2007
Annual Report

ROMPETROL
energy for life

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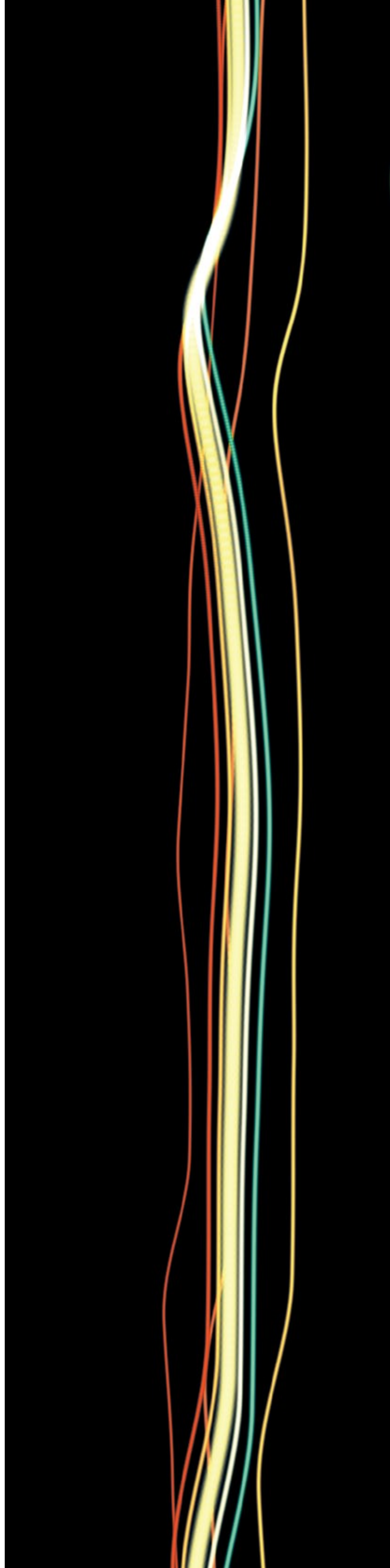


Letter from the Chairman

Dear Shareholders and Partners,

The Rompetrol Group, consistent to its development strategy, initiated during the recent years the implementation of its plans of becoming a Mediterranean company, with operations covering the area comprised between the Black Sea, Southern France and the North of Spain. This expansion is centered on the assets held by the Group both in Eastern and Western Europe, and I am not referring only to refineries, but also to crude and oil product warehouses and the distribution network.

The concept of "energy bridge" viewed both in terms of physical link between the resources from the East and the distribution markets from the West and in terms of cultural link, is currently more tangible than ever. Rompetrol, like other Central-European companies with activities in the energy field, has the opportunity to represent the interface between two different regions of doing business, contributing to the European energy security, also by diversifying the energy resources.

If the end of the year 2005 and the beginning of 2006 marked, by the purchase of 100 percent shares in the Dyneff Group, the establishing of the Western connections of the energy flow which Rompetrol generates, the year 2007 set the basis of the Eastern extremities of this energy connection by the transaction concluded with KazMunayGaz, that purchased in August, 75 percent of the shares of The Rompetrol Group.

This union will lead to significant advantages to both shareholders and their customers. The investment made by KMG provides Rompetrol access to raw materials and the financing necessary to continue the corporate expansion plans of our refineries, logistics and acquisitions suitable in view of pricing and context.

Rompetrol managed to become one of the significant oil companies in South-Eastern Europe and the Black Sea region, advancing towards its goal of becoming one of the top 10 European oil companies and strengthening its presence within the Mediterranean Sea area, as a vital element of the pan-European energy flow. Through its activities, Rompetrol connects the Caspian Sea, the Black Sea and crossing the Mediterranean Sea, it reaches the Atlantic Ocean.

The position of Rompetrol Rafinare, Petromida refinery, in the North-West of the Black Sea, naturally placed on the transport route of crude resources from the East, generated yet another new project of Rompetrol, Midia Marine Terminal. The offshore terminal will be dedicated to our refinery, but also to possible trading operations with domestic or external customers. After finalizing this project, estimated for the last term of 2008, Midia Marine Terminal will become a real "hub" of crude imports and exports and it may be used easily and in full safety by ships with a maximum capacity of 165,000 DWT. The investment in this terminal shall generate significant cost reductions for the transfer of crude from ships to the tank farm.

Our trading activity continued its rising trend in 2007 as well, being supported by both the increase of the supplied crude volume and the sales of finished products. They further diversified the range of products compliant with the quality and environment standards applicable in the European Union and this led to the consolidation of our position and presence on the traditional reference markets in the oil field.

With regards to the refining activity, Rompetrol Rafinare processed a record quantity of 3.8 million tons of feedstock in 2007, being thus closer to its target of reaching the 5 million tons processing capacity per year by 2009.
The increase of the diesel demand on the world market focused Petromidia refinery to increase the diesel gas yield in the structure of refinery products, following thus the market trends.

We became more profitable and we consolidated the presence of Rompetrol and its brand on the regional and international markets, launching the first Rompetrol filling station in France, in Arzens, in May 2007. Our Group has continued to extend its filling stations network from Eastern to Western Europe and we currently operate approximately 650 filling stations. We shall continue this expansion trend also by developing the mobile Rompetrol Expres stations in the countries where we carry out activities.

I am glad to say that our results are the proof of the continuous development of the Group, but also of the success of our business model that starts from a competitive management and has the support of some of the best trained specialists within the area.

We managed to demonstrate that we are the business partner of choice in many fields of activity, starting from well services up to products and services offered in the Hei shops in our filling stations.

We intend to become a model and an engine of growth and development by identifying and capitalizing the human resources potential of the Group, while taking into consideration its regional and cultural nature.

But nothing would have been possible without the over 9,000 employees of the Group that bring added value to the entire strategic construction, whose intrinsic part we all are.

Dinu Patriciu
Chairman & CEO

Expansion

The Rompetrol Group is headquartered in The Netherlands since 1999. Originally, the Group made various acquisitions in the Romanian oil services and refinery industry.
Since then, Rompetrol has expanded at a rapid pace. In a few years it established companies east and mainly west of Romania. It has become a strong player in the Balkan and Mediterranean markets and is now aiming to become an integrated pan-European oil company focusing on markets in the Southern and South-Eastern parts of Europe. Currently, the Company's geographical market for the sale of oil products, spans an area from Georgia, on the Eastern shores of the Black Sea, to Spain and France's Aquitaine region, on the shores of the Atlantic. Our trading arm, Vector Energy, is strategically located in the middle, in Switzerland.

Following the conclusion of the transaction with KazMunayGaz, Rompetrol expanded its operations further towards the East. The Group now represents an important transfer point of the crude resources from the Caspian Sea to Romania and then further on into the European Union.

In this section of the Annual Report we provide you with an overview of our most important geographical markets.

The Netherlands

The Rompetrol Group registered its holding company in The Netherlands in 1999. In a rather short time frame, the Group transformed from a small crude refiner in Romania to a medium sized ambitious pan-European player, with refining, marketing and trading operations, positioned amongst the most important oil companies headquartered in Europe.

This evolution generated, and in its turn has generated, an increasing need for corporate governing and supervision. The Board of Directors meets frequently in Amsterdam. Some crucial management and decision making activities are conducted from Amsterdam as well. The Amsterdam office holds amongst others vital support functions, such as the Treasury and Tax.

Romania

Before initiating its international expansion, The Rompetrol Group developed in Romania. The Group saw a significant growth in Western Europe but also in Eastern Europe, thus blazing its pass from a medium sized regional company to a pan-European one, present all-over the continent and also in Europe's bordering areas.

The Rompetrol Group manages its activities from Romania. It coordinates the activities of the two refineries, Rompetrol Rafinare (Petromidia) and Vega, as well as the retail and industrial production activities. Throughout our Report, we will enlarge the evolution of the operations carried out by the Group's Business Units, in Romania as well as abroad.

The business model is based on centralized “Excellence Centers”, designed to provide good practices integrated services for all the Group companies. These support services are essential for the Rompetrol Group's Business Units, enabling them to carry out their operations smoothly and uninterrupted.

France

In 2007, the market in France faced a special situation regarding the supply of distilled products (diesel fuel and heating oil), due to events that caused the supply to become limited. At the same time, the demand of oil products throughout France registered an important increase, following the tendencies of international quotations during the cold season.

The anticipation of the market evolution by the Department of Logistics, allowed Dyneff to have oil products in its main storage facilities - Port La Nouvelle, Oil Storage Facility of Fos, Oil Storage Facility of Ambes, SDSP (Société du Dépôt in Saint Priest) and SPR (Société Pétrolière in Rhône).

As novelty, we can mention the fact that Dyneff company was the first company in the Languedoc Roussillon region that started selling Super Ethanol E85 fuel. The introduction of this new type of fuel placed Dyneff in the leader position regarding the distribution of this type of fuel in the Languedoc Roussillon region.

In 2007, Dyneff France also consolidated its activity in the segment of specific supplies by vats (delivery of exclusively domestic use fuels to clients' homes), following a new commercial strategy based on two essential offers: the storage facilities offer targeting legal entities (B2B) and the distribution of heating oil addressed to private customers (B2C).

Within The Rompetrol Group, Dyneff consolidates the access to large energy consuming markets in Western Europe. The strategy to ensure access to these markets is based on building adapted pan-European trademarks and implementing specific strategies from the perspective of supply and logistics.

Spain

In Spain, Dyneff company implemented a strategy for the optimization of resources and processes in view of improving its reaction to market changes. The commercial offer is based on the products and services that ensure the success of Dyneff in France, but adapted to the Spanish market.
The main challenges are aimed at accessing the distribution markets for small and medium customers, the objective being to become an important and acknowledged player in the region. This development will be mainly based on the French experience and the supply plan developed within the Rompetrol Group. In terms of the marketing strategy, development focuses on the introduction of the trademarks of the Rompetrol Group in fuel distribution stations on the Spanish market.

Bulgaria

2007 Key Achievements

- *Expansion of the Rompetrol Bulgaria network of owned stations to a number of 20 units and the doubling of the number of partner stations to 40*
- *Renting a depot in Sofia and starting distribution from the site*
- *Own trucks serving both company's as well as clients' transportation needs*

2008 Key Objectives

- *Development of the activities in Sofia region and in southern Bulgaria*
- *Launching a commercial strategy aimed at increasing the clients' portfolio, focusing on improving the current activities*

Wholesale

The Company has diversified its product portfolio, including LPG, Calor Extra 1 and unleaded RON98 gasoline, and increased its market share. In 2007, Rompetrol Bulgaria reached a 12 percent market share in the wholesale market. The Company sold to the wholesale market from a rented depot in Sofia and started and completed the 1st phase of fuel marking, aimed at better brand protection.

All this was possible through the Company's improved management based on business processes.

Retail

In 2007, Rompetrol Bulgaria launched an aggressive development plan for its retail operations and initiated several process improvements for obtaining superior management results. On September 27th, Rompetrol Bulgaria opened its first filling station based on the “Hei” concept. The new filling station is located in Sofia and the total investment was 1,1 mil Euro ($ 1.55 million).

The Fill&Go Business program was started. For proximity purposes and for targeting a new client category, the “Rompetrol Internal Bases” project was implemented in Bulgaria as well. By the end of 2007, 10 internal stations were already operational.

In the mean time, Rompetrol Bulgaria started to implement a new approach of its suppliers, logistics partners and national distributors, currently supplying 90 percent of the products. It made the first step in category management for the network with very good results in the homogenity of the range of products, in terms of the shop layout. As a result of activities, more suppliers are interested to do business with Rompetrol Bulgaria, even if our network is not very consistent yet.

We launched in our network Rompetrol branded products, such as air fresheners and windscreen liquids, with very good results in sales. Rompetrol Bulgaria made an important investment in the new Orpak operating system that assures additional opportunities on the fuel and services market in Bulgaria. The company started the implementation of the new procedures regarding the operation of gas stations and services for the clients, in order to achieve the ISO standard next year.

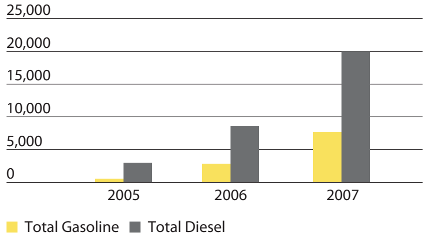
Guidance and development trends for 2008 and the immediate future

In 2007, Rompetrol Bulgaria used 7 trucks for both own and our clients' transportation needs. Rompetrol Bulgaria plans to buy three new trucks in 2008 and will start the implementation of HiGTek system that is going to secure the quality and quantity of the fuel delivered to its clients. Furthermore, the Company intends to further develop its core business in the Sofia region and in Southern Bulgaria and to launch a new commercial policy. At the same time, it will continue to expand the client portfolio thus reaching for a larger direct market share.

The Fill&Go program will be sustained and updated with additional services in order to attract important clients and to increase the sales per station with more than 80 percent. In 2008, Rompetrol Bulgaria aims to conclude new franchise contracts for gas stations and to increase the range of the Rompetrol branded products. At the same time, it will increase the range of additional services such as ATM machines, paying of invoices, insurances or vignettes.

They also intend to increase the quality of the services rendered by organizing training sessions for its sales employees, active sales and customer service and also increase the monthly revenues from marketing services.

Evolution of Retail Sales
(tons)



Switzerland
Vector Energy AG is Rompetrol's feedstock supply & trading arm, headquartered in Zug, Switzerland. The company was set up in late 2004. In 2007, Vector Energy AG was integrated in the newly set up Trading Business Unit.

The control and optimization of supply systems and of distribution flows have been implemented. The planning functions have been taken over from Petromidia and trading and risk management control processes have been introduced. The feedstock supply to the Petromidia refinery is handled exclusively by Vector Energy AG. The company also handles the product volumes exported to near abroad and to Southwestern Europe.

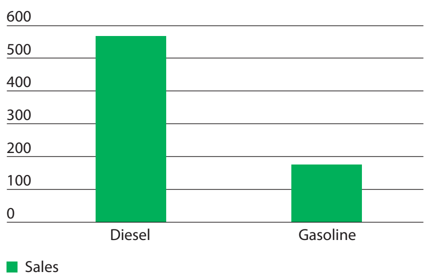
In 2008, Vector Energy will continue to work on supply chain optimization and development of third party trading opportunities around the assets. The company will use its risk management expertise to provide services across the whole chain from feedstock to customer.

Albania
During 2007, the Albanian fuel market has been characterized by a further consolidation of the trading activity, through several important companies having foreign shareholders. The retail market has followed the same trend, where the modernization of the gas stations and the growth of the distribution networks have been also advanced.

During 2007, Rompetrol Albania concentrated its activity on retail only. The retail activities have managed to maintain the rhythm of sales to the quantity of 739 tons fuels, the entire quantity being supplied to the Albanian market.

2008 Key Objectives
- *Increase the customers portfolio*
- *Develop and optimize the fuel distribution activities*

Rompetrol Albania 2007
(tons)



Russia
2007 Key Achievements
- *Evaluation of the status of the petroleum industry in Russia*
- *Identification of main business opportunities*
- *Entering into strategic partnerships with the most important representatives of the local business environment*

2008 Key Objectives
- *Scout for a production base with reserves of about 30 million tons of crude*
- *Assistance in enhancing Rompetrol presence in the regional upstream service sector*
- *Establish direct contacts and partnerships with crude suppliers*
- *Monitor the feedstock flows and evaluate the potential supply routes*

The Rompetrol Group opened a permanent representative office in Russia, headquartered in Moscow, in June 2005, as part of its expansion strategy meant to consolidate the Company's position in Europe.
The main objective for establishing the representative office is to assess existing opportunities and to continue development of a crude production base in this oil rich country, aiming to enable a flow of hydrocarbon resources for the two refineries of the Group located in Romania.
In addition to the upstream core activity, the representative office provides constant support to the Group management and to its Business Units responsible for feedstock supply and trading. The current and future activity will consist in monitoring existing feedstock flows, establishing direct contacts and partnerships with crude suppliers, logistics transport providers and evaluating new potential supply routes.

Moldova
2007 Key Achievements
- *A network of 10 gas stations under Rompetrol brand*
- *Sales Volume of 26 000 tons of fuels*
- *Sales Volume of pipes and fittings of more than 1100 tons*

2008 Key Objectives
- *Increase the number of Rompetrol brand gas stations up to 22, including 6 own stations*
- *Launch of Internal Bases*
- *Launch of Expres Stations*
- *Approval and launch of Fill&Go system*
- *Launch Efix fuels on the Moldavian market*

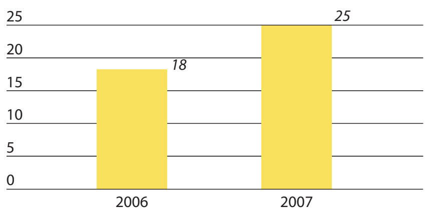
General Objective
Rompetrol Moldova has been operating on the Moldavian market since September 2002. At the end of 2007, the Company was operating a 10 gas station network and one warehouse in Chişinău.
The Company's major goal for 2008 remains the development of its own fuel distribution network, by acquiring 6 own stations and another 6 under franchise, thus increasing the sales volume for all fuel categories. At the same time, the increase in sales volume for all fuel categories, as well as the increase of market share through the constant expansion of the gas station network, are other Company objectives as well. Another extremely important goal is the implementation of the distribution system through the Expres filling stations and of the Internal Bases network, while at the same time implementing Fill&Go card and ring systems.
In order to achieve one of the goals of the Company – the increase of the number of customers – Rompetrol Moldova will continue offering high quality Rompetrol fuels through the retail and wholesale distribution channels. The important goals of this year are to increase awareness and usage of Rompetrol brand, thus enhancing the volume of sales up to 60 000 tons, and by this, acquiring 12 percent share of the Moldavian fuel market. For the year 2008, we are planning to further maintain and develop the pipes and fittings business on the local market.

Georgia
2007 Key Achievements
- *A network of 25 gas stations under Rompetrol brand*
- *Sales Volume of 66,200 tons*

2008 Key Objectives
- *Raise notoriety and enhance Rompetrol brand thus triggering an increase in sales*
- *Rompetrol Georgia will continue to develop, focusing on its main activities*
- *Improve employees' abilities in accordance with the Company's development trends*

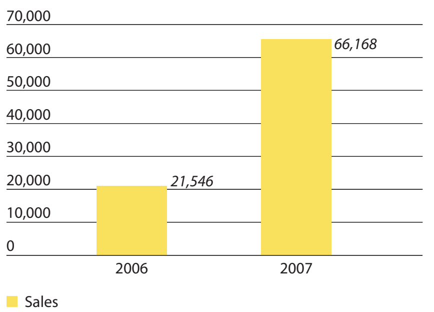
Rompetrol Georgia has as main objective the enhancement of customers' loyalty and satisfaction. Rompetrol has been operating on the Georgian market since December 2005. First imports and distribution of Romanian fuel started in April 2006. At the end of 2007, the Company was already operating a 25 gas station network allover the country, an internal base and two warehouses – one in the capital city, Tbilisi and another in the south-western part of Georgia, Batumi.

2006-2007 Gas Station Number Evolution



Due to the already existing distribution channels and flexible discount policy, the volume of the sales increased up to 75,900,000 liters of fuel.

2006-2007 Sales Volume Rompetrol Georgia
(thousand $)



In order to succeed in achieving the major goal of the Company - to increase the degree of customers' satisfaction and loyalty – Rompetrol Georgia will continue the development process.

Ukraine
2007 Key Achievements
- *Rompetrol Ukraine became one of the main EU standard fuel importers and distributors on the Ukrainian market (approx. 18.3 percent)*
- *The quantity of fuels sold on the local market exceeded 172,000 tons, both gasoline and diesel fuel, meeting the Euro 4 standard*

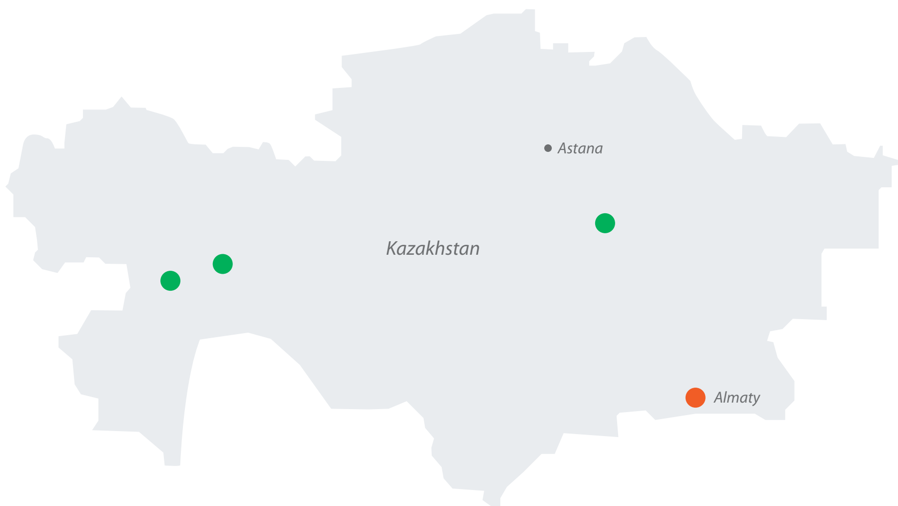
Rompetrol Ukraine started its activity in autumn 2006 and during the same year started the distribution of Rompetrol fuel on the Ukrainian market.

In 2007, Rompetrol Ukraine aimed to improve the logistics indicators and thus supplied fuels from three distribution points, these being the terminals in Ilichiovsk, Theodosia and Zaporojie (the first 2 being ports at the Black Sea, while the last is positioned in Central Ukraine, port on Nipru River).

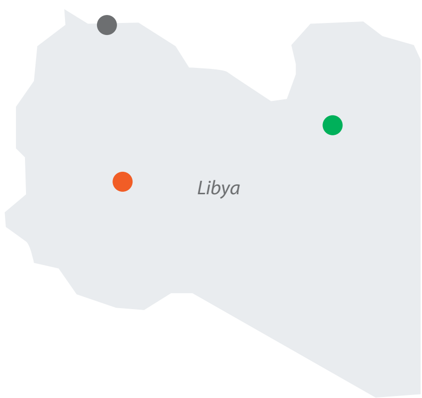
Another development trend in 2007 was to address the regional markets of Ukraine.

Accordingly, the Company rented storage facilities in two regions with high consumption potential, in Donetsk and Zaporojie. Both locations confirmed the success of Rompetrol fuels and services, the market being very open to Rompetrol's offer.

Business Units



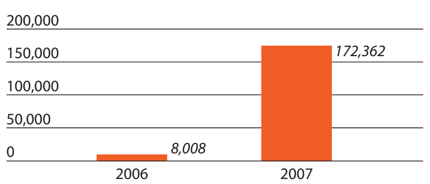
● HQ of the RWS Branch in Kazakhstan ● Operating Bases



● Murkuk basin operations ● Amal&Libba fields operations
● Tripoli office

2006-2007 Sales Volume Rompetrol Ukraine

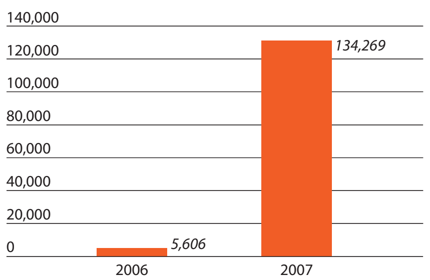
(tons)



■ Sales

2006-2007 Turnover Rompetrol Ukraine

(thousand $)



■ Turnover

2008 Key Objectives

- *Focus on developing the current activities, especially in terms of quality of the products and services rendered*
- *Further sales development for the fuel produced both locally as well as in neighboring countries (Kazakhstan, Belarus)*

For 2008, Rompetrol Ukraine plans to develop a fuels distribution network in Southern and South-Eastern Ukraine, aimed to enhance proximity to the final consumer, the main advantages being the quality of the products and services rendered, as well as the increase of sale of Rompetrol fuels and other fuels, through the marine terminals and depots.

