

**SC CONPET SA**

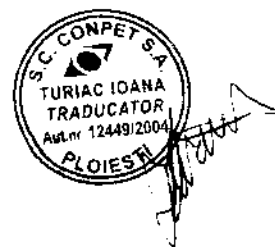
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Cod unic de inregistrare: R 1350020, Cod CAEN 4950
Inregistrata la Registrul Comertului Prahova sub nr.J29/6/22.01.1991
Capital social subscris si varsat 28 569 842.40 lei



NR. 5253 / 11.02.2015

PRELIMINARY FINANCIAL STATEMENTS
on the date and for fiscal year ended December 31, 2014

Prepared as per the
International Financing Reporting Standards
adopted by the European Union and approved by the
Order of the Ministry of Public Finance no.1286/2012, subsequent amendments

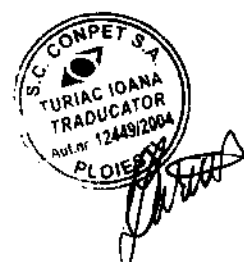


CONTENTS:

Page

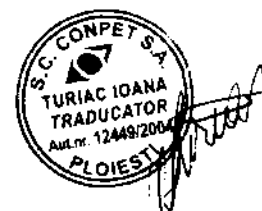
Preliminary financial statements at 31.12.2014

The simplified statement of the financial position.....	3
Statement of the profit or loss and other elements of the global result	5
Statement of changes in equity.....	6
Cash flow statement.....	7
Notes to the interim financial statements	8



STATEMENT OF THE FINANCIAL POSITION AT DECEMBER 31, 2014
- PRELIMINARY DATA -

	31.12.2014	31.12.2013	[%]
Assets			
Non-current assets			
Tangible assets	415,472,567	413,715,800	100,4%
Intangible assets	3,162,304	6,308,341	50,1%
Financial investments	508,916	1,020,324	49,9%
Total non-current assets	419,143,788	421,044,465	99,5%
Current assets			
Inventories	7,602,845	7,404,013	102,7%
Trade receivables and other receivables	34,267,363	41,797,973	82,0%
Short-term investments	7,669,483	7,080,956	108,3%
Cash and cash equivalents	335,367,828	249,494,539	134,4%
Prepaid expenditure	213,560	218,445	97,8%
TOTAL Current assets	385,121,079	305,995,926	125,9%
TOTAL Assets	804,264,866	727,040,391	110,6%
Shareholder's Equity and Liabilities			
Shareholder's equity			
Share capital, out of which:	28,569,842	145,794,385	19,6%
Subscribed share capital	28,569,842	28,569,842	100,0%
Share capital adjusted for inflation		117,224,543	0,0%
Revaluation reserves	111,421,475	112,473,352	99,1%
Legal reserves	5,713,968	5,713,968	100,0%
Other reserves	475,619,181	441,436,160	107,7%
Retained earnings	49,167,619	-85,961,582	-57,2%
Year's result	50,485,305	31,297,556	161,3%
Total shareholder's equity	720,977,390	650,753,839	110,8%
Long-term liabilities			
Deferred profit tax liabilities	3,478,973	3,478,973	100,0%
Provision for pension	2,909,575	3,187,830	91,3%
Trade liabilities		625,135	0,0%
Total long-term liabilities	6,388,548	7,291,938	87,6%
Trade liabilities	29,904,407	25,184,565	118,7%
Other liabilities	24,026,465	23,217,850	103,5%



SC CONPET SA

Statement of the financial position at December 31, 2014

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

Short-term loans			
Short-term provisions	21,987,918	19,525,449	112,6%
Deferred income	22,050	25,157	87,7%
Investment subsidies	958,088	1,041,593	92,0%
Total current liabilities	76,898,929	68,994,614	111,5%
Total liabilities	83,287,477	76,286,552	109,2%
Total shareholder's equity and liabilities	804,264,866	727,040,391	110,6%

GENERAL DIRECTOR,
Eng. Liviu Ilasi**S.s. Illegible****ECONOMIC DIRECTOR,**
Ec. Sanda Toader**S.s. Illegible****Stamp**

