

**SC CONPET SA**

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Cod unic de înregistrare: R 1350020, Cod CAEN 4950
Inregistrata la Registrul Comertului Prahova sub nr.J29/6/22.01.1991
Capital social subscris si versat 28 569 842,40 lei



Registration No. 15868/29.04.2014

Current Report no. 13/2014
As per Law no. 297/2004 and CNVM Regulation no. 1/2006

Date of the report	29.04.2014
Name of the issuing entity	S.C. CONPET S.A. Ploiesti
Registered Offices	No. 1-3 , Anul 1848 Street, Ploiesti
Phone/Facsimile/e-mail	0244/ 401360/ 516451/ 402385/ <u>actionariat@conpet.ro</u>
Sole Registration Number	1350020
No. at the Trade Registry	J29/ 6/ 22.01.1991
Subscribed and paid-up share capital	28,569,842.40 Lei
Total no. Of shares	8,657,528 nominative shares
The regulated market where the issued securities are being traded:	B.V.B., 1st Tier

Reporting significant events:

I. The Decision of S.C. CONPET S.A. Ordinary General Meeting of Shareholders (OGMS) dated 29.04.2014 (first call), regarding: the approval to cover the book loss to be carried forward, in the amount of 120,080,985 Lei, generated by the application, for the first time, of IAS 29 „Financial reporting in hyperinflationary economies”; approval of the annual financial statements, completed at 31.12.2013, based on the Administrators Report and the Financial Auditor’s report; approval of the allocation of net profit related to 2013 wherefrom, dividends due to shareholders: 29,538,340 Lei, settlement of gross dividend/share in amount of 3.4118676832 Lei/share and settlement of the terms and methods of dividends payment to the shareholders, corresponding to 2013; disapproval of S.C. Fondul Proprietatea S.A. proposal to allocate the net profit achieved in 2013, amounting 34,772,654 Lei; disapproval of S.C. Fondul Proprietatea S.A. proposal to distribute the amount of 40,000,000 Lei as dividends from the distributable reserves of the company representing other reserves constituted of the net profit registered in previous years; disapproval of S.C. Fondul Proprietatea S.A. proposal to distribute, as dividends, to S.C. CONPET S.A. shareholders, in proportion to their interest in the share capital of the company, of the amount of 30,000,000 Lei out of the total of 30,140,523 Lei of the reported result representing surplus achieved from revaluation reserves; approval of the discharge of administration for the administrators in office during the fiscal year 2013; approval of the internal procedural norms of procurement, drafted based on the provisions of the EGO no. 34/2006 and the provisions of Order no. 14/09.01.2014 issued by the minister delegate for



energy; empowerment of the President of the meeting/Chairman of the Board of Administration/General Director to sign/enforce the OGMS decision/perform the necessary diligence to register and publish the OGMS decision, as well as to be granted the right to delegate; settlement of 19.05.2014 as registration date, serving at the identification of the shareholders who will be affected by the decision of the ordinary general meeting of shareholders.

II. Report no. 15500/28.04.2014 regarding the status of the implementation of the measures set by the Romanian Court of Accounts – Prahova County Chamber of Accounts, based on the Decision no. 28/2013.

I. S.C. CONPET S.A. Ordinary General Meeting of Shareholders (OGMS), convened on 29/30.04.2014, was held in first call, on 29.04.2014, as of 10⁰⁰ a.m., at the company headquarters in Ploiesti, no. 1-3 Anul 1848 street, following the fulfilment of the statutory-legal quorum conditions.

The General Meeting was organized in compliance with the provisions of the Articles of Incorporation of the company, of Companies' Act no. 31/1990, updated, further amendments and additions, as well as with the legislation in force regarding the capital market.

The OGMS Convening Notice, approved by the Board of Administration Decision no. 7/27.03.2014, has been published in the Official Gazette of Romania Part IV, no. 1959/28.03.2014 and in „Romania Libera” daily newspaper, the edition of 28.03.2014, as annex to the Current Report no. 8/27.03.2014, being also submitted to Bucharest Stock Exchange and The Financial Supervisory Authority (Rom. ASF), and published on www.bvb.ro website on 27.03.2014, on www.conpet.ro website on 27.03.2014, as well as in the ASF Bulletin no. 12/2014, Part III.