Kazakhstan

Rompetrol Well Services (RWS) opened its Branch in Kazakhstan in March 2003. Since then, the RWS Branch is providing cementing, acidizing and pumping services to small and medium size domestic oil companies in the Western and Central regions of the country. The operational capacity increased each year and revenues increased accordingly, from $ 1 million in 2004, to over $ 2.3 million in 2007.

Currently, the Branch employs 10 Pump Truck Units, all necessary ancillary equipment, skilled engineers and cementing operators capable to address very complex operational requirements and to provide their services in the most difficult environments.

In 2007, the RWS Branch in Kazakhstan completed over 55 casing cementing jobs and numerous miscellaneous high pressure pumping jobs for Arawak Energy, Max Petroleum, Pacifico Mining and Drilling and other local joint-venture companies.
The Branch's main objective for 2008 is to expand and diversify the operational capacity in Kazakhstan, focusing on cooperation with KazMunayGaz.

2008 Key Objectives

- *Expansion and diversification of the operational capacity in Kazakhstan, focusing on cooperation with KazMunayGas*
- *We intend to increase our "on-call" capabilities in the western regions of the country by assembling the pumping equipment on heavy-duty, high-clearance vehicles, by extending the cement and cement additives storage and by enhancing local personnel skills through intensive on-site training*

Libya

Geomin Oilfield Services Company (GOFSCO), has been established in 1991 as a branch of Rompetrol S.A. in Libya , to provide drilling, workover and oilfield services for the oil and gas industry.
During the past 16 years of activity, GOFSCO has carried out professional services for a number of companies, including:
Rompetrol Libya
Repsol Oil Operations
Veba Oil Operations (PetroCanada)
Lasmo Grand Maghreb Ltd.
Repsol Exploration Murzuk S.A.

Among its performances up to year 2007, we mention the drilling of an impressive number of development oil wells and water source wells. In 2000, Rompetrol commenced an important investment program, replacing the existing GOFSCO rigs and equipment with state-of-the-art technology.
Over the last few years, GOFSCO carried out workover operations for over 130 wells in Murkuk Basin and over 23 in Libba and Amal fields, meeting with professionalism all contractual obligations assumed with clients.

For 2008, the main objective of GOFSCO will be to re-enter the deep drilling activity by acquiring high performance drilling rigs.

Letter from the Chief Operating Officer

2007 was an extremely good year for Rompetrol, in spite of very difficult market conditions in the second half of the year. We had a very strong first half performance on the back of strong refining margins, excellent refinery performance and strong trading results.

Last year can be described as a year of consolidating and optimizing. Over the past few years, The Rompetrol Group has expanded at a tremendous pace, both through acquisitions and through organic growth. We spent this year integrating all our business activities, focusing on the underlying business process ranging from human resources to procurement.

The Rompetrol Group has gone through a tremendous transformation phase. From a company organized around over forty legal entities to a group managed through four Business Units; from a refining and retail company to a company that leverages its assets by trading around them. And with our new partner, KazMunayGaz, we now also have access to equity crude to add to our deal stream.

During the reporting year, we've paid particular attention to the optimization of our supply chain. We embarked on this project the year before, and the benefits are now bearing fruit. We now concentrate all our trading activity in Vector Energy, our trading arm located in Switzerland. Vector has become the central unit for the procurement of crude, both for our own use in the Petromidia refinery, as for trading on the open market. Also the sale and trading of oil products outside Romania is now almost fully concentrated in Switzerland.

In 2007, our Trading Business Unit realized record sales. Through Vector we are now not only managing all the crude supplies for the Group, but we are managing all our oil product inventories as well.

Our Refining Business Unit realized record throughput levels again in 2007, with 3,8 million tons processed; results were excellent. Financial performance followed the market with a strong first half of the year and a difficult second half.

The continuing relationship between Petromidia refinery and Solomon entered a new phase. We have started to make various low cost investments to increase the operational efficiency in the refinery. These investments are aimed at operational excellence in areas such as energy consumption, hydrocarbons losses, improved product quality and maintenance and safety.

Our engineering group, Rominserv, did a world class job in completing the planned maintenance shut down of the Petromidia refinery in only 14 days. This was in advance of the planned schedule, even though the scope of work was increased by 15 percent over budget, following inspection reports. By finishing the work in advance, the refinery gained from strong margins in April.

Our downstream activities also contributed to our financial success in 2007. Downstream EBITDA doubled in 2007, as a result of higher average fuel sales per gas station in Romania. Also the sales of a wide range of convenience goods through our Hei shops proved very successful.

Dyneff, the French company we acquired early 2006, has become fully integrated in The Rompetrol Group. In line with our vision to become a truly pan-European company, we introduced the Rompetrol brand in France. The first flagship gas station branded Rompetrol was opened strategically on the French motorways, in Arzens, in May 2007.

Unquestionably, our main asset is our employees. We were very successful in attracting several very talented senior management professionals in the Group. With this team we are implementing consistent processes and policies throughout all the countries we operate in. It is a very complex task due to the large cultural differences we have to bridge. A lot of management attention has been devoted to increasing delegation of authority across the Group.

We have imposed four areas of focus for 2008. Supply chain optimization continues to be a top priority. We have implemented a cost reduction initiative on both absolute and unit costs. We will get closer to our customers, as customer focus is a top priority as well. And finally, we continue to integrate and align our business processes further to make Rompetrol one of the most efficient oil companies in Europe.

As the integration of Dyneff demonstrates and as the role of Vector exemplifies, we have become a truly pan-European company with integrated processes and product offerings, from the Black Sea coast to the Atlantic. With our new partner, KazMunayGaz, we are able to span an even larger geographical range, from the Atlantic to the Caspian Sea. KMG provides us secure access to crude and is anxious for us to pursue our pan-European strategy.

André Naniche
Chief Operating Officer

Refining and Petrochemicals

Refining and Petrochemicals Business Unit was set up to optimize the synergies between the processing companies of the Rompetrol Group, as well as to render their operations efficiently. The main objective of the refining and petrochemicals division is to become the most productive, efficient and innovating refining system in Central and South-Eastern Europe.

This comprises two operational entities:
Rompetrol Rafinare Constanța (Petromidia refinery and Vega Ploiești refinery)
Rompetrol Petrochemicals

Rompetrol Rafinare Constanţa

2007 Key Achievements

- *Processing a record quantity of feedstock (3.8 million tons), the largest quantity processed by the refinery to date*
- *Ongoing investment program (as initiated in the previous years)*
- *Obtaining an Integrated Environment Authorization*

In 2007, Rompetrol Rafinare's activity continued its upwards trend, supported both by the investments started during the previous years and by production increase and implicitly by sales volume.

Major technological accomplishments in 2007

In November 2006, the Company started a project of great significance both for Rompetrol Rafinare and for Rompetrol Group, TOP 25. Its goal is to place Rompetrol Rafinare amongst the first 25 refineries in Europe, according to operational performances and financial results.

The projects previously initiated and integrated in the "Refinery Investment Package 2010" continued also in 2007.

Objectives of "Refinery Investment Package 2010" program:

- Increase diesel by 8 percent, from 37 percent to 45 percent
- Increase refinery processing capacity from 3.8 to 5 million tons / year by debottlenecking, with direct impact on the reduction of effects on environment
- Alignment of production to domestic and international specifications - Euro 5 standard

Technological processes optimization

The refinery initiated and adopted in 2007 a series of actions to optimize the technological processes, with support from its external partners. Among these, stands out the optimization of refinery fuel gases composition and manufacturing of products with the observance of quality specifications, involving minimum costs by reducing consumptions.

Extension of Pier 9 transiting capacity

In 2007, Rompetrol Rafinare started operations in order to extend by approximately 350 percent the transit capacity of oil products through Pier 9, Midia Năvodari port. The project will also enable docking at the pier both for maritime vessels with a maximum capacity of 10,000 tdw (tons deadweight) and for tank type barges of maximum 2,000 tdw. The total project investment will rise to $ 29 million, to be completed in two stages – October 2008 and August 2009.

Thereto are added:

Optimization of the electric system

In order to increase the safety level of technological facilities in the supply with electric power, the Company allocated in 2007 approximately $ 1.5 million, for projects being intended to modernize electrical stations and general distribution panels.

Rendering efficient the power consumption

The company invested over $ 7 million to enhance the cooling in catalytic cracking, to reduce pumping power consumption and increase thermal efficiency of the cooling tower.

Environment Protection

Modernization of the oil product tank farm

The refinery also continued in 2007 with a consistent program of reducing VOC (volatile organic compounds) emissions. To this end, there were modernized some of the Company's tanks by implementing a state-of –the-art solution. The total level of the investments related to such works reached in 2007 approximately $ 4.6 million.

Quality

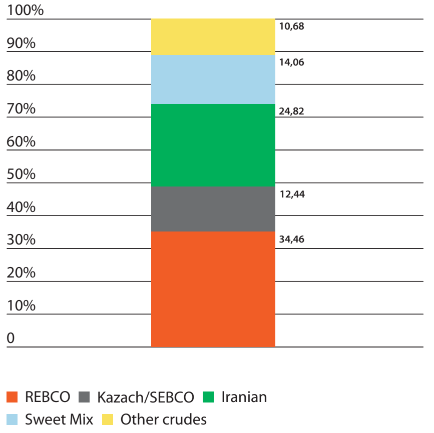
The Company recertified last year the Integrated Quality, Health, Safety and Environment Management System in accordance with the requirements of ISO 9001, ISO 14001 standards and OHSAS 18001 specification. The certification was granted by Germanischer Lloyd Certification – one of the most reputable bodies in the field.

Rompetrol Rafinare continuously monitors the quality of products throughout the manufacturing flow and ensures the traceability of quality standards of car fuels from the refinery to the end customer.

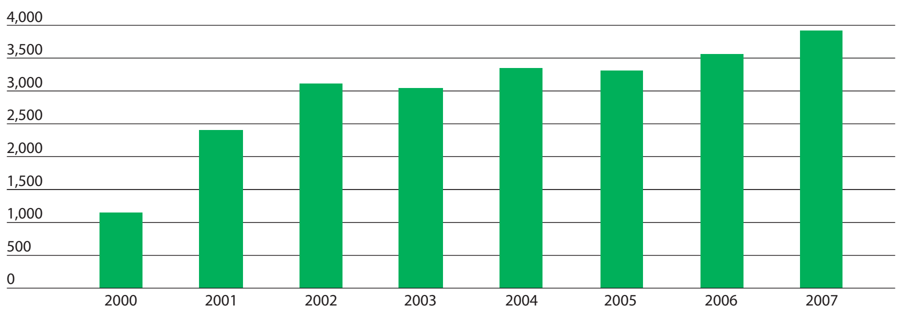
Representative Products and Production Results

Rompetrol Rafinare recorded last year an increase by approximately 4 percent of the processed feedstock, from 3.7 million tons of feedstock processed in 2006, to 3.8 million. The same increase was also recorded with regards to the level of production obtained, that reached in 2007 3.6 million tons of finished oil products.

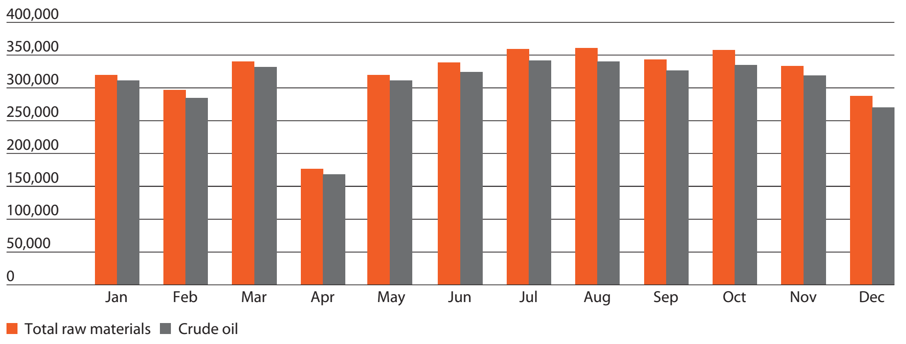
2007 Processed crude oil structure



Annual processed feedstock quantities 2000 - 2007
(thousand tons)



Monthly processed raw materials 2007
(tons)



Total feedstock (tons)	Crude (tons)	Other raw materials (tons)
3,827,379	3,692,239	135,140

2007 Obtained yields	Tons	percentage
Total subject raw materials	**3,827,379**	**100**
Crude oil	3,692,239	96.47
Other raw materials	135,140	3.53
Finished products	**3,614,254**	**94.43**
Gasoline	**1,292,527**	**33.77**
Auto	1,150,516	30.06
Euro unleaded gasoline	1,028,370	26.87
Natural gasoline COR 92	122,146	3.19
for chemisation	142,011	3.71
Diesel Oil	**1,410,336**	**36.85**
Auto	1,382,725	36.13
Petrol	101,652	2.66
Petrol Jet A1	94,785	2.48
Heavy solvent	6,867	0.18
Light liquid fuel	16,464	0.43
Fuel oil	77,411	2.02
LPG	220,707	5.77
Propylene	98,465	2.57
Other finished products	396,692	10.36
Semi-finished products	(11,408)	(0.30)
Total consumption	224,533	5.87

Distribution Market

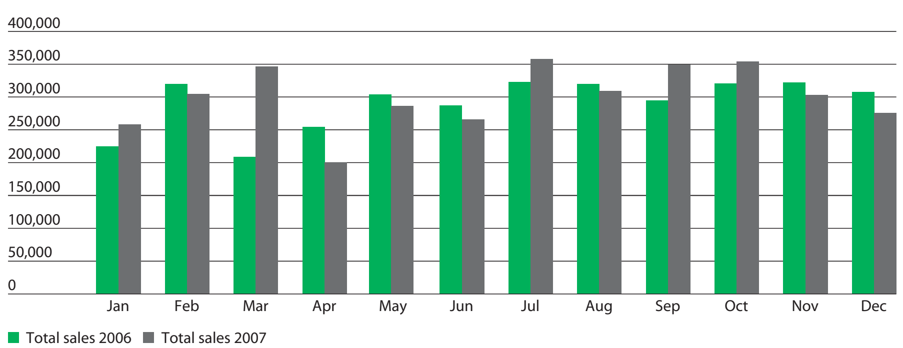
The development of the Company's trading activity continued also in 2007, being supported both by the increase of the crude volume supplied compared to 2006 and by sales of oil products. The purchases of crude were fully carried out by Vector Energy, member of the Group.

Oil products sale volumes recorded an increase by approximately 3 percent versus 2006, following the product range diversification according to European Union quality and environmental standards that led to consolidation of Rompetrol Rafinare's position and presence on traditional reference markets.

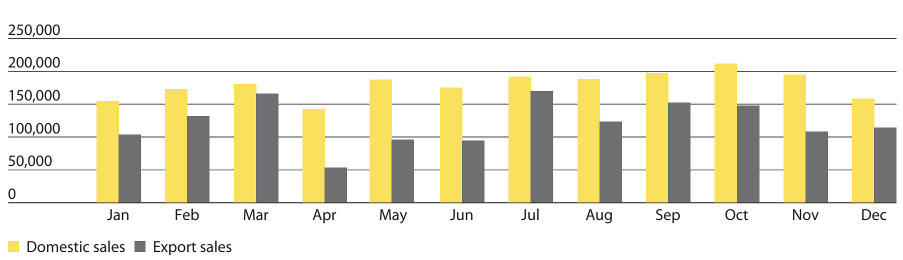
The domestic market also absorbed this year the largest part of sales (approximately 60 percent) following the strategy aimed at increasing market share at the national level by extending company owned filling station network.

For the external market, the sales had as destinations both the European Community and the non-EU regions. The intra-Community sales represented approximately 35 percent from the total sales on external market. In terms of fuel sales, diesel oils have had a greater presence within the EU space, whereas the largest part of gasoline sales had as a destination non-EU countries.

Total sales (domestic and export) 2007 vs 2006
(tons)

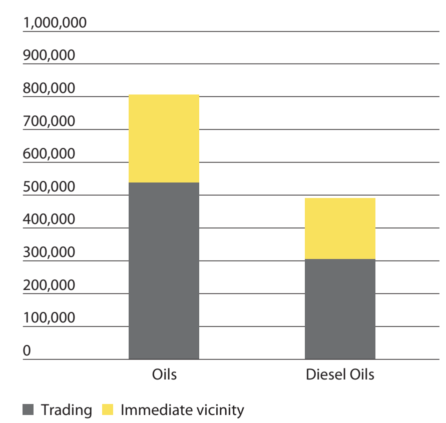


Domestic sales vs export 2007
(tons)



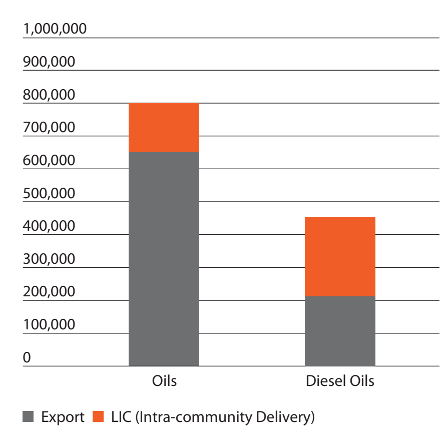
The volume of export fuel sales consolidated the presence of Rompetrol products on markets such as: Turkey, Serbia, Greece and Western Europe, United Arab Emirates and Israel. These sales were accomplished by the trading activity carried out by Vector Energy, member of the Rompetrol Group.

2007 Near abroad sales vs Trading
(tons)



The main customers are companies member of the Group (Rompetrol Downstream, Rompetrol Gas, etc), as well as partners in Romania, the Black Sea and the Mediterranean Sea basins.

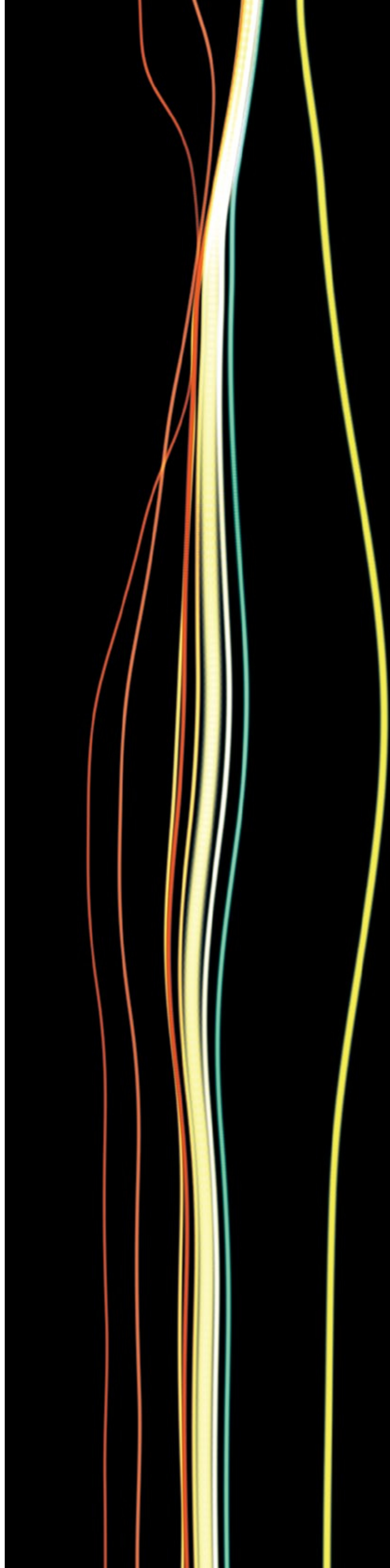
2007 LIC vs Export
(tons)



2008 Key Objectives

- *Processing a feedstock quantity of 4.1 million tons, out of which 3.94 million tons will be the total quantity of crude oil processed*
- *Ongoing investment program (as started in previous years). The value of investments planned to be accomplished in 2008 is over $ 160 million, out of which $ 115 million are assigned to continuing the "Refinery Investments 2010" Program*

For 2008, the Company estimates an increase by approximately 8 percent of the crude oil purchased and by 22 percent of the volume of products sold. Also, domestic sales will continue to be higher than exports.



Rompetrol Rafinare
Vega Ploieşti Refinery

The activity of Vega Refinery also focused in 2007 on obtaining special products (normal hexane, ecologic solvents, road and special bitumen, fuels of the type "heating oil", etc.) meant to continue its strategy of turning it into a niche products refinery for special value added products.

2007 Key Achievements

- *Processing the largest feedstock quantity during the last 3 years, approximately 270,000 tons*
- *Production of new types of bitumen in the new polymer modified bitumen plant*
- *Extension on regional markets determined an increase of exports by 138 percent as compared 2006*
- *Accomplishment of a local monitoring system of utilities for all refinery facilities*

The Main Technological Accomplishments in 2007

Vega Refinery finalized in 2007 the first polymer modified road bitumen plant in Romania and the total value of the investment made within the period 2005-2007 reached approximately $ 8.5 million.

The plant is based on it's own technology of modifying bitumen with polymers. The technology was created within Rompetrol and the technical innovations enabled creation of a patent, which was submitted to OSIM (the Office for Patents and Trademarks), patent owned by the Company.

Eurobitum is a product with higher resistance and viability as compared to normal bitumen used in manufacturing road asphalt covers.

Automation of technological processes

In 2007, the refinery finalized implementation of the automated control system (DCS) for hydrogenation installation and columns C5-C6 of the hexane unit. This will enable extension of the monitoring process of technological parameters of all facilities, in order to increase product quality and safety in operating all facilities.

Environmental Projects

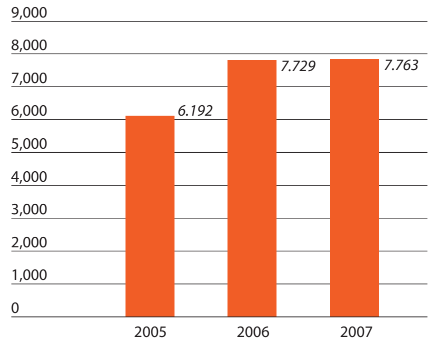
Modernization of oil product tank farm

The refinery also continued in 2007 the important volatile organic compounds (VOC) emissions reduction program and to this end, various upgradings were accomplished, as well as rehabilitation and/or cleaning of the tank farm.

Reduction of the water consumption

The rehabilitation of the process water cooling tower and setting into operation of a cooling water treatment facility were finalized in 2007, in order to reduce water consumption. The total investment in these projects was of over $ 500,000.

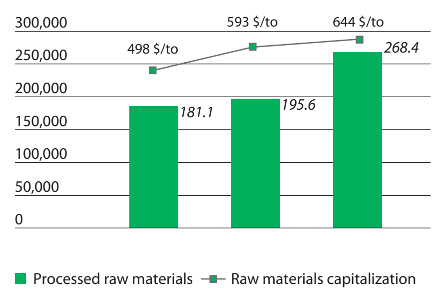
Investment level 2005 - 2007
(thousand $)



Representative Products and Production Results

The quantity of feedstock processed in 2007 by Vega Refinery increased by approximately 37 percent versus 2006, reaching a volume of approximately 270,000 tons – the largest during past three years. To this, one can add an increase by 9 percent of the high processing of feedstocks, from 593 $/ton in 2006, to 644 $/ton in 2007.