**THE STATEMENT OF THE PROFIT OR LOSS AND OTHER ELEMENTS OF THE GLOBAL
RESULT FOR THE FISCAL YEAR ENDED AT DECEMBER 31, 2014**
- PRELIMINARY DATA -

	31,12,2014	31,12,2013
Income		
Sales revenues	375,045,523	348,853,873
Other income	27,402,036	56,907,583
Total operating income	402,447,560	405,761,456
Expenses		
Raw materials and consumables expenses	18,363,374	16,628,171
Personnel expenses	98,015,329	97,885,122
Write downs of tangible and intangible assets	46,490,744	36,662,747
Current assets impairments	480,817	1,565,637
Outside services related expenses	118,477,376	123,624,927
Other expenses	64,456,460	90,772,194
Provisions adjustments	2,184,216	8,672,876
Total operating expenses	348,468,315	375,811,674
Operating profit	53,979,244	29,949,781
Financial income	9,947,716	11,821,081
Financial expenses	272,039	470,816
Financial profit	9,675,678	11,350,265
Profit before income tax	63,654,922	41,300,046
Income tax expense	13,169,617	10,002,491
Profit for the year	50,485,305	31,297,556

GENERAL DIRECTOR,
Eng. Liviu Iltasi

S.s. Illegible

ECONOMIC DIRECTOR,
Ec. Sanda Toader

S.s. Illegible

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SC CONPET SA

Statement of changes in equity at December 31, 2014

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

STATEMENT OF CHANGES IN EQUITY AT 31.12.2014 – PRELIMINARY DATA -

	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	30,118,958	(120,080,985)	4,000,545	31,297,556	850,783,839
Net profit of the year increase of modernization quota fund diminution of the quota fund increases out of revaluations				60,655,647 (25,353,734)		31,297,556				31,297,556 60,655,647 (25,353,734) 15,560,237
Reversal of surplus out of revaluation					(16,612,114)	15,026,550				(1,585,564)
Retained earnings resulting from the correction of the accounting errors						21,566				21,566
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)			50,485,305	50,485,305 (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 December 31, 2014	28,569,842	-	5,713,968	475,619,181	111,421,475	45,167,074	-	4,000,545	50,485,305	720,977,390

GENERAL DIRECTOR,
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CASH FLOW STATEMENT AT 31.12.2014
-PRELIMINARY DATA-

(Direct Method)

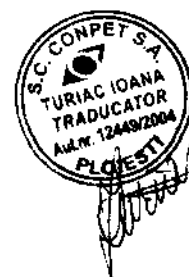
	Designation of the Element	31.12.2014	31.12.2013
	Cash flows from operating expenses:		
+	Cash collections from customers	415,918,467	377,157,502
+	Other collections	7,389,568	11,433,547
-	Payments to goods and services suppliers	138,802,797	153,718,651
-	Payments to and on behalf of the employees	99,139,348	97,978,040
-	VAT payments	58,716,346	49,805,434
-	Income tax related payments	12,317,009	10,401,324
-	Other payments for operating activities	36,083,105	32,072,443
A	Net cash from operating activities	78,249,430	44,615,157
	Net cash from investment activities :		
+	Proceeds from sale of tangible assets	61,964	1,084,425
+	Proceeds from modernization quota	58,036,141	53,292,505
-	Purchase of tangible assets	30,284,627	32,024,398
-	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	27,813,478	22,320,866
	Cash flows from financing activities		
+	Proceeds from short-term financial investments	9,451,926	11,580,798
+	Proceeds from other financial income	544,060	886,149
-	Payments for purchase of short-term financial investments	588,528	318,509
-	Paid dividends	29,600,077	28,357,395
C	Net cash from financing activities	-20,189,619	-16,208,957
	Net increase of the cash and cash equivalents=A+B+C=D2-D1	85,873,289	50,727,066
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	335,367,828	249,494,539

The preliminary financial statements at 31.12.2014 are not audited.

