

Tick only if applicable

Large taxpayers that file the Balance Sheet in Bucharest

Type of financial Statement: IT



Subsidiary

Year: 2014

Entity

S.C. CONPET S.A.

County

Prahova

Sector

Locality

Ploiesti

Street

ANUL 1848

Number

1-3

Telephone

0244401360

Trade Registry no.

J29 /6/ 22.01.1991

Sole Registration Number

1350020

Form of Ownership

27-- Inland state-owned and privately held commercial companies (state-owned capital >=50%)

Predominant activity (NACE code and class name)

4950 Transport through pipelines

Accounting Report at June 30th 2014

Prepared by the entities incidental with the Accounting Regulations compliant with the International Standards of Financial Reporting applicable to the commercial companies where the securities are admitted to trading on a regulated market, approved by the Order of the Deputy Prime-Minister, Minister of the Public Finances no.1.286/2012, further amendments and additions, entities having recorded a turnover higher than 220000 Lei, during the previous fiscal year.

ADMINISTRATOR,

Name and Surname

ILASI LIVIU

Signature and stamp

S.s. Illegible, Stamp

Electronic Signature

PREPARED,

Name and Surname

TOADER SANDA

Position

11- ECONOMIC DIRECTOR

S.s. Illegible

Professional registration number



STATEMENT OF ASSETS, DEBTS AND EQUITIES

at 30.06.2014

Cod 10

- Lei -

Element Designation	No. line	Balance at:	
		01.01.2014	30.06.2014
A	B	1	2
A. FIXED ASSETS			
I. INTANGIBLE ASSETS (accts. 203 + 205 + 206 + 2071 + 208 + 233 - 2803 - 2805 - 2806 - 2808 - 2903 - 2905 - 2906 - 2907 - 2908 - 2933)	01	6.308.341	5.754.431
II. TANGIBLE ASSETS (accts. 211+212 + 213 + 214+215 + 216 +223+ 224 + 231 +235 -2811 - 2812-2813 -2814-2815-2816-2911 - 2912 - 2913 - 2914 - 2915 -2916-2931 -2935)	02	413.715.800	402.027.474
III. BIOLOGICAL ASSETS (acct. 241 - 284 - 294)	03	0	0
IV. FINANCIAL ASSETS (accts. 261 + 262 + 263 + 265 + 266 + 2671 + 2672 + 2673 + 2674 + 2675* + 2676* + 2677 + 2678* + 2679* - 2961 - 2962 - 2963 - 2964 - 2965 - 2966* - 2968*)	04	1.020.324	763.946
FIXED ASSETS - TOTAL (rd. 01 + 02 + 03 + 04)	05	421.044.465	408.545.851
B. CURRENT ASSETS			
I. INVENTORIES (accts. 301 + 302 + 303 +/- 308 + 311 + 321 + 322 + 323 + 327 + 328 + 331 + 341 + 345 + 346 + 347 +/- 348* + 351 + 354 + 357 + 358 + 371 +/- 378 + 381 +/- 388 - 391 - 392 - 393 - 3941 - 3945 - 3946 - 3951 - 3952 - 3953 - 3954 - 3957 - 3958 - 397 - 398 - 4428)	06	7.404.013	7.679.572
II. RECEIVABLES (Amounts to be cashed in after more than one year must be presented separately for each element), (accts. 2675* + 2676* + 2678* + 2679* - 2966* - 2968* + 409 + 411 + 413 + 418 + 425 + 4282 + 431 ** + 437** + 4382 + 441 ** + 4424 + 4428** + 444** + 445 + 446** + 447** + 4482 + 451 ** + 453** + 456** + 4582 + 461 + 4652 + 473** - 491 - 495 - 496 + 5187)	07	41.797.973	38.801.706
III. SHORT-TERM INVESTMENTS (accts. 505 + 506 + 507 + 508 + 5113 + 5114 - 595 - 596 - 598)	08	7.080.956	0
IV. PETTY CASH AND BANK ACCOUNTS (accts. 5112 + 512 + 531 + 532 + 541 + 542)	09	249.494.539	300.063.996
CURRENT ASSETS - TOTAL (rows. 06 + 07 + 08 + 09)	10	305.777.481	346.545.274
C. PREPAYMENTS (accts. 471)	11	218.445	358.978
D. DEBTS: AMOUNTS TO BE PAID IN LESS THAN ONE YEAR (acc. 161 + 1621 + 1622 + 1623 + 1624 + 1625 + 1626 + 1627 + 1661 + 1663 + 167 + 1681 + 1682 + 1685 + 1686 + 1687 - 169 + 2691 + 2692 + 2693 + 401 + 403 + 404 + 405 + 406 + 408 + 419 + 421 + 422 + 423 + 424 + 426 + 427 + 4281 + 431*** + 437*** + 4381 + 441 *** + 4423 + 4428*** + 444*** + 446*** + 447*** + 4481 + 451 *** + 453*** + 455 + 456*** + 457 + 4581 + 462 + 4651 + 473*** + 509 + 5186 + 5191 + 5192 + 5193 + 5194 + 5195 + 5196 + 5197 + 5198)	12	48.402.415	64.029.980
E. NET CURRENT ASSETS/ LIABILITIES (lines. 10 + 11 - 12 - 20)	13	257.568.354	282.850.944
F. TOTAL ASSETS MINUS CURRENT LIABILITIES (lines. 05 + 13)	14	678.612.819	691.396.795
G. DEBTS: AMOUNTS TO BE PAID IN MORE THAN ONE YEAR (accts. 161 + 1621 + 1622 + 1623 + 1624 + 1625 + 1626 + 1627 + 1661 + 1663 + 167 + 1681 + 1682 + 1685 + 1686 + 1687 - 169 + 2691 + 2692 + 2693 + 401 + 403 + 404 + 405 + 406 + 408 + 419 + 421 + 422 + 423 + 424 + 426 + 427 + 4281 + 431*** + 437*** + 4381 + 441 *** + 4423 + 4428*** + 444*** + 446*** + 447*** + 4481 + 451 *** + 453*** + 455 + 456*** + 4581 + 462 + 4651 + 473*** + 509 + 5186 + 5191 + 5192 + 5193 + 5194 + 5195 + 5196 + 5197 + 5198)		4.104.108	3.478.973
H. PROVISIONS (accts. 1511 + 1512 + 1513 + 1514 + 1517 + 1518)	16	22.713.279	18.336.873



1. Deferred Income (lines 18 + 19 + 22), out of which:	17	1.066.750	1.023.168
1. Investment Subsidies (acct. 475)	18	1.041.593	999.840
2. Deferred Income (acct. 472) - total (lines 20 + 21), out of which:	19	25.157	23.328
Amounts to be recognized as income in less than one year (acct. 472*)	20	25.157	23.328
Amounts to be recognized as income in more than one year (acct. 472*)	21	0	0
3. Deferred income on transfer of assets received from clients (acct. 478)	22	0	0
J. EQUITY AND RESERVES			
1. EQUITY (lines 24 + 25 + 26 + 27 - 28 + 29 - 30), out of which:	23	145.794.385	28.569.842
1. Paid-up, subscribed share capital (acct. 1012)	24	28.569.842	28.569.842
2. Unpaid, subscribed share capital (acct. 1011)	25	0	0
3. Subscribed capital representing financial debts ¹ (acct. 1027)	26	0	0
4. Share capital adjustments (acct. 1028) CREDIT BALANCE	27	117.224.543	0
DEBIT BALANCE	28	0	0
5. Other equity elements (acct. 103) CREDIT BALANCE	29	0	0
DEBIT BALANCE	30	0	0
II. CAPITAL PREMIUMS (acct. 104)	31	0	0
III. REVALUATION RESERVES (acct. 105)	32	112.473.352	104.112.617
IV. REZERVES (accts. 1061 + 1063 + 1068)	33	447.150.128	462.454.741
Differences in the exchange rate resulted from the conversion of the individual annual financial statements in a presentation currency different from the functional currency (acc. 1072)	34	0	0
DEBIT BALANCE (acct. 1072)	35	0	0
Own shares (ct. 109)	36	0	0
Gains from the entity's own equity instruments (acct. 141)	37	0	0
Losses from the entity's own equity instruments (acct. 149)	38	0	0
V. RETAINED EARNINGS, EXCEPT FOR THE RETAINED EARNINGS RESULTING FROM THE ADOPTION OF IAS 29 FOR THE FIRST TIME CREDIT BALANCE (acct. 117)	39	34.119.403	42.501.804
DEBIT BALANCE (acct. 117)	40	0	0
VI. RETAINED EARNINGS RESULTED FROM THE ADOPTION OF IAS 29 FOR THE FIRST TIME CREDIT BALANCE (acct. 118)	41	0	0
DEBIT BALANCE (acct. 118)	42	120.080.985	0
VII. PROFIT OR LOSS AT THE END OF REPORTING PERIOD CREDIT BALANCE (acct. 121)	43	31.297.556	30.942.105
DEBIT BALANCE (acct. 121)	44	0	0
Share of profit (acct. 129)	45	0	0
SHAREHOLDERS' EQUITY - TOTAL (lines 23 + 31 + 32 + 33 + 34 -35 - 36 + 37 - 38 + 39 - 40 + 41 - 42 + 43 - 44 - 45)	46	650.753.839	668.581.109
Public company's equity (acct. 1026)	47	0	0
EQUITIES - TOTAL (rd. 46 + 47)	48	650.753.839	668.581.109

Checksum F10:

9412657467/13946388135.72



1) In this account are being distinguished the shares that, in terms of IAS 32, represent financial debts.

*) Accounts to be assigned as per the nature of the elements.