The OGMS Convening Notice, approved by the Board of Administration Decision no. 8/15.04.2014, comprising the completed/revised Agenda, pursuant to the request of the significant minority shareholder S.C. Fondul Proprietatea S.A. to introduce three additional items herein, has been published in the Official Gazette of Romania Part IV, no. 2252/17.04.2014, as well as in „Romania Libera” daily newspaper, the edition of 17.04.2014, as annex to the Current Report no. 11/15.04.2014, being submitted to Bucharest Stock Exchange and The Financial Supervisory Authority (Rom. ASF), and published on www.bvb.ro website on 15.04.2014, on www.conpet.ro website on 16.04.2014; the publication thereof in the ASF Bulletin no. 19/2014, Part III is pending.

As per the provisions of Art. 17, paragraph (1) letter a) of the Articles of Incorporation, for the validity of the deliberations of the Ordinary General Meeting of Shareholders, is necessary, in first call, the presence of the shareholders representing at least half (1/2) of the total number of voting rights, and the OGMS decisions be made with the majority of the cast votes.



At the OGMS session took part the shareholders registered in the consolidated Shareholders' Registry at reference date 18.04.2014. Thus, were present in the hall 2 shareholders legal persons, namely the representative of the ministry of Economy – on behalf of the Romanian State acting as majority shareholder, owner of a number of 5,083,372 shares with nominal value of 3.30 Lei, representing 58.7162% of the total number of shares/voting rights, namely a share capital amounting 16,775,127.60 Lei and the representative of the significant shareholder S.C. Fondul Proprietatea S.A., owner of a number of 2,571,461 shares with nominal value of 3.30 Lei, representing 29.7020% of the total number of shares/voting rights, namely a share capital amounting 8,485,821.30 Lei, as well as 2 shareholders natural persons, owners of a number of 81 shares with nominal value of 3.30 Lei, representing 0.0009 % of the total number of shares/voting rights, namely a share capital amounting 267.3 Lei.

For the OGMS session, the following shareholders legal persons submitted correspondence voting bulletins: SIF Transilvania S.A., owner of a number of 2,234 shares with nominal value of 3.30 Lei, representing 0.0258 % of the total number of shares/voting rights, namely a share capital amounting 7,372.20 Lei, SIF Banat Crisana S.A., owner of a number of 25,453 shares with nominal value of 3.30 Lei, representing 0.2976 % of the total number of shares/voting rights, namely a share capital amounting 85,041.0 Lei and SIF Moldova S.A., owner of a number of 110,260 shares with nominal value of 3.30 Lei, representing 1.2736 % of the total number of shares/voting rights, namely a share capital amounting 363,858.0 Lei.

Consequently, the total number of voting rights during the OGMS session (number including the votes exercised by correspondence) was 7,793,178 and corresponds to a number of 7,793,178 shares with nominal value of 3.30 Lei, representing 90.0162 % of the total number of shares/voting rights, namely a share capital amounting 25,717,487.4 Lei.

Based on the informative documents corresponding to the OGMS Agenda, considering the mandate of the Ministry of Economy representatives, of S.C. Fondul Proprietatea S.A representative, as well as the vote exercised by correspondence, by a number of 3 shareholders legal persons, following the debates and proposals formulated by the shareholders during the meeting, has been issued OGMS Decision no. 4/2014, bearing the following content:

**DECISION NO. 4
OF THE ORDINARY GENERAL MEETING OF SHAREHOLDERS (OGMS)
of 29.04.2014**

Considering the provisions of Law no. 31/1990 regarding the commercial companies, updated, with subsequent amendments and additions, of Law no. 297/2004 regarding the capital market, of the Articles of Incorporation of the company and the Protocol dated 29.04.2014 (in first call), the shareholders of S.C. CONPET S.A. Ploiesti - natural and legal persons, issue the following:



DECISION

Art. 1 By the „For” vote of the shareholders representing 100.0000% of the total votes cast, approve the proposal to cover the book loss to be carried forward, in the amount of 120,080,985 Lei, generated by the application, for the first time, of IAS 29 „Financial reporting in hyperinflationary economies”, namely:

- 117,224,543 Lei, by making use of the credit balance on the „adjustments to the share capital” account

- 2,856,442 Lei, by making use of reserves constituted out of the net profit, in compliance with the provisions of Art. 1, item 1¹ of the GO no. 64/2001 regarding the allocation of profit to the national societies, national companies and commercial companies with integral or majority state-owned capital, as well as the regies autonomes, further amendments and additions.