GENERAL DIRECTOR,
Eng. Liviu Ilasi
S.s. Illegible

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1. Tangible Assets

The net value of the tangible assets has increased as compared to 2013, by the amount of 1,756,768 Lei.

By the end of 2014, the company revaluated the concessioned goods (goods belonging to the State public domain) and goods within SC CONPET SA patrimony: lands and fixed assets of group I (constructions and special constructions).

As in the tangible assets, the company also recognized the operating oil product that is being evaluated at the cost determined by the revaluation performed as per GD no.26 from January 22, 1992, here included the effects of the restatements registered in the previous years, pursuant to the application to IAS 29 "Financial reporting in the hyperinflationary economies".

The operating oil product has a depreciated useful life, as it physically revives with each pumping, therefore it doesn't face qualitative or moral depreciation, consequently is not amortized.

The Statement at December 31, 2014 and December 31, 2013 is the following:

Operating Oil Product Balance	31.12.2014	31.12.2013
	<u>42,865,714</u>	<u>42,865,714</u>

2. Intangible Assets

At 31.12.2014 the net value of the non-tangible assets is of 3,162,304 Lei, 3,146,037 Lei lower than the the end of 2013;

The intangible assets include: IT programs, soft licenses, the account for being performed at historical cost.

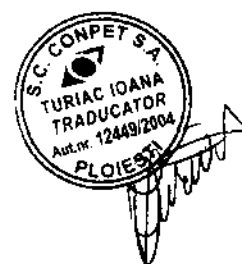
3. Financial Assets

The financial assets mainly include equity interests to the share capital of other companies and establish bonds in favour of third parties.

The company holds equity securities 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 situated in UK.

At December 31, 2014, the financial assets have decreased by 511,408 Lei as compared to December 31, 2013, mainly due to the reduction of other long-term receivables (bonds) by 502,292 Lei.



4. Stocks

At December 31, 2014 and December 31, 2013 the stocks reveal the followings:

	31.12.2014	31.12.2013
Raw materials and consumables	9,412,386	9,478,611
Adjustments for depreciation: depreciated and slow moving stocks	(1,809,541)	(2,074,598)
TOTAL	7,602,845	7,404,013

5. Trade Receivables and Other Receivables

The statement of the trade receivables and other receivables, at December 31, 2014 and December 31, 2013 reveals the followings:

	31.12.2014	31.12.2013
Clients		
	31,387,166	39,770,229
Long-term receivables under 1 year	1,404	24,089
Write downs for doubtful receivables	(647,884)	(637,903)
Sub-total trade receivables (net)	30,740,686	39,156,415
Other receivables	6,816,865	5,191,332
Write downs for other doubtful receivables	(3,290,237)	(2,554,343)
Sub-total other receivables (net)	3,526,628	2,636,989
Prepayments	49	4,569
Total other short-term receivables	34,267,363	41,797,973
Other long-term receivables	400,491	735,524

The main clients holding a significant quota (81%) in the turnover are: S.C. OMV PETROM S.A., S.C. Petrotel Lukoil S.A., S.C. Rompetrol Rafinare S.A. The company's client, OMV PETROM SA holdover 76% of the total receivables at December 31, 2014.

Other receivables, amounting 5,986,341 Lei mainly include amounts to be recovered from different natural and legal persons in litigation before the law courts, Non-exigible VAT unrarried invocie, as well as interest receivable related to the maturity deposits under three months.



Write downs for the depreciation of doubtful receivables and other doubtful receivables

At the reporting date, the write downs for the depreciation of receivables are in amount of 3,938,121 Lei, the amount of 94,630 Lei being recognized as income during the period January-December 2014, due to the encashment of certain debits or fines falling under the challenge procedure.

The Company's Policy is to register an write down for a loss of value of 100% for the clients under litigation, insolvency, bankruptcy and other debts related to cases pending before the court of law or fees, falling under challenge procedure.

At the end of 2014, the company maintained the depreciation write downs established for the doubtful receivables related to debits 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)

In addition, was registered a write down also for the amount receivable from SC FOTBAL CLUB PETROLUL S.A. (9,981 Lei).

The above mentioned refer to the counter value of some 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.

