

REPORT OF THE ADMINISTRATORS

2018 H1

**Period
(January - June 2018)**

prepared in compliance with Art. 223 of the ASF Regulation no. 5/2018 and Art. 55 of the EGO 109/2011 regarding the corporate governance of the public enterprises



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1. COMPANY PRESENTATION

1.1 Report and issuer identification data

Bi-yearly Report

Prepared in compliance with:

the provisions of Articles 65 of Law no. 24/ 2017 regarding the issuers of financial instruments and market operations;
 Annex 14 of Regulation on 5/10.05.2018 On the issuers of financial instruments and market operations;
 EGO 109/2011 regarding the corporate governance of the public enterprises (amended pursuant to Law no. 111/2016).

Date of the report

09.08.2018

Company's name

CONPET S.A.

Registered Offices

No. 1-3, Anul 1848 Street, Ploiesti Prahova County, Zip Code 100559,

Telephone/facsimile Number

0244 401360 / 0244 516451

E-mail / Internet

conpet@conpet.ro / www.conpet.ro

Trade Identification Number at the Trade Register Office

1350020

Trade Registry Number

J29/6/22.01.1991

The regulated market trading the issued securities

Bucharest Stock Exchange, Premium category

Subscribed and entirely paid-up share capital

28,569,842.40 RON

Main features of the issued securities

8,657,528 shares with a nominal value of 3.3 RON/share

Total market value

779,177,520 RON (90 RON/share at 29.06.2018)

Applied accounting standard

International Accounting Standard no. 34 - „Interim Financial Reporting”

Auditing

The Interim Financial Statements concluded at 30.06.2018 have been revised

1.2 Main activities

CONPET is a joint-stock company, established as per the Company's Act no. 31/1990, republished, further amendments and completions, and it performs its activity in compliance with the Romanian laws and the Articles of Incorporation. CONPET is a State-held company, listed at the Bucharest Stock Exchange, under COTE symbol.

1.3 The company's mission, vision and values

Mission CONPET mission is the operation of the National Transport System via Pipelines under safe and secure conditions, providing free access to the system's available capacity to all the inquirers, authorized legal persons, under equal conditions, on a non-discriminatory and transparent basis.

The company's vision targets the maintenance of its position of strategic player in the Romanian oil industry, acting as crude oil, ethane and rich gas carrier via pipelines and by rail and on the prospects, becoming a regional player.

The company values have been identified and are oriented for:

- ongoing learning and training;
- concern for people and environment;
- openness and quality improvement;
- flexibility and dynamism;
- communication and cooperation.

1.4 Shareholding

The shareholding's synthetic structure, at reference date 30.06.2018, is as follows:

- 58.7162% - the Romanian State by the Ministry of Energy;
- 41.2838% - Free float

Shareholder's Name	Number of shares	Percentage%
The Romanian State by the Ministry of Energy	5,083,372	58.7162%
Legal persons	2,536,458	29.2977%
Natural Persons	1,037,698	11.9861%
Total	8,657,528	100.0000%

Table 1 - CONPET S.A. Shareholding Structure at 30.06.2018

The share capital of CONPET at 30.06.2018 is of 28,569,842.40 RON and is divided into 8,657,528 nominative shares, each share with a nominal value of 3.3 RON/share.

CONPET did not perform transactions having as scope its own shares; consequently, the company does not hold own shares.

1.5 Company Organization

CONPET was established 1990, based on the Government Decree no. 1213/1990 regarding the set-up of joint-stock companies in the industry, by taking-over the entire assets and liabilities of I.T.T.C. Ploiești, being the first company established in the oil industry in Romania.

Following the take-over of all assets and liabilities of I.T.T.C. Ploiești, CONPET became the operator of the crude oil, rich gas, condensate and ethane National Transport System.

Since 2002, CONPET is the concessionnaire of the operation of the crude oil, rich gas, condensate and ethane National Transport System, base on the oil Concession Agreement concluded with the National Agency for Mineral Resources, approved pursuant ot GD no. 793/25.07.2002.

The crude oil, rich gas, condensate and ethane National Transport System (NTS) is State's public property and bears strategic importance.

The NTS is being defined and regulated pursuant to the Oil Law no. 238/ 7 of June 2004 and the Methodological Norms for the Application of the Oil Law, approved pursuant to GD no. 2075/2004.

CONPET supplies transport services for its clients both via the crude oil National Transport System concessionned based on the oil concession agreement, as well as by railway tanks, from the loading ramps to the refineries, for the oil areas not connected to the transport major pipelines.

The company CONPET performs the activity in the following locations:

- CONPET headquarters: Ploiești Municipality, no. 1-3, Anul 1848 Street, Prahova County;
- CONPET headquarters 2: Ploiești Municipality, no. 8, Rezervoarelor Street, Prahova County;
- 56 work sites with headquarters in 20 counties.

The operational and administrative activities covering 20 counties are organized per divisions, and inside the divisions per business sectors, according to their territorial spread.

1.6 Development Strategic Objectives

For strengthening the market position and development of the core business, the Board of Administration, set, pursuant to the Administration Plan, the following strategic objectives:

- Development of new activities, related to the core business;
- Defining the Company as a regional player;
- Modern financial approach of the business;
- Decrease of operating expenses.

In this context, the key elements of CONPET S.A. strategy are:

- income stimulation by accessing new business areas and initiation of new income generating activities (leasing storage facilities and rail infrastructure, development of atypical transports of crude oil and oil products);
- improvement of the National Transport Network by the implementation of the leak detection and location system, modernization of the cathodic protection system and of the monitoring system, data control and collection, renewal of the pipeline network, implementation of a

program for the rehabilitation and resizing of the tank farm, adapted to the transported quantities;

- improvement of the business efficiency by the reduction of the technological consumptions within the storage and transport processes, minimization of the energy, fuels and lubricants consumptions, reduction of the operating costs following the redefinition of the necessary related to pipeline infrastructure;
- interconnection of the crude oil national transport system to the regional and European networks.

2. CONPET - EXECUTIVE SUMMARY

2.1 Operating Activity Indicators

The evolution of the product volumes (crude oil, condensate and rich gas), transported via the National Transport System (NTS), during January - June 2018, vs. the Revenues and Expenditure Budget and the similar period last year, by transport subsystems, is contained in the table below:

Indicators (Thousand tons)	Achieved 2018 H1	Budget Semester I 2018	Achieved Semester I 2017	Variation% Achieved/Budget 2018	Variation% 2018/2017
Quantities transported on the domestic subsystem	1,758	1,703	1,785	▲3.23%	▼1,51%
Quantities transported on the import subsystem	1,540	1,514	1,427	▲1.72%	▲7.92%
Total	3,298	3,217	3,212	▲2.52%	▲2.68%

Table 2 - Evolution of the volumes transported in 2018 H1 as compared to 2018 Budget and the similar period in 2017

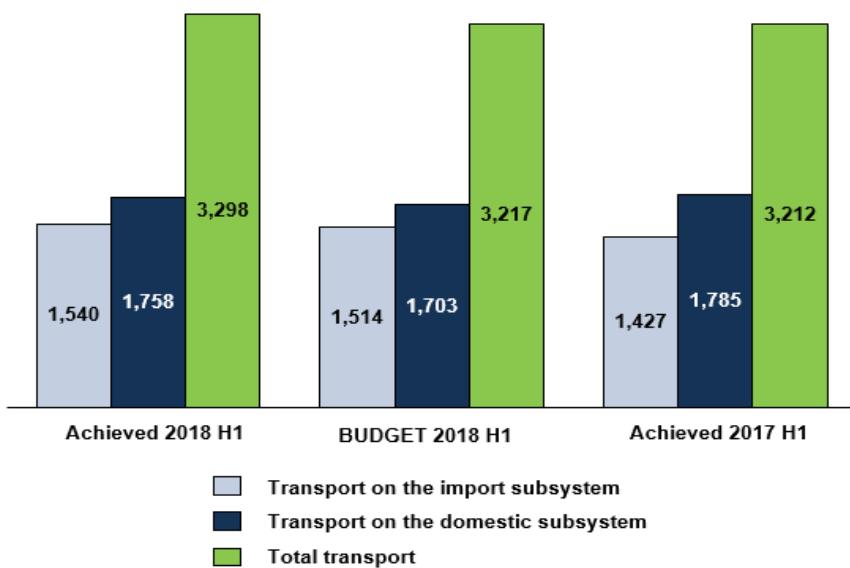


Chart 1 - Evolution of the quantities transported on the domestic and import subsystems (thousand tons)

2.2 Economic-financial Indicators

The main economic-financial Indicators of the company achieved during January - June 2018, as compared to the ones foreseen in the Budget and to the similar period in 2017, are presented in the table below, as follows:

Indicators	H1 2018			Achieved 2017 H1	% Variation 2018/ 2017
	Achieved	Budget	Variation % Achieved/ Budget		
Turnover (thousand RON)	184,931	181,493	▲ 1.89%	186,314	▼ 0.74%
Operating Revenues (thousand RON)	199,977	196,905	▲ 1.56%	202,603	▼ 1.30%
Operating Expenses (thousand RON)	176,722	173,039	▲ 2.13%	162,175	▲ 8.97%
Operating Profit (EBIT) (thousand RON)	23,255	23,866	▼ 2.56%	40,428	▼ 42.48%
Operating profit margin (% Operating Revenues)	11.63%	12.12%	▼ 0.49 p.p.	19.95%	▼ 8.32p.p.
EBITDA (thousand RON)	45,497	46,205	▼ 1.53%	62,708	▼ 27.45%
Operating Expenses (% Turnover)	95.56%	95.34%	▲ 0.22p.p.	87.04%	▲ 8.52p.p.
Total revenues (thousand RON)	202,350	197,714	▲ 2.34%	204,524	▼ 1.06%
Total expenses (thousand RON)	176,726	173,089	▲ 2.10%	162,195	▲ 8.96%
Gross profit (thousand RON)	25,624	24,625	▲ 4.06%	42,329	▼ 39.46%
Net profit (thousand RON)	21,626	20,521	▲ 5.38%	35,767	▼ 39.54%
Average number of employees	1,660	1,670	▼ 0.60%	1,671	▼ 0.66%
Productivity (thousand RON/employee)	120,468	117,907	▲ 2.17%	121,247	▼ 0.64%

Table 3 - The main economic-financial Indicators achieved in 2018 H1 vs Budget and the ones achieved in the same period of 2017

2.3 Investments

The 2018 Investments Program considered the continuation of the works for the rehabilitation of the major pipelines for the transport of crude oil and rich gas, as well as investment works on the installation, machinery and equipment related to the Crude Oil National Transport System;

During the six months period ended June 30 2018, CONPET S.A. achieved investments in amount of 32,317 thousand RON.

Investments (million RON)	BUDGET YEAR 2018	Semester I 2018			Semester I 2017		
		Achieved	Program	Degree of achievement %	Achieved	Program	Degree of achievement %
Total investments, o/w:	76,625	32,317	35,495	91%	14,719	19,108	77%
Public Domain	64,521	30,121	32,902	92%	11,695	16,834	69%
Operating Domain	12,104	2,196	2,593	85%	3,024	2,274	133%

Table 4 - Evolution of the investments achieved in 2018 H1 as compared to program and the similar period in 2017

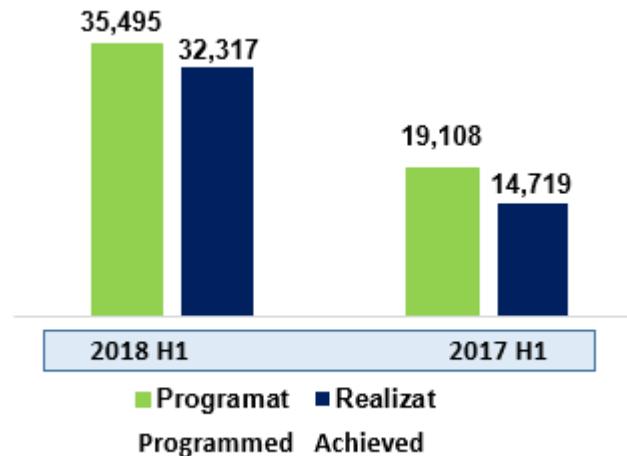


Chart 2 - Evolution of the total investments achieved as compared to 2018 H1 program

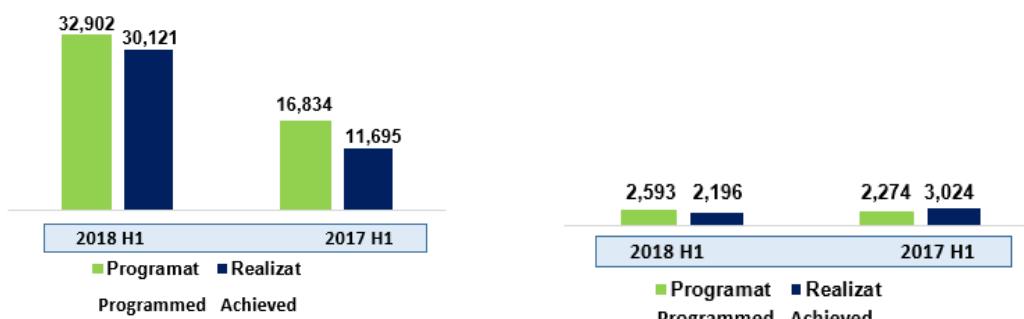


Chart 3 - Evolution of investments in the public domain achieved as compared to program Semester I 2018

Chart 4 - Evolution of the investments in the operating domain achieved in Semester I 2018 as compared to Semester I 2017

2.4 Company's Stock Market Indicators

At 30.06.2018, CONPET S.A. had a market capitalization of 779.18 million RON (167.16 million Euro), ranking 18 in "Top 25 issuers according to capitalization".

Currently, the company CONPET S.A. is included in 7 out of the total of 9 stock indices, respectively in **BET, BET-TR, BET-XT, BET-XT-TR, BET-BK, BET-NG and BET Plus indices**. This company achievement translates into performance, economic-financial stability, transparency, enhanced visibility and increased interest of the investors.

At 20.06.2018, the company FTSE Russell decided to include the company CONPET S.A. in the index FTSE Frontier Markets.

FTSE Russell represents one of the biggest financial assessment agencies at world level. This agency supplies financial data to international investors, prepares and reviews annually the classification of the countries, from the point of view of the capital markets, into 4 categories -

developed capital markets, advanced emerging capital markets, secondary emerging capital markets and frontier capital markets, based on the review of 21 criteria surveying the regulatory framework, custody and settlement, the trading framework and the derivative operations.

The FTSE Frontier Markets Index watches the evolution of the frontier markets and is made of approx. 400 companies. FTSE Frontier recorded a yield of approximately 21% over the last 5 years. Any change in the structure of the index is closely monitored by the management of the global investment funds which align their portfolios to this index.

The inclusion of CONPET in the composition of the FTSE Frontier Markets Index is beneficial for the company due to the fact that part of the institutional investors follow the replication of the indices' structures as an investment strategy. Needless to say, it triggers a boost of the investors' trust in CONPET S.A., the company being considered a benchmark in the Romanian capital market.

3. ANALYSIS OF THE COMPANY'S BUSINESS

3.1 Analysis of the operating activity

3.1.1 The regulatory Framework

The core business of CONPET is included in NACE code 4950 – Transports through pipelines, activity defined by law as being the ensemble of the activities for the operation of the major pipelines or segments thereof, as well as the take-over, handling, dispatching, storage, selection, transport and delivery of crude oil to the end-consumers, distributors, to export, or along the route.

CONPET S.A. is the operator of the Crude Oil, Rich Gas, condensate and Ethane Pipeline Transport System (NTS) based on the Oil Concession Agreement concluded with the National Agency for Mineral Resources, approved pursuant to GD no. 793/2002.

The Crude Oil, Rich Gas, condensate and Ethane Pipeline Transport System (NTS) is being defined and regulated by Law no. 238/7.06.2004 - Petroleum Law and the Methodological Norms for the enforcement of the Petroleum Law approved under GD no. 2075/2004.

The crude oil transport via the national transport system is a public service of national concern and strategic importance, being included in the regulated segment of the internal oil market. The transport service is being supplied under the natural monopoly regime based on the tariff set by NAMR (The National Agency for Mineral Resources).

3.1.2 The Crude oil, Condensate and Rich Gas Transport Activity

CONPET S.A. supplies transport services for its clients via both the National Transport System, and by rail, from the loading ramps to the refineries, for the oil areas which are not connected to the transport main lines.

The available throughput represents the difference between the total physical throughput of the system and the throughput covered by the contractual obligations assumed by the carrier, under the contracts concluded and in force at the date of the request from a beneficiary.

Given the natural distribution of the oil fields spread over the entire Romanian territory, the National Transport System was built as to meet the transport needs from all those fields to the refineries.

The system operation is being made based on the local dispatch centers, coordinated from the Company's Central Dispatch.

The pipelines transport system is approximately 3,800 km in length, out of which, to date, 3,161 km of pipelines are being used for the transport of crude oil, rich gas, condensate.

The Crude Oil, Rich Gas, Condensate and Ethane Pipeline Transport System has in composition transport subsystems, grouped according to the transported products, as follows:

- the domestic crude and condensate transport subsystem is made of pipelines describing approx. 1540 km, for the transport of crude oil and condensate from the production units of OMV Petrom operating areas throughout the country, to the refineries. The crude oil and condensate domestic production is transported through pipelines, by railway tanks, or combined (rail and pipelines).
- the rich gas transport sub-system is meant for the rich gas transport from the degasolination units in Ardeal and Oltenia to the Petrobrazi refinery. The domestic rich gas production is transported through pipelines, by railway tanks, or combined (rail and pipelines).
- the ethane transport sub-system provides the ethane transport from Turburea deethaniser platform to Arpechim Pitesti refinery. Currently, due to the lack of operability of Arpechim refinery, the sub-system is not used and only one portion of the pipeline is used for the transport of condensate from Totea warehouse to Petrobrazi refinery.
- The subsystem for the import crude transport provides the transport of crude oil from Oil Terminal Constanta to the refineries in Ploiești, Arpechim-Pitești and Midia.

The crude oil, rich gas, condensate and ethane transport service provides the fulfillment of the tasks in connection with CONPET program, consequently, easing free access to the system's available throughput, to all petitioners, authorized legal persons, under equal conditions, on a non-discriminatory and transparent basis.

The transport contracts signed with the beneficiaries of the services are compliant with the regulated frame-contract and provides the legal framework for the supply of the transport services.

The crude oil transport is being performed from the sites of delivery to the producers/importers, to the processing units, by means of the pumping stations, rail loading-unloading ramps, as well as all the related installation, equipment and endowments.

The transport activity by products: crude oil, rich gas and condensate, programmed and achieved in 2018 H1 as compared to 2017 H1, is as follows:

Transport Subsystems	Indicators and products	Achieved Semester I 2018	Achieved Semester I 2017	Variation % 2018/2017
DOMESTIC	Domestic crude oil, condensate and light condensate			
	- programmed quantities (thousand tons)	1,693	1,755	▼ 3.59%
	- achieved quantities (thousand tons)	1,748	1,776	▼ 1.58%
	-degree of achievement	103.25%	101.20%	+2.05p.p.
DOMESTIC	- degree of use of the transport throughput	57.58%	58.49%	-0.91p.p.
	Rich gas			
	- programmed quantities (thousand tons)	9.9	7.8	▲ 26.92 %
	- achieved quantities (thousand tons)	10.2	9.3	▲ 9.68%
DOMESTIC	-degree of achievement	103.03%	119.23%	-16.20p.p.
	- degree of use of the transport throughput	17.68%	9.58%	+8.1p.p.
	Total domestic subsystem			
	- programmed quantities (thousand tons)	1,703	1,763	▼ 3.40%
IMPORT	- achieved quantities (thousand tons)	1,758	1,785	▼ 1.51%
	-degree of achievement	103.26%	101.25%	+2.01p.p.
	- degree of use of the transport throughput	56.84%	56.97%	-0.13p.p.
	Crude oil			
IMPORT	- programmed quantities (thousand tons)	1,514	1,325	▲ 14.26%
	- achieved quantities (thousand tons)	1,540	1,427	▲ 7.92%
	-degree of achievement	101.72%	107.70%	-5.98p.p.
	- degree of use of the transport throughput	26.31%	24.38%	+1.93p.p.
TOTAL	- programmed quantities (thousand tons)	3,217	3,088	▲ 4.18%
	- achieved quantities (thousand tons)	3,298	3,212	▲ 2.68%
	-degree of achievement	102.52%	104.02%	-1.50p.p.
	- degree of use of the transport throughput	36.97%	35.74%	+1.23p.p.

Table 5 - Transported quantities by types of products and by transport subsystems Semester I 2018 - Semester I 2017

During January-June 2018, out of the transported and delivered domestic production amounting to 1,758 thousand tons of crude oil, rich gas and condensate, by rail have been transported 586 thousand tons, which represents 33.33% of the overall transported quantity, out of which:

- directly to the refineries - 515 thousand tons, (87.88% of the transported quantity by rail);
- from Barbatesti ramp- 71 thousand tons, (12.12% of the transported quantity by rail).

During February 25 - April 4 2017, the refinery Petrotel Lukoil was in scheduled technical overhaul.

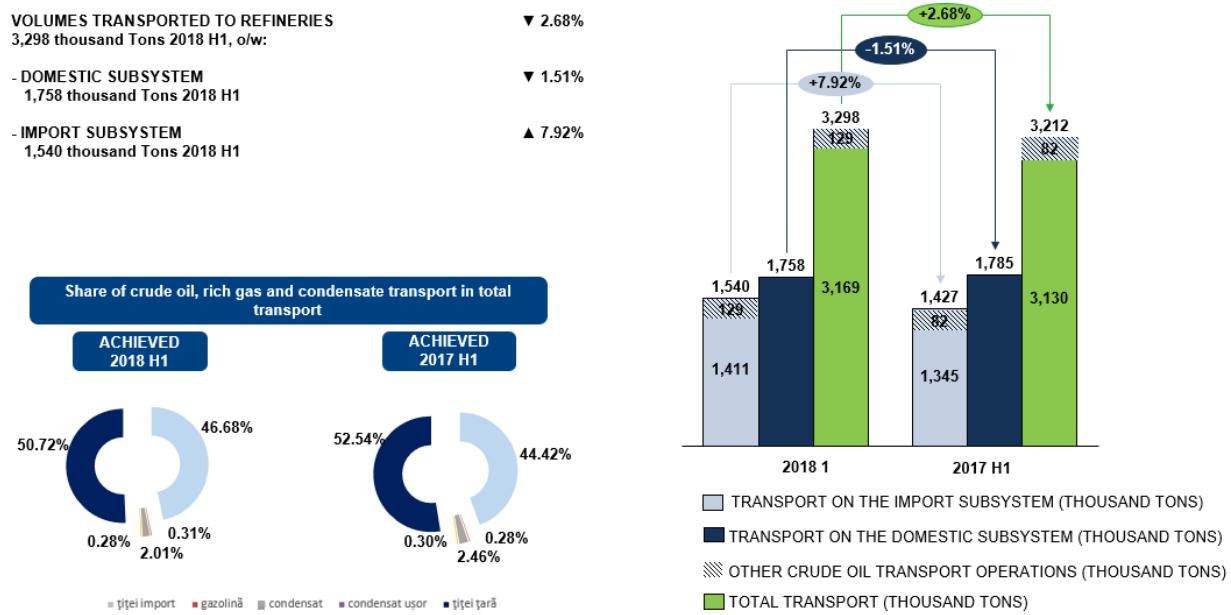


Chart 5 - Quantities transported on the transport subsystems

The total quantity transported during January-June 2018 was higher by approx. 86 thousand tons as compared to the same period of 2017. In 2018 H1, the quantity transported on the domestic subsystem lowered by 27 thousand tons (1.51%), and on the import transport subsystem increased by 113 thousand tons (7.92%).

Transport Tariffs

The tariffs for the supply of crude oil, rich gas, condensate and ethane are regulated by the NAMR and are distinguished per transport subsystems.

During January-June 2018, the tariffs practiced for the supply of the transport services on the crude oil, rich gas, condensate and ethane domestic subsystem are those approved by the NAMR, as follows:

- During 01.01.2018 - 18.06.2018, as per the Order no. 32/2016, for the supply of the transport services related to the crude oil, rich gas, condensate on the domestic subsystem the average tariff was 79.75 RON/ton;
- As of 19.06.2018, as per the Order no.117/15.06.2018, on the domestic transport subsystem the average tariff is 84.37 RON/ton.

For the supply of the transport service on the import subsystem, the tariffs were applied per refineries, according to the transported quantities, as follows:

Period	Arpechim		Ploiesti Basin		Petromidia	
	Thousand tons/month	RON/ton	Thousand tons/month	RON/ton	Thousand tons/month	RON/ton
09.02.2016 – 18.06.2018 (Order no. 32/2016)	< 100	38.85	< 100	38.00	< 100	8.00
	> 100	16.60	> 100	16.00	> 100	7.33
19.06.2018 – to date (Order117/2018)	< 120	38.85	< 120	38.00	< 120	27.00
	> 120	16.60	> 120	16.00	> 120	24.74

Table 6 - Tariffs for the transport on the import subsystem

The transport tariffs include a modernization quota meant exclusively for the financing of the investments related to the National Transport System.

The total value of the services VAT excluded, invoiced to the beneficiaries during January - June 2018 is in amount of 182.034 thousand RON and in detail by every beneficiary, is as follows:

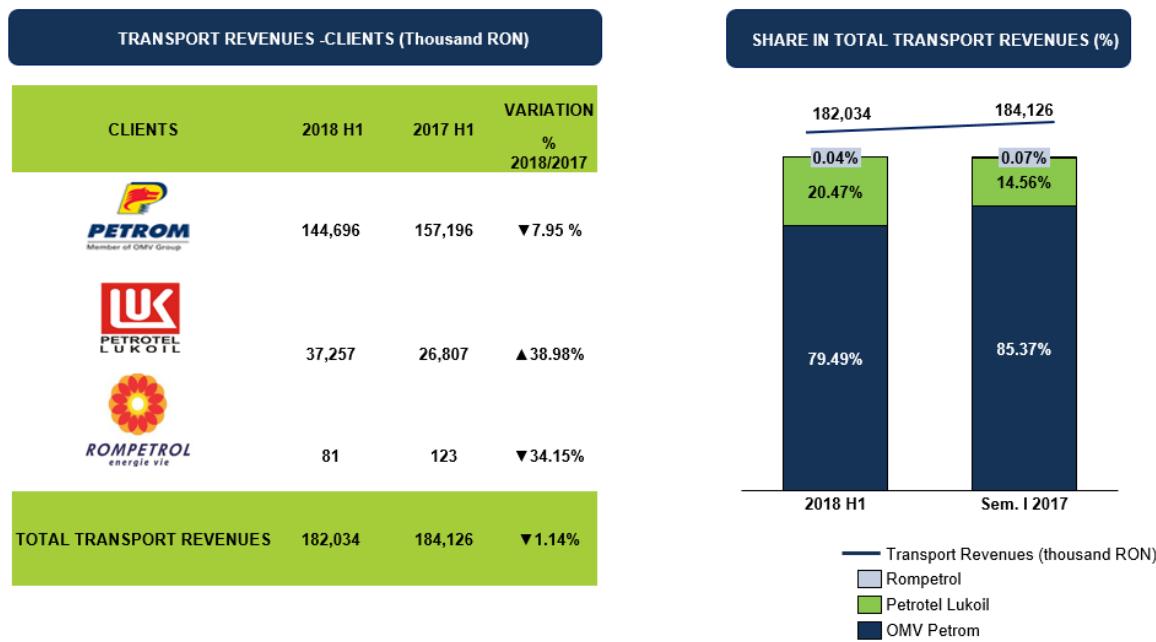


Chart 6 - Share of transport revenues per refineries in total transport revenues

The company holds a monopoly position on the crude oil pipeline transport market, not having other competitors in this business area. The transport services are being contracted based on a frame contract approved by the National Agency for Mineral Resources, the practiced transport tariffs being regulated and approved by the same authority.

The transport services supplied by CONPET SA address to a reduced number of potential beneficiaries; consequently, the volume thereof is closely related to the trade policy applied by the beneficiaries of the supplied services. A situation of significant dependency is being recorded in relation to OMV Petrom, which is the main client when referring to the domestic crude oil transport and the only client for the transport of rich gas and condensate.

The Company is dependent on the level of crude oil processing in Romania. The National Transport System operated by CONPET S.A. Is not interconnected to other external regional transport systems.

Following the petrochemical industry restructuring in Romania, the crude oil, condensate and rich gas transported quantities lowered, which negatively influenced the system's degree of use.

In lack of an interconnection of the National Transport System to other transport network outside the Romanian borders, the company's programmed revenues depend directly of the activity of the companies involved in the processing of the crude oil in Romania.

Given the conditions, by the support of the Ministry of Energy and the National Authority for Mineral Resources (NAMR), the company pays efforts to identify new opportunities that lead to

the increase of the degree of use of the system, nevertheless involving into regional projects started in its business area.

It feels the need to emphasize the unpredictability of the crude oil and derivatives extraction and processing in Romania, which may badly influence the financial standing of the company.

3.1.3 Other activities

Other activities, with a contribution of 1.6% to the company's turnover, are represented by leases of lands and telecommunication equipments, rail shunting, sale of pipe material etc.

3.1.4 Analysis of the operating activity

In the table below is presented the evolution of the transport services supply for 2018 H1 as compared to Semester I 2017 and to 2018 H1 Budget;

Indicators (Thousand RON)	Achieved Semester I 2018	Budget Semester I 2018	Achieved Semester I 2017	% Variation Achieved/Budget 2018	Variation % 2018/2017
Revenues on the domestic transport subsystem	143,199	141,002	143,378	▲ 1.56%	▼ 0.12%
Revenues on the import transport subsystem	38,835	38,674	40,748	▲ 0.41%	▼ 4.69%
Total	182,034	179,676	184,126	▲ 1.31%	▼ 1.14%

Table 7 - Statement of the transport revenues

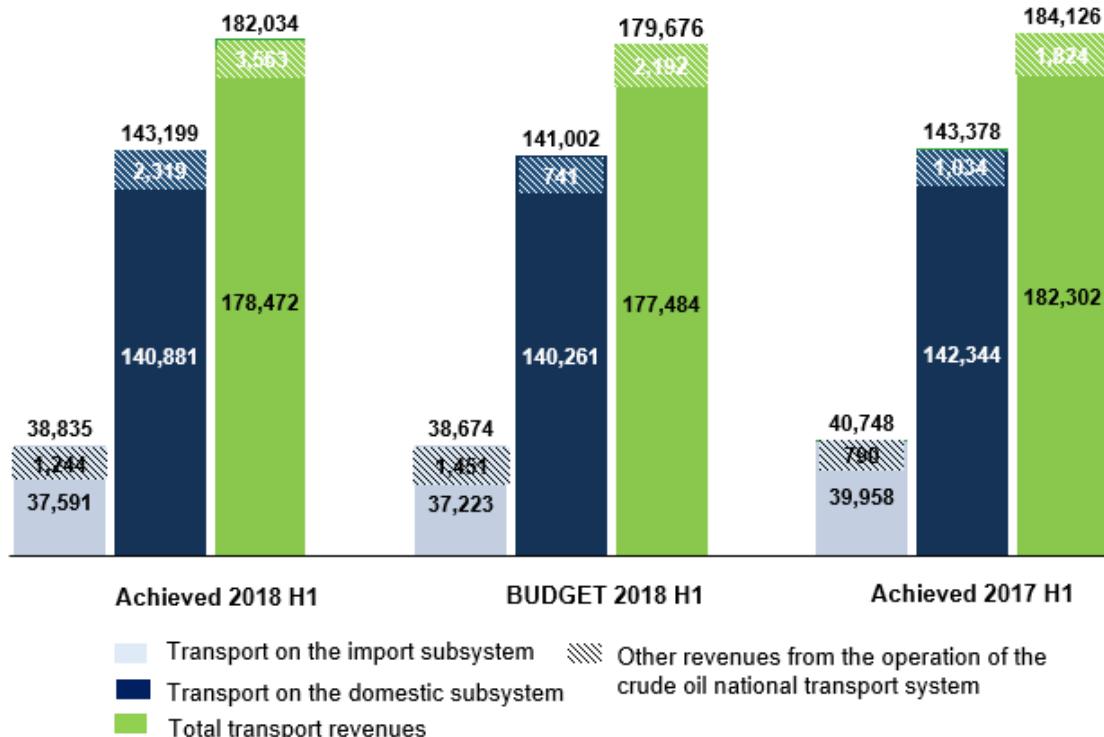


Chart 7 - Evolution of the transport revenues per subsystems

3.1.5 Procurement

The procurement activity was performed in compliance with the provisions of Internal Procurement Norms of CONPET S.A. - revision 1 (for the procedures initiated prior to 01.01.2017) and in compliance with the provisions of the Internal Procurement Norms of CONPET S.A. - revision 2 starting with 01.01.2017.

The statements of the service procurement contracts with values higher than 100,000 Euro and of the works procurement contracts with values higher than 500,000 Euro are presented in Annexes 5 și 6 to this report.

3.1.6 Company mergers and reorganizations, procurements and disposals of assets during 2018 H1

During January-June 2018 there were no company mergers or reorganizations and have been made procurements and disposal of assets.

The company has no open subsidiaries in Romania or abroad.

3.1.7 Assessment of human resources and social dialog activity

The number of employees at June 30, 2018 amounted to 1680, by 30 persons lower than the number of employees at 31.12.2017.

In order to streamline the business, the company management considered, all along 2018, the termination of a number of 58 positions in various organizational entities of the company, by the consequence of individual dismissal of the employees occupying those positions, for reasons non-attributable to them.

The action took place in two rounds, starting with 30.03.2018 (first round: 29 positions), respectively with 01.06.2018 (second round: 29 positions). At June 30, 2018, was in progress the legal notice period for the employees included in the second round; until late July is to be performed the effective dismissal of these employees.

The elimination of the 58 positions triggered mainly the reshaping of the resource necessary to achieve the set objectives, expenses reduction, as well as optimization of the necessary of personnel within the functional structures, adapted at the current company needs.

The process of identification of the posts proposed to be eliminated took place at all departments level and consisted in:

- ✓ In case of every job, identification of the correlation between the number of positions and the work volume;
- ✓ The degree of work load of every employee, as well as of the interaction of the activities performed between the occupants of the positions;
- ✓ The total use, by the occupant of the positions, of the working time related to the achievement of the work duties;

- ✓ The possibility to grant complementary tasks to the occupied positions, according to the work load of that particular position, without affecting the activity performance, under secure and optimum conditions;
- ✓ The possibility to extend the routes surveyed by the pipeline route operators;
- ✓ The possibility to exercise the job duties in more work sites with reduced activity where is not necessary to maintain a full job employee.

