordance with IFRS for the year 2004. In our auditors' report dated March 31, 2005 we expressed an unqualified opinion on these financial statements. The consolidated balance sheet, profit and loss account, cash flow statement and schedule of changes in equity are the responsibility of the company's management. Our responsibility is to express an opinion on the consolidated balance sheet, profit and loss account, cash flow statement and schedule of changes in equity. In our opinion, the consolidated balance sheet, profit and loss

account, cash flow statement and schedule of changes in equity are consistent, in all material respects, with the financial statements from which they have been derived. For a better understanding of the company's financial position and results and of the scope of our audit, the consolidated balance sheet, profit and loss account, cash flow statement and schedule of changes in equity should be read in conjunction with the financial statements from which the abbreviated financial statements have been derived and our auditors' report thereon issued on March 31, 2005.

Amsterdam, May 17, 2005

Deloitte Accountants B.V.

Abbreviated Consolidated Financial Statements

*Consolidated Balance Sheets
as of December 31, 2004 and 2003
(prepared in accordance with
International Financial Reporting
Standards-IFRS)*

(All amounts in US dollars)

ASSETS	December 31, 2004	December 31, 2003
Non-current assets		
Intangible assets	9,660,937	7,601,766
Property, plant and equipment	565,077,340	522,708,612
Long-term investments	9,556,672	9,512,536
Total non current assets	584,294,949	539,822,914
Current assets		
Inventories	210,727,766	146,893,982
Receivables and prepayments	159,509,905	154,063,962
Cash and cash equivalents	29,027,988	29,543,878
Total current assets	399,265,659	330,501,822
TOTAL ASSETS	983,560,608	870,324,736
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	93,026	93,026
Share premium	2,631,512	2,631,512
Re-evaluation reserve	20,625,249	20,625,249
Other reserves	146,823,448	146,823,448
Retained earnings	143,738,355	(56,515,200)
Current year result	(39,630,674)	200,253,555
Total shareholders' equity	274,280,916	313,911,590
Minority interest	113,807,378	88,475,288
Non-current liabilities		
Hybrid instrument - long-term portion	108,834,655	114,975,364
Long-term debt	28,380,448	17,618,154
Net obligations under finance lease	9,293,718	2,485,733
Deferred tax liabilities	11,768,397	3,448,995
Other non-current liabilities	3,553,759	4,411,760
Total non-current liabilities	161,830,977	142,940,006
Current liabilities		
Trade and other payables	284,700,503	212,912,607
Net obligations under finance lease	3,315,462	1,527,779
Short-term debt	126,550,918	93,980,077
Hybrid instrument - current portion	19,074,454	16,577,389
Total current liabilities	433,641,337	324,997,852
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	983,560,608	870,324,736

*Income Statement
Consolidated Profit and Loss
Account for 2004 and 2003
(prepared in accordance with
International Financial Reporting
Standards-IFRS)*

(All amounts in US dollars)

	2004	2003
Revenues	1,177,944,477	934,043,820
Cost of sales	(1,034,576,604)	(865,179,783)
Gross margin	143,367,873	68,864,037
Selling, general and administrative expenses	(95,594,335)	(88,128,455)
Other expenses, net	(10,820,593)	(33,963,180)
Operating margin	36,952,945	(53,227,598)
Financial items, net	(60,656,323)	(108,285,331)
Exceptional item	-	415,525,081
Profit / (loss) before income tax	(23,703,378)	254,012,152
Income tax	(11,717,491)	(5,277,625)
Profit / (Loss) after tax	(35,420,869)	248,734,527
Minority interest	(4,209,805)	(48,480,972)
Net profit / (loss) for the year	(39,630,674)	200,253,555

*Consolidated Cash Flow
Statements
for 2004 and 2003
(prepared in accordance with
International Financial Reporting
Standards-IFRS)*

(All amounts in US dollars)