**) Debit balances of the respective accounts.

***) Credit balances of the respective accounts.

ADMINISTRATOR,

DRAFTED,

Name and Surname

ILASI LIVIU

Name and Surname

TOADER SANDA

Signature and stamp

Position

11- ECONOMIC DIRECTOR

S.s. Illegible, Stamp

Electronic Signature

S.s. Illegible

VALID FORM

Professional registration number



STATEMENT OF REVENUES AND EXPENSES

At 30.06.2014

- Lei -

Cod 20

Element Designation	No. line	Performance during the Reporting Period	
		Precedent 01.01.2013 - 30.06.2013	Current 01.01.2014 - 30.06.2014
A	B	1	2
1. Net turnover (lines 02+03-04+05)	01	168.172.235	186.173.019
Proceeds from the finished goods sales (accts.701 +702+703+704+705+706+708)	02	168.172.235	186.173.019
Merchandise sales revenue (acct. 707)	03	0	0
Trade discounts provided for (acct. 709)	04	0	0
Operating subsidies revenues related to turnover (acct.7411)	05	0	0
2. Revenues related to products inventory costs (acct.711)			
Credit Balance	06	19.958	15.832
Debit Balance	07	0	0
3. Revenues related to non-current assets production and real-estate investments (lines. 09 + 10)	08	0	16.707
4. Revenues related to the non-current intangible and tangible production (accts.721 + 722)	09	0	16.707
5. Revenues from financial investments' production (acct.725)	10	0	0
6. Fixed assets revenues (or groups intended for disposal thereof) held for sale (acct.753)	11	0	0
7. Revenues from the revaluation of the non-current intangible and tangible assets (acct.755)	12	0	0
8. Revenues from real-estate investments (acct.756)	13	0	0
9. Revenues from biological assets and agricultural products (acct.757)	14	0	0
10. Operating subsidies revenues for natural disasters and other similar events (acct.7417)	15	0	0
11. Other operating revenues (ct. 758 + 7419)	16	18.278.107	13.324.401
OPERATING REVENUES - TOTAL line 01 + 06- 07 + 08 +1 1+12 +13+14+15+16)	17	186.470.300	199.529.959
12. a) Expenses with raw materials and consumables (accts.601 +602-7412)	18	2.601.167	3.176.346
Other material expenses (acct.603+604+608)	19	340.367	672.562
b) Other outside expenses (energy and water) (acct.605-7413)	20	5.770.798	6.081.238
c) Merchandise expenses (acct.607)	21	0	0
Trade discounts received (acct. 609)	22	44.493	339.686
13. Personnel expenses (lines 24+25):	23	46.230.690	47.920.217
a) Employees' salaries and indemnities (acct.641 +642+643+644-7414)	24	36.152.249	37.476.196
b) Social insurance and protection expenses (acct.645-7415)	25	10.078.441	10.444.021
14. a) Impairment of tangible, intangible assets, real-estate investments and biological assets valued at cost (lines 27 - 28)	26	20.439.850	23.929.448
a.1) Expenses (accts.6811 +6813 + 6816 + 6817)	27	20.439.850	24.049.724



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a.2) Revenues (accts.7813 + 7816)	28	0	120.276
b) Value adjustments on current assets (lines. 30-31)	29	-7.590	-321.062
b.1) Expenses(accts.654+6814)	30	0	0
b.2) Revenues (accts.754+7814)	31	7.590	321.062
15. Other operating expenses (lines 33 to 41)	32	86.610.180	90.044.439
15.1. Outside expenses (accts. 611 +612+613+614+621+622+623 +624+625+626+627+628-7416)	33	59.578.514	58.822.758
15.2. Other expenses with taxes, levies and other related items (acct.635)	34	657.633	1.723.899
15.3. Environmental protection expenses (acct.652)	35	34.159	103.589
15.4. Fixed assets expenses (or groups intended for disposal thereof) held for sale (acct.653)	36	0	0
15.5. Expenses on the revaluation of tangible and intangible assets (acct.655)	37	0	0
15.6. Expenses on real-estate investments (acct.656)	38	0	0
15.7. Expenses regarding biological assets and agricultural products (acct.657)	39	0	0
15.8. Expenses regarding natural disasters and other similar events (acct.6587)	40	0	0
15.9. Other expenses (accts. 6581 + 6582 + 6583 + 6585 + 6588)	41	26.339.874	29.394.193
Provision adjustments (lines 43 - 44)	42	-492.167	-4.376.406
-Expenses (acct.6812)	43	0	0
-Revenues (acct.7812)	44	492.167	4.376.406
OPERATING EXPENSES - TOTAL (lines 18 to 21 - 22+23 + 26 + 29 + 32 + 42)	45	161.448.802	166.787.096
OPERATING PROFIT OR LOSS:			
- Profit (lines 17 - 45)	46	25.021.498	32.742.863
-Loss (lines 45 -17)	47	0	0
16. Revenues from associated entities (ct.7611)	48	0	0
17. Revenues from shares held on associated entities and jointly controlled entities (acct. 7613)	49	0	0
18. Revenues from operations with securities and other financial instruments (acct.762)	50	0	0
19. Revenues from over-the-counter derivatives operations (acct. 763)	51	0	0
20. Revenues related to exchange rates differences (ct.765)	52	316.695	57.417
21. Interest Revenues (ct.766*)	53	5.877.481	4.735.928
- out of which, revenues generated by entities within the group	54	0	0
22. Other financial revenues (accts.7615 + 764 +767 + 768)	55	0	22.973
FINANCIAL REVENUES - TOTAL (lines 48 + 49 + 50 + 51 +52 + 53 + 55)	56	6.194.176	4.816.318
23. Value adjustments regarding financial assets and investment held as current assets (lines 58 - 59)	57	0	0
-Expenses (acct.686)	58	0	0
-Revenues (acct.786)	59	0	0
24. Expenses related to operations with securities and other financial instruments (acct. 661)	60	0	0
25. Expenses related to over-the-counter derivatives operations (acct. 662)	61	0	0
26. Interest related expenses (acct.666*-7418)	62	0	0
- out of which, expenses related to entities within the group	63	0	0

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27. Other financial expenses (acct.663+664+665+667+668)	64	261.480	201.477
FINANCIAL EXPENSES - TOTAL (lines 57 +60+ 61 + 62 + 64)	65	261.480	201.477
FINANCIAL PROFIT OR LOSS:			
- Profit (lines 56 - 65)	66	5.932.696	4.614.841
- Loss (lines 65 - 56)	67	0	0
TOTAL REVENUES (lines 17 +56)	68	192.664.476	204.346.277
TOTAL EXPENSES (lines 45 + 65)	69	161.710.282	166.988.573
28. GROSS PROFIT OR LOSS:			
- Profit (lines 68 - 69)	70	30.954.194	37.357.704
- Loss (lines 69 - 68)	71	0	0
29. Current income tax (acct. 691)	72	5.332.116	6.415.599
30. Deferred income tax (acct. 692)	73	0	0
31. Deferred income tax revenue (acct. 792)	74	0	0
32. Other taxes not included above (acct. 698)	75	0	0
33. NET PROFIT OR LOSS FOR THE REPORTING PERIOD:			
- Profit (lines 70- 72- 73 +74 - 75)	76	25.622.078	30.942.105
- Loss (lines 71 + 72 + 73 -74+ 75) (lines 72 + 73 + 75 -70 - 74)	77	0	0

Check Sum F20:

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*) Accounts to be assigned as per the nature of the respective elements.

Line 24 This line also comprises the rights of the outsourcing workforce, determined in accordance with Labour legislation, which shall be taken from the debit footing of the account 621 "Outsourcing Expenses", analytically "outsourcing workforce-physical persons".

ADMINISTRATOR,

DRAFTED,

Name and Surname

ILASI LIVIU

Name and Surname

TOADER SANDA

Signature and stamp

S.s. Illegible,
Stamp

Electronic Signature

Position

11- ECONOMIC DIRECTOR

S.s. Illegible

VALID FORM

Professional registration number



INFORMATIVE DATA

at 30.06.2014

Code 30

- Lei -

1. Data regarding the profit/loss for the financial year		No. line	No. of Units	Amounts	
A	B		1	2	
Units having recorded profit	01		1	30.942.105	
Units having recorded loss	02		0	0	
Units having recorded neither profit, nor loss	03		0	0	
II. Data regarding outstanding payments	No. line	Total (column 2 + 3)	Of which:		
			For current activity	For investment activity	
A	B	1	2	3	
Outstanding payments - total (line 05+ 09 + 15 la 19 + 23), out of which:	04	0	0	0	
Suppliers outstanding accounts payable - total (lines. 06 to 08), of which:	05	0	0	0	
- over 30 days	06	0	0	0	
- over 90 days	07	0	0	0	
- over 1 year	08	0	0	0	
Outstanding liabilities towards the social security budget - total (lines 10 to 14), out of which :	09	0	0	0	
- contribution to government social security insurance due by employers, employees and others similar persons	10	0	0	0	
- contribution to the health insurance fund	11	0	0	0	
- contribution to the additional pension	12	0	0	0	
- contribution to the unemployment fund	13	0	0	0	
- Other social liabilities	14	0	0	0	
Outstanding liabilities towards special funds and other funds budget	15	0	0	0	
Outstanding liabilities towards other creditors	16	0	0	0	
Taxes and fees not paid at the government budget on due date	17	0	0	0	
Taxes and fees not paid at the local budgets on due date	18	0	0	0	
Bank credits not reimbursed at the maturity date - total (lines 20 to 22), out of which:	19	0	0	0	
- outstanding after 30 days	20	0	0	0	
- outstanding after 90 days	21	0	0	0	
- outstanding after 1 year	22	0	0	0	
Outstanding interest	23	0	0	0	



III. Average number of employees		No. line	30.06.2013	30.06.2014
A		B	1	2
Average number of employees		24	1.795	1.712
Effective no. of employees at the end of the period, namely on June 30 th		25	1.811	1.748
IV. Interest, dividends and royalty paid during the reporting period. Collected subsidies and outstanding receivables			Nr. rd.	Amounts (Lei)
A			B	1
Gross revenues from interest paid to non-resident natural persons, out of which:			26	0
- tax owed to government budget			27	0
Gross revenues from interest paid to non-resident natural persons from the EU Member States, out of which:			28	0
- tax owed to government budget			29	0
Gross revenues from interest paid to non-resident legal persons, out of which :			30	0
- tax owed to government budget			31	0
Gross revenues from interest paid to non-resident associated*) legal persons from the EU Member States, out of which :			32	0
- tax owed to government budget			33	0
Gross revenues from dividends paid to non-resident natural persons, out of which:			34	0
- tax owed to government budget			35	0
Gross revenues from dividends paid to non-resident natural persons from the EU Member States, out of which:			36	197
- tax owed to government budget			37	31
Gross revenues from dividends paid to non-resident legal persons, out of which :			38	0
- tax owed to government budget			39	0
Gross revenues from dividends paid to non-resident legal persons from the EU Member States, as per the provisions of art.117 letter h) of Law no. 571/2003 regarding the Fiscal Code, further amendments and additions, out of which:			40	0
- tax owed to government budget			41	0
Gross revenues from royalties paid to non-resident natural persons, out of which:			42	0
- tax owed to government budget			43	0
Gross revenues from dividends paid to non-resident natural persons from the EU Member States, out of which:			44	0
- tax owed to government budget			45	0
Gross revenues from royalties paid to non-resident legal persons, out of which:			46	0
- tax owed to government budget			47	0
Gross revenues from royalties paid to non-resident associated*) legal persons from the EU Member States, out of which:			48	0
- tax owed to government budget			49	0