The difference of 3,290,237 Lei represent write downs for other receivables – debtors legal persons pending before the law courts.

6. Short-Term Investments

The short-term investments are assets held by the company in view of achieving a profit within a period of time shorter than one year. They stand for deposits with a maturity of over 3 months and interest receivable at the end of the period.

Short - term Investments	31.12.2014	31.12.2013
Bank deposits with due date > 3 luni	7,669,483	7,080,956

7. Cash and Cash Equivalents

At December 31, 2014 and December 31, 2013 cash and cash equivalents reveal the followings:

	31.12.2014	31.12.2013
Current bank accounts	7,385,575	1,925,214
≤ 3 months bank deposits	327,928,312	247,508,995
Cash on hand	16,252	11,460
Other cash equivalents	37,689	48,870
Total	335,367,828	249,494,539

The pipeline transport tariff included an expenses quota for the modernization and development of the Crude Oil Pipeline Transport System. The modernization quota is being collected according to the rhythm of the proceeds from transport services and managed by distinct cash account. The expenses quota for the modernization and development is aimed at the financial support of the rehabilitation and modernization of the Crude Oil National Transport System through Pipelines.

At 31.12.2014, the cash related to the modernization quota in the company's accounts are in amount of 142,123,515 Lei (42% of the cash).

8. Equities

The Share Capital

The share capital suffered 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 the year 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 use of the credit balance of the account "Share Capital Adjustments" for the recovery of a part of the accounting loss carried forward generated by the application, for the first time, of IAS 29, loss in a total amount of 120,080,985 Lei.

	31.12.2014	31.12.2013
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 December 31, 2014 the company's subscribed and paid-in share capital, in amount of 28,569,842 Lei is being 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 31 December, 2014 is the following:

Shareholders	31.12.2014		
	Number of shares	Amount (RON)	(%)
The Romanian State by the Ministry of Economy	5,083,372	16,775,128	58,7162%
Legal persons	2,915,552	9,621,321	33,6765%
Natural persons	658,604	2,173,393	7,6073%
Total	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 December 31, 2014 *Other Reserves* amount for 475,619,181 Lei, of which 371,851,260 Lei represent the modernization and development quota, and 19,060,265 Lei represent the reserve related to the lands for which are obtained land ownership certificates and the share capital was not increased.

Revaluation Reserves

The revaluation reserve amounts for 111,421,475 Lei at December 31, 2014 respectively 112,473,352 Lei at 31 December, 2013.

Retained Earnings

At December 31, 2014 the the retained earnings, in amount of 49,167,619 Lei consists of:

- 45,167,074 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

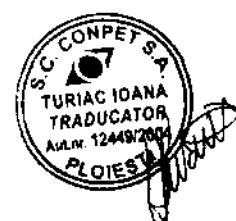
At 31.12.2014, the net profit reaches the amount of 50,485,305 Lei, increased by 61,31% yoy.

9. 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, company's contribution to the facultative pensions schemes, other benefits, as well as bonuses consisting of: 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, food vouchers, other bonuses.

The obligations regarding the employees benefits reveal the followings:

	31.12. 2014	31.12. 2013
Quarterly premiums	1,982,355	4,539,911
Retirement support	238,125	208,098
Marriage indemnization	44,450	15674
Employees share of profit	2,716,986	1,900,992
Company's contributions to the facultative pensions schemes	1,659,435	0
Other benefits	843,780	1,767,920
TOTAL	7,485,131	8,432,595



The statement of the bonuses paid to the employees reveals the followings:

	31.12. 2014	31.12. 2013
Holiday and treatment vouchers and transport related	664,099	678,072
Presents given to women employees and the employees minor children	117,525	136,710
Birth grant, funeral, serious diseases, humanitarian	524,466	541,117
Food vouchers	3,467,625	3,583,110
Other bonuses	32,011	34,095
TOTAL	4,805,726	4,973,104

Wage System

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:

	31.12.2014	31.12.2013
Indemnization related to the contract of mandate	541,221	94,506
Allowances of non-executive members of Board of Administration	484,248	11,959
TOTAL	1,025,469	106,465

At the end of the fiscal years, the Company had no liability related to payment of pensions to the former members of the Board of Administration and executive management, neither registered prepayments to be settled to the members of the executive management.