The personnel structure according to the level of studies and gender, at June 30, 2018 is exposed in the table below:

Studies	Total	% in total employees	Women	% in total employees	Men	% in total employees
General education (8-10 grades)	137	8.15%	14	0.83%	124	7.38%
Secondary education	1,016	60.48%	88	5.23%	928	55.21%
Higher education	527	31.37%	190	11.30%	337	20.05%
Total	1,680	100.00%	292	17.37%	1,389	82.63%

Table 8 - Personnel structure by education level and gender

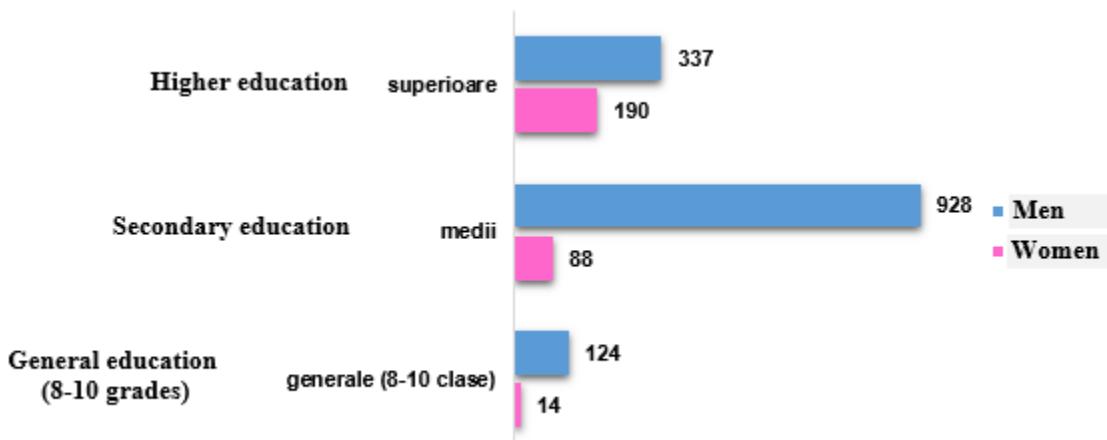


Chart 8 - Level of studies employees women/men

As compared to 2017, the situation by level of studies and gender in 2018 H1 is the following:

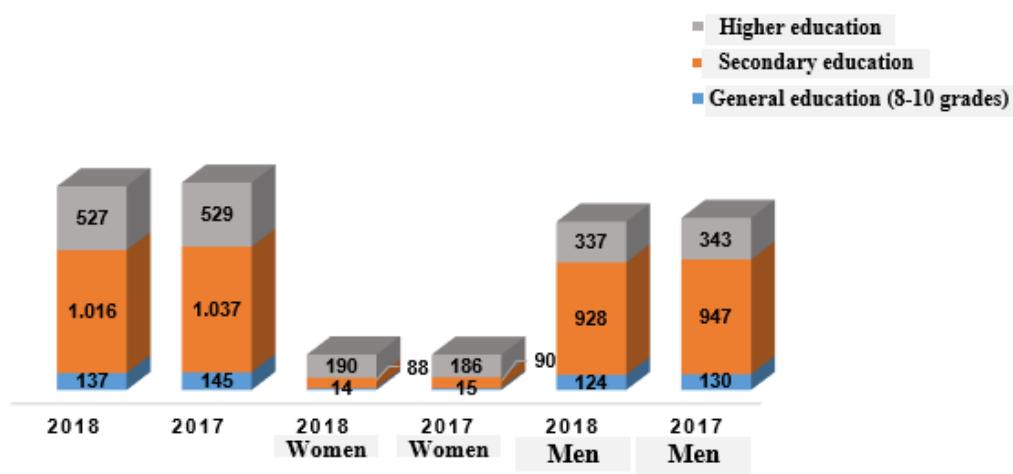


Chart 9 - Personnel structure by level of studies employees women/men

The degree of unionization of the workforce for the first semester of 2018 is 99.76%. During 2018 H1, there have been no elements of a conflicting nature between employees and the management of the company.

The Personnel Risk and the Waging System

At June 30, 2018, the structure according to age is not balanced, the age category with the highest rate ratio in the company was the personnel where the age is ranging between 41-50 years old (41%), followed by the category where the age is ranging between 51-60 years old (36%) and between 31 - 40 years old (12%).

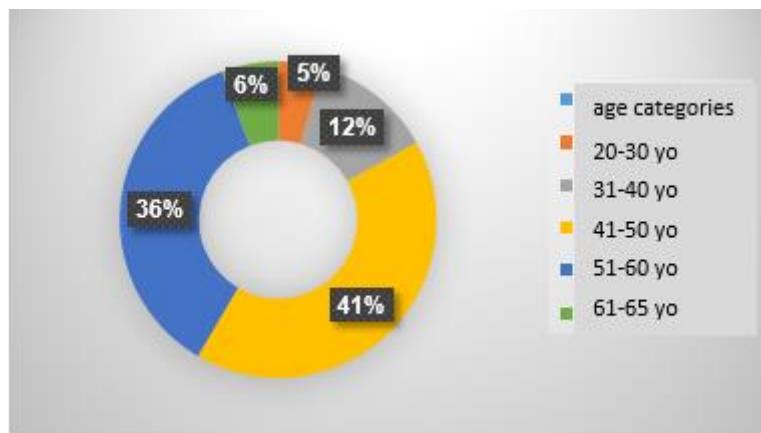


Chart 10 - Structure by age groups

The mean age of CONPET personnel is high enough (48 years old), the advantage being that 53.30% of the personnel has over 20 years of experience in the company, which stands for stability and professionalism of the company's employees.

The personnel related risk stands upon the possibility that in the future, the company be faced a lack of qualified personnel due to the retirement of the experienced employees.

The Negotiation and Conclusion of a new Collective Labor Agreement

The duration of the collective labor agreement concluded between the company and the union's representatives expires on August 31, 2018.

Following the proposal of the executive management, the Board of Administration, during the meeting held on 26.07.2018, granted mandate to the Director General to negotiate and conclude an addendum to extend the duration of the Collective Labor Agreement until 31.12.2018.

3.2 Investments achieved in 2018 H1 as compared to the program of 2018 H1

The investment projects within CONPET targets, mainly, enhancing efficiency of the transport activity under operation, under safe conditions, the National Transport System.

The investments are being financed out of own sources made up of: the modernization quota targeting exclusively the financing of works executed at the assets belonging to the public domain as well as for the financing of new investment related to the public domain and other own sources (profit and amortization).

For 2018 H1, CONPET programmed investments in amount of 35,495 thousand RON and achieved 32,317 thousand RON (91%).

The value of the investment objectives achieved in 2018 H1, on types of assets' membership, as compared to the program for the first semester and the same period of 2017, is as follows:

Name (thousand RON)	Program	2018 H1			Program	Semester I 2017		
	YEAR 2018	Achieved	Program	%	YEAR 2017	Achieved	Program	%
Total investments, o/w:	76,625	32,317	35,495	91%	64,269	14,719	19,108	77%
Public Domain	64,521	30,121	32,902	92%	51,317	11,695	16,834	69%
Operating Domain	12,104	2,196	2,593	85%	12,952	3,024	2,274	133%

Table 9 - Investments achieved in 2018 H1 as compared to the Budget and the similar period in 2017

The investments achieved in 2018 H1, as compared to program and YOY, by financing sources, are exposed in the chart below:

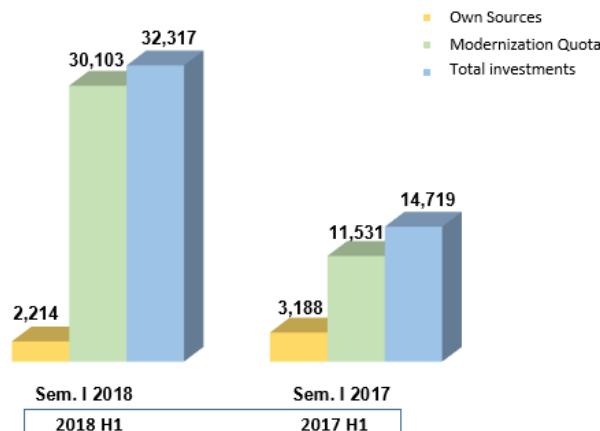


Chart 11 - Investments achieved by financing sources

In summary, the statement of the investment achievement in 2018 H1 is exposed as follows:

Investment objectives in progress

In 2018 H1, have been achieved investment objectives in progress in amount of 30,365 thousand RON, as compared to a bi-annual program of 33,734 thousand RON and annually of 65,101 thousand RON.

The main investment objectives in progress are:

- Replacement of the Ø 24" crude oil pipeline Constanța - Midia, in the area of Ovidiu city, Constanța County, on a length of approximately 1140 m;
- Replacement crude oil pipeline Ø 14" Constanța - Bărăganu, Castelu - Cuza Vodă - Mircea Voda area, Constanța County, on a length of approximately 12,580 m;

- Replacement crude oil transport pipeline 14" Bărăganu - Călăreți resulted following the in-line inspection with smart pig in length of 7.5 km (by sections);
- Safety disposal works for Arges river crossing, Cateasca area, Arges County, stage 2;
- Safety disposal for the aerial crossing of Prahova river with the 12 3/4" and 14 3/4" pipelines Cartojani-Ploiesti, Stejaru village, Brazi commune, Prahova County;
- Modernization and monitoring of the cathodic protection system related to the NTS domestic and import;
- Pilot system for the identification and location of product leaks from the crude oil main transport pipelines Poiana Lacului-Siliste-Ploiesti;
- Upgrade in Moreni, Oprîșenești, Mădulari pumping system.

In 2018 H1, within the Development Maintenance Direction have been performed 37 design works, out of which have been endorsed in the Steering Committee of CONPET 14 works with a total investment value of 39,904.14 thousand RON, as follows:

- Replacement of a section of the Ø10 3/4" Line1 pipeline Barbatesti-Orlesti in Bucsani area – Cerna river left bank, Fartatesti commune, Valcea County – 500 m from the Suvar garden - V.S. Cerna river right bank, with a value estimated by the designer of 422.36 thousand RON;
- Safe disposal works pipeline Ø4" Izvoru-Joint Ø10 3/4" Icoana-Cartojani in Teleorman river area, with a value estimated by the designer of 200.05 thousand RON;
- Replacement of the 24" crude oil pipeline Constanta - Midia in the area of Navodari bridge - start of the above ground route, on a length of 405 m., with a value estimated by the designer of 1.238.30 thousand RON;
- Safety disposal for no. 2 undercrossing of Ø10 3/4" pipeline Potlogi – P.F. Arges, Sabar river, Gaiseni locality, Giurgiu county, on a length of 350 m, with a value estimated by the designer of 613,75 thousand RON;
- Replacement of the 12"+14" crude oil pipeline Cartojani-Ploiesti in the areas Crivat-Catunu 550 m + 30 m horizontal drilling undercrossing National Road DN 1A Buc.-Pl., Cornesti commune, Dambovita county, with a value estimated by the designer of 1.364,35 thousand RON.
- Upgrade of the system for monitoring the vibrations and temperatures of the pumping machineries in the automated stations Calareti and Constanta Sud, with a value estimated by the designer of 572,85 thousand RON;
- Rehabilitation of the cathodic protection system and earthing for leak tank of 500 cubic meters - Constanta Sud pumping station, with a value estimated by the designer of 60,90 thousand RON;
- Technical economic documentation (PT - technical report, CS - scope of work, Work quantities, DDE - detail execution documentation, DE - economic documentation) for 6 cathodic protection stations of the domestic and import crude oil transport pipelines (SPC Independența, SPC Lucianca, SPC Chiroiu, SPC Poieni, SPC Parc 9 and SPC Parc 7 Roata) by a value estimated by the designer of 1,533.78 thousand RON;
- Replacement of Ø10 3/4" Line 1 + Line 2 crude oil pipeline Silistea Ploiesti, L= 2 x 3481m, in the areas Ilfoveni-luda forest, Racovita valley way, Habeni-Comisani, Mija, with a value estimated by the designer of 4,454.01 thousand RON;
- Safe disposal of the Argeș river aerial crossing Rătești area, Argeș county, with a value estimated by the designer of 3,722.21 thousand RON;

- Thermal power plant for technological steam production used in the warehouse and Barbatesi ramp, with a value estimated by the designer of 4,707.01 thousand RON;
- Hydro technical works for safety disposal of Prahova river aerial crossing by the crude oil transport pipelines belonging to CONPET S.A. - works of emergency intervention for the safety disposal of the metal piles supporting the aerial crossing of Prahova river, Stejaru area, Brazi commune, of the crude oil transport main lines ø12 3/4" și ø14 3/4", with a value estimated by the designer of 5,376.69 thousand RON, out of which have been executed under emergency conditions works in amount of 2,773.84 thousand RON; further on, will be submitted to tender works in amount of 2,602.85 thousand RON;
- Replacement of the Ø10" Line1 crude oil pipeline Orlesti – Poiana Lacului, L=295m, Negrea grazing ground – Poiana Lacului area, with a value estimated by the designer of 427.90 thousand RON;.
- Optimization of SCADA system and Hardware and Software of the automation data transmission units, with a value 15,210.00 thousand RON.

In 2018 H1, for the investment objectives have been obtained 19 building permits, out of which 10 for pipeline rehabilitation works.

In the activity related to the endorsement and conclusion of agreements regarding the right of way and temporary use of certain lands in order to perform the works provided in the investment program, we have encountered and we are still facing a series of shortcomings, such as:

- Obtaining the permits for the works which are to be executed in the vicinity of the national roads, with reference to the conditional conclusion of the Contract of Use of the road area all along the existence of the crude oil NTS pipeline;
- Conditioning the Forest Guard in what concerns the issue of permits of temporary occupation of the land plots belonging to the forestry private property real estate in the areas affected by CONPET investments, to the presentation, together with the technical documentation, of the landowner (s) agreement in authentic form;
- Unreasonable financial claims of the landowners or even refusals thereof to enable the access to the land and works execution at the crude oil NTS components.

These situations occurred in the investment performance of the following works:

- Replacement crude oil transport pipeline 14" Bărăganu - Călăreți resulted following the in-line inspection with smart pig in length of 7.5 km, T6-Volanski Adrian;
- Safety disposal for no. 2 undercrossing of Ø10 1/4" pipeline Potlogi – P.F. Arges, Sabar river, Gaiseni locality, Giurgiu county, on a length of 350 m;
- Replacement of the Ø10" Line 1 crude oil pipeline Orlesti – Poiana Lacului, L=295m, Negrea grazing ground – Poiana Lacului , Arges county -10 euro/sq.m.;
- Replacement of the Ø 24" crude oil transport pipeline Constanta - Midia, in the area of Ovidiu city, Constanta County, on a length of approximately 1140 m" -Pandichi Dumitru.

The unsettlement with celerity of these causes may influence the degree of achievement of 2018 investments program.

New investment objectives

In 2018 H1, have been achieved new investment objectives in amount of 1,953 thousand RON, the programmed value in 2018 H1 being of 1,761 thousand RON and per total year the program being of 11,524 thousand RON.

The new investment objectives are, most of them in the stage of preparation/endorsement of the scope of work or in the procurement stage.

In 2018 H1, were endorsed in the Steering Committee 33 scope of works for the new investment objectives (here included independent machinery and equipment).

During the same period, was finalized the procurement procedure for 34 investment objectives (here-included independent machinery and equipment).

Commissioning achieved within the first six months of 2018 amounted to 8,979 thousand RON, out of which, per financing sources:

- 7,036 thousand RON out of the modernization quota;
- 1,943 thousand RON out of other own sources;

The main investment works commissioned were the followings:

- Upgrade of the heat station and heating network Marghita;
- Microwave radio relay transport capacity increase on Baraganu- Constanta section and displacement of Constanta Nord location + microwave radio relay system software upgrade;
- Modernization of exterior lightening by the use of LED technology sources from West and Import Divisions - locations Pecica, Orlești, Biled, Videle and Poiana Lacului;
- Modernization of exterior lightening by the use of LED technology sources from East and South Divisions - locations Urlați, Moreni, Cireșu and Berca;
- Safe disposal of the crude oil pipeline Ø 10^{3/4}" F1 Bărbătești-Orlești in Orlesti locality, Orlesti commune, Valcea county.

In addition, all along this period, the Development Maintenance Direction, following the regular analysis of the completion, in physical and value terms, of the investment program, undertook a series of measures for the acceleration of the works execution, as follows:

- Meetings with the contractors of the objectives for the settlement, with celerity, of the various issues encountered during the contracts performance process.
- Meetings with the authorities having issued the endorsements/permits/agreements necessary in the process of works execution in order to clarify and speed up the settlement thereof.

3.3. Analysis of the financial business

The financial information presented in this report have been supplied based on the interim financial statements for the six months period ended June 30, 2018, prepared in compliance with the International Accounting Standard no. 34 - „Interim Financial Reporting”

3.3.1 Report grounds

The bi-annual report of the Board of Administration for the period January - June 2018 is prepared in compliance with the provisions of Article 65 of Law no. 24/2017 regarding financial instruments issuers and market operations and Annex no. 14 of ASF Regulation no.5/2018 regarding issuers and securities operations;

3.3.2 Statement of the Financial Standing at June 30, 2018

In summary, the statement of the financial standing at June 30, 2018 is as follows:

Name of the element (thousand RON)	June 30, 2018 (revised)	December 31, 2017 (audited)	Variation 2018/2017
Non-current assets	421,778	410,682	▲2.70%
Current assets	295,361	338,091	▼12.64%
Total Assets	717,139	748,773	▼4.22%
<hr/>			
Equities	621,532	658,400	▼5.60%
Deferred income	1,259	1,326	▼5.05%
Total liabilities	94,348	89,047	▲5.95%
Shareholders' equity and liabilities	717,139	748,773	▼4.22%

Table 10 - Synthesis of the company's financial standing at 30.06.2018 as compared to 31.12.2017

The extended variant of the financial standing at June 30, 2018 is presented in Annex no. 1.

The total assets decreased by 4.22% (31,634 thousand RON) as compared to the level recorded at December 31, 2017 following the decrease of the circulating assets.

The intangible assets recorded, at 30.06.2018, 2.70% increase, as compared to December 31, 2017, mainly generated by input of fixed assets in a value higher than the value of the amortization registered in 2018 H1.

The current assets lowered by 12.64% (42,730 thousand RON), from 338,091 thousand RON at 31.12.2017 to 295,361 thousand RON at 30.06.2018. The decrease was mainly determined by the diminution of the cash availabilities due to the dividends payment in June 2018.

At 30.06.2018, the modernization quota in bank accounts and in government securities amounted to 200,411 thousand RON, lower by 11,441 thousand RON as compared to the modernization quota registered at 31.12.2017 (211,852 thousand RON). The cash representing the modernization quota has a special regime, provided in GD no. 168/1998, this being destined exclusively to the financing of the modernization works and development works related to the goods belonging to the public domain.

The equities lowered by 5.60% (36,868 thousand RON) as compared to December 31, 2017 reaching 621,532 thousand RON, the decrease being determined by the amendment of the following capital elements:

- other reserves records an increase by 14,287 thousand RON following the augmentation by 11,128 thousand RON of the reserve representing modernization quota, from 445,943 thousand RON at December 31, 2017 to 457,071 thousand RON at June 30, 2018, as well as the augmentation of the reserve representing financing own sources distributed out of 2017 profit, in amount of 3,159 thousand RON;
- the capital elements representing retained earnings and the result of the period records a total decrease in amount of 48,484 thousand RON, mainly generated by the net profit achieved in 2018 H1, below the level of the net profit achieved in 2017;

- the diminution of the revaluation reserves by the amount of 2,671 thousand RON.

The long-term liabilities records an increase by 3.73% (478 thousand RON) as compared to December 31,2017, following the augmentation of the long-term provisions.

Current liabilities, in amount of 81,052 thousand RON, are higher by 4,822 thousand RON as compared to December 31, 2017, mainly due to the increase of the dividends to be paid and of the provisions for untaken annual leaves and for the employees' share of profit.

3.3.3. Profit & Loss Account for the period January - June 2018

Within the 6 months period ended June 30, 2018, CONPET S.A. obtained a net profit of 21,626 thousand RON, lower by 14,141 thousand RON as compared to 2017 H1 (35,767 thousand RON).

The financial result achieved in 2018 H1, as compared to Budget and the achievements of the similar period in 2017 are the followings:

Indicators (thousand RON)	Achieved	Budget	Achieved	Variation	
	Semester I 2018	Semester I 2018	Semester I 2017	Achieved vs. Budget 2018	2018 vs. 2017
Turnover	184,931	181,493	186,314	▲1.89%	▼0.74%
Total operating revenues	199,977	196,905	202,603	▲1.56%	▼1.30%
Total operating expenses	176,722	173,039	162,175	▲2.13%	▲8.97%
Operating Profit (EBIT)	23,255	23,866	40,428	▼2.56%	▼42.48%
EBITDA	45,497	46,205	62,708	▼1.53%	▼27.45%
Financial revenues	2,373	809	1,920	▲193.32%	▲23.59%
Financial expenses	4	50	19	▼92.00%	▼78.95%
Financial profit	2,369	759	1,901	▲212.12%	▲24.62%
Total revenues	202,350	197,714	204,524	▲2.34%	▼1.06%
Total expenses	176,726	173,089	162,194	▲2.10%	▲8.96%
Gross Profit	25,624	24,625	42,329	▲4.06%	▼39.46%
Net Profit	21,626	20,521	35,767	▲5.38%	▼39.54%

Table 11 - The main economic-financial Indicators achieved in 2018 H1 vs Budget 2018 and the same period of 2017

The operating profit achieved in 2018 H1 YoY lowered by 17,173 thousand RON (42.48%) mainly due to the decrease in revenues obtained for the supply of crude oil , rich gas and condensate transport services and the increase of the personnel expenses. Consequently, the gross profit and the net profit also recorded decreases by 16,705 thousand RON (39.46%) and respectively of 14,141 thousand RON (39.54%) and EBITDA indicator is 17,211 thousand RON (27.45%) lower than the preceding year.

As compared to the budget provisions, the operating profit accounts for 97.44% of the scheduled level and the EBITDA indicator reflects a degree of achievement of 98.47%. When structuring the budget for 2018 was foreseen an increase in the transport tariffs starting with the month of April, but this amendment was approved by NAMR in June. This time-lag of almost three months in the change of tariffs had unpleasant effects on the transport revenues and the modernization quota expense. These effects have been partially compensated by a higher transport demand as compared to the scheduled figures as well as by the economies the company achieved with the

material expenses, personnel expenses, maintenance and repair expenses and with other services. The demand for rail and combined transport services (via pipelines and by rail) was higher than the plan; consequently the rail transport expenses were higher than the budget provisions. The provisions established for untaken annual leaves and the employees' share of profit have also been higher than the budgeted values.

The company registered financial revenues higher than those provided in the budget, in such a way that the gross profit and net profit exceeded the planned values by 4.06%, respectively by 5.38%.

The statement of the profit and loss account for the six months period ended June 30, 2018 is presented in detail in annex no. 2.

The evolution of the financial results in 2018 H1 YoY is exposed in the Chart below:

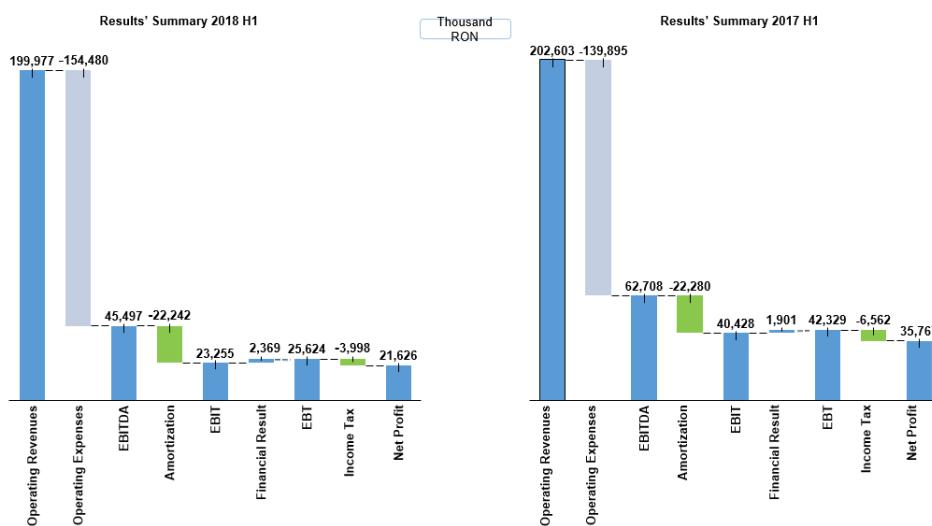


Chart 12 - Synthesis of the financial results in Semester I of 2017-2018

Operating Revenues

As compared to the approved budget and preceding period, the total revenues of the operating activity in 2018 H1 is as follows:

Achieved Semester I 2018	Budget Semester I 2018	Variation % Achieved/Budget 2018	Indicators (thousand RON)	Achieved Semester I 2018	Achieved Semester I 2017	Variation % 2018/2017
182,034	179,676	▲1.31%	Total revenues from transport services	182,034	184,126	▼1.14%
2,897	1,817	▲59.44%	Other Turnover Revenues	2,897	2,188	▲32.40%
184,931	181,493	▲1.89%	Turnover	184,931	186,314	▼0.74%
14,198	14,734	▼3.64%	Write-back of reserve constituted based on the expenses with the modernization quota	14,198	15,105	▼6.00%
848	678	▲25.07%	Other operating revenues	848	1,184	▼28.38%
199,977	196,905	▲1.56%	Total operating revenues	199,977	202,603	▼1.30%

Table 12 - Statement of the operating revenues

Revenues from transport services supplied via the National Transport System

The transport revenues hold 98.43% in turnover, the difference of 1.57% (2,897 thousand RON) representing revenues from various activities such as leases of lands and telecommunication equipments, rail shunting, sale of pipe material etc.

The company recognizes monthly, in the operating revenues, reserves from the modernization quota at the level of the amortization of the tangible assets financed therefrom. Within the first 6 months, the value of these revenues is of 14,198 thousand RON.

The operating expenses achieved during January - June 2018, as compared to the same period of the preceding year and the budgeted provisions are as follows:

Semester I 2018		Variation%	Indicators (thousand RON)	Semester I 2018	Semester I 2017	Variation
Achieved	Budget	Achieved/Budget		%2018/2017		
3,269	3,668	▼10.86%	Material expenses, Out of which:	3,269	3,230	▲1.21%
1,824	1,719	▲6.11%	-expenses with consumables	1,824	1,709	▲6.73%
930	1,090	▼14.70%	- fuel expenses	930	823	▲13.00%
5,949	6,057	▼1.78%	Other outside Expenses (with energy and water)	5,949	5,172	▲15.02%
65,959	67,595	▼2.42%	Personnel expenses	65,959	57,854	▲14.01%
22,242	22,338	▼0.43%	Expenses with the amortization of tangible and intangible assets	22,242	22,280	▼0.17%
48,818	50,755	▼3.82%	Expenses with outside services, out of which:	48,818	49,074	▼0.52%
1,118	2,512	▼54.49%	--maintenance expenses (maintenance, current and capital repairs)	1,118	700	▲59.71%
27,681	26,201	▲5.65%	- expenses with the crude oil transport by rail	27,681	28,104	▼1.51%
353	783	▼54.92%	- expenses with decontamination works	353	221	▲59.73%
14,016	13,844	▲1.24%	- oil royalty	14,016	14,147	▼0.93%
5,650	7,415	▼23.82%	-other services performed by third parties	5,650	5,902	▼4.29%
-97	-260	▲37.31%	Value adjustments on	-97	-1,063	▲9.13%

Semester I 2018		Variation%	Indicators (thousand RON)	Semester I 2018	Semester I 2017	Variation
Achieved	Budget	Achieved/Budget		%2018/2017		
			the current assets			
3,881	1,439	▲ 169.70%	Provision adjustments	3,881	-2,192	-
26,701	21,447	▲ 24.50%	Other operating expenses, out of which:	26,701	27,820	▼ 4.02%
25,326	19,422	▲ 30.40%	- modernization quota expenses	25,326	25,963	▼ 2.45%
176,722	173,039	▲ 2.13%	Total operating expenses	176,722	162,175	▲ 8.97%

Table 13 - Statement of the operating expenses

In 2018 H1, the operating expenses are in amount of 176,722 thousand RON, registering 8.97% increase as compared to the ones registered in 2017 H1, mainly due to the salary increases and the provision expenses (untaken annual leaves, employees share of profit, rights due to the employees upon retirement) registered in 2018 H1.

Have been registered economies with expenses as compared to the budget provisions, as follows:

- Expenses related to external services 1,937 thousand RON (3.82%);
- Personnel expenses 1,636 thousand RON (2.42%);
- material expenses: 399 thousand RON (10.86%);
- Expenses with energy and water 108 thousand RON (1.78%).

The operating costs registered with the operation of the two transport subsystems (domestic and import) in 2018 H1 increased by 6.16% as compared to 2017 and are generated by the influence of certain factors, such as: price rise in electricity and gas, increase of the personnel expenses following the negotiation of a new collective labor agreement and the increase of the gross minimum wage.

The profit related to the transport activity on the domestic sub-system lowered by 7,475 thousand RON, mainly due to the increase of the personnel expenses (6,402 thousand RON).

From the transport on the import subsystem during January-June 2018, resulted a profit by 3,788 thousand RON lower YoY, especially due to the decrease in transport revenues (1,913 thousand RON) and the increase of the personnel expenses (1,658 thousand RON).

The profitability of the transport subsystems is as follows:

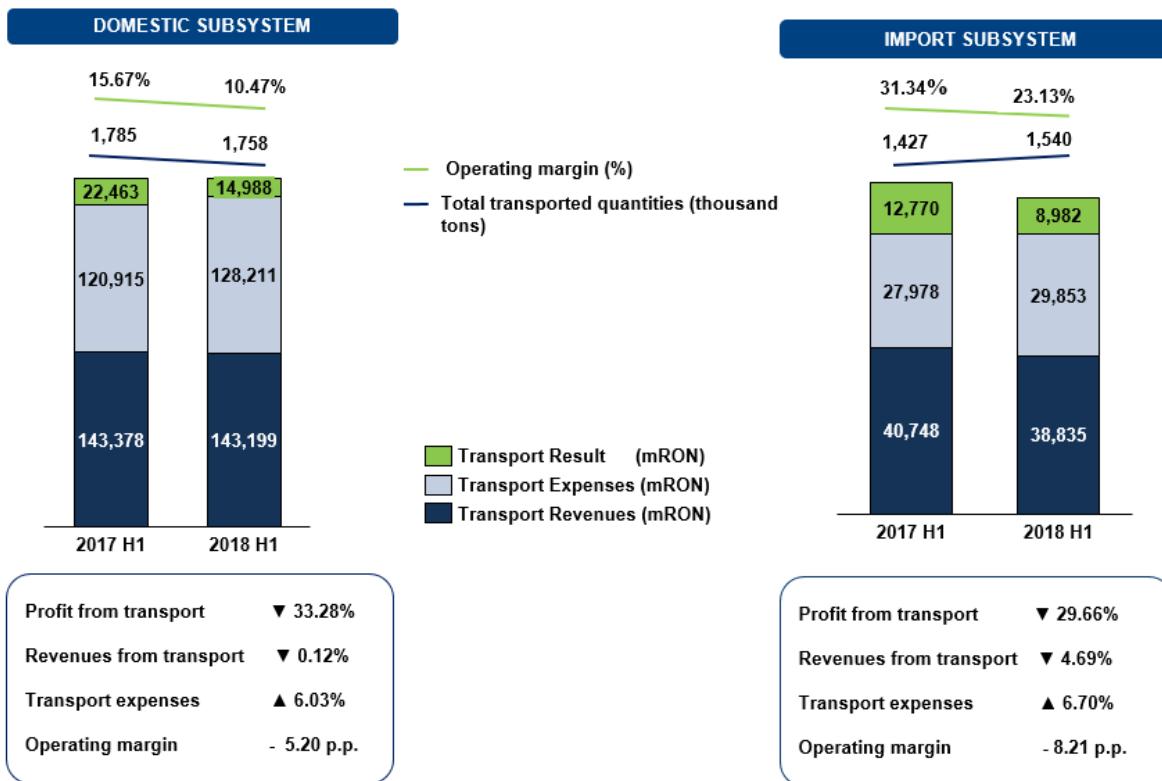


Chart 13 - Profitability of the transport subsystems

The operating profit (EBIT) decreased during January - June 2018 by 611 thousand RON as compared to the budget provisions and the net profit increased by 1,105 thousand RON.

As compared to 2017 H1, the operating profit (EBIT) registered a decrease by 42.48% (from 40,428 thousand RON to 23,255 thousand RON in semester I 2018).

The net profit registered a decrease by 39.54% as compared to 2017 H1 (from 35,767 thousand RON to 21,626 thousand RON in semester I 2018).

3.3.4 Main Economic-financial Indicators

Name of the indicators	Calculation formula	Achieved June 30 2018	Achieved June 30 2017
Current liquidity indicator	Current assets/Current Debts	3.64	4.44
The indicator of the level of debt	(Borrowed capital/equity)x100	0	0
Customer debit speed of rotation (days)	Customers average balance/ Turnover (inclusive of VAT) x 180 days	30	29
Fixed assets speed of rotation (no. of times)	Turnover/fixed assets	0.44	0.45

Table 14 - Main economic-financial indicators

Current liquidity indicator measures the company's ability to perform its short-term obligations. The indicator reflects a good company's ability to cover the current liabilities on account of current assets.

The indicator of the level of debt: The company has not engaged loans and consequently there are no risks regarding a possible non-fulfillment of the obligations of this kind.

Customer debit speed of rotation expresses the effectiveness of the company in collecting its receivables. The indicator registers an ascending level, resulted in the collection of receivables at 30 days.

Fixed assets speed of rotation: evaluates the efficiency of the fixed assets activity by examining the turnover value generated by a certain amount of assets. The level of this indicator is 0.44 rotations related to the year 2018 H1.

3.3.5 The Cash-flow

Cash-flow Statement for the six months period ended June 30, 2018 is as follows:

(DIRECT METHOD)

	Name of the element (thousand RON)	January- June 2018	January- June 2017
A	Net cash from operating activities	32,889	41,429
B	Net cash from investment activities	-15,169	152,859
C	Net cash from financing activities	-61,115	2,567
	Net increase of the cash and cash equivalents=A+B+C	-43,395	196,855

D1	Cash and cash equivalents at the beginning of the period	209,846	244,598
D2	Cash and cash equivalents at the end of the period	166,451	441,453

To which is being added:

Government securities as government bonds and treasury bills 70,310 18,929

Total availabilities at the end of the period **236,761** **460,382**

Table 15 - Synthesis of the cash-flows for the six months period ended June 30, 2018 vs 2017

The variation per total cash-flow knows a downward trend from 441 mRON to 166 mRON. This decrease in cash was determined by the payments of dividends in 2017 H2 (228 million RON), distributed out of 2016 profit and from other equity elements (retained earnings and own financing sources), as well as by the payment, during the reporting period, of the net dividends distributed out of the net profit of 2017 financial year (67 million RON).

The effects of the three activity areas (operation, investments and financing) over the cash in 2018 H1 is as follows:

- the operating activity triggered a cash-flow in amount of 33 mRON;
- the investment activity ended with a negative cash-flow, the payments for the procurement of the fixed assets being higher by 15 mRON than the input of cash from the modernization quota;
- The financing activity lowered the total cash flow by 61 mRON due to the cash outputs for the payment of dividends in amount of 67 mRON.

As compared to the same period last year, the net cash flow generated by the operating activity

in 2018 H1 recorded a decrease by 8 mRON. This decrease was determined by the higher payments to the employees, due to the increase in salaries.

In the cash flow table, it can be noticed a decrease in 2018 H1 of the proceeds from the services supplied, as compared to the same period of 2017, this decrease being determined by higher collections in 2017, coming from the invoices issued with 24% VAT, existing in balance at 31.12.2016.

The net cash from investment activities generated a decrease within the first 6 months of 2018, due to the investment in government securities after having performed the dividend payments out of profit and other equity elements (retained earnings and other reserves -own financing sources) which led to a significant diminution in cash.

The net cash from financing activities also records a decrease during the reporting period following the approval by the General Meeting of Shareholders, of the payment of dividends within the month of June 2018, as compared to 2017 when the distribution was decided for the month of July.

The detailed cash-flow statement for the six months period ended June 30, 2018 is presented in detail in annex no. 3.

3.3.6 Related Parties Transactions

In 2018 H1, the Company performed the following significant transactions with related parties:

Procurement from related parties

Thousand RON				
Partner	Unsettled amounts at December 31, 2017	Procurement during January - June 2018	Settlements in period January - June 2018	Unsettled amounts at June 30 2018
SNTFM CFR Marfă S.A.	6,080	33,131	33,541	5,670

Table 16 - Procurement from related parties

3.4 Other aspects

3.4.1 State of the lands not included in the share capital

At 30.06.2018, CONPET has recorded in the company patrimony lands in surface of 733,648.93 sq.m. with a fair value amounting to 22,584,099 RON, held based on the Ownership Certificates (709,949.07 sq.m.) and sale-purchase contracts (23,699.86 sq.m.):

At the date of June 30, 2018, the Company's share capital was not augmented by the value of the lands held pursuant to the 47 ownership certificates, in surface of 554,537.62 sq.m.. The Land Ownership Certificates for the lands not included in the share capital, have been obtained during 2001-2005, and the appraised value at the date of obtaining the certificates, set in compliance with GD 834/1991, is of 26,255,918 RON. These lands have been obtained in the company patrimony on the expense of other equity reserves.

At the date of 30.06.2018, the fair value of these lands is in amount of 12,348,115 RON.

3.4.2 Litigations

The most important disputes in which the company is involved are shown below:

a) The disputes concerning the ownership of the tangible assets of the company

CONPET S.A. is involved in a single process for claiming a right of ownership of Real Estate property in question:

File no. 2378/105/2009 - Prahova Court - in course of the settlement.

