

# Upstream overview

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## First oil

**1857 Romania 275 tons**

1859	USA	274 tons
1860	Italy	5 tons
1862	Canada	1613 tons
1863	Russia	5617 tons
1874	Poland	20,550 tons
1880	Germany	685 tons

# THE SCIENCE OF PETROLEUM

A COMPREHENSIVE TREATISE OF THE PRINCIPLES  
AND PRACTICE OF THE PRODUCTION REFINING  
TRANSPORT AND DISTRIBUTION OF  
MINERAL OIL

VOLUME I

OXFORD UNIVERSITY PRESS  
LONDON - NEW YORK - TORONTO

1938

STATISTICS OF PETROLEUM AND ALLIED  
SUBSTANCES

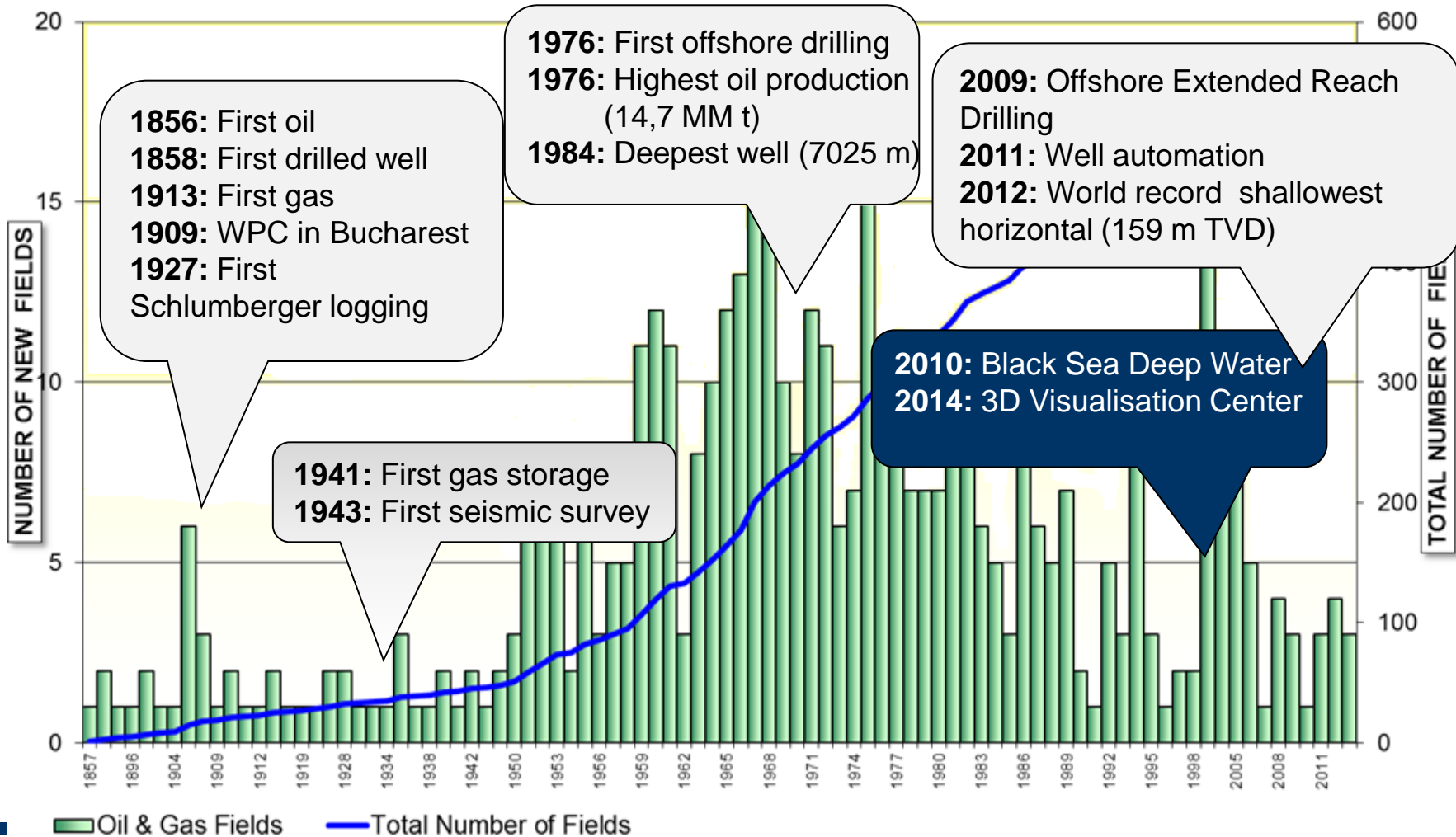
Petroleum

**The first recorded production of crude petroleum was in 1857, when Romania had an output of 275 metric tons.