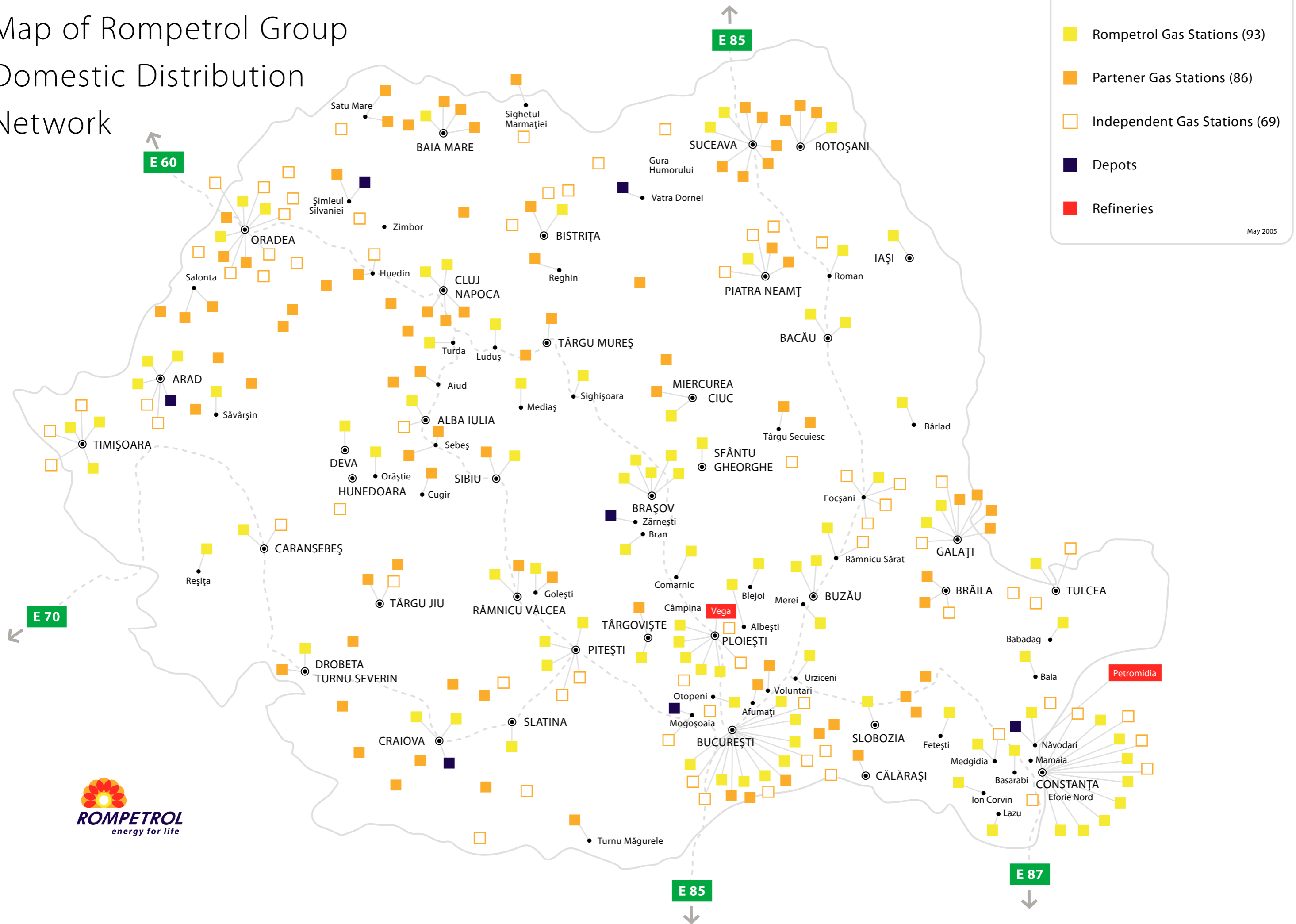
	2004	2003
Profit / (loss) before income tax	(23,703,378)	254,012,152
Adjustments for:		
Financial income from treatment of hybrid instrument	-	(415,525,081)
Unrealised foreign exchange loss on hybrid instrument	9,238,434	51,300,100
Unwinding of discount on hybrid instrument	14,553,928	3,598,703
Late payment interest	14,527,579	90,913,514
Depreciation and amortisation	53,621,099	47,141,973
Negative goodwill amortisation	-	(15,962,756)
Provisions, including foreign exchange differences impact	8,294,846	26,138,912
Loss on intangible and fixed assets disposals	2,289,854	16,225,747
Interest expense and bank charges, net	15,689,410	13,356,433
Net result from sale of Group investments	8,157,832	-
Operating profit before working capital changes	102,669,604	71,199,697
Net working capital changes in:		
Receivables and prepayments	4,336,957	108,217,703
Inventories	(64,891,538)	(17,134,421)
Trade and other payables	63,432,456	(92,690,776)
Change in working capital	2,877,875	(1,607,494)
Income tax paid	(9,720,661)	(1,219,545)
Net cash provided by operating activities	95,826,818	68,372,658
<i>Cash flows from investing activities</i>		
Purchases of property, plant and equipment	(100,688,346)	(79,738,761)
Purchases of intangibles assets	(3,599,748)	(1,996,086)
Purchases of investments	-	(5,953,482)
Net cash used in investing activities	(104,288,094)	(87,688,329)
<i>Cash flows from financing activities</i>		
Coupon paid on hybrid instrument	(27,436,013)	-
Interest paid, net	(15,689,403)	(13,356,433)
Increase in obligations under finance lease	8,595,668	2,326,377
Movement in borrowings	42,475,134	9,642,322
Net cash from financing activities	7,945,386	(1,387,734)
Translation differences	-	6,827,617
Net increase in cash and cash equivalents	(515,890)	(13,875,788)
Cash and cash equivalents at beginning of the period	29,543,878	43,419,666
Cash and cash equivalents at the end of the period	29,027,988	29,543,878

*Consolidated Statements of
Changes in Shareholders' Equity
for 2004 and 2003
(prepared in accordance with
International Financial Reporting
Standards-IFRS)*

(All amounts in US dollars)

	Share capital	Share premium	Retained earnings	Re-evaluation reserve	Other reserves	Shareholders' equity
December 31, 2002	93,026	2,631,512	(194,406,870)	17,566,448	-	(174,115,884)
Net profit for 2003	-	-	200,253,555	-	-	200,253,555
Increase in revaluation reserve due to translation	-	-	-	3,058,801	-	3,058,801
Treatment of the hybrid instrument	-	-	-	-	146,823,448	146,823,448
December 31, 2003 reported	93,026	2,631,512	5,846,685	20,625,249	146,823,448	176,019,920
Reversal of negative goodwill recorded as of December 31, 2003*	-	-	137,891,670	-	-	137,891,670
December 31, 2003 restated	93,026	2,631,512	143,738,355	20,625,249	146,823,448	313,911,590
Net loss for 2004	-	-	(39,630,674)	-	-	(39,630,674)
December 31, 2004	93,026	2,631,512	104,107,681	20,625,249	146,823,448	274,280,916

Map of Rompetrol Group Domestic Distribution Network



May 2005