There were no future bonds or liabilities taken over by the Company on behalf of the administrators or directors.

The expenses with the salaries and the related contributions registered along 2014 and 2013 are the followings:

	31.12.2014	31.12.2013
Salaries expenses	65,512,015	64,153,754
Expenses with social security s	19,186,987	20,219,204
Total	84,699,002	84,372,958



Note: the Line "Expenses with salaries" does not comprise the benefits and bonuses of the employees, neither the indemnities of the General Director and the members of the Board of Administration.

10. Trade Liabilities and Other Liabilities

At December 31, 2014 and December 31, 2013 the trade liabilities and other liabilities reveal the followings:

Liabilities	31.12.2013	31.12.2014	Balance Maturity Date at December 31, 2013		
			Under 1 year	1-5 years	Over 5 years
1.Amounts due to credit institutions	-	-	-	-	-
2.Advances received for orders in progress	-	-	-	-	-
3.Trade liabilities-third party suppliers	25,809,700	29,904,407	29,904,407	-	-
4.Total trade liabilities (1+2+3)	25,809,700	29,904,407	29,904,407	-	-
5. Other liabilities, including fiscal debts and liabilities regarding social securities	26,696,823	27,512,108	24,033,135	3,478,973	-
Total	52,506,523	57,416,515	53,937,542	3,478,973	-

The most important Company's suppliers of goods and services necessary for the performance of the operation activity are being mainly represented by: SNTFM CFR Marfa, S.C. OMV Petrom S.A., Tinmar Ind S.A., S.C. Grup Feroviar Roman S.A., and S.C. Premier Energy S.R.L. In 2014 the share thereof in total operation suppliers being of 81 %,

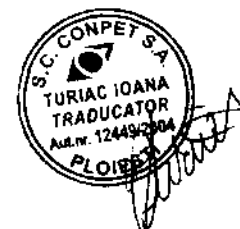
In case of fixed assets suppliers the share is being held by the following suppliers: Tancrad S.R.L., S.C. Talpac SRL, Argenta SRL, Condmag SA, Eurosting AAW SRL, IPM Partners Romania SRL and Rosen Europe Netherlands. The value thereof represents 68% in total fixed assets suppliers in the year 2014.

At December 31, 2014 and December 31, 2013 other liabilities, including the fiscal liabilities and the liabilities regarding the social security s reveal the followings:

Liabilities	31.12.2013	31.12.2014	Balance Maturity Date at December 31, 2014		
			Under 1 year	1-5 year	Over 5 years
Salaries and assimilated liabilities	4,180,665	3,448,081	3,448,081	-	-
Contributions related to salaries	2,887,001	3,341,934	3,341,934	-	-
Income tax	5,536,668	6,395,945	2,916,972	3,478,973	-
Oil royalty	6,630,265	7,123,636	7,123,636	-	-
VAT payable	4,081,866	4,212,128	4,212,128	-	-
Other taxes and liabilities owed to the budget	1,715,209	1,024,266	1,024,266	-	-
Dividends payable	1,310,076	1,651,216	1,651,216	-	-
Other liabilities	355,073	341,902	314,902	-	-
Total	26,696,823	27,512,108	24,033,135	3,478,973	-

11. Provisions

	31.12.2014	31.12.2013
Provisions for litigations	8,937,366	9,557,945
Provisions for employees benefits	10,321,886	7,837,928
-Provision for share of profit	5,334,842	3,475,098
Provision for unused annual leaves	1,122,500	1,175,000
Provision for variable allowance executive and non-executive administrators	919,968	0
Other provisions, of which:	5,638,241	5,317,406
Provisions for environment	2,655,052	2,608,552
TOTAL	24,897,493	22,713,279



Provisions for Litigations

The company is involved in several litigations with the owners of the lands crossed/undercrossed by the pipelines belonging to the Crude Oil National Transport System, State public property. Based on their land right, the owners have instituted legal proceedings against the company, claiming the instances the payment of indemnifications, invoking the lands lack of use, as well as the impossibility to execute various constructions of social or commercial nature. The trials are pending before many law court all over the country, materially and territorially authorized to judge trials of such nature. Concurrently, the value thereof has decreased by the amount of 2,664,428 Lei, by recognition as income of the provisions for litigations devoid of purpose.