Stage of trial: Appeal Appeal

Through the conclusion no. 5872/18.12.2017, Prahova County Court dismissed the action of the plaintiff Cojocaru Irinel concerning the claim on the area of 2500 m² of land property of CONPET S.A., as unfounded. The sentence was appealed by Cojocaru Irinel.

b) Litigation in connection with the claims of the owners of the lands crossed by the National Crude Oil Transport System

On 30.06.2018, CONPET S.A. had a number of 16 active trial files in the various stages of trial, having as object the claims of the owners of the land related to the lack of use of the owned lands crossed by the highway components of the National Crude Oil Transport System. We hereby outline a number of 8 causes which we find important under the aspect of the the amount of claims of the plaintiffs and representative by the legal content of the trial files (the rest of the causes repeating, in broad terms, some of the types of action listed below):

- **The file no. 3451/108/2016*** The High Court of Cassation and Justice - in the course of settlement

Stage of trial: the Appeal of CONPET S.A. at the High Court of Cassation and Justice.

By Order No 761/23.11.2017 the Court of Appeal in Timisoara city admits the call of the plaintiff U.A.T. Pecica, Arad county, cancels the appealed sentence and submits the case for retrial at the court in Arad county. Decision No 761/23.11.2017 was appealed by CONPET S.A. at the High Court of Cassation and Justice.

Clarifications: U.A.T. of the city Pecica filed for a trial by requesting the obligation of the defendant CONPET S.A. to deviate the crude oil which passes through a number of 22 infield parcels of land, intended for the construction of houses to pay the sum of 65,000 Euros representing the consideration of the houses located in the plot numbers of 141.7760/5/174, to be entered in the C.F. No.306869, as this can no longer be recovered, the payment of an annual rent, for the duration of the existence of the pipe, as a result of encumbrance of the areas shown over the legal right of easement exercised by CONPET S.A. and the obligation of the defendant CONPET S.A. to the granting of compensation for the period 31.10.2014-31.05.2016 as a result of limiting the attributes of ownership of the 22 infield parcels of land and a fall in the value of the terrain on the real estate market because of the restrictions imposed by the A.N.R.M. Order 196/2006 regarding the construction. At the same time has requested the obligation of the defendant CONPET S.A. as every 3 years to adapt the amount of damages to the real estate market value, from that moment, of similar lands and to the provisions of the future orders of A.N.R.M.

By the report on 07.06.2018 The High Court of Cassation and Justice found the ineligibility of Conpet's appeal, it being promoted against a final decision, which is inconsistent with the hypothesis governed by Article 483(1) Civil Procedure Code.

The parties may submit, in writing, to a point of view on the report after the communication.

Trial date: Checking of court

- **The file no. 1372/212/2017 - Constanta Court - in the course of settlement**

Stage of trial: Merits

Cruceanu Alin Florinel filed a trial asking the court to oblige Conpet S.A. to pay compensation equal to the value of the market for building land in the area of 460 sqm located at no. 29, Luceafarului street, Lazu comune, Constanta county and for an area of 460 mp building land located at no. 31 Luceafarului Street, Lazu comune, Constanta county, the price is estimated at the sum of 30,000 euros, the equivalent of RON 134.700; the obligation for Conpet to pay the sum for lack of use of land in the form of an annual rent over the last three years; the obligation for Conpet to pay the costs incurred as a result of the settlement of this application.

Subsequently, the plaintiff had stated the action with regard to the second head of the request requesting the Court the obligation for Conpet to pay of the amount representing the lack of use of the two building lands for the period between 10.12.2015 and the date of the final sentence by which the first end of the request was admitted.

Conpet has made a counterclaim in which it requested the obligation to allow the counterclaim Conpet S.A. the exercise of the right of legal easement established by the provisions of Article 7 et seq. of the Law no. 238/2004 on the two plots of land owned by the complainant Cruceanu Alin Florinel, situated in the village Agigea, Lazu village, no. 29- 31, Luceafarului str., county Constanta. The exercise of the right of legal easement is to be carried out in a passage of 2.4 meters wide located along the pipe buses to transport crude oil Ø 20 " Baraganu Constanta- standing for purposes of access to the pipe in order to verify the day-to-day management of the status of the pipe and the execution of any repair work and settlement of the annual rent provided for by law due by us, to the plaintiff in exchange for the exercise of the right to legal easement.

Trial date: 11.10.2018

- **The file no. 18344/212/2017 - Constanta Court - in the course of settlement**

Stage of trial: Merits

Dumitru Mitu and Mitu Rodica filed for a trial by applying the obligation of Conpet to payment of compensation for the two plots of land, situated in the village Lazu, Agigea commune, Constanta county affected by the routing of some pipes carrying petroleum products, as well as the obligation of the defendant to pay an annual rent for lack of use of the land affected by the exercise of the right of legal easement, starting with the date of 20.06.2014 and compensation in the form of an annual payment for the assignment of the partly use of the land on which the pipe is located, with the obligation to pay the trial costs.

Conpet has made a counterclaim which has requested the court to order the plaintiffs to allow Conpet S.A. to exercise the right of legal easement established by the provisions of Article 7 et seq. of the Law no. 238/2004 on the two plots of land owned by the plaintiffs.

The exercise of the right of legal easement is to be carried out in a passage of 2.4 meters wide located along the pipe buses to transport crude oil F2 Ø 20 " Baraganu Constanta- standing for purposes of access to the pipe in order to verify the day-to-day management of the status of the pipe and the execution of any repair work and determine the amount of the annual rent provided for by law that is due by Conpet to the plaintiffs in exchange for the exercise of the right to legal easement. Also, Conpet has made a request for a guarantee call of the Public Finance Ministry and the National Agency for Mineral Resources (A.N.R.M.) in order to ensure that, in case Conpet

S.A. Ploiești falls in claims relating to the claims of the complainants made in the application of the Summoning sue,to compensate us for the sums which we shall be obliged to pay to the complainants.

Trial date: 05.09.2018

- ***The file no. 14960/280/2015 - Pitești Court*** - in the course of settlement

Stage of trial: Merits

Cirstea Stelian and Cirstea Gherghina appealed the sentence of the court and request an order for Conpet SA to pay for lack of use as of the date of acquisition of the ownership of the land - more precisely as of 6 October 2014, the lack of use which provisionally rise to the sum of RON 1000 – is to augment by the value of the percentage of the summons after producing the rules of evidence and to oblige CONPET to lift the pipes and installations, which are on the land owned by the plaintiffs, and in as far as this is not possible, the obligation of Conpet at a monthly payment of an amount equivalent to the consideration of rentals for land affected by the pipes and installations on him - at the level of the rents charged on the free market.

Trial date: 11.09.2018

- ***The file no. 220/262/2017 - Moreni Court*** - in the course of settlement

Stage of trial: Merits

Chivu Ion has filed for a trial requesting the court to have the order for Conpet to disrupt the oil pipe crossing the land in his property, with the area of 1.753 sqm in Ocnita, located in the T14, P114, the establishment of acces site with the obligation of Conpet to the payment of annual rent concerned for both the path of access and the pipe that produces injury of the terrain and compensation for the land affected by the pipe.

Trial date: 21.08.2018

- ***The file no. 21382/281/2015 - Ploiești Court*** - in the course of settlement

Stage of trial: Merits

By the conclusion on 02.05.2017, Ploiești Court suspended the sentence of the case pursuant to Article 242(1) Civil Procedure Code. (Non-fulfilment by the plaintiff of the obligations ordered by the instance). In December 2017, the file was resubmitted to court. Iordache Margareta formulated sue petition requesting to compel the defendant CONPET to pay the counter-value of the lack of use of the real estate owned by the plaintiff, land located in Blejoi Commune, Ploieștori village, for the last six years prior to filing the action.

Trial date: 02.10.2018

- ***The file no. 8425/281/2015 - Ploiești Court*** - in the course of settlement

Stage of trial: Merits

Panaiteșcu Mircea filed the court summons requesting the obligation of Conpet to pay the amount of 5.000 lei as lack of use and annual rent of 12.000 RON CONPET filed the counterclaim by which it requested the institution of the right of legal easement and determination of annual rent. By sentence no.5772/29.06.2018 Ploiești Court admits in part the court summons. Admission to the part of the counterclaim. Ordered the defendant to pay an annual rent of an amount equal to RON 58,89 (79,66 kg STAS wheat) for the exercising by the defendant of the right to legal easement, for an area of land of 461 sqm corresponding to the swath width of 2.5 m, from the date of the introduction of the action. It forces the defendant to pay the court costs in the amount of RON 20 representing the judicial stamp fee corresponding to the end of the application range,

RON 600 representing agriculture expertise fee and RON 600 reduced attorney fee. With legal costs on a separate path for the defendant. The sentence can be appealed after communication.

Trial date: --

- **The file no. 5413/204/2017 - Prahova Tribunal** - in the course of settlement

Stage of trial: merits

Dobrogeanu Dumitru and Dobrogeanu Paun loan filed a trial requesting the Court that by the decision to be pronounced, orders defendant to the payment of an annual rent for areas of land occupied by the two pipes of transport petroleum products (crude oil), starting with the date of 01.07.2014 and in the future, for the entire duration of the existence of the pipes, orders the defendant to the payment of the losses suffered by the failure of economic objectives on the remaining area between the two pipes after their restriction and the area along the DN1 (E60) and the payment of the court fees.

The first head of claim has been estimated by the complainants to the sum of 48,000 euros/year (RON 220.000), and the second head of claim reaches the amount of RON 25,000/year.

Trial date: 28.08.2018

c) litigations brought before the administrative court

CONPET S.A. has 2 litigations pending before courts, respectively:

- **The file no. 6575/105/2017 - Prahova Court** - in the course of settlement

Stage of trial: The Appeal of CONPET S.A. at Ploiesti Court of Appeal against the Decision No 442/23.02.2018 intermediate pronounced by the court in Prahova County

By intermediate decision No 442/23.02.2018, Prahova Court rejected the request of CONPET S.A. to suspend the measures of the Court of Auditors established by Decision No 14/21.06.2017 to send the amount of RON 927.154,06 representing income to the state budget of exploiting the tubular material resulting from the decommissioning of parts of the tangible assets owned by the state public domain, together with interest and penalties relating thereto, up-to-date at the time of payment and sending to the state budget, the discounted value, of the amounts identified in view of the enlargement of the checks on the net amounts resulting from the exploit of materials related to tangible assets belonging to the state public domain, dismantled and decommissioned. CONPET S.A. appealed the intermediate Decision No 442/23.02.2018 at the Court of Appeal in Ploiesti.

By the sue petition, Conpet appealed against the conclusion no. 78/09.08.2017 issued by the Court of Auditors of Romania requesting that the sentence of the Court orders:

- **Cancellation of a part of the conclusion no. 78/09.08.2017 issued by the Court of Auditors of Romania, respectively:** Recital 2 relating to point II of the Opposition No 27718/10.07.2017 (with regard to the measures no I.2 and I.3 of Decision No 24/21.06.2017, to remove the irregularity listed in paragraphs 2 and 3 of the same decision), the findings of point A and B.
- **Cancellation of a part of the conclusion no. 14/21.06.2017 issued by the Court of Auditors of Romania, respectively:**
 - The findings given in point 2 of the decommissioning and recovery of certain sections of the pipe belonging to the national transport system - part of the public

domain of national interest, without prior adopting of government decision of passing it from the state public domain to the field of private sector, with a view on drawing up documentation for decommissioning and disposal

- The findings given in point No. 3 with regard to the fact that in the year 2016 a buried recoverable pipe was recovered by auction in accordance with the procedure for exploiting approved by the Regulation concerning the conditions of participation in the auctioning procedure and the conducting of the auction for exploiting the overground and underground metallic tubular material. *The exploiting was done before the adoption of a decision by the government to approve the transition from the state public domain in the field of private sector in view on exploit, according to the law;*
- Measure no. 2 concerning the carrying out of the inventory for the identification of notorious bottlenecks in the national transport system which have been abandoned or dismantled as a result of investments made at the national transport system within the framework of the programs of rehabilitation and modernization and development carried out and the transmission of the results NAMR for initiating the government decision for the approval of the transition from the state public domain in the private field of the state with a view to their removal from service. *The regulation, by internal procedure of the decommissioning, disposal and recovery of the parties in the National Transport System of dismantled following the work of rehabilitation, modernization and development carried out by the sole concessionaire;*
- Measure no 3 on passing the sum of RON 927,154.06 representing income to the state budget by exploiting the tubular material resulted from the decommissioning of parts of the tangible assets belonging to the state public domain, together with interest and penalties relating thereto, up-to-date at the date of payment. *Extension of the check-ups in order to identify all net amounts resulting from exploiting tangible assets belonging to the state public domain dismantled, and turning them to the state budget, for the updated value.*

➤ Canceling the measures laid down by Decision No 14/21.06.2017, issued by the Chamber of Auditors of Prahova county, points no. I.2 and I.3, 2 and 3 respectively, until the final settlement of the case.

By the conclusion of 23.02.2018, Prahova Court rejected the request to suspend the execution of the administrative act as unfounded. The sentence was appealed by Conpet.

The trial date for rejudging the merits: 27.09.2018

The deadline for the sentence of the appeal against the conclusion of 23.02.2018 by which the court in Prahova county rejected the request to suspend the enforcement of the administrative act: 06.09.2018

- ***The file no. 689/42/2017 - Court of Appeal Ploiesti*** - in the course of settlement

Stage of trial: Merits

CONPET S.A. has made a complaint against fiscal administrative documents issued by the National Agency for Fiscal Administration - the general direction of the Settlement of Disputes - Regional General Directorate of Public Finances in Galati - the administration of public finances in Buzau County by which tax obligations were settled in the total amount of RON 5.505.101, which shall consist of: RON 3,088,868 profit tax; RON 1,528,159 delay interest/increase; RON 432,274 delay penalties; RON 283,613 VAT; RON 130,782 delay interest/increase and RON 41,405 delay penalties (interest rate

increases according to the delay time and the penalties have been calculated up to the date of 31.12.2015), respectively :

- By Decision No 114/06.04.2017 issued by the National Agency for Fiscal Administration - the general direction of the settlement of disputes, with headquarters at no. 17, Apolodor street, 5th District, postcode 050741, Bucharest, represented by Mirela Calugareanu, and Alin Ghiurca;
- By the decision of Imposition no F-BZ 436/31.10.2016, regarding the payment of additional tax obligations settled by the tax inspection to legal persons, issued by the Regional General Directorate of Public Finances in Galati County - the administration of public finances in Buzau, both of them being part of the National Agency for Fiscal Administration;
- The Fiscal Inspection report No. F-BZ 584/ 31.10.2016, concluded by inspectors of the National Agency for Fiscal Administration - Regional General Directorate of Public Finances in Galati - the administration of public finances in Buzau County - Tax Inspection Service,
- The decision of imposition No. F-BZ 436/31.10.2016.

Trial date: 25.09.2018.

3.5 Analysis of the corporate activity

3.5.1 Capital market activity

The shares issued by CONPET SA are traded on the regulated market managed by Bucharest Stock Exchange, on the Main segment, in the Equity Securities sector – Premium category, under the "COTE" symbol.

At the end of 2018 H1, the trading price of CONPET shares recorded a decrease by 9.55% compared to the closing price of the first trading day of the same year.

In summary, the transactions recorded with CONPET shares on Bucharest Stock Exchange in 2018 H1 are as follows:

- Have been performed 7,558 trades, by approx. 31% less YoY (10,907 trades), nevertheless, the total value of the traded shares amounted to 1,445,574 shares, twice as compared to 2017 H1 (676,717 shares);
- The total value of trades amounted to 147,893,292 RON, two times higher than the value recorded in 2017 H1 (77,312,733 RON);
- The average trading price was of 102.31 RON/share, lower by 11.94 Ron/share versus the average price of the shares registered during the same period of 2017 (114.25 RON/share);
- The maximum limit registered by the trading price was 120 RON/share and was reached both in the last week of January and the first day of February;
- A peak of the transactions was recorded on 21.02.2018, when a total volume of 611,933 shares was traded, in amount of 61,805,233 RON, representing 42.33% of the total volume of COTE shares traded in 2018 H1;
- The Market capitalization at the end of 2018H1 was of 779,177,520 RON, a decrease by 5.46% as compared to the value recorded at the end of 2017 H1 (824,196,666 RON). At 30.06.2018, as per TOP 100 issuers according to capitalization, CONPET ranked 18.

Trading values indicate a stable share, which continues to attract investors' confidence, due, to a large extent, the effectiveness of CONPET management and the high degree of transparency on the activities and goals of the company.

The main trading indices of 2018 H1 for the shares issued by CONPET are presented in the following table:

Indices Month	Average price (RON/share)	No. of trades	No. of traded shares	Value of trades (RON)
January	112.39	1,596	54,932	6,173,638
February	102.53	2,175	707,740	72,566,976
March	113.36	965	39,158	4,438,997
April	101.34	507	541,175	54,840,244
May	97.94	1,162	50,813	4,976,778
June	94.61	1,153	51,756	4,896,659
Cumulated	102.31	7,558	1,445,574	147,893,292

Table 17 - Main trading indices

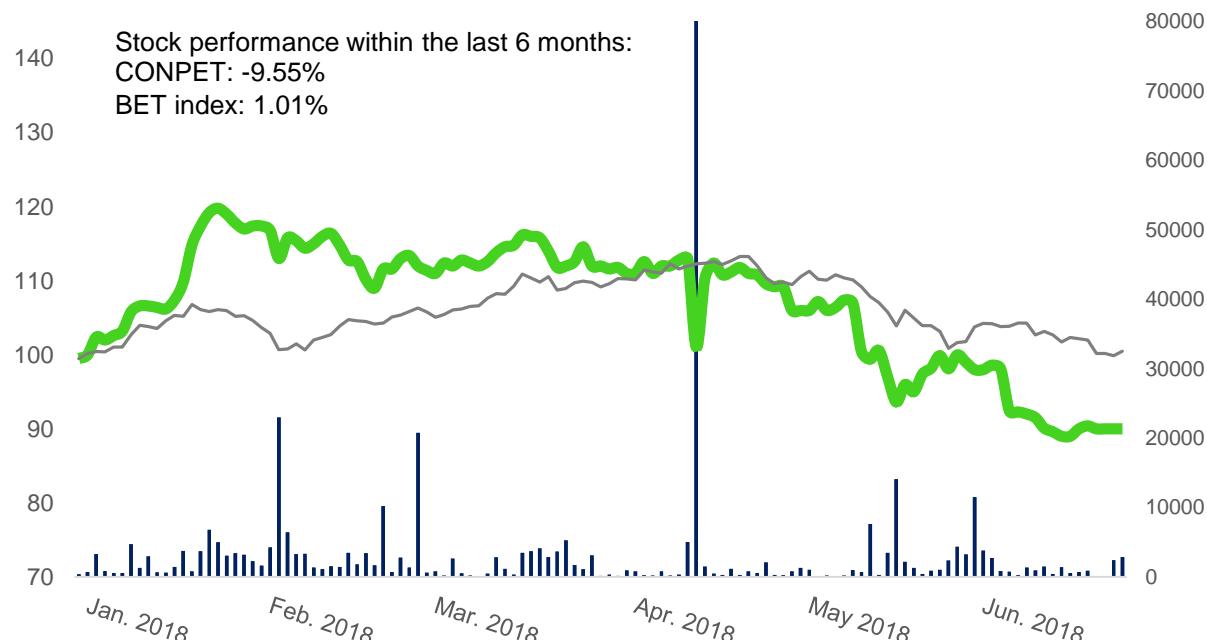
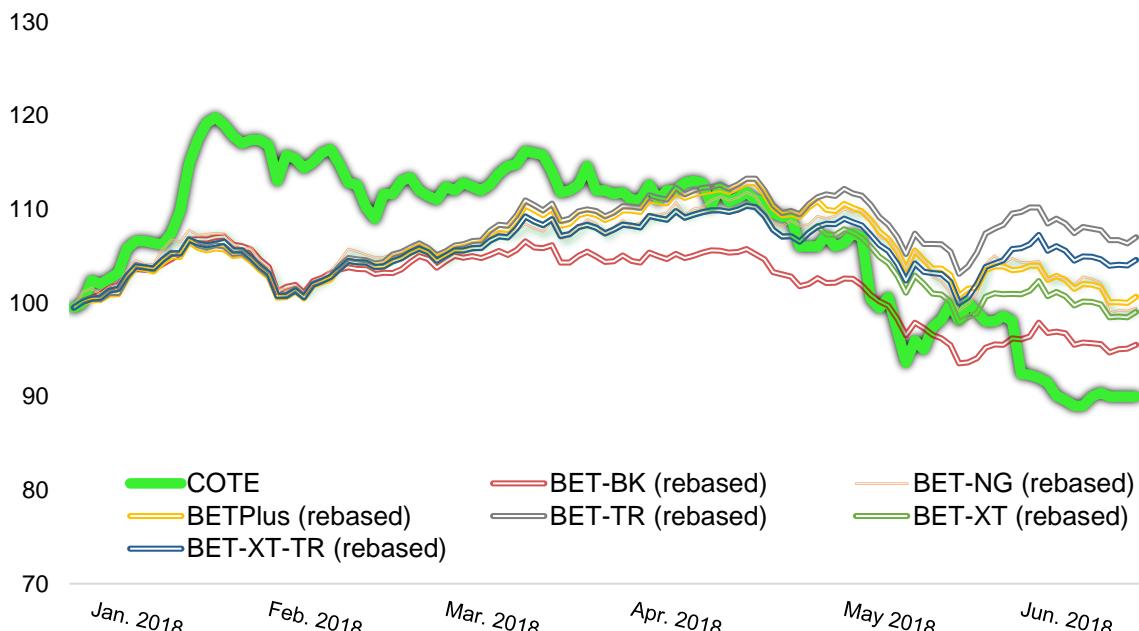
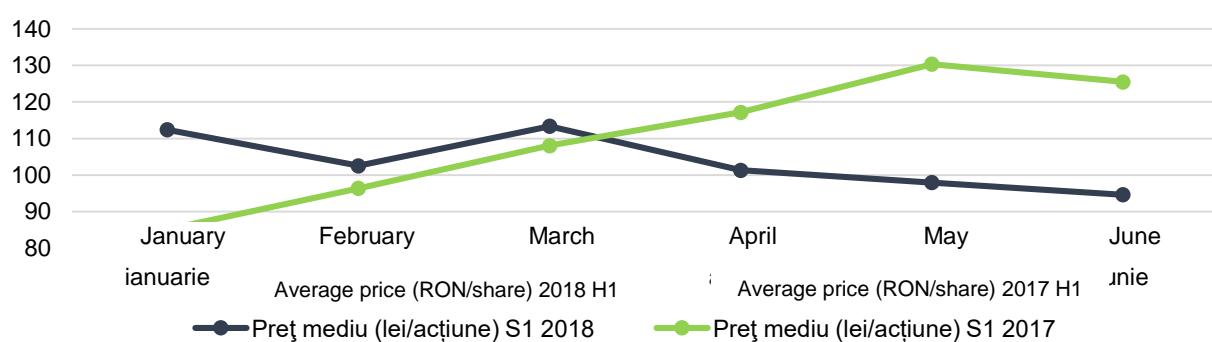


Chart 14- Evolution of COTE share vs. BET index (rebased)

Currently, the company CONPET S.A. is included in 7 out of the total of 9 stock indices, respectively in **BET, BET-TR, BET-XT, BET-XT-TR, BET-BK, BET-NG and BET Plus indices**.



The evolution of the trading price of CONPET S.A. shares, along 2018 H1 is the following:



Within the first 6 months of 2018, CONPET S.A. was one of the highest traded 13 companies at Bucharest Stock Exchange.

Own shares, issuance of bonds or other debt instruments

CONPET did not carry out transactions involving the purchase of own shares and does not hold own shares at the end of 2018 H1.

CONPET has not issued bonds or other debt instruments.

Dividends

CONPET S.A. continued the dividend policy, granting its shareholders a dividend in amount of 8.04 RON, ranking second in top dividends distributed by the companies listed at the Bucharest Stock Exchange, category Premium. The dividend yield recorded at the date of dividend payment was of 8.93%.

The Ordinary General Meeting of Shareholders dated 26.04.2018 approved the distribution as dividends of the amount of 69,621,097 RON out of the net profit related to 2017 financial year. The date of payment was set by the OGMS for 28.06.2018.

The evolution of the gross dividend per share paid in the financial years of the last 5 years is the following:

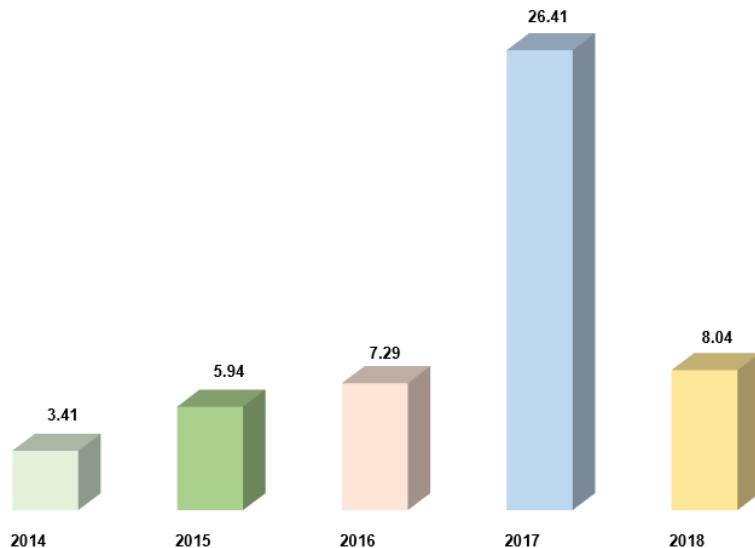


Chart 17 Evolution of the dividend per share during 2014-2018

In 2017 was distributed an additional dividend of 18.34RON/share, distributed from the retained earnings and from other reserves - own financing sources, the gross dividend/share distributed from 2016 profit amounted to 8.07 RON/share.

3.5.2. Corporate Governance

The corporate governance at the level of CONPET is organized and conducted in accordance with the Romanian legislative framework, namely the Companies Act no. 31/1990 and the Government Emergency Ordinance no. 109/2011 on corporate governance of the public enterprises.

CONPET shares are traded, since September 5, 2013, on the regulated market managed by Bucharest Stock Exchange (BSE) at category I, under the COTE symbol.

CONPET's corporate governance system is constantly improved, as to be compliant with the rules and recommendations applicable to a company listed at the BSE.

Among the first measures already implemented for a transparent and fair information, please note:

- The inclusion in the administrators' annual report of a chapter devoted to corporate governance with reference, *inter alia*, to the information related to the Board of Administration and the established consultative committees;
- Diversification of communication with shareholders and investors through the inclusion on the own web page of the releases addressed to market participants, half-yearly and quarterly financial statements and annual reports, procedures to be followed in order to access and participate in the GMS;

- The establishment of a specialized entity dedicated to the relationship with investors and shareholders.

The Corporate Governance Rules

CONPET S.A. issued the Corporate Governance Rules of CONPET, in compliance with the Governance Code of the BSE, this one being approved by the Board of Administration in the meeting held on March 27, 2014.

By this document, the company voluntarily undertook the corporate governance principles.

The Regulation is a public document and can be viewed on the company's website by clicking on the following link <https://www.conpet.ro/en/corporate-governance/corporate-governance-rules/>

Actions for further improvement of CONPET corporate governance

With its listing at BSE, CONPET has undertaken the application of the Corporate Governance Code of Bucharest Stock Exchange and, therefore, of the highest corporate governance standards currently existing in Romania.

One of the goals of the company CONPET S.A. is to increase the transparency and visibility of the company on the stock market and to ensure greater openness to shareholders and investors in order to increase the credibility of the company.

Transparency, information and communication

As a company listed in the Premium category of Bucharest Stock Exchange, CONPET fully complies with the obligations of reporting to the investors and the market in general, drafting and submitting the periodic and current reports required by the regulations of the Exchange. The company has also implemented a strategy of communication to other stakeholders (authorities and local communities, media, etc.).

As a company operating in an activity area of national interest and strategic importance, CONPET seeks to achieve the appropriate balance between the information of a confidential nature and that of public interest. Internal regulations have been adopted for the dissemination of information and compliance with confidentiality.

In accordance with the principles of corporate governance, CONPET has announced the timetable for meetings with analysts and investors, being organized in semester 1 three conference calls with the financial analysts on the capital market, where have been debated periodic reports of the company. The presentation materials prepared on the occasion of the events mentioned above have been published on the company's website. Furthermore, the company's representative answered positive to all the participants to the capital market.

The company has also provided a contact number and an email address (infoinvestitori@CONPET.ro), through which investors can ask various questions, thus getting in direct contact with the investor relations team of the company. Bucharest Stock Exchange has tested the promptitude of response and approach via e-mail and the accuracy and quality of the

information provided, sending a few questions from a random email address, the rating received following this unannounced check being "excellent".

The evolution of CONPET S.A. share is monitored by the research departments of the major financial investment services companies from the Romanian capital market. The entity that manages the relationship with the investors maintains a permanent connection with all financial analysts in the capital market.

At CONPET level, the corporate governance structures are:

- The General Meeting of Shareholders;
- the Board of Administration and the Consultative Committees;
- The Director General.

The General Meeting of Shareholders;

The shareholding structure, corresponding to the consolidated synthetic structure of the shareholders at 30.06.2018, was the following:

➤ The Romanian State, represented by the Ministry of Energy (the line ministry or its successors, according to the law)	
• Number of shares:	5,083,372
• Value of contribution to the share capital (RON)	16,775,128
• Share on profit and loss (%):	58.7162
➤ Legal persons (91 shareholders)	
• Number of shares:	2,536,458
• Value of contribution to the share capital (RON)	8,370,311
• Share on profit and loss (%):	29.2977
➤ Natural persons (12,620 shareholders)	
• Number of shares:	1,037,698
• Value of contribution to the share capital (RON)	3,424,403
• Share on profit and loss (%):	11.9861

Majority shareholder of CONPET company is the Romanian State. The rights and duties of the Romanian State, as majority shareholder, shall be exercised in the General Meetings of Shareholders, by the Ministry of Energy, under whose authority is placed the company, through specifically designated representatives.

The shareholders exercise their rights at the General Meeting of Shareholders ("GMS"), which is the highest decision-making body of the company. The powers of approval of the General Meeting of Shareholders, the organization and validity conditions of these meetings are set out in the Articles of Incorporation of the company, in accordance with the applicable regulations, and are supplemented with the incident legal provisions. Both the Articles of Incorporation of the company and shareholders' rights are posted on the company's website at the following addresses:

<https://www.conpet.ro/wp-content/uploads/2015/11/Act-Constitutiv-la-17.05.2018.pdf>

<http://www.CONPET.ro/relatia-cu-investitorii/info-actionari/>

According to the law, each subscribed and paid share gives the holder the right to one vote in the General Meeting of Shareholders, the right to elect and to be elected to the governing bodies, the right to participate in the distribution of dividends according to the provisions of the Articles of Incorporation and of the legal dispositions, as well as other rights provided for by them.

Shareholders are entitled to a fair and complete information in the General Meeting of Shareholders on the company's situation.

In order to provide equal treatment and full and fair exercise of all shareholders' rights, the CONPET makes available to them all relevant information regarding the GMS and adopted decisions, according to the law, both by mass-communication means and in the special section open on the company's website.

CONPET pays all diligence, in compliance with the requirements of the legislation in the area, to ease the participation of the shareholders in the sessions of the General Meetings, as well as for the full exercise of the rights thereof. The shareholders may take part and vote, in person, in the General Meeting of Shareholders, but also have the possibility to exercise the vote by representation or by correspondence.

The General Meeting of Shareholders is opened and presided by the Chairman of the Board of Administration or, in his absence, by another administrator appointed by the Chairman of the Board of Administration.

During the General Meetings of Shareholders, the dialog between the shareholders and the members of the Board of Administration and/or the Director General is allowed and encouraged. Each shareholder may address questions to the administrators regarding the company activity, according to the legal provisions.

The decisions made by the General Meetings of Shareholders within the limits of the law and of the Articles of Incorporation are mandatory even for the shareholders who did not take part in the meeting or voted against.

The decisions of the General Meeting of Shareholders which are contrary to the law or the Articles of Incorporation can be challenged in court, according to the law.

The Board of Administration

The Company is administered by a Board of Administration made of 7 members. The Board of Administration is led by a chairman who cannot act as Director General of the company.

Starting with 28.11.2017, the General Meeting of Shareholders appointed provisional Board of Administration members with a limited mandate for a duration of 4 months, respectively until 28.03.2018 or until the completion of the selection procedure provided by the EGO no. 109/2011 approved with subsequent amendments and completions by Law no. 111/2016, if this takes place prior to 4 months as of the appointment of the provisional administrators.

On 05.03.2018, the General Meeting of Shareholders approved the extension of the mandates of the administrators in capacity for a period of 2 months, respectively until the date of 28.05.2018.

Starting with 17.05.2018, the General Meeting of Shareholders revoked the Board of Administration members and appointed, by the application of the cumulative voting method, the new Board of Administration formed of 7 members, for a duration of 4 months, respectively until 17.09.2018, or until the completion of the selection procedure provided by the EGO no. 109/2011

approved with subsequent amendments and completions by Law no. 111/2016, if this takes place prior to the expiry date of the administrators' mandates.

The current constituency of the Board of Administration is the following:

Stan – Olteanu Manuela - Petronela, Romanian citizen;
Văduva Constantin, Romanian citizen;
Iacob Constantin - Ciprian, Romanian citizen;
Popa Claudiu - Aurelian, Romanian citizen;
Matei Ion - Cristian, Romanian citizen;
Gavrilă Florin - Daniel, Romanian citizen;
Ilași Liviu, Romanian citizen.

The Board of Administration structure is diverse, comprising both women and men, of different professions (Engineers, Jurists and Economists) with professional experience in the energy, banking, investments, consultancy domains.

The CV's of the members of the Board of Administration of CONPET S.A. are available on the company's website <https://www.conpet.ro/en/corporate-governance/board-of-administration/>.

The administrator Ilași Liviu holds a number of 40 shares issued by the company, the administrator Gavrilă Dorin holds 50 shares, the other administrators not holding any participation to the share capital of CONPET S.A..

The Articles of Incorporation of CONPET S.A. , updated at 17.05.2018, regulates the attributions, responsibilities and competencies of the Board of Administration.

The Board of Administration performs its business based on the Rules of the Organization and Functioning set under the provisions of Law no.31/1990, republished, subsequent amendments and completions and with the Articles of Incorporation of CONPET S.A..

The terms of reference of the Board of Administration may be consulted at the web page: <https://www.conpet.ro/guvernanta-corporativa/consiliul-de-administratie/>.

Consultative Committees

For the observance of the legal provisions specific to the capital market, the Board of Administration has established Consultative Committees in the following structure:

The Audit Committee;
The Nomination and Remuneration Committee;
The Finance and Investor Relations Committee;
The Committee for Development and Relation with the Authorities (established by joining the Committee for Relation with the Regulatory and Energy Authorities and the Development Committee, as per the BoA Decision no. 18/ 28.11.2017).

The Consultative Committees have attributions set by the Internal Regulation for the Organization and Functioning of the Consultative Committees established at the Board of Administration level and are liable for the carry on of analyses and preparation of recommendations for the Board of Administration in the specific areas, submitting reports to the latter regarding the activities performed.

The consultative committees meet whenever necessary, at the President call, and the proposals/recommendations formulated by the Board of Administration (for the substantiation of its resolutions made) adopt by majority of expressed votes. The attributions and responsibilities of the consultative committees are being established by the Board of Administration.

The Board of Administration may set up as well, by resolution, other consultative committees, in different areas of activity, pursuant to the company's necessities and the management strategy thereof. At least one member of each consultative committee should be non-executive independent administrator.

The audit and remuneration committees are made up exclusively of non-executive administrators. At least one member of the audit committee must have expertise in the application of the accounting policies or financial audit.

The terms of reference of the Consultative Committees may be consulted at the web page: [www.CONPET.ro/guvernanță corporativă/](http://www.CONPET.ro/guvernanță-corporativă/) RIOF for the Consultative Committees established at the Board of Administration level.

During January - June 2018, the Board of Administration organized 9 meetings and the Consultative Committees had 13 meetings held.