Royalties paid during the reporting period for the goods belonging to the public domain, concessioned, out of which:	50		0
- Royalties for the public goods paid to the state budget	51		0
Mining royalties paid to the government budget	52		0
Oil royalties paid to the government budget	53		13.531.755
Rentals paid for lands ¹⁾ during the reporting period	54		20.407
Gross revenues from services paid to non-resident persons, out of which:	55		0
- tax owed to government budget	56		0
Gross revenues from services paid to non-resident persons from the EU Member States, out of which:	57		0
- tax owed to government budget	58		0
Subsidies collected during the reporting period, out of which:	59		0
- subsidies collected during the reporting period in relation to assets	60		0
- Income related subsidies, out of which:	61		28.499
- subsidies for employment stimulation **)	62		1.143
Outstanding receivables that have not been collected at the dates stipulated in the trade contracts and/or normative acts in force, out of which:	63		24.247
- Outstanding receivables from entities where the State holds majority or integral stake	64		0
- Outstanding receivables from private entities	65		24.247
V. Lunch Vouchers	No. line	Amounts (Lei)	
A	B	1	
Counter-value of the lunch vouchers granted to the employees	66		1.798.099
VI. Expenses incurred by the Research-Development activity***)	No line s	30.06.2013	30.06.2014
A	B	1	2
Research-development expenses, out of which:	67	0	0
- from public funds	68	0	0
- from private funds	69	0	0
VII. Innovation Expenses****)	Nr. rd.	30.06.2013	30.06.2014
A	B	1	2
Innovation expenses- total (lines 71 to 73)	70	0	0
- Innovation expenses finalized during the period	71	0	0
- Innovation expenses in progress during the period	72	0	0
- Innovation expenses abandoned during the period	73	0	0

VIII. Other Information	No. lines	30.06.2013	30.06.2014
		1	2
A	B		
Advances granted for intangible assets (acct.4094)	74	0	0
Advances granted for tangible assets (acct.4093)	75	0	0
Financial assets, in gross amounts (lines 77+ 85), out of which:	76	1.096.968	824.256
Shareholdings in related parties, participating interests, other long term investments and bonds, in gross amounts (lines 78 to 84), out of which:	77	1 77.400	1 77.400
- Listed shares issued by residents	78	0	0
- Unlisted shares issued by residents	79	1 77.400	1 77.400
- Equity shares issued by residents	80	0	0
- Bonds issued by residents	81	0	0
- Shares issued by undertakings for collective investments issued by residents	82	0	0
- Shares and equity-shares issued by non-residents	83	0	0
- Bonds issued by non-residents	84	0	0
Long-term receivables, in gross amounts (lines 86 + 87), out of which:	85	919.568	646.856
- Long-term receivables in Lei and expressed in Lei, their settlement being made according to the currency of an exchange rate (from acct. 267)	86	919.568	646.856
- Long-term receivables in foreign currency (from acct. 267)	87	0	0
Trade receivables, advance payments to suppliers and other similar accounts, in gross amounts (acct. 4092 + 411 + 413 + 418), out of which:	88	34.475.079	36.030.398
- External trade receivables, advance payments to foreign suppliers and other similar accounts, in gross amounts (from acct. 4092 + from acct. 411 + from acct. 413 + from acct.418)	89	0	0
Trade receivables uncollected on due term (from acct. 4092 + from acct. 411 + from acct. 413)	90	104.016	24.247
Receivables related to personnel and similar accounts (acct. 425 + 4282)	91	111.415	100.254
Receivables related to social security budget and the state budget (acct. 431 +437 + 4382 + 441 +4424 + 4428 + 444 + 445 + 446 + 447 + 4482), (lines 93 to 97), out of which:	92	441.059	1.216.867
- Receivables related to social security budget (acct.431 +437+4382)	93	236.900	481.878
- Fiscal receivables related to state budget (acct.441 +4424+4428+444+446)	94	202.923	734.504
- Subsidies receivable (ct.445)	95	0	0
- Special funds – other duties, taxes and similar levies (acct.447)	96	0	0
- Other receivables related to State budget (acct.4482)	97	1.236	485
Entity receivables in relation to entities within the group (acct.451)	98	0	0
Receivables related to the social security budget and State budget uncollected on due term (from acct. 431 + from acct. 437 + from acct. 4382 + from acct. 441 + from acct. 4424 + from acct. 4428 + from acct. 444 + from acct. 445 + from acct. 446 + from acct. 447 + from acct. 4482)	99	0	0



Receivables from over-the-counter derivative operations (acct.4652)	100	0	0
Other receivables (accts. 453 + 456 + 4582 + 461 + 471 + 473), (lines 102 to 104),out of which:	101	2.928.150	2.822.749
- Associated entities and jointly controlled entities settlements, shareholders-amounts receivable related to capital, transactions related to joint operations (accts.453 +456 + 4582)	102	0	0
- Other receivables related to physical and legal persons other than the receivables in relation to public institutions (State institutions),(from acct. 461 + from acct. 471 + from acct.473)	103	2.928.150	2.822.749
- amounts taken over from account 542 "Treasury Advances" representing treasury advances, granted as per the law and unsettled up to June 30 th (from acct. 461)	104	0	0
Interests receivable (acct. 5187) , out of which:	105	7	1.007.126
- from non-residents	106	0	0
Value of the loans granted to economic operators *****)	107	0	0
Short-term investments, in gross amounts (accts. 505 + 506 + from acct.508)(lines109 to 115):	108	0	0
- Listed shares issued by residents	109	0	0
- Unlisted shares issued by residents	110	0	0
- Equity shares issued by residents	111	0	0
- Bonds issued by residents	112	0	0
- Shares issued by undertakings for collective investments issued by residents	113	0	0
- Shares issued by non-residents	114	0	0
- Bonds issued by non-residents	115	0	0
Other cash receivable (accts. 5113 + 5114)	116	0	0
Petty cash in lei and in foreign currency (lines118+119), out of which:	117	34.259	19.927
-In Lei (acct. 5311)	118	34.259	19.927
-in foreign currency (acct. 5314)	119	0	0
Current bank accounts in Lei and in foreign currency (lines 121 + 123), out of which:	120	1.123.390	299.840.625
-In Lei (ct. 5121), out of which:	121	1.075.245	299.793.251
- Current accounts in Lei opened at non-resident banks	122	0	0
-In foreign currency (acct. 5124), out of which:	123	48.145	47.374
- Current accounts in foreign currency opened at non-resident banks	124	0	0
Other current bank accounts and letters of credit (lines 126 + 127), out of which:	125	0	0
- Amounts under settlement, letters of credit and other cash receivable, in Lei (accts. 5112 + 5125 + 5411)	126	0	0
- Amounts under settlement, letters of credit in foreign currency (from acct. 5125 + 5412)	127	0	0
Debts (lines 129 + 132 + 135 + 138 + 141 + 144+ 147+ 150 + 153 + 156 + 159+ 160 + 164+ 166 + 167 + 172 + 173 + 174 + 175 +181), out of which:	128	51.510.048	67.521.311



Bond loans, in gross amounts (acct. 161) (lines 130+131), out of which:	129	0	0
-In Lei	130	0	0
-In foreign currency	131	0	0
Interests related to bond loans, in gross amounts (acct.1681) (lines 133 + 134), out of which:	132	0	0
- In Lei	133	0	0
- In foreign currency	134	0	0
Short-term domestic bank loans (accts. 5191 + 5192 + 5197), (lines 136 + 137), out of which:	135	0	0
-In Lei	136	0	0
-In foreign currency	137	0	0
Interests related to short-term internal bank loans (from accts. 5198) (lines 139 +140), out of which:	138	0	0
-In Lei	139	0	0
-In foreign currency	140	0	0
Short-term external bank loans (accts.5193+5194+5195), (lines 142+ 143), out of which:	141	0	0
-In Lei	142	0	0
-In foreign currency	143	0	0
Interests related to short-term external bank loans (from acct.5198), (lines 145 + 146) :	144	0	0
-In Lei	145	0	0
- In foreign currency	146	0	0
Long-term bank loans (accts. 1621 + 1622 + 1627), (lines148+ 149) :	147	0	0
-In Lei	148	0	0
- In foreign currency	149	0	0
Interests related to long-term bank loans (from acct.1682), (lines.151 +152):	150	0	0
-In Lei	151	0	0
- In foreign currency	152	0	0
Long-term external bank loans (acct. 1623 + 1624 + 1625), (lines154+ 155) :	153	0	0
-In Lei	154	0	0
- In foreign currency	155	0	0
Interests related to long-term external bank loans (from acct.1682), (lines 157+ 158) :	156	0	0
-In Lei	157	0	0
- In foreign currency	158	0	0
State treasury loans and related interests (acct. 1626 + from acct. 1682)	159	0	0

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Other loans and related interest (accts. 166 + 167 + 1685 + 1686 + 1687) (lines 161 + 162), out of which:	160	2.906	18.716
- In Lei and expressed in Lei, their settlement being performed according to the exchange rates of the foreign currency	161	2.906	18.716
- In foreign currency	162	0	0
Value of the concessions received(from acct. 167)	163	0	0
Trade liabilities, advance payments from clients and other similar accounts, in gross amounts (acct. 401 + 403 + 404 + 405 + 406 + 408 + 419), out of which:	164	15.958.473	27.397.296
- External trade liabilities, advance payments from foreign customers and other similar accounts, in gross amounts (from acct.401 + from acct.403 + from acct. 404 + from acct. 405 + from acct 406 + from acct 408 + from acct. 419)	165	0	290.000
Liabilities related to personnel and similar accounts (acct. 421 + 422 + 423 + 424 + 426 + 427 + 4281)	166	4.610.119	3.390.984
Liabilities related to social security budget and State budget (acct. 431 + 437 + 4381 + 441 + 4423 + 4428 + 444 + 446 + 447 + 4481) (lines 168 to 171), out of which:	167	17.951.179	23.086.060
- liabilities related to social security budget (acct.431 +437 +4381)	168	3.151.886	3.540.386
- fiscal liabilities in relation to State budget (acct. 441 +4423 +4428+444+446)	169	14.779.487	19.499.118
-special funds - other duties, taxes and similar levies (acct. 447)	170	19.806	14.538
- other liabilities related to State budget (acct. 4481)	171	0	32.018
Entity's liabilities in relation to other entities within the group (acct.451)	172	0	0
Amounts due to shareholders (acct.455)	173	0	0
Liabilities from over-the-counter derivative operations (acct.4651)	174	0	0
Other liabilities (acct. 453 + 456 + 457 + 4581 + 462 + 472 + 473 + 478 + 269 + 509), (lines 176 to 180):	175	12.987.371	13.628.255
- Associated entities and jointly controlled entities settlements, shareholders-amounts receivable related to capital, transactions related to joint operations (accts. 453 + 456 + 457+ 4581)	176	12.641.291	13.481.521
- Other liabilities related to physical and legal persons other than the liabilities in relation to public institutions (State institutions) ²⁾ (from acct 462 + from acct 472 + from acct.473)	177	346.080	146.734
- Subsidies not recognized as income (from acct. 472)	178	0	0
-Payments to be performed for financial assets and short-term investments (accts 269+509)	179	0	0
-Deferred income related to assets received by transfer, from the client (acct.478)	180	0	0
Interest payable (acct. 5186)	181	0	0
Value of the loans received from economic operators *****)	182	0	0
Subscribed paid-up capital (acct. 1012), out of which:	183	28.569.842	28.569.842
- listed shares ³⁾	184	28.569.842	28.569.842
- unlisted shares ⁴⁾	185	0	0
- equity shares	186	0	0