Production Results
(tons)



The production of Vega Refinery is structured on groups of special products:

- Solvents: ecological solvents – Rompetrol SE, light solvents and n-hexane
- White spirit and Oils
- Fuels
- Bitumen

Vega Refinery is the only producer of n-Hexane in Eastern Europe, used in the production of polypropylene and for extraction of vegetal oils in food industry. Vega Refinery is also the sole producer in Romania of:

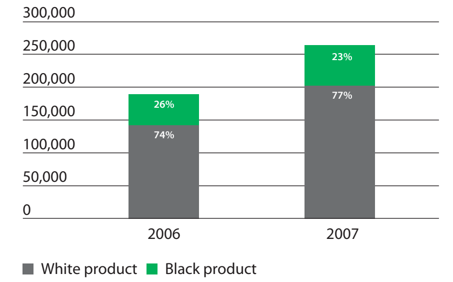
- Ecological solvents – Rompetrol SE – these are produced according to a Halterman technology and ensure the reduction of sulfur content and low toxicity aromatic hydrocarbons. In 2007, the aromatics extraction installation operated at maximum capacity
- Light solvents
- Special bitumen used for manufacturing asphalt mastics and hydro-insulation works in constructions, as well as anti-corrosive protection of metal pipes

The refinery holds a share of approximately 60 percent of the domestic market for white spirit, delivering more than 25,000 tons in 2007 on the domestic market and for export. White spirit product is used as a solvent in the industry of varnishes and dyes, rubber, as well as to condition insecticides. Since 2007, Vega Refinery also produces polymer modified road bitumen, widely used for heavy-traffic roads cover layers.

In the refinery are also obtained ecological heating fuels traded under the Rompetrol brand. The quality of these fuels meets European standards, comparable to any Heating Oil type products traded in Western European countries.

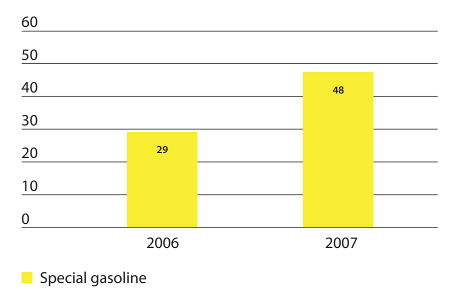
In 2007, the refinery increased its white products yields compared to its total production, recording an increase of 3 percent versus the previous year and this enabled a consolidation of the presence on external markets, but also an alignment to domestic market requirements.

Yields 2007 vs 2006
(thousand tons)



The main white product manufactured in 2007 was the special gasoline, with a yield of 48 percent, versus 29 percent in 2006.

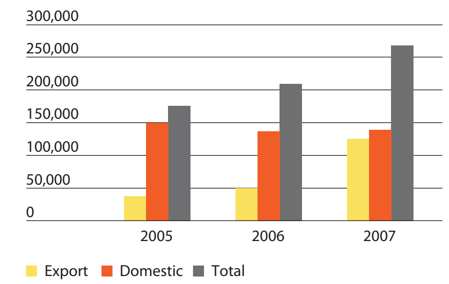
Yields special gasoline 2007 vs 2006
(percent)



Distribution market

Vega Refinery's trading activity maintained its ascending trend also in 2007, being supported both by the increase of feedstock supply and by products sales. Sales recorded an increase of approximately 40 percent versus the previous year, following diversification of the product range in compliance with European quality and environmental standards. This measure triggered a consolidation of Rompetrol Rafinare – Vega Refinery position and presence on traditional reference markets, in the area of supplying oil products.

Total sales
(tons)



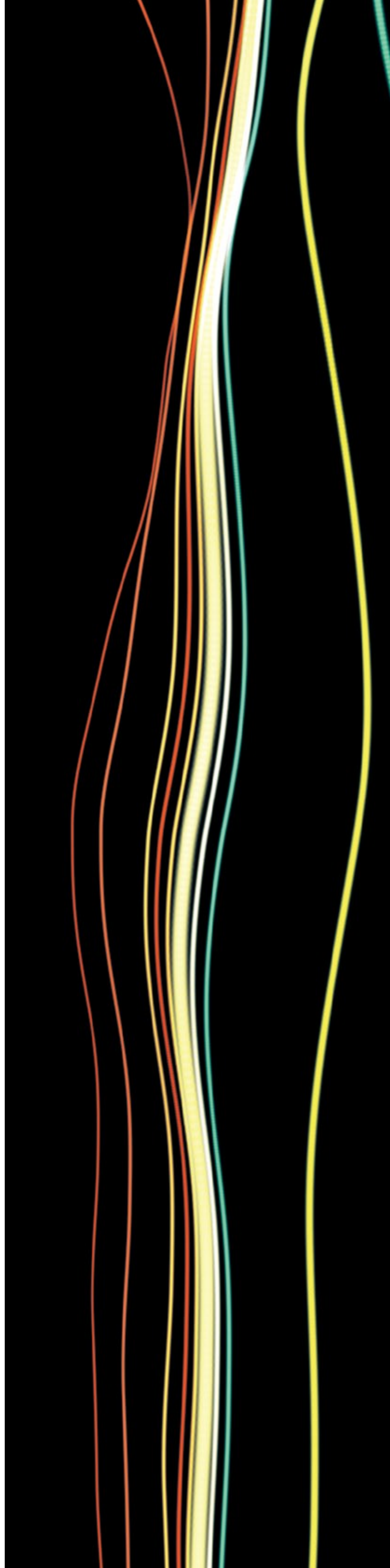
In 2007, Vega Ploieşti Refinery extended its presence in the region by identifying new customers and entering new markets – steps that determined an increase of 138 percent of products deliveries for export versus 2006.

The increase in solvents quality to European know-how standards was an advantage for a substantial increase of deliveries on external markets. The extension on the regional markets generated also a significant increase in both fuels and quantities of light naphtha deliveries, while these increases reached approximately 300 percent.

2008 Key Objectives

- *Exceeding the threshold of 300,000 tons of processed feedstock*
- *Increase of turnover by 28 percent versus 2007 and an almost two times increase versus 2006*

Vega Ploieşti Refinery will also continue the investment program in 2008, as well as the implementation of a labor health and safety program in collaboration with DuPont Safety Company.



Rompetrol Petrochemicals

2007 Key Achievements

- *Finalization of turnaround and modernization activties and start up of the HDPE plant*
- *Increase by 47 percent in the quantity of sold petrochemical products*
- *Increase turnover by 75 percent, up to $ 270 million in 2007*

Rompetrol Petrochemicals also continued in 2007 the positive evolution of the recent years, both in view of financial indexes and deliveries of products.

In 2007, Rompetrol Petrochemicals focused on increasing production capacity and improving products quality, in order to increase market share and competitiveness of the Company.

The activity of the Company in 2007 focused on the development of new products and, to this end, a new sort (high-density polyethylene) was launched on specialized markets. The Company's turnover increased by 75 percent in 2007, whereas the efforts to promote new products, as well as the constantly decreasing margins between products prices and the costs of raw materials determined a reduction by 47 percent of the operating profit versus the last year.

By finalizing in 2007 the turnaround and upgrading works of the HDPE plant, the production capacity of the company increased by 60,000 tons/year, reaching approximately 210,000 tons/year.

2007 represented for Rompetrol Petrochemicals the moment of repositioning the company from a producer of raw materials into a business partner offering integrated solutions, adapted to customer profile. By offering efficient solutions for each processing method (Extrusion Solutions, Blow Solutions, Injection Solutions), the Company made the first step towards adapting and structuring products portfolio according to specialized market requirements.

Under the circumstances of a rising petrochemical market, Rompetrol Petrochemicals intends to become the leader petrochemical Company in South East Europe.

Main technological accomplishments in 2007

In 2007, the Company successfully completed a vast turnaround and also a modernization process of the HDPE plant, meant to remove the facility from conservation, process which was initiated in 1996 due to the absence of raw materials (ethylene). The investment related to the project reached a total value of $ 14.5 million, contributing significantly to the increase of sales volume.

In order to reduce the risk of incidents in the operational processes, the Company implemented in 2007 an extensive program of improving labor quality and safety, in order to build up a safety culture and ensure that management of operations is adequate from an occupational health and safety perspective.

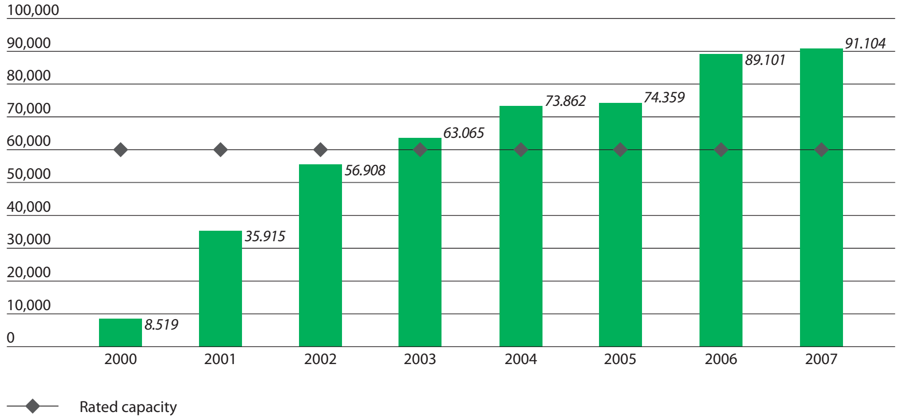
Production

In 2007, polypropylene production, main activity of the Company, increased by 2.25 percent versus the previous year, being of 91,104 tons.

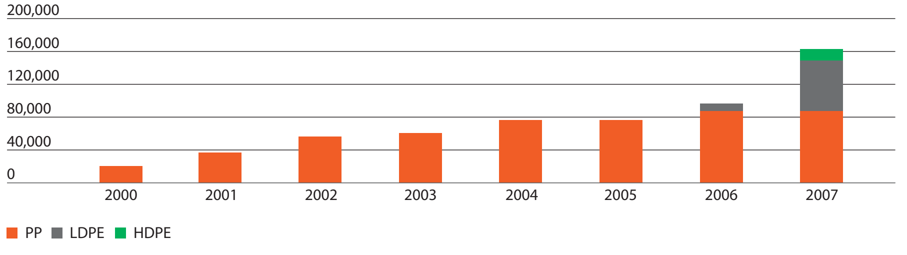
In 2007, the production of LDPE recorded 58,000 tons. The forecasted daily production of 144 tons low-density polyethylene was exceeded.

In September 2007, the high-density polyethylene (HDPE) plant was set into operation. The HDPE production recorded the forecasted trend and, in 2008, production is expected to continue and the plant's project capacity to be reached.

Polypropylene production
(tons/year)



Polymers production
(tons)



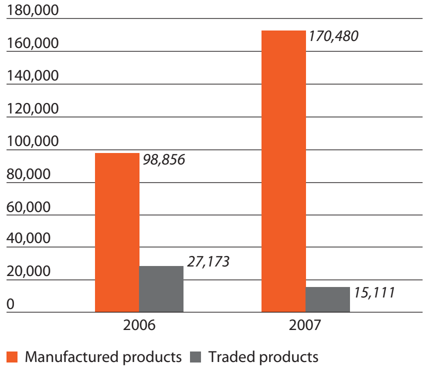
Commercial

Rompetrol Petrochemicals is the only polypropylene producer in Romania, having a market share of over 50 percent from the domestic specialized market.

Rompetrol Petrochemicals managed to increase its market share of petrochemical products by restarting the LDPE and HDPE installations. In terms of LDPE, in 2007, the Company share increased on the domestic market to more than 35 percent.

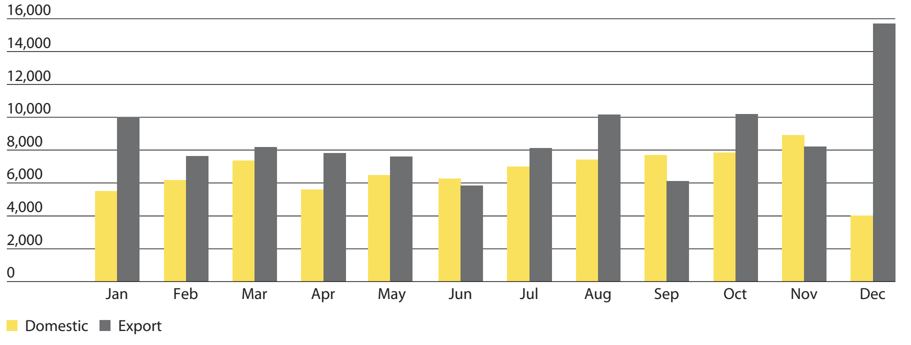
The Company's development strategy, which promotes a culture underpinned by customer satisfaction, ensures its competitive position both on domestic market and on regional market – the Black Sea and Mediterranean Sea, as well as the Central and Eastern Europe areas.

Sales Volume
(tons)

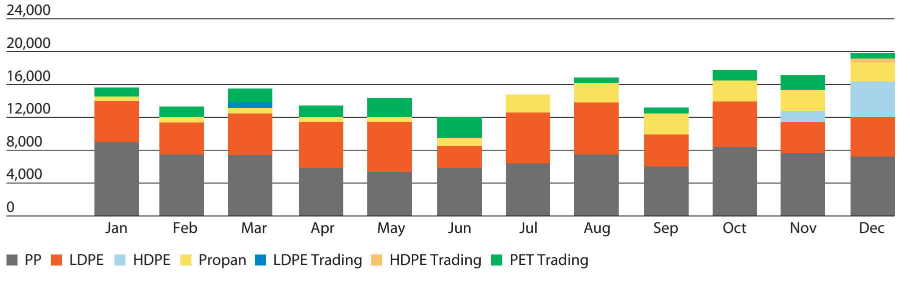


Compared to the previous year, in 2007 the sales from the Company's own production increased by over 72 percent. The increase was underpinned by the restart of the two polyethylene plants (LDPE and HDPE).

Sales and Destination 2007
(tons)



Monthly Sales by Types
(tons)



Besides the sale of its own products, the Company is carrying out an intense trading activity covering a large variety of petrochemical products that are currently not in the production portfolio of Rompetrol Petrochemicals, but for which there is a high demand on the Romanian market: special sorts of polypropylene, high-density polyethylene (HDPE), low-density polyethylene (LDPE) and PET.

Quality

In 2007, given the quality of the services rendered, Rompetrol Petrochemicals qualified LDPE sorts with the world leader on polymer market, Dow, a company with which Rompetrol concluded in 2004 a long-term partnership.

The Technical Customer Support department ensured the maintenance of a permanent interface with the customer and a real time feedback process on the results of our corporate products was accomplished.

Further to restarting the HDPE plant, there were also extended the testing activities performed by the Petrochemicals Laboratory by applying new laboratory know-how following the purchase of new equipment, updating the standards and implementation of legal provisions.

Specific QHSE activities carried out within the Company ensured:

- maintenance of quality, environment, health certifications and operational security management systems (ISO 9001, ISO 14001 and OHSAS 18001)
- implementation and maintenance of the DUPONT safety culture improvement program

Also, according to legal requirements, there was obtained an Integrated Environment Authorization and the measures stipulated in the Action Program for 2007 were fulfilled.

2008 Key Objectives

- *Continuation of the turnarounds and upgrading process of the pyrolysis installation*
- *Licensing of the HDPE sorts for DOW*
- *License for manufacturing of additional sorts to HDPE*
- *Reaching project capacity both for LDPE and for HDPE*
- *Increase of turnover by 65 percent versus 2007*

In 2008, Rompetrol Petrochemicals estimates an increase of turnover by approximately 65 percent versus 2007, especially due to HDPE facilities and certain services that add value to final products, such as technical support offered to customers and door-to-door deliveries.

From a commercial point of view, for 2008 the Company targets the increase of current market shares. In order to support this objective, the Company will adopt a new approach that implies to better know the customer, its needs and possibilities, and development of customized offers.

In 2008, the Company will continue its strategy of restarting the installations under conservation. Therefore the Company will continue the refurbishment and modernization of the pyrolysis process started in 2007, aimed at ensuring raw materials for PP, LDPE and HDPE. It also aims at reaching the project capacity for the two polyethylene plants.

Trading

The Trading Business Unit focuses on optimizing the supply chain of raw materials and products within The Rompetrol Group (TRG) and is active in all markets from the Caspian Sea to the Western Mediterranean area. Through its operations, the Trading BU is one of the main consolidating elements of linking crude oil resources in the East to the distribution markets in the West. TRG enables this connection, ensuring a constant flow of raw materials and responding to consumer demand for European standard products.

The Rompetrol Group owns and operates crude and fuel depots with a total capacity of 1,330,000 cubic meters (cm) in Romania, France, Spain, Bulgaria, Georgia, Ukraine and Albania. The Group is present in strategic locations at the Atlantic Ocean, the Mediterranean Sea and the Adriatic Sea, as well as on both the Eastern and Western shores of the Black Sea. The Group holds depots with a capacity of 883,000 cm in Eastern Europe and 447,000 cm in Western Europe.

The Trading BU is comprised of the following operational entities:
Vector Energy AG
Byron Shipping Ltd
Romanian Operations Division
Rompetrol Logistics – primary distribution logistics (railroad)

Vector Energy AG

Rompetrol's supply and trading arm, Vector Energy AG, Zug, Switzerland, a wholly owned subsidiary, has completed its third full year of operation since its foundation at the end of 2004. During 2007, Vector Energy AG has been integrated in the newly set up Business Unit Trading. The control and optimization of the supply and distribution flows have been implemented. The planning functions have been taken over and the trading and risk management control processes have been put in place. The feedstock supplies to the Rompetrol Rafinare refinery are exclusively handled by Vector Energy AG. It manages all exported product volumes to near abroad and to Southwest Europe.
The Group's downstream operation, Dyneff, in Southern France, for whom Vector Energy AG handles the procurement of gas oil products, expanded its business successfully.

As a result, trading volumes have substantially grown by over 88 percent, from $ 1.96 billion to $ 3.69 billion. Trade finance facilities have reached a peak of $ 0.72 billion. At the same time, net earnings increased by more than 78 percent to $ 9.4 million.
In 2008, Vector Energy will continue to work on supply chain optimization and development of third party trading opportunities around the assets. The Company will also use its risk management expertise to provide services across the whole chain from feedstock suppliers to customer.

The Company expanded beyond deliveries to TRG's refining and distribution businesses in Romania and Western Europe, to strengthening its niche position in the Mediterranean and surrounding regions.

Byron Shipping Ltd.

The strategic link between trading and shipping is continuously developing, especially due to synergies between product flows and the need to transport them to consumer markets. Accordingly, the shipping activities carried out by Byron Shipping Ltd, a shipping subsidiary of Vector Energy AG, have grown in correlation with the volume increases. End of 2006, Byron concluded contracts that led to the leasing of four modern double-hulled tankers on time charter, each for a three-year term, through Riverlake Shipping in Geneva. These vessels carried crude and products on behalf of Vector and other Group's companies for about 35 percent of the chartering period. For the balance of the chartering period, they were lent to third parties on spot voyage basis.

Having taken a position on the Aframax market, enhanced Vector Energy's possibilities to hedge their increasing exposure to the shipping market as a consequence to the substantially increased crude oil volumes during the last 12 months of operation.
The long-term lease ships are part of the corporate strategy to control the volumes transported by TRG through Byron Shipping and implement best practices in this field. TRG aims to also increase its safety standards and improve its financial and insurance rating.

The time chartered fleet consists of:

MS Emocean	DWT 12'222	Product chemical tanker IMO2
MS Devocean	DWT 12'222	Product chemical tanker IMO2
NS Clipper	DWT 105'703	Aframax 1A
NS Concord	DWT 105'902	Aframax 1A

The vessels moved the following tonnages during 2007:

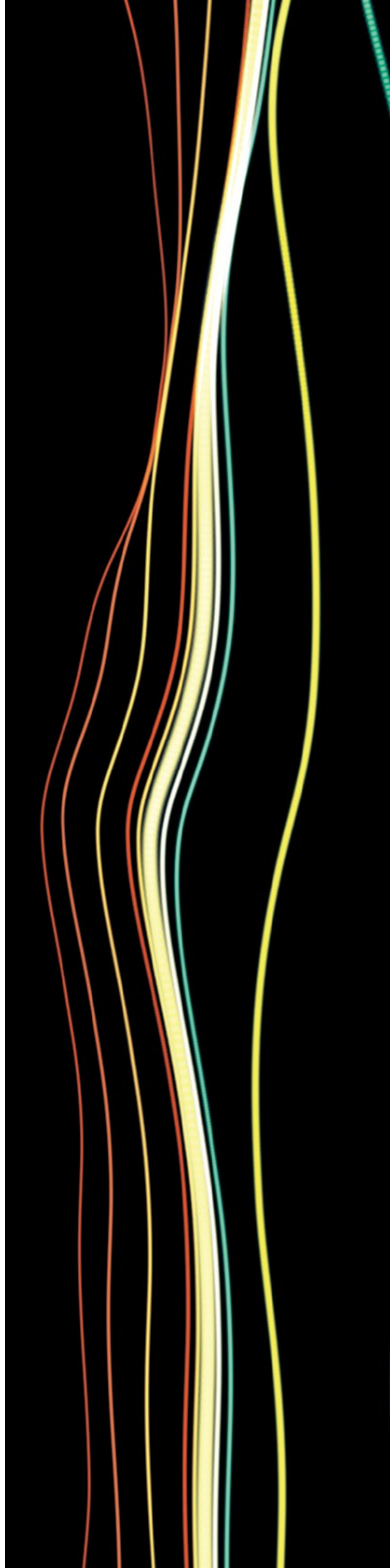
	Charterers			**Total MT**
	Vector Energy AG	Rompetrol	Third parties	
MS Emocean	10,500	0	307,150	317,650
MS Devocean	99,296	174,406	16,743	290,445
NS Clipper	402,245	0	793,576	1,195,821
NS Concord	507,929	0	1,186,846	1,694,775
Total MT	1,019,970	174,406	2,304,315	3,498,691

Midia Marine Terminal

Vector Energy AG founded on 27th February 2007, a fully owned subsidiary with the name Midia Marine Terminal SRL. The Company is domiciled in the city of Năvodari, in Romania, not far from Constanţa. Rompetrol has decided to construct a Single Point Mooring System, 8.7 km off shore from its Rompetrol Rafinare refinery. This will allow Vector loading and discharging operations with larger vessels. The marine terminal will allow tankers to unload/load cargo through a buoy connected by a submarine pipeline, to an onshore pipeline feeding into the storage facility of Rompetrol Rafinare refinery.

This project will shorten the supply chain for crude oil by pipeline from tankers to the refinery by about 33 km, leading to a significant operational cost reduction. The sums generated by the reduction of these transportation costs will be reinvested in the future. Maximum handling capacity will be 14 million tons of crude per year. The project includes the construction of a new tank farm within the property of the refinery, in order to increase the available storage capacity.

The project's estimated costs are 90 million Euros. Feasibility studies are finished and all permissions have been obtained. The marine terminal is due for completion in autumn 2008 and will benefit from the most comprehensive environmental study regarding this investment. The project team consists of experts from within the Rompetrol Group. The investment will be held by Midia Marine Terminal SRL. From the terminal, crude will be supplied to the Petromidia refinery, as well as to domestic and foreign clients.