**

In 1859 the United States of America first produced petroleum on a commercial basis, the production for that year being 274 metric tons. The next country to yield petroleum in quantities sufficient to be recorded was Italy, which first produced in 1860, although the total quantity obtained from that year until 1890 was only about 6,000 metric tons. In 1862 Canada commenced to give a yield of crude petroleum, and in 1863 Russia entered the field.

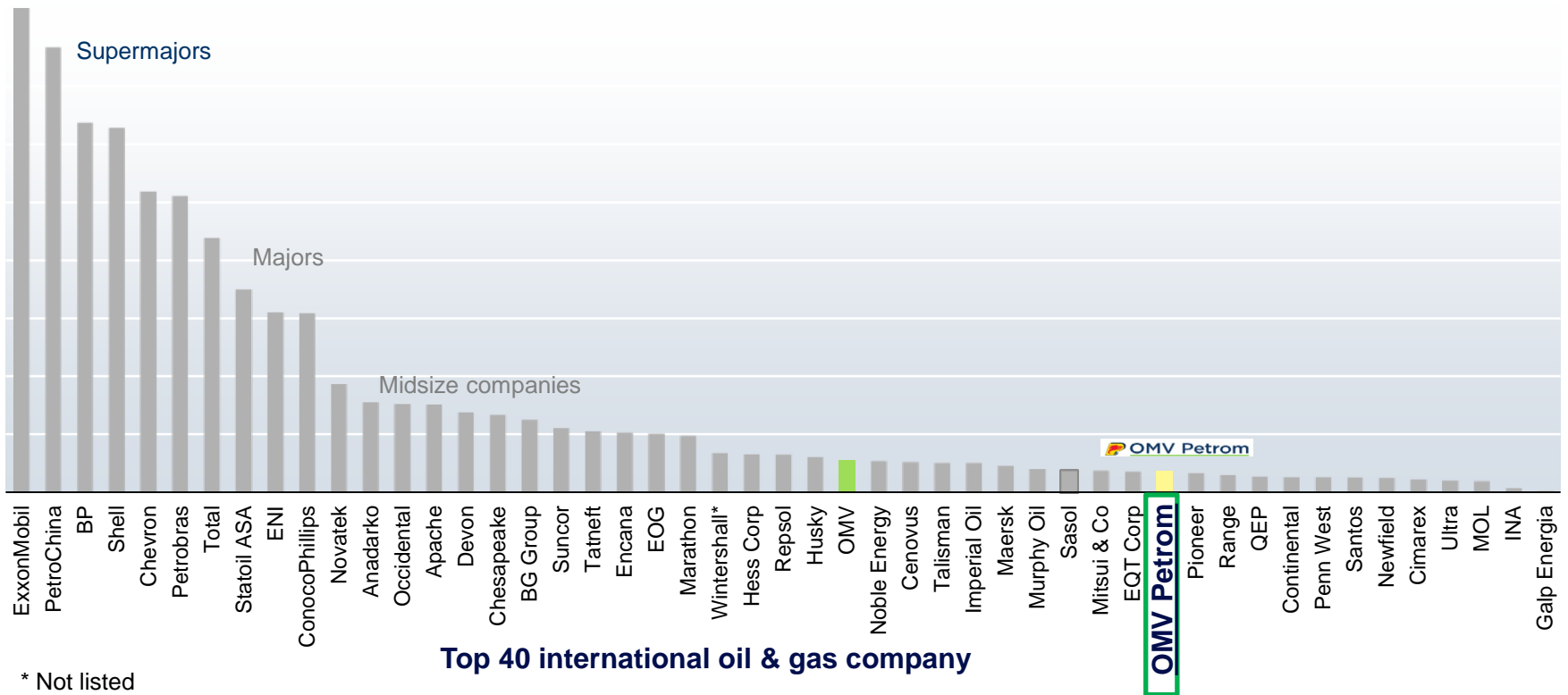


# A Short History of Main Events



# OMV Petrom is a top 40 international oil & gas producing company

Top 50 companies by entitlement production, 2013, kboe/d (excluding NOCs)