The meetings of the Board of Administration took place according to the agenda transmitted to the administrators, the main decisions made having as object the followings:

- endorsement of 2018 Income and Expenditure Budget
- Endorsement of Investments Program for 2018;
- Analysis of the company's business presented by the executive management in the monthly reports
- Periodical monitoring of the mode of physical and value performance of the Investment Program for 2018;
- Analysis and approval of the monthly reports of the Consultative Committees;
- Approval of the decommissioning of certain work sites;
- Approval of the Convening Notices of the General Meeting of Shareholders and of the materials related to their Agenda;
- Approval of sponsorship requests and periodical monitoring of sponsorship contracts concluded by the company;
- Approval of proposals concerning CONPET capacity of member within employer's/professional bodies, non-governmental associations and payment of related membership fees, for 2018;
- Approval of the new organizational structure of CONPET and amendment of the Organizational and Operational Regulation of CONPET and of the staff establishment, correlated with the new organizational structure;
- Approval of the job classification of the company;
- Approval of the preliminary report on the economic-financial activity of CONPET S.A. during January-June 2017, accompanied by the non-audited preliminary financial statements at the date and for the financial year ended December 31, 2017;
- Approval of the results of the annual inventory of the elements similar to assets, liabilities and equities, held by the company;
- Approval of 2018 annual procurement program;

- Recurrent information on the state of achievement of the measures disposed by the BOA decisions;
- Periodical monitoring of the ongoing procurement stage which value exceeds 100.000 RON, of the statement of the contracts concluded/completed with value exceeding 100.000 RON, of the statement of the contracts completed with value exceeding 100.000 RON, of the statement of the ongoing contracts of utilities in 2018;
- Approval of the initial component of the selection plan of the Board of Administration members of the company CONPET S.A.;
- Approval of the initiation, by the company of the selection procedure of the independent expert specialized in human resources recruiting, respectively for the appointment of the candidates for the capacities of Board of Administration members and the approval of the criteria (terms) of reference for the selection of the independent expert; the executive management is to perform the procurement as per the legal provisions and the procurement internal procedural norms;
- Approval of the Annual report of the Director General for 2017;
- Approval of the Annual Administrators' Report for the financial year ended 31.12.2017;
- Endorsement of the annual financial statements at the date and for the financial year concluded on December 31.12.2017;
- Approval of decommissioning and capitalization by bid sale of goods from the company patrimony;
- Approval of the Director General's report regarding CONPET S.A. for 2018 H1;
- Approval of the Quarterly Report regarding the economic-financial activity of CONPET S.A. for the period ended 31.03.2018, accompanied by the Interim Financial Statements at the date and for the 3 months period ended 31.03.2018, prepared in compliance with IAS 34;
- Approval of conclusion of certain Addenda to the Collective labor Agreement of CONPET.

The Director General

Starting with 06.12.2017, pursuant to Decision no. 20/05.12.2017 of the Board of Administration, Mr. Dan-Silviu Baciu was appointed Director General of the company.

The Director General of the company has the duties stipulated in the Articles of Incorporation, supplemented by the applicable legal provisions.

The Director General supplies to the Board of Administration, regularly and comprehensively, detailed information regarding all outstanding aspects for the company business. Additionally, any outstanding event is immediately communicated to the Board of Administration.

Moreover, any member of the Board of Administration may request the Director General information regarding the operative company management.

The Board of Administration delegated the company management to the Director General of CONPET and he represents the company in relation to third-parties.

The Director General's attributions are set pursuant to the Rules of Organization and Operation of the company (ROF) and generally include:

- Application of the strategy and development and marketing policies, set by the Board of Administration;
- Provision of management of the company's business;
- Securing the observance of the reporting liabilities set by the regulations in force regarding the capital market and in the EGO no. 109/2011 regarding the corporate governance of the public enterprises, as well as the other applicable legal provisions;
- Preparation of projects and business plans in order to submit them to the Board of Administration for approval;
- Preparation of the Organizational and Operational Rules and Regulations governing the company, the personnel structure and submits them to the Board of Administration for approval;
- Organization and coordination of the necessary activities in order to put into practice the strategies and policies approved by the Board of Administration;
- hire / appointment / lays off / promotion / suspension / dismissal as the case may be, according to the law, of the company's personnel;
- Negotiation of the individual employees' labor contracts;
- Settlement of performance criteria and objectives for the executive directors, the follow-up of the degree of achievement thereof and assessment of the activity of the executive directors regarding the fulfillment of the attribution provided in the job description;
- negotiation and conclusion of the Collective Labor Agreement, in the name and on behalf of the company, in the form approved by the Board of Administration;
- Conclusion of juristic acts, in the name and on behalf of "CONPET" S.A., under the law and in compliance with the provisions of the contract of mandate and of the empowerments granted based on the resolution of the Board of Administration;
- Conclusion of contracts for the sale-purchase of goods, under the law and in compliance with contract of mandate and the empowerments granted pursuant to the Board of Administration decisions;
- Organizes and manages the Executive Director Committee formed of executive directors. The Director General may summon to the meetings employees with management or execution powers within the company and, as the case may be, when discussing problems of professional, economic and social concern, may also invite the president of the union;
- Informs the Board of Administration regularly and exhaustively on the operations undertaken or on the ones contemplated;

The Director General is not allowed to disclose data and information he has access to, regarding the company and the business; this obligation remains valid after the contract termination, for a period of 5 years. Furthermore, he must observe the regime of the inside information provided by Law no. 297/ 2004 regarding the capital market and the incidental regulations.

The Remuneration Policy

In compliance with the provisions of Article 37 para.(1) and (2) and respectively of Art. 38, para. (2) of the Emergency Government Ordinance nr.109/2011 regarding the corporate governance of the public enterprises, further amendments and additions, the administrators and the Director General receive a monthly fixed allowance for the activity performed.

The monthly fixed gross allowance for the members of the Board of Administration has been capped and it cannot exceed twice the 12 months average of the average monthly gross earnings for the activity performed as per the core business of the company, communicated by the National Institute of Statistics (Rom. INS) prior to the appointment.

The fix monthly gross allowance for the members of the Board of Administration, which equals twice the average over the last twelve months of the monthly gross average earnings for the activity performed as per the core business registered by the company, at level of class, as per the classification of the activities in the national economy, communicated by the National Institute of Statistics prior to the appointment, was recalculated in compliance with the provisions of the EGO no. 79/ 2017 for the amendment and completion of Law no. 227/ 2015 regarding the Fiscal Code.

The monthly gross fixed allowance recalculated in amount of 12,314 RON was approved by the GMS on 05.03.2018, based on the provisions of Art. 18 of the EGO no. 90/ 2017 and was awarded starting with the month of January 2018.

On May 17, 2018, the GMS approved the election of a new Board of Administration and set the monthly fix allowance for the elected administrators in amount of 12,754 RON, which equals twice the average over the last twelve months of the monthly gross average earnings for the activity performed as per the core business registered by the company, at level of class as per the classification of the activities in the national economy, communicated by the National Institute of Statistics prior to the appointment, recalculated having as grounds the provisions of Art. 18 of the EGO no. 90/2017.

The total gross fixed remuneration paid during 01.01.2018 – 30.06.2018 to the members of the Board of Administration was of 519,648 RON.

By way of Decision no. 22/15.12.2017, the Board of Administration set the gross monthly fixed allowance of the Director General for the execution of the trusted mandate, in amount of 36,884 RON. The monthly fixed gross allowance of the Director General is set at the level of 6 times the average of the gross average earnings for the last 12 months for the activity carried out according to the main core business of activity registered by the company at the class level as per the classification of activities in the national economy, communicated by the National Institute of Statistics prior to the appointment.

The allowance was calculated in compliance with the provisions of the EGO no. 79/2017 for the amendment and completion of Law no. 227/ 2015 regarding the Fiscal Code and approved by the Board of Administration.

The total gross fixed remuneration paid during 01.01.2018 – 30.06.2018 due to the Director General was of 221.304 RON.

Management of the conflicts of interests

During 2018 H1, no conflicts of interests were recorded on the level of the company CONPET SA, as it results from the declarations of interests submitted by the senior management and BoA members, in application of Law 176/2010 on integrity in the exercise of public office and dignities, for the amending and completion of Law 144/2007 regarding the establishment, organization and functioning of the National Integrity Agency, as well as for the modification and completion of other normative acts.

In order to adhere to the National Anti corruption Strategy 2016 - 2020, the Director General of CONPET S.A. formulated on 24.11.2016, the Declaration of Adhesion, document by which one expresses the adhesion of the company's employees to the values, principles, objectives, measures and deadlines provided by the National Anti-corruption Strategy (NAS);

In order to implement the National Anti-corruption Strategy 2016 - 2020, on 08.02.2017, by the Decision of the Director General no. 38, the Integrity Plan was approved, updated by Decision no. 649 / 15.09.2017 - detailing in particular the measures applicable to CONPET S.A., subsumed to the general and specific objectives set out in the SNA, in order to identify specific risks, vulnerabilities and specific intervention needs;

The administrator or the Director General who has interests in a particular operation, directly or indirectly, contrary to the interests of the company, must notify the other administrator and the internal auditor thereof and must not take part in any deliberations concerning this operation. The same is the duty of the administrator or the Director General if, in a particular operation, he knows that the spouse, relatives or affiliates up to the fourth degree inclusively are interested.

The members of the Board of Administration keep the confidentiality of any facts, data or information they have acquired in the course of exercising their responsibilities and understand that they have no right to use or disclose them during or after the activity.

In order to avoid the occurrence of conflicts of interest, the company has established a number of ethical rules that have to be respected both by the members of the Board of Administration and by the Director General and the employees of the company, in correlation with the applicable legal provisions.

Both in the Organization and Operation Regulations of the Board of Administration of CONPET and in the Corporate Governance Regulation, there are provisions regarding the management of conflicts of interest and transactions with the persons involved. In practice, the Board of Administration members shall inform the Board of any conflicts of interest that have arisen or may arise and shall refrain from attending the discussion and voting for the adoption of a ruling on the matter giving rise to the conflict of interest concerned.

3.5.3 The Executive Management

During 01.01.2018 -30.06.2018, the executive management had the following composition:

The organizational structure valid from 01.01.2018 until 31.01.2018

BACIU Dan-Silviu Director General
 TOADER Sanda Director, Economic Direction
 DUMITRACHE Mihaela - Anamaria Director, Trade and Regulated Activities Direction

The organizational structure valid from 01.02.2018 until 30.06.2018

BACIU Dan-Silviu Director General
 DUMITRACHE Mihaela - Anamaria Deputy Director General 1
 Vacant - until 03.04.2018
 VOICU Ioan – as of 03.04.2018 Deputy Director General 2
 TOADER Sanda Director, Economic Direction
 STOICA Narcis - Florin Director, Operations Transport Direction
 BUZATU Dan Director, Development Maintenance Direction

3.5.4 Activity regarding the sponsorship concluded in 2018 H1

CONPET S.A. supported, through sponsorship actions, projects of tradition or with significant impact on the community, but also request of less amplitude targeting ideas, actions or individual performance.

Our company targeted that the sponsorship meant to support certain projects and events carried out by the non-profit organizations be as effective as possible from the social point of view and the granted financial support represent a consistent support for people.

For the year 2018, in the Revenues and Expenditure Budget of the Company CONPET S.A. have been provided sponsorship expenses in amount of 600,000 RON.

During the Board of Administration meetings of CONPET S.A. were approved, to date, sponsorship in amount of 51,865 RON, as follows:

12,865 RON "Education, social and sports activities"

39,000 RON "Other actions and activities"

4. 2018 H1 RELEVANT CORPORATE EVENTS

March 5, 2018

The General Meeting of Shareholders approved:

- The Revenues and Expenditure Budget and the Investments Program related to 2018;
- Initiation of the procedure for the selection of the administrators of the company CONPET S.A. and granting mandate to the Board of Administration to initiate and perform the Company's administrators selection procedure;
- The extension, based on the provisions of Art. 64¹ para (5) of the EGO 109/2011, of the Mandate of the administrators in capacity at 28.03.2018 by a period of 2 months, respectively until 28.05.2018;

April 17, 2018

The company DEDEMAN SRL reports 7.413% shares held in the share capital of the company CONPET SA .

April 26, 2018

The Ordinary General Meeting of Shareholders approved the annual financial statements for the financial year 2017 and the net profit distribution related to financial year 2017.

May 17, 2018

The Ordinary General Meeting of Shareholders called by the Board of Administration of CONPET SA having included in the Agenda the approval of the Board of Administration and candidate profile;

On 23.04.2018, the shareholders Societatea de Investiții Financiare Banat – Crișana SA requested the supplementation of the Agenda by 6 new Items, wherefrom we mention:

- Revocation of the Board of Administration members and
- Election of a new Board of Administration formed of 7 members, by the application of the cumulative voting method and settlement of the mandate duration of the elected administrators to 4 months or until the completion of the selection procedure provided by the EGO no. 109/2011, if this takes place before the expiry date of the administrators' mandates.

June 19, 2018

The National Agency for Mineral Resources issued the Order no. 117/15.06.2018 regarding the approval of the transport tariffs via the Crude oil, rich gas, condensate and ethane National Transport System, published in the Official Gazette of Romania no. 500 dated 19.06.2018.

5. PRESENTATION OF THE INTERIM FINANCIAL STATEMENTS

The interim financial statements at 30.06.2018 and for the 6 months period ended 30.06.2018 were prepared in compliance with IAS 34 - Interim Financial Reporting.

The interim financial statements do not include all information and elements published in the annual financial statements and must be read together with the annual financial statements, prepared on December 31, 2017.

The simplified interim financial statements at the date and for the six months period ended June 30, 2018, included in this report have been revised by the external auditor BDO Audit SRL.

Accounting Policies

The accounting policies and the evaluation methods adopted in view of drafting the interim financial statements are the same with those used at the preparation of the financial statements for the year concluded December 31, 2017.

Annexes

Annex no. 1 Interim Statement of the Financial Standing at June 30, 2018;

Annex no. 2 Interim statement of the profit or loss and other global result elements for the six months period ended June 30, 2018;

Annex no. 3 Interim cash-flow statement for the 6 month period ended at June 30, 2018;

Annex no. 4 Execution of the Revenues and Expenditure Budget at June 30, 2018;

Annex no. 5 Statement of works and products procurement contracts with values higher than 500.000 Euro, concluded during 01.01.2018-30.06.2018;

Annex no. 6 Statement of services procurement contracts with values higher than 100.000 Euro, concluded during 01.01.2018-30.06.2018;

Annex no. 7 Situation of litigations at 30.06.2018.

**Chairman of the Board of Administration
CONPET S.A.**

Manuela-Petronela STAN-OLTEANU

Annex no. 1

INTERIM STATEMENT OF THE FINANCIAL STANDING AT JUNE 30, 2018

	June 30, 2018 (revised)	December 31, 2017 (audited)
ASSETS		
Non-current assets		
Tangible assets	417,776,146	407,275,686
Intangible assets	980,061	1,462,672
Financial Assets	903,712	973,782
Receivables related to the deferred corporate tax	2,118,485	970,394
Total non-current assets	421,778,404	410,682,534
Current assets		
Inventories	9,020,482	9,024,205
Trade receivables and other receivables	47,351,293	46,753,071
Short-term investments	70,953,628	70,623,518
Cash and cash equivalents	166,451,048	209,847,265
Prepaid expenses	1,584,055	1,842,877
Total current assets	295,360,506	338,090,936
TOTAL ASSETS	717,138,910	748,773,470
Shareholders' equity and liabilities		
Equities		
Subscribed and paid-up share capital	28,569,842	28,569,842
Legal reserves	5,713,968	5,713,968
Revaluation reserves	28,345,981	31,016,763
Other reserves	492,787,718	478,500,458
Retained Earnings	44,489,080	40,211,069
Result of the period	21,625,612	74,387,774
Total equities	621,532,201	658,399,874
Deferred income		
Investment Subsidies	1,248,342	1,314,536
Deferred income	10,909	12,010
Total deferred revenues	1,259,251	1,326,546
Long-term liabilities		
Long-term provisions	13,295,870	12,817,661
Total long-term liabilities	13,295,870	12,817,661
Current liabilities		
Trade liabilities	27,470,633	30,653,848
Current income tax	2,592,820	3,761,986
Other liabilities	38,053,444	32,281,986
Short-term provisions	12,934,691	9,531,569
Total current liabilities	81,051,588	76,229,389
Total liabilities	94,347,458	89,047,050
TOTAL EQUITIES AND LIABILITIES	717,138,910	748,773,470

Annex no. 2

**THE INTERIM STATEMENT OF THE PROFIT AND LOSS ACCOUNT AND OTHER GLOBAL
RESULT ELEMENTS FOR THE SIX MONTHS PERIOD ENDED
June 30, 2018**

	6 months ended at June 30, 2018 (revised)	6 months ended at Friday, June 30, 2017 (retreated)
Operating Revenues		
Turnover revenues	184,931,130	186,314,395
Other revenues	15,045,754	15,389,511
Earnings from disposal of assets	-	899,618
Total operating revenues	199,976,884	202,603,524
Operating Expenses		
Inventory related expenses	3,269,384	3,229,734
Expenses with energy and water	5,948,665	5,172,245
Personnel expenses	65,958,492	57,854,364
Value adjustments on current, non-current assets	22,242,246	22,280,158
Value adjustments on the current assets	(96,920)	(1,063,173)
Expenses related to external services	48,817,415	49,074,190
Other expenses	26,650,529	27,819,699
Loss from disposal of assets	50,665	-
Provision adjustments	3,881,331	(2,192,051)
Total operating expenses	176,721,807	162,175,166
Operating profit	23,255,077	40,428,358
Financial revenues	2,373,563	1,920,176
Financial expenses	4,333	19,658
Financial profit	2,369,230	1,900,518
Profit before income tax	25,624,307	42,328,876
Expenses with the current income tax	5,146,786	6,116,363
Expenses with (revenues coming from) deferred income tax	(1,148,091)	445,033
Profit of the period	21,625,612	35,767,480
Other global result elements	-	(4,928,491)
TOTAL GLOBAL RESULT	21,625,612	30,838,989
Earnings per share	2.50	4.13

Annex no. 3

**INTERIM CASH-FLOW STATEMENT FOR THE SIX MONTHS PERIOD ENDED JUNE 30,
2018 (revised)**
(DIRECT METHOD)

	Name of the Element	6 months ended at June 30, 2018	6 months ended at June 30, 2017
	Cash flows from operating activities:		
+	Proceeds from services supply	193,137,048	199,692,134
+	Proceeds from interests related to banking investments	1,957,740	1,221,583
+	Other proceeds	2,131,735	2,401,295
-	Payments to the suppliers of goods and services	53,182,508	55,285,084
-	Payments to and on behalf of the employees	64,185,854	56,188,567
-	VAT Payments	20,434,472	24,969,109
-	Corporate tax payments	6,315,952	7,743,195
-	Other payments regarding the operating activities	20,218,298	17,699,616
A	Net cash from operating activities	32,889,439	41,429,441
	Cash flows from investment activities:		
+	Proceeds from sale of tangible assets	6,570	1,424,124
+	Proceeds from modernization quota	25,326,114	25,963,435
+	Proceeds from short-term financial investments	-	142,959,952
+	Proceeds from interests related to government securities	-	1,622,248
-	Payments for purchase of tangible assets	40,502,097	19,110,522
B	Net cash from investment activities	(15,169,413)	152,859,237
	Cash flows from financing activities:		
+	Proceeds dividends transferred to Depozitarul Central	5,891,170	2,709,838
-	Paid dividends	67,005,869	143,058
C	Net cash from financing activities	(61,114,699)	2,566,780
=	Net increase of the cash and cash equivalents=A+B+C=D2-D1	(43,394,673)	196,855,458
D1	Cash and cash equivalents at the beginning of the period	209,845,721	244,597,901
D2	Cash and cash equivalents at the end of the period	166,451,048	441,453,359
	<i>To which is being added:</i>		
	Government securities as government bonds and treasury bills	70,309,618	18,928,815
	Total availabilities and financial investments at the end of the period	236,760,666	460,382,174

Annex no. 4

EXECUTION OF THE REVENUES AND EXPENDITURE BUDGET AT JUNE 30, 2018

INDICATORS (thousand RON)	Achieved Semester I 2018	Budget Semester I 2018	Degree of achievement %
I. TOTAL REVENUES	202,357	197,962	102.2%
1.1 Total Operating Revenues	199,983	197,153	101.4%
1.2 Financial revenues	2,374	809	293.4%
II TOTAL EXPENSES	176,733	173,337	102.0%
2.1 Operating expenses	176,728	173,287	102.0%
Goods and Services Expenses	44,061	46,947	93.9%
Taxes, fees and similar levies related expenses	15,135	15,160	99.8%
Personnel expenses, out of which:	65,958	67,593	97.6%
Salary related expenses:	61,561	62,910	97.9%
- salaries expenses	56,316	57,771	97.5%
- Bonuses	5,245	5,137	102.1%
Other personnel expenses, out of which:	1,569	1,517	103.4%
- Severance payment expenses related to personnel layoffs	1,569	1,517	103.4%
Expenses related to management and audit bodies, BoA and GMS	741	1,035	71.6%
Expenses with contributions due by the Employer	2,088	2,132	97.9%
Other operating expenses	51,574	43,587	118.3%
2.2 Financial expenses	4	50	8.7%
GROSS RESULT (profit/loss)	25,624	24,625	104.1%
INCOME TAX	3,998	4,104	97.4%
ACCOUNTING PROFIT REMAINING AFTER THE DEDUCTION OF THE INCOME TAX	21,626	20,521	105.4%
INVESTMENT FINANCING SOURCES	32,317	35,495	91.0%
INVESTMENT RELATED EXPENSES	32,317	35,495	91.0%
SUBSTANTIATION DATA			
Number of personnel	1,680	1,686	99.6%
Total average number of employees	1,660	1,670	99.4%
Outstanding payments	0	0	
Outstanding receivables	131	300	43.7%

The information included in the budget execution at June 30, 2018 are presented in the structure provided in Annex 1, set pursuant to the Order 3145/2017 regarding the approval of the layout and structure of the Revenues and Expenditure Budget, as well as the substantiating annexes thereof.

Annex no. 5

**STATEMENT OF WORKS AND PRODUCTS PROCUREMENT CONTRACTS WITH VALUES HIGHER THAN 500.000 EURO,
CONCLUDED DURING 01.01.2018-30.06.2018**

Crt. no.	Name of Contractor	Scope of Contract	Title of contract	Applied procurement procedure	Name of Beneficiary (if different from the contracting authority)	Contract notice number/invitation to tender	Initial contract value (RON)	Contract value after potential addenda (RON)	Start of the contract	Initially set contract duration (in months).	Final contract duration (in months)
1	CONSTRUCTII FEROVIARE DRUMURI SI PODURI	Execution of hydro technical works in order to safely dispose the aerial crossing of Prahova river by the crude oil transport pipelines belonging to CONPET SA – extremely urgent works for the safe disposal of the metal piles supporting the aerial crossing of Prahova river, in Stejaru area, Brazi commune.	L-CA 171/27.03.2018	NEGOCIATION WITHOUT PRIOR PUBLIC NOTICE	-	14660/19.04.2018	2,447,421.06	2,447,421.06	30.03.2018	6	6
2	OMV PETROM MARKETING	Fuel supply by Card system	P-CA 176 / 30.03.2018	Tender	-	5066/08.02.2018	3,925,600.00	3,925,600.00	30.03.2018	36	36
SEMESTER I - 2 CONTRACTS VALUE SEMESTER I = 6.373.021.06 RON											

Annex no. 6

STATEMENT OF SERVICES PROCUREMENT CONTRACTS WITH VALUES HIGHER THAN 100.000 EURO, CONCLUDED DURING

01.01.2018-30.06.2018

Crt. no.	Name of Contractor	Scope of Contract	Title of contract	Applied procurement procedure	Name of Beneficiary (if different from the contracting authority)	Contract notice number/invitation to tender	Initial contract value (RON)	Contract value after potential addenda (RON)	Start of the contract	Initially set contract duration (in months)	Final contract duration (in months)
1	REVA SA SIMERIA THE TRADE COMPANY FOR ROLLING STOCK REPAIR	Repairs and scheduled revisions RP-CIR (with intervention to container + CIR revision) of 38 60 cubic meters rail tanks for crude oil transport, RP-FIR (with intervention to container) of 3 rich gas tank cars, ISCIR revision to 2 tank cars for crude oil transport and 1 tank car for rich gas transport and replacement of 88 used axles at the 41 tank-cars	S-CA 29 / 31.01.2018	Tender	-	46623/16.11.2017	1,432,500.00	1,432,500.00	31.01.2018	12	12
2	SERVICE IMPLEMENTARE PRODUCTIE SA	Certification/re-certification services for the preparation of the documentation for recurrent reexamination from Ex point of view	S-CA 91 / 07.03.2018	Tender	-	1870/15.01.2018	479,380.00	479,380.00	07.03.2018	12	12
SEMESTER I - 2 CONTRACTS VALUE SEMESTER I = 1,911,880.00 RON											

ANNEX NO. 7: STATEMENT OF LITIGATION ON THE 30th OF JUNE 2018

A). LITIGATIONS IN WHICH CONPET S.A. COMPANY HAS THE CAPACITY OF PLAINTIFF:

1. File no. 11921/105/2011 – Bacău Court

Parties: Conpet S.A. - plaintiff

Biodiesel S.R.L. - defendant

Subject: Claims. Conpet S.A. files a lawsuit demanding:

- Order the defendant Biodiesel S.R.L to pay the amount of 2016. RON 821,44 to Conpet S.A., representing the ground rent consideration between June 2009 – April 2011;
- Order the defendant Biodiesel S.R.L to pay the delay penalties owed to Conpet S.A. by the defendant, according to art.11 from the agreement/contract no. ADM 89/04.27.2009 concluded between the parties as a result of the defendant's failure to perform the rent payment obligation. Conpet demands an order that the defendant pay delay penalties owed from due date up to the actual payment (the date of the annulment of the payment obligation for the consideration of the main debtor, representing rent debt for the period May2009 - April 2011). Please note that up to the 11.11.2011 the amount owed by the defendant under the title of penalties reached 30.653,77;
- Order the defendant to pay the damage-interests for the lack of use of the ground since the expiry date of the agreement (28th April 2011) up to the present date. In evaluating the damage-interest we considered the amount of rent agreed with the defendant under the rental agreement/contract no. ADM 89/27.04.2009.
- Order the defendant Biodiesel S.R.L to pay the trial fees issued in the present matter.

Clarifications: By the **sentence no. 445/03.04.2015** the Moinesti Court rejects the plea of contract failure. It partly admits the request issued by the plaintiff Conpet SA Ploiești opposing the defendant Biodiesel SRL. It issues an order for the defendant to pay the plaintiff the sum of RON 191.554,60, as a consideration for rent. It orders the defendant pay the plaintiff the sum of RON 106.026,58, a consideration for delay penalties, which will still be owed, starting from the date of .20th Nov 2014 until the actual payment of the consideration for rent. It rejects the matter regarding the damage-interest. It orders the defendant to pay the plaintiff the sum of RON 10.599,31 , a consideration for the judiciary fee for the matter admition and the expert fee. The sentence was appealed by Conpet and Biodiesel.

By the Conclusion from 08th March 2016 the Bacau Court orders suspending the appeal trial according to art.244(1)1 from the Civil Law (old), until the definitive closure of the file no. 5119/260/2014. Conpet issued appeal to the suspending closure. This will be trialed in the Bacau Appeal Court. By the order from 07th Sept 2016, the appeal was rejected.

Stage of the trial: Appeal- Suspended

Hearing: --

2. File no. 19024/281/2009– Ploiești Court

Parties: Conpet S.A. - plaintiff

Compania de Transport Feroviar S.A. Ploiești (The Railway Transport Company S.A. Ploiești)- defendant

Subject: Claims. Conpet S.A. files a lawsuit demanding an order that the defendant pay the sum of 50.511,6 RON representing the payment difference for the LDH-70-675 engine repairing which costed an overall of 60.381,60 RON, and also for the trial fees.

Clarifications: By the conclusion from 02nd Sept 2011 the court suspended the matter based on art. 36 of the Law 85/2006.

Stage of the trial: First instance

Hearing: --

3. File no. 6179/105/2009– Prahova Court

Parties: Conpet S.A. - creditor

Petroconduct S.A.- debtor

Subject: Bankruptcy. Conpet S.A demanded, by the Statement of claim no. 5949/23.02.2010, the registration in the statement of affairs with the sum of 202.890,47 RON representing penalties for failure to perform the obligations agreed upon in the contracts no. L45/18.03.2004 and MST9/09.06.2004, consideration for tubular material, transport expenses, uploading and downloading the tubular material, trial fees. Conpet S.A. was registered on the creditors' table of the debtor S.C. Petroconduct S.A. with the sum of 62.739,06 RON.

Clarifications: The official receiver of the debtor registered the company on the preliminary debt table with only a part of the debt claimed by Conpet, respectively 62.739,06 RON of the total debt of 216.412,56RON, although our company used all the available judicial remedies.

Hearing: 10th Oct 2018

4. File no. 2811/105/2010*– Ploiești Appeal Court

Parties: Conpet S.A. - plaintiff

ICIM S.A- defendant

Subject: Conpet S.A files a lawsuit demanding an order for ICIM to pay the sum of 338.144,32 RON representing penalties owed to our company, considering the delay in performing the work upon which the defendant agreed as stated in the contract no. 0135/1995, concluded between the parties, and also pay the trial fees.

Clarifications: by the **sentence no.594/05.03.2014** the Prahova Court rejects the exception plead. It rejects the matter as unfounded. The sentence was appealed by Conpet.

By the **order no.73/04.02.2015** the Appeal Court Ploiești admits the plaintiff's appeal. It dissolves the appealed sentence and redirects the matter to the first instance court for retrial.

By the **order no. 1447/22.06.2015** the Prahova Court rejects the plea of substantive law limitation for the matter. It admits the matter. It orders the defendant to pay the plaintiff the sum of 292.754,68RON, representing delay penalties and also to pay the sum of 12.568 RON trial fees in the first instance and appeal, representing the judicial stamp

tax, judicial stamp and expertise fee. The order was appealed by ICIM S.A. By the **sentence no.223/04.05.2018** the Ploiești Appeal Court rejects the appeal as unfounded. The sentence can be appealed after communication.

Stage of the trial: --

Hearing: --

5. File no. 29201/3/2012*– București Appeal Court

Parties: Conpet S.A. - plaintiff

Dinu Ion, Petrișor Marius Sever, Petrișor Dumitru Valeriu, Pavel Vasile, Benim Nicolae, Dumitru Gabriel, Tinca Florinel Mircea, Costachi Constantin, Spirea Geon, Dragut Marian, Cobzaru Eugen Constantin, Niță Sorin, Constantin George Alin, Marin Georgian Ciprian, Chelaru Ioan Iulian, Dumitru Constantin, Sandu Marian, Toncu Ștefan – defendants

Subject: Theft. Bribery. Use of forgery, under the Law 78/2000. Association in committing crimes. Conpet S.A brought a civil action in court for the sum of 6.267.625,71 RON representing consideration for the lifted crude oil.

Clarifications: by the sentence no.1072/25.05.2017 the București Court admits the civil action and orders the defendants to:

1. Pay the sum of 3.962.725,98 RON representing consideration for the 2.420,595 tones of lifted crude oil, adding the legal interest from the date of each individual fact, up to the full payment of the prejudice.
2. Pay the sum of 8.233,99 RON, adding the legal interest, representing consideration for the remedial works that were necessary for getting the pipe 14 “Calareti-Mavrodi”, pipe 200 „Bărăganu-Călăreți” and the pipe F1 Siliște-Ploiești to the initial estate that they had before the facts took place.
3. Orders all the defendants to jointly pay the sum of 47.915,77 RON, adding the legal interest, representing consideration for the transport expenses for the lifted 2.420,595 tones.
4. The sentence was appealed by the defendants and Conpet S.A.

Hotărârea a fost atacată cu apel de inculpați și de Conpet SA.

Stage of the trial: Appeal

Hearing: 05th Sept 2018

6. File no. 3033/105/2012 – Prahova Court

Parties: Conpet S.A. - creditor

Vasrep Petro Construct SRL - debtor

Subject: Bankruptcy. Conpet S.A issues a request for the debt admition, demanding the registration in the table of creditors for Vasrep Petro Construct SRL with the sum of 126.877 RON, VAT included, representing consideration for materials, labour and necessary tools for getting the pipe to the initial estate that it had before the delict was made by the debtor, the delict consisting of unlawfully destroying and lifting two sections measuring 4.120 m from the Iancu Jianu - Ghercești Ø 10^{3/4}" pipe.

Conpet brings an appeal to the order of not registering Conpet SA in the preliminary Table with this debt, being subject of the file no. 3033/105/2012/a1. By the order no. 1958/19.11.2012, Prahova Court rejected the appeal brought by Conpet. Conpet appealed. The Ploiești Appeal Court admitted the appeal, suspended the sentence issued in the first instance and asked for a retrial.

By the sentence no. **1008/17.09.2014** (3033/105/2012/a1*) Prahova Court admits the appeal regarding the preliminary matter. It orders the registration of the appealing creditor Conpet S.A. in the final debt table with the sum of 1.473.628 RON considering

materials, labour and tools, and also 120 RON judicial tax for the appeal stamp and 2500 RON expert fee. Vasrep appealed.

By the Order no. **141/15.01.2015** the Ploiești Appel Court rejects the appeal as being unfounded.

Stage of the trial: First instance

Hearing: **09.26.2018**

7. File no. 2803/120/2013 – Dambovita Court

Parties: Conpet S.A. - creditor

Ecprod SRL - debtor

Subject: Insolvency. Request for debt admition. Conpet SA issued a request for debt admition over the estate of the debtor Ecprod, of 25.728,89 RON. Conpet is registered in the debt table with the sum of 25.728,89 RON.

Stage of the trial: First instance

Hearing: 15th Oct 2018

8. File no. 7932/118/2013* – Constanta Court

Parties: Conpet S.A. - plaintiff

Bivolaru Gabriel, Chihai Marin, Mangalea Gheorghe, Arhire Adrian, Poenaru Marius Ciprian, Boamfa Paul, Luca Viorel, Meridicos Romeo Ovidiu, Dimofte Petronel, Matei Marius Ionut, Ahălanei Ioan - defendants.

Romeo International Service Company SRL Năvodari - defendant

Romeo International Service Company SRL Năvodari represented by Nicolaidis Constantin - defendant

Ministerul Finanțelor Publice - ANAF - plaintiff

DGFP - plaintiff

Subject: Tax evasion (Law 87/1994, Law 241/2005), art. 323 Criminal Law , Aggravated theft (art. 208-209 Criminal Law). Conpet SA brought a civil action in court for the sum of 928.785,94 RON representing consideration for the lifted crude oil (277 tones), remedial works on the pipes and lab tests.

5. Clarifications: By the sentence no. **472/17.12.2015** Constanța Court admits the civil action issued by the plaintiff Conpet SA. Ploiești. It orders the defendants Bivolaru Gabriel, Chihai Marin, Mangalea Gheorghe, Ahălanei Ioan, Arhire Adrian, Poenaru Marius Ciprian, Boamfa Paul, Merdicos Romeo Ovidiu, Dimofte Petronel, Luca Viorel și Matei Marius Ionut to jointly pay the sum of 90.814,50 RON, (consideration for the 30 tones lifted on 27th May 2013). It orders the defendants Bivolaru Gabriel, Chihai Marin, Mangalea Gheorghe, Ahălanei Ioan, Arhire Adrian, Poenaru Marius Ciprian, Boamfa Paul, Merdicos Romeo Ovidiu, Dimofte Petronel, Luca Viorel și Matei Marius Ionut to jointly pay the plaintiff Conpet SA the sum of 93.841,65 RON (consideration for the 31 tones lifted on 31st May 2013). It orders the defendants Bivolaru Gabriel, Chihai Marin, Mangalea Gheorghe, Ahălanei Ioan, Arhire Adrian, Poenaru Marius Ciprian, Boamfa Paul, Merdicos Romeo Ovidiu, Dimofte Petronel, Luca Viorel și Matei Marius Ionut to jointly pay Conpet SA. the sum of 585.977,25 RON (consideration for the 190 tones of crude oil lifted on 04th June 2013 and 05th June 2013) It orders the defendants Bivolaru Gabriel, Chihai Marin, Mangalea Gheorghe, Ahălanei Ioan, Arhire Adrian, Poenaru Marius Ciprian, Boamfa Paul, Merdicos Romeo Ovidiu, Dimofte Petronel, Luca Viorel și Matei Marius Ionut to jointly pay the plaintiff Conpet SA the sum of 17.289,32 RON (consideration for decommissioning the

handmade facility and getting the pipe to its initial state.