- paid-up capital subscribed by non-residents (from acct. 1012)	187	0	0
Patents and licenses (from acct.205)	188	0	
IX. Information regarding expenditures with externally contracted manpower	No. Line	30.06.2013	30.06.2014
A	B	1	2
Collaborators expenses (acct. 621)	189	0	0
X. Information regarding the goods belonging to State public domain	Nr. rd	30.06.2013	30.06.2014
Value of the administered public goods	190	0	0
Value of the concessioned public goods	191	134.896.686	134.526.780
Value of the leased public goods	192	0	0
		30.06.2013	30.06.2014
	No. line	Amount (Col. 1)	%⁵ (Col.2)
XI. Paid-up Share Capital			
Paid-up Share Capital (acct.1012)⁵ (lines 194 + 197 + 201 + 202 + 203 + 204):	193	28.569.842	X
- held by public institutions, (lines.195 + 196), out of which:	194	16.775.128	58,72
- held by public institutions subordinated to the central administration	195	16.775.128	58,72
- held by public institutions subordinated to the local administration	196	0	0
- held by State-owned companies, out of which:	197	0	0
- where State holds integral stake	198	0	0
- where State holds majority stake	199	0	0
- where State holds minority stake	200	0	0
- held by regies autonomes	201	0	0
- held by private companies	202	9.762.584	34,17
- held by physical persons	203	2.032.130	7,11
- held by other entities	204	0	0
XII. Receivables taken over by way of assignment from legal persons *****)	No. line	Amounts (lei)	
A	B	30.06.2013	30.06.2014
Receivables taken over by way of assignment from legal persons(at nominal value), out of which:	205	0	0
-receivables taken over by way of assignment from affiliated legal persons	206	0	0
Receivables taken over by way of assignment from legal persons (at cost of purchase), out of which:	207	0	0
- receivables taken over by way of assignment from affiliated legal persons	208	0	0

Check sum F30:

1475923230.7199993 / 13946388135.72



*) In respect of the status of „associated legal persons” will be observed the provisions of art.124²⁰ letter b) of Law no.571/2003 regarding the Fiscal code, further amendments and additions.

**) Subsidies for employment stimulation (transfers from the state budget to the employer) – represent the amounts granted to the employers for the payments of the educational establishments graduates, the stimulation of the unemployed who get employed before the unemployment period expiry date, the stimulation of the employers hiring unemployed persons over 45 years, on undetermined duration contract, sole wage earners or unemployed who, in 3 years from the hiring date meet the conditions for requiring the partial advanced pension or for being granted the age pension, or for other situations provided by the legislation in force regarding the unemployment insurance system and the employment stimulation.

***) It shall be completed with the expenses incurred for the research-development activity, namely the fundamental research, applied research, technological development and innovation, established pursuant to the provisions of the Government Ordinance no.57/2002 related to scientific research and technological development, subsequent additions.

****) The innovation expenses are being determined according to the Regulation (EC) no.1450/2004 of the Commission from 13.08.2014 regarding the application of Decision no.1608/2003/CE of the European Parliament and the Council regarding the production and development of the communitarian statistics related to innovation, published in the Official Journal of the European Union series L no.267/14.08.2004.

*****) The economic operators category does not comprise the entities regulated and supervised by the National Bank of Romania, respectively the Financial Supervisory Authority, reclassified companies in the public administration sector and the non-lucrative institutions in the population based management services.

*****) For the receivables taken over by assignment from legal persons shall be completed both the nominal value thereof, as well as the purchase cost thereof.

For the status of „affiliated legal persons” shall be considered the provisions of art.7 paragraph (1) item 21 letter c) of Law no.571/2003 regarding the Fiscal Code, subsequent amendments and additions.

- 1) Shall be included the rental charges for the occupied lands (crops, grasses, hay etc.) and for the commercial locations (terraces etc) belonging to the private owners or some units of the public administration, including the rental charges for the use of the water surface area in leisure purpose or other purposes (fishing etc).
- 2) Within the category „Other liabilities related to natural and legal persons, other than the liabilities related to the public institutions (state institutions) will not be included the subsidies related to existent revenues in 472 balance account.
- 3) Securities conferring property rights over the companies, which are negotiable and tradable, according to the law.
- 4) Securities conferring property right over the companies that are not traded.
- 5) At section „XI Paid-up Share Capital”, line 194-204, columns 2 and 4 the entities will inscribe percentage corresponding to the share capital held in the total paid-up share capital, inscribed at line 193.

ADMINISTRATOR,**DRAFTED,**

Name and Surname

ILASI LIVIU

Name and Surname

TOADER SANDA

Signature and stamp

S.s. Illegible,
Stamp

Electronic Signature

Position

11- ECONOMIC DIRECTOR

S.s. Illegible

VALID FORM

Professional registration number



**SC CONPET SA**

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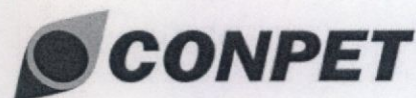
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Cod unic de înregistrare: R 1350020, Cod CAEN 4950

Inregistrata la Registrul Comertului Prahova sub nr.J29/6/22.01.1991

Capital social subscris si varsat 28 569 842,40 lei



**Simplified Interim Financial Statements on the date and for the period of six months ended
June 30, 2014**

Prepared as per the International Accounting Standard 34 – „Interim Financial
Reporting” adopted by the European Union



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SIMPLIFIED STATEMENT OF THE FINANCIAL POSITION AT 30.06.2014

For the period 01.01.2014-30.06.2014 the financial position statement reveals the followings:

	No. Note	30.06.2014 (non-audited) Lei	31.12.2013 (audited) Lei
Assets			
Non-current assets			
Tangible assets	1	402,027,474	413,715,800
Intangible assets	2	5,754,431	6,308,341
Financial investments	3	763,946	1,020,324
Total non-current assets		408,545,851	421,044,465
Current assets			
Inventories	4	7,679,572	7,404,013
Trade receivables and other receivables	5	38,801,707	41,797,973
Short-term investments	6	0	7,080,956
Cash and cash equivalents	7	300,063,996	249,494,539
Prepaid expenditure		358,978	218,445
TOTAL Current assets		346,904,253	305,995,926
TOTAL Assets		755,450,104	727,040,391
Shareholder's Equity and Liabilities			
Shareholder's equity	8		
Share capital, out of which:		28,569,842	145,794,385
Subscribed share capital		28,569,842	28,569,842
Share capital adjusted for inflation			117,224,543
Revaluation reserves		104,112,617	112,473,352
Legal reserves		5,713,968	5,713,968
Other reserves		456,740,773	441,436,160
Retained earnings		42,501,804	-85,961,582
Year's result		30,942,105	31,297,556
Total shareholder's equity		668,581,109	650,753,839
Long-term liabilities			
Deferred profit tax liabilities		3,478,973	3,478,973
Provision for employee benefits	10	2,944,645	3,187,830
Trade liabilities	9		625,135
Total long-term liabilities		6,423,618	7,291,938

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Simplified statement of the financial position at June 30, 2014

(All amounts are expressed in Lei, unless otherwise specified)

Trade liabilities	9	27,397,296	25,184,565
Other liabilities	9	36,632,685	23,217,850
Short-term provisions	10	15,392,228	19,525,449
Deferred income	11	23,328	25,157
Investment subsidies	11	999,840	1,041,593
Total current liabilities		80,445,377	68,994,614
Total liabilities		86,868,995	76,286,552
Total shareholder's equity and liabilities		755,450,104	727,040,391

The Global Result Statement at 30 June, 2014 is the following:

	No. Note	Six months period ended June 30, 2014 (non-audited) Lei	Six months period ended June 30, 2014 (non-audited) Lei
Income			
Sales revenues		186,173,019	168,172,235
Other income		13,356,940	18,298,065
Total operating income	12	199,529,959	186,470,300
Expenses			
Raw materials and consumables expenses		9,590,462	8,667,839
Personnel expenses		47,920,217	46,230,690
Impairments of tangible and intangible assets		23,929,448	20,439,850
Current assets impairments		-321,063	-7,590
Outside services related expenses		58,822,757	59,578,514
Other expenses		31,221,681	27,031,666
Provisions adjustments		-4,376,406	-492,167
Total operating expenses	13	166,787,096	161,448,802
Operating profit		32,742,863	25,021,498
Financial income		4,816,318	6,194,176
Financial expenses		201,477	261,480
Financial profit	14	4,614,841	5,932,696
Profit before income tax		37,357,704	30,954,194
Income tax expense	15	6,415,599	5,332,116
Profit for the year		30,942,105	25,622,078

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Statement of changes in equity at June 30, 2014)

(All amounts are expressed in Lei unless otherwise specified)

STATEMENT OF CHANGES IN EQUITY AT 30.06.2014

	Share Capital	Adjustments to the share capital	Legal reserves	Other reserves	Revaluation reserves	Retained earnings	Retained earnings resulting from the first-time adoption of IAS 29	Retained earnings resulting from the first-time adoption of IFRS	Profit or loss for the year	Total equity
Balance at January 1, 2014	28,569,842	117,224,543	5,713,968	441,436,160	112,473,352	30,118,858	(120,080,985)	4,000,545	31,297,556	650,753,839
Net profit of the year Increase of modernization quota fund				28,766,054		31,297,556			30,942,105	62,239,661
										28,766,054
Modernization quota fund reduction				(12,342,549)						(12,342,549)
Revaluation surplus recognized as income					(8,360,735)	8,360,735				-
Retained earnings resulting from the correction of the accounting errors						21,666				21,666
Allocation of profit related to the previous year for the coverage of the accounting loss						(21,666)				(21,666)
Prior year's result following restatement		(117,224,543)		(2,856,442)			120,080,985			-
Year's result										-
Allocation of profit as dividends related to the previous year						(29,538,340)				(29,538,340)
Allocation of profit in reserves related to the previous year				1,737,550		(1,737,550)			(31,297,556)	(31,297,556)
Balance at June 30, 2014	28,569,842	-	5,713,968	456,740,773	104,112,617	38,501,259	-	4,000,545	30,942,105	668,581,109