2. By the „For” vote of the shareholders representing 100.0000% of the total votes cast, approve the annual financial statements, completed at 31.12.2013, drafted in compliance with the International Standards of Financial Reporting (IFRS), based on the Administrators’ Report for 2013 fiscal year and the Report of the independent auditor KPMG Audit SRL on the annual financial statements of S.C. CONPET S.A..

3. By the „For” vote of the shareholders representing 65.2295% of the total votes cast, approve:

a) the allocation of net profit related to 2013, by the purposes stipulated in the Order of the Public Finances Minister no. 144/2005 regarding *the approval of the Observations on the determination of the amounts subject to the allocation of profit and in compliance with the provisions of GO no. 64/2001 regarding the allocation of profit to the national societies, national companies and commercial companies with integral or majority state-owned capital, as well as the regies autonomes*, approved with modifications by Law no. 769/2001, as subsequently amended and supplemented and in compliance with the provisions of the GD no. 238/2013 regarding the approval of the income and expenditure budget on 2013 for S.C. CONPET S.A. Ploiesti, under the Administrators’ Report corresponding to 2013 fiscal year, as follows:

	Amount
a) Legal reserves	0 (zero) Lei
b) Covering of the accounting loss from previous years	21,666 Lei
c) Employees profit interest	3,475,098 Lei
d) Dividends due to shareholders	29,538,340 Lei
e) Other reserves	1,737,550 Lei
Total non-distributed profit	34,772,654 Lei



b) The value of the gross dividend per share (calculated on a total number of 8,657,528 shares), namely 3.4118676832 Lei/share, of which shall be withheld, at source, the tax on dividends, at the rates stipulated by the legislation in force at the date of payment.

c) The shareholders entitled to receive dividends are the ones registered in the shareholders consolidated Registry, at the registration date approved by the General Meeting of Shareholders for the decisions of this General Meeting of Shareholders. The dividends payments shall be staggered, according to the company liquidity, starting no later than 01.07.2014. In compliance with Art. 1, paragraph (3) of G.O. no. 64/2001 *regarding the allocation of profit to the national societies, national companies and commercial companies with integral or majority State-owned capital, as well as regies autonomes, further amendments and additions*, any national society, national and commercial company where the State, or any other administrative-territorial unit thereof is acting as exclusive, majority, or controlling shareholder, is bound to pay the dividends due to shareholders within 60 days as of the timeframe stipulated by law for the submission of the annual financial statements, namely up to 30.07.2014.

d) Dividend payment methods:

- By bank transfer for the applicants shareholders natural persons that communicate in writing a bank account to S.C. CONPET S.A., up to 27.06.2014, as well as for the shareholders acting as company employees and for the applicants shareholders legal persons;
- By postal order for the natural persons that had failed to communicate a bank account, up to 27.06.2014; the payment for the said shareholders is to be performed at their place of domicile inscribed in the Company's Shareholders' Registry at registration date 19.05.2014, registry held by S.C. Depozitarul Central S.A. Bucharest;
- Cash at the cashier of the company, for the shareholders holding 3 shares at the most.

The liability for the legality and accuracy of the data exposed in the above mentioned documents and notes, documents and notes corresponding to 2013 fiscal year, for the observation of the standards, practices and accounting policies, as well as for the determination of the result of 2013 fiscal year, lies on the Board of Administration and the executive management of S.C. CONPET S.A., given the opinion of the independent auditor expressed in compliance with the applicable legal provisions, as well as with the financial audit standards in force.

The Company's administrative and executive management are liable for the preparation and provision of a true and fair view of the financial statements corresponding to the fiscal year ended at 31.12.2013, statements drafted in compliance with the Order of the Minister of Public Finance no. 3055/2009, subsequently amended and supplemented, and for that internal audit that the named boards consider necessary in order to enable the preparation of financial statements that do not contain material misstatements, caused by fraud or error.