It orders the defendants Bivolaru Gabriel, Chihaiia Marin, Mangalea Gheorghe, Ahalanei Ioan, Arhire Adrian, Poenaru Marius Ciprian, Boamfa Paul, Merdicos Romeo Ovidiu, Dimofte Petronel, Luca Viorel și Matei Marius Ionut to jointly pay Conpet SA the sum of 9.576,84 RON, representing the consideration for laboratory tests, for the 17 samples of oil product.

Takes note that the plaintiff Conpet SA released the civil claims of 20.268,11 for the fact from 08.03.2013 because the prejudice had been fully recovered. The order was appealed by the defendants.

By the order no. **675/10th June 2016** Constanta Appeal Court admits the appeals issued by the Constanta Court Attorney and the appealing defendants Bivolaru Gabriel, Chihaiia Marin, Mangalea Gheorghe, Arhire Adrian, Poenaru Marius Ciprian, Boamfa Paul, Luca Viorel, Merdicos Romeo Ovidiu, Dimofte Petronel, Matei Marius Ionut, Ahălanei Ioan and SC Romeo International Service Company SRL Năvodari. It fully dissolves the criminal sentence no. 472/17.12.2015 issued by Constanta Court in the file no. 7932/118/2013 and orders sending the matter to Constanta Court for retrial. Here it receives * and it is ordered that the matter is sent to the Preliminary Chamber judge (7932/118/2013*/a1).

By the Conclusion no. **93/28.02.2017** Constanta Court rejects as being unfounded the claims and pleas issued by the defendants Bivolaru Gabriel, Chihaiia Marin, Merdicos Romeo Ovidiu, Arhire Adrian and Mangalea Gheorghe. It notes the legality of seizing the court with the Indictment no.569/P/2013 from 30th March 2013 issued by the Attorney of the Constanta Appeal Court, that orders suing the defendants. It notes the legality of evidence administration and conducting of the criminal prosecution. It orders taking the case to court. The conclusion was appealed and the appeal was rejected by the Constanta Appeal Court.

Also, by the Conclusion on 28th Feb 2017 the Constanta Court notes the admissibility of the unconstitutionality plea. It seizes the Constitutional Court with the resolution of the unconstitutionality plea summoned by the defendant Bivolaru Gabriel, in the file no. 7932/118/2013*, from the Constanta Court regarding unconstitutionality of the provisions of art.280, paragraph 1,art.281 and art.282, paragraph 1 and 2 of the Criminal Law- file no.812D/2017- hearing: 14th Dec 2017. The plea was rejected as being inadmissible.

Stage of the trial: First instance- retrial

Hearing: 05th Sept 2018

9. File no. 1862/114/2014 – Buzau Court

Parties: Conpet S.A. - creditor

Geluval Stor SRL – debtor

Subject: Conpet SA issues a request for debt admition demanding the registration in the table of creditors for Geluval Stor SRL with the sum of 1.440,90 RON, representing delay penalties owed for overdue payment of the consideration for 7 bills issued by Conpet for the services provided according to the Contract no. STA 101/20.03.2012 with the defendant, who was ordered to pay the respective sum by the Ploiesti Court sentence no. 8867/16.06.2014, in the file no. 109/281/21014. The sentence was made definitive by lack of appeals.

Conpet is registered in the preliminary debt table for Geluval Stor SRL with the sum of 1.440,90RON.

Stage of the trial: First instance

Hearing: 09th Oct 2018

10. File no. 6625/120/2013 – Dambovita Court

Parties: Conpet S.A. - injured party

Dumitru Nica Constantin, Dumitru Nica Gheorghe, Marasescu Marian, Vlada Aurica, Aslan Razvan Aurel, Grigorascu Dominel Ion, Georgescu Anda, Stanca Ion, Constantin Andrei Marius, Maricescu Constantin, Duniag Instal SRL prin reprezentant legal Dumitru Nica Gheorghe, Anaver Vila Grup SRL prin reprezentant legal Dumitru Nica Gheorghe – defendants

MECMA pentru Petrotrans SA Ploiești prin Lichidator Rominolv SPRL - injured party
OMV Petrom SA Asset 6 Muntenia Central - injured party

Primaria Bucșani - injured party

Primaria Șotânga - injured party

Romtelecom S.A. - Divizia Operațiuni Sus Est – Centrul de Telecomunicații Dâmbovița - injured party

Subject: Aggravated theft. Conpet brought a civil action in court for the sum of 2.083,20 RON representing consideration for 350 m.l. of pipe lifted from the Ø 10" F2 Siliște – Ploiești pipe.

Stage of the trial: First instance

Hearing: 12th Sept 2018

11. File no. 1510/262/2014 – Moreni Court

Parties: Conpet S.A. - plaintiff

Pîrvu Gheorghe – defendant

Pîrvu Nicolae - defendant

Grigorescu Gabriel - defendant

Zlăteanu Dragoș Marian - defendant

Comuna Dărmănești, represented legally by the Mayor of Dărmănești Comune - defendant

SC Nimb Dâmbovița SA –defendant

Subject: Conpet filed for a trial claiming to the court an order that the defendants jointly pay Conpet a sum of for the sum of 34.944,18 RON as civil compensation representing consideration for remedial works on the pipe and optic fiber Link 14, destroyed on 03rd June 2011, across Darmanesti commune, Dambovita county, necessary works for getting them into the initial state, from before the facts took place, which is in a functioning state, adding the legal interest from the date of the definitive sentence up to the actual payment; trial expenses.

Clarifications: By the conclusion from the 08th Jan 2015, Moreni Court suspends the trial for this case regarding the defendant SC Nimb Dambovita SA. It separates the case regarding the rest of the defendants and opening a new file(184/262/2015).

Stage of the trial: First instance- suspended

Hearing: --

12. File no. 2803/120/2013 – Dambovita Court

Parties: Conpet S.A. - creditor

Tobias SRL – debtor

Subject: Bankruptcy. Conpet SA demanded registration in the statement of affairs of

the debtor with the sum of 663 RON representing consideration for 230kg aluminium (575 RON) and 110 kg scrap metal (88 RON), delivered to Tobias SRL on 06.04.2013, following the waste sales-purchase agreement no. 2013/ADM/15.02.2013 between Conpet and Tobias.

Conpet's demand was partly admitted by the judicial administrator, this meaning that our company was registered in the debt table with a debt of 643,11 RON, the difference of 19,89 RON representing 3% environment tax and being owed to the Environment Fund Administration.

Stage of the trial: First instance

Hearing: 06th Sept 2018

13. File no. 717/105/2015 – Prahova Court

Parties: Conpet S.A. - creditor

Fotbal Club Petrolul Ploiești SA – debtor

Subject: Bankruptcy. Conpet issued a Statement of claim by which it demanded registration in the statement of affairs of the debtor Fotbal Club Petrolul Ploiești SA with the sum of 14.465,33 RON.

Conpet was registered in the debt table of the debtor with the requested sum.

Clarifications: By the sentence no. 821/22.06.2016 Prahova Court admits the judicial administrator's claim. It approves the conclusions of the judicial administrator's report. It orders the initiation of the general debtor bankruptcy procedure. It orders the dissolving of the debtor company and withdrawal of the administration right of the debtor. It orders sealing the debtor's assets and fulfillment of all the other liquidation procedures.

Stage of the trial: First instance

Hearing: 12th Sept 2018

14. File no. 13386/3/2015 – Bucharest Court

Parties: Conpet S.A. - creditor

Perfect Metal SRL – debtor

Subject: Bankruptcy. Conpet demanded registration in the statement of affairs of the debtor with the sum of 221.189,85 RON representing delay penalties, compensations, interests and trial expenses.

The claim was admitted but Conpet was registered in the debt table of the debtor in the unsecured creditors category, not the secured creditors, as it would have been the case when considering our registration request in the preliminary debt table. Conpet appealed the preliminary table of debt, the appeal being subject to the file no. 13386/3/201/a1 due on the 18th Sept 2015. By the order no. 7106/18.09.2015 Bucuresti Court rejects the appeal as being unfounded.

Stage of the trial: First instance

Hearing: 19th Oct 2018

15. File no. 19602/3/2015 – Bucharest Court

Parties: Conpet S.A. - creditor

Top Birotica SRL – debtor

Subject: Bankruptcy. Conpet SA demanded registration in the statement of affairs of the debtor with the sum of 2.258,72 RON representing delay penalties owed for the late

delivery of the equipment that was subject to contract P-CA 438/17.11.2014.

Stage of the trial: First instance

Hearing: 21st Nov. 2018

16. File no. 2899/62/2015 – Brasov Court

Parties: Conpet S.A. - creditor

Condmag SA – debtor

Subject: Bankruptcy. Lodgement of claim for Conpet against the assets of the debtor Condmag SA- 42,950,85RON representing penalties, made of 40,927,28RON secured debt and 2,023,57 RON unsecured debt.

Stage of the trial: First instance

Hearing: 11th Sept 2018

17. File no. 4996/256/2015 – Medgidia Court- C. Dău

Parties: Conpet S.A. - plaintiff

Sprivac Florin Alexandru, Roșu Adrian- defendants

Subject: Aggravated theft. Conpet brought a civil action in court for the sum of 7.647,96 RON representing consideration for 200 l of crude oil that was lost following the fact, for remedial works on the damaged pipe, necessary for getting it back into a functioning state (4.710,95 RON) and for greening actions on the polluted area following the damage (2.395,68RON).

Clarifications: By the sentence no. 3538/21.12.2017 the Medgidia Court admits the civil action brought by the plaintiff Conpet SA and orders the defendants to jointly pay civil compensations to the plaintiff - a sum of 7.647,96 RON in the material compensation category.

The order can be attacked after communication.

Stage of the trial: --

Hearing:--

18. File no. 983/281/2016 – Prahova Court

Parties: Conpet S.A. - appellant

Dobrogeanu Dumitru - respondent

Subject: Conpet SA appeals the enforcement against the enforcement papers made by the process server Divoiu Maria's office in the enforcement file no.468/2015, as it follows:

- The notice on
- The subpoena on 17th Dec 2015
- the declaration of enforceability on the 17th Dec 2015
- the declaration of enforcement expenses 17th Dec 2015
- the declaration of adjusting costs according to the inflation rate 17th Dec 2015

and requests the annulment of all the appealed documents as shown above and exempting our company from the payment of the sum of 51.021,54 RON, subject to enforcement.

- With Trial expenses

Clarifications: By the sentence no. 8369/19.10.2017 the Ploiesti Court admits the appeal to enforcement made by the appellant Conpet SA. It cancels enforcement papers

made by process server Divoiu Maria's office in the enforcement file no. 468/2015, as it follows: the notice on 17th Dec 2016; the subpoena on 17th Dec 2015; the declaration of enforceability on the 17th Dec 2015; the declaration of enforcement expenses 17th Dec 2015; the declaration of adjusting costs according to the inflation rate 17th Dec 2015

It orders the respondent to pay the appellant the sum of RON 800,40 for trial expenses, out of which RON 600 represents auditing fees and the sum of 200,40 RON representing consideration for copies of enforcement file no. 468/2015. It rejects as unfounded ordering the defendant to pay the sum of RON 1,000 in respect of costs consisting of judicial taxes,The decision was appealed by Conpet.

Stage of the trial: Appeal

Hearing:--

19. File no. 91/116/2016 - Calarasi Court

Parties: Conpet - plaintiff

Nitu Gh. Nicolae, Stancu N. Alexandru Emilian, Avram Gheorghe, Anton T. Petrisor, Tanase M. Vasile Aurel, Bucur G. Mădălin Cristian - defendants

Subject: Establishment of a organized criminal group (art. 367 NCP) paragraph 1 Cp Conpet SA plaintiff to RON 95.243,71 representing the amount of lost crude oil (RON 79.624,98) and remedial work (RON 15.618,73).

Stage of the trial: Fund

Hearing: Verdict pending on 23rd July 2018

20. File no. 8156/281/2014 - Ploiesti Court

Parties: Conpet SA - plaintiff

Matei Marinel - applicant

Subject: Aggravated theft. Revision. Matei Marinel applies for revision of the criminal decision no. 1383/14.10.2013 of the Court of Appeal Ploiesti in case no. 19230/281/2011.

Stage of trial: First Instance

Hearing: 19th July 2018

21. File no. 2694/236/2016 - Giurgiu Court - B. Olteanu

Parties: Conpet by BEJ Radut Nicoleta - applicant

Conpet - creditor

Stan Remus Constantin - debtor

SC Trans Denimar SRL - seized third party

Subject: BEJ Radut Nicoleta requesting validation of attachment established by letter dated 01.22.2016 the enforcement file no. 207/2015 of BEJ Radut Nicoleta under the right of enforcement decision - Criminal sentence no. 142 from 09.14.2014 given by the Calarasi Court in case no. 2623/116/2013 on amounts owed or possible future debts that the third party Trans Denimar SRL is going to have, up to the amount for which it was established, namely RON 17.708,55 representing consideration of works repair to damaged pipes; RON 2.349,44 representing expenses of enforcement; 1645.62 lei representing executor fee, including VAT, third party being ordered to transfer the total flow of RON 17.708,55 plus the expenses issued during the

enforcement process, to the account opened at BCR, branch Izvor, on the name of Raduta Nicoleta BEJ.

Clarifications: By the civil sentence no. 7772 / 11.16.2016 , the Giurgiu Court admitted the appeal made by BEJ Răduță Nicoleta against debtor Stan Constantin Remus, seized third party and creditor Trans Denimar SRL Conpet SA. Validates attachment founded by letter dated 22nd Jan 2016 the enforcement file no. 207/2015 for RON 17.708,55 representing flow and execution expenses. Orders Denimar SRL, Trans seized third party, to pay the creditor Conpet SA, in the account of BEJ Răduță Nicoleta up to the debt limit, the amount owed to the debtor Remus Constantin Stan, the monthly installments of 1/3 of the amounts owed to the debtor by means of rent, according to the contract no. 160 / 19.02.2008.

The sentence may be appealed by communication.

Stage of trial: -

Hearing: -

22. File no. 8115/281/2016 – Prahova Court

Parties: Conpet SA – appellant

Dobrogeanu Dumitru - respondent

Subject: Appeal enforcement. Conpet appeals against the decision dated 04.01.2016 issued by BEJ Divoiu Maria regarding the file no. 468/2015, claiming the court under Art. 719 Code of Civil Procedure the annulment of the conclusion and exempting our company from payment of RON11.067,41 as subject to enforcement.

Clarifications: Ploiesti Court admits the connexity plea invoked ex officio. It orders annexing this file to case no. 983/281/2016 of Ploiesti Court. The sentence no. 8369 / 19.10.2017 issued in case no. 983/281/2016 Ploiesti Court admits appeal to execution made by the appellant Conpet SA. It cancels the execution documents drawn by BEJ Divoiu Maria for the enforcement file no. 468/2015, as follows: notification dated 17th Dec2015, the order dated 17th Dec2015, concluding declaration of enforcement dated 17th Dec 2015, the conclusion of determining the costs of execution dated 17th Dec 2015 and completion of updates to inflation of 17 Dec 2015.

It orders the respondent to pay the appellant the sum of RON 800,40 for trial expenses, out of which RON 600 represents auditing fees and the sum of 200,40 RON representing consideration for copies of enforcement file no. 468/2015. It rejects as unfounded ordering the defendant to pay the sum of RON 1,000 in respect of costs consisting of judicial taxes. The decision was appealed by Conpet.

Stage of the trial: Appeal

Hearing: --

23. File no. 310/120/2016 – Dâmbovița Court

Parties: Conpet SA – plaintiff

OMV Petrom SA – plaintiff

SNTGN Transgaz SA – plaintiff

Gheorghe Gruia, Vasile Valentin Viorel Ciobanu, Dudas Paul Tudorache Marius Valentin Parvu, Anda Georgescu, Manda Marin - defendants **Subject: Establishment of an organized criminal group (art. 367 NCP).** Conpet brought a civil action in court for the sum of RON 405.536,24 representing consideration for stolen pipes.

Clarifications: By the conclusion from 05.31.2016, Dambovita Court sends the matter to the prosecution, by the indictment for the criminal file no. 124 / D / P / 2013 of the Prosecutor Office attached to High Court of Cassation and Justice - DIICOT - BT

Dambovita the defendants GG, VV, CV, HB TM, PV, GA, MM the victims being OMV Petrom SA, Conpet SA , the National Natural Gas Transport "Transgaz" SA. The prosecutor appealed against the decision, pending the Court of Appeal Ploiesti. The conclusion of 13/10/2016 Ploiesti Court of Appeal admitted the appeal brought by the Prosecutor's Office of the High Court of Cassation and Justice - DIICOT - Territorial Office Dambovita abolishes the appealed decision and during the retrial it **finds the legality of the complaint issued by Dambovita Court by indictment no.124 / D / P / 2013 of the Prosecutor Office attached to High Court of Cassation and Justice - DIICOT - Territorial Office Dambovita the administration of the samples and performing acts of criminal prosecution.** The judgment has started

Sta of the trial: First instance

Hearing: 09.12.2018

24. The file no. 1450/214/2016 - The Courthouse Costesti

The parties: Conpet - civil part

Serban Ilie Dobre Marin, Naicu Ion Marian defendants

Subject: Theft. Conpet brought a civil action in court for the amount of 133.147,97 lei representing the consideration of the quantity of lifted crude oil, of the remedial works to fix the damaged pipe and the expertise AND carried out for the matter.

Clarifications: By the conclusion of the Costesti 18.08.2016 The Costesti Court rejected as unfounded the applications and exclusions invoked by the defendants, finds the competence and the legality of the referral to the court, the administration of the samples and performing other acts of criminal prosecution and beginning of the trial. The conclusion was attacked with an appeal. By the conclusion no. 194/10.13.2016 Arges county court shall reject the appeal as unfounded.

Stage of the trial: First instance

Hearing: 20th Sept 2018

25. The file no. 8529/281/2016 - Court of Ploiesti.

The parties: Conpet - plaintiff

Constantin Costel, Matei Marian, Catalin Mihai Matei Stan, Valentin Dumitru - the defendant

Subject: qualified theft. Conpet brought a civil action in court for the amount of 158.780,39 lei composed of:

- 24.691,2 lei (including VAT) representing the consideration of the quantity of 30,000 liters stolen during the period from September to October 2015 by the defendants Stan Mihai Catalin, Matei Marian Matei Dumitru and Valentin
- 128.394,0 lei (including VAT) representing the equivalent amount of 156.000 liters stolen during the period from September to October 2015 of the defendants Constantin Costel, Stan Mihai Catalin and Matei Marian.
- 5.695,19 Lei (including VAT) representing the consideration of the remedial works done to the pipe, necessary for getting it in the initial condition before committing the offense, i.e. in working condition.

Stage of the trial: First instance

Hearing: 19th July 2018

26. The file no. 8262/281/2016 - Ploiesti Court

Părți: Conpet SA – creditor

Footbal Club Conpet Association - debtor

Subject: dissolution legal person. Application for the acceptance of the claim. Conpet

SA files a claim on the assets of the debtor Football Club Conpet Association, against which it was ordered the dissolution of the Civil sentence no. 8683/10.04.2016 pronounced by the Court of Ploiești in the file no. 8262/281/2016, by requesting the insolvency claim for the debtor Football Club Association of Conpet for the amount of RON 424,94 as debt that is uncontested, liquid and enforceable, appeared prior to the acceptance of the application for the dissolution, representing the rest of the consideration of penalties, in accordance with the invoice No. 1653/31.05.2015, calculated for late payment of obligations which arose from the lease no ADM 366/23.10.2012 between Conpet, and Football Club Conpet Association.

Stage of the trial: First instance

Hearing: --

27. File no. 219/281/2017- Prahova Court

Parties: Conpet SA – plaintiff

Tonicelli SRL – defendant

Subject: Conpet files a trial against Tonicelli SRL for payment of the following amounts:

- RON 37.017,28 representing the consideration of unpaid ferrous waste under the contract no ADM 79/06th March 2014;
- RON 6.737,02 representing delay penalties, according to the contract no ADM 79/06th March 2014, calculated up to the date of 20th October 2016;
- Trial expenses.

Clarifications: By order no. 245/03rd Feb 2017 Ploiești Court cancels the request filed for failure to comply with the obligations laid down by the Court regarding the supplement or amendment of the application. Conpet made a request for retrial.

By order no. 860/14th April 2017 Ploiești Court admitted the retrial request made by the applicant CONPET S.A. It orders that the file is sent to the initially appointed committee.

By the sentence no. 1831/09.03.2018 Ploiești Court admitted the trial file. It orders the defendant to pay the plaintiff the sum of RON 37.017,28 representing consideration for unpaid non-ferrous scrap, according to the contract ADM no. 79/06th March 2014. It orders the defendant to pay to the plaintiff the sum RON 6.737,02 representing the delay penalties, according to Article 11.1 of the contract ADM no. 79/06th March 2014, calculated up to the date of 20th Oct 2016. It orders the defendant to pay to the applicant the sum of RON 2.562,63 on the basis of trial expenses, out of which RON 1.917,63 represent the judicial stamp tax, the amount of RON 600, representing the auditor fee and 45 lei, representing consideration for confirmation of company details. The sentence was appealed by Conpet.

Stage of the trial: Appeal

Hearing: 20th Sept 2018

28. File no. 3666/281/2017 – Prahova Court

Părți: Conpet – plaintiff

GENERAL REMAT SORT SRL

Subject: Claims. Conpet file a trial claiming an order that General Remat Sort SRL pays the sum of RON 7.200,9 (RON 2.286 outstanding fee and RON 4.914,90 delay penalties calculated to date 31st Dec 2016).

Clarifications: By sentence no. 864/08.02.2018 Ploiești court admits the trial regarding claims, filed by the plaintiff CONPET S.A., against the defendant GENERAL REMAT SORT S.R.L., and the branch situated in Constanța city, county

Constanța. It orders the defendant pay the plaintiff the sum of RON 2.286 representing consideration of outstanding non-ferrous scrap, according to the contract ADM no. 79/06.03.2014. Orders the defendant to pay the plaintiff the Sum of RON 6.737,02representing the delay penalties, according to Article 11.1 of the contract ADM no. 79/06.03.2014, calculated up to the date of 20.10.2016. Orders the defendant to pay the plaintiff the Sum of RON 2.562,63 trial costs, out of which RON 1.917,63, represent the judicial stamp tax, the amount of RON 600 represent the auditing fee and RON 45 representing consideration of confirmation of company details The sentence was appealed by Conpet.

Stage of the trial: Appeal

Hearing: --

29. The file no. 2345/202/2017 - Calarasi Court

The parties: Conpet - the plaintiff

Stoian Vasile - defendant

Subject: Claims. Conpet filed a trial for enforcing the defendant Stoian Vasile to the payment of the amount of RON15.136,23 with the title of civil compensations - representing the considerations of the materials and of the work required for the replacement of the three terminals of potential relating to pipes for transport of imported crude oil Baraganu - Călăreți stolen by the latter during the period 17th Sept - 30th Sept.2014, the amount of which shall be added to the legal interest from the date of the commitment of the deed (30th Sept 2014) and until the date of actual payment, and the payment of trial expenses advanced in question.

Claims: By sentence of the Law Court No. 1694/19.09.2017 Calarasi admits the request made by the defendant Conpet S.A. and orders the defendant to pay the amount of RON 15.136,23 as civil compensations. It reject as unfounded the request of the applicant regarding the obligation of the defendant to pay the trial expenses. The sentence was appealed by Conpet. Also Conpet made a request for addition to the sentence No. 1694/19.09.2017 requesting admission of the file and completing the sentence issued by the Court of Calarasi, with the provisions of the court on the application of our company concerning the obligation of the defendant Stoian Vasile to the payment of legal interest, starting from the date of the commitment of the deed (30th Sept 2014) and until the date of actual payment of the main flow. The completion request shall be subject to the file no. 2345/202/2017/a1. By the ruling no. 258/06.02.2018 the Calarasi Courthouse admits the request for addition to the Civil Sentence No 1694/2017 of 19 September 2017, pronounced by the Court of Calarasi in the file no. 2345/202/2017, the request made by the plaintiff Conpet S.A., based on Article 444 Civil Procedure Code, completes the sentence referred to in the sense that the defendant Stoian Vasile is ordered to pay the plaintiff the legal interest calculated on the basis of the amount of RON 15.136,23 from 30th Sept 2014 until the date of actual payment. All the other provisions of the sentence were preserved. Final by lack of appeal.

Stage of the trial: Appeal

Hearing:18th Sept 2018

30. The file no. 1656/295/2017 - Timis County Court

The parties: Conpet - the plaintiff

Emiliana West Rom SRL - defendant

Zeri Andrea - defendant

Subject: Claims. Conpet filed a trial, requesting the order to the defendants SC

EMILIANA WEST ROM SRL and ZERI ANDREA to jointly pay the amount of RON **197.301,36** to Conpet with the title of civil compensations - representing the consideration of the tubular material, the materials and the necessary work for the restoration of transport crude oil pipe Ø 6 - Teremia Valcani $\frac{5}{8}$ ", destroyed on 07th July 2014 by displacement of a portion of 460 m.l., the amount of which shall be added to the legal interest from the date of the commitment of the deed until the date of payment of the full main flow.

Details: Through the **order no. 132/12.02.2018** Sannicolaul Mare Court shall reject the summoning request made and specified by the plaintiff Conpet, against the defendants Zeri Andrea and PFA Zeri Andrea, regarding claims. It rejects as unsubstantiated the request for granting trial fees requested by paratii Zeri Andrea and PFA Zeri Andrea. The sentence was appealed by Conpet.

Stage of trial: appeal

Hearing: --

31. The file No 789/105/2017 - the Prahova Court

The parties: ICIM by administrator CITR Bucharest - the debtor

Conpet- creditor

Subject: insolvency procedure. Conpet issues a request for the debt admition, demanding the registration in the table of creditors for ICIM represented by the judicial administrator CITR SPRL subsidiary in Bucharest, with the total debt in the amount of RON 393.934,37 representing the delay penalties, trial and enforcement expenses.

(A) the sum of RON 50.094, 8 representing the consideration of the works to fix the pipe damage Ø 6 RA Moreni-Ploiesti and lost crude oil, interest, legal costs and expenses of enforcement measures established by enforceable title - civil order no. 1014/28.01.2015 pronounced in the file No 113/281/2014 remaining final and directed by the completion of the straightening material error of 06th June 2016, by which the Ploiesti court admitted the summoning request made by the plaintiff Conpet S.A.

(B) composed of RON 343.839,57, the amount of RON 331.271,57 representing delay penalties according to the provisions of article 8.1 of the contract 0135/1995 (as amended by Article 5 of the additional Act 9/2005 and the additional Act No 10/2006), as well as the amount of RON 12.568 representing the judicial stamp tax, judicial stamp fee and expertise

Conpet has been registered on the table with the amount applied for. ICIM issued an appeal which is the subject of the file No 789/105/2017/A1 and claimed:

- Mainly to the partly change of the preliminary table of claims regarding the rejection of the request for debt admition for the amount applied for by Conpet.
- The subsidiary - the partly change of the preliminary table of claims within the meaning of the registering of Conpet's claims conditional.

Stage of trial: First instance

Hearing: 26th Sept 2018

32. The file no. 6575/105/2017 - the Tribunal Prahova

The parties: Conpet - the plaintiff

The Court of Auditors of Romania - defendant

Subject: Conpet appealed against the conclusion no. 78/09.08.2017 issued by the Court of Auditors of Romania requesting that the sentence of the Court shall order:

1. Cancellation of a part of the conclusion no. 78/09.08.2017 issued by the Court of

Auditors of Romania, respectively:

- Recital 2 relating to point II of the Opposition No 27718/10.07.2017 (with regard to the measures no I.2 and I.3 of Decision No 24/21.06.2017, to remove the irregularity listed in paragraphs 2 and 3 of the same decision), the findings of point A and B.

2. Cancellation of a part of the Decision No 14/21.06.2017, issued by the Chamber of Auditors in Prahova county, namely:

- The findings given in point 2 of the decommissioning and recovery of certain sections of the pipe belonging to the national transport system - part of the public domain of national interest, without prior adopting of government decision of passing it from the state public domain to the field of private sector, with a view on drawing up documentation for decommissioning and disposal
- The findings given in point No. 3 with regard to the fact that in the year 2016 a buried recoverable pipe was recovered by auction in accordance with the procedure for exploiting approved by the Regulation concerning the conditions of participation in the auctioning procedure and the conducting of the auction for exploiting the overground and underground metallic tubular material. Exploiting was done before the adoption of a decision by the government to approve the transition from the state public domain in the field of private sector with a view on exploit, according to the law;
- Measure no. 2 concerning the carrying out of the inventory for the identification of notorious bottlenecks in the national transport system which have been abandoned or dismantled as a result of investments made at the national transport system within the framework of the programs of rehabilitation and modernization and development carried out and the transmission of the results ANMR for initiating the conclusion by the government for the approval of the transition from the state public domain in the private field of the state with a view to their removal from service. Internal rules by the procedure of the decommissioning, disposal and recovery of the parties in the National Transport System of dismantled following the work of rehabilitation, modernization and development carried out by the sole concessionaire;
- Measure no 3 on passing the sum of RON 927.154,06 representing income to the state budget by exploiting the tubular material resulted from the decommissioning of parts of the tangible assets belonging to the state public domain, together with interest and penalties relating thereto, up-to-date at the date of payment. Extension of the check-ups in order to identify all net amounts resulting from exploiting tangible assets belonging to the state public domain dismantled, and turning them to the state budget, for the updated value.

3. Canceling the measures laid down by Decision No 14/21.06.2017, issued by the Chamber of Auditors of Prahova county, points no. I.2 and I.3, 2 and 3 respectively, until the final settlement of the case.

Clarifications: By the end of 23rd Feb 2018 Prahova Court rejected the request to suspend the execution of the administrative act as unfounded. The sentence was appealed by Conpet. The deadline for the sentence of the appeal against the conclusion of 23rd Feb 2018 by which the court in Prahova county rejected the request to suspend

the enforcement of the administrative act: 06th Sept 2018
Stage of trial :First Instance
Hearing: 27th Sept 2018

33. File No 19873/281/2017 - Court of Ploiesti.

The parties: Conpet - the plaintiff
EURONET SRL - defendant

Subject: Claims. Conpet filed a trial requesting the court to:

- Order the defendant to the payment of the amount of RON 17.400 representing damages of 20 % the value of the contract;
- Order the defendant to the payment of trial expenses.

Clarifications: By the **order no. 269/19.01.2018** Ploiesti Court admitted, in part, the application of the Summoning in court. Orders the defendant to pay the amount of RON 13.050, representing damages under the contract no. S-as-CD 75/09.03.2016. Order the defendant to pay the plaintiff the amount of RON 732, representing the legal costs, judicial stamp tax. The sentence can be appealed after communication.

Stage of trial: --

Hearing: --

34. File no. 689/42/2017 - Ploiesti Appeal Court

The parties: Conpet - the plaintiff

The National Agency for Fiscal Administration - the general direction of the Settlement of Disputes - defendant

Regional Directorate General of Public Finances in Galati - the administration of public finances in Buzau County - defendant

Subject: Appeal for fiscal administrative act. Conpet files a trial requesting by the sentence of the court, the following:

1. Cancellation of the Decision No 114/06.04.2017 issued by ANAF - the general direction of the settlement of disputes;

2. Cancellation of the Decision imposing no F-BZ 436/31.10.2016, regarding the payment of additional tax obligations completed by the tax inspection to legal persons, issued by the Regional Directorate General of Public Finances in Galati - the administration of the Buzau County Public Finance;

3. Cancellation of the Fiscal Inspection Report No. F-BZ 584/ 31.10.2016, signed by inspectors of the National Agency for Fiscal Administration - Regional General Directorate of Public Finances in Galati - the administration of public finances in Buzau County - Fiscal Inspection Service.

4. Order the defendants to payment of trial costs

Clarifications: --

Stage of trial :First Instance

Hearing: 25th Sept 2018

35. File No 31709/212/2017 - Constanta Court

- Conpet: complainant
- SPIT Constanta - respondent

Subject: Felony complaint. Conpet filed felony complaint against the record of findings and penalties in regards to contraventions no EPJ0001652 from 16th Oct 2017 concluded by Public Tax and Fees Office, requesting admission of the complaint requesting the cancellation of the minutes and our company's exemption from the

payment of the fine (1,500 lei), and secondarily replacing the fine with the warning sanction.

Clarifications: By the **order of the** Constanta Court 20th March 2018 suspended the files no. 2768/118/2017 and no. 4323/118/2017- on the role of the sentence of the Constanta Court, until final settlement, the trial of the felony complaint. The conclusion was appealed by SPIT. Deadline for appeal: 05th Sept 2018

Procesual stage: First Instance- Suspended

Hearing: --

36. The file No 23166/281/2017 - Court of Ploiesti.

The parties: Conpet - complainant

Dobrogeanu Dumitru - respondent

Beige Goslan and Left - respondent

Subject: Backing of enforcement procedure. Conpet files a trial and requests by the sentence of the court, to back the enforcement procedure which is carried out under the executory title represented by Decision No 669 of the Prahova Court 20th Dec 2011 in the enforcement file no.771/2012 of the B.E.J. Goslan Mihai, restoring partly the previous situation of enforcement, within the meaning of ordering the defendant DOBROGEANU DUMITRU (under Article 723 Civil Code) to the payment of the following amounts:

- RON 96.698,02 representing the amount wrongly charged by the defendant in the case of enforcement no.771/2012 on the basis of lack of use updated for the period 03rd Nov 2006 - 15th Aug 2012, updated with the index of inflation in the period from 20th Dec 2011 - 15th Aug 2012; (RON 377906 Stoica Sever expertise report as he was paid by the executor by the protocol for releasing amounts of 4th Oct 2012- RON 281207.98, report Anton Petre = 96698,02)
- RON 3.500 representing the undue amount levied on the basis of the expenditure (lawyer fee).
- RON 2,000 representing the amount transferred unduly paid on account of expert Stoica Sever
- RON 1.000 trial expenses;
- RON 1.822,32 representing fee wrongly charged by the Office of the bailiff Mihai Goslan

Secondarily, the enforcement of BEJ Mihai Goslan to payment of the following amounts:

- RON 1.822,32 representing the unduly charged fee
- RON 2,000 representing the amount transferred unduly paid on account of expert Stoica Sever

Also requires the update with the legal interest of amounts of RON 96.698,02 RON3.500, RON2,000 and RON 1.822,32, starting with the date of 04th Oct 2012 (the date of completion of the protocols for releasing amounts in the case of enforcement no.771/2012) up-to-date and continue until the date of actual payment.

With trial expenses.

Clarifications:

Stage of trial:First instance

Hearing: Postpone of the sentence: 09th July 2018

37. The file No 23486/281/2017 - Ploiesti Court

The parties: Conpet - the plaintiff

Terrestrial Infrastructure Consulting CONSIT SA- defendant

Subject: Claims. Conpet files a trial requesting a sentence for the terrestrial to order the defendant INFRASTRUCTURE CONSULTING CONSIT S.A. to payment of the following amounts:

- RON 2700 representing damages in accordance with the provisions of Article 17.3 of the Contract no. S-85/21.03.2016 communicated by notification of termination no21580/30.05.2017;
- RON 14.715 representing the delay penalties, according to the contract no. S-85/21.03.2016 calculated up to the date of 07th June2017- the date of contract termination.
- Trial expenses.

Clarifications: --

Stage of trial: 14th Sept 2018

Hearing:

38. File no. 9696/315/2017 - Targoviste Court

The parties: Conpet - the plaintiff

Cretu Catalin - defendant
Cretu Gheorghe - defendant
Nita Ionut - Bogdan - defendant
Roman Lucian - Marin - defendant
Vasile Andrei - defendant
Dumitrica Aurelian - defendant

Subject: Conpet files a trial requesting that by the sentence of the court to be ordered that the defendants shall jointly pay the amount of RON **37.872,18** as civil compensations - representing the consideration of the work of replacing stolen pipe (RON 5.472,32) and to fix the fiber-optic cable destroyed by the defendants (RON 32.054), the necessary work aimed to bringing the pipe to the state before the commitment of the deed, i.e. in operation, as well as the equivalent of the traveling at the place the commitment of the deed with a view to finding its consequences (RON 345,86). It also requires the updating of this amount with legal interest from the date of 10th April2011, the date of the commitment of the deed, and until the date of actual payment. It also requests an order that the defendants pay the trial expenses caused by the matter in question.