CASH FLOW STATEMENT AT 30.06.2014

	Designation of the Element	30.06.2014	30.06.2013
	Cash flows from operating expenses:		
+	Cash collection from customers	205,375,888	183,999,755
+	Other collections	597,469	4,505,755
-	Payments to goods and services suppliers	63,441,106	74,238,824
-	Payments to and on behalf of the employees	48,146,150	42,455,176
-	VAT payments	28,228,676	25,976,863
-	Income tax related payments	5,630,283	5,026,622
-	Other payments for operating activities	10,552,974	14,151,281
A	Net cash from operating activities	49,974,168	26,656,744
	Net cash from investment activities :		
+	Proceeds from sale of tangible assets	640,303	1,299,722
+	Proceeds from modernization quota	28,766,054	25,876,990
-	Purchase of tangible assets	15,860,052	8,353,981
-	Payments for interest, allowances, credits, differences in the exchange rate	0	1,350
-	Reimbursements of certain loans	0	30,316
B	Net cash from investment activities	13,546,305	18,791,065
	Cash flows from financing activities		
	Proceeds from short-term financial		
+	investments	4,554,668	5,875,642
+	Proceeds from other financial income	55,181	316,569
-	Payments for short-term financial investments	193,970	228,325
-	Paid dividends	17,366,895	16,632,532
C	Net cash from financing activities	-12,951,016	-10,668,646
	Net increase of the cash and cash equivalents=A+B+C=D2-D1	50,569,457	34,779,163
D1	Cash and cash equivalents at the beginning of the fiscal year	249,494,539	198,767,473
D2	Cash and cash equivalents at the end of the fiscal year	300,063,996	233,546,636

By means of treasury, each company evaluates its equity needs, according to use, in stable investments and cyclical investments. Concurrently, according to the evaluation of the equity needs, is being determined the source of the financing resource, by which the equity is obtained, hence the balance between the financing needs and the equities procured with convenient costs. Comparing the proceeds and payments related to **operating activities** performed during the two analyzed periods, it results a surplus denoting that the operation triggers cash, the proceeds exceeding the payments, therefore the company having the capacity to ensure its growth. The sources are generally constituted from the proceeds related to the crude oil, rich gas and ethane transport activity. The executed payments are meant for the support of the transport activity. The net cash from the operating activities registers an important increase in 2014 I H, due to the

Other Information related to Company Business

CONPET delivers transport services to its clients, both through the Crude Oil National Transport system concessioned under the Oil Concession Agreement, as well as by railway, from the loading ramps to the beneficiaries, for the oil areas that are not connected to the major transport pipelines. The crude oil National Transport System represents the assembly of major interconnected pipelines that provided the collection of the

imported oil or the one extracted from the exploitation sites the conduct thereof from the delivery points, by the producers/importers to the processing units, via the pumping stations, railway loading-unloading ramps, as well as through all the installations, equipment and related facilities related.

The concessionaire of the crude oil National Transport System has the capacity of common carrier and the obligation to provide, as per the legal provisions, free access to the system available throughput to all the solicitors, authorized legal persons, under equal conditions, in a non-discriminatory and transparent manner.

The Crude Oil National Transport System, concessioned by CONPET, belongs to the Romanian State public domain and is divided into the following major transport subsystems:

- imported crude subsystem – transport throughput of approximately 20.2 million tons/year;
- domestic crude subsystem – transport throughput of approximately 6.9 million tons/year;
- rich gas and ethane subsystem – transport throughput of approximately 0.23 million tons/year for rich gas and approximately 0.1 million tons/year for ethane

Legal Framework

The activity in the oil sector is being regulated by the National Agency for Mineral Resources (NAMR).

The National Agency for Mineral Resources is being empowered with the following attributions and competences in the oil sector, such as: the capacity of Grantor along with other state authorities, negotiates and concludes, on behalf of the Romanian State, oil agreements, mining concession licenses and exploitation permits; issues regulation acts, norms, instructions, orders and rules; supervises the holders observance of the provisions, oil agreement, licenses or permits, manages the crude oil and natural gas Pipeline Transport National System and regulates the exploitation thereof by way of system concession agreements concluded with the national/commercial companies nominated by the Governments; annuls the concession/administration acts etc.

Where NAMR approves, by Order, the tariffs for the transport service by the crude oil, rich gas, condensate and ethane National Transport System, the decisions made by NAMR may bear significant effects on the Company's business.

CONPET SA is the concessionaire of the crude oil, rich gas, condensate and ethane National Pipeline Transport System operation activity, capacity acquired by the conclusion with NAMR, in 2002, of the Oil Concession Agreement, approved by GD no. 793/25.07.2002.

The tariff for the supply of the transport service through the crude oil, rich gas, condensate and ethane National Pipeline Transport System

The transport tariff represents the counter value of the service for the transport of one ton of crude, rich gas or ethane between the take-over sites and handover thereof to the refineries, the instructions regarding the criteria, the methodology and the procedure of settling the tariffs regulated for the transport through the National Pipeline Transport System are being elaborated by NAMR, as competent authority, based on the attributions and competences conferred by Law no.238/2004, subsequent amendments and additions.

The transport tariffs are being distinctly substantiated and approved by NAMR for the two subsystems belonging to the National Transport System, respectively the subsystem for the transport of domestic crude oil, condensate, rich gas and ethane and the subsystem for the transport of imported crude. According to the technical feature and operation regime of each subsystem, the tariffs determination is performed by allocation of the value related to transport service to the crude oil quantities carried for beneficiaries on the corresponding distances, using a methodology based on service cost determination, defined as the overall revenue needed for covering the transport operations, including:

- operation cost, including: materials expenses, personnel expenses, pipelines maintenance expenses, outside expenses with gas, energy and water, costs related to fixed assets depreciation, royalty and other fees incurred by the carrier, expenses related to pipelines security guard, the amounts due to the lands owners, other expenses;
- development, modernization quota;
- a reasonable profit rate.

Stock Indices

As of September 5, 2013 the shares issued by CONPET have been traded on the regulated market administered by Bucharest Stock Exchange, „Securities sector, 1st Tear, under “COTE” symbol and are included in BET-C and BET-NG index category. **BET-C** is a composite index of BVB market (Engl. BSE), it reflects the evolution of all shares prices of the companies listed on BVB regulated market, 1st and 2nd Tier, except for SIFs, traded within the section regular market (“Regular”) and **BET-NG** is a sectorial index tracking the movement of the shares prices of the companies traded on BVB regulated market, whose core business is related to the economic energy sector and uses in relation thereof. At 30.06.2014 CONPET has a market capitalization of LEI 428 million.

Draw up Basis

Declaration of Compliance

These simplified interim financial statements were drawn up in compliance with the International Accounting Standard 34 - „Interim financial report”. They do not include all the necessary information for a complete set of financial statements as per the International Financial Reporting International Standards (“IFRS”) and the requirements stipulated by the Ministry of Finances

Order 1286 from 2012, for the approval of the accounting Regulations consistent with the Financial Reporting International Standards, applicable to the commercial companies whose securities are being admitted for trade on a regulated market, at December 31, 2012. Nevertheless, certain explanatory notes are included for explaining the events and transactions that are significant for a better understanding of the amendments occurred in the financial position and the performance of the Company as of the last financial statements for the year ended 31 December, 2013.

These simplified interim financial statements were executed on August 13, 2014.

Relevant Accounting Policies

The accounting policies applied in these simplified interim financial situations are the same with the ones applied in the Company's annual financial statements at the date and for the fiscal year ended 31 December, 2013.

1. Tangible assets

During 01.01-30.06.2014 the company's tangible assets have evolved as follows:

	Lands and Lands Improvements	Buildings and special installations	Operating oil products	Equipment and facilities	Measuring and control instruments	Vehicles	Other tangible assets	In-progress tangible assets and advances	Total tangible assets
1. Stock value									
Balance at January 1, 2014	24,622,797	184,212,934	42,865,714	55,809,536	50,865,636	20,536,953	3,352,169	33,641,591	415,907,330
Inputs	-	-	-	-	-	-	-	10,979,769	10,979,769
Transfers of tangible assets in-progress	-	25,219,816	-	1,068,156	434,040	568,007	198,440	(27,488,459)	-
Outputs	-	(22,851)	-	(25,664)	(1,693)	-	(680)	(120,277)	(171,165)
Balance at June 30, 2014	24,622,797	209,409,899	42,865,714	56,852,028	51,297,983	21,104,960	3,549,929	17,012,624	426,715,934
2. Depreciation									
Balance at January 1, 2014	551,518	-	-	-	-	-	-	1,640,012	2,191,530
Depreciation expense	-	7,302,969	-	6,182,152	5,922,267	2,854,639	365,038	-	22,627,065
Adjustments for assets depreciations	-	-	-	-	-	-	-	(120,277)	(120,277)
Accumulated depreciation related to outputs	-	(660)	-	(8,112)	(944)	-	(142)	-	(9,858)
Balance at June 30, 2014	551,518	7,302,309	0	6,174,040	5,921,323	2,854,639	364,896	1,519,735	24,688,460

S.C. CONPET S.A
Notes to the interim financial statements at 30.06.2014
All amounts are expressed in LEI unless otherwise specified

3. Residual Value

Balance at January 1, 2014	24,071,279	184,212,934	42,865,714	55,809,536	50,865,636	20,536,953	3,352,169	32,001,579	413,715,8
Balance at June, 30 2014	24,071,279	202,107,590	42,865,714	50,677,988	45,376,660	18,250,321	3,185,033	15,492,889	402,027,4
4. Differences (+/_)	-	+17,894,656	-	-5,131,548	-5,488,976	-2,286,632	-167,136	-16,508,690	-11,688,3

In the tangible assets structures are included, besides the operating oil product, the investments performed for the operator's domain, as well as the investments performed for the public domain, as per the provisions of "The oil concession agreement for the operation of the Crude Oil, Rich Gas, Condensate and Ethane National Transport System", including the major pipelines and installations, equipment and related facilities. At the end of the concession they fall under the goods return regime.