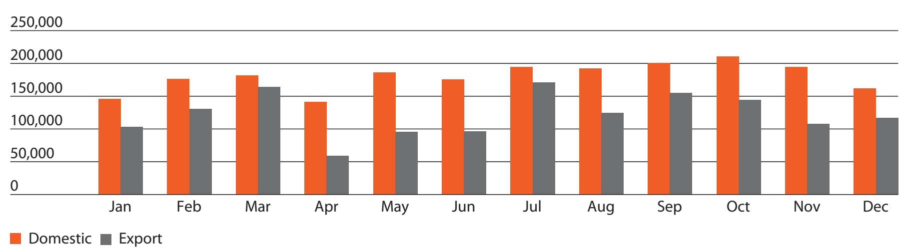


Trading Operations Division Romania

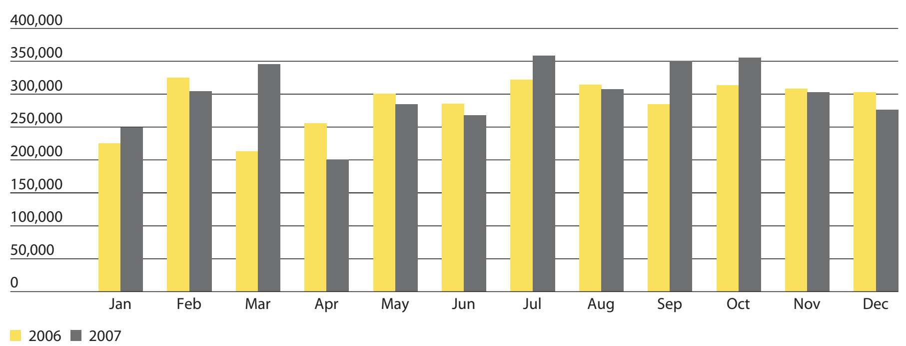
2007 Key Achievements

- *The trading activity continued its ascending trend in 2007 as well, being supported by the increase of the volume of supplied oil compared to 2006, and also by the sales of products*
- *The oil acquisitions were performed entirely by Vector Energy*
- *The sales of oil products registered a slight increase of about 5 percent, as compared to 2006, following the diversification of the range of products meeting the European Union quality and environmental standards, which thus led to the consolidation of the position and presence of Rompetrol Rafinare on the traditional oil markets*

Internal vs External in 2007
(tons)



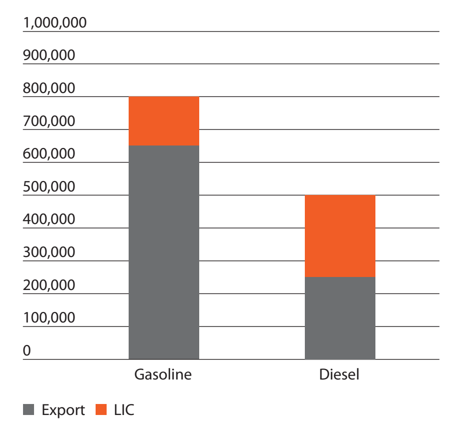
Total sales 2007 vs 2006
(tons)



This year again, the Romanian market absorbed most of the sales (approximately 60 percent), following the Group's strategy aimed to increase the market share in Romania by expanding its local gas stations network.

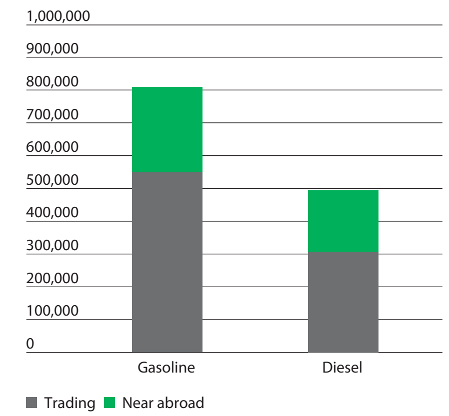
On the export market, sales had as destinations both EU and non-EU countries. The intra-communitarian sales represented approximately 35 percent of the total export sales. Diesel was largely sold on the EU market, while most of the gasoline sales had as destination non-EU countries.

LIC vs Export



On the export market, the volume of fuel sales was relatively close to that of last year's.
The Company continued to consolidate its positions on markets such as: Turkey, Serbia, Greece and Western Europe, United Arab Emirates, Israel, by the trading activity carried out by Vector Energy.

Near abroad vs Trading



Development forecasts and tendencies in 2008

For 2008, we estimate a volume increase of purchased crude, as well as a volume increase of sold oil products by approximately 15 percent. The share of sales on the Romanian market shall be superior to that of the markets outside Romania. Car fuel sales are expected to increase by an average 16 percent. Most of these volumes are expected to be sold on the Romanian market.

Rompetrol Logistics (primary)

2007 Key Achievements

- *Ensuring best conditions and lowest costs of the logistical support needed to carry out the trading activity of the two refineries the Group has in Romania*
- *Increasing by 10 percent the volumes of transported cargo, as compared to 2006*
- *Operation of the railway transportation routes safely, without any incidents*
- *Managing a park of train engines and tank wagons in order to satisfy the increasing transportation needs of the two refineries*

2008 Key Objectives

- *Rompetrol Logistics will continue to modernize the park of railway transportation means and optimize the wagons capacity in view of increasing operational reliability and transportation volumes*
- *Rompetrol Logistics will expand its operations by means of collaboration with foreign authorized operators (in Hungary and Bulgaria)*
- *Rompetrol Logistics will ensure the maintenance and repair of its own and leased infrastructure, aimed at rendering complete safety in the operation and handling of trains, thus reducing costs and optimizing transportation times*

Rompetrol Logistics is a company of The Rompetrol Group, with vast experience in providing logistics services for oil products by railway and sea transportation.

The Company provides the necessary support for the timely distribution of fuels (gasoline, Diesel fuel, LPG) and raw materials for the operation of the Vega Refinery. The Company owns over 30 train engines and operates over 700 tank wagons.

Through its specialized railway transportation department, Rompetrol Logistics ensures safe and efficient delivery of these products.

With a portfolio that includes services to two important refineries in Romania, Petromidia and Vega and to the 6 Rompetrol storage facilities throughout the country, the Company aims to become one of the most significant Romanian railway operators.

Rompetrol Logistics manages the contracts TRG has with other national and international companies specialized in railway transportation, by using its experience in optimizing the transportation flows of oil products from the refineries of the Group to their clients in Romania and abroad.

Retail

The retail concept adapted to the most recent trends, has become a standard for the market as well as of the other Rompetrol brand services. We have a retail network of over 650 filling stations in Romania, France, Bulgaria, Albania and Georgia, as well as an important number of depots at the Black Sea, Mediterranean Sea and the Atlantic Ocean.
Rompetrol Gas, the LPG trading division of the Group, aims to expand its national distribution network both for car use, as well as for domestic use.
At the same time, Rompetrol Logistics successfully combines substantial assets with the commitment of a team of experts. It also manages operations in Midia Harbour, located close to the Petromidia refinery.Rompetrol Logistics teams take care and distribute oil products shipments for the refinery and the clients form abroad.

Rompetrol Downstream

2007 Key Achievements

- *Launching Fill&Go Fixed Unit (Rompetrol Internal Base)*
- *Innovative Vehicle Control Program*
- *Continuing the expansion of the COCO (Company Operated Company Owned) and DODO (Dealer Operated Dealer Owned) distribution network*
- *Expanding the "Hei" concept*

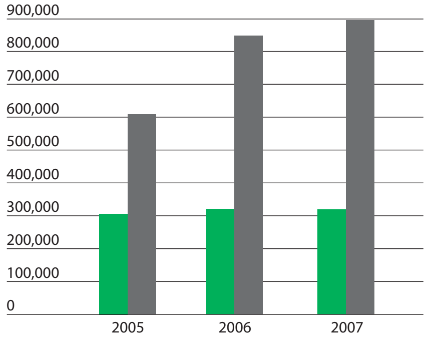
Rompetrol Downstream – the Romanian retail company of The Rompetrol Group, operates approximately 400 stations and is the first company in Romania that sells, ever since 2003, exclusively Euro standard fuels. Since 2006, the retail department of Rompetrol has introduced the Efix fuel in all stations it operates – the only one in Romania that protects the engine. The distribution is made by its own gas stations, franchises, internal bases and Expres stations.

At the same time, the Company targets wholesale buyers and large industrial clients. At the end of 2007, Rompetrol Downstream had a market share of 23-25 percent, out of which 17-18 percent was based on the retail segment. The numbers represent the market share cumulated for the retail and wholesale activities and large accounts.

Operational excellence, proximity, loyalty and development of innovative services – other than those connected to fuel, are the four main pillars in the strategy of Rompetrol Downstream.

In 2007, the operational excellence program focused on motivating the station employees to become true managers, not only operators. In this context, the retail network registered an increase of 22 percent compared to 2006, this being the best growth rate ever achieved.

Sales Evolution Romania
(tons)

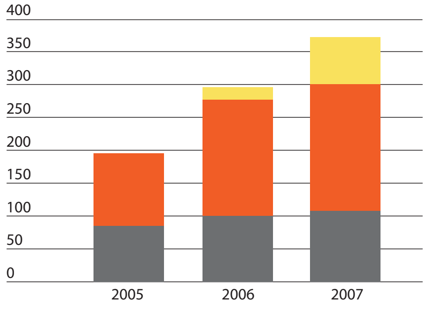


Rompetrol Downstream continued to develop its stations network in 2007 also, reaching a number of 299 stations at the end of the year (114 own stations and 185 franchised), plus another 78 Expres stations located in rural areas.

Moreover, the Fill&Go Fleet Management service continues to evolve by innovation, as it has a new facility for commercial fleets: Fill&Go Fixed Unit (Rompetrol Internal Base) – a fuel tank placed directly in the client's yard. Internal bases may be also located on construction sites or in other areas where heavy machineries operate with difficulty or where there is no road access, etc.

Thus, with the Internal Bases, clients will have better location of the fuel station, also benefiting from Fill&Go Fuel Control services, by the card and the ring. 65 such Internal Bases were built in 2007.

Change in number of fuel distribution stations in Romania
(tons)



Regarding loyalty, Rompetrol Downstream focused on value-adding projects, such as the Efix range of products – the fuel that protects the engine. The Company supplies to clients fuels that always fulfill two essential objectives: quality and complying with the environment conditions, at competitive prices.

The fast development of the Rompetrol Downstream network and the confirmed quality of its products has attracted a large client portfolio throughout the country. Alongside with the constant appreciation of the public, the Company has become the preferred supplier for several international store chains and for multinational companies that operate on the Romanian market.

Also in 2007, Rompetrol Downstream launched an innovative service, Fill&Go Vehicle Control – an integrated solution designed for monitoring vehicle fleets by use of the GPS technology. By using Fill&Go Vehicle Control, clients may quickly and simply optimize the activity of each vehicle in the company fleet. Following the completion of this series of products, Rompetrol Downstream thus becomes the first company that provides integrated business solutions in Romania.

2008 Key Objectives

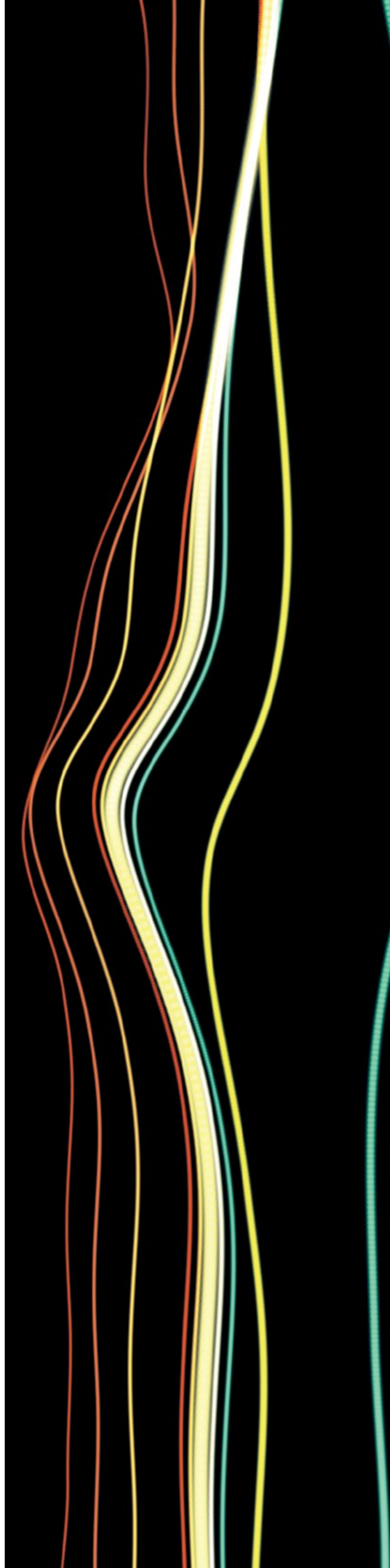
- *Increasing the market share*
- *Extensive growth*
- *Continuing the expansion of the COCO (Company Owned Company Operated) and DODO (Dealer Own Dealer Operated) distribution network*
- *Fuel Quality Program*

Rompetrol Downstream has as objective to increase its market share by 4 percent, in a market that estimated to grow 5-7 percent in the following 12 months. The main plans of the Company also include other innovative services, given the expansion of the gas stations network.

These perspectives under development will be achieved in two directions: first, intensive growth, by increasing the number of clients per location, and second, extensive growth by means of a higher number of locations.

The intensive growth should be supported by implementing Operational Excellence (Supply Chain Optimization) and "Preferred Supplier" programs in the retail business. The wholesale business is carried out by Romoil, which operates 6 storage facilities (Arad, Craiova, Mogoşoaia, Şimleul Silvaniei, Vatra Dornei, Zărneşti). Through their strategic positioning, the storage facility network covers the entire Romanian territory. Accordingly, fuels are carried regionally both to its own distribution network and to important transportation and construction companies.

At the same time, last year the integration process of the two Romanian wholesale distribution companies, Rompetrol Downstream and Romoil, was started. Taking into consideration the scale and complexity of this process, it will also continue in 2008. The goal is to ensure a unique approach on the Romanian market. Following this process, the Romoil operations will be transferred to Rompetrol Downstream. In 2008, Romoil aims to perform investments in its own storage facilities in order to observe the most demanding environment protection requirements.



Dyneff Retail

In 2007, the French market faced a special situation. The supply of distilled products (diesel fuel and heating fuel) decreased, due to events. At the same time, the demand for oil products on the territory of France registered an important increase, following the tendencies of international crude quotations and the cold season.

The anticipation of the market evolution by the Logistics and Procurement Departments, allowed Dyneff to supply oil products in its main storage facilities (Port La Nouvelle, Oil Storage Facility of Fos, Oil Storage Facility of Ambes, SDSP - Société du Dépôt in Saint Priest and SPR - Société Pétrolière in Rhône).

These increased stock levels in a market characterized by a shortage of products, also provided a strategic advantage. Dyneff was one of the few oil companies that could provide products in all the business areas in which it is present.

External market events in combination with an excellent internal organization, allowed the Company not only to avoid the difficult situation which all the other market players faced, but also to benefit from it. Dyneff's financial results were very satisfactory in the reporting year.

2007 Key Achievements

- *At the end of 2007, Dyneff operated a network of 196 gas stations (33 owned and 163 partner stations)*
- *The owned stations network expanded with 6 new stations and was modernized amongst others by the introduction of the Rompetrol brand and the HEI concept*
- *Alongside the HEI concept, Brioche Dorée restaurants were opened at stations with a HEI shop*
- *At the same time, the Fill&Go offer was introduced throughout the whole network, providing clients new and easily accessible services by Internet*

In 2007, the owned stations network registered an increase of 2.5 percent in fuel sales volumes and 10.6 percent in gross margin. Store sales registered a 16 percent increase in turnover compared to the previous year.

Also the partner stations network realized increased fuel sales. In 2007, partners sold 84,924 cm of fuel.

Dyneff was the first company in the Languedoc-Roussillon region that started the sale of the E85 Super Ethanol fuel. Through the early introduction of this new type of fuel, Dyneff gained the leader position regarding the distribution of this new product in the Languedoc Roussillon region.

In 2007, Dyneff France also consolidated its activity in the segment of specific supplies by vats (delivery of exclusively domestic use fuels to clients' homes), following a new commercial strategy based on two essential offers: the offer of storage facilities targeting legal entities and the offer for the distribution of heating fuel targeting individual customers.

The improved services offer allowed the Company to:

- maintain its market share on a national market where consumption dropped by 2.3 percent and where sales of heating fuel dropped by 11.5 percent, compared to 2006
- increase its margins by more than 27 percent

Dyneff's strategy focussed on 3 main objectives:

- supplying of complete storage solutions, as demonstrated by the Company's revamped offer to vat customers. Since the third quarter of 2007, the offer for vat clients was improved by including 3 new packages (First'pack, Opti'pack and Premium'pack). The first results are encouraging and confirm customers' interest
- presenting a more attractive customer offer by introducing payment facilities adapted to individual customers' needs
- implementing environment protection programs aiming to reduce customer's costs by replacing heating sources with more fuel effective ones

Since the launch of this program (end of the third quarter of 2007), Dyneff exceeded the French national CO_2 requirement by reducing emission with 20 percent, whereas the national objective under the Kyoto protocol for the period 2006-2009 was only a 10 percent reduction.

In 2007, the wholesale activity of Dyneff France was centralized in Montpellier. This reorganization facilitated the implementation a wholesale logistics coordination center and the improvement of commercial efficiency in a turbulent oil market. This new competence center fulfills the needs of customers for more specialized contacts in the field.

The introduction of a more complex and flexible pricing plan, development of the trading activities in the area near the Strasbourg storage facility and the partnership with hypermarkets and supermarkets regarding bio-fuel, facilitated the consolidation and growth of trading volumes and margins.
Sales on the wholesale market increased significantly (1,6 million cm in 2007, 10 percent above 2006).

Not only was the year 2007 marked by an unprecedented increase of the barrel price, which for the first time reached the threshold of $ 100/barrel, but also by tensions regarding the availability of oil products in the last quarter of 2007.

As mentioned earlier, the Company's pro active stock policies did place Dyneff in a favourable position to take advantage of these difficult market conditions.

2008 Key Objectives

- *In 2008, Dyneff will continue to roll out the Rompetrol brand and modernize its retail network*
- *Together with partners, the product offer in the station shops will be kept up to date*
- *Products will be competitively priced*
- *Like in Romania, the retail strategy is oriented towards internal growth (by enlarging the product offering) and external growth (especially by the acquisition of new assets)*
- *Business development in wholesale and trading will be focused on expansion in the Eastern regions of France*

Spain

In Spain, Dyneff implemented a strategy for the optimization of resources and processes in view of improving its reaction to market changes. This orientation led in 2007 to the centralization of wholesales in the Girona headquarters and to the set up of a new agency for small and medium clients.

The commercial offer for this category of clients is based on the products and services that presently ensure the success of Dyneff in France, but adapted to the Spanish market. In 2007, Dyneff sales on the Spanish market reached an approximate volume of 500,000 cm of fuel.

The main challenges refer to entering the distribution markets for small and medium size clients, the objective being that Dyneff Spain becomes an important and acknowledged player in the area. This development will be mainly based on the French experience and the supply plan developed within The Rompetrol Group.

On Marketing Strategy level, development focuses on the introduction of The Rompetrol Group trademarks in the in fuel stations on the Spanish market.

Rompetrol Gas

2007 Key Achievements

- *Strengthening the presence of Rompetrol gas in the "gas cylinder" segment, by increasing the number of sales units from 4,962, at the end of 2006, to 5,923, at the end of 2007*
- *Increasing the LPG distribution network under the Rompetrol brand, from 18 stations in December 2006, to 51 stations, at the end of 2007*
- *National development of the propane distribution segment by launching the "Propane Power Station" brand and doubling the number of clients in 2007*

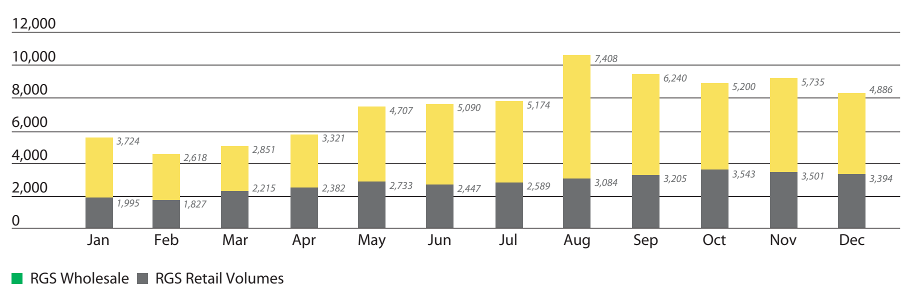
Rompetrol Gas directly manages the LPG activities, ensuring a unitary commercial strategy both for the internal Romanian market, and for export. 2007 was a year in which the activity of Rompetrol Gas consolidated. A major step was set to realize its main objective of becoming one of the top three players on the LPG market in Romania by 2010. The market share increased in 2006 from 6 percent of the specialized market, to 7 percent in 2007. The business increased in 2007 by 28 percent.

As part of the strategy to expand on regional markets, in 2007 Rompetrol Gas consolidated its presence in the Republic of Moldova by the acquisition of Moldintergas – one of the main players on the local market.

The acquisition by KazMunayGaz of 75 percent of The Rompetrol Group (TRG), allows Rompetrol Gas access to additional resources of liquefied petroleum gas (approximately 200,000 tons a year) and the accelerated expansion in regional markets. In this new context, Rompetrol Gas targets acquisitions in Bulgaria and the Republic of Moldova and the creation of partnership with companies in Serbia and Albania. Rompetrol Gas wants to offer complete LPG transportation solutions from the supplier to the end user.

2008 Key Objectives

- *Enhancing the presence on the internal market to reach a market share of 10 percent*
- *Implementing an investment program (approximately $ 11 million) in all three retail segments*
- *Increasing the number of gas cylinder sale units in Romania*
- *Expanding the vehicle gas distribution network and of the number of propane customers.*
- *Opening two LPG filling and storage stations: one in Arad and one in Bacău*



	2006	2007
Volumes	**70,173**	**89,869**
Retail	29,128	32,915
Wholesale	41,045	56,954

(*) Volumes refer to quantities sold by Rompetrol Gas and Rompetrol Logistics (before taking over the activity)

Rompetrol Logistics - Secondary

2007 Key Achievements

- *Modernizing the existing tankers in order to fulfill all legal requirements and implementing the new Group standard for hazardous product transportation*
- *Concluding purchase contracts for 35 new tankers*
- *Concluding the Tatra authorized service contract with the Tatra factories in the Czech Republic*

Rompetrol Logistics is providing oil product transportation services. The company has 20 tankers with capacities of between 7 and 28 cm, equipped with pump and flow meters for the secondary distribution of fuels (gas, diesel, Calor). By means of the specialized secondary distribution department, Rompetrol Logistics ensures the safe and efficient transportation of these products.

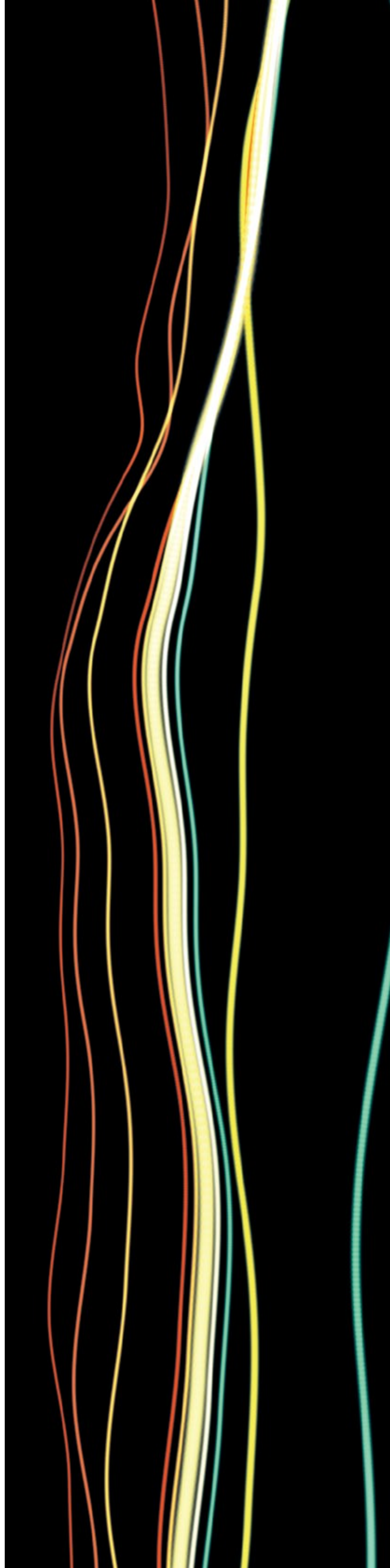
In 2007, Rompetrol Logistics launched an investment program to acquire 35 latest-generation vehicle tankers, equipped with electronic flow meters, 15° temperature compensators, GPS/GPRS traffic monitoring system and Hi-G-Tek electronic seals.