Details: --

Stage of trial:--

Hearing: Postpone of the sentence: 17th July 2018

39. The file No 950/281/2018 - Prahova Court

- Parties: Conpet - complainant

Dobrogenu Dumitru - respondent
Beige Mihai Goslan - respondent

Subject: Conpet has made a request for the back of the enforcement, requesting a sentence of the Court to back the enforcement carried out under the executory title represented by Decision No 669 of 20.12.2011 The Prahova County Court in the case of enforcement No 710/2013 of B.E.J. Goslan Mihai, restoring the part of the previous situation of enforcement, to order the defendant Dobrogeanu Dumitru (under Article 723 Proc Code Civil Code) to the payment of the following amounts:

- RON 1,000 representing the undue amount levied on the basis of the expenditure (fee of lawyer).

- RON 1.062,3 representing the fee wrongly charged by the Office of the bailiff Mihai Goslan

- RON 111, representing consideration of copying enforcement file .

Secondarily, Conpet requires the obligation of BEJ Mihai Goslan to the payment of the amount of RON1.062,3 representing the charged fee unduly paid.

Trial expenses.

Clarifications: by the **sentence of the** Ploiesti Court No. 4557/25.05.2018 admits the lack of law liabilities plea of the BEJ Mihai Goslan and consequently rejected the request made by the plaintiff CONPET in arguing with this defendant as being made against a person without law liabilities. It partly admits the application. It backs the enforcement carried out in the case of enforcement of B.E.J. no. 710/2013 Mihai Goslan Conpet by repayment to the plaintiff by the defendant Dobrogeanu Dumitru the amount of RON 2.062,3. It orders the defendant Dobrogeanu Dumitru to pay the plaintiff the amount of RON 189,23, with the title of trial expenses. The sentence has been appealed by Dobrogeanu Dumitru.

Stage of trial: Appeal

Hearing: --

40. File no. 4991/281/218 - Ploiesti Court.

Parties: Conpet - complainant

Dobrogeanu Dumitru - respondent

Subject: Conpet complains against the enforcement of implementing acts drawn up by Societatea Civilă Profesională de Executori Judecătoarești Goslan Si Stanga, as follows:

-The Order on 06th February 2018;

- The notification of 06th February 2018;

-Explanatory notice dated 01st March 2018 for the summon on 06th February 2018 and requests:

1. Canceling the order on 06th February 2018 issued in the file no. 4526/2017 on setting the costs of enforcement measures.
2. Cancellation Notification dated 06th February 2018 issued in the file no. 4526/2017 concerning the prosecution against CONPET triggering legal seizure regarding an update with inflation rate of the debt established in the title of the enforceable represented by the civil Decision No 669/20.12.2011, from the date of 20th Nov 2011 until the date of actual payment, pronounced by the Prahova Court in the file No 14660/281/2005;
3. Canceling the Explanatory notice dated 01st March 2018 for the summon on 06th February 2018 issued in the file no.4526/2017, on payment by CONPET of only the update of the claim- RON 53.116,00 in 2014.
4. Backing the enforcement by restoring the previous situation.
5. The court expenses.

Clarifications: By **conclusion No. 1515/19.06.2018** Ploiesti Court admitted the unstamp plea for the application of the Summoning in sentence, invoked ex officio. Cancels the request that was not stamped. The sentence can be appealed after communication.

Procesual stage: --

Period: --

41. File No 611/310/2018 - Sinaia Courthouse

The parties: Conpet - complainant

U.A.T. Sinaia City by Mayor- defendant

Subject: Conpet filed a complaint against the record of findings and penalties no. 4 dated 05th March 2018 concluded by U.A.T. Sinaia town, requesting the admission process of the grievance and cancellation of the record of findings and penalties , and secondarily, the replacement of the sanction with caution. By the attacked record, the inspector Naparus Georgeta within U.A.T. Sinaia town, after a check carried out on 05th March 2018, 15.00, at Sinaia, the Cota 2000 - Bucegi Mountains, shelter 2000, Prahova County, found the following: "The works were carried out in contravention of authorisation to construct no. 70/29.08.2016 that: the roof on the rear end panel has a breaking of the slope along the whole length of the front end panel; this change causes exceeding of: built area > 150,00 mp, POT> 18%, carried out area> 230,00 mp, CUT > 0,36; to support the wall plate a wall support was built; the works have been carried out in the year 2017." . In its resolution on the imposition of the sanction the mayor of the town of Sinaia has applied the penalty of a fine amounting to RON 50,000 in accordance with Article 26(b) of Law No 50/1991 and ordered the measures of seizing of the activity and regularization.

Clarifications: --

Stage of trial :

Hearing: 21st Aug 2018

42. File no. 1064/192/2018 - Bolintin village Valley Courthouse

The parties: Conpet - complainant

The City Hall Gaiseni - respondent

Subject: Felony complaint. Conpet filed felony complaint against the irregularity Report No 78/21.02.2018 concluded by the City Hall Gaiseni requesting cancellation and exemption from the payment of the fine (RON 500) applied pursuant to Article 493(5) of the Law no. 207/2015 regarding the Fiscal Code for an infringement of Article 461(2) of the Law No. 207/2015 (misreporting buildings prior to deadline).

Details: through the sentence of the Bolintin village Valley Court No 911/03.07.2018 accepts the complaint. The sentence can be appealed after communication.

Stage of trial: --

Hearing: --

43. File no. 8615/280/2018 - Pitesti court

- Parties: Conpet - complainant

LAVI STAR 2007 SRL - respondent

BEJ Copaci Vasile Dorel din cadrul Biroului Asociat al Executorilor Judecătoreşti Bucescu Emanoil Aron şi Copaci Vasile Dorel- respondent

Subject: Opposition to enforcement. Conpet files appeal against conclusion of the cessation of enforcement of 14th May 2018 ordered in the case of enforcement No 228/2018 of by Copaci Vasile Dorel from Biroul Asociat al Executorilor Judecătoreşti Bucescu Emanoil Aron şi Copaci Vasile Dorel asking the court to order the cancellation of the conclusion of the cessation of forced execution no. 228/2018 dated 14thMay2018 by the bailiff Copaci Vasile Dorel and ordering it to continue to levy of execution for the purposes of calculating and recovery from debtor LAVI STAR 2007 SRL to the amount representing the main flow, updated with the legal interest from the date of the definitive from the executory title represented by the civil order/conclusion no.

8072/11.09.2014 and up to the full payment of the main flow. It also requires the obligation of defendants to pay the trial costs appeared during the matter in question.

Clarifications: --

Stage of trial:

Period: --

44. File No 13560/281/2018 - Ploiesti Court.

- Parties: Conpet- plaintiff

The Prosecutor's Office - Ploiesti Court - respondent

Subject: Conpet files a complaint against the ordinance for rejecting a complaint No 94/II/2/2018 ordered on 22nd May 2018 by prime prosecutor of the Prosecutor's Office of the Court of Ploiesti whereby, in the wrong way, was rejected the complaint Conpet S.A. against the ordinance for classifying the order on 29th Jan 2018 by the Prosecutor's Office of the Court of Ploiesti, in the file no. 7598/P/2008, concerning the perpetration of the offense of attempted theft, the deed provided for in Article 32 regarding Article 228(1), 229(3)(a) of the

Criminal Code and we request the dismantlement of the ordinances, the continuation of the criminal prosecution and investigation to identify offenders and pull them to the penal liability for damage, for the purpose of the avoidance of product tanker pipe, Transport crude oil Calareti- Ploiesti, in the area of the locality Berceni, Prahova County, the deed recorded in the date of 21.08.2008.

Details: --

Stage of trial:

Hearing: 09th Aug.2018

45. The file No 13561/281/2018 - Court of Ploiesti.

Parties: Conpet- plaintiff

The Prosecutor's Office - Ploiesti Court - respondent

Subject: Conpet files a complaint against the ordinance for rejecting a complaint No 98/II/2/2018 ordered on 21st May 2018 by prime prosecutor of the Prosecutor's Office of the Court of Ploiesti whereby , it was wrongly rejected the complaint of Conpet S.A. against the ordinance for classifying ordered on 22nd Nov 2017 by the Prosecutor's Office of the Court of Ploiesti, in the file no. 8572/P/2012, concerning the perpetration of the offense of destruction provided for in Article 253 paragraph 1 Penal Code and requires the dismantlement of the ordinances, the continuation of the criminal prosecution and investigation to identify offenders and pull them to the penal liability for damage of a pipe Ø 3½" Boldesti - Ploiesti, in Hearing of 10th July 2012, with the purpose of stealing gazolina, in the area of the locality Boldesti Scaieni, county Prahova (injury RON 864,68).

Clarifications: --

Stage of trial:

Hearing: 06th Sept 2018

46. The file No 14772/281/2018 - Ploiesti Court

The parties: Conpet - the plaintiff

Valin Construction Project SRL - defendant

Subject: Conpet shall file for a trial, requesting:

- The order that the defendant pays to Conpet the sum of RON 529,80 according to the invoice no. PH CON FA 3378/26.04.2016, representing the consideration of hiring on 24th April 2016 the special vehicle TATRA electric mobile crane with registration number PH-58-ZZZ, Conpet's property;
- The order that the defendant pays legal interest to Conpet in the amount of RON 114,06, calculated up to the date of 2nd July 2018, as well as the payment of these until payment of the full flow;
- The order that the defendant pays of trial expenses.

Details: --

Stage of trial :

Period: --

(B). Litigation IN WHICH THE COMPANY CONPET S.A. HAS THE CAPACITY OF THE DEFENDANT:

1. File no. 8296/281/2007 - Ploiesti Court

The Parties : Cornea Rodica Aurora - the plaintiff

Constanta Conpet S.A., S.A., Regional Transgaz Bucharest, the Ministry of Finance - defendants

Subject: Cornea Rodica Aurora requires the obligation that the defendants jointly pay the civil compensations in the amount of 74.000 euros representing the injury produced by the presence of pipes which belong to the defendants in the basement, the property of the plaintiff and the payment of civil compensations assessed the provisional sum of 10,000 lei for the period from February 2004 - February 2006 as a result of the use of pipes that have crossed the property of the plaintiff.

Clarifications: The question is suspended on the basis of Article 36 of Law No 85/2006.

Stage of trial:

2. The file no. 8297/281/2007 - Ploiesti Court

The Parties : Rusu Mihaela - the plaintiff

Petrotrans S.A., Conpet S.A., Regional Transgaz Bucharest, the Ministry of Finance - defendants

Subject : Rusu Mihaela requires the order that the defendants jointly pay civil compensations in the amount of 74.000 euros representing the injury produced by the presence of pipes which belong to the defendants in the basement, the property of the plaintiff.

Details: The matter is suspended on the basis of Article 36 of Law No 85/2006.

Stage of trial:

3. The file no. 2378/105/2009 - Prahova Court

The parties: Cojocaru Irinel (Bojboiu Marilena) - plaintiff

- Conpet S.A. -defendant

Subject: Bojboiu Marilena files a trial asking:

- The obligation of Conpet S.A. to the leave in full possession of the property and land in the area of 2500 sq.m (**RON 551.518 - consideration of 2500 sqm**)

- **land**) located in Ploiesti, str. Rezervoarelor, F.N., located in its exclusive property;
- The establishment of the cornerstones between land and neighboring properties;
- Trial expenses;

The plaintiff stated the application within the meaning of that in the situation in which the court will not allow the end of the main application, the court have at their disposal:

- The obligation of Conpet to payment of compensation corresponding to the replacement value and the movement of the land in the area of 2500 m², and secondarily,
- The establishment of a building right in favor of the defendant and obliging it to the Monthly payment for the lack of use for the land referred to above, in accordance with a fixed rent which will be laid down in the value of the movement of the land.

Note: The plaintiff Cojocaru Irinel bought the rights of the issue of the former complainant Bojboiu Marilena. Therefore, there remained just one complainant, Cojocaru Irinel.

Clarifications: By the end of 24th May 2011 The court suspended the matter according to Article 244(1) Civil Procedure Law. 22nd Oct 2014 -the file is pending.

Through the **order no. 5872/18.12.2017** Prahova Court rejected the action, as unfounded. The order may be appealed after the communication.

Stage of the trial: --

Hearing: --

4. The file no. 6544/105/2011* - the Tribunal Prahova

The parties: Conpet S.A. - defendant

ICIM S.A.- defendant

E.T.H. The architectural Systeme S.R.L. by the judicial liquidator company Dascalescu & Co - plaintiff

Subject: Claims. E.T.H. The architectural Systeme S.R.L. shall file for a trial asking:

1. The obligation of the defendant ICIM mainly, to the extent that this, as a general contractor, has not received a full consideration of the contract from the contracting authority, the beneficiary Conpet. An order that Conpet pays the amount of RON 325.378,20 representing consideration of works carried out and claims as well as the obligation to pay the penalties related to this amount and up to the actual payment in accordance with the provisions of the contract;
2. The obligation of the defendant ICIM mainly, to the extent that this as a general contractor has not received a full consideration of the contract from the contracting authority Conpet, an order for the beneficiary to payment of the delay penalties of 0.05 % per day of delay, applied to the amount of unpaid invoices;
3. The obligation of the defendant ICIM mainly, to the extent that this as a general contractor has not received a full consideration of the contract of the contracting authority Conpet, an order for the beneficiary to payment of the amount of **696.577,60 lei** according to the fiscal invoice No. 0002/27.06.2011 representing consideration of works carried out in addition, the amount paid up-to-date with the inflation rate as well as the obligation of the payment of interest/penalties related to this amount from the due date and up to the effective payment to be calculated in accordance with Article 371 ind. 2(2) Code of Civil Procedure;
4. The obligation of the defendant ICIM to refund the performance guarantee in the total amount of RON 232.017,18 withheld in accordance with the contract;
5. The obligation of the defendant mainly ICIM so far as the general contractor has not

received a full consideration of the contract of the contracting authority Conpet, an order for the beneficiary to payment of the amount of RON 124.828,9 penalties to the performance guarantee, respectively:

(A) interest/penalties for the amount lodged a performance guarantee ought to be reimbursed in proportion of 50 % in the amount of RON 105.166,90;

(B) interest/penalties for the amount lodged a performance guarantee ought to be reimbursed in proportion of 30 % in the amount of RON 19.662 and costs.

Details: By the end of 11th April 2017 the Prahova court, on the basis of the provisions of Article 262(4) of the Law no.85/2014 suspend the sentence. The conclusion was attacked with appeal. It is the subject of the file No 6544/105/2011*/A1 on the role at the Court of Appeal in Ploiesti. By **Decision 1728/28.09.2017** the Court of Appeal Ploiesti admitted the appeal. It changes in part the recurred conclusion and sends the matter for the continuation of the sentence of the action formulated in contradictory only with the defendant Conpet, the matter against ICIM being suspended.

Through the **order no. 894/23.04.2018** the Prahova County Court admitted except for the lack of law liabilities, invoked by the defendant Conpet. It rejects the action as being filed by a person without quality. The sentence can be appealed after communication.

Stage of trial: --

Hearing: --

5. The file No 650/215/2013* - Dolj County Court

The parties: Conpet S.A. - defendant

Mihai Constantin - the plaintiff

Mihai Norica - the plaintiff

Subject: Obligation of action. Mihai Constantin and Mihai Norica shall file a trial requesting that the decision to have:

- On the basis of the art. 494 Civil Code, the defendant Conpet should be obliged to lift the oil transport pipe;

- The defendant Conpet should be obliged to undo the damage caused, on the basis of Articles 998 and 999 Civil Code, in respect of which they have been produced by the fitting of the pipes, in the vicinity of their household. The plaintiffs were provisional and quantify the claims to the amount of RON 2,000.

Details: Through the **order no. 8895/19.06.2014** the Craiova court rejected the specified action. It takes note that the defendant, by the legal representative has not requested the court expenses. The sentence has been appealed by Mihai Constantin and Mihai Norica.

By **Decision No 195/03.02.2015** the Dolj County admits the appeal. It cancels the sentence. It sends the cause for retrial in the same courts as the First Instance..

By the **order no. 11014/18.10.2017** the Craiova Court admitted the request indicated and made by the plaintiffs. It orders the defendant to pay the plaintiffs the amount of 22.236 RON representing the consideration of the plaintiffs' injury made by product pipe no. 4 Craiova-Iancu Jianu located in concession of the defendant. It orders the defendant to pay the plaintiffs the amount of RON 7.970,8 representing trial costs. The sentence was appealed by Conpet and by the plaintiffs.

By **Decision No 1339/2018 19.06.2018**, the Dolj County reject the appeals to compensate for the expenses of the Court of Appeal. The sentence may be appealed after the communication.

Stage of trial: --

Hearing: --

6. The file no. 5248/111/2014 - Hunedoara court**

The parties: Conpet - defendant

 Poenar Ioan - the plaintiff

Subject: the obligation to action.

Details: By Decision No 27/08.01.2015 Bihor County Court admitted the functional incompetence of division II of the civil society, invoked by the court ex officia. It transposes the action made by the complainant in Section III of the Administrative Court and Tax (where it receives *).

By Decision No 1238/16.04.2015 Bihor County Court admitted the plea for its territorial incompetence. It declines jurisdiction in favor of the application specified in the Hunedoara court.

Through the order no. 196/16.02.2017 Hunedoara court shall reject the administrative appeal made by the plaintiff Poenar Ioan arguing with the defendants Conpet and the General Regional Directorate of Public Finances in Timisoara by county administration of public finances. The sentence was appealed by Poenar Ioan.

The Alba Iulia admitted the appeal, it retires the contested decision and sends the cause for retrial at Hunedoara court.

Procesual stage: the first instance- retrial

Hearing: 12th Sept 2018

7. The file no. 5119/260/2014 - the Prahova Court

The parties: Conpet - defendant

 Biodiesel SRL - the plaintiff

Subject: Biodiesel SRL has filed a trial asking the Court to ascertain the nullity of the lease no ADM 89/27.04.2009 and order Conpet to pay the trial costs.

Clarifications: By the sentence of the Onesti Court of Law No. 1415/17.09.2015 it rejects solving the case in favor of the Ploiesti Court.

Through the order no. 9266/16.11.2016 the Ploiesti Civil Court rejected the exception statute of limitations invoked by the defendant as unfounded. It rejects the application for summoning the sentence as unfounded. It takes note that it does not require the court expenses. The sentence was appealed by Biodiesel SRL.

Stage of trial: Appeal

Hearing: 20th Sept 2018

8. The file No 14960/280/2015 - Pitesti court

The parties: Conpet - defendant

 Cirstea Stelian - the plaintiff

 Gherghina Cirstea - the plaintiff

Subject: Obligation to action + Claims. The plaintiffs appealed the sentence of the court and request an order for Conpet SA to :

1. The payment for lack of use at the date of acquisition of the ownership of the land - 6th Oct. 2014, the lack of use which it shall provisionally rise to the sum of RON 1000.
2. Lifting the pipes and installations, which are on the land owned by the plaintiffs, and in as far as this is not possible, the obligation of Conpet at a monthly payment of an amount equivalent to the consideration of rentals for land affected by the pipes and installations on him - at the level of the rents charged on the free market.

3. The payment of trial costs.

Stage of trial: First instance

Hearing: 11th Sept 2018

9. The file No 21382/281/2015 - Ploiesti Court

The parties: Conpet - defendant

Iordache Margareta - the plaintiff

Subject: Iordache Margareta files a trial requiring the obligation of the defendant Conpet on payment of the sum to be paid for the lack of use of the building land owned by the plaintiff, located in the commune Blejoi, Ploiestiori village, strip ground 187/15, the plot 24, for the last three years prior to the introduction of the action.

Details: By the conclusion on 02nd May 2017 Ploiesti Court shall suspend the sentence of the case pursuant to Article 242(1) Civil Procedure Code. The conclusion can be appealed as long as the course lasts for the suspension of the trial process.

Stage of trial: First instance

Hearing: 02nd Oct 2018

10. The file no. 3451/108/2016* - the High Court of Cassation and Justice.

The parties: Conpet - defendant

- UAT Pecica City - claimant

Subject: UAT the city Pecica filed a trial and requested:

In particular:

- The obligation of the defendant Conpet S.A. to deviate the crude oil which passes through a number of 22 parcels of infield land, intended for the construction of houses, owned by us, in the total area of 20.287 m.p.

- The obligation of the defendant Conpet S.A. to pay the sum of 65,000 euros representing the consideration of the house located in the plot no141.7760/5/174, to be entered in the C.F. no. 306869 because it can no longer be recovered by the subscribed.

In the subsidiary:

- The obligation of the defendant Conpet S.A. to pay an annual rent, for the duration of the existence of the pipe, as a result of encumbrances of the shown areas over the right of legal easement exercised by Conpet SA;

- The obligation of the defendant Conpet S.A. to the granting of compensation for the period 31st Oct 2014 - 31st May 2016. As a result of limiting the attributes of ownership of the 22 parcels of infield land and a fall in the value of the movement of the terrain on the real estate market because of the restrictions imposed by the A.N.R.M. Order 196/2006 regarding the construction;

- The obligation of the defendant Conpet S.A. to adapt the amount of damages every 3 years to the value of the movement from that moment of similar land and provisions of future orders of the ANRM;

- Fixation by the court of a date due to which Conpet will annually pay the damages, as well as payment by the due date give rise to the payment of interest laws concerned the amount received as compensation for the delay period;

- The payment of costs incurred by the matter in question in case of the opposition procedure.

Details: By the order of the Court of First Instance finds 07th Dec 2016 the Arad Court notes the functional incompetence of the Civil Division I of the Court of First Instance and Arad and declines in favor of the Civil Division II of the Court of Arad, the sentence of the action made by the plaintiff's territorial administrative unit of the City Pecica.

By concluding no. 40/26.01.2017 the Arad court rejects the request to indicate the rightholder as issued by the defendant Conpet against the plaintiff UAT The City Pecica

and with the respondents Romanian State by the Finance Ministry and the National Agency for Mineral Resources. The conclusion was appealed by Conpet (file no. 3451/108/2016*/A1 - the Timisoara Court of Appeal, on: 14th March 2017). By Decision No 211/20.03.2017 Timisoara Court of Appeal rejected the appeal.

By the **order no. 336/18.05.2017** the Arad court rejects the civil action filed by the plaintiff UAT The City Pecica against the defendant SC Conpet to having as its object the obligation to make and claims. Without trial costs. The sentence was appealed by the City Pecica UAT.

By **Decision No 761/23.11.2017** the Court of Appeal in Timisoara city admits the appeal. It cancels the appealed sentence and sends the cause for retrial at the court in Arad county. Conpet filed appeal.

By the report on 07th June 2018 The High Court of Cassation and Justice found the ineligibility of Conpet's appeal, being promoted against a final decision, which is inconsistent with the hypothesis governed by Article 483(1) Civil Procedure Code. The parties may submit, in writing, to a point of view on the report within 10 working days of the date of its communication.

Stage of trial: Appeal

Period: --

11. The file no. 1978/223/2016 - The Dragasani Court

The parties: Conpet - defendant

Florea C. Nicolae- plaintiff

Subject: Florea C. Nicolae filed a trial asking the court to:

- Order Conpet to bring the land in the area of 759 mp located in the green belt of commune Dragoesti, Valcea county, 65 land strip, plot 1/3 at "Picatura", to the previous state, the land being affected by the petroleum products transported by the defendant; otherwise the plaintiff requires to be authorized to carry out such works at the expense of the defendant Conpet. The consideration for these works reaches an estimated amount to RON 1,000;
- Order Conpet to pay the consideration for the lack of use of the land on the last three years and for the period necessary to rebuilding fertile layer and the category of use of the land. The estimated lack of use reaches a value of RON 5,000 each.

Stage of trial: First instance

Hearing: 13th Sept 2018

12. The file no. 7237/105/2016 - Court of Appeal Ploiesti

The parties: Conpet - defendant

Petrotel Lukoil - defendant

Toma Marian - plaintiff

Subject: Declaratory action. Toma Marian filed a trial and requested the court to ascertain that he had performed work under hard conditions of employment and the classification in Group I according to the Order no. 50/1990, and to force the defendants issue certificates with the effect that he had to benefit from the above-mentioned rights.

Through the **order no. 950/08.03.2018** the Prahova County Court admitted in the part the request specified. It finds that the complainant benefits from group I work at a rate of 100 % for the activities carried out within the framework of the employing unit SC Petrotel Lukoil, for the periods: 04th March 1980 - 26th Oct 1983 and 14th March 1985 - 18th March 1985. The defendant SC Petrotel Lukoil is ordered to issue the plaintiff a

certificate stating the period, group and percentage by which it has pursued the activity. It rejects the matter regarding Conpet. The sentence was appealed by Thomas Marian.
Stage of the trial: Appeal
Hearing: 19th Sept 2018

13. The file no. 7091/105/2016 - Prahova Court

The parties: Conpet - defendant

Margean Elena- plaintiff

Subject: Margean Elena filed a trial requesting the court to ascertain compliance with the group I work for the period 11th Aug.2004 - 30th May2005. The reasons for the file for trial shall be based on the grounds that the period during which the plaintiff has been active in the company, falls within the group I work.

Details: Through the **order no. 6018/22.12.2017** Prahova Court admitted the request made by the plaintiff Margean Elena. It finds that the plaintiff shall, at a rate of 100 % of the program of work, be framed in Group II, according to the conclusions of the expert report in the specialty of the organization of work, salaries, drawn up by the expert Anton Carmen. It orders the defendant to issue the plaintiff a certificate in the direction shown. The sentence can be appealed after communication.

Stage procesual: --

Within: --

14. The file no. 3581/281/2017 - Ploiesti Court

The parties: Conpet - defendant

Direcția Regională Drumuri și Poduri Iași (The direction of the regional road and bridges Iasi) - the plaintiff

Subject: Direcția Regională Drumuri și Poduri Iași has made a request for a call in the sentence of the court requesting the court to order CONPET to pay of the amount of RON 487,22 representing the consideration of the authorization of location no. 310/04.07.2014 plus costs. The reasons for the request of summoning the sentence shall be based on the grounds that our company has requested authorization for placement and execution of works of "Crude oil pipe Replacement Lucacesti - Vermesti - Darmanesti oil refinery, in the area of the traverse vent CF - halt Vasesti, on a length of 1,1 km, city of Moinesti, county Bacau"- undercrossing DN 2G with natural gas pipeline in the area DN 2G Km 51+261, city of Moinesti, county Bacau, refusing to pay the invoice No. 3630/13.11/2014 leading to abandoning the project.

Clarifications: Through the **order no. 3632/27.04.2018** Ploiesti Court rejected the plea for the lack of ability to use C.N.A.I.R. S.A. by regional roads and bridges in Iasi, Conpet invoked by the defendant. Accepts the request of the Summoning in court having as its object the claims made by the plaintiff C.N.A.I.R. S.A. by Direcția Regională Drumuri și Poduri Iași, Conpet arguing with the defendant. It ordered the defendant to pay the plaintiff the amount of RON 487,22 representing consideration for authorization no. 310/04.07.2014. it orders the defendant to pay the plaintiff of the court costs in the amount of EUR 38,97 representing the stamp tax. The sentence was appealed by Conpet.

Stage process: --

Period: --

15. The file No 220/262/2017 - Moreni Courthouse

The parties: Conpet - defendant

Chivu Ion - the plaintiff

Subject: Chivu Ion has filed for a trial requesting the court to have:

- The order for Conpet to disrupt the oil pipe passing through the land in his property, with the area of 1.753 sqm in Ocnita, located in the T14, P114;
- The establishment of acces site with the obligation of Conpet to the payment of annual rente concerned for both the path of access and for the pipe that produces injury of the terrain;
- Compensation for the land affected by the pipe.

Stage of trial: First instance:

Hearing: 21st Aug 2018

16. The file no. 1268/302/2018 (8047/302/2017) - the Bucharest Court

The parties: Conpet - respondent

Dobrogeanu Păun Ioan - complainant

Subject: Dobogeanu Paun Ioan appeals against the enforcement of the acts of enforcement issued in the execution files no. 10/2013 of the BEJ Raduta Nicoleta at Conpet's request by which it has requested the setting up of the legal seizure by garnishment on its income which they carried out in the seized third party SC GEGEREUL AGROTRANS SRL and requires the admission of the appeal and cancellation of the conclusion on the setting enforcement costs issued on 01st March 2017 for the sum of RON 1.381,11.

Clarifications: by the sentence of the Sector 5 Bucharest Court of Law No. 4933/30.06.2017 admitted the plea of incompetence for the territorial court in Sector 5 Bucharest invoked by the court ex officio. It rejects in the Courthouse Sector 6 Bucharest the question having as its object the appeal to the enforcement.

The Bucharest 5th district Court admits the plea for territorial incompetence related to Bucharest 6th district Court invoked ex officio. By **Decision No 8520/24.10.2017** the District 6 Bucharest Court rejects jurisdiction in the request filed by the complainant Dobrogeanu Paun Ioan arguing with Conpet, in favor of the 5th district of Bucharest. It notes negative conflict of competence and suspends the trial of the case ex officio. The file submitted in order to solve the conflict of Bucharest Court - file no 41964/3/2017. By the **award No. 1728/28.11.2017** the Bucharest Court establishes the competence of resolving the opposition to execution in favor of the 5th district of Bucharest. It immediately sends the file to this court, to the competent authority the settlement. Final. The file receives the number 1268/302/2018 in courthouse of District 5 Bucharest.

By the **order no. 1837/02.03.2018** District 5 Bucharest court shall reject the opposition to the enforcement made against the conclusion on the Supplement the expenditure of execution issued on 01.03.2017 in the case of enforcement 10/2013 of the BEJ Raduta Nicoleta, as unfounded. The complainant orders the respondent to pay the amount of RON 200 representing the consideration with lawyer fee. The sentence was appealed by Dobrogeanu Paun John.

Stage of trial: Appeal

Hearing: --

17. The file no. 9919/281/2017 - Ploiesti Court

The parties: The Company Litex Impex SRL - complainant

ASSET LEASING IFN-respondent

ACON BUSINESS SOLUTION SRL - Seized Third Party
ALCOPROD SERVICE - Seized Third Party
The Romanian bank COMERCILA- Seized Third Party
BCR LEASING IFN - Seized Third Party
The Club FARMERS SRL - Seized Third Party
CONPET TO PLOIESTI - Seized Third Party
Regional Directorate General of public finances in Ploiesti - Seized Third Party
The direction of the forestry PRAHOVA - Seized Third Party
FIMPLAST IMPEX SRL - Seized Third Party
KR ROAD CAR SRL - Seized Third Party
MUTTER 2008 SRL - Seized Third Party
PIRAEUS BANK ROMANIA - Seized Third Party
PRAGOSA ROMANIA SRL - Seized Third Party
RAIFFEISEN BANK TO "Seized Third Party
REDOXIM SRL -Seized Third Party
SARA SRL - Seized Third Party
TRANSPORT PASSENGERS EXPRESS - Seized Third Party
The treasury PLOIESTI - Seized Third Party
TRI FARM SRL - Seized Third Party
UNICREDIT LEASING CORPORATION IFN - Seized Third Party
VEHICLE MANAGEMENT SYSTEM SRL - Seized Third Party
VIORAL INTER SRL - Seized Third Party

Subject: Litex Company Impex SRL appeals to enforcement, asking:

- The cancellation of conclusion of No 2471/ 22.03.2017 pronounced by the Court of Ploiesti regarding admission of the request for the execution of the addresses for the establishment of the garnishment no. 355/13.04.2017 seized by third parties, the conclusion of 13th April 2017 on the settlement of costs of enforcement, as well as the summon no. 355/13.04.2017, acts of enforcement issued in the case of enforcement No. 355/2017 (folder instance No. 5902/281/2017) of the BEJ Rosu Cristian Cornel;
- The cancellation of the measure of early due date, clearing the extension of enforcement title with regard to the actual amount which our company owes to the creditor claim and the obligation of the creditor Asset Leasing IFN to issue a new graph for reimbursement according to the claim real amount;
- The backing of enforcement;
- The obligation of the creditor Asset Leasing IFN to the payment of costs incurred as a result of this trial.

Clarifications: by the **sentence** No. 1241/19.02.2018 **of the** Ploiesti Court of Law it takes note of the waiving of the sentence made by the plaintiff Litex Impex SRL. The sentence may be appealed after the communication.

Stage of trial: --

Hearing: --

18. The file No 12905/302/2017 - Sector 6 Bucharest Court

The parties: Conpet - respondent

Dobrogeanu Paun Ioan - complainant

Subject: Dobrogeanu Paun Ioan appeals to enforcement against acts of performance forming the subject of the file No 16/2017 of the beige Raduta Nicoleta by which the garnishment establishment by third parties INTERCEREAL POPRIRII S.A. and Casa de Asigurări a Avocaților din România (the Insurance Lawyers of

Romania), asking for the admission of the appeal to the enforcement and cancellation of the conclusion on the fixing of costs of performance in the amount of 681,24 lei and RON 1.573, 24 representing enforcement fees.

Clarifications: By the sentence No. 8105/15.11.2017, the Sector 5 Bucharest Court of Law agrees with the incompetence plea of the territorial court invoked by Conpet. It declines jurisdiction in favor of the settlement of the cause of the Bucharest district 6 Bucharest.

Through the **order no. 3197/30.04.2018**, District 6 Bucharest Court rejected as unfounded the appeal to run. It orders the complainant to pay the BEJ Raduta Nicoleta the amount of RON 184,45 representing the expenditure determined by copying and transmitting the file for execution no. 16/2017. The sentence can be appealed after communication.

Procesual stage: --

Period: --

19. The file no. 7127/105/2017 - Prahova Court

The parties: Conpet - defendant

VICTORIA SA MICHELIN ROMÂNIA FLOREŞTI SA (formerly VICTORIA FLOREŞTI)

UPETROM 1 MAI SA PLOIEŞTI

PETROM BUCUREŞTI – oil rig BOLDEŞTI

Grigorescu Gheorghe - the plaintiff

Subject: Declaratory action. Grigorescu Gheorghe appeals the sentence of the court, requesting the decision to prove that he had been employed within the framework of the companies in the functions and he actually worked 100% of the program of work in the polling stations listed in Group I or II, as the case may be, in accordance with the Annex to the application and consequently order the defendants to issue the certificate in this respect, stating the period worked in accordance with the requests.

Details: By the **order no. 2168/02.07.2018** Prahova county Court rejects the appeal as unfounded in relation to defendants SC UPETROM May 1, SC Conpet, SC A&M RECORDS CENTER Ltd and the lack of subject in relation to the SC MICHELIN ROMANIA. The sentence can be appealed after communication.

Procesual stage: --

Period: --

20. File no. 5413/204/2017 - Prahova Court

The parties: Conpet - defendant

ANRM- defendant

Dobrogeanu Dumitru - the plaintiff

Dobrogeanu Paun Ioan - the plaintiff

Subject: claims. Dobrogeanu Paun Ioan filed a trial requesting that the decision orders defendants to:

1. Payment of an annual rent for areas of land occupied by the two pipes of transport petroleum products (crude oil), starting with the date of 01st July 2014 and in the future, for the entire duration of the existence of the pipes;

2. Payment of the losses suffered by the failure of economic objectives on the remaining area between the two pipes after their restriction and the area along the DN1 (E60);
3. The payment of trial costs.

The first head of claim has been estimated by the complainants to the sum of 48,000 euros/year (RON 220.000), and the second head of claim reaches the amount of RON 25,000/year.

Details: By the sentence of the Court of Law No 594/28.02.2018 Campina permitted ematerial incompetence plea of resolving the cause of the Campina Court , invoked by the court in the office. It declines jurisdiction in favor of the application in the Prahova County Court. Without appeal.

Stage of trial:First instance.

Hearing: 28th Aug 2018

21. The file No 23204/302/2017 - the Bucharest Court

The parties: Conpet - intimat

Individual practise- Lawyer Dobrogeanu Paun Ioan
Dobrogeanu Păun Ioan

Subject: Appeal to enforcement. Individual practise- Lawyer Dobrogeanu Paun Ioan and Dobrogeanu Păun Ioan appealed the enforcement from the enforcement subject of the file for enforcement No 10/2013 of the BEJ Raduta Nicoleta and acts of enforcement, namely: seizure letter of 29th Sept 2017, the notice of seizure of 29th Sept 2017, the conclusion of 29th Sept 2017, the conclusion of 29th Sept 2017 concerning the establishment of the additional enforcement expenditure (RON550,97) and the conclusion of the 23rd Feb 2013 of the 5th district of Bucharest, on the approval of the enforcement. With expenses.