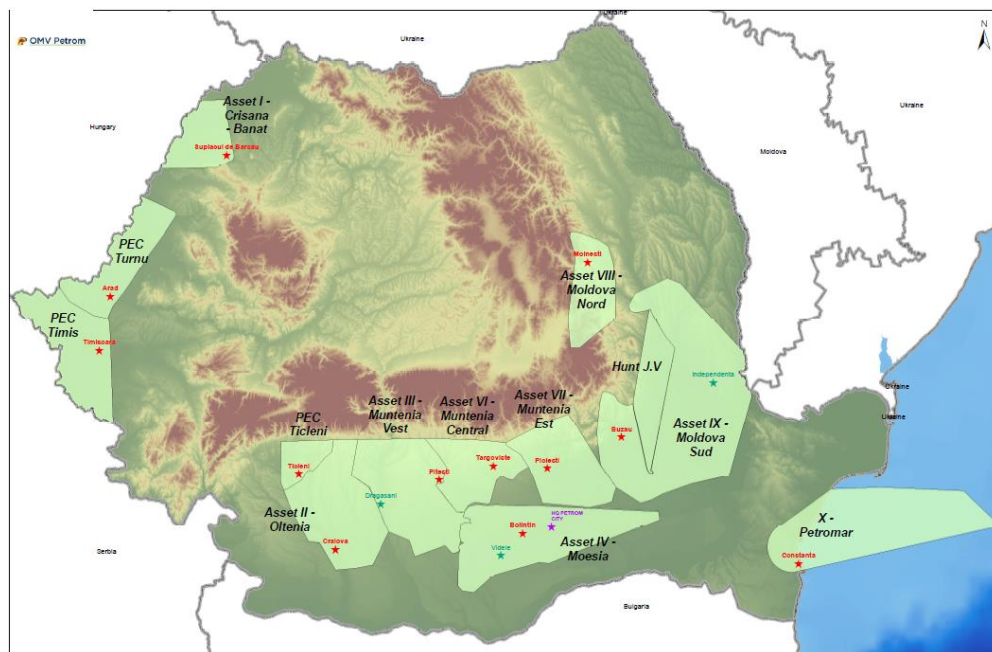


\* Not listed

Source: Evaluate Energy, Company Database



# Upstream General Overview



## Equipment

- ▶ ~ 9,000 operating wells
- ▶ ~ 53 tank farms
- ▶ ~ 525 gathering stations
- ▶ ~ 75 compressor stations
- ▶ ~ 30 gas processing facilities
- ▶ ~ 25,000 km of pipelines & flow lines
- ▶ 7 offshore platforms

## Reserves

- ▶ 671 mn boe proven (1P) at 31 Dec 2014

## Average Production

- ▶ ~ 171 kboe/d in 2014, in Romania

## Assets

- ▶ 239 commercial fields
- ▶ Average age of fields 50+ years

## Staff

- ▶ ~16,000 employees OMV Petrom (end of June 2015)