Provisions for Employees Benefits

At 31.12.2014 the provisions balance for the employees benefits is in total amount of 10,321,886 Lei, of which the most important are:

- 2,909,575 Lei provision for pensions;
- 5,334,843 Lei provision for employees share of profit, including the related contributions;
- 1,122,500 Lei provision for unused annual leaves;
- 919,968 Lei provision for the variable allowance of the executive and non-executive administrators.

Other provisions

At 31.12.2014, other provisions in amount of 5,638,241 Lei mainly include:

- 2,655,051 Lei provisions related to environmental expenses;
- 1,519,735,41 Lei provisions related to the expenses with the fixed assets in progress (Breaza Cardiovascular Restore Base)

12. Operating Income

	31.12.2014	31.12.2013
Sales turnover, of which :	375,045,523	348,853,873
Transport service revenues, of which:	372,945,993	347,378,482
Domestic crude oil transport services revenues	314,399,632	304,216,517
Import crude oil transport services revenues	58,546,361	43,161,965
Rental revenues	1,348,073	975,723
Revenues from other services supply	751,458	499,667
Other oprating revenues, of which:	27,402,036	56,907,583
Revenues from modernization quota consumption	25,353,734	50,157,269
Revenues from sale of operating oil product	0	1,026,789
Revenues from enforcement of guarantees	11,296	3,237,523
Revenues liquidated damages	33,104	418,121

Revenues related to inventory surplus as fixed assets or other revenues	701	70,478
Other revenues	2,003,202	1,997,403
Total operating revenues	402,447,560	405,761,456

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 tariff is being differentiated on the two transport sub-systems, country and import.

Other Operating Income

The revenues from modernization quota consumption represent 93% of other operating revenues achieves. In 2014, the modernization quota consumption revenues registered a decrease by 49,5% yoy.

13. Operating Expenses

The table below sets forth other operating expenses, based on the nature thereof:

	31.12. 2014	31.12.2013
Raw materials and consumables expenses	18,363,374	16,628,172
Personnel expenses	98,015,329	97,885,122
External services expenses	118,477,376	123,624,925
Other expenses	64,456,460	90,772,195

a) Raw Materiales and Consumables Expenses

	31.12.2014	31.12.2013
Raw materials and consumables expenses	18,365,374	16,628,172
Expenses with consumables	6,608,830	5,475,569
Other material expenses	1,209,332	642,499
Other expenses with energy and water	10,895,861	10,622,134
Goods-related expenses	0	0
Trade allowances	348,468	112,030

	31.12. 2014	31.12.2013
b) Personnel Expenses	98,015,329	97,885,122
Salaries expenses	69,646,194	70,791,821
Food vouchers expenses	3,467,625	3,583,111
Share of profit expenses	2,716,986	1,900,992
CLA social protection expenses	1,338,101	1,389,995
Social securities expenses	20,846,422	20,219,203

c) The external services expenses include:

	31.12. 2014	31.12. 2013
The external services expenses	118,477,376	123,624,924
Expenses with maintenance and repairs	2,733,043	4,712,023
Royalties, commercial leasings and rental expenses	29,887,911	27,560,170
Insurance premiums expenses	400,145	392,633
Commissions and fees expenses	317,794	399,880
Ceremonial, advertising and publicity expenses	378,201	203,330
Personnel and goods transport related expenses	446,932	417,309
Travel, assignments and transfer expenses	672,131	593,191
Postal expenses and telecommunication charges	430,096	943,975
Expenses with bank services and assimilated services	33,180	28,861
Other expenses with third-parties services performance	83,177,943	88,373,552

The royalties, commercial leasings 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 operations through the Oil National Transport System.