Clarifications: by the sentence No. 2346/19.03.2018 of the Court of Law District 5 Bucharest agrees with the plea of the lack of quality law liabilities, invoked by the respondent BEJ Raduta Nicoleta. It rejects the notice of appeal to the enforcement of the madebt the complainant Individual Practice- Lawyer Dobrogeanu Paun Ioan against respondents Conpet and the bailiff office Raduta Nicoleta, as introduced by a person without quality law liabilities. It agrees with the plea of lack of quality law liabilities for the respondent, invoked by the Office of the bailiff Raduta Nicoleta. It rejects the notice of appeal to the execution made by complainant Dobrogeanu Paun Ioan the respondent arguing with the Office of the bailiff Raduta Nicoleta, as being directed against a person without quality law liabilities. It admits the exception of delay, invoked by the court ex officio. It rejects the appeal as being tardy performance having as its object the enforcement itself, the conclusion of the date of 25th Feb 2013, pronounced by the Court of Sector 5 Bucharest in the file no. 4198/302/2013, and the conclusion of the setting of the additional costs of enforcement, issued on 29.09.2017 in the case of enforcement No 10/2013 of the Office of the bailiff Raduta Nicoleta. As for the rest, the rejected as groundless, opposition to the enforcement made by complainant Dobrogeanu Paun Ioan arguing with respondent Conpet. It rejects as unfounded the request of the complainants having as its object the trial expenses. It orders the the complainants, jointly, to pay the office of the bailiff Raduta Nicoleta amount of RON 458,15with the title of expenditure of photocopying and communication of the file of enforcement. The sentence was appealed by C. I. The peacock Av. Dobrogeanu John.

Stage of trial: Appeal

Hearing: --

22. The file no. 8928/105/2017 - Ploiesti Court of Appeal

The parties: Conpet - defendant

The association of the Tera Gas Construct SRL - Vialis Engineering SA
Subject: Auction cancelation. The association of the Tera Gas Construct SRL - Vialis Engineering SA appealed against the decision no. 11/04.12.2017 issued by Conpet - direction and commercial activities covered, with regard to the Appeal no. 936/06.11.2017, recorded at Conpet SA under no. 44953/06.11.2017 formulated by the Association Terra Gas Construct SRL - Vialis Engeneering against the outcome of the procedure for the award of a contract of works having as its object the overall Rehabilitation Assembly, no. 8, II Rezervoarelor, str." and requested:

- Cancellation of the Decision No 11/04.12.2017 issued by Conpet - direction and commercial activities covered, with regard to the communication of the Opposition of the underwritten against the outcome of the procedure;
- Cancellation of the letter registered under no. 43929/31.10.2017 at the headquarters of Conpet - direction and commercial activities covered, representing the communication of the outcome of the evaluation of tenders through which has been brought to the attention of the annulment procedure of the sentence, and consequently cancellation of the decision to cancel the procedure for the purchase price;
- The report cancellation procedure, as well as all subsequent acts, including those concerning the communication of the outcome of the procedure, address no. 43929;
- The obligation of the contracting authority to the resumption of award procedure and re-evaluation of the tenders admissible in relation to the requirements of the documentation for the award and the provisions of the laws, with the establishment of a new report of the assignment procedure and the application of the criterion of assignment published in the invitation.

Clarifications: By the **order no. 613/14.03.2018** the Prahova County Court admitted the request of summoning the sentence made by the plaintiff association Terra Gas Construct S.R.L. - Vialis Engineering S.A. It cancels Decision No 11/04.12.2017 and letter no. 43929/31.10.2017 issued by the defendant. The sentence was appealed by Conpet.

Stage of trial: Appeal

Hearing: 19th July 2018

23. The file no. 1099/281/2017 - Ploiesti Court

The parties: Conpet - respondent

Dobrogeanu Dumitru - complainant

BEJ Petcu Alexandru - respondent

Subject: Dobrogeanu Dumitru appealed the enforcement against the forms of execution issued by BEJ Alexandru Petcu in the enforcement file no. 224/2017 asking the Court:

- The obligation of the BEJ Petcu Alexandru to release the amount of RON 2.096 representing an annual rent of lei 262, starting with 2006 up to 01st July 2014. According to the field expert report drawn up by technical expert Voinea Adina, an integral part of the Decision No 433/25.06.2014 pronounced by the Prahova

court in the file no. 5216/204/2008* which has changed in all civil order/conclusion no. 244/12.10.2011 pronounced by the District Court Campina, according to the request of performance issued on 16th June 2017 and the conclusion No. 8544/06.11.2017 pronounced by the Ploiesti Court in the file no. 12660/281/2017

- Full Cancellation of the Protocol concluded on 04th Jan 2018 and the conclusion no. 1 and releasing the amount achieved by the enforcement of 12th June 2018 which has no connection with the enforcement that issued the enforcement request on 16th June 2017 - file execution no. 244/16.06.2017 and the conclusion of the No. 8544/06.11.2017 pronounced by the Court of Ploiesti in the file no. 12660/281/2017
- Trial expenses.

Stage of trial : First Instance

Period: --

24. The file no. 18/54/2002 - Craiova Court of Appeal

The parties: Conpet - defendant

Garaiacu Vasile (deceased) - plaintiff

Subject: Garaiacu Vasile has filed a trial on Law 10/2001. The action regards a plot of land in the area of 1.220 sqm located in the comune Barbatesti, Gorj County.

Clarifications: By the **order no. 59/14.03.2002** (File 1197/2002) the matter was rejected. The sentence has been filed with the appeal by the plaintiff.

By **Decision No 1067/02.04.2018** the Craiova Court of Appeal finds coexistence with the call. The Sentence may be appealed after the communication.

Stage procesual: --

Within: --

25. The file no. 4561/281/2018 - Ploiesti Court

The parties: Conpet - defendant

Ovidenie Dumitru - plaintiff

Subject: Ovidenie Dumitru filed a trial, requesting from the court to:

-Note that the plot of land in the area of 335 mp located in Brazi comune , T31, the plot 178/19, in accordance with Article 7(1) of Law No 238/2004 updated is established a legal right of servitude;

- Establish annual rent by the plaintiff, according to Article 7(2) of Law no.238/2004, calculated on the value of 5 Euro/sqm;

- Order the defendant to pay this rent over the last 3 years."

Clarifications: --

Stage of trial:

Hearing:13th Sept 2018

26. The file no. 2970/105/2018 - Prahova Court - A. Pirvu

The parties: Conpet - defendant

Tircavu Cornel - plaintiff

Ion Ionescu - plaintiff

Subject: Tircavu Ion Ionescu Cornel files a trial requesting the court to ascertain that

in the periods referred to in the books had been employed in the functions and had actually worked 100% of the program of work within the framework of the balloting station included in Group II and group I work, i.e. the special conditions, special and therefore ordered the defendant to issue certificates.

Details: --

Stage of file: first instance

Period: --

27. The file no. 2971/105/2018 - the Prahova Court- A. Pirvu

The parties: Conpet - defendant

Ghioaca Constanta - plaintiff

Tanasescu Constantin - plaintiff

Subject: Ghioaca Constanta and Tanasescu Constantin filed a trial requesting the court to ascertain that in the periods referred to in the books had been employed in the functions and had actually worked 100% of the program of work within the framework of the balloting station included in Group II and group I work, i.e. the special conditions, special and therefore ordered the defendant to issue certificates.

Details: --

Stage of file: first instance

Period: --

28. The file no. 2966/105/2018 - the Tribunal Prahova - S. Albu

The parties: Conpet - defendant

Constantinescu Ion - Irinel - the plaintiff

Aron Constantin - the plaintiff

Subject: Constantinescu Ion Irinel- and Aron Constantin filed a trial requesting the court to ascertain that in the periods referred to in the books had been employed in the functions and had actually worked 100% of the program of work within the framework of the balloting station included in Group II and group I work, i.e. the special conditions, special and therefore ordered the defendant to issue certificates.

Details: --

Stage of file: first instance

Period: --

29. The file no. 2972/105/2018 - the Tribunal Prahova

The parties: Conpet - defendant

Santa Claus Emanuel - Marius - the plaintiff

The boiler Marian Ion - the plaintiff

Subject: Santa Claus Emanuel - Marius and boiler Marian Ion filed a trial requesting the court to ascertain that in the periods referred to in the books had been employed in the functions and had actually worked 100% of the program of work within the framework of the balloting station included in Group II and group I work, i.e. the special conditions, special and therefore ordered the defendant to issue certificates.

Details: --

Stage of file: first instance

Period: --

30. The file no. 3061/105/2018 - the Tribunal Prahova

The parties: Conpet - defendant

Catana Florin - Eduard - the plaintiff

The Victoria Catana - the plaintiff

Subject: Catana Florin - Eduard and Catana Victoria filed a trial requesting the court to ascertain that in the periods referred to in the books had been employed in the functions and had actually worked 100% of the program of work within the framework of the balloting station included in Group II and group I work, i.e. the special conditions, special and therefore ordered the defendant to issue certificates.

Details: --

Stage of file: first instance

Period: --

31. The file no. 3054/105/2018 - the Tribunal Prahova

The parties: Conpet - defendant

Moses Gabriel - Horia - the plaintiff

Popa Petre - the plaintiff

Subject: Moses Gabriel - Horia and Popa Petre filed a trial requesting the court to ascertain that in the periods referred to in the books had been employed in the functions and had actually worked 100% of the program of work within the framework of the balloting station included in Group II and group I work, i.e. the special conditions, special and therefore ordered the defendant to issue certificates.

Stage of file: first instance

Period: --

32. The file no. 3053/105/2018 - the Tribunal Prahova

The parties: Conpet - defendant

Gabriel Cristache Vasile - the plaintiff

Bocsan Ioan - the plaintiff

Subject: Gabriel Cristache Vasile and Ioan Bocsan filed a trial requesting the court to ascertain that in the periods referred to in the books had been employed in the functions and had actually worked 100% of the program of work within the framework of the balloting station included in Group II and group I work, i.e. the special conditions, special and therefore ordered the defendant to issue certificates.

Stage of file: first instance

Period: --

33. The file no. 3058/105/2018 - the Tribunal Prahova

The parties: Conpet - defendant

Radu Marin - the plaintiff

Brutaru Gheorghe - the plaintiff

Subject: Radu Marin and Brutaru Gheorghe filed a trial requesting the court to ascertain that in the periods referred to in the books had been employed in the functions and had actually worked 100% of the program of work within the framework of the balloting station included in Group II and group I work, i.e. the special conditions, special and therefore ordered the defendant to issue certificates.

Details: --

Stage of file: first instance

Period: --

34. The file no. 3059/105/2018 - the Tribunal Prahova

The parties: Conpet - defendant

Bratu Vasile - Virgiliu - the plaintiff

Marian Nita - Paul - the plaintiff

Subject: Bratu Vasile - Virgiliu and Marian Nita - Paul filed a trial requesting the court to ascertain that in the periods referred to in the books had been employed in the functions and had actually worked 100% of the program of work within the framework of the balloting station included in Group II and group I work, i.e. the special conditions, special and therefore ordered the defendant to issue certificates.

Details: --

Stage of file: first instance

Period: --

35. The file no. 3056/105/2018 - the Tribunal Prahova

The parties: Conpet - defendant

Mihaila Georgiana - Zoe - the plaintiff

Constantin Doru - the plaintiff

Subject: Mihaila Georgiana - Zoe and Constantin Doru filed a trial requesting the court to ascertain that in the periods referred to in the books had been employed in the functions and had actually worked 100% of the program of work within the framework of the balloting station included in Group II and group I work, i.e. the special conditions, special and therefore ordered the defendant to issue certificates.

Details: --

Stage of file: first instance

Period: --

36. The file no. 3055/105/2018 - the Tribunal Prahova

The parties: Conpet - defendant

Voinescu Sorin - the plaintiff

Manolache Cristian - the plaintiff

Subject: Voinescu Sorin and manolache Cristian filed a trial requesting the court to ascertain that in the periods referred to in the books had been employed in the functions and had actually worked 100% of the program of work within the framework of the balloting station included in Group II and group I work, i.e. the special conditions, special and therefore ordered the defendant to issue certificates.

Details: --

Stage of file: first instance

Period: --

37. The file no. 2965/105/2018 - the Tribunal Prahova

The parties: Conpet - defendant

Istratescu Laurentiu - the plaintiff

Petrescu Ioan - the plaintiff

Subject: Istratescu Laurentiu and Petrescu Ioan filed a trial requesting the court to ascertain that in the periods referred to in the books had been employed in the functions and had actually worked 100% of the program of work within the framework of the balloting station included in Group II and group I work, i.e. the special conditions, special and therefore ordered the defendant to issue certificates.

Details: --

Stage of file: first instance

Period: --

38. The file no. 3062/105/2018 - the Tribunal Prahova

The parties: Conpet - defendant

Stanciu Vasile - the plaintiff

Dumitrescu Stefan - the plaintiff

Subject: Stanciu Vasile and Dumitrescu Stefan filed a trial requesting the court to ascertain that in the periods referred to in the books had been employed in the functions and had actually worked 100% of the program of work within the framework of the balloting station included in Group II and group I work, i.e. the special conditions, special and therefore ordered the defendant to issue certificates.

Details: --

Stage of file: first instance

Period: --

39. The file no. 3062/105/2018 - the Tribunal Prahova

The parties: Conpet - defendant

Pelin Simona - the plaintiff

Pelin Marian - the plaintiff

Subject: Pelin Pelin Simona and Marian filed a trial requesting the court to ascertain that in the periods referred to in the books had been employed in the functions and had actually worked 100% of the program of work within the framework of the balloting station included in Group II and group I work, i.e. the special conditions, special and therefore ordered the defendant to issue certificates.

Details: --

Stage of file: first instance

Period: --

40. The file no. 3062/105/2018 - the Tribunal Prahova

The parties: Conpet - defendant

Liviu Pop - the plaintiff

Ciordas Gheorghe - the plaintiff

Subject: Ciordas Gheorghe and Pop Liviu filed a trial requesting the court to ascertain that in the periods referred to in the books had been employed in the functions and had actually worked 100% of the program of work within the framework of the balloting station included in Group II and group I work, i.e. the special conditions, special and

therefore ordered the defendant to issue certificates.

Details: --

Stage of file: first instance

Period: --

(C) THE LITIGATIONS IN WHICH THE COMPANY CONPET S.A. HAS A DUAL QUALITY:

1. File No 378/105/2007 - Prahova court

The parties: Conpet S.A. - claimant and defendant

Petroconduct S.A. - defendant-reconvenient

Subject: Conpet S.A. require the obligation of the defendant Petroconduct S.A.

Ploiesti to :

- Payment of the amount of RON 80.548,49 representing the penalties for failure to fulfill the obligations assumed by the contract no L 45/18.03.2004 and the contract no. M 59/9.06.2004

- Teaching material tubular steel pipe composed of China in terms of the quantity of 504 with a value of euro 21.344,4 and steel pipe made in China in terms of the quantity of 96 m with a value of euro 4.366,08 or to the payment of the sum to be paid by our company shall mean the amount of RON 89.291,50.

- Payment of the amount of RON 20.626 representing the transport costs, charging, discharging tubular material.

- The payment of trial costs in the amount of RON 5.062,24 from which RON 5.057,24 judicial stamp tax and RON 5.00 judicial stamp as well as other costs which they will perform in this process.

Petroconduct S.A. has made a counterclaim which has requested the obligation of Conpet to the payment of the amount of RON 46.214,01 representing the consideration of the works executed by this according to contracts for works no L 45/18.03.2004 and no MST 09/09.06.2004, in favor of the beneficiary Conpet.

Details: In the Hearing of 22nd Feb 2010, in accordance with Article 36 of Law No 85/2006 the court ruled the suspension of the case.

Stage of trial:

Hearing: suspended :

2. The file No 538/317/2014* - Targu Carbunesti- Courthouse

The parties: Conpet - defendant-reconvenient

Mariana Baltoi - the plaintiff and the defendant

Subject: Baltoi Mariana shall file for a trial requesting an order on the obligation of Conpet to the payment of civil society damages for the period 2011 - 2014 years (January) in the amount of old ROL 500.000.000, and one monthly rent amount of RON 10,000.

Conpet files counterclaim requesting:

1. order that the plaintiff Mariana Baltoi allows Conpet to exercise the right of legal easement established by the provisions of Article 7 et seq. of the Law no. 238/2004 on the land owned. The exercise of the right of legal easement is to be carried out in a of 2.4 meters wide passage located along the pipe carrying oil belonging to the national transport system of petroleum and which is buried on the land of the plaintiff, for the purpose of acquiring permanent access to transmission line for the purpose of the day-to-day management of the technical status and the execution of any repair work. The

duration of the easement is to be the same as the life of the oil transport pipe. We also are to determine the amount of the annual rent provided for by law due to a new plaintiff in exchange for the exercise of the right of legal easement thus established.

2. The establishment of a right of easement on the land of the plaintiff, consisting of the right to use the areas of land on which installations and equipment belonging to the national transport system of oil are located at the soil surface. The duration of the easement is to be the same as the life of the equipment and installations concerned. It was requested at the same time the determination of the sum to be paid for the use of the land on which escaped is hereby established.

Clarifications: Through the **order no. 128/20.01.2016** Targu Carabunesti District Court rejected the exception lack of law liabilities of the plaintiff, invoked by the defendant. It allowed part of the specified action. It allowed the counterclaim. The defendant -counterclaim orders the plaintiff to pay the plaintiff and the defendant counterclaim the amount of RON 184,25 civil damages representing the consideration of lack of land use relating to the area of 268 sqm, for the years 2011, 2012, 2013. Established in favor of the defendant-appellant counterclaim a right of easement on the land of the plaintiff and the defendant counterclaim, in the total area of 50 sqm, for the duration of the petroleum field operations, delimited by the points 37-38-39-40-46-45-44-43, as identified by the qualified chartered surveyor Pile Constantin, in Annex 1 of the expert report. The defendant counterclaims the obligation of the plaintiff to pay the defendant the amount of RON 7/year, representing the consideration for rent, during the period of the existence of easement. It compensates for part of the court costs and orders the defendant plaintiff counterclaim the payment by the plaintiff to the defendant of the counterclaim amount of RON 825 representing trial costs. The sentence has been appealed by Baltoi Mariana.

By **Decision No 633/15.11.2016** Gorj County Court admitted the appeal, canceled the sentence and sent the cause for retrial at the same instance.

Stage of trial: First Instance - retrial

Hearing: 18th Sept 2018

3. The file no. 8425/281/2015 - Ploiesti Court .

The parties : Conpet--counterclaimer- defendant

Panaitecu Mircea - complainant to the defendant

Subject: Claims. Panaitecu Mircea files a trial requiring the obligation of Conpet to the payment of the amount of RON 5,000 for lack of use and annual production of RON 12,000. Conpet has made a counterclaim which requested the establishment of legal easement and the determination of the annual rent.

Details: By the **order no. 5772/29.06.2018** the Ploiesti Court admitted the matter in court. Admission to the part of the counterclaim. Ordered the defendant to pay an annual rent of an amount equal to RON 58,89 (79,66 kg STAS wheat) for the exercising by the defendant of the right to legal easement, for an area of land of 461 sqm corresponding to the swath width of 2.5 m, from the date of the introduction of the action. It forces the defendant to pay the court costs in the amount of RON 20 representing the judicial stamp fee corresponding to the end of the application range, RON 600 representing agriculture and the expertise of the specialty fee RON 600 reduced attorney fee. With legal costs on a separate path for the defendant. The sentence can be appealed after communication.

Stage of trial: --

Hearing: --

4. File no. 1372/212/2017 - Constanta Court

The parties: Conpet - defendant-counterclaimer

Cruceanu Alin Florinel - the plaintiff and the defendant

Subject: Cruceanu Alin Florinel filed a trial asking the court to have:

- The obligation of Conpet to pay compensation equal to the value of the market for building land in the area of 460 sqm located at no. 29, Luceafarului street, Lazu comune, Constanta county and an area of 460 mp building land located at no. 31 Luceafarului Street, Lazu comune, Constanta county, the price is estimated at the sum of 30,000 euros, the equivalent of RON 134.700;

- The obligation for Conpet to pay the sum for lack of use of land in the form of an annual rent over the last three years;

- The obligation for Conpet to pay the costs incurred as a result of the settlement of this application.

Subsequently, the plaintiff had stated the action with regard to the second head of the request requesting the Court:

- The obligation for Conpet to pay of the amount representing the lack of use of the two building lands for the period between beyond 10th Dec 2015 and the date of the final sentence by which the first end of the request was admitted.

Lack of use has been assessed in order to provisionally stamping to the sum of RON 5,000.

Conpet has made a counterclaim in which it requested:

- The Obligation to allow the counterclaimer Conpet S.A. the exercise of the right of legal easement established by the provisions of Article 7 et seq. of the Law no. 238/2004 on the two plots of land owned by the complainant Cruceanu Alin Florinel, situated in the village Agigea Lazu, no. 29- 31, Luceafarului str., county Constanta. The exercise of the right of legal easement is to be carried out in a passage of 2.4 meters wide located along the pipe buses to transport crude oil Ø 20 " Baraganu Constant-standing for purposes of access to the pipe in order to verify the day-to-day management of the status of the pipe and the execution of any repair work.

- Determining the amount of the annual rent provided for by law due to new subscribed to the complainant in exchange for the exercise of the right to legal easement.

Stage of trial: First instance

Hearing: 03rd Sept 2018

5. The file No 18344/212/2017 - Constanta Court

The parties: Conpet - defendant-reconvenient

Dumitru Mitu - claimant and defendant

Mitu Rodica - claimant and defendant

Subject: Obligation to action. Dumitru Mitu and Mitu Rodica filed for a trial by applying the obligation of Conpet to payment of compensation for the two plots of land, situated in the village Lazu, Agigea comune, Constanta county affected by the routing of some pipes carrying petroleum products, as well as the obligation of the defendant to pay an annual rent for lack of use of the land affected by the exercise of the right of legal easement, starting with the date of 20th June 2014 and compensation in the form of an annual payment for the assignment of the partly use of the land on which the pipe is located, with the obligation to pay the trial costs. The plaintiffs' claim has been assessed the claims at a deducted amount of RON 10,000 for stamp application showing that after the establishment of the values via the expertise will manage to pay the tax difference for the legal proceedings.

Conpet has made a counterclaim which has requested the court:

1. To order the plaintiffs to allow Conpet S.A. exercise the right of legal easement established by the provisions of Article 7 et seq. of the Law no. 238/2004 on the two plots of land owned by the complainants. The exercise of the right of legal easement is to be carried out in a passage of 2.4 meters wide located along the pipe buses to transport crude oil F2 Ø 20 " Baraganu Constanta-standing for purposes of access to the pipe in order to verify the day-to-day management of the status of the pipe and the execution of any repair work.
2. To determine the amount of the annual rent provided for by law that is due from Conpet to complainants in exchange for the exercise of the right to legal easement.

Also, Conpet has made a request for a guarantee call of the Public Finance Ministry and the National Agency for Mineral Resources (A.N.R.M.) in order to ensure that in the case of the Ploiesti Conpet S.A. shall fall in claims relating to the claims of the complainants made in the application of the Summoning sue us, in order to compensate for the sums which we shall be obliged to pay to the complainants.

Stage of trial: First instance

Hearing: 05th Sept 2018

6. The file no. 2323/120/2018 - Court of Dambovita

The parties: Conpet - defendant - reconvenient

Buzatu Florin - the plaintiff - defendant

Subject: Buzatu Florin files for trial, requesting the Court:

1. The obligation of the defendant Conpet to pay the plaintiff the sum of 150,000 euros, payable to the BNR exchange rate on the day of payment (the amount will be reviewed at the completion of the evaluation report from the expertise of the real-estate property to be concerned in the probation, following reshaping and we mention the amount of claims, in conjunction with a corresponding adaptation of taxes, stamp duties), representing the swift and fair compensation for the injury suffered by the restricted possibility of exercising our right of ownership of the surface of the dull sheen of 5980 sq.m. located within the locality Slobozia Moara, Dambovita County, with the cadastral number 70618, entered in the land register 70618/UAT Slobozia Moara, Dambovita County, which has underground gas pipes and overground devices on the land property of the defendant, which cannot Be used for purposes of the construction of a building;

2. The obligation of the defendant Conpet to pay a monthly allowance of 1,000 euros payable to the BNR exchange rate on the day of payment, starting with the date of the sentence, for the entire duration of the existence of underground pipes and overground devices, located on the land owned by the complainant and bear all the costs incurred by the plaintiff in the stages prior to authorization of the construction;

3. In the alternative, a request for the obligation of the defendant to move all fabricated buildings on the property of the complainant, namely gas pipes and overground devices, bring the land to the initial status or empowering the plaintiff to perform the obligation to do it, at the expense of the defendant;

4. The obligation of the defendant Conpet to the payment of costs generated by this judicial procedure.

Conpet will file a counterclaim.

Details: --

Stage of trial: first trial



CONPET S.A., Romania
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TIN: RO 1350020; NACE Code 4950; CRN J29/6/22.01.1991
Subscribed and paid-up share capital 28 569 842.40 RON



**Interim Financial Statements at the date and for the six months
period ended at
June 30, 2018**

**Prepared in compliance with:
International Accounting Standard no. 34 - „Interim Financial Reporting”**



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The company CONPET S.A.

Interim Statement of the Financial Standing at June 30, 2018

(All the amounts are expressed in RON, unless otherwise specified)

INTERIM STATEMENT OF THE FINANCIAL STANDING AT JUNE 30, 2018

	Note:	June 30, 2018 (revised)	December 31, 2017 (audited)
ASSETS			
Non-current assets			
Tangible assets	4	417,776,146	407,275,686
Intangible assets	5	980,061	1,462,672
Financial Assets	6	903,712	973,782
Receivables on deferred income tax		2,118,485	970,394
Total non-current assets		421,778,404	410,682,534
Current assets			
Inventories	7	9,020,482	9,024,205
Trade receivables and other receivables	8	47,351,293	46,753,071
Short-term investments	10	70,953,628	70,623,518
Cash and cash equivalents	9	166,451,048	209,847,265
Prepaid expenses		1,584,055	1,842,877
Total current assets		295,360,506	338,090,936
TOTAL ASSETS		717,138,910	748,773,470
Equities and liabilities			
Equities			
Subscribed and paid-up share capital	11	28,569,842	28,569,842
Legal reserves	11	5,713,968	5,713,968
Revaluation reserves	11	28,345,981	31,016,763
Other reserves	11	492,787,718	478,500,458
Retained Earnings	11	44,489,080	40,211,069
Result of the period	11	21,625,612	74,387,774
Total equities		621,532,201	658,399,874
Deferred income			
Investment Subsidies		1,248,342	1,314,536
Deferred income		10,909	12,010
Total deferred revenues		1,259,251	1,326,546
Long-term liabilities			
Long-term provisions	13	13,295,870	12,817,661
Total Long-term liabilities		13,295,870	12,817,661

The company CONPET S.A.

Interim Statement of the Financial Standing at June 30, 2018
(All the amounts are expressed in RON, unless otherwise specified)

Current liabilities

Trade liabilities	12	27,470,633	30,653,848
Current income tax	12	2,592,820	3,761,986
Other liabilities	12	38,053,444	32,281,986
Short-term provisions	13	12,934,691	9,531,569
Total current liabilities		81,051,588	76,229,389
Total liabilities		94,347,458	89,047,050
TOTAL EQUITIES AND LIABILITIES		717,138,910	748,773,470

These interim financial statements and the related notes, from page 3 to page 27 have been authorized for issue and signed by the company management at 9 of August 2018.

Director General
Eng. Dan-Silviu Baciu, E.M.B.A.

Economic Director,
Econ. Sanda Toader

**INTERIM STATEMENT OF THE PROFIT AND LOSS ACCOUNT AND OTHER GLOBAL
 RESULT ELEMENTS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2018**

	Note:	6 months ended at June 30, 2018 (revised)	6 months ended at June 30, 2017 (retreated)
The Operating Revenues	16		
Turnover revenues		184,931,130	186,314,395
Other revenues		15,045,754	15,389,511
Earnings from disposal of assets		-	899,618
Total operating revenues		199,976,884	202,603,524
Operating Expenses	17		
Inventory related expenses		3,269,384	3,229,734
Expenses with energy and water		5,948,665	5,172,245
Personnel expenses		65,958,492	57,854,364
Value adjustment on current, non-current assets		22,242,246	22,280,158
Value adjustments on the current assets		(96,920)	(1,063,173)
Expenses related to external services		48,817,415	49,074,190
Other expenses		26,650,529	27,819,699
Loss from disposal of assets		50,665	-
Provision adjustments		3,881,331	(2,192,051)
Total operating expenses		176,721,807	162,175,166
Operating profit		23,255,077	40,428,358
Financial revenues		2,373,563	1,920,176
Financial expenses		4,333	19,658
Financial profit	18	2,369,230	1,900,518
Profit before taxation		25,624,307	42,328,876
Expenses with the current income tax	14	5,146,786	6,116,363
Expenses with (revenues coming from) deferred income tax		(1,148,091)	445,033
Profit of the period		21,625,612	35,767,480
Other global result elements		-	(4,928,491)
TOTAL GLOBAL RESULT		21,625,612	30,838,989
Earnings per share		2.50	4.13

These interim financial statements and the related notes, from page 3 to page 27 have been authorized for issue and signed by the company management at 9 of August 2018.

Director General
 Eng. Dan-Silviu Baciu, E.M.B.A.

Economic Director,
 Econ. Sanda Toader

INTERIM STATEMENT OF THE EQUITIES AT THE DATE OF JUNE 30, 2018 (revised)

	Share capital	Legal reserves	Revaluation reserves	Other reserves	Retained Earnings	Result of the period	Total equities
Balance at January 1, 2018	28,569,842	5,713,968	31,016,763	478,500,458	40,211,069	74,387,774	658,399,874
Net result of the period	-	-	-	-	-	21,625,612	21,625,612
Augmentation of the reserve representing modernization quota fund	-	-	-	11,127,812	-	-	11,127,812
Reversal of surplus from revaluation	-	-	(2,670,782)	-	2,670,782	-	-
Dividends due to shareholders	-	-	-	-	-	(69,621,097)	(69,621,097)
Allocation from profit provided by law - exemption from the reinvested income tax	-	-	-	-	1,352,092	(1,352,092)	-
Other allocations from the preceding year's result	-	-	-	3,159,448	255,137	(3,414,585)	-
Balance at June 30, 2018	28,569,842	5,713,968	28,345,981	492,787,718	44,489,080	21,625,612	621,532,201

Note: The „Other Reserves” item also includes the reserve representing the modernization quota in amount of 457,070,983 RON at 30.06.2018 (30.06.2017: 434,423,653 RON), this not being distributable.

The company CONPET S.A.
 (All the amounts are expressed in RON, unless otherwise specified)

INTERIM STATEMENT OF THE CHANGES IN EQUITY AT THE DATE OF JUNE 30,2017 (retreated)

	Share capital	Legal reserves	Revaluation reserves	Other reserves	Retained Earnings	Result of the period	Total equities
Balance at January 1, 2017	28,569,842	5,713,968	32,957,666	536,238,701	120,685,850	71,546,604	795,712,631
Net result of the period	-	-	-	-	-	35,767,480	35,767,480
Actuarial Gain/(loss) of the period	-	-	-	-	(4,928,491)	-	(4,928,491)
Total global result	-	-	-	-	(4,928,491)	35,767,480	30,838,989
Augmentation of the reserve representing modernization quota fund	-	-	-	10,858,527	-	-	10,858,527
Reversal of surplus from revaluation	-	-	(2,720,310)	-	2,720,310	-	-
Corporate tax related to the retained earnings	-	-	-	-	(1,255,097)	-	(1,255,097)
Dividends due to shareholders	-	-	-	-	(73,725,670)	(69,836,604)	(143,562,274)
Allocation from profit provided by law - exemption from the reinvested income tax	-	-	-	-	1,710,000	(1,710,000)	-
Balance at June 30, 2017	28,569,842	5,713,968	30,237,356	547,097,228	45,206,902	35,767,480	692,592,776

These interim financial statements and the related notes, from page 3 to page 27 have been authorized for issue and signed by the company management at 9 of August 2018.

Director General
Dan-Silviu Baciu, E.M.B.A.

Economic Director,
Econ. Sanda Toader

**INTERIM CASH-FLOW STATEMENT FOR THE SIX MONTHS PERIOD ENDED JUNE 30,
 2018 (revised)**

(DIRECT METHOD)

	Name of the Element	6 months ended at June 30, 2018	6 months ended at June 30, 2017
Cash flows from operating activities:			
+ Proceeds from services supply	193,137,048	199,692,134	
+ Proceeds from interests related to banking investments	1,957,740	1,221,583	
+ Other proceeds	2,131,735	2,401,295	
- Payments to the suppliers of goods and services	53,182,508	55,285,084	
- Payments to and on behalf of the employees	64,185,854	56,188,567	
- VAT Payments	20,434,472	24,969,109	
- Corporate tax payments	6,315,952	7,743,195	
- Other payments regarding the operating activities	20,218,298	17,699,616	
A Net cash from operating activities	32,889,439	41,429,441	
Cash flows from investment activities:			
+ Proceeds from sale of tangible assets	6,570	1,424,124	
+ Proceeds from modernization quota	25,326,114	25,963,435	
+ Proceeds from short-term financial investments	-	142,959,952	
+ Proceeds from interests related to government securities	-	1,622,248	
- Payments for purchase of tangible assets	40,502,097	19,110,522	
B Net cash from investment activities	(15,169,413)	152,859,237	
Cash flows from financing activities:			
+ Proceeds dividends transferred to Depozitarul Central	5,891,170	2,709,838	
- Paid dividends	67,005,869	143,058	
C Net cash from financing activities	(61,114,699)	2,566,780	
= Net increase of the cash and cash equivalents=A+B+C=D2-D1	(43,394,673)	196,855,458	
D1 Cash and cash equivalents at the beginning of the period	209,845,721	244,597,901	
D2 Cash and cash equivalents at the end of the period	166,451,048	441,453,359	
To which is being added:			
Government securities as government bonds and treasury bills	70,309,618	18,928,815	
Total availabilities at the end of the period	236,760,666	460,382,174	

The variation per total cash-flow knows a downward trend from 441 million RON to 166 million RON.

This decrease in cash was determined by the dividend payments in the second semester of 2017 (228 million RON), distributed from the profit of 2016 and other capital items (retained earnings and own sources of financing), as well as by the payment, during the reporting period, of the net dividends from the net profit for the year 2017 (67 million RON).

The effects of the three activity areas (operation, investments and financing) over the cash in 2018 H1 is as follows:

- the operating activity triggered a cash-flow in amount of 33 million RON;
- the investment activity ended with a negative cash-flow, the payments for the procurement of the fixed assets being higher by 15 million RON than the input of cash from the modernization quota;
- the financing activity was negatively influenced by 61 million RON, the cash outputs for the payment of dividends within the month of June being in amount of 67 million RON.

If we compare the cash from the operating activity in 2018H1 with the one registered in 2017H1, it can be noticed a decrease by 8 million RON determined by higher payments to employees as a result of wage growth.

In the cash flow table, there is a decrease in the proceeds from the supplied services in the first half of 2018 compared to the same period in 2017, this decrease being driven by higher collection in January 2017 from invoices issued with 24% VAT, existing in the balance on 31.12.2016.

The cash of investment activity declined in the first six months of 2018 due to the decrease in the investments in government securities after the payment of dividends out of profit and to other capital items (retained earnings and other reserves - own sources of financing) leading to a significant decrease in cash.

The net cash from financing activities also recorded a decrease during the reporting period following the approval by the General Meeting of Shareholders, of the payment of dividends within the month of June 2018, as compared to 2017 when the distribution was decided for the month of July.

These interim financial statements and the related notes, from page 3 to page 27 have been authorized for issue and signed by the company management at 9 of August 2018.

Director General
Eng. Dan-Silviu Baciu, E.M.B.A.

Economic Director,
Econ. Sanda Toader

1. Business Description and General Information

The company CONPET S.A. ("The Company") is a joint-stock company, with a unitary system administration, as per Law no. 31/1990 on the companies, republished, subsequent amendments, is registered at the Prahova Trade Registry under no. J29/6/1991, and the Financial Supervisory Authority by the registration certificate no. 7227/1997.

Address of the registered offices is Ploiesti Municipality, No. 1-3, Anul 1848 Street, Prahova County.

CONPET S.A. is the concessionaire of the crude oil, rich gas, condensate and ethane National Transport System, capacity acquired, in 2002, following the conclusion with the National Agency of Mineral Resources, the competent authority representing the State's interests in the oil resources sector, of an Oil Concession Agreement, approved by GD no.793/25.07.2002.