Art. 4 By the „Against” vote of the shareholders representing 65.2295% of the total votes cast, disapprove the allocation of the net profit achieved in 2013, amounting 34,772,654 Lei, as follows:



	Amount
a) Legal reserves	0 (zero) Lei
b) Covering of the accounting loss from previous years	21,666 Lei
c) Employees profit interest	1,738,632 Lei
d) Dividends due to shareholders	33,012,356 Lei
e) Other reserves	0 (zero) Lei
Total distributed profit	34,772,654 Lei

Art. 5 By the „Against” vote of the shareholders representing 65.2295% of the total votes cast, disapprove the distribution of the amount of 40,000,000 Lei as dividends to CONPET S.A. shareholders, in proportion to the interest thereof in the company’s share capital, out of the company’s distributable reserves representing *other reserves constituted of the net profit registered in previous years*.

Art. 6 By the „Against” vote of the shareholders representing 65.2295% of the total votes cast, disapprove the distribution, as dividends, to CONPET S.A. shareholders, in proportion to the interest thereof in the company’s share capital, of the amount of 30,000,000 Lei out of the total of 30,140,523 Lei from the *result carried forward* representing *revaluation surplus reserves*.

Art. 7 By the „For” vote of the shareholders representing 100.0000% of the total votes cast, approve the discharge of administration for the administrators in office during the fiscal year 2013.

Art. 8 By the „For” vote of the shareholders representing 66.6730 % of the total votes cast, approve the Internal Procedural Norms of Procurement, drafted in compliance with the provisions of G.E.O. no.34/2006 and the dispositions of Ordinance no.14/09.01.2014 issued by the minister delegate for energy.

Art. 9 By the „For” vote of the shareholders representing 100.0000% of the total votes cast, approve the empowerment:

- a) of the President of the Ordinary General Meeting of Shareholders to sign the OGMS Decision;
- b) of the Chairman of the Board of Administration to enforce the OGMS decision, as per the legal provisions;
- c) of the General Director to perform the necessary diligence in order to register the OGMS Decision at the Trade Register Office attached to Prahova Law Court, the publishing thereof in the Official Gazette of Romania, Part IV, as well as to be granted the right to delegate, to another person, the proxy to perform the above-mentioned diligence.

Art. 10 By the „For” vote of the shareholders representing 100.0000% of the total votes cast, approve the settlement of the date of **19.05.2014**, advanced by the Board of Administration, as



registration date, serving at the identification of the shareholders benefiting of dividends or other rights, and who will be affected by the OGMS Decision, in compliance with the provisions of Art. 238 paragraph. (1) of Law no. 297/ 2004 regarding the capital market and CNVM Regulation no. 1/2006.

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II. Subsequent to the Board of Administration meeting held on 29.04.2014, S.C. CONPET S.A. informs the investing public regarding the following significant events to be reported, as per the Board of Administration Decision no. 9/29.04.2014, based on which the Board of Administration:

Notes the Report no. 15500/28.04.2014 regarding the state of completion of the measures set by the Romanian Court of Accounts - Prahova Chamber of Accounts, based on Decision no. 28/2013, disposing, at the same time, the public dissemination of the content thereof by way of a current report. Report no. 15500/28.04.2014 is being attached to this current report.

General Director

Eng. Liviu Ilași

S.s. Illegible

Stamp

Representative in relation to A.S.F. and B.V.B.

Econ. Roxana Dăuș

S.s. Illegible

Drafted,

Head of the Department in relation to the Capital Market, Board of Administration, GMS

Eng. Adina Coțovanu

S.s. Illegible



Subject to analysis and information in the Board of Administration meeting dated _____

S.C. CONPET S.A. PLOIESTI
The Financial Direction

Reg. No. 15500/28.04.2014

**APPROVED BY,
GENERAL DIRECTOR**

**Eng. Liviu Ilasi
S.s. Illegible**

**Report
regarding the state of implementation of the disposed measures contained in the Decision
no. 28/2013 of Prahova Chamber of Accounts**

Following the control carried out at the company, Prahova Chamber of Accounts, based on the Decision no. 28/2013, disposed a number of 12 measures aiming at the removal of the irregularities detected and damage recovery.

According to the complexity of the ordered measures, the Chamber of Accounts granted several completion deadlines included within the range 30.06.2013-31.10.2013, up to which CONPET has reported on the carrying out of every measure.

Due to reasons going beyond the reasonable control of the company, 4 out of the 12 measures have not been followed through up to the last deadline, other three being partially implemented. For these reasons, at the conclusion of the last deadline of implementation of the disposed measures, 31.10.2013, CONPET requested the Chamber of Accounts for an extension of the delivery deadline.