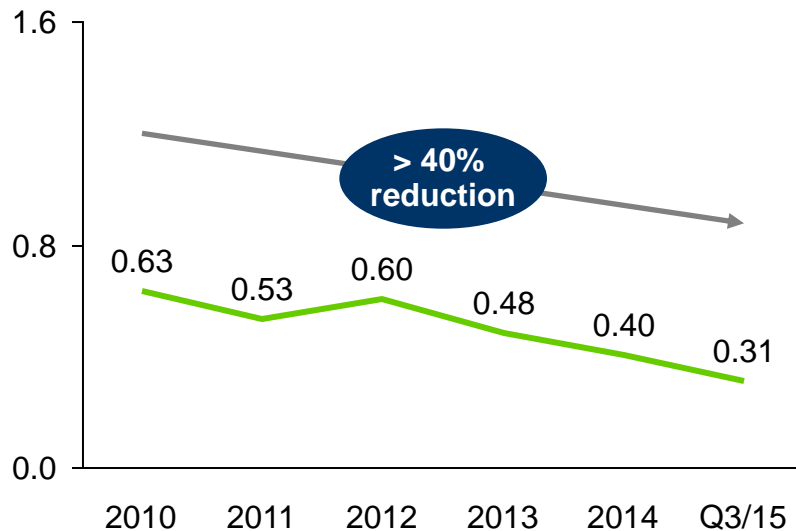


# Upstream

## High safety and efficiency focus

### LTIR in Romania

#### Upstream LTIR<sup>1</sup> Romania



- ▶ Operations safety not affected by difficult market environment
- ▶ OMV Petrom LTIR substantially improved (Q3 2015: the lowest level since privatization, below international benchmark)
- ▶ 25 G2P/CHP<sup>2</sup> units ensure ~ 50% Upstream electricity demand in H1 2015
- ▶ Significant reduction of GHG<sup>3</sup> emission intensity ~14,9% less in Q3 2015 compared to Q3 2014

<sup>1</sup> Lost time injury rate (employees and contractors) for OMV Petrom Group, excluding Kazakhstan

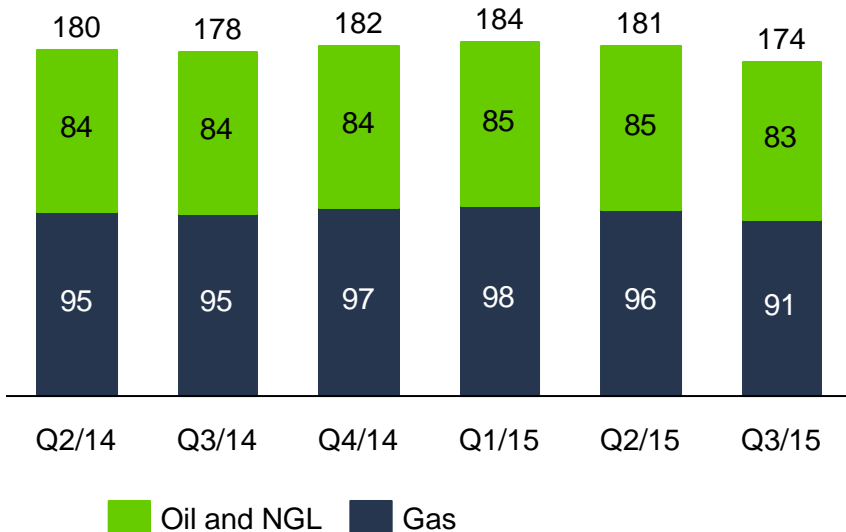
<sup>2</sup> G2P – Gas to Power, CHP – Combined Heat and Power

<sup>3</sup> GHG – Green House Gas



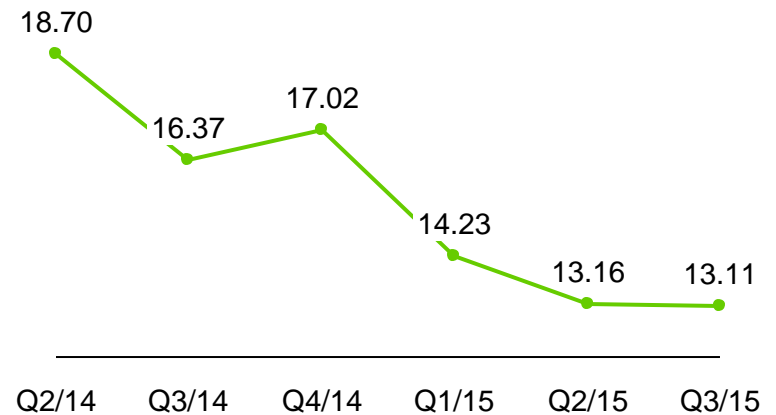
# Upstream Key Performance Indicators

Hydrocarbon production\* (1,000 boe/d)



- ▶ Group hydrocarbon production dropped by 3% vs Q3/14 due to planned workovers at key gas wells in Romania
- ▶ Group sales volumes in line with lower production

OPEX in USD/boe



- ▶ Production costs on a downward trend also supported by favorable FX rate and strict cost management