The company's shares are traded at the Bucharest Stock Exchange (BSE) starting with September 5, 2013, under the COTE symbol.

Currently, the company CONPET S.A. is included in 7 out of the total of 9 stock indices, respectively in **BET, BET-TR, BET-XT, BET-XT-TR, BET-BK, BET-NG and BET Plus indices**. This company achievement translates into performance, economic-financial stability, transparency, enhanced visibility and increased interest of the investors.

At 30.06.2018, CONPET S.A. had a market capitalization of 779.18 million RON (167.16 million Euro), ranking 18 in "Top 25 issuers according to capitalization".

Company Establishment

CONPET is set up based on GD 1213/20.11.1990 regarding the set-up of the joint stock commercial companies in the industry, pursuant to Law no.15/1990 regarding the reorganization of the public economic units as autonomous administrations and joint stock companies, by taking over all assets and liabilities of the former Crude Oil Pipeline Transport Enterprise (Rom.I.T.T.C.).

At 30.06.2018, the company's shareholders are:

- The Romanian State by the Ministry of Energy, holding 5,083,372 shares representing 58.72% of the share capital,
- legal persons, with 2,536,458 shares representing 29.30% and
- natural persons, with 1,037,698 shares representing 11.98 %

Company's Mission

CONPET mission is the operation of the National Transport System via Pipelines under safe and secure conditions, free access to the system's available capacity to all the inquirers, authorized legal persons, under equal conditions, on a non-discriminatory and transparent basis.

Other Information on the Company's Business

As per the Articles of Incorporation, the company's core business is the transport of crude oil, rich gas, ethane and condensate via pipelines and by railway tanks, from the loading ramps to the beneficiaries, for the oil sites that are not connected to the major transport lines, aiming at supplying the refineries with crude oil and derivatives out of domestic production, as well as with imported crude oil ((NACE code 4950-"transports via pipelines").

CONPET supplies transport services for its clients both via the crude oil National Transport System concession based on the oil concession agreement, as well as by railway tanks, from the loading ramps to the refineries, for the oil areas not connected to the transport major pipelines.

The crude oil National Transport System represents the ensemble of the major interconnected pipelines ensuring the collection of the oil extracted from the exploitation areas or of the imported crude and the transport thereof from the delivery sites to the processing units.

The concessionaire of the crude oil National Transport System entitles as common carrier and the obligation to provide, as per the legal provisions, free access to the system's available capacity to all the inquirers, authorized legal persons, under equal conditions, on a non-discriminatory and transparent basis.

The crude oil National Transport System belongs to the Romanian State public domain, is being administered by NAMR. (As per the Oil Law provisions). This comprises a pipeline system of approx. 3,800 km and a transport throughput of 18.5 million tons/year.

The Legal Environment

The activity in the oil sector is being regulated by the Oil Law no. 238/2004. The National Agency for Mineral Resources, acting as specialized body of the central public administration, bearing legal personality, is the competent authority empowered to apply the provisions of this normative act.

As per the provisions of the Oil Law no.238 /2004, the National Agency for Mineral Resources entitles as Concession Provider of the goods belonging to public domain, concessioned to the operators acting in the oil industry, together with other State authorities, negotiates and concludes, on State's behalf, oil agreements; awards mining concession licenses and exploitation permits; issues regulating acts, norms, instructions, orders and rules; observes the compliance of the titulants of the concession agreements with the concession licenses and exploitation permits conditions; manages the Crude Oil and Natural Gas National Pipeline Transport Systems and regulates the exploitation activities thereof by system's concession agreements concluded with national/commercial companies/nominated by the Government; annuls the concession/administration acts etc.

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

The transport tariff stands for the exchange value of the transport service supplied by the holder of the oil concession agreement- CONPET, as common carrier, for the transport, via the crude oil National Transport System, of one ton of oil along the oil take-over sites from domestic producers or from import to the delivery sites at the refineries. The guidelines regarding the criteria, methodology and settlement procedure of the regulated tariffs for the transport via the National Transport System are being prepared by NAMR, acting as competent authority, based on the attributions and competences granted by Law no.238/2004, subsequent amendments and completions.

The transport tariffs approved by NAMR are differentiated on the two subsystems belonging to the National Transport System, namely the sub-system for the transport of the crude oil, rich gas, condensate and ethane from the domestic production and the sub-system for the transport of the imported crude. The tariffs for the transport on the import subsystem are applied per refineries, according to the transported quantities, being used the bracket tariff model.

The transport tariffs include:

- the operating cost, including: material expenses, personnel expenses, pipeline maintenance expenses, expenses with energy, gas and water, costs related to the amortization of the fixed assets, the royalty and other taxes applicable to the transporter, expenses related to the provision of pipeline guard, decontamination expenses, other expenses;
- modernization and development quota;
- reasonable profit margin.

2. Preparation Grounds

(a) Declaration of Conformity

These interim financial statements have been prepared pursuant to the Order of the Minister of Public Finances no. 2844/2016, for the approval of the accounting regulations compliant with the International Financial Reporting Standards (IFRS).

These interim financial statements of the Company were prepared pursuant to the IAS 34 - Interim Financial Reporting. They do not include all the necessary information in order to provide a complete set of financial statements in compliance with the International Financial Reporting Standards and must be read together with the annual financial statements of the Company, prepared at December 31, 2017. Nevertheless, certain selected explanatory notes have been included in order to explain the events and transactions significant for the understanding of the changes occurred in the financial standing and company performance since the last annual financial statements at the date and for the financial year ended December 31, 2017.

The Interim Financial Statements at June 30, 2018, prepared in compliance with IAS 34 have not been audited, but have been revised by the financial auditor.

These interim financial statements have been authorized for issue and signed by the company management at 9 of August 2018.

(b) Accounting Estimates and Professional Reasoning

The preparation of the financial statements implies the use, by the Company management, of estimates, professional reasoning and hypotheses affecting the reported value related to assets, liabilities, revenues and expenses. The estimates and hypotheses associated to these estimates are based on the historical experience, as well as on other factors considered reasonable given these estimates. The results of these estimates set the grounds for the professional reasonings regarding the accounting value of the assets and liabilities that cannot be obtained from other information sources. The actual results may be different from the estimates values.

The estimates performed by the company are revised whenever changes occur regarding the circumstances on which the estimate was based or following subsequent available information. The significant reasoning used by the management for the application of the Company's accounting policies and the main sources of uncertainty regarding the estimates have been the same with those applied to the financial statements related to 2017.

3. Accounting Policies

The accounting policies applied in these interim financial statements are the same with those applied in the financial statements of the Company at the date and for the financial period ended at December 31, 2017.

The following new standards and amendments to the existing standards issued by the Committee for the International Accounting Standards (IASB) and adopted by the European Union (EU) entered into force during the annual reporting period ended June 30, 2018, but had no significant effect on the financial statements and have not been presented in detail:

- IFRS 15 "Revenues from the contracts concluded with clients" and Amendments;
- IFRS 9 "Financial instruments" – classification and evaluation;
- Amendments to IFRS 4 "Insurance Contracts" – the Application of IFRS 9 "Financial instruments" with IFRS 4 "Insurance Contracts";

- Amendments to IFRS 2 “Payment based on shares”;
- Amendments to various standards Improvements brought to IFRS (cycle 2014-2016) resulting from the IFRS annual improvement program (IFRS 1 Adoption for the first time of the International Standards of Financial Reporting and IAS 28 Investments in associated entities and venture agreements);

Certain new standards or amendments shall enter into force subsequent to the date of January 1, 2019, The Company chose not to adopt their implementation in the interim financial statements.

4. Tangible assets

During January-June 2018, the tangible assets evolved as follows:

Name	Lands and land improvements	Buildings and special installation	Operating oil products	Machinery and equipment	Measuring and control devices	Means of transport	Other tangible assets	Tangible assets in progress	Total tangible assets
Gross accounting value at January 1, 2018	22,584,099	226,786,502	42,072,846	80,104,803	65,418,061	28,398,221	6,411,128	33,961,299	505,736,959
Aggregate amortization at January 1, 2018	-	-	-	(34,312,830)	(43,729,974)	(17,374,213)	(3,044,256)	-	(98,461,273)
Net accounting value at January 1, 2018	22,584,099	226,786,502	42,072,846	45,791,973	21,688,087	11,024,008	3,366,872	33,961,299	407,275,686
Input of tangible assets	-	4,854,787	-	2,044,514	402,518	1,576,963	72,246	23,338,148	32,289,176
Output of tangible assets	-	(41,689)	-	(8,447)	(2,905)	-	(4,194)	-	(57,235)
Amortization registered during the period	-	(10,204,078)	-	(4,463,475)	(5,109,593)	(1,524,288)	(430,047)	-	(21,731,481)
Net accounting value at June 30, 2018	22,584,099	221,395,522	42,072,846	43,364,565	16,978,107	11,076,683	3,004,877	57,299,447	417,776,146
<i>Net accounting value at January 1, 2018</i>	22,584,099	226,786,502	42,072,846	45,791,973	21,688,087	11,024,008	3,366,872	33,961,299	407,275,686
<i>Net accounting value at June 30, 2018</i>	22,584,099	221,395,522	42,072,846	43,364,565	16,978,107	11,076,683	3,004,877	57,299,447	417,776,146
Difference	-	(5,390,980)	-	(2,427,408)	(4,709,980)	52,675	(361,995)	23,338,148	10,500,460

During 01.01.2018 – 30.06.2018, the net value of the tangible assets increased by the amount of 10,500,460 RON, difference resulting from:

- increase of 32,289,176 RON, representing input of tangible assets;
- diminution by 21,731,481 RON, representing amortization of tangible assets related to the period;
- diminution by 57,235 RON representing the remaining value of the disposed tangible assets;

Tangible assets commissioned during January - June 2018 were in amount of 8,951,028 RON.

The amortization method used is the linear method.

The lands held by the Company are located in Ploiești at the company's administrative offices and in the 24 counties covered by the transport pipelines or where are being located the crude oil tanks loading ramps.

At 30.06.2018, CONPET has recorded in the company patrimony lands in surface of 733.648,93 sq.m. with a fair value amounting to 22,584,099 RON, held based on the Ownership Certificates 709,949.07 sq.m.) and sale-purchase contracts (23,699.86 sq.m.):

At the date of June 30, 2018, the Company's share capital was not augmented by the value of the lands held pursuant to the 47 ownership certificates, in surface of 554,537.62 sq.m.. The land Ownership Certificates for the lands not included in the share capital, have been obtained during 2001-2005, and the appraised value at the date of obtaining the certificates, set in compliance with GD 834/1991, is of 26,255,918 RON. These lands have been obtained in the company patrimony on the expense of other equity reserves.

At the date of 30.06.2018, the fair value of these lands is in amount of 12,348,115 RON.

The tangible assets also include the operating oil product, evaluated in the statement of the financial standing at the cost determined from revaluation, retreated by the application of IAS 29 "The financial reporting in Hyperinflationary Economies". At the date of 30.06.2018, the value of the operating oil product left the same with the one recorded at the beginning of the year, respectively of 42,072,846 RON.

Tangible assets in progress

During 01.01.2018 - 30.06.2018, the Company has executed tangible assets investment works, included in the "2018 Investments Program", consisting in: replacements of sections of pipelines on various lengths and routes, crude oil pipelines commissioning works at the rivers under-crossings and over-crossings, tanks modernizations, loading ramps modernization, modernization of pumping systems in various stations, external lightening installations execution, modernization and monitoring of the cathodic protection stations, rail tanks recurrent inspections, modernizations related to the telecommunications system, as well as procurement of fixed assets which do not work independently.

5. Intangible assets

The evolution of the intangible assets, during January-June 2018 is exposed, as follows:

Name	Licenses and software	Other intangible assets	Total intangible assets
Inventory value at January 1, 2018	4,009,627	1,100,018	5,109,645
Aggregate amortization at January 1, 2018	(2,640,858)	(1,006,115)	(3,646,973)
Net accounting value at January 1, 2018	1,368,769	93,903	1,462,672
Input of intangible assets	28,154	-	28,154
Amortization registered during the period	(486,872)	(23,893)	(510,765)
Net accounting value at June 30, 2018	910,051	70,010	980,061
Net accounting value at January 1, 2018	1,368,769	93,903	1,462,672
Net accounting value at June 30, 2018	910,051	70,010	980,061
Difference	(458,718)	(23,893)	(482,611)

During 2018 H1, the net value of the intangible assets decreased by the amount of 482,611 RON, difference resulting from:

- increase of input of intangible assets in amount of 28,154 RON;
- diminutions from the amortization recorded within the 6 months period, in total amount of 510,765 RON.

The amortization method used is the linear method.

The intangible assets include: IT programs, software licenses and intangible assets of the kind of right of use of the electricity and water feeding networks, recognized in the assets at the value of the expenses made by the company with the execution of these joints.

6. Financial Assets

Within the first six months of 2018, the financial assets evolved as follows:

Name	Other long-term investments	Long-term receivables	Total financial investments
Net accounting value at January 1, 2018	5,000	968,782	973,782
Inputs	-	42,911	42,911
Outputs	-	112,981	112,981
Net accounting value at June 30, 2018	5,000	898,712	903,712
Difference	-	(70,070)	(70,070)

At 30.06.2018, the Company holds participations in the share capital of Monitor Independent Registry.

In the financial investments are also included long-term receivables made of redeemable guarantees paid by the Company for temporary set-aside of certain land surfaces used for performing investment works.

7. Inventories

Name	Consumables	Residual products	Services in progress	Total inventories
Gross accounting value at January 1, 2018	6,431,393	3,025,984	525,025	9,982,402
Adjustments for depreciation of inventories	(872,933)	(85,264)	-	(958,197)
Net accounting value at January 1, 2018	5,558,460	2,940,720	525,025	9,024,205
Inventory inputs during the period	3,401,804	2,050,291	279,708	5,731,803
Inventory consumption during the period	(3,779,584)	(1,675,555)	(364,930)	(5,820,069)
Revenues from (expense with) adjustments for depreciation of inventories	16,485	68,058	-	84,543
Net accounting value at June 30, 2018	5,197,165	3,383,514	439,803	9,020,482
Net accounting value at January 1, 2018	5,558,460	2,940,720	525,025	9,024,205
Net accounting value at June 30, 2018	5,197,165	3,383,514	439,803	9,020,482
Difference	(361,295)	442,794	(85,222)	(3,723)

The inventories are made up of materials, spare parts and other materials that are to be used when performing company's core business, as well as of security and intervention stocks meant for the potential provoked technical breakdowns or following natural disasters.

The residual products, mainly represent pipe material resulted following the pipeline replacement works.

8. Trade receivables and other receivables

At June 30, 2018 și December 31, 2017, the trade receivables and other receivables is the following:

	June 30 2018	December 31, 2017
Clients	37,218,190	35,713,475
Adjustments for depreciation of receivables	(698,358)	(698,234)
Other trade receivables	415,125	311,122
Subtotal trade receivables (net value)	36,934,957	35,326,363
Other receivables	13,156,304	14,179,176
Impairment of other receivables	(2,739,968)	(2,752,468)
Subtotal other receivables (net value)	10,416,336	11,426,708
Total receivables	47,351,293	46,753,071

Clients' structure per activities, is as follows:

	June 30 2018	December 31, 2017
Clients- transport activity	36,146,765	34,719,399
Other clients - auxiliary activities	1,071,424	994,076
Total	37,218,190	35,713,475

Trade receivables are no interest bearer and have an average day sales outstanding of 28 days. The main trade receivables in balance at June 30, 2018, represents amounts to be received from: OMV PETROM S.A.: 31,017,602 RON (December 31, 2017: 30,330,382 RON), Petrotel Lukoil S.A.: 5,167,171 RON (December 31, 2017: 4,143,760 RON).

The transport services supplies performed by these clients hold a significant share (over 98%) in the Company's turnover.

The major client of the company, OMV PETROM SA, holds over 66% of the total receivables, in balance at June 30, 2018.

Other receivables in amount of 13,156,304 RON are mainly made of:

- the dividends under payment at Depozitarul Central, in amount of 6,834,541RON;
- amounts to be recovered from different natural and legal persons, most of them in litigation pending before the law courts, in amount of 2,197,971 RON;
- non-exigible VAT in amount of 1,023,592 RON, related to un-arrived invoices;
- interest to be collected in amount of 504,310 RON, for the cash placed in bank deposits.

Impairment of other receivables are recorded for debits related to the legal files pending before the Law Court, fiscal obligations and fines paid and facing challenging procedure.

The Company's policy is to register impairments of 100% in the value of the receivable for the clients facing dispute, dissolution, bankruptcy and for other debts related to the established legal files or the fines facing challenge procedure.

At June 30, 2018, the impairment value is in amount of 2,739,968 RON, 12,500 RON less than in December 31, 2017.

Statement of receivables according to age

Trade receivables

	June 30 2018	December 31, 2017
Clients, o/w:	37,218,190	35,713,475
Current and non-depreciated receivables	36,388,830	34,981,599
Current and depreciated receivables	698,358	698,234
Outstanding and non-depreciated receivables, o/w:	131,002	33,642
- outstanding amounts less than 30 days	107,789	19,616
- outstanding amounts between 30 days and 60 days	8,262	10,329
- outstanding amounts between 60 days and 90 days	3,225	3,421
- outstanding amounts between 90 days and 1 year	11,726	276
Other trade receivables, out of which:	415,125	311,122
Current and non-depreciated receivables	415,125	311,122

Other receivables

	June 30 2018	December 31, 2017
Current and non-depreciated receivables	10,416,336	11,426,708
Current and depreciated receivables	2,739,968	2,752,468
Total	13,156,304	14,179,176

9. Cash and cash equivalents

At June 30, 2018 and December 31, 2017, the cash and cash equivalents look as follows:

	June 30 2018	December 31, 2017
Current bank accounts	3,244,648	4,368,575
Bank deposits with maturity ≤ 3 months	163,174,442	205,452,128
Cash on hand	25,481	25,019
Other cash equivalents	6,477	1,543
Total	166,451,048	209,847,265

Decrease in cash balance and cash equivalents at June 30, 2018, by approx. 21 % as compared to December 31, 2017, was determined by the payment within the month of June of the dividends distributed out of the profit of 2017 financial year.

The cash also includes the modernization quota collected through the tariff, exclusively available for the payment of the exchange value of the modernization and development works related to the goods from the public domain. At the end of 2018 H1, the modernization quota available for the financing of the investments in the public domain amounts to 200,410,793 RON, out of which: the amount of 130,101,175 RON is in bank accounts and the difference of 70,309,618 RON is held in government securities, these being presented in note 10 "Short-term investments".

10. Short-term investments

Short-term financial investments are investments performed by the Company in government securities (government bonds), with superior yields as compared to maturity deposits, in view of obtaining financial revenues.

The company CONPET S.A.

Explanatory Notes to the interim financial standing at June 30,2018

(All the amounts are expressed in RON, unless otherwise specified)

	June 30 2018	December 31, 2017
Government securities (government bonds)	70,309,618	70,309,618
Interest related to government securities	644,010	313,900
Total	70,953,628	70,623,518

At the end of 2018 H1, the government securities held by the Company are detailed in the following box:

Issuer	Depositor y	Type Products	Series	No . Of securities	Nominal value instrument	Coupon value	Interest (%)	Value at 30.06.2018 (RON)
Ministry on Public Finances	RAIFFEISEN	Government bonds with coupon	RO1318DBN034	1,735	10,000	560	0.82%	18,122,108
Ministry on Public Finances	BRD	Government bonds with coupon	RO1318DBN034	5,010	10,000	560	0.97%	52,187,510
Total								70,309,618

11. Equities

Share capital

During the reporting period, the share capital of the company did not change, remaining at the value of 28,569,842 RON, being divided into 8,657,528 ordinary shares with a nominal value of 3.3 RON/share and corresponds to the one registered at the Trade Register Office.

The structure of CONPET S.A. share capital and shareholding at June 30, 2018 is exposed as follows:

Shareholders	June 30, 2018			December 31, 2017		
	Number of shares	Amount (RON)	(%)	Number of shares	Amount (RON)	(%)
Romanian State by the Ministry of Energy	5,083,372	16,775,128	58.7162	5,083,372	16,775,128	58.7162
Legal persons	2,536,458	8,370,311	29.2977	2,572,156	8,488,114	29.7101
Natural persons	1,037,698	3,424,403	11.9861	1,002,000	3,306,600	11.5737
Total	8,657,528	28,569,842	100%	8,657,528	28,569,842	100%

Legal reserves

At June 30, 2018 the value of the legal reserve is of 5,713,968 RON (December 31,2017: 5,713,968 RON). The company has distributed out of profit for the legal reserve 20% of the share capital as per EGO no.64/2001, the Law no.571/2003, Law no.31/1990 and the Articles of Incorporation.

Other reserves

At June 30, 2018 "Other reserves" are in amount of 492,787,718 RON, increasing by 14,286,269 RON as compared to the beginning of the year, following the augmentation of the reserve representing the modernization quota by the amount of 11,127,812 RON and the reserve representing own financing resources generated by the distribution out of the profit of the year 2017 of the amount of 3,159,448 RON.

The highest share (92.75%) in "Other Reserves" is being held by the reserve related to the modernization quota, in amount of 457,070,983 RON at June 30, 2018.

Revaluation reserves

At June 30, 2018, in the financial standing the revaluation reserves are being presented at the net value of 28,345,981 RON, resulting after the diminution of the gross value by the related deferred tax recognized directly in the equities, as per IAS 12.

Retained earnings

At June 30, 2018 the retained earnings amounts to 44,489,080 RON and includes mainly the difference in value of 41,818,297 RON, related to the tangible assets - oil operating product resulting from the application for the first time of IAS 29.

Profit of the Period

The profit achieved in the first six months of 2018 amounts to 21,625,612 RON.

12. Trade Liabilities and Other Liabilities

At June 30, 2018 and December 31, 2017, the trade receivables and other receivables look as follows:

Liabilities	December 31, 2017	June 30 2018	Maturity date for the balance at June 30,2018		
			Under 1 year	1-5 years	Over 5 years
Trade liabilities	30,653,848	27,470,633	27,470,633	-	-
Other debts, here included the fiscal liabilities and the liabilities regarding the social insurances	36,043,972	40,646,264	40,646,264	-	-
Total	66,697,820	68,116,897	68,116,897	-	-

The goods and services suppliers for the operating activity are mainly represented by: SNTFM CFR Marfa, Tinmar Energy, OMV Petrom, Edenred Romania S.R.L, Premier Energy, OMV Petrom Marketing, Prodial Tour, RCS&RDS, Cameleon Security Systems, Con Metal, CF, Orange Romania, Omnisig Vienna Insurance, Dinamic Consult, Service Implementare Productie. The value of the acquisitions from these suppliers in the first half of the year 2018 has a share of 53.22% in total acquisitions.

The value of assets acquisitions from these suppliers in the first half of the year 2018 has a share of 39.24% in total acquisitions.

The statement of the employee-related debts, fiscal debts and other maturity date debts look as follows:

Liabilities	December 31, 2017	Saturday, June 30, 2018	Maturity date for the balance at June 30,2018		
			Under 1 year	Inputs 1-5 years	Over 5 years
Salaries and assimilated	4,020,702	4,696,703	4,696,703	-	-

debts					
Salaries contributions	2,942,010	3,473,560	3,473,560	-	-
Ordinary Income Tax	3,761,986	2,592,820	2,592,820	-	-
Royalty due to the State Budget	7,133,441	7,127,591	7,127,591	-	-
VAT payable	2,645,752	3,632,319	3,632,319	-	-
Other taxes and liabilities - the State Budget	1,102,192	2,099,581	2,099,581	-	-
Dividends Payable	13,971,193	16,586,422	16,586,422	-	-
Other liabilities	466,695	437,267	437,267	-	-
Total	36,043,972	40,646,264	40,646,264	-	-

13. Provisions

	June 30 2018	December 31 2017
Provisions for litigations	3,924,068	4,135,815
Provisions for employees benefits	22,259,871	18,163,415
Other provisions for risks and expenses	46,622	50,000
Total	26,230,561	22,349,230
<i>Long-term provisions</i>	13,295,870	12,817,661
<i>Short-term provisions</i>	12,934,691	9,531,569

Provisions for litigations

In the first six months of the year 2018, the provisions for the litigations have registered a decrease by 211,747 RON, following the completion of several litigations during the period and update of the necessary amounts for the settlement of the potential litigations pending before the court during the previous period.

The company is involved in several litigations for damages required by several owners, natural and legal persons. Besides the compensations, they request either the payment of an annuity following the exercise, by the Company, of the the easement right on the lands owned by the claimants, or by the retirement of the pipelines and installations to be found on lands thereof. Following the restitution of their property rights, they are bringing proceedings in Court against the Company, invoking the lack of land use due to the fact that they are being crossed by the crude oil transport pipelines belonging to the public domain.

Provisions for Employees Benefits

The changes registered in the structure of provisions for the employees benefits have been determined by the increase of the provisions constituted for the benefits granted upon retirement, for employees share of profit and untaken annual leaves.

The biggest share in the provisions for the employees benefits is being held by the *provision for the benefits granted upon retirement*, in amount of 13,625,628 RON, out of which 13,295,870 RON stand for long-term liabilities, and 329,758 RON stand for short-term liabilities.

At 30.06.2018 the provision for the benefits on retirement granted to the employees is 328,657 RON higher, increased due to time passing.

The provision related to the employees share of profit is being established based on the provisions of the Company's income and expenditure budget approved for each financial year, under the Ordinance no.64/2001 and MPFO no. 144/2005. The Ordinance no.64 from August 30, 2001 sets out that the accounting profit remaining after the deduction of the corporate tax to the majority or entirely state-owned companies be distributed within the limit of 10% of the net profit, but no

more than the level of a monthly basic salary at the level of the economic agent, in the reference financial year. At 30.06.2018, the provision for the employees share of profit totally amounts to 5,477,151 RON, of which the amount of 3,035,803 RON represents provision constituted for service supplied by the employees in 2017 and the amount of 2,441,348 RON represents provision constituted for Half I of the year 2018.

The provision for the untaken annual leaves is of 2,817,019 RON at the end of June, 2018, registering an increase by 1,326,451 RON as compared to December 31, 2017.

Other provisions

The balance of the position "Other Provisions" in amount of 46,622 RON is being represented by the provisions related to environment expenses.

14. Current and Deferred Corporate Tax

The expense related to current and deferred corporate tax of the company at June 30, 2017 and June 30,2018 is being determined at a statutory rate of 16%.

	6 completed months June 30, 2018	6 completed months At June 30, 2017
Expenses with ordinary corporate tax	5,146,786	6,116,363
Expense with /(revenues from) deferred corporate tax	(1,148,091)	445,033
Total	3,998,695	6,561,396

Reconciliation of the effective tax rate:

	6 completed months At June 30, 2018	6 completed months At June 30, 2017
Profit before tax	25,624,307	42,328,876
-Income tax at a statutory rate of 16%	4,099,889	6,772,620
Effect on the corporate tax, of:		
- Non-deductible expenses	887,121	1,075,548
Non-taxable revenues	(246,614)	(1,410,708)
Elements similar to the revenues	510,965	443
Elements similar to the expenses	(419)	(123,290)
Exempted corporate tax	(62,291)	-
-Amounts representing sponsorship falling under the limits provided by law	(41,865)	(198,250)
Expenses with ordinary corporate tax	5,146,786	6,116,363

The dynamics table regarding the deferred taxes during 1st Half of 2018 reveals the followings:

2018 H1	Net value at 1st of January	Deferred corporate tax recognized in the profit and loss account	Net value June 30, 2018	
			Receivable related to the deferred corporate tax	Liability related to the deferred corporate tax
Reevaluation of tangible assets	(2,483,543)	508,112	3,377,308	(5,352,739)

Provisions	2,914,147	654,892	3,569,039	-
Adjustments of current assets	539,790	(14,913)	524,877	-
Deferred corporate tax before compensation	970,394	1,148,091	7,471,224	(5,352,739)
Receivable/debt compensation		(5,352,739)	5,352,739	
Deferred corporate tax- receivable				2,118,485

15. Result per share

The result per share at 30.06.2018, as compared to the same period of the previous year is the following:

	6 completed months At June 30 2018	Six months period ended June 30, 2017
Profit of the Financial Year	21,625,612	35,767,480
Number of ordinary shares at the beginning and end of the period	8,657,528	8,657,528
Basic and diluted earnings per share (RON/share)	2.50	4.13

16. Operating Revenues

a) Turnover Revenues

	6 completed months June 30, 2018	6 completed months June 30, 2017
Revenues from transport service, of which:		
<i>Revenues from transport services on the Domestic Subsystem</i>	182,034,154	184,126,057
<i>Revenues from transport services on the Import Subsystem</i>	143,199,317	143,377,849
<i>Revenues from rents</i>	38,834,837	40,748,208
<i>Other revenues included in the turnover</i>	738,331	695,031
Turnover Revenues	184,931,130	186,314,395

Transport revenues are achieved from the services supplied to clients for the transport of the crude oil, rich gas and condensate volumes at the tariffs approved by Order of the President of The National Agency for mineral Resources.

In the first six months of 2018, the quantities transported on subsystems, as compared to the same period of the previous year are the followings:

	6 completed months June 30, 2018	6 completed months June 30, 2017
Domestic Subsystem	1,758,392	1,784,875
Import Subsystem	1,539,622	1,426,578
Total quantities (tons)	3,298,014	3,211,453

The total volume of transported products increased by 2.70% in the first six months of 2018 YoY, given the decrease by 1.48% of the quantity transported on the domestic transport subsystem

and the increase by 7.92% of the quantity transported on the import subsystem.

The tariffs for the supply of the transport services used during January 1, 2018 and June 18, 2018 approved by the National Agency for Mineral Resources by Order no.32/02.02.2016, were the followings:

- for the domestic transport subsystem, the average tariff is 79.75 Lei/ton;
- for the import subsystems the tariffs are applied per refineries, based on transported quantities batches, being used the bracket tariff model:

Period	Arpechim		Ploiesti Basin		Petromidia	
	Thousand tons/month	Lei/ton	Thousand tons/month	Lei/ton	Thousand tons/month	Lei/ton
February 9, 2016 - 18.06.2018	< 100	38.85	< 100	38.00	< 100	8.00
	> 100	16.60	> 100	16.00	> 100	7.33

Starting 19.06.2018 have entered into force the tariffs for the supply of the transport service approved by the National Agency for Mineral Resources by Order no. 117/15.06.2018, which are the followings:

- for the domestic transport subsystem, the average tariff is 84.37 RON/ton;
- for the import subsystems the tariffs are applied per refineries, based on transported quantities batches, being used the bracket tariff model:

Period	Arpechim		Ploiesti Basin		Petromidia	
	Thousand tons/month	Lei/ton	Thousand tons/month	Lei/ton	Thousand tons/month	Lei/ton
19.06.2018 - up to date	< 120	38.85	< 120	38.00	< 120	27.00
	> 120	16.60	> 120	16.00	> 120	24.74

b) Other operating revenues

	6 completed months	6 completed months
	June 30, 2018	June 30, 2017
Revenues out of modernization quota consumption	14,198,302	15,104,907
Earnings from disposal of assets	-	899,618
Other revenues	847,452	284,604
Total Operating Expenses	15,045,754	16,289,129

The revenues from the modernization quota represent 94.37% of other operating revenues achieved in the first six months of the year 2018, registering a decrease by 6% as compared to the same period of 2017.

Concurrently with the depreciation of the fix assets from the modernization quota, the Company recognizes in the revenues reserves - the modernization quota at the level of the amount of expenses with depreciation.

17. Operating Expenses

a) Stocks and Utilities Expenses

6 completed	6 completed
-------------	-------------

	months June 30, 2018	months June 30, 2017
Expenses with consumables	2,753,933	2,531,736
Other material expenses	470,778	666,295
Other Expenses with energy and water	5,948,665	5,172,245
Expenses related to merchandise	44,673	31,703
Total expenses related to stocks and utilities	9,218,049	8,401,979

b) Personnel Expenses

The personnel expenses include salaries expenses and the related contributions, the benefits and bonuses granted to the employees and the allowances related to the mandate contracts of the members of the Board of Administration and the Director General.

	6 months ended at June 30 2018	6 months ended at June 30 2017
Salary and related contributions expenses	58,455,578	46,232,057
Liabilities regarding the employees' benefits	1,662,588	7,247,656
Liabilities regarding the employees' bonuses	5,099,374	3,332,533
Allowances/Indemnifications of the Director General and of the members of the Board of Administration	740,952	1,042,118
Total personnel expenses	65,958,492	57,854,364

The personnel expenses are detailed as follows:

	6 months ended at June 30 2018	6 months ended at June 30 2017
Salary and related contributions expenses	58,455,578	46,232,057
Total salaries and contributions	58,455,578	46,232,057

Liabilities regarding the Employees' Benefits and bonuses. Waging

Pursuant to the provisions of the Collective Labor Agreement in force, the company has granted the following benefits to its employees: quarterly premiums, retirement support, marriage support, other benefits, as well as bonuses such as: holiday and treatment vouchers, including the transport, presents given to the employees, birth grants, funeral grants and serious diseases, humanitarian grants, meal vouchers, other bonuses.

The benefits granted to the employees, within the first six months of 2018, reveal the followings:

Liabilities regarding the employees' benefits

	6 months ended at June 30 2018	6 months ended at June 30 2017
Quarterly premiums	499,361	648,531
Retirement supports	245,830	266,184
Marriage supports	7,564	14,788
Employees share of profit	-	4,754,892
The company's contribution to facultative pension schemes	-	1,512,580

Company's contribution to voluntary health insurance	764,946	-
Other benefits	144,887	50,681
Total	1,662,588	7,247,656

Liabilities regarding the employees' bonuses

	6 months ended at June 30 2018	6 months ended at June 30 2017
Holiday and treatment vouchers	493,012	562,920
Gifts offered to employees' and to the employees' children	157,350	159,450
Grants related to birth, death, serious diseases	311,616	252,745
Meal vouchers	2,735,775	1,757,468
Other bonuses	1,401,621	599,950
Total	5,099,374	3,332,533

Have been registered increases in the expenses related to birth, death, serious diseases, humanitarian grants as there was an intensification of both the events and the amount stipulated in the new Collective Labor Agreement applicable as of September 1, 2017, granted for a part thereof.

Moreover, it has been registered an increase of the expenses with the meal vouchers granted to the employees, following the increase of the nominal value of a meal voucher at 15 RON, in compliance with the provisions of the Collective Labor Agreement applicable as of January 1, 2018.

The increase registered at other bonuses represents the exchange value of the gift vouchers granted to the employees on the occasion of the Company Day (300 RON/employee), as well as the increase of the exchange value of the transport subscriptions to and from the place of domicile to the work place, disbursed to the employee in percentage of 75% starting with 01.01.2018.

Waging system - the Director General and the Board of Administration members

	6 months ended at June 30 2018	6 months ended at June 30 2017
Allowance/Indemnification of the Director General	221,304	522,212
Allowances/Indemnifications of the members of the Board of Administration	519,648	519,906
Total	740,952	1,042,118

The expenses with the indemnifications related to the contracts of mandate of the members of the Board of Administration and the Director General records a decrease as compared to 2017 H1, due to the amendments occurred following the expiry of the mandates of the Board of Administration mandates and the Director General's mandate at the date of 27.11.217, respectively 05.12.2017 and the conclusion of new contracts with the members of the Board of Administration and the Director General appointed in capacity following this date. In the new mandate contracts is not provided the grant of a variable indemnification and the fixed indemnification for the administrators is set to 2 gross average earnings.

c) Expenses related to external services

	6 months ended at June 30 2018	6 months ended at June 30 2017
Rail transport expenses	27,680,774	28,104,245

Expenses with royalties, commercial leasing and rentals	14,830,088	14,905,244
Third-party pumping expenses	2,257,675	2,397,841
Maintenance and repair Expenses	1,117,979	700,042
Expenses with the decontamination, monitoring of the environmental factors	353,366	221,082
Travel expenses	348,817	359,096
Expenses related to the transport of goods and personnel	35,815	28,085
Postal and telecommunication expenses	274,216	257,336
- Other expenses with services performed by third parties	1,918,685	2,101,219
Total expenses related to external services	48,817,415	49,074,190

The expenses with royalties, commercial leasing and rentals comprise the oil royalty, calculated according to the Oil Law no. 238/2004, by application of a quota of 10% of the value of gross income achieved out of oil transport and transit