At the same time, the Company operated 2 tankers for LPG transportation, of 20, respectively 30 cm. Rompetrol Logistics also has a park of heavy duty vehicles and special machinery for well services, over-sized vehicles and difficult roads.

Last but not least, Rompetrol Logistics has a certified vehicle repair workshop that performs vehicle revisions and repairs both for its own park and for third parties. With the help of its specialists, the repair workshop ensures the mounting, checking, revision and repair of tachograph devices, as well as mounting rings for the Fill&Go system.

2008 Key Objectives

- *Increasing with 60 percent of the vehicle transportation volume for the Rompetrol Group to approximately 351 ktons*
- *Implementing the Hi–G–Tek system until July 2008*
- *Developing its own park by using 35 new tankers*
- *Developing the Tanker Truck Control Unit (TTCU) concept and purchasing in this regard up to 50 tankers equipped with this system by the end of the year*



Upstream

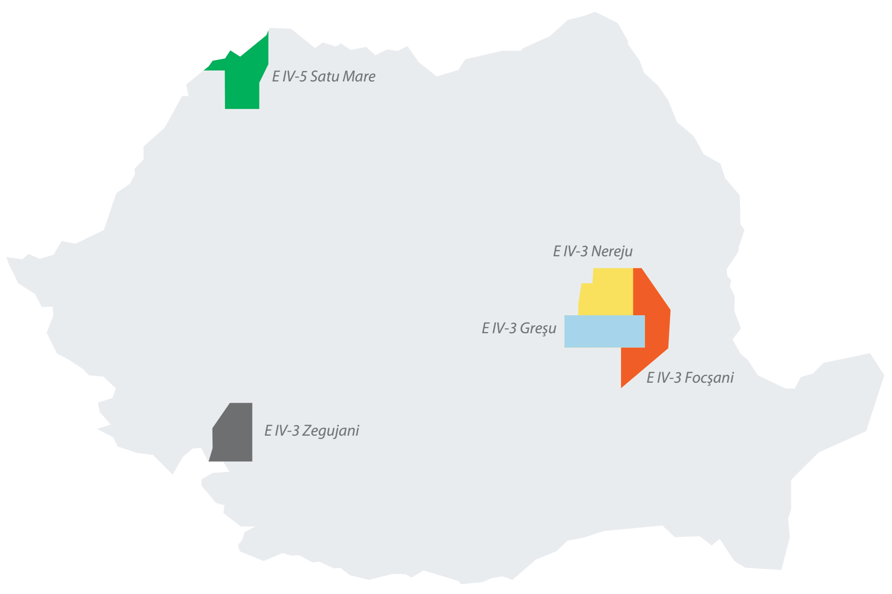
The Upstream Business Unit covers The Rompetrol Group's drilling, workover and well completion, special well services and exploration and production. Upstream is active in Romania, Kazakhstan, the Middle East, North Africa and Latin America.

Upstream Business Unit consists of:
Exploration & Production
Rompetrol Well Services - Petros
Drilling and Workover

Exploration & Production

Key 2007 Achievements

- *Concluded farm-out negotiations with Zeta Petroleum on the Zegujani concession and drilled one exploration well*
- *Reprocessed & re-interpreted 1,100km of existing 2D seismic on the Satu Mare concession, continued farm-out negotiations and finding a partner for complete exploration program and risk mitigation*
- *Finalized seismic acquisition project for Greşu, Nereju and Focşani concessions*
- *Approval obtained from Romania's National Agency for Mineral Resources (NAMR) to restart operations on the Goleşti concession. Project commenced*



Romania - Rompetrol Exploration concessions

In 2007, negotiations with several farm-in partners continued and for the Zegujani concession a minority interest was negotiated with Zeta Petroleum of the United Kingdom. In accordance with Rompetrol's 2007 plan for the block, an exploration well was successfully drilled to a depth of 1360m. Results of tests confirmed the presence of hydrocarbons, although not deemed to be commercial.

Further exploration activity is planned for 2008 to follow-up on other interesting prospects highlighted by the initial seismic acquisition/ reprocessing.
In the Satu Mare concession, a volume over 1,100km of existing 2D seismic was re-processed and interpreted in-house using own resources and capabilities.

This assisted on-going negotiations with potential farm-in partners and it is likely that agreement will be reached in early 2008. Rompetrol plans to continue its exploration activity, including a potential combination between seismic acquisitions and exploration drilling.

Using the existing data, preliminary geological reports identified areas with prospective exploration potential. Following further geological and site investigations, Rompetrol prepared a detailed seismic acquisition program, approximately 230km of 2D seismic for our Greşu, Nereju and Focşani concessions. In 2008, this seismic program will be executed, yielding more insight into the geological structures and potential exploration drilling targets.

In 2007, approval was obtained from Romania's National Agency for Mineral Resources (NAMR) to restart operations and prepare experimental Underground Gas Storage (UGS) in the P VII -13 Goleşti concession. A geologic and production investigation and a well-reactivation program is currently underway. The gas fields at Goleşti could be a potential candidate for an UGS facility, due to its geographic position and the type of reservoir.

Rompetrol has been also involved in feasibility studies to determine the opportunity of acquiring production assets off-shore Romania, Azerbaijan, Russia and Albania.

The Exploration and Production division also continued development of the geophysics consultancy capability in exploration projects, concluding a contract in 2007 in Albania, as well as extending existing contracts in Libya and Greece.

For 2008, the Upstream E&P Division will continue the research, selection, as well as the evaluation of exploration-production opportunities in Russia, Kazakhstan, the Middle East and Africa.

Approximately $ 1 million has been invested in exploration and production activities in 2007.

Rompetrol Well Services (Petros)

Key 2007 Achievements

- *Increased operational profits by more than 65 percent compared with 2006*
- *Completed services worth more than $ 4 million in overseas operations*
- *Continued equipment upgrading and modernization program, including slurry mixing technologies and bulk cement carrying*

Rompetrol Well Services (RWS) offers a range of specialized services for Upstream oil and natural gas wells.

In 2007, the Company achieved a turnover increase of more than 60 percent compared to the previous year. The activity in Romania intensified significantly, mainly due to the increase of oil and gas exploration and therefore, the country became a very attractive market for major international well services companies.

However, RWS succeeded to uphold its market share by constant technological improvements and by concluding Joint Operation Agreements with reputed global well services providers.
Geographical expansion was also a strategic target, and revenues from services performed outside Romania also increased by 64 percent compared to 2006.

In 2007, RWS continued to upgrade its technologies used for specialized well services, with an emphasis on cementing services. A new cement slurry mixing system equipped with the latest monitoring and automatic control devices, was acquired from Germany. The equipment used for cement carrying and discharging has been modernized through the acquisition of high capacity Bulk Trucks. Furthermore, the transport of skid-mounted equipment was completely restructured aiming to insure its most optimal use.

Operational cost reductions continued through the implementation of Fleet-Care software for the majority of Company's equipment fleet and vehicles.

RWS sustained its strategy of pondering revenues between domestic and overseas operations, focusing on the Caspian Region and Balkan Peninsula.

The Kazakhstan operations were expanded, leading to an increase in Branch revenues to in excess of $ 2.2 million.

In 2007, the Company broadened its operations in neighbouring countries taking the advantage of geographical proximity and the opportunity to efficiently operate from the domestic bases. Therefore, in Bulgaria, RWS completed cementing services worth $ 1 million to well-known US oil companies. In addition, the first operating base for cementing and casing running services was opened in Ukraine at the end of the year.

In 2007, the Company expanded its personnel training, primarily done through in-house tuition programs, to ensure maximum benefit from the implementation of new technologies. Consequently, RWS achieved over 60 percent revenues increase with only minor increases in staffing numbers.

RWS carries out specialized services in oil and gas fields in Romania and internationally. These services include cementing, consolidation and wrapping services, stimulations, testing, slick-line, casing running operations etc. An average of 500 casing strings and liners, ranging in depth from 500 m to 4.500 m, are cemented annually by RWS. The consolidation and packing operations are handled for more than 200 oil, gas and gas storage wells each year.

Stimulation services include activities such as special nitrogen treatments and hydraulic proppant fracs. The stimulation teams cater to a large number of wells daily and the operations for productive layer testing are carried out for each individual customer. Slick-line installation instrumentation and casing and liner running, as well as other specialized services, are offered to the majority of oilfield operators in Romania. The design of the services mentioned above is accomplished with in-house resources and in close cooperation with the customers. All necessary equipment, tools and chemical products are provided by RWS. The Company also offers a rental service for its drilling tools.

RWS oversees all ongoing projects from its main office in Ploieşti, Romania, offering technical support for 15 locations in Romania, Kazakhstan, Bulgaria and Iraq.

2008 Key Objectives

- *Enduring modernization of the cementing services through the acquisition of high capacity pumping and mixing equipment*
- *Increase market share in the EOR/IOR services in Romania*
- *Concentrate and expand the operational capacity in Kazakhstan, focusing on the cooperation with KazMunayGaz*
- *Extend operations in Bulgaria and Ukraine*
- *Initiate the supply of cementing services in Oman*

In 2008, RWS plans to continue modernization of its operational technologies by accelerating its equipment fleet renewal, as well as through the acquisition of high capacity pumping and mixing equipment, advanced nitrogen pumping units, sand blenders, completion equipment and casing running tools.

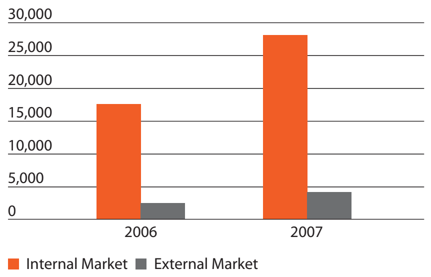
Enhanced Oil Recovery (EOR) and Improve Oil Recovery (IOR) technologies have a big development potential in Romania. RWS intends to significantly increase its market share in the EOR/IOR services segment, primarily through partnership with reputable North American companies.

The Company will continue to develop its operational capacity in Kazakhstan and will focus on the development of a medium and long-term cooperation with KazMunayGaz and KMG daughter companies, aiming to provide a significant amount of cementing and other special services in the main oil and gas fields operated by KazMunayGaz.

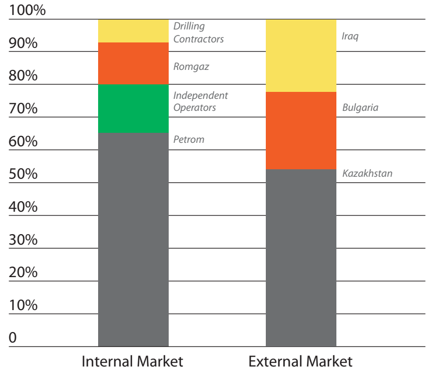
In consideration of the rapid development of oil and gas exploration activity in the region, we intend to expand our operations in Bulgaria and Ukraine and to assess the opportunities in other neighbouring countries.

RWS is presently negotiating with an Omani based Rompetrol JV, the supply of engineering, equipment and skilled personnel for cementing services. The services will be rendered to Petroleum Development of Oman, considered a challenging operating environment among oil services companies.

Income development from well services
(thousand $)



Clients Structure



Rompetrol Drilling and Workover

Key 2007 Achievements

- *Turnover up by 40 percent compared with 2006*
- *Increased operational profits by 95 percent compared with 2006*
- *Extension and diversification of the client services range*
- *Maintaining of ISO 9001 and ISO 14001 certification*

Rompetrol Drilling and Workover offers a range of drilling and well workover services for the international Upstream oil & gas market. Currently is operating in North Africa and South America, having more than 30 years of experience in drilling, workover, mudlogging and related oilfield services since the business was established in 1974.

Despite increasing competition, a commitment to high levels of service and the ability to adapt to changing business environments has allowed Rompetrol Drilling to develop and become a partner of choice in new markets, as well as our traditional areas of operation. Investing in new technologies, as well as Rompetrol's rigorous and flexible management approach, has also well-positioned the Company and contributed to our strong performance in 2007.

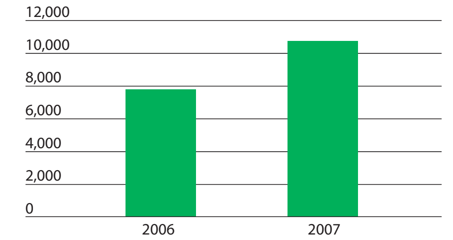
Rompetrol Drilling and Workover has also established a technical and operations collaboration with Punj Lloyd Upstream Ltd (PLUL), to enter into drilling and well completion projects in India and internationally. Punj Lloyd Upstrem Ltd is a subsidiary of Punj Lloyd Ltd, a $ 2 Billion Indian EPC company with a presence in India and internationally.

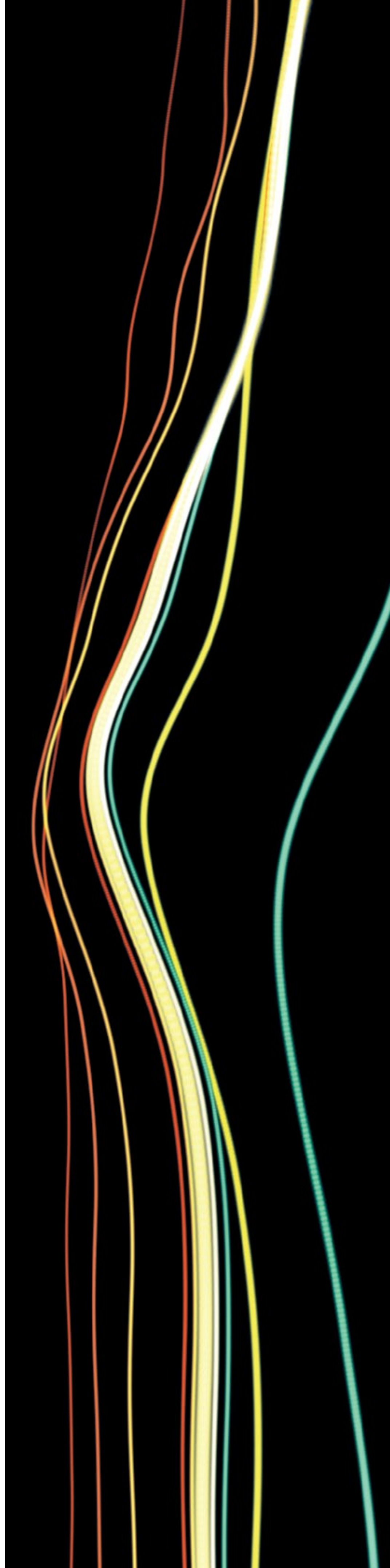
As a Member of the International Association of Drilling Contractors (I.A.D.C) since 1985, the Drilling Division complies with ISO 9001 and ISO 14001 quality and respectively, environmental protection standards, as certified by Germanischer Lloyd Certification.

2008 Key Objectives

- *Re-enter the deep drilling services through the acquisition of high capacity drilling rigs*
- *Develop mudlogging asset base through the acquisition of new mudlogging units*
- *Entry into new markets in Europe, North Africa and the Middle East through partnership with local companies*
- *Continue to apply the highest international operational and QHSE standards*

Net revenues 2007 vs 2006
(thousands $)





Operational efficiency

The operational efficiency center made up of Rominserv, Palplast and Rominservices Therm plays an extremely significant part in implementing and developing the operations of the Group.

Rominserv

Rominserv ensures the technical support necessary for modernization projects and new investments carried out by all Group companies. It manages services for facilities and equipment maintenance in the two refineries, Petromidia and Vega, as well as for the fuel distribution network stations in Romania and Bulgaria.

Through Rominserv Valves Iaifo, a working site of Rominserv, and Palplast, the operational efficiency center is a significant supplier of industrial products, cast iron and steel valves and high density polyethylene (HDPE) pipes and fittings, both for the Group companies and (especially) for non-Group companies, on the Romanian and export markets.

Through Rominservices Therm, Rominserv is present on the market for producing and distributing thermal power, in partnership with the Town Hall of Mangalia. In this partnership, Rominserv has focused on implementing projects for enhancing technological processes and modernizing the infrastructure taken over from the former local Regie Autonome.

Rominserv, the general contractor of the Rompetrol Group, finalized 50 projects for a total amount of $ 70 million in 2007. Another 42 projects with budgets of $ 200 million are in progress.

Rominserv set into operation the high density polyethylene plant (HDPE) and the value of the project is of approximately $ 14.5 million, a project that comprised the revision of the current unit in order to restart it at its rated capacity (60.000 to/year) and the modernization of the facility by implementing a Distributed Control System, the implementation of an automated packing and palletizing line, as well as the extension and increase of the storing capacity.

In 2007, Vega Refinery became an exclusive manufacturer of special bitumen.
The polymer modified road bitumen plant is the first one in Romania and Eurobitum has a higher resistance and viability compared to the current solutions used in the producing road bitumen.

The "Cooling towers" project has a major importance for the proper functioning of the catalytic cracking plant. The objective of the project was that of ensuring the cooling water at the parameters necessary to the facility, so that it should run with an output of 180 cm/h. Among the benefits of this project is the reduction by 15 percent of the cost of utilities by rendering the cooling system efficient from an energetic point of view, enhancing the quality of the cooling water and flexibility in operating.

The European norms on environment protection, imposed the initiation of projects meant to fulfill the new regulations. Thus, Rominserv finalized and set into operation a sludge processing installation (approximately $ 6 million). The installation is designed to reclaim sludge lagoon no. 3 and to treat the mud from the waste water station, ensuring both a high degree recovery of the oil product and of the non-polluting liquid and solid effluents.

Besides the projects carried out in the field of oil and gas and petrochemicals, a significant part of the activity carried out by Rominserv was represented by infrastructure works, the Company having won 4 public tenders with the total value of $ 4.4 million.
The works comprised in the implementation of a centralized turnkey sewerage system in Crişeni and the modernization and development of the drinking water supply networks in Iordăcheanu and Gura Vitioarei (Prahova county), Brăeşti and Cristeşti (Iaşi county).
Together with Palplast Sibiu, producer of high density polyethylene (HDPE) pipes and fittings), and the working site Rominserv Valves Zalău (industrial production), Rominserv ensures professional solutions for various projects in this field, according to EU quality standards.

Rominserv continued to develop in 2007 projects that would bring significant benefits to the Rompetrol Group.

Rominserv will ensure turnkey services for building and setting into operation of the Hydrogen plant on the Petromidia platform. Valued at over Euro 60,000,000, the new plant will produce 40,000 cm hydrogen per hour, needed to obtain fuels with a low content of sulfur.

The increase of the refining capacity to 5 million tons of crude oil/year, imposed the commencement and development of investment projects in order to increase the transit capacity of oil products. Thus, Rominserv shall carry out a series of projects related to the increase by approximately 350 percent of the transiting capacity through Pier 9.

In the first stage, Rominserv started works to accomplish the hydro-technical and technological facilities of Pier 9B. The execution of this project shall lead to the increase of the transit capacities through Pier 9 (A and B), as follows: gasoline 115,000 to/month and diesel 108,200 to/month.

The industrial projects carried out by Rominserv for Rompetrol Downstream, supported the development of the retail segment by the building of new gas stations, the modernization of the current network, as well as of the stations within the Rompetrol Partener network, the manufacturing and installation of "Expres Stations" and "Internal Bases".

In 2007, Rominserv performed technological upgrading works and sign replacement for 31 partner stations. For 2008, estimates are to modernize another 30 stations, observing the technological standards, the image and environment protection standards specific to the Rompetrol Group.

Rominserv continued the construction and modernization of the gas stations at "Hei" standard with 6 new stations, whereto the modernization of other 3 stations in Romania were added.

"Expres" and "Staţii de Incintă (Internal bases)" projects, the first transportable fuel distribution stations, were developed and implemented both countrywide and worldwide.

At the end of 2007, 78 Expres stations were operational. The project "Staţii de Incintă (Internal Bases)" reached a number of 68 stations in 2007 and for the year 2008 it is estimated that other 70 stations shall become operational on the territory of Romania. The project was also extended to Bulgaria, where 5 stations were set into operation and in Ukraine, where at the beginning of 2008 are planned to be installed 10 internal bases. The on-site installation, the setting into operation, as well as the maintenance of such stations are covered by Rominserv.

The industrial services rendered by Rominserv on the retail segment for the Rompetrol Downstream customer are supplemented by projects on the external market. Thus, Rominserv offered specialized services for the modernization of 25 stations of Rompetrol Georgia, and supplied to Rompetrol Moldova, Rompetrol Albania and Rompetrol Ukraine, know-how and valuation services of the investments, for the purchase of distribution stations and their alignment to the image and functionality standards specific to the Group.

Rominserv has been present on the Bulgarian market as early as 2006 by opening a working site. The activity comprised the building of 2 "Hei" stations, the modernization of other 2 stations, the implementation of Fill&Go in 40 stations and the setting into operation of 5 Internal Bases.
For 2008, the operational objective of Rominserv Bulgaria shall comprise the building of 15 new stations at the Hei standard, the modernization of 40 stations and the setting into operation of 50 Internal Bases.

Besides the construction and modernization activity, Rominserv shall also carry out the maintenance activity for the entire Rompetrol Bulgaria fuel distribution stations network.

The working site targets the increase of the turnover outside the Group, ensuring specific general entrepreneurship services, specialized maintenance services, as well as the trading of industrial equipment and spare parts by identifying and developing new contractual relations with local and regional companies, estimating a turnover of $ 18 million.

Besides the development of investment, modernization and development projects, Rominserv also ensures maintenance services within the two refineries of the Group.
In 2007, Rominserv commenced a vast reorganizing process of the entire maintenance activity based on the advice of the American company, Solomon Associates, in order to position the Petromidia Refinery among the top 25 European refineries.

The program implies the development and implementation of a planned maintenance system based on the methods of predictive (identification of deficiencies) and preventive (result analysis and the application of corresponding measures) maintenance. By means of the techniques and methods applied, Rominserv currently ensures the mechanical availability of the Refinery of 96 percent.

Further to implementing such measures, the mechanical availability of all facilities shall increase to 98 percent, in parallel with reducing the costs related to the maintenance activity.

In 2007, Rominserv has resumed activities aimed at re-starting the production activity of Rompetrol Rafinare that was interrupted for 15 days in order to carry out planned technological operations. Rominserv finalized a series of investment projects of the refinery such as the assembly of on-line analyzers and efficient regulation taps, as well as the optimization of certain processes/installations based on studies accomplished together with Solomon Associates.

The production activity of the Company, represented by Rominserv Valves, recorded in 2007 the highest sales of safety taps and valves since it was taken over by Rominserv, in November 2004.

The total value of the sales was of $ 10.66 million, representing an increase by 38 percent versus the sales volume accomplished in 2006, respectively $ 7.7 mil. The production volume increased by 25 percent versus 2006, 94 percent representing steel products and 6 percent cast iron products.

Besides safety taps and valves, in the working site Zalău was settled the second production site for the Expres and Internal Bases.

In 2007 were applied 9 measures stipulated in the action plan from the Integrated Environment Authorization of RIS and RIS Valves Iaifo Zalău. One of the measures targeted the soil protection and 8 targeted the air protection, being applied for installations within the Founding and Dyeing sections. They comprised in the mounting of installations for the capture and filtering of emissions. The total value of the investments is of Euro 268,000. In the action plan for 2008 are stipulated 2 measures targeting the soil and subsoil protection, with an estimated value of Euro 95,000.