During 01.01-30.06.2014 the net value of the tangible assets has lowered with Lei 11,688,326 resulting from:

- increase by Lei 17,894,656 of the assets under the "Constructions" category, constituted from:

- + 25,219,816 Lei commissioning of several in-progress tangible assets
- 22,851 Lei fixed assets disposal
- 7,302,309 Lei depreciation related to 1H 2014

- decrease by 12,907,156 Lei of the assets under the "Plant and Machinery and Transport Vehicles" category, out of which:

- + 2,070,203 Lei for commissioning
- 27,357 Lei fixed assets outflow
- 14,950,002 Lei depreciation related to 1H 2014

- decrease by 167,136 Lei of the assets under the "Fixtures and Fittings and other Tangible Assets" out of which:

- + 198,440 Lei for commissioning
- 680 Lei fixed assets disposal
- 364,896 Lei depreciation related to 1H 2014

- decrease by 16,508,690 Lei of tangible assets in-progress, constituted from:

- + 10,979,769 Lei expenses related to continuation of the already started works in the previous period and launch of some new investments
- 27,608,736 Lei, disposal of fixed assets in-progress, out of which commissioning amounting 27,488,459 Lei and discard of three investment projects with total value of 120,277 Lei, for which were constituted impairments losses for depreciation amounting 120,277 Lei. The net value of the tangible assets in-progress is also being diminished impairment losses for depreciation existing at 30.06.2014 in amount of 1,519,735 Lei.
- + 120,277 Lei cancellation provisions related to three discarded projects.

During the 1H of 2014 the Company has performed tangible investment works for the replacement by deviation of some pipeline sections along certain distances, rivers crossing and undercrossing crude oil pipelines security and safety works, tanks modernization, supply of equipment and facilities necessary for activity performance and other investments as per "The 2014 Investment Program" approved by The National Agency for Mineral Resource.

The lands owned by the Company are located in Ploiesti, at the Company's head offices and the 24 counties crossed by the transport pipelines or there where the crude oil loading ramps are to be found.

The total lands area owned by CONPET at 30.06.2014 is of 733,648.93 sqm. out of which:

- 554,537,62 sqm stand for lands for which the Company obtained the land ownership certificate, as per Government Decision 834/1991, which are not included in the share capital;
- 155,411.45 sqm stand for lands for which the Company obtained land ownership certificate, as per Government Decision 834/1991 and are included in the share capital;
- 23,699.86 sqm stand for lands purchased by the Company.

In the financial statements, the tangible assets (except for the operating oil product) are being mentioned at reassessed cost, less the cumulated depreciation and depreciations losses, in accordance with the alternative treatments accepted by the statutory legislation.

The operating oil product is being evaluated in the balance sheet at the cost determined from reevaluation performed as per GD no. 26 /January 22, 1992, including the effects of the restatements registered in the previous years, according to the application of IAS 29 Financial Reporting in Hyperinflationary Economies". The current situation can be observed in the records below:

	June 30, 2014	December 31, 2013
Operating oil product balance	42,865,714	42,865,714

The operating oil product has no useful life, as it physically renews at each pumping process, that's why it doesn't bear a qualitative or moral degradation, thus it is not being depreciated.

2. Intangible assets

At 30.06.2014 the net value of the intangible assets decreased as compared to the beginning of the year, by 553,910 Lei constituted from:

- 1,422,658 Lei depreciation (amortization 1H 2014)
- + 868,748 Lei intangible assets in-progress related to the works started in the previous period. The detailed situation is stated below:

	Licenses and soft	Other intangible assets	Intangible assets in-progress	Total intangible assets
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1. Stock value

Balance at January 1,2014	2,404,995	3,041,007	862,339	6,308,341
Inputs	-	-	868,749	868,749
Transfers of intangible assets in-progress	-	-	-	-
Outputs	-	-	-	-
Balance at June 30, 2014	2,404,995	3,041,007	1.731.088	7.177.090

2. Cumulated depreciations

Balance at January 1, 2014	-	-	-	-
Depreciation expense	627.325	795.334	-	1.422.659
Impairment losses for intangible assets depreciation	-	-	-	-
Outputs related cumulated depreciation	-	-	-	-
Balance at June 30, 2014	627,325	795,334	-	1,422,659

2. Residual value

Balance January 1, 2014	2,404,995	3,041,007	862,339	6,308,341
Balance at June 30, 2014	1,777,760	2,245,673	-	5,754,431
4.Differences(+/-)	-627,235	-795.334	+862,339	-553,910

The life span used when calculating the depreciation of the intangible assets is on average 3-4 years. The method used is the linear one. The balance component is being constituted from IT programs, softs licenses, the book logging being performed at historical cost. The research and development expenses, as well as the set-up expenses are not being capitalized.

3. Financial Assets

The Company does not hold significant stake to other companies. The only long-term equity securities are being held at the following companies:

- Equity securities of 5.000 Lei, representing 3.33 % of the share capital of "Registrul Independent Monitor", headquartered in Bucharest;
- Equity securities of 35.000 GBP, representing 16.6% of the subscribed capital at the PEOP project development company, set up by commercial companies in Romania (CONPET, Oil Terminal), Serbia and Croatia, in view of attracting investors for the construction of Constanta-Trieste major pipeline. The Croatian company has not yet subscribed the share capital. The company's headquarters is located in UK.

In the structure, the financial assets are stated below :

	June 30, 2014	December 31, 2013
Securities held at PEOP	172,400	172,400
Securities held at Registrul Independent Monitor	5,000	5,000
Impairment losses for long-term securities	(60,310)	(60,310)
Other long-term receivables – lands pledges	646,856	903,234
Total	763,946	1,020,324

4. Inventories

The comparative situation of the inventories for the reporting period looks as follows:

	June 30, 2014	December 31, 2013
Raw materials and consumables	9,527,738	9,478,611
Adjustments for the assets impairment: depreciated and slowly moving inventories	(1,848,166)	(2,074,598)
TOTAL	7,679,572	7,404,013

The inventories are made of raw materials, materials, spares and other consumables that are to be used in performing the company's core business, as well as of security and intervention inventories meant for the likely technical accidents generated or triggered by natural disasters.

Trade Receivables and Other Receivables

The comparative situation of the receivables for the reporting period, according to seniority and receivables type, looks as follows:

	June 30, 2014	December 31, 2013
Clients	36,024,768	39,770,229
Long-term receivables under 1 year	29,018	24,089
Adjustments for doubtful receivables	(637,903)	(637,903)
Sub-total trade receivables (net)	35,415,883	39,156,415
Other receivables	5,839,906	5,191,332
Adjustments for other doubtful receivables	(2,459,713)	(2,554,343)
Sub-total other receivables(net)	3,380,193	2,636,989
Prepayments	5,630	4,569
Total other short-term receivables	38,801,706	41,797,973
 Other long-term receivables	 646,855	 735,524

The clients structure looks as follows:

	June 30, 2014	December 31, 2013
Clients – transport activity	35,134,845	38,863,678
Other clients – auxiliary activities	889,923	906,551
Total	36,024,768	39,770,229

The trade receivables are not interest bearer and have, in general, a collection due term of 15-20 days.

At June 30, 2014 the clients record a drawback in the balance as compared to December 31, 2013, following the lowering, in June 2014, of the quantity of transported products, by 175 thousand tons as compared to December 2013.

The Clients related to the pipeline transport operation activity are represented by the following companies: S.C. OMV PETROM S.A., S.C. Petrotel Lukoil S.A., S.C. Rompetrol Rafinare S.A. Considering the two reporting periods, the weight of these beneficiaries in total clients was constant, namely 97% of total receivables. At the end of 1H 2014, the Company has a single client with receivables higher bigger than 60% of total gross receivables, namely OMV

PETROM SA (with a receivables value of 27.228.959 Lei at June 30, 2014 and of 33.954.949 Lei at December 31, 2013).

Other receivables amounting 5.839.907 Lei mainly include amounts receivable from various natural and legal persons with litigations pending before the court of law, non-exigible VAT unrarried invoices, as well as interest receivable related to under three months maturity deposits.

Adjustments for doubtful receivables and other doubtful receivables

The Company's Policy is to record adjustment for **100% value loss of for the clients under litigation**, insolvency, bankruptcy and other debts related to cases pending before the court of law or fines, falling under challenge procedure.

At the end of 1H 2014, the Company maintained the depreciation adjustments constituted for the doubtful receivables related to debts receivable from the following partners:

- SC Biodiesel SRL Comanesti (204,661 Lei);
- SC Nac Industrii SRL Bucuresti (340,938 Lei);
 - CTF Bucuresti (50,512 Lei);
 - SC Perfect Metal SRL (7,551 Lei);
 - SC ICIM SA Ploiesti (33,598 Lei);
 - SC Tobias SRL Constanta (643 Lei)

The above adjustments refer to the counter value of various services supply performed by the company and fallen under litigation with the respective beneficiaries and/or penalties calculated for the fail to execute in due term the engaged contracts.

At the reporting date, the adjustments for the receivables depreciation have a total value of 3,097,616 Lei, the amount of 94,630 Lei being recognized as incomes during 1H 2014, following the collection of certain challenged debts and fines.

5. Short-Term Investments

The short-term investments are assets held by the company in view of reaching profit in less than one year. They consists in deposits with a maturity of over 3 months and interest receivable at the end of the period.

At 30.06.2014, the Company has no longer opened deposits with over 3 months due date.

Short-term investments	June30, 2014	December 31, 2013
Bank deposits with due date > 3 months	0	7,080,956

6. Cash and cash equivalents

At June 30, 2014 and December 31, 2013 cash and cash equivalents look as follows:

	June 30, 2014	December 31, 2013
Current bank accounts	1,237,311	1,925,214
Under 3 months bank deposits	298,603,314	247,508,995
Petty cash	19,927	11,460
Other cash equivalents	203,444	48,870
Total	300,063,996	249,494,539

The Company manages a development and modernization expenses quota destined to financially support the rehabilitation and modernization of the Crude Oil Pipeline National Transport System that it collects in distinct cash accounts and uses for the payment of modernization works related to assets belonging to public domain, in order to create new assets that are to be transferred to the public domain after the integral depreciation thereof. Therefore, at 30.06.2014 the Company's cash accounts related to the modernization quota reach the amount of 121,897,826 Lei (40,62% of total liquidities).

7. Equities

Share Capital

The share capital bore no modifications along the reporting period. There were registered only adjustments determined by the application, for the first time, of IFRS.

Thus, at January 1, 2014 the share capital amounting 145,794,385 Lei included the effects of the restatements registered in the previous years as per the application of "SIC" 29 "Financial Reporting of Hyperinflationary Economies". In the reporting period, respectively 1H 2014, following the Decision of the Ordinary General Meeting of Shareholders no.4 from 29.04.2014, the value of the share capital was diminished by 117,224, 543 Lei, by using the credit balance of the account "Share Capital Adjustments" for covering of a part of the accounting loss carried forward generated by the application, for the first time, of IAS 29, loss in total amount of 120,080,985 Lei.

	June 30, 2014	December31, 2013
Share capital (nominal value)	28,569,842	28,569,842
Restatement related differences as per SIC 29	0	117,224,543
Share capital balance:	28,569,842	145,794,385

At June 30, 2014 the company's subscribed and paid-in share capital, amounting 28,569,842 Lei is divided in 8,657,528 shares with a nominal values of 3,3 Lei/share and corresponds to the one registered at the Trade Register Office.