Other expenses with third-parties services performance include the expenses incurred by the Company for the curde oil pumping, the use of railways related to transport services and for several environmental protection and clean-up activities.

d) Other expenses include :

	31.12.2014	31.12.2013
Other expenses, of which:	64,456,460	90,772,195
Other taxes, duties and similar levies	3,427,991	2,191,027
Compensations, fines and penalties expenses	54,189	167,967
Sponsorship	589,373	494,833
Assigned assets and other capital operations expenses	231,972	961,427
Environmental protection expenses	265,986	182,307
Expenses from revaluation of tangible assets	1,640,187	33,002,110
Expenses settlement modernization quota	58,036,141	53,292,505

Other operating expenses	210,620	510,019
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The expenses related to other duties, taxes and similar levies comprise mainly the expenses with local taxes.

The company constitutes reserves based on the modernization quota by other operating expenses, pursuant to the provisions of G.D. no.168/1998 subsequent amendments and CFC (Central Fiscal Commission) Decision 4/2004.

14. Net Financial Result

	31.12.2014	31.12.2013
Interest income	9,774,219	11,319,641
Revenues related to exchange rate differences	149,492	493,641
Other financial income	24,005	7,799
Total financial revenues	9,947,716	11,821,081
Interest expenses	0	0
Expenses to exchange rate differences	(239,793)	(448,283)
Other financial expenses	(32,246)	(22,533)
Total Financial Expenses	(272,039)	(470,816)
Net financial result	9,675,678	11,350,265

The financial revenues and financial expenses registered a decrease by 16%, respectively 42% in 2014 yoy. The net financial result has decreased in 2014 yoy, mainly due to the reduction of interests for term deposits.

15. Transactions with State-Owned Companies

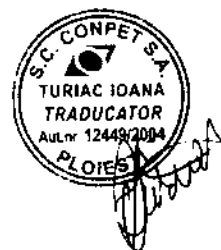
The company performs trade transactions related to auxiliary activities and State fully/entirely owned companies.

The value of these transactions in 2014 and 2013 is being set forth below:

	2014	2013
Sales	131,857	18,917
Procurement	80,740,408	1,146,100

The amounts unsettled at December 31, 2014 and 2013 are revealed here below :

	2014	2013
Trade debts	23,133	26,760
Trade liabilities	10,862,571	161,557



The information presented here-above reveals a significant increase of both the procurement value and the trade liabilities, due to the performance of the trade transactions with SNTFM – CFR Marfa. (procurement value: 78,505,393 Lei, trade liabilities value: 10,792,323 Lei).

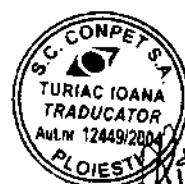
**CHAIRMAN OF THE BOARD OF DIRECTORS,
"CONPET" S.A.**

