

OMV Petrom Downstream Gas

Bucharest, November 24th , 2015



Downstream Gas has a solid and integrated footprint in the Romanian energy landscape

Gas & Power Sales

9m/15

38.11 TWh Gas sales

2.6 TWh Power sales

~28% market share in the gas liberalized market

Customers: +200 on gas, incl. major industrial end-users



Power Assets



CCPP Brazi

860 MW, the largest RO gas-fired power plant

57% efficiency vs. 30% sector average

RO power system relying on its flexibility

Up to 100% operational availability

Dorobanțu Wind Park

45 MW capacity

Up to 100% operational availability

Petrom City power plant

State-of-the-art tri-generation technology

Gas Logistics & Black Sea

112 MGQ* stations covering the entire country

99.99% MGQ stations operational availability

4.5 bcm / year

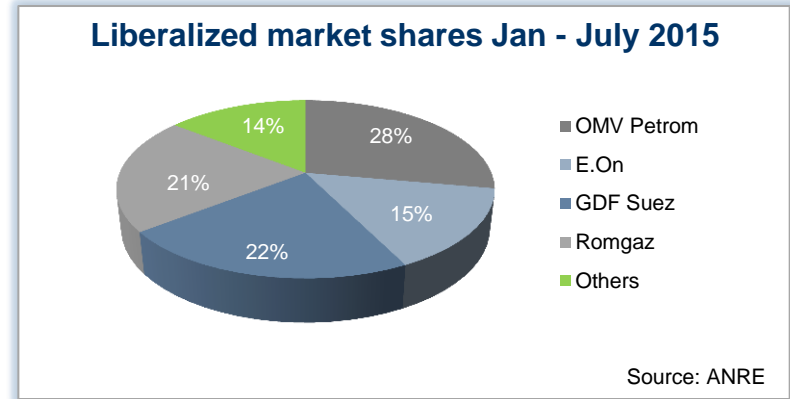
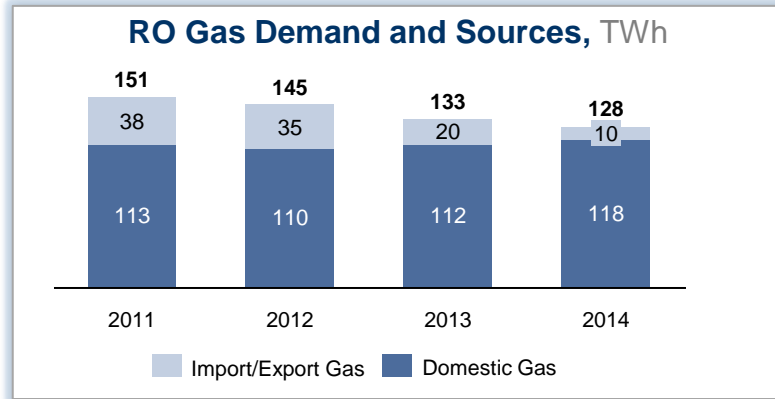
gas delivered via a certified fiscal regime



*MGQ: metering and gas quality



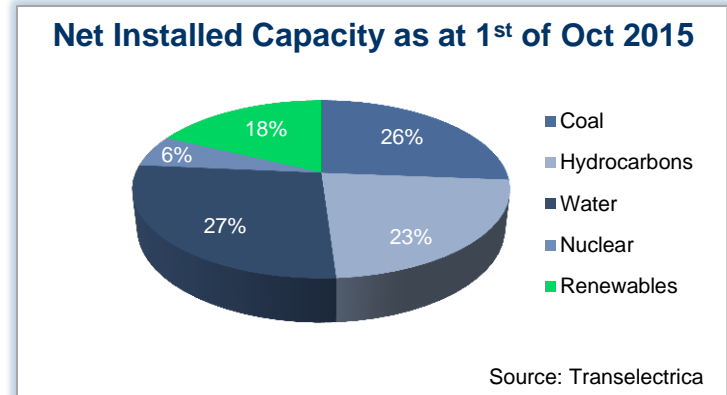
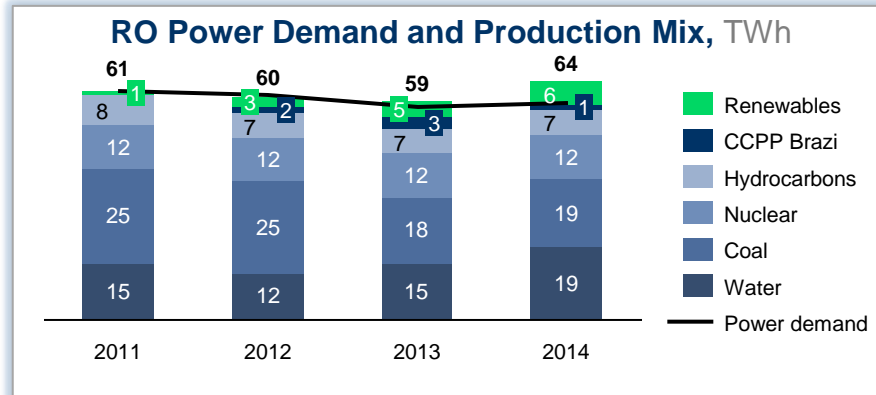
The gas market is going through significant changes given the price liberalization and demand compression



DEMAND	<ul style="list-style-type: none"> ▶ Gas intensive sectors historically on a continuous decline ▶ Future demand recovery uncertain (fertilizers, heat&power)
PRICES	<ul style="list-style-type: none"> ▶ Industry segment liberalized mainly during 2013-2014, household sector to gradually liberalize by 2021 ▶ Price upside in the liberalized market (industry) limited by supply and demand dynamics
COMPETITIVE LANDSCAPE	<ul style="list-style-type: none"> ▶ OMV Petrom and Romgaz production covering ~95% of the overall domestic supply ▶ GDF and E.On leveraging their distribution capabilities (combined distribution market share of up to 90%)



Conventional power generation remains under pressure given the exponential growth of renewables



DEMAND	<ul style="list-style-type: none"> ▶ Domestic demand expected to be broadly flat with some marginal long term growth ▶ Upside from power export / market coupling
PRICES	<ul style="list-style-type: none"> ▶ High share of hydro and renewables, depressing market prices ▶ Additional market distortion via direct/indirect subsidies
COMPETITIVE LANDSCAPE	<ul style="list-style-type: none"> ▶ Structural overcapacity ▶ Growing need for flexible power capacities ▶ Upside given by the potential phase-out of coal