Forecasts and trends in 2008

This year, the Company aims to extend the activity and the number of customers in the field of industrial maintenance services and EPCM (Engineering, Procurement, Construction, Management) for projects of investments, modernization, optimization of processes and infrastructure.
With regards to the production activity carried out by Rominserv Valves, the company estimates for 2008 a turnover increase by approximately 10 percent versus 2007, by means of manufacturing sellable semi-finished cast products, other than valves.
The range of products shall be also developed by assimilating closing valves for flammable fluids installations.

The finishing and advanced finishing technology of insulating surfaces of the drawer or vent valves shall be also enhanced, by purchasing finishing and advanced finishing devices of EFCO-Germany type, devices used by all valves manufacturers.

Palplast

Palplast SA manufactures HDPE (High Density Polyethylene) pipes, fittings, irrigation systems and HDPE products for: water, gas, crude oil, irrigations, sewerages, protection of optic fiber cables, water filtering systems, having factories both in Sibiu, Romania and in Călăraşi, the Republic of Moldova.

Another significant business activity carried out by the Company is to manufacture pipes for oil products transportation. Based on studies and researches conducted in partnership with specialized international institutions, Palplast was the first company in Romania that launched in 1998 a new range of products destined exclusively to the transport of unprocessed oil fluids.

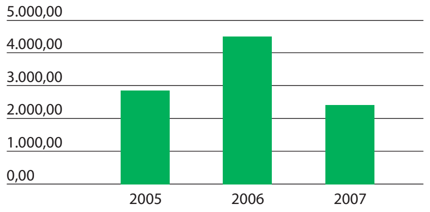
2007 Key Achievements

- *Modernization of the pipes production process with a direct impact on the reduction of the production costs by up to 11 percent*
- *Re-launching of irrigation systems*

2008 Key Objectives

- *For 2008, the Company targets a 30 percent increase of turnover as compared to the previous year.*
- *Investments in the modernization and revamping of the production capacities aimed at increasing the yield, the reduction of expenditures and the impact on the environment*
- *Palplast intends to open new working sites in Romania and wants to enter new markets in the neighboring countries*

Production
(tons)



Rominservices Therm S.A. Mangalia

Rominservices Therm is a public-private partnership set up at the end of 2002 between Rominserv and the County Council Mangalia. The Company is the first operator in Romania licensed by the National Agency for the Regulation of Communal Services, in September 2003.

Rominservices Therm is the main producer and supplier of hot water and thermal agent from the municipality of Mangalia, covering over 75 percent of the local market, operating 28 thermal power stations from the municipality of Mangalia and the tourist resorts Neptun and Olimp.

2007 Key Achievements

- *The 100 percent-modernization of the thermal power stations by fully replacing the equipments*
- *Conversion of the thermal power stations CT3, CT1, CT11, CT6 into thermal points*
- *Replacement in a proportion of 85 percent of the thermal distribution networks by replacing the old heating pipes with pre-insulated pipes*
- *26 percent of the hot water production is based on solar power, accomplishing thus a Company policy regarding energy preservation and environment friendly.*

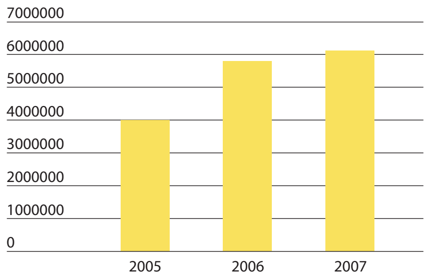
The development of specific operations in order to render efficient the energetic system in the Municipality of Mangalia by modernizing the thermal power stations was accomplished, as follows:

- *rendering efficient the operations within the Company*
- *reduction of fuel consumption, having besides the economic result also a positive impact on the environment by reducing the polluting gases emissions*

2008 Key Objectives

- *Consolidation of the position on the district heating market from the Municipality of Mangalia by increasing the number of customers by 15 percent, by 2009*
- *Extension of the corporate activity in other localities by taking over under management the district heating services from other (small and medium-size) towns*

Revenues 2005 - 2007
($)



Quality, Health, Safety and Environment (QHSE)

At The Rompetrol Group level was reconfirmed in 2007 the necessity to act in accordance with the best international practices. To this end, it was proven once again that in terms of QHSE activities it is much better to act in a decentralized manner, according to the needs of the member companies of the Group, instead of imposing a certain strategy. Obviously, one has to mention that the unity element is rendered by the reporting standards and the relevant policies regarding quality, health and labor safety, environment protection. This issue is of special significance as Rompetrol confirms its international vocation in QHSE. In 2007 we proved once again our capacity to “think global, act local”.

2008 Key Objectives

- *Continue the efforts to substantiate the QHSE performance management from an academical perspective*
- *As applicable for each entity of the Group renewal, maintenance, updating, obtaining third party certification of the respective QHSE management system (e.g. according to ISO 9001:2000 and ISO 14001:2004)*
- *Extension of the QHSE awareness program to all Group operations*
- *Use of QHSE performance management elements by each BU in their decisions making processes*

The QHSE Departments from each entity of the Group ensure the implementation and observance of principles focused on customer-orientation, environment protection, issues related to labor safety and health, as well as the demonstration of conformity elements to third parties. Last but not least, QHSE activities include elements of performance evaluation and performance management. All Group companies apply, maintain and enhance the management systems (in most cases, integrated management systems) that are certified either ISO 9001:2000, ISO 14001:2004 or OHSAS 18001.

Relevant statistic data show an enhancement of the QHSE performance in 2007, but also reveal the issues that should be improved during the following period. In the past seven years, no work related fatalities occurred among the employees of The Rompetrol Group entities. At the same time, in most operational entities, the frequency and severity of incidents has significantly decreased. Such results are especially due to the efforts made to create and maintain a solid preventive culture of our personnel.

In view of product quality, the Petromidia and Vega refineries are compliant with EU standards with regard to sulfur and aromatic hydrocarbons content. With reference to the quality of services, an efficient system operates within the retail network aimed at monitoring the level of customers' satisfaction.

Investments made in 2007 have had a positive impact on QHSE. Thus, the following can be mentioned among the main accomplishments:

- Extension of the applicability of the management systems to all Group operations
- Maintenance of reduced frequency and severity of labor incidents
- Consistent reporting and systematic follow-up of the 'near-miss' type situations (potentially dangerous situations without an adverse outcome), as a preventive approach
- A more severe monitoring, evaluation and selection of subcontractors (based of QHSE performances as well)
- Effective and efficient use of resources
- Measurement and management of the QHSE performance
- Inclusion in the operational reports of the QHSE risk elements
- Dissemination of information on the best QHSE practices in the industry

The reporting of near-misses is carried out within the entire Group. Three years have been required to accomplish a unitary reporting system, but also to remedy such potentially dangerous situations. It is a functional system, regardless of the geographical location of the Rompetrol entity and regardless of the nature of the processes that take place in the respective entity. Thus, all processes are safe, both for Rompetrol, for our customers, neighbors and for the contractors and subcontractors, as this project is developed concurrently with the implementation of PHA techniques and methodologies.

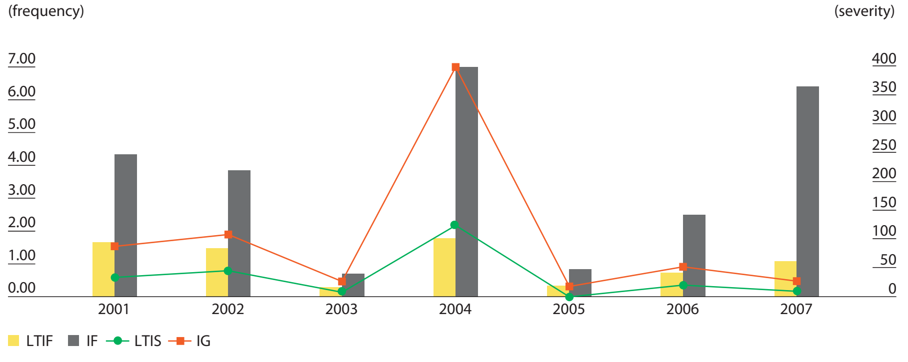
The following definitions are applicable to the attached graphics:
Lost Time Injuries (LTI) Injuries resulting in the total or partial, permanent or temporary loss of the work capacity further to occupational accidents. Here are included fatalities, permanent total disabilities and lost workday cases resulting from work-related injuries.

- LTIF = LTI number x 200,000 (or 1,000,000) / Exposure hours - (LTI frequency)
- LTIS = No. of ITM days x 200,000 (or 1,000,000) / Exposure hours - (LTI severity)

In case of Rompetrol Downstream operations: Total Recordable Injuries (TRI) The total number of reportable incidents. (fatalities + permanent total disability + lost workday cases), restricted work cases and medical treatment cases (other than first aid). Formulas for TRIF and TRIS are similar to those for LTIF and LTIS.

The graphs also include frequency (IF) and severity (IG) indexes defined and measured according to the Romanian regulations.

Indexes Refining (Petromidia, Vega) and Petrochemicals



For the Refining Business Unit, in case of the Vega and Petromidia refineries, the frequency (aggregated LTIF) increased from 0.67 to 1.18, while severity (aggregated LTIS) decreased, as compared to 2006, from 15.81 to 11.83. It should be mentioned that such increase is due to the enhancement of the quality of the reporting process and the reduction of the number of employees (the reduction of the number of exposure hours following to process automation), but it should be however noted that the severity of incidents has been reduced and this shows an improvement of the prevention activities.

In the Retail Business Unit is assessed an increase of TRIF from 0.44 to 2.34 and of TRIS from 0.25 to 1.4; this is explained by the significant increase of the activity volume (the extension of the network of distribution stations and the increase of the number of employees). Another explanation therefore is the fact that in 2007 the preventive policies, QHSE procedures and practices started to be implemented more strictly and the reporting criteria have been much more stringent (e.g. TRIF and TRIS are reported instead of LTIF and LTIS given the greater impact of the cases involving restricted work and medical treatment).

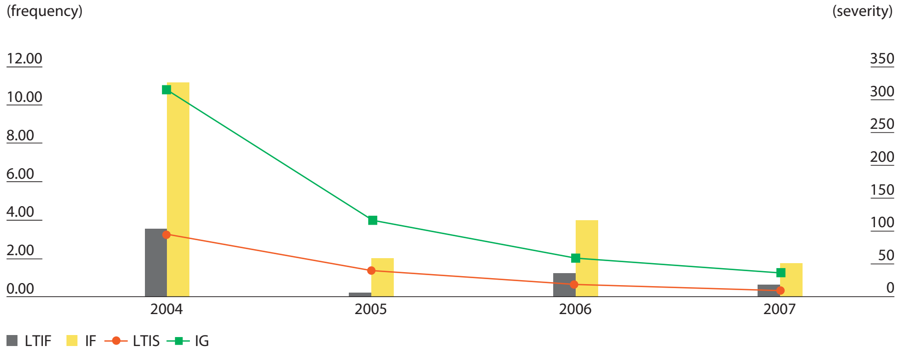
Last but not least, with reference to Rominserv - the general contractor of The Rompetrol Group companies, it is noteworthy that in terms of a good detection (keeping a constant quality of reporting where the number of near-miss is significant) an obvious enhancement also took place in terms of mitigation and prevention activities (the reduction of LTIF from 0.87 to 0.58, doubled also by the reduction of LTIS from 14.5 to 12.09).

Reporting related to the subcontractors is performed separately and the data analysis reveals that the QHSE performance throughout all Rompetrol Group operations was enhanced (especially in view of reducing the severity indexes). This result is due to the fact that we imposed to our subcontractors to strictly observe the relevant laws and regulations, as well as all internal standards of The Rompetrol Group. Presently, the QHSE criteria have a significant impact in the evaluation and selection of subcontractors that have to undergo activities in dangerous conditions.

The year 2007 was also significant in view of enhancing our readiness for emergency situations and our emergency response capacity.

- The number of table top exercises, of drills, of functional simulations, as well as of exercises at a large scale increased by 21 percent
- The associated preventive indexes show an enhancement of the quality and relevance of such prevention programs

Indexes Rominserv



Ecomaster Servicii Ecologice S.A.

2007 Key Achievements

- *Extension of the collection of recyclable industrial wastes network in order to cover approximately 75 percent from the national territory*
- *Doubling revenues from used oils and oil wastes processing as compared to the previous year*
- *Start of operational tests for a new oil wastes processing facility at Rompetrol Rafinare (Petromidia)*
- *Optimization of costs for all business lines in terms of materials and utilities*
- *Increase the number of customers by 39 percent and of the total revenues by 14 percent, as compared to 2006*

2008 Key Objectives

- *Setting into operation a facility for final elimination of hazardous wastes and acid sludge*
- *Extension of the services rendered by Ecomaster in countries where Rompetrol has operations, including Kazakhstan*
- *Increase Ecomaster capabilities and participation in major projects for the remediation of contaminated soils*

Ecomaster Servicii Ecologice S.A. is one of the leading providers of environmental and contaminated places remedy integrated services and management of oil residues and hazardous wastes in Romania.

Our Company supplies industrial ecological services to more than 600 Romanian and multinational companies. Our customers are both companies in the oil field and in other fields as well, such as the automotive and industrial equipment production, chemical industry and transportation.

During 2007, the Company focused on increasing market share for the current business line, as well as the advanced preparation of major development projects.

Thus, the number of customers for collecting oil residues and used oil wastes increased throughout the country in 2007 by 39 percent, reaching 635 at the end of the year. Concurrently, the income obtained from the advanced processing of such wastes increased by 95 percent in 2007, as compared to 2006, due to the increase of products' added value and the optimization of materials and utilities consumption.

For the year 2008 is forecasted a further increase of the market share and also the analysis of the suitability to initiate new procedures of processing such categories of wastes, aimed to increase the quality of products and carrying out new products with a higher market value.

The 60 percent increase of the number of customers, as compared to 2006, but also the enhanced operating efficiency of the industrial wastewaters treatment station, generated an increase of revenues by 32 percent in 2007 compared to 2006, at our working site on Petromidia platform.

At the same time, the operation of the sludge processing installation within Petromidia refinery lagoons is also planned for 2008 and it is expected to process about 48.000 tons/year.

The Ecomaster vision on the strategic development over the next 3 years comprises the significant increase of its business in terms of integrated industrial environmental services, by increasing the market shares of the current business lines and by investments in key-fields with significant market potential.

Products and services rendered

Ecomaster Servicii Ecologice S.A. mainly offers the following industrial environmental services:

- Industrial waste lagoons treatment and remedy of contaminated soils
- Integrated management services of hazardous materials
- Collection and elimination of hazardous wastes and oil residues
- Project management for the construction and modernization of industrial wastewaters treatment stations
- Running of industrial wastewaters treatment stations
- Specialized environmental protection consultancy

Rompetrol Quality Control

2007 Key Achievements

- *RQC reached a number of 400 customers versus approximately 300 in 2006*
- *Range of services rendered: oil products, water, air, soil, metals analyses; oil products quantitative and qualitative inspections; breathing devices tests; environmental consultancy*
- *Over 20 new analysis methods have been implemented, mainly for bio-diesel oil product observing environmental requirements, but also other methods, especially environment ones*

2007 was the year when RQC consolidated its market position, following the trend of The Rompetrol Group, that of on-going development. The industrial analysis services were supplemented with environmental consultancy ones, new services that triggered both national and regional recognition, while RQC enlarged its activity area at national level. The accuracy of the processes and analyses results performed by Rompetrol Quality Control is also confirmed by the fact that all 6 laboratories managed to obtain, within a very short time, the accreditation of the quality management system, as well as of the competence levels for personnel, methodologies and equipment, in accordance to the SR EN ISO 17025:2001 standard. Currently, the Romanian Accreditation Association (RENAR) is the only national institution that could provide such an accreditation and consequently, the analyses performed by RQC are recognized in over 70 countries worldwide, signatories of the international recognition agreements (I.L.A.C, M.L.A., E.A.) concluded with RENAR.

By continuing the accreditation process of the new analysis methods and consolidating the relationships with international research centers (Spain, England, the Netherlands), RQC managed to render quality services to all customers, both within The Rompetrol Group (bio-diesel analyses, quality analyses of products with low sulfur content – below 10 ppm) and non-Group customers, especially in the field of environment protection (determination of benzene content in the water, air and soil).

In 2007, RQC successfully carried out its projects, especially the research ones, thus managing to technically improve itself, while achieving national and international recognition and attracting the funds necessary for development.

The types of analyses accomplished by Rompetrol Quality Control SRL:

- Complete oil products analyses (crude oil, gasoline, diesel oils, LPG, kerosene, petroleum cuts, coke and petroleum sulfur, ecologic fuels (bio-diesel), bitumen, etc.)
- Complete water analyses (contaminated chemical water, processing water, drinkable water, drainage water, cooling water, softened water, desalting water, boiler water, swimming-pool water, steam, condense water, underground water, etc.)
- Complete soil analyses (industrial soils, agricultural soils, soils, industrial mud)
- Complete air analyses (physical and chemical toxic substances from the working places air and from protected areas by determining the corresponding concentrations)
- Explosion metering analysis (determining explosion hazard potential when working with open fire, in industrial spaces and closed vessels)
- Medical and bio-toxicological analyses (for quantitative and qualitative determination of various specific components)
- Analyses of physical and chemical toxic substances at working places (by observing the provisions of relevant labor protection norms)
- Analyses of specific weather, environment and micro-climate factors
- Mechanical and technological trials for welded metals and joints
- Metallographic analyses (microscopic and macroscopic analyses of welded metal materials and thermoplastic materials)
- Chemical analyses on metal materials

The Rompetrol laboratories are the first option for the most significant independent inspection companies in Constanţa harbor, in terms of specific analyses of imported/exported oil products in Constanţa harbor. Environment laboratories have become an even more demanded alternative for the companies in Dobrogea region, for monitoring specific environment factors (waters, air, soil), but also from other regions of the country, while currently analyses are performed for customers from the regions of Banat, Muntenia, Oltenia and Southern Moldova.

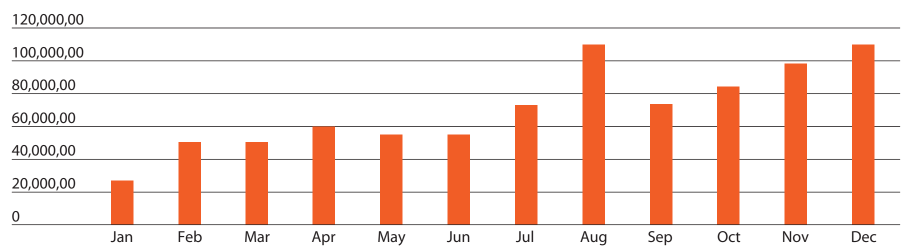
The experience in QHSE activities, renders RQC an important contributor to the Group development. Together with TRG, starting of 2007, RQC has been participating in an environmental monitoring program, focusing on the quality of environment factors in large cities in Romania and not only. Also within the Group, RQC has kept up with the development of the two refineries by offering customized services, according to the newly launched products (fuels with low sulfur content, fuels with ecological products – bio-diesel). The Company's area of operations increased concurrently with the development of the gas stations network and RQC managed to provide all demanded services.

2008 Key Objectives

- *Upholding of a dominant position on the industrial analyses market in the South-Eastern part of the country*
- *Implementation of LIMS (Laboratory Information Management System) aimed at optimizing the laboratory activities and obtaining real time information*
- *Conformity of the management system of the Company with the standards ISO 9001, ISO 14001 standards and the OHSAS 18001 specification as well*
- *Extension of the research activities in the field of non-polluting or less polluting energy (ecological) sources and focus on new products, such as bio-ethanol*

In 2008, RQC will continue the development and modernization process by implementing new quality standards, as well as by purchasing efficient (state-of-the-art) equipment and by applying information technology to the entire laboratory activity (LIMS).

Non-group revenues 2007



Shared Services and Support Companies

Human Resources

In 2007, the Human Resources function targeted the continuation of the process of implementing the integrated operation in all 13 countries in which The Rompetrol Group carries out its activity, based on the Human Resources strategy and the objectives of the Group.

One of the noteworthy achievements of 2007 is the implementation of the HAY job evaluation method for all jobs within Rompetrol companies in Romania. The project lasted for approximately 6 months and involved both the employees of the Human Resources Department, as well as the Rompetrol Management and employees, and targeted: Group-level unitary operation, ensuring organizational structure transparency, but also adapting to the dynamic environment in which we are carrying out our activity.

The project shall be followed, in the first part of 2008, by the implementation of a value based pay policy, meant to ensure internal fairness between positions (according to the evaluation by the HAY method), at the same time being a strong motivational and retention factor for all Group employees.

"Performance Management" is another Human Resources strategically important program for accomplishing the Group's objectives, a program which became operational in 2007 and will continue throughout 2008 and in the years to come. It focuses on employee results, correlated with the business objectives of the Company and rewarding employees for both personal and Group performance.

Moreover, at the end of last year, the Human Resources department also launched the succession planning program, which shall generate coherence and continuity in the preparation of the "second echelon". This is not only a method to ensure a constant flow of talents, meant to support the continuity of the business, but also an instrument by which the employees of the Group become aware of the fact that each step is important in ensuring success. Each employee assumes a clear career path and is offered all premises for personal development.

2007 also marked the launching of the most complex top and middle management employee training program in The Rompetrol Group, part of the "Leadership Interaction Into Action" program, whose objective was aimed at developing leadership skills, a key competence for the support and implementation of the strategy and competitive advantages of the Group.

In order to be able to support the fast growth and organic development strategy of the Group, the Human Resources department launched two major projects last year: "Rompetrol Brings You Home" and "Top Talents Romania", whose main objective is to identify young talents with a certain level of technical competence but also having leadership potential, who could support the fast-growing ambitious objectives of the Group.

By its Human Resources strategy, Rompetrol intends to become a model and an engine for the growth and development of the Group, by identifying, capitalizing and developing the existent human potential, while at the same time taking into consideration particular regional and cultural aspects.

IT Department

2007 was an action-packed year, with major events and changes within the IT department. The most important step was the IT Transformation process, part of the larger agenda of the restructuring implemented throughout the entire Rompetrol Group. By means of this project, IT adopted a new structure, aimed at rendering the communication between users and IT personnel more efficient, increasing quality and service performance and achieving the alignment to the best practices in the field. The current structure – division of IT into Support Services IT and Business Unit IT – reflects the strategic trend mainly based on meeting clients and business requirements in various areas of activity.

Regarding the IT projects implemented in 2007, a series of major processes and investments were developed, with great impact on the Group's activities.

Thus, one of the successful project was the investment in the implementation of the ERP systems for Dyneff France and Bulgaria, a process which considerably enhanced the performance and availability of the system. Nevertheless, IT did not only invest in information technology and computers, but also helped define other essential processes for the Group. An example to this effect is the implementation of Oracle Applications in France and Bulgaria and the additional financial investment in developing this application, which allows the alignment of the financial-accounting and fiscal reporting processes in the two countries, to The Rompetrol Group's level.

The analysis of the 2008 forecasts shows that IT has an impressive portfolio of projects and initiatives. Among these, those that have a significant impact on The Rompetrol Group are focusing on several major directions that take into consideration turnover increase, customer orientation and optimization at Group level.

Thus, the most important IT projects for this year are obviously related to business priorities: supply chain optimization, implementation of real-time reporting solutions for various standardization, automation and integration projects, and last but not least, getting closer to clients and understanding the market, by providing customized solutions to clients - CRM (Customer Relationship Management).

Eurojet Romania S.A.

In 2007, Eurojet Romania developed its business aviation services offer (non-scheduled, charter flights, business class), representing the basic activity of the Company. The main increasing markers are: the total number of flight hours, number of planes, number of new clients.

Eurojet Romania carries out non-scheduled air transport activities - NACE code 6220. In 2007, the Company owned two and respectively, three small to mid-size business jet planes: a Cessna Citation Encore since June 9th 2006, a Learjet 60 since March 7th 2007, and since October 26th 2007, a Cessna Citation Excel.