SC CONPET SA share capital and shareholders structure, at 30 June 2014, as compared to December 31, 2013 is the following:

Shareholders	30 June, 2014			31 December, 2013		
	No. of shares	Amount (RON)	(%)	Number of shares	Amount (RON)	(%)
The Romanian State by the Ministry of Economy	5,083,372	16,775,128	58,72%	5,083,372	16,775,128	58,72%
Fondul Proprietatea SA	2,571,461	8,485,821	29,70%	2,571,461	8,485,821	29,70%
Legal persons	611,595	2,018,263	7,06%	382,889	1,263,533	4,42%
Natural persons	391,100	1,290,630	4,52%	619,806	2,045,360	7,16%
Total	8,657,528	28,569,842	100%	8,657,528	28,569,842	100%

The shareholders have the right to dividends and each share confers a voting right within the company's meetings.

Other reserves

At June 30, 2014 *Other Reserves* amount for 456,740,773 Lei, out of which 352,972,853 Lei represent the development quota, calculated and collected as per the Government Decision no.168/1998 regarding the settlement of the expenses quota necessary for the development and modernization of the crude oil and natural gas production, refineries, oil transport and distribution, for financing the investment works to the goods belonging to the State public domain and 19,060,265 Lei represent the reserve related to the lands for which are being obtained land ownership certificates and for which the share capital was not increased.

Revaluation Reserves

The revaluation reserve amounts for 104,112,617 Lei at June 30, 2014 respectively 112,473,352 Lei at December 31, 2013, the difference of 8,360,735 Lei representing the surplus achieved from revaluation reserves, which was capitalized through the transfer thereof in the retained earnings, according to its utilization and through the deregistration of some assets (at the level of the register depreciation).

Retained Earnings

The retained earnings registered a favourable evolution, positive, in amount of 42,501,804 Lei at June 30, 2014, as compared to a loss of 85,961,582 Lei at 31 December 2013. The positive difference, of 128,463,386 Lei, was mainly determined by the coverage of the accounting loss carried forward, in amount of 120,080,985 Lei, coming from the adjustments triggered by the application of IAS 29 "Financial Reporting in Hyperinflationary Economies" as per the accounting regulations compliant with IFRS by way of making use of the credit balance of the account "Share Capital Adjustments", of 117,224,543 Lei and the difference of 2,856,442 Lei related to reserves constituted out of the net profit;

At June 30, 2014 the retained earnings, in amount of 42,501,804 Lei is constituted from:

- 38,501,259 Lei retained earnings representing surplus achieved from revaluation reserves;
- 4,000,545 Lei retained earnings resulting from the application of IFRS, less IAS29

Year's Result

At 30.06.2014, the net profit reaches 30,942,105 Lei as compared to 25,622,078 Lei reached at 30.06.2013.

8. Trade Liabilities and Other Liabilities

At June 30, 2014 and January 01, 2014, the trade liabilities and other liabilities look as follows:

Liabilities	January 01 2014	June 30 2014	Balance Maturity Date at June 30, 2014		
			Under 1 year	1-5 years	Over 5 years
1.Amounts due to credit institutions	-	-	-	-	-
2.Advances collected for the orders	-	-	-	-	-

3.Trade liabilities - third party suppliers	25,809,700	27,397,296	27,397,296	-	-
4.Total trade liabilities (1+2+3)	25,809,700	27,397,296	27,397,296	-	-
5.Other liabilities, including fiscal debts and debts regarding social securities	26,696,823	40,111,657	36,632,684	3,478,973	-
Total	52,506,523	67,508,953	64,029,980	3,478,973	-

The Company's suppliers related to the operating activity are being mainly represented by: SNTFM CFR Marfa, S.C. OMV Petrom S.A. S.C. Grup Feroviar Roman SA, Tinmar Ind S.A., Edenred Romania SRL, GDF Suez si SC Envirotech SRL. La 30 iunie 2014, the percentage thereof in total operation suppliers being of 83 %.

In case of assets suppliers the weight (82% in total suppliers) is being held by the following suppliers: S,C, Tancrad S,R,L,, S,C, Talpac SRL, Tangible Corporation SRL, Rosen Europe Olanda, Gazpet Instal SRL, IPM Partners Romania SRL, Eurosting Grup SRL, S.C. Inspec SA and SC Expertissa HQ SRL.

The situation regarding the evolution of "other liabilities" position for the period 01.01-30.06 2014, as well as the maturity date thereof looks as follows:

Liabilities	January 1 2014	June 30 2014	Balance Maturity Date at June 30 2014		
			Under 1 year	1-5 years	Over 5 years
Salaries and assimilated liabilities	4,180,665	3,390,984	3,390,984	-	-
Salaries related contribution	2,887,001	3,540,386	3,540,386	-	-
Income tax	5,536,668	6,321,984	2,843,011	3,478,973	-
Oil royalty	6,630,265	7,050,217	7,050,217	-	-
VAT payable	4,081,866	4,991,596	4,991,596	-	-
Other taxes and liabilities owed to the budget	1,715,209	1,170,413	1,170,413	-	-
Dividends payable	1,310,076	13,481,521	13,481,521	-	-
Other liabilities	355,073	164,557	164,556	-	-
Total	26,696,823	40,111,657	36,632,684	3,478,973	-

Obligations Regarding Employees Benefits and Bonuses, Wage System

Pursuant to the provisions of the Collective Labour Agreement in force, the company has granted the following benefits to its employees: quarterly premiums, retirement support, marriage support, employees share of profit, other benefits, as well as the following bonuses: holiday and treatment vouchers, including the related transport, presents given to the women employees and the

employees' minor children, birth grant, funeral and serious diseases, humanitarian grants, lunch vouchers, other bonuses.

The obligations regarding the employees benefits are the followings:

	June 30, 2014	June 30, 2013
Quarterly premiums	399,921	719,569
Retirement support	123,825	94,122
Marriage indemnity	19,050	6,176
Employees share of profit	2,716,986	1,900,992
Other benefits	0	0
TOTAL	3,259,782	2,720,859

The obligations regarding the employees' bonuses are followings:

	June 30, 2014	June 30, 2013
Holiday and treatment vouchers and related transport	116,366	103,890
Presents given to women employees and the employees minor children	117,525	136,710
Birth grant, funeral, serious diseases, humanitarian	267,385	266,861
Lunch vouchers	1,798,099	1,855,614
Other bonuses	20,417	18,071
TOTAL	2,319,791	2,381,146

Wage

The General Director and the members of the Board of Administration

The salaries paid by the Company to the General Director and the members of the Board of Administration are detailed below:

	June 30, 2014	June 30, 2013
Indemnity related to the contract of mandate	162,141	40,381
Indemnities of the Board of Administration members	108,048	2,412
TOTAL	270,189	42,793

Employees

The average number of employees has the following figures:

	June 30, 2014	June 30, 2013
Management staff	146	145
Administrative staff	371	384
Production staff	1,232	1,282
Total	1,749	1,811

The salary expenses and related contributions registered at 30.06.2014, respectively 30.06.2013 are the followings:

	June 30, 2014	June 30, 2013
Salary expenses	32,148,126	31,532,983
Social security expenses	9,922,329	9,552,910
Total	42,070,455	41,085,893

Note: The line "Salary expenses" does not include the employees benefits and bonuses, nor the indemnities of the General Director and the Board of Administration members.

9. Provisions

a) Period related (long-term or short-term)

	June 30, 2014	December 31, 2013
Balance at the beginning of the period	22,713,279	14,040,404
Provisions during the period	0	13,056,693
Provisions used during the period	(4,376,406)	(4,383,818)
Balance at the end of the period	18,336,873	22,713,279
Long-term provisions	2,944,645	3,187,830
Short-term provisions	15,392,228	19,525,449

b) Provisions nature

	June 30, 2014	December 31, 2013
Provisions for litigations	9,557,944	9,557,944
Provisions for employees benefits	2,944,645	6,662,928
Other provisions for risks and expenses	5,834,284	6,492,407
Total	18,336,873	22,713,279

Provisions for Litigations

The company is involved in several litigations for compensations claimed by various owners, natural persons. Following the restitution of land rights the owners brought the Company to trial, invoking the lands lack of use as they are being crossed by the crude oil transport pipelines belonging to the public domain.

At 30.06.2014, litigations related provisions amount for 9,557,944 Lei. During the 1H of 2014 they they have not been subject to any amendment, the ongoing trials were not solved, nor opened new litigations.

Provisions for employees benefits

At December 31, 2013 were registered provisions for the employee's benefits totally amounting 6,662,928 Lei, of which 3,475,098 Lei stand for provision related to the employee's share of profit, and the amount of retirement related provision.

At June 30, 2014 the retirement related provisions rest highlighted, in amount of 2,944,645 Lei, the difference of 243,185 Lei being canceled, following the retirements taking place during this period.

This provision was calculated based on actuarial methods as per the average wage estimate, average number of salaries payable on retirement, the estimation of the period when they will be paid and was brought to the current value by using a discount factor based on the interest related to certain investments with high security degree ("government bonds").

The obligations regarding the share of net profit have been paid in full up to 30.06.2014.

Other provisions

At June 30, 2014 the position « other provisions » in amount of 5,384,284 Lei is constituted from:

- 2,608,552 Lei provisions regarding the environment-related expenses;
 - 516,877 Lei provisions for annual not taken leaves;
 - 727,515 Lei provisions for local taxes and fees (litigations) ;
 - 1,981,340 Lei provisions related to expenses with asses in progress (Breaza Cardiovascular Recovery Facility);
- to further detail, the provision regarding the potential expenses related to environment in amount of 2,608,552 Lei is being mainly represented by the equivalent value of the expenses necessary to achieve de depollution by in situ bioremediation method of 4,000sqm in Castelu region, Constanta County, estimation based on a study drafted in 2013 regarding the evaluation of the geological environment (soil pollution and ground water evaluation).

The provision related to the demolition of the assets "Breaza Cardiovascular Recovery Facility", in amount of 1,981,340 Lei, has been established based on OGMS Decision no.1/14.03.2013 by which was approved the dismantling/demolition of the mentioned asset, following the technical Solution given by the Assessment Report no. 41706/03.12.2012 prepared by an independent expert.

10. Deferred Income

At 30.06.2014 the deferred income reach the amount of 1,023,168 Lei, by 43,582 Lei below the one registered at 31.12.2013, in amount of 1,066,750 Lei and are made of:

- 999,840 Lei the value of fixed assets identified as inventory plus;
- 23,328 Lei deferred interest related to the rates for dwellings sold to the employees.