\*OMV Petrom Group

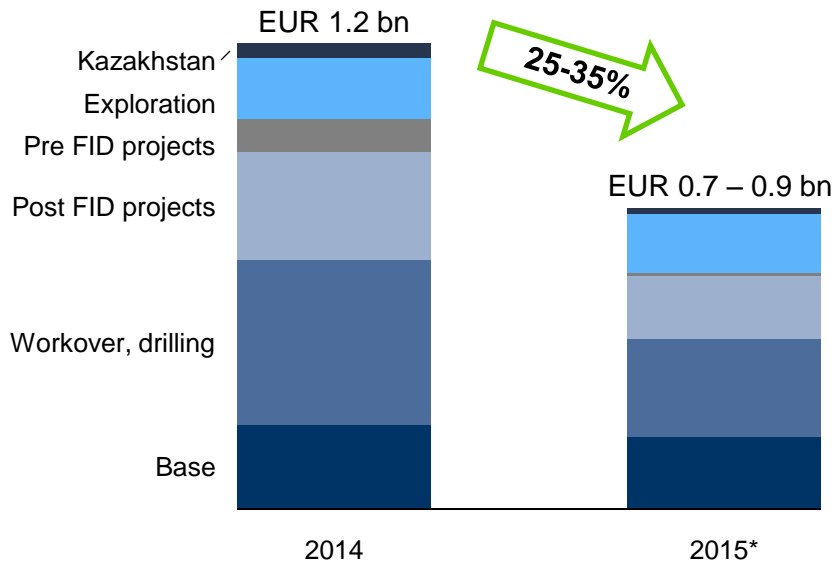




# Upstream

## 2015: capital and cost reductions program in place

### CAPEX adjustments in EUR mn



**OPEX reduction**

- ▶ **Planning in a range of scenarios**
  - ▶ From mid-term recovery to USD 50/bbl for an extended period
- ▶ **Leverage our investment portfolio mix**
  - ▶ Project prioritization
  - ▶ CAPEX re-phasing and reduction
- ▶ **Retaining options for the medium term**
  - ▶ Flexibility to reduce further
  - ▶ Optionality to ramp up activities
- ▶ **Efficiency and cost reduction program in place**

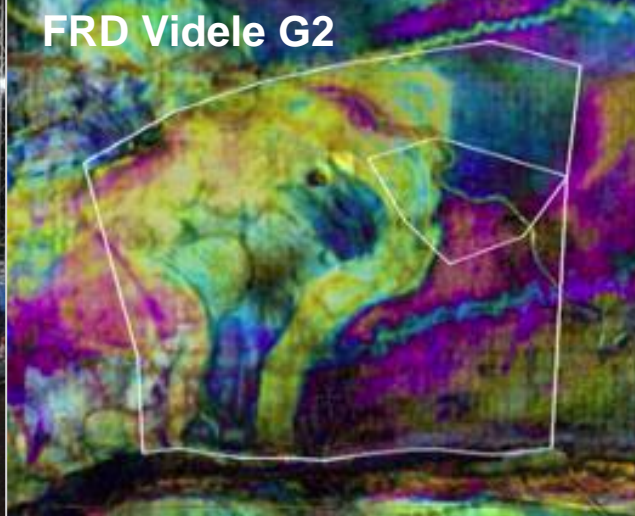
\* 2015 CAPEX range between 50 and 75 USD/bbl oil price scenarios



**FRD Suplac**



**FRD Videle G2**



**FRD Oprisenesti**



**FRD Burcioaia**



**FRD Madulari**



**FRD Bulbuceni**



**Production stabilization trough Field Redevelopment Projects**

**FRD Totea Deep**



**FRD Istria**



**FRD Tazlau**



# Upstream – Offshore exploration

## Neptun Deep: activity continues in 2015

- ▶ Drilling campaign 2014/15:
  - ▶ **Domino-2, Pelican South-1, Dolphin-1, Flamingo-1** and **Califar-1 wells** were finalized
  - ▶ **Domino-4** ongoing
  - ▶ Data under evaluation
- ▶ Exploration drilling campaign to continue throughout this year
- ▶ The potential for **commercial development** will be assessed after completion of the drilling program



Ocean Endeavor drilling rig

# Upstream

## Conclusion and Way Forward

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- ▶ The objectives over the last 3 years have been achieved with production **stabilized**
- ▶ **Cost efficiency & business optimization**
- ▶ Focus will be continued: **Field redevelopments, Operations Excellence** and continued intelligent application of technology