The equipment, operations and maintenance requirements for all three fleet planes were compliant with the requirements developed by EASA (European Aviation Safety Agency) and JAR-OPS (Joint Aviation Requirements, European airspace operational requirements).

The development was mainly supported by the following factors:

- Development of the regional business aviation market, following business enhancement and increasing charter transportation needs
- Increase of Eurojet fleet
- Boosting up efforts meant to attract new clients and meeting their demands, both from within our Group as well as external clients, by searching for and providing alternative solutions to requests

2007 Key Achievements

- *The main performances are related to the specific activities undertaken, with reference to the main activity – charter air passenger transport services, business class, by means of own planes*
- *Portfolio development and consolidation, by attracting 40 new clients, thus ensuring the fidelity of the current clients, 51 percent of flights (in terms of value) were performed for external clients*

In 2007, Eurojet Romania operated VIP charter flights and provided to its clients flights to more than 30 international destinations.

The brokerage activity (intermediation of charter flights, planes from the fleets of other air companies) intensified, reaching almost 20 percent of the total value of our flights. The importance of brokerage consisted especially in its contribution to making clients loyal – in cases where the Company's own planes were not available or for demands of transport capabilities, other than the existing ones.

The significant increase of the importance of brokerage among Eurojet services, also reveals a high potential of the market (increasing clients' needs) which, for the time being, cannot be used and capitalized by Eurojet, because of the reduced number of its own plane fleet.

The activity of the tourism agency within Eurojet Romania continued in an intensified rhythm imposed by the traveling needs of the Group, by centralizing all Rompetrol Group entities' travel requests and rendering them cost efficient.

The Rompetrol Group remains the sole client of the tourism services.
In view of performing tourism services, the department in charge within Eurojet signed contracts with tourism services suppliers (hotels, air companies, tour-operators), in order to ensure the best price offers and conditions to Rompetrol employees.

The tourism department also helped in organizing various major internal events, such as: managers' annual meetings (at entity and Group level), sales meetings, training or team building events.

Corporate Governance

2008 Key Objectives

- *Increase the efficiency of Eurojet business by focusing and developing the aviation activity as main activity of the Company*
- *Increasing the number of its own planes operated from 2 to 4 until the end of 2008, in order to capitalize on the accelerated increase of the market potential*
- *Purchasing a Challenger 604 plane until May, thus diversifying the offer regarding the performance of longer range flights, such as transcontinental ones*
- *Partnership operation of two Cessna Citation Encore planes, starting with April, in order to increase the transportation capacity and the number of flights for external clients with own planes (vs. brokerage), while at the same time increasing the efficiency of the activity due to fleet flexibility*
- *Increasing the number of flight hours*
- *Increasing by 37 percent the plane operation efficiency as compared to 2007*
- *Increasing the efficiency of the business by revising its policy and price positioning*
- *Increasing the income from aviation activity, developing new services packages dedicated to business traveling*
- *Enhancing the means of distribution and Eurojet's notoriety as a major player on the business aviation services regional market, by means of partnerships with tourism agencies and other charter flight operators*
- *Externalizing the entire tourism activity, in order to maximize the efficiency of the Group's travel expenses*
- *Consolidate the position of Eurojet on the business aviation regional market by starting the development of a VIP terminal in partnership with Băneasa airport.*

FinGroup

The main objective of IFN FinGroup Credit SA is to offer crediting services for individuals. In 2007, FinGroup launched the first two products of this type: Fill&Go Credit and Beauty Made Easy.

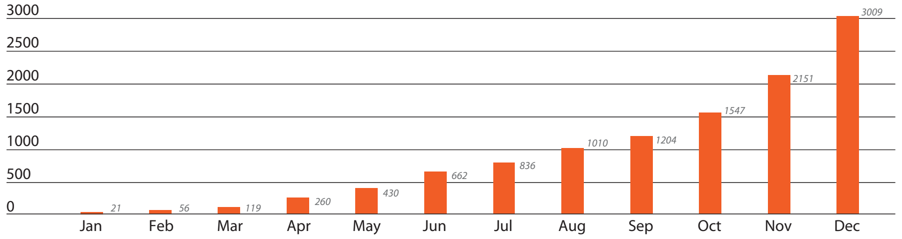
Fill&Go Credit is an international revolving credit card in RON, issued under MasterCard license. It is protected against fraud attempts by its integrated chip and this places it among the first cards of this type on the Romanian market. Issued in April 2007, Fill&Go Credit successfully managed to offer to car drivers multiple advantages, starting from the payment of car fuel directly at the pump, varied discounts for partners, up to commercial transactions and cash withdrawals from any ATM displaying the MasterCard logos. Fill&Go Credit also enables its holders to perform on-line payments.

FinGroup in partnership with Oriflame Romania launched in September 2007 the first co-branded credit card specially designed for women, Beauty Made Easy. This is a credit card that can be used worldwide and that can be used at any ATM displaying the MasterCard logos. Beauty Made Easy offers to its holders significant discounts at the Oriflame locations, as well as in partner shops from among the most varied fields: fashion, beauty salons, hairstyling salons and travel agencies.

For 2008, FinGroup aims to increase the portfolio by adding another crediting product for individuals. This will be launched at the beginning of the year and shall bring a new concept on the Romanian market for personal credits without collateral.

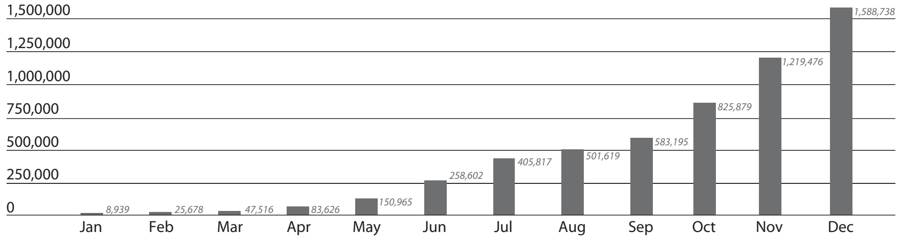
FinGroup in figures:

At the end of 2007 were issued 3,009 Fill&Go Credit and Beauty Made Easy credit cards. The cumulative evolution of card issuing is the following:



The distribution of the amounts used per months is shown in the graphic below.

Used amounts (EUR)
January 2007 - December 2007



The development of the activity of FinGroup is also shown in the evolution of the number of employees that rose from 18 at the beginning of the year, to 34 and it is continuously increasing.

Planning and Performance Management
Within Planning and Performance Management (PPM), improvement steps have been made with the integration of:

- Implementation of the 3 Month rolling Operating Plan (3MOP)
- Introduction of the Slate Sensitivity Analysis for crude selection for optimum refinery yield and financial results
- Introduction of a Throughput Sensitivity Analysis (TSA) for refinery capacity scenario analysis
- Introduction of a Daily Report in order to track results in operations and finance (EBITDA)

In addition, we have established within PPM a Capital Investment Department in order to implement a common framework across The Rompetrol Group (TRG) for investment inception, approval and implementation.

We outline below the scope of work of the TRG Capital Investment function:

- Independent Project Assurance/ Review
- Corporate Investment Governance Committee Management & Approval Procedure
- Custodian & Management of the Capital Assurance Process (CAP), owner of corporate assurance standards (templates & guidelines)
- Custodian & Management of the Investment Screening & Cash Allocation Process (ISCAP)
- Custodian & Management of the Portfolio Management Process & methodology

In 2007, our Capital Investment Department completed the Group wide rollout of the Capital Assurance Process and the Corporate Investment Governance Procedure, provided a complete set of project development guidelines and implemented Group wide project prioritization based on an Investment Score Card. The year 2008 will see the delivery of Group wide Project Management training, the improvement of Business Unit level project methodologies and an increased focus on projects designed to maximize the East – West synergies.
We have established the Capital Projects Management Department in order to establish and promote a Project Management Methodology and to identify and resolve Project Management related issues in TRG.

We outline below the scope of work of the TRG Capital Projects Management function:

- Establish & maintain functional network of BU PM Professionals within TRG.
- Promote best practice, share lessons learnt, identify Group wide issues & propose solutions.
- Deployment and functional management of resources via the Capital Projects Skill Centre, based on Business Unit requirements.
- Originator & Owner of the Group Project Management methodology/ standards for the Group.

We have established a Corporate Procurement Department in order to put into practice a unified group procurement solution.

In 2008, the Corporate Procurement Department will set up Group level Procurement Centres of Expertise to include Capital Investment & Maintenance, Chemicals & Catalysts, Utilities, IT, G&A and Trading Goods with the goal of centralizing and streamlining the entire procurement process for TRG.

The Corporate Procurement Group will redesign the TRG purchasing based on the above categories to ensure the necessary synergies. Other points of change:

- People-changing in behaviour: reduce non-strategic staff time
- Process: reduce complexity through uniformity, enable purchasing strategy.
- Technology: demand aggregation, data consolidation to support management decision.
- Skills: develop skills to the level of the best practice.

Within the “Score” Project we have finalized in 2007 the AS-IS assessment in various areas including Planning, Deal Making Contracting, Settlement, Logistics and Measurement across several entities. We have identified the roadmap necessary to implement in the coming year, the quick-wins and the processes that need to be redesigned.

The Corporate Internal Audit Department is responsible for executing internal audits across the Group. Internal Audit ensures high risk operational and financial areas across our organization that are in compliance with established policies, procedures and controls. Internal Audit function of TRG aims at providing shareholders and management with assurance that Group's business processes ultimately allow TRG entities to operate together with proper controls. Internal audit completed eight audit assignments throughout the year 2007. Major entities subject to internal audit in 2007 were Rompetrol Downstream, Rominserv and Dyneff.

Marketing and Communication
The dynamics and communication needs of The Rompetrol Group in 2007, led to the consolidation and integration of the Marketing and Communication function as part of the corporate government structures. In the new form, the Marketing and Communication function will manage the Group companies from the point of view of these significant directions.

Strengthening of brands and the development of the portfolio of product and service brands – consumer-oriented
The main scope of The Rompetrol Group is that of becoming a market leader in Romania and of obtaining significant shares on the other markets whereon it operates and therefore a continuous effort in consolidating the Rompetrol brand is necessary, but also the other product and service brands, contributing thus to the development of our business and the increase of the Company’s sales.

They focused on the care towards the final customer and the entire philosophy centered on the offer of quality products and services destined to improve the life of our customers. Thus, at corporate level, we offer the necessary support to operational units, for the:

- Alignment of the local brand build-up strategy to the general strategy, ensuring a consistent and coherent collaboration
- Understanding the needs of the consumer and the development trends of the markets
- Identification of the current opportunities and the definition of the strategy to gain the competitive advantage
- Defining the value promise on the relevant market segments, so as to ensure the increase of the market share and secure the competitive advantage
- Development of strategic programs/projects able to support the assumed objectives
- Implementation of the communication strategy, as well as the validation of its efficiency

The brand portfolio of The Rompetrol Group includes:
Rompetrol - on all markets where it operates
Dyneff - in France and Spain
Efix - fuel brand including two products: Gasoline Euro 4 95 and Diesel Oil Euro 4
Fill&Go - brand dedicated to services, it has two components: Fill&Go Personal and Fill&Go Corporate
Hei – store and restaurant concept
Eurobitum – bitumen modified with polymers, manufactured by Rompetrol Rafinare (Vega refinery)
Blow Solutions, Injection Solutions, Extrusion Solutions – solution packages offered to the customers by Rompetrol Petrochemicals
Propane Power Station – propane brand from Rompetrol Gas
Calor – liquid fuel for thermal power stations, traded by Romcalor

The activities carried out in 2007 focused on supporting the Rompetrol brand and on consolidating the Rompetrol brand in all countries where the Group has operations. The campaign “The shortest way from the idea to success” was conceived to create a complete

ROMPETROL
dyneff
efix ROMPETROL
FILL&GO
hei
eurobitum
extrusion solutions injection solutions blow solutions
PropanePowerStation
Calor

image of the evolution of The Rompetrol Group through the 3 main segments: Rafinare, Retail and Trading/European Expansion. It comprised 3 episodes with a duration of one minute, made in a documentary style. Its objectives were: the increase of favorability towards the Rompetrol brand, the increase of the perception of quality of our products and services and the stimulation of sales.

The corporate image campaign carried out in 2007 was seconded by a number of campaigns to promote this product, destined to stabilize or increase the sales, in the conditions in which the price of crude oil worldwide and the production cost of fuels determined an increase of the pump price.

Among the services launched on the market during last year is the Fill&Go Credit card, a credit card issued under the MasterCard license by FinGroup, a member company of the Group, with facilities for car drivers. At the same time, under the Fill&Go brand were also launched three new services for our business customers: Fill&Go Fixed Unit (internal base), Fill&Go Vehicle Control and Fill&Go Easy Ring.

The year 2008 shall mark the continuation of consolidating the current brands, but also the enlargement of the portfolio.

Consolidation of the Group's public image - External Communication, Public Relations
The Public Relation Department promotes the image of The Rompetrol Group, concurrently representing also the main communication channel of the Company with its publics.
In 2007, transparency was also the essential element of the continuous information flow of the Group to the shareholders, investors and authorities, to partners, customers and own employees. The information on the campaign was also accessible to the public through the mass-media, accurately reflecting the dynamism of the Group's evolution.
The development of business partnerships, but also the new products and services, ensured an immediate public exposure, also achieved by organizing specific events. Thus, the operational units of the Group were supported in the implementation of communication campaigns the target-public of which were business partners, financial communities or the authorities.

We coordinated the accomplishment of the specialized publications of the Group, inclusively brochures, presentations, the annual report, as well as other materials used to promote the image of the Company, concurrently ensuring and preparing the participation of the Rompetrol management in varied conferences, seminars and specialty meetings in the country and abroad.

Consolidation of employees' perception on the Group's vision and mission - Internal communication
Efficient communication is the key of success of a modern organization. Within the Company, it strengthens the trust of the employees in the vision and mission of the organization, it facilitates the exchanges necessary to development and it contributes to the changing of the employees' conduct, indirectly leading to the success of a company.

Starting from such premises, as well as from the realities of the Group that is undergoing a continuous expansion, to enhance the communication process among employees, the number of which is continuously rising: over 8,000 employees in Romania and over 1,000 in the countries where our operations are located, The Rompetrol Group benefited of all instruments necessary to inform and involve the employees in the life of the organization, i.e.: the internal publication of the Group, intranet, internal radio channel and internal events.

A special focus was granted to the communication to the internal public of the Company of all launchings of products, services, publicity campaigns and special events, supporting thus the transparent and permanent information process of all employees of the Group.

Corporate Social Responsibility

In 2007, Rompetrol has commenced several projects with impact upon the local communities throughout the country and not only within the areas where the Group companies carry out their activities. The main focus was on education, essential element of the social responsibility programs, taking into consideration the deficiencies existing in this area of utmost importance.

The scarcity of resources, the lack of coherence in implementing the reform, thus diminishing the prestige of the academic institutions, have a direct impact on the educational performance of our youth and implicitly on the future development of our society. It is difficult to make a top of the CSR programs or projects from the point of view of the financial support generated, as there are major differences with regard to their impact upon various communities.

Transparency was, and still is, an essential factor for the credibility of a company and the consolidation of its reputation. To be transparent, to talk openly about problems, but mostly to take action are facts that determined Rompetrol to get involved in supporting the interests of the community.

As in previous years, the corporate social responsibility projects focused on developing the skills – a successful key-factor of the Group. Rompetrol manages not only the labor force, but also the personal aspirations and destinies, designing not only strategies meant to develop labor efficiency, but also strategies to develop careers. In order to ensure the specialized resources that should lead the future development of the Company in an innovating manner, structured on the objectives of the Group, Rompetrol carried out in 2007 as well, several projects to this effect: **Summer Internship** for students in the final years and graduates of faculties from the concerned year. This program comprises the active practice within the Company for a period of 2-3 months, finalized with a project evaluation further to which some of the participants pass on to the 2nd stage, **Trainee**. This comprises a complex 12 months stage (2 modules of 6 months each) including the rotation within all activities in the refinery, followed also by performance valuation and ending with permanent employment in the Company.

The year 2007 was the 5th consecutive year since Rompetrol started organizing such programs, that will be continued in 2008 as well. 70 students participated in the Summer Internship (August-September) program. The selection for joining this program was made in collaboration with Universities from Bucharest, Cluj, Constanța, Iași and Ploiești. For the 2nd stage of the program – that of Trainee (October - April), 36 de students and graduates were selected. We estimate that 70 students will be integrated in the Internship program of the Petromidia refinery in 2008. Furthermore, 20 students and graduates of Ovidius University from Constanța (Faculty of Physics, Chemistry and Oil Technology) could join in 2007 the **Summer Internship** program carried out by Rompetrol Petrochemicals. Concurrently, the representatives of Petromidia refinery commenced a program to install DeltaV software packages for "Ovidius" University from Constanța, in order to improve the activity of the students studying in this institution.

At the same time, Vega Refinery ensures each year the industrial practice for the students of the Oil and Gas University Ploiești (OGU). As of 2003 to date, over 100 students in the first three years of study have performed their industrial practice session in Vega. Also at Vega, more than 30 students in the final years were assisted in drafting their graduation papers under the guidance of the specialists from the refinery. In 2007, the Vega Refinery employed 5 graduates from OGU on jobs as chemistry operators. Furthermore, Vega Refinery has at least 30 pupils from "Lazăr Edeleanu" College undergoing industrial practice sessions each year, also based on a convention (high-school and vocational school).

At Rominserv – the general contractor of the Rompetrol Group, 16 students attended in 2007 the "Summer Internship" program. Rominserv selected 7 students in final years and graduates of the specialized faculties with the profiles Automation and Computers, Power Engineering, Electronic Engineering, Mechanical Engineering and Constructions from several universitary centers, in order to continue the trainee program. Rominserv initiated, within the Rompetrol Group, this type of program as early as 2003. Over 70 young persons have attended this program up to now, out of whom 25 were selected to further develop a career within the Company.

Since the purchase of Petromidia Refinery to date, the Rompetrol Group has assigned on an annual basis a training budget representing an average of 2 percent from the personnel expenses budget.

Starting as of 2007, Rompetrol initiated the implementation of the human capital concept. The budget assigned to finance programs and activities destined to increase the degree of using the human resources and turning it into the Group's main capital was of 4 percent from the personnel expenses budget.

Rompetrol concurrently became a partner in supporting the national campaign "Fiecare copil în școală" (Each Child In School) initiated by Ovidiu Rom Association.

Rompetrol is a company wherefore talent is a strategic priority and the investment in the potential of Romanian talents is a important. Due to these reasons, through all programs carried out, we welcome into our team those young persons with special potential, concerned with development, who have constantly invested in their professional formation, passionate, desiring to achieve high performance, assuming a unique career path dominated by opportunities and challenges in a strong, unconventional and anticipative company.

Analysis of the Financial Results

Introduction

In 2007, The Rompetrol Group N.V. (the "Group", "TRG") continued to pursue its strategy of fast pace expansion in the Mediterranean and Black Sea region, despite a difficult economic environment, where markets have witnessed high volatility throughout the year.

Strategy

In 2007, the Group expanded its presence in existing markets, with notable developments in Romania, Bulgaria and Ukraine, where the Group strengthened its operations by bringing more volumes and adding outlets to its retail networks.

The acquisition by KazMunaiGaz ("KMG") of 75 percent of The Rompetrol Group ("TRG") closed in November 2007, marked a decisive step in supporting the Group's strategy. KMG's investment provides TRG with the access to raw materials and finance that the Company needs to continue implementing its expansion plans, both through investments in refinery improvement, logistics and sensible well-priced acquisitions.

Environment

The year 2007 was less favorable for the refinery industry, with refinery cracking margins decreasing by around 5 percent or $ 0.4/bbl.

Crude oil prices surged to all-time record levels touching $ 100/bbl at the end of the year. High prices repeatedly raised concerns over shortages in the global oil markets. The market is driven by sentiment and speculation as well as by market fundamentals, in the context of increasing demand from China and other emerging economies. Prices were influenced, amongst others, by the continued US dollar weakness.

The market for Mediterranean medium sour crude oils followed the trend of higher prices set by Brent for Europe. However, Brent saw its value discounted by traders based on the Forties' stream declining quality, which boosted Ural pricing levels. Therefore, the Ural discount to Brent decreased significantly, despite the large inflows of rival Iraqi Kirkuk crude onto the market.
Year-on-year comparison shows that the price increase for crude oil was between 11 and 13 percent, while for automotive fuels prices increased by 12 percent for gasoline and 10 percent for diesel.

Gasoline prices and cracking margins hovered at record levels in the first half of the year. Margins reached $ 300/mt in May. Cracking margins came down considerably in the second half to below $ 150 /mt in the last quarter of the year. Main reasons for the decrease were pump prices not following pace with crude price increases and subsiding gasoline demand in the winter season. Diesel cracking margins have been less volatile as gasoline cracks, but have been following the same trend.

The US dollar depreciated further against the Euro during 2007. Also, against the Romanian Leu, the dollar depreciation continued. In the first half of the year, the Romanian National Bank has cut interest rates at several occasions to prevent excessive appreciation of the local currency. However, with the turmoil on the financial markets this trend has been reversed. Interest rates are being hiked again in the later half of 2007, to 8 percent. In spite of increase interest rates, RON lost over 12 percent against the Euro from the lows recorded in the summer months of 2007. The inflation in Romania increased markedly with 1.68 percent-point as local demand and economic growth remains strong.

		2007	2006
Brent Dated	$/bbl	72.38	65.13
Ural Med	$/bbl	69.52	61.35
Brent-Ural Differential	$/bbl	2.86	3.78
PVM Ural Cracking Margin	$/bbl	6.91	5.75
Premium Unleaded 50 ppm FOB Med	$/t	691	610
Diesel ULSD 50 ppm FOB Med	$/t	666	600
RON/ $ Average exchange rate		2.44	2.81
RON/ $ Closing exchange rate		2.46	2.57
RON/EURO Average exchange rate		3.34	3.53
RON/EURO Closing exchange rate		3.61	3.38
$/EURO Closing rate		1.47	1.32
Inflation in Romania		6.56 %	4.88 %

Consolidated Accounts

The consolidated accounts are fully disclosed in the next chapter of this report and further analyzed in the following sections for each business unit (figures in $ million).

	2007	2006
Net revenues	5,114.0	3,825.5
Gross profit	490.2	359.6
EBITDA	217.9	164.6
Capex	187.2	151.1

In the financial year, consolidated revenues increased with 33 percent due to larger quantities of petroleum products sold and higher selling prices.

	Refining	Retail	Trading	Non-Core and Others	Consolidating Adjustments	Consolidated
2007						
Net revenues	2,689	3,491	4,174	227.5	(5,467.5)	5,114.0
Gross profit	134.7	284.8	43.8	63.7	(36.7)	490.2
EBITDA	99.0	80.5	35.8	47.6	(44.9)	217.9
Capex	142.7	108.8	13.6	33.3	(111.2)	187.2
2006						
Net revenues	2,199.4	2,505.7	2,565.5	195.8	(3,640.9)	3,825.5
Gross profit	132.1	174.2	55.8	41.6	(44.1)	359.6
EBITDA	93.4	32.6	45.3	(3.6)	(3.1)	164.6
Capex	66.8	60.9	18.6	21.0	(16.2)	151.1

Gross profits for 2007 increased over 35 percent compared to 2006. The Refining & Petrochemicals gross margin benefited from high refinery utilization rates, but was off set by the significantly lower Ural differential and lower product cracks as a result of high crude prices. Gross margin in Retail increased markedly on the back of higher margins in Romania and contribution by new operations in Ukraine and Romanian LPG business. Rompetrol Georgia's gross profit more thank doubled as result of extended operations. Trading margins were supported by the crude supplied to the Petromidia refinery and products sold to the Group French operation, Dyneff.