During I H 2014 have not been registered deferred incomes, the evolution as compared to the beginning of the year being revealed as follows:

	June 30, 2014	December 31, 2013
Balance at the beginning of period	1,066,750	280,041
Upbringings	0	860,682
Outputs	43,582	73,973
Balance at the end of period	1,023,168	1,066,750

11. Operating income

As compared with I H 2013, the operating income registered an upbringing by 7%
In the structure, the upbringing degree on operating income categories looks as follows:

	June 30, 2014	June 30, 2013	[%] 2014/2013
Sales turnover, out of which :	186,173,019	168,172,235	110,7%
<i>Transport service revenues, of which:</i>	<i>185,214,579</i>	<i>167,497,524</i>	<i>110,6%</i>
<i>Domestic crude oil transport services revenues</i>	<i>159,221,483</i>	<i>150,277,246</i>	<i>106,0%</i>
<i>Import crude oil transport services revenues</i>	<i>25,993,096</i>	<i>17,220,278</i>	<i>150,9%</i>
Rental revenues	565,741	473,977	119,4%
Revenues from other services supply	392,699	200,734	195,6%
Other operating revenues, of which:	13,356,940	18,298,065	73,0%
Modernization quota recognized as income	12,342,549	14,129,194	87,4%
Revenues from assets sale	640,303	272,932	234,6%
Revenues from rich gas stock sale		1,026,790	0,0%
Revenues from enforcement of guarantees		2,603,096	0,0%
Other revenues	374,088	266,054	140,6%
Total operating revenues	199,529,959	186,470,300	107,0%

Transport Revenues

The revenues achieved from the transport of crude oil, rich gas, condensate and ethane through the National Transport System were determined based on the quantity of crude oil, rich gas and condensate carried to the clients and the tariffs approved by Order of the President of the National Agency for Mineral Resources.

The transport tariffs are approved by the National Agency for Mineral Resources and are being differentiated on the two transport sub-systems, country and import, as follows:

	Average tariff for the transport on the country sub-system -Lei/tonne-
Order no.150/2012 for the period 05.06.2012-10.12.2013	74,58
Order no.199/2013 for the period 11.12.2013-to date	78,64

The tariffs are being charged differently, per refineries, on transported quantities intervals, being applied the tariff bracket system.

In physical units, the comparative situation of the crude oil, rich gas and condensate quantities carried for the clients looks as follows:

Product Categories	M.U.	30.06.2014	30.06.2013
Domestic crude	tons	1,919,623	1,960,432
Import Crude	tons	1,076,198	660,679
Rich Gas	tons	18,897	18,286
Condensate	tons	78,723	62,491
TOTAL		3,093,441	2,701,888

Other operating revenues

As regards this category, the proportion of the revenues established at the level of achieved assets depreciation in modernization quota is of 92,40%.

12. Operating Expenses

The operating expenses followed the operating revenues trend, the increase being though of only 3.3% .

Therefore, at 30.06.2014 the operating expenses amount for 166,787,096 Lei, as compared to 161,448,802 Lei yoy, situation that looks as follows in the structure:

	June 30, 2014	June 30, 2013
Raw materials and consumables expenses	9,590,460	8,667,839
Personnel expenses	47,920,217	46,230,690
Outside services expenses	58,822,757	59,578,514
Other expenses	31,221,681	27,031,666
Assets value adjustments (depreciation)	24,049,724	20,439,850
Provision adjustments	(4,817,743)	(499,757)
Total operating expenses	166,787,096	161,448,802

a) Raw materials and consumables expenses

	30 June, 2014	30 June, 2013
Consumables expenses	3,176,347	2,601,167
Other material expenses	672,562	340,367
Energy and water expenses	6,081,238	5,770,798
Trade allowances	339,686	44,493
Raw materials and consumables expenses	9,590,462	8,667,839

b) Personnel Expenses

	30 June, 2014	30 June, 2013
Salaries expenses	32,961,111	32,395,643
Lunch vouchers expenses	1,798,099	1,855,613
Share of profit expenses	2,716,986	1,900,992
CLA social security expenses	521,692	525,532
Social insurances expenses	9,922,329	9,552,910
Personnel expenses	47,920,217	46,230,690

c) The outside services expenses include:

	30 June, 2014	30 June, 2013
Goods and personnel transport expenses	39,767,896	40,845,014
Royalties, commercial leasing and rental expenses	14,692,359	13,348,977
Bank services and assimilated expenses	16,823	13,166
Insurance premiums expenses	195,704	193,951
Commissions and fees expenses	184,625	72,318
Maintenance and repairs expenses	1,238,615	2,548,024

Postal expenses and telecommunication charges	241,410	467,643
Travel, assignments and transfer expenses	302,451	213,431
Ceremonial, advertising and publicity expenses	152,293	34,553
Other expenses with third-parties services performance	2,030,581	1,841,437
Total	58,822,757	59,578,514

The royalties, commercial leasing and rental expenses include the oil royalty, calculated according to EGO 101/ 14 October, 2007 as 10% of the value of gross income achieved from oil transport and transit through the Oil National Transport System.

Other third-parties expenses include the expenses incurred by the Company for pumping the crude oil through pipelines, for the use of rail system related to transport services and for several environmental protection and decontamination activities.

d) Other expenses include :

	June 30, 2014	June 30, 2013
Other duties, taxes and similar levies	1,723,899	657,633
Compensations, fines and penalties expenses	23,536	9,066
Sponsorship	326,020	10,331
Assigned assets and other capital operations expenses	161,305	318,477
Environmental protection expenses	103,589	34,159
Other operating expenses	28,883,333	26,002,001
Total	31,221,681	27,031,666

The expenses related to duties, taxes and similar levies register an increase by 1,066 thousand Lei, following the application, in 2014, of the EGO 102/2013 for the amendment and completion of Law 571/2003 regarding the Fiscal Code and regulation of some financial-fiscal measures related to the introduction of a special tax on special construction, of 1,5%.

At "Other operating expenses" position the modernization quota accounts for most part of the expenses, in 2014 amounting for 28,766,054 Lei (99,59%), and in 2013 for 25,876,990 Lei (99,52%) Lei.

The reserves constituted based on the modernization quota fall under the provisions of G.D. 168/1998 regarding the settlement of the expenses necessary for the development and modernization of crude oil and natural gas production, refineries, oil transport and distribution with subsequent amendments revealed in GD 768 from 7 September, 2000 and G.D. 1116 from 10 October, 2002 and the specifications in the CFC Decision no. 4/ 2004.

At 30.06.2014 the operating profit amounts for 32,742,863 Lei, 7,721,365 Lei (respectively 30,86%) higher yoy, in amount of 25,021,498 Lei.

Financial activity result

Financial result	June 30, 2014	June 30, 2013
Interest income	4,735,928	5,877,481
Revenues related to exchange rate differences	80,390	316,695
Total financial revenues	4,816,318	6,194,176
Expenses on exchange rate differences	201,477	261,480
Total financial expenses	201,477	261,480
Financial result (profit)	4,614,841	5,932,696

The financial revenues registered a decrease by 1 379 thousand Lei as compared with H1 2013, due to the decrease of the interests rate for bank deposits.

13. Income taxes

The Company deferred and current income tax at 30.06.2014 and 30.06.2013 is being determined at a statutory rate of 16%.

The income tax expense for 1 H 2014 as compared to H1 2013 was established was settled as follows:

	1 H 2014	1H 2013
Current income tax	6,415,599	5,332,116

Profit before tax

	30 iunie 2014	30 iunie 2013
A) Total revenues	204,346,277	192,664,477
B) Total expenses	166,988,573	161,710,282
C) IFRS transition effect	-	-146,290
D) Gross result (A-B-C)	37,357,704	31,100,485
-Non-deductible expenses	+1,247,749	+884,738
-Non-taxable income	-4,817,745	-499,757
-Elements similar to income	+8,356,987	+1,914,563
- Elements similar to expenses	-9,583	-9,736
E) Taxable profit	42,135,112	33,390,293
Income tax	6,741,619	5,342,447
Sponsorship expenses deduction	326,020	10,331
F) Income tax payable	6,415,599	5,332,116

In the structure, the *non-deductible expenses*, amounting 1,247,749 Lei, look as follows:

- 381,302 Lei (respectively 30,6%) social expenses engaged according to the Company's Collective Labour Contract, performed over the deductibility limit provided in the Fiscal Code, respectively 2% of the personnel expenses (of 30,6% representing.....)
- 326,020 Lei (respectively 26,10%) sponsorship expenses;
- 281,841 Lei (respectively 22,60%) expenses with the depreciation of the transport means over the limit established in art.24 paragraph 11¹ from the Fiscal Code (respectively (respectively 1,500 Lei/month)

The difference of 258,586 Lei (respectively 20.7%) is constituted from expenses incurred by environmental fines, expenses related to discarding of some intangible assets in progress and other non-deductible expenses as per the Fiscal Code.

The non-taxable income are mainly related to the annulled provisions.

The income similar elements are mainly constituted from the revaluation surplus capitalization registered concurrently with the registration of depreciation expenses (related to the revaluations from 2008, 2011 and 2013).

14. Transactions with State-Owned Companies

The Company performs trades with companies where State holds majority or integral stake. The value of the transactions and the situation of the current receivables and liabilities with these companies looks as follows :

	June 30, 2014	June 30, 2013
Sales	74,056	18,917
Procurements	41,806,963	1,146,100

	June 30, 2014	June 30, 2013
Trade receivables	13,893	26,760
Trade liabilities	16,465,976	161,557

The significant increase of the procurements volume and implicitly of the related obligations is being determined by the execution, in 2014, of the railway transport contract cu SNTFM-CFR Marfa.

15. Explanations Regarding the Transition to IFRS

For comparability of financial data according to IFRS, the Company adjusted the values previously reported in the financial statements prepared in compliance with the provisions of OMPF 3055/2009 subsequent amendments.

Explanations regarding the manner in which the financial position and the Company's performance were affected by the transition from OMPF 3055/2009, subsequent amendments and completions to IFRS are being presented in the table below:

	OMP 3055/2009	The IFRS EU transition effect	IFRS EU
	June 30 2013		June 30 2013
Operating revenues	186,470,300		186,470,300
Total operating revenues	186,470,300		186,470,300
Expenses	161,302,512	146 290	161,448,802

Restatement differences
as per IAS 29 related to the
operating oil product

<i>Total operating expenses</i>	<u>161,302,512</u>	<u>146,290</u>	<u>161,448,802</u>
Operating profit	25,167,788	(146,290)	25,021,498
Financial revenues	6,194,176		6,194,176
Financial expenses	261,480		261,480
Financial profit	5,932,696	0	5,932,696
Profit before income tax	31,100,485	(146,290)	30,954,194
Income tax expense	5,332,116		5,332,116
Year's result	25,768,369	(146,290)	25,622,078

General Director
Eng. Ilasi Liviu

Economic Director
Econ.Toader Sanda

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