By the letter no. 3009 dated 11.11.2013, the Chamber of Accounts informed the company on the acceptance of the deadline extension up to 30.09.2014.

The state of completion of the three measures, due date 30.09.2014:

Measure I.1.

Clarifying the legal situation of the lands included in the inventory of the State public domain and for which S.C. CONPET S.A. holds Land Ownership Certificates, given that they represent administrative acts having entered civil circulation and produced legal effects. The augmentation of S.C. CONPET S.A. share capital by the value of the 47 lands for which have been obtained Land Ownership Certificates.

State of completion:



The legal situation of the land surfaces inscribed in the inventory of the goods from the State public domain, comprised in CONPET ownership certificates, as well as of the lands for which have been obtained Land Ownership Certificates and the share capital has not been increased by the value thereof, was not clarified, due to objective reasons, up to the control performed by the public auditors, for addressing this issue being necessary the participation of several decision makers (CONPET and State authorities).

For the carry out of the disposed measure, settlement of the necessary steps in view of clarifying the legal situation of the lands and increase of the share capital, CONPET considered the following reasons related to: the strategic importance of the lands in question, the steps undertaken prior to the time of control, the technical and legal implications of the actions to be performed and the need to involve the public authorities in solving these situations.

A first step taken by CONPET consisted in the submission of a letter to the public institutions involved: the National Agency for Mineral Resources (Letter no. 29167/30.07.2013); the Ministry of Economy (Letter no. 29492/31.07.2013); the Department for Energy (Letter no. 29486/31.07.2013) and the Ministry of Public Finances (Letter no. 29489/31.07.2013). Thereby, CONPET informed the authorities regarding: the situation of lands comprised in the ownership certificates held by the company, inscribed in the inventory of the goods for the public domain, of the lands not included in the share capital and of the measure disposed by Prahova Chamber of Accounts upon the Decision no. 28/2013. On this occasion, CONPET formulated an opinion regarding the solution for solving the lands issue, consisting in adopting a normative act to supplement the Oil Law, for the purpose of clarifying the state of ownership of the lands hosting the pumping stations and the loading/unloading ramps of the Crude Oil National Transport System. The advanced solution enjoys the advantage that it institutes a single criterion to delimitate the lands belonging to the public domain from the lands owned by the company.

Another step taken for the clarification of the legal situation of the lands comprised in 11 Land Ownership Certificates, in surface of 150,282.84 square meters, taken over in the inventory of the goods from the public domain, contained in annex no. 2 to the Oil Concession Agreement, consisted in the request (letter no. 29495/31.07.2013) submitted by NAMR to appoint a representative to take part to the identification and delimitation of the lands belonging to the public domain.

In the absence of a response, on 17.10.2013, by letter no. 40370, the company came over the request to nominate a person to represent NAMR in the operation of land delimitation.

On the other hand, was initiated the procurement procedure regarding the supply of services for drafting the topo-cadastral documentation in order to separate the two categories of lands, into lands belonging to the public domain and lands belonging to the company, being concluded



the service supply contract S-CA CD 418/04.12.2013 with S.C. TERRA GEODESIS SOLUTION SRL Ploiesti, a company authorized to perform topographical works.

Following the service procurement for drafting the dismantling documentation, on 09.12.2013, NAMR informed, by letter no. 14710, on the designation of the person to represent the agency in the achievement of the project of delimitation of the land areas included in annex no. 2 of the Concession Agreement and comprised in CONPET property deeds.

The company performing the dismantling works has carried out measurements up to date and is currently working on the documentation of the plots to be found in the 7 out of 11 contracted locations. The finalized works shall be submitted to the urban planning direction subordinated to the local or county administrations, as per the case, in view of issuing the urban planning certificate related to the dismantling, deed necessary when drafting the documentation for inclusion thereof in the Land Registry.

Following completion, the topographic documentations shall be certified based on the authentication of the dismantling deeds at the Notary's Office. After having acquired the dismantling deeds, the topographic documentation shall be submitted to the Agency for Cadastre and Land Registration of the territorial unit the land is being attached to, in order to include the dismantling in the Land Register.

For the purpose of implementing the measure to increase the share capital by the value of the 47 lands for which have been obtained Land Ownership Certificates, also given the response received from the Department for Energy (letter no. 43136/05.11.2013) regarding the documents required to issue the mandate for the increase of the share capital, CONPET has concluded the service supply contract S-CA CD 410/27/11/2013, with the certified appraiser DARIAN DRS S.A. Cluj Napoca, for the valuing of the lands in view of increasing the share capital. The report was completed and submitted to CONPET on 10.12.2013.

As regards the inclusion in the share capital of the company of certain lands corresponding to the National Transport System, where the legal situation regarding their appurtenance to State public domain is yet to be clarified, representing a matter of utmost concern, in absence of an answer from the authorities, on 17.10.2013, CONPET submitted to the Ministry of Economy - The Authority for Privatization and Management of the State Ownership in Industry, letter no. 40499/17.10.2013 in which has reiterated the aspects in relation to the lands in question, as well as the company liability to carry out the measure ordered by Prahova Chamber of Accounts. Also, in the same manner, CONPET informed the ministry regarding the opening of the procedure for the procurement of the appraisal service in view of increasing the share capital and thereby asked for a view in relation to the documents necessary to issue the order empowering the representatives in the GMS.

Consequently, on 05.11.2013, NAMR informed the company on having analyzed the situation exposed by CONPET and concluded that it must be considered the normative intervention for the



purpose of supplementing the Oil Law no. 238/2004, so as to regulate the legal status of the lands. Concurrently, NAMR mentioned that is currently working on a draft normative act to be forwarded.

In April 2014, CONPET sent another letter to NAMR requesting to be informed on the status of the draft normative act for the amendment of the Oil Law.

Measure II.1

The application of the measures for the determination of the extent of the damage and recovery thereof, by extending the scope of the checks as to cover the non-deducted expenses incurred by per-diem allowance, after 30.06.2012 to date, where have been identified irregularities giving rise to prejudice, the prejudice laid down in the Control Report being estimated at 27,222.69 Lei, representing unlawful payments for per-diem allowances paid to the employees sent abroad to execute temporary assignments during 1.01.2010 – 30.06.2012, being 2.5 times higher than the limit set up by GD no. 518/1995. For the unlawful payments shall be calculated the unrealized benefits and the recovery thereof shall be provided for.

The financial direction extended the checks on all the deducted expenses incurred by per-diem allowances for foreign areas, after 30.06.2012 to date and calculated the unrealized benefits by immobilizing the resources, consisting in the remunerative legal interest amounting 409 US Dollars and 306.50 Euro.

The calculated amounts representing per-diem allowance and interest were received in full up to 31.12.2013, the ordered measure being fulfilled.

Measure II.2.

The application of the measures for the determination of the extent of the damage and recovery thereof by extending the scope of the checks as to cover all contracts related to land reclamation service supply, in terms of observance of the contractual terms, where have been identified irregularities giving rise to prejudice, the prejudice laid down in the Control Report being estimated at 115,922.49 Lei representing penalties that have not been solicited to the land reclamation service contractors, following the failure to enforce the contractual provisions regarding the calculation of the penalties for the non-performance of the land reclamation services within the agreed time frames.

The persons in charge with the carry out of the measures ordered by the Chamber of Accounts, appointed by the General Director based on decisions no. 318/31.05.2013 and no. 348/17.06.2013, extended the scope of the checks as to cover all contracts related to land reclamation service supply, in terms of observance of the contractual terms, contracts in relation to which the Chamber of Accounts identified irregularities giving rise to prejudice. The carried out checks showed the followings:



- **In what concerns the land reclamation works supplied by S.C. Ecprod S.A. Targoviste**

The penalties payable by S.C. Ecprod S.A. Targoviste for the late execution of the land reclamation works under contracts S-CA 29/22.02.2008 and S-CA 30/22.02.2008 amount to 25,728.89 Lei.

For the recovery of the penalties amounting to 25,728.89 Lei, the Legal, Litigation Department, pursuant to the internal memo no. 23618/20.06.2013 submitted by the Environment Department, formulated “a lodged claim against the effects of the debtor S.C. Ecprod S.A.” and a request for relief from effects of expiry, both having been submitted to the file 2803/120/2013 pending before Dambovita Law Court.

The request was registered at Dambovita Law Court on 26.06.2013 and communicated, at the same date, to the official receiver of S.C. Ecprod S.A.. On 04.10.2013, the official receiver of S.C. Ecprod S.A. approved the request formulated by S.C. CONPET S.A., recording the debt claim amounting at 25,728.89 Lei in the preliminary additional list of debts.

Upon the term 07.10.2013, the court took note of the record of CONPET debt claim in the preliminary additional list of debts.

The Legal, Litigation Department is still handling the case pending before the court of law.

- **In what concerns the land reclamation works supplied by S.C. Envirotech S.R.L. Constanta**

The inspection of the observance of the deadlines mutually agreed upon the parties for the performance of the land reclamation works by S.C. Envirotech S.R.L. Constanta targeted the works included in the scope of the following contracts: S-CA no. 251/2007, S-CA no. 252/2007, S-CA NO. 410/2010 and S-CA no. 411/2010.

Following the checks performed, were identified delays in the execution of the land reclamation works by S.C. Envirotech S.R.L. Constanta, for which have been calculated delay penalties in amount of 353,534.82 Lei, pursuant to the contractual terms; the penalties substantiated by the public auditors of the Chamber of Accounts amounted to 90,193.61 Lei.

By letter no. 37227/26.09.2013, CONPET S.A. requested Envirotech SRL to make the payment within 5 days as of the date of knowledge. Following the receipt of the notification, Envirotech S.R.L. asked for a 2 days extension of the payment deadline so as to study and review the documentation that led to the calculation of penalties, submitted by CONPET together with the notification. By way of the same, CONPET proposed a joint meeting to reason about the findings.



The meeting between CONPET and Envirotech representatives was held on 21.10.2013. On this occasion, was drafted "the Minutes of the Meeting" pointing out Envirotech's view on the aspects included in the notification filed by CONPET, which is they agree to discharge the penalties amounting 353,534.82 Lei, requesting for a staggered payment thereof, over a 1 year period. During the meeting, CONPET reserved the right to formulate an answer thereafter, following a legal analysis of the request.

The reply to Envirotech request, formulated by letter no. 41504/24.10.2013, represented CONPET's acceptance of the payment of penalties amounting to 353,534.82 Lei be made in two instalments: the first instalment in amount of 90,193.61 Lei be paid up to 30.10.2013 and the second instalment in amount of 263,341.21 Lei be paid up to 22.12.2013. At the same time, as to ensure that Envirotech meets the conditions imposed by CONPET, the debtor was requested a payment arrangement.

The penalties calculated against S.C. Envirotech, in amount of 353,534.82 Lei have been recovered in full, respectively the amount of 90,193.61 Lei on 29.10.2013 and the amount of 263,341.21 Lei on 19.12.2013.

Measure II.3.

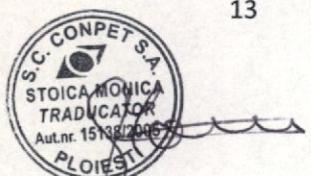
The application of the measures for the determination of the extent of the damage and recovery thereof by extending the scope of the checks as to cover all work contracts in terms of observance of the contractual liabilities, where the public auditors identified irregularities giving rise to prejudice, the prejudice laid down in the Control Report being estimated at 150,602 Lei representing penalties that have not been solicited to the service supplier S.C. CONFIND S.R.L. Campina, following the failure to enforce the contractual provisions regarding the calculation of the penalties for the non-performance of the contract.

The Procurement, Logistics Department extended checks to all work contracts, in terms of observance of the contractual obligations, where the public auditors identified irregularities giving rise to prejudice and calculated delay penalties that lie on the service supplier S.C. CONFIND S.R.L. Campina, in amount of 166,227.10 Lei.

By letter no. 34552/09.09.2013, CONPET informed Confind SRL on the amount of the penalties, requesting the payment thereof in no more than 5 days.

On 11.09.2013, by letter no. 4211, Confind SRL refuses to pay the penalties, invoking the non-existence of their negligence in the non-performance of the works, the delay being due to the lack of dismantling permit.

Following this refusal, on 28.10.2013, CONPET filed a petition form at Ploiesti Court, against Confind SRL Campina, to order them to pay the amount of 166,227.10 Lei as damages.



Base on the filed petition, the Court opened file no. 25148/281/2013, the first hearing being on 24.09.2014, the date and time stemming from the Filing Certificate issued on 30.10.2013.

The Legal - Litigation Department is handling the file of the ongoing litigation.

FINANCIAL DIRECTOR

Econ. Sanda Toader

S.s. Illegible