In EBITDA terms, Rompetrol had its best financial year ever. Group consolidated EBITDA increased with more than 30 percent to $ 217.9 million compared to the year before. Almost all Business Units contributed to this growth in EBITDA, most notably Retail on the back of higher volumes and selling prices at the petrol stations.

Overall margins were impacted by higher utility costs (mainly at the Petromidia refinery) and increased Selling, General and Administrative expenses, increased compared to last year due to increases in the level of salaries and the required expansion of the workforce in Retail to cope with the rapid growth in Romania and near abroad.

Financial expenses increased in comparison to 2006, due to an increase in external funding of the Group, both from banks and from shareholders. Also higher interest rates, driven by the rates in the international markets, had an impact on net interest paid. As in 2006, the consolidated net result was negatively affected by the Euro appreciation against the dollar. The main factor behind the foreign exchange result was the revaluation of the Euro denominated hybrid instrument into the dollar. The coupon paid for the hybrid instrument in 2007 increased in comparison with 2006 in line with higher EURIBOR base interest rate and appreciation of Euro against the US dollar.

Continued rapid expansion of the retail network, both in Romania and the countries surrounding it, are the main driver for the net increase in non-current assets from $ 916 million to $ 1,064 million. Also investments in the refineries and the petrochemical plants contributed to this increase.

Trade and other receivables have been strongly impacted by higher prices of petroleum products, as well as by the higher volumes sold. These working capital increases have been partly offset by an increase of trade payables.

In September 2007, TRG NV received a new $ 200 million subordinated loan from its shareholders, for general corporate purposes, that improved the Group's working capital position. An almost doubling of the trade credit due to the rapid expansion of Vector Energy and higher crude prices, as well as higher working capital needs, have led to a substantial increase of short term borrowings. Cash position increased from $ 59 million in 2006, to $ 86 million by the end of 2007.

Operations Review

Refining & Petrochemicals

Net refinery revenues reached $ 2.7 billion, 16 percent higher than last year, supported by larger quantities of petroleum products sold and higher selling prices. Gross profit in 2007 was at the same level as last year ($ 135 million). Results in the first half of the year were ahead of expectations, due to higher refinery cash margins compared to the similar period from 2006. In the second half of the year, the refinery environment changed. One of its main advantages compared to other regional and European refiners, the ability to capture in full the Ural differential, reached a low of 1.49 $/bbl in August, compared to a 3.78 $/bbl in 2006 or 3.45 $/bbl in the first half of 2007. Refinery margins were negatively impacted as well, because the overall price increase of crude oil could not be fully charged to the market for refined products.

In 2007, a record level of 3.8 million tons of crude was processed. The overall white products yields remained amongst the highest in the region. To increase refining margins, the refinery has identified a number of opportunities to improve the refinery efficiency. Currently, various initiatives are being implemented, requiring certain capital investments. These projects are expected to bear fruit and increase refinery margins already in 2008, offsetting the increased utility and salary costs which the refinery incurred in 2007.

The refinery continued to be an important contributor to Romania's fiscal budget with $ 1 billion paid in 2007 (24 percent higher than 2006).

Petrochemicals turnover increased with 72 percent in 2007 compared to 2006. Production of petrochemicals (polypropylene, high density propylene and low density propylene) increased significantly. Higher selling prices supported revenue growth as well. Propylene trading sales became minimal as a result of an increase in sale of own finished products.

In spite of high turnover, the petrochemical plants results were under pressure, mainly during the first half of the year. At that time, the Company faced poor market conditions increasing the costs of raw materials and a planned shutdown, next to some technical problems. Start up costs of the HDPE plant also affected 2007 results. Although the second half of the year operating profit increased again supported by higher finished product prices overall 2007, EBITDA remained lower than previous year.

The HDPE plant was restarted in September 2007, thus following an ambitious plan to increase production capacity and to become an important player in the regional polymers market. For the future, the Company aims to revamp the steam cracker, which will secure the raw materials at competitive costs, necessary for the optimal functioning of the three polymer plants.

Rompetrol Petrochemicals processed a record level of 110,000 tons of propylene during 2007. The total quantities sold were 47 percent higher than the year before, entirely due to own production, which increased 78 percent to 170,000 tons.

Refining

		2007	2006
Feedstock processed	Kt	3,827	3,695
Gasoline produced	Kt	1,151	1,082
Diesel produced	Kt	1,383	1,341
Motor fuels sales - domestic	Kt	1,257	1,137
Motor fuels sales - export	Kt	1,297	1,282
Domestic	percent	49	47
Export	percent	51	53
Gross cash refinery margin	$/bbl	7.8	8.22

Volumes

		2007	2006
Propylene processed	Kt	110	108
Sold from own production	Kt	170	96
Sold from trading	Kt	15	30
Total sold	Kt	186	126
Export	percent	58	51
Domestic	percent	42	49

Trading

Business Unit trading is becoming the core in the supply chain of raw materials and finished products within the Group. Net revenues earned by the Trading Business Unit in 2007 increased 65 percent year-on-year .Vector Energy, the Group's trading company located in Switzerland, has become the sole supplier of feedstock to Petromidia refinery. The business unit also benefited from higher quantities of crude and other feedstock processed in the refinery. Increasing sales of petroleum products delivered to South – East Europe subsidiaries, as well as to French subsidiary Dyneff, supported revenue growth in the financial year.

Gross profit decreased in the context of adverse market conditions in the second half of the year. Improved results are expected in 2008, as result of several initiatives in the optimization of the supply chain across the Group.

In 2007, Vector Energy closed the year with $ 22 million EBITDA and $ 10 million net profit. Net profit doubled compared to $ 5 million net profit in 2006. This result was also achieved by Vector Energy through solid risk management of all its crude and oil product flows. Vector Energy's role as the international trading company of the Group has also been supported by increased trading facilities. By the end of the year it had secured more than $ 0.7 billion of trading facilities.

Retail

Romanian sales were also helped the increased consumption, on the back of significant growth in car sales, as reported by the industry statistics, as well as general increase in fuel price levels. The Group increased its brand awareness by continuous efforts to improve the product and services offer and adapted commercial policies and advertising, with result in increased number of customers visiting Rompetrol stations. The corporate customer segment increased further in 2007, supported by fleet solutions under the Fill&Go brand.

The Group increased its market penetration through a further expansion of its Romanian retail network. The network size reached more than 300 gas stations in Romania, of which 115 owned and the balance operated by dealers based on a franchise system. At the same time, the development of the mobile filling stations (Rompetrol Expres) continued. Rompetrol Internal Bases (a tank placed on the customer's premises) was introduced in 2007. By the end of the year, 65 internal bases were installed.

The LPG market served by Rompetrol Gas continued to benefit from the current high prices on the gasoline market. Rompetrol Gas has rapidly expanded its network of sales outlets, contributing to higher sales as well.

Rompetrol Ukraine made a sweeping appearance in the Group in 2007. EBITDA reached already $ 4.7 million in the first year, that the Group decided to strengthen its operations in Ukraine.

Dyneff revenues increased with almost 8 percent in a very competitive market in the South of France. Dyneff's retail activity has been supported by opening of 6 new owned gas stations and the introduction of various restaurants and shops at owned gas stations. The retail network was further strengthened with 5 new partner stations. On the wholesale market, Dyneff has focused on new value-added services for instance in the area of stock management. A focused approach on high margin business and organizational efficiency has resulted in significantly better operating results.

Non-Core And Other Activities

All activities, not directly related to trading in crude and oil products, refining and sales of oil products, are grouped together in the Business Unit Non-Core and the Business Unit Upstream.

Rompetrol Well Services is the highly successful company, generating most of the revenues for the Business Unit Upstream. In Upstream, all exploration activities are grouped together. Upstream realized a 63 percent increase in gross revenue, mainly in the area of well services. The Romanian market for these services has become very competitive, but Rompetrol Well Services succeeded in increasing its turnover and EBITDA due to technological improvements and concluding Joint Operation Agreements with reputed international well services providers. Internationally, in Kazakhstan and Bulgaria, Rompetrol Well Services realized higher revenues than any year before. Margins remained stable compared to previous reporting year.

Rominserv, the Group's engineering company has increased its technical capabilities, being able to successfully complete complex projects at the highest quality standards and on time, as demonstrated by refinery maintenance project done in May 2007.

During 2007, Rompetrol Logistics span off its LPG operations into Rompetrol Gas (see the Retail section above) and concentrated on sustaining increased demand for product supply coming from the Romanian retail operations.

Ecomaster increased its efforts put into Group's environmental projects, demonstrating the high importance given to ecological friendly solutions to the production and distribution of oil products. Eurojet, the in-house airline and travel agency, strengthened its operations from a start-up level in 2006, reaching good operating results through focused approach to the various businesses and supporting processes.

Financial Instruments and Risk Management
Financial instruments in the balance sheet include investments, trade receivables and other receivables, cash and cash equivalents, short-term and long-term debts, trade and other payables. The estimated fair values of these instruments approximate their carrying amounts.

The Group's activities expose it to a variety of risks, including the effects of: changes in the international quotations for crude oil and petroleum products, foreign currency exchange rates and interest rates. The Group's overall risk management main objective is to minimize the potential adverse effects on the financial performance of the Group companies.

Commodity Price Risk
The Group is exposed to changes in commodity prices for purchases of crude oil and sales of petroleum products. The prices of crude oil and petroleum products bought or sold are determined by reference to, or strongly influenced by international quotations.

Interest Rate Risk
Interest rate price risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates relative to the interest rate that applies to the financial instrument. Interest rate cash flow risk is the risk that the interest cost will fluctuate over time. The Group has long-term debt and short-term debt that incur interest at fixed and variable interest rates, that exposes the Group to both fair value and cash flow risk.

Foregin Currency Risk Management
The Group's functional currency is United States Dollar ("$ "), whereas crude oil imports and a significant part of petroleum products are all denominated in foreign currencies, principally US Dollars. In addition, certain assets and liabilities are denominated in foreign currencies, which are retranslated at the prevailing exchange rate at each balance sheet date. The resulting differences are charged or credited to the income statement, but do not affect cash flows. Group Treasury is responsible for handling the Group foreign currency transactions.

Capital Risk Management
The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Group consists of bank debt, shareholders loans, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

Outlook
In 2008, the Group will continue to pursue its strategy to become a strong player in the Mediterranean and Black Sea region. We will continue the projects related to increasing refining capacity and allignment of fuel production to Euro 5 standards. We will further expand our distribution operations in Romania, Bulgaria and Ukraine and will support our trading company to become an important player in our markets of interest.

In addition, we are undertaking various initiatives aimed at improving the efficiency of our operations in all major areas of the business, with the purpose to improving our bottom line.

We will fund our plans through a mix of equity and debt, with a strong support from our shareholders.

Abbreviated Consolidated Financial Statements

CONSOLIDATED BALANCE SHEET (all amounts in USD)

	December 31st, 2007	December 31st, 2006
Non-current assets		
Intangible assets	24,237,487	15,714,265
Goodwill	34,712,614	18,952,412
Property, plant and equipment	970,157,051	852,104,606
Financial investments	30,737,374	22,689,038
Deferred tax asset	824,477	824,477
Long-term receivable	3,324,370	5,885,773
TOTAL NON-CURRENT ASSETS	**1,063,993,373**	**916,170,571**
Current assets		
Inventories, net	500,838,095	414,177,195
Trade and other receivables	879,477,383	453,024,265
Derivative Financial Instruments	-	5,783,413
Cash and cash equivalents	86,811,782	59,028,612
TOTAL CURRENT ASSETS	**1,467,127,260**	**932,013,485**
TOTAL ASSETS	**2,531,120,633**	**1,848,184,056**
Equity and liabilities		
Capital and reserves		
Issued capital	146,970	131,710
Share premium	2,631,512	2,631,512
Revaluation reserve	20,625,249	28,477,946
Other reserves	146,823,448	146,823,448
Equity-settled employee benefits reserve	3,192,561	-
Retained earnings	117,732,362	131,822,138
Current year result	(83,358,575)	(14,089,776)
Translation reserve	(363,668)	1,718,648
Equity attributable to equity holders of the parent	**207,429,859**	**297,515,626**
Minority interest	172,681,909	163,506,290
TOTAL EQUITY	**380,111,768**	**461,021,916**
Non-current liabilities		
Long-term borrowings from shareholders	200,000,000	-
Long-term borrowings banks	71,399,460	132,282,716
Hybrid instrument - long-term portion	66,263,311	69,712,014
Net obligations under finance lease	35,244,767	11,952,968
Deferred tax liabilities	30,886,536	29,649,101
Provisions	39,446,824	25,897,918
Other non-current liabilities	2,773,136	3,283,626
TOTAL NON-CURRENT LIABILITIES	**446,014,034**	**272,778,343**
Current liabilities		
Trade and other payables	782,408,213	551,048,278
Derivative financial instruments	11,118,571	-
Net obligations under finance lease	9,796,065	6,225,726
Short-term borrowings banks	879,910,862	532,735,641
Hybrid instrument - current portion	21,761,120	24,374,152
TOTAL CURRENT LIABILITIES	**1,704,994,831**	**1,114,383,797**
TOTAL LIABILITIES	**2,151,008,865**	**1,387,162,140**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,531,120,633**	**1,848,184,056**

CONSOLIDATED INCOME STATEMENT (all amounts in USD)

	2007	2006
Continuing operations		
Revenue	5,114,027,148	3,825,521,069
Cost of sales	(4,623,791,858)	(3,465,892,939)
Gross profit	**490,235,290**	**359,628,130**
Selling, general and administrative expenses	(403,171,560)	(272,870,293)
Other operating revenues, net	11,610,354	17,934,004
Operating profit	**98,674,084**	**104,691,841**
Financial income	3,301,496	2,880,328
Financial expenses	(166,191,482)	(100,726,461)
Net foreign exchange losses	(27,122,001)	(17,055,712)
Share in profits of associates	1,413,485	2,312,709
Loss before income tax	**(89,924,418)**	**(7,897,295)**
Income tax	(15,799,320)	(2,880,757)
Net loss	**(105,723,738)**	**(10,778,052)**
Attributable to:		
Equity holders of the parent	(83,358,575)	(14,089,776)
Minority interest	(22,365,163)	3,311,724
Net loss Group	(105,723,738)	(10,778,052)

CONSOLIDATED CASH FLOW STATEMENT (all amounts in USD)

	2007	2006
LOSS BEFORE TAX	**(89,924,418)**	**(7,897,295)**
Adjustments for:		
Depreciation and amortization	84,338,482	72,498,851
Reserves for receivables and inventories	7,528,153	2,908,723
Reversal of impairment and provisions for tangible assets	20,164,821	(12,835,948)
Reversal of financial investments reserves	-	(2,561,835)
Other reserves	6,650,275	850,967
Late payment interest	28,749,577	8,726,483
Unwinding of discount on hybrid instrument	33,608,613	24,716,896
Interest expense and bank charges, net	100,531,796	64,402,754
Net book value of non-current assets disposals	9,572,327	3,802,474
Net result from sale of Group investments	(15,922,109)	(571,152)
Unrealised losses/(gains) from derivatives on petroleum products	16,822,517	(5,783,413)
Net gain from sale of financial investments	(37,574,860)	-
Share in profits of associates	(1,413,485)	(2,312,709)
Negative goodwill	(248,981)	-
Share option expense	3,192,561	-
Unrealized foreign exchange (gain)/loss on hybrid instrument and other monetary items	17,949,775	6,531,695
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**184,025,044**	**152,476,491**
Net working capital changes in:		
Receivables and prepayments	(395,802,024)	(108,199,952)
Inventories	(88,012,639)	(57,918,836)
Trade and other payables	207,881,326	64,845,993
Change in working capital	**(275,933,337)**	**(101,272,795)**
Income tax paid	(18,393,450)	(13,971,090)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**(110,301,743)**	**37,232,606**
Cash flows from investing activities		
Purchase of property, plant and equipment	(175,070,508)	(147,599,283)
Purchase of intangible assets	(12,463,598)	(3,466,732)
Changes in payables for capital expenditures	(14,773,799)	(5,065,368)
Consideration paid for acquisition of subsidiaries, including consulting fees	(44,108,466)	(102,395,973)
Cash and cash equivalents as result of acquisitions	16,878	4,044,807
Proceeds from sale of property, plant and equipment	10,231,288	6,470,634
Share capital increases in non-consolidated investments	-	(159,825)
Proceeds from sale of subsidiaries shares	22,938,497	4,805,694
Consideration paid for acquisition of subsidiaries shares	(10,090,080)	-
NET CASH USED IN INVESTING ACTIVITIES	**(223,319,788)**	**(243,366,045)**
Cash flows from financing activities		
Dividends paid to minority shareholders	(227,220)	(68,122)
Coupon paid on hybrid instrument	(50,990,386)	(38,056,462)
Interest and bank charges paid, net	(100,531,796)	(64,402,754)
Movement in borrowings from shareholders	200,000,000	-
Movement in borrowings and finance leases	313,154,103	336,615,123
NET CASH FROM FINANCING ACTIVITIES	**361,404,701**	**234,087,785**
(Decrease)/Increase in cash and cash equivalents	27,783,170	27,954,345
Cash and cash equivalents at the beginning of period	59,028,612	31,074,267
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**86,811,782**	**59,028,612**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (all amounts in USD)

	Issued capital	Share premium	Retained earnings	Revaluation reserves	Equity settled employee benefits reserve	Other reserves	Translation reserve	Minority interest	Total equity
December 31st, 2005	118,320	2,631,512	131,822,138	28,477,946	-	146,823,448	(25,294)	161,333,791	471,181,861
Net loss for 2006	-	-	(14,089,776)	-	-	-	-	3,311,724	(10,778,052)
Dividends paid to minority shareholders	-	-		-	-	-	-	(68,122)	(68,122)
Changes in Group structure	-	-	-	-	-	-	-	(1,071,103)	(1,071,103)
Movement in translation reserve IAS 21	13,390	-	-	-	-	-	1,743,942		1,757,332
December 31st, 2006	131,710	2,631,512	117,732,362	28,477,946	-	146,823,448	1,718,648	163,506,290	461,021,916
Net loss for 2007	-	-	(83,358,575)	-	-	-	-	(22,365,163)	(105,723,738)
Revaluation of petrochemical assets	-	-	-	(7,852,697)	-	-	-	-	(7,852,697)
Dividends paid to minority shareholders	-	-	-	-	-	-	-	227,220	227,220
Minority share for acquisitions at subsidiary level	-	-	-	-	-	-	-	31,313,562	31,313,562
Share option expense					3,192,561				3,192,561
Movement in translation reserve IAS 21	15,260	-	-		-	-	(2,082,316)	-	(2,067,056)
December 31st, 2007	146,970	2,631,512	34,373,787	20,625,249	3,192,561	146,823,448	(363,668)	172,681,909	380,111,768

Summary of Significant Accounting Policies

These abbreviated consolidated financial statements have been derived from the Company's consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") issued by International Accounting Standards Board ("IASB") effective as of December 31st, 2007, as endorsed by the EU.

The consolidated financial statements are prepared under the historical cost convention except for Rompetrol Rafinare S.A., Rompetrol Petrochemicals S.R.L., where the property plant and equipment are stated at re-valued amounts.

The Financial Statements have been prepared on going concern basis.

The functional currency of the Group has been determined to be the United States Dollar (USD).

The consolidated financial statements of the Group incorporate the financial statements of the parent company and the enterprises that it controls drawn up to December 31st, each year. Control is achieved where the Group, either directly or indirectly, owns more than 50 percent of the voting rights of a company's share capital and is able to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The equity and the net income attributable to minority shareholders' interest are shown separately in the consolidated balance sheet and the consolidated statements of income, respectively.

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets acquired, liabilities incurred or assumed and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognized. Companies acquired or disposed during the year are included in the consolidated financial statements from the date of acquisition or to date of disposal.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost, as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments.

All significant intercompany transactions and balances including intercompany profits and unrealized profits and losses are eliminated on consolidation.

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition. Goodwill is tested annually for impairment. An impairment loss recognized for goodwill is not reversed in a subsequent period.

Property, Plant and Equipment

Are stated at cost, except for some subsidiaries where the property, plant and equipment are stated at revalued amounts being the fair value, less any accumulated depreciation and accumulated impairment loss. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the income statement.

Depreciation for property, plant and equipment, except land and construction in progress, is computed using the straight-line method over the following estimated useful lives, which range between 3 to 60 years.

At each balance sheet date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment. If any such indication exists, the recoverable amount of the asset is estimated, in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Inventories, including work-in-process are valued at lower of cost or net realisable value, after provision for obsolete items. Net realisable value is the selling price in the ordinary course of business, less the costs of completion, marketing and distribution. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. The following cost formulas were used to determine the cost applicable to different types of inventories:

- the weighted average method for purchased crude oil and petroleum products,
- the first-in-first-out (FIFO) for supplies and materials.

Receivables are stated at face value less provision for doubtful debts.

Cash includes cash on hand, cash with banks and checks in course of being cashed. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash within remaining three months or less to maturity from the date of acquisition and that are subject to an insignificant risk of change in value.

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

Sales of goods are recognized net of sales taxes (VAT, excises and other sales taxes) and discounts when delivery has taken place and transfer of risks and rewards has been completed.

Revenue from rendering transportation services is recognized when services are rendered.

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state - managed retirement benefit schemes are dealt with as defined contribution plans where the Group's obligations under the scheme are equivalent to those arising in a defined contribution retirement benefit plan.

Retirement benefits are estimated as of the balance sheet date based on benefits provided in the agreement, number of employees with the Company and actuarial assumptions on future liabilities. These liabilities are recorded at their fair values as of the balance sheet date with the related service cost charged to the income statement.

Income tax charge consists of current and deferred taxes. The charge for the current tax is based on the results for the period as adjusted for non-deductible and non-taxable items. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit.

Financial assets and liabilities are recognized on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

The Group's financial assets include cash and cash equivalents, trade receivables and long-term investments. Financial liabilities include finance lease obligations, interest-bearing bank loans and overdrafts and trade and other payables. For each item, the accounting policies on recognition and measurement are disclosed in this note. Management believe that the estimated fair values of these instruments approximate their carrying amounts.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity, are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realize the asset and settle the liability simultaneously.

Auditor's Report

To the Shareholders of The Rompetrol Group N.V. Amsterdam

Introduction
We have audited whether the accompanying abbreviated consolidated financial statements of The Rompetrol Group N.V., Amsterdam, for the year 2007 (as set out on pages 71-76) have been derived consistently from the audited consolidated financial statements of The Rompetrol Group N.V., for the year 2007. In our auditor's report dated April 14th, 2008, we expressed an unqualified opinion on these consolidated financial statements. Management is responsible for the preparation of the abbreviated consolidated financial statements in accordance with the accounting policies as applied in the 2007 consolidated financial statements of The Rompetrol Group N.V. Our responsibility is to express an opinion on these abbreviated consolidated financial statements.

Scope
We conducted our audit in accordance with Dutch law. This law requires that we plan and perform the audit to obtain reasonable assurance that the abbreviated consolidated financial statements have been derived consistently from the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, these abbreviated consolidated financial statements have been derived consistently, in all material respects, from the consolidated financial statements.

Emphasis of matter
For a better understanding of the Company's financial position and results and the scope of our audit, we emphasize that the abbreviated consolidated financial statements should be read in conjunction with the unabridged consolidated financial statements, from which the abbreviated consolidated financial statements were derived and our unqualified auditor's report thereon dated April 14th, 2008. Our opinion is not qualified in respect of this matter.

Amsterdam, May 14th, 2008

Deloitte Accountants B.V.
P.J. Bommel

Map of The Rompetrol Group Romanian Distribution Network