Dan Weiler
S.s. Illegible

Stamp

**GENERAL DIRECTOR,
Eng. Liviu Ilasi**
S.s. Illegible

**ECONOMIC DIRECTOR,
Econ. TOADER SANDA**
S.s. Illegible

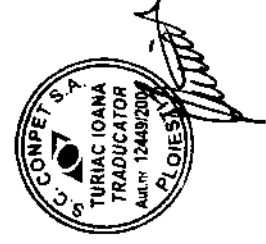


OVERVIEW OF THE WORKS AND PRODUCTS PROCUREMENT CONTRACTS WITH VALUES EXCEEDING 500.000 EURO, CONCLUDED IN 2014										
CONTRACTOR'S NAME	SCOPE OF CONTRACT	NAME OF CONTRACT	PROCUREMENT PROCEDURE APPLIED	NAME OF THE BENEFICIARY (IF DIFFERENT FROM THE CONTRACTING AUTHORITY)	NUMBER OF THE BID NOTICE	INITIAL VALUE OF THE CONTRACT (RON)	VALUE OF CONTRACT AFTER THE POTENTIAL ADDENDA (RON)	STARTING DATE OF THE CONTRACT	CONTRACT DURATION INITIALLY ESTABLISHED (MONTHS)	END DATE OF THE CONTRACT (MONTHS)
SC ROMSYS SRL BUCHAREST	Performance and turnkey delivery of a pilot system for the detections and location of product leaks from the crude oil major pipelines Videle - Cartojani -Ploiesti	L-CA 10/ 17.01.2014	Open tender – bid notice published on SEAP (Art.124 from EGO 34/2006 updated)		353275/ 02.09.2013	4,084,775.78	4,084,775.78	17.01.2014	18	18
SC ELECTRICA FURNIZARE SA BUCURESTI	Electric power supply Lot 1 – for 36 consumption sites from ENEL supply area	P-CA 471/ 08.12.2014	Tender – bid notice published on CONPET site (art.22 from the Procurement Internal Procedural Norms of „CONPET” S.A.)		40950/ 21.10.2014	2,769,389.72	2,769,389.72	01.01.2015	12	12

General Director,
Eng. Liviu Iliasi
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Economic Director,
Econ. Sanda Toader
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Manager of the Procurement and Investments Management Department,
Eng. Radu Albu
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OVERVIEW OF THE WORKS PROCUREMENT CONTRACTS WITH VALUES EXCEEDING 100.000 EURO, CONCLUDED IN 2014

CONTRACTOR'S NAME	SCOPE OF CONTRACT	NAME OF CONTRACT	PROCUREMENT PROCEDURE APPLIED	NAME OF THE BENEFICIARY (IF DIFFERENT FROM THE CONTRACTING AUTHORITY)	NUMBER OF THE BID NOTICE	INITIAL VALUE OF THE CONTRACT (RON)	VALUE OF CONTRACT AFTER THE POTENTIAL ADDENDA (RON)	STARTING DATE OF THE CONTRACT	CONTRACT DURATION INITIALLY ESTABLISHED (MONTHS)	END DATE OF THE CONTRACT (MONTHS)
SC NEI GUARD SRL Ilfov	Supply of security, protection and intervention services in relation to the objectives, goods and values belonging to CONPET SA, headquarter I, headquarter II, Inolesti, Vointa Sport's Base, Strejnic Sport's Base, duration up to 30.11.2016	S-CA-CD 453/ 18.11.2014	Direct buy – bid notice published on CONPET site (Art.1 paragraph (3) from the Procurement Internal Procedural Norms of „CONPET” S.A.)		41711/ 27.10.2014	727,784.40	727,784.40	01.12.2014	24	24
SC ORANGE ROMANIA SA BUCURESTI	Electronic communication services	S-CA 57/ 18.02.2014	Open tender – bid notice published on SEAP (Art. 20 from EGO 34/2006 updated)		146463/ 11.09.2013	747,757.21	747,757.21	19.02.2014	24	24
CORROCONT LTD BUDAPESTA	Preparation of the technical – economic documentation (stages Technical Project, Scope of Work, Execution Details and Rough Estimate, for the execution of the modernization works and monitoring of the cathodic protection system at central and sectorial level, related to the imported and country crude oil transport system	S-CA 317/ 28.08.2014	Tender – bid notice published on CONPET site (Art.22 from the Procurement Internal Procedural Norms of „CONPET” S.A.)		22273/ 12.06.2014	811,000	811,000	28.08.2014	12	12
ROMSOFT SRL RAMNICU VALCEA	Maintenance and support services for the integrated computer system of CONPET SA	S-CA 283/ 23.03.2014	Tender – bid notice published on CONPET site (Art.22 from the Procurement Internal Procedural Norms of „CONPET” S.A.)		FN/ 06.06.2014	817,656	817,656	23.03.2014	24	24
ENVIROTECH SRL	Decontamination services of the land areas and polluted water courses following the damages produced on the crude oil, rich gas and ethane transport pipeline route of CONPET SA Ploiesti and take over of the contaminated land for the objectives within Region 1: Galati, Braila, Buzau, Constanta, Vrancea Counties	S-CA 92/ 17.03.2014	Open tender – bid notice published on SEAP (Art. 20 from EGO 34/2006 updated)		148562/ 18.12.2013	1,170,000	1,170,000	17.03.2014	15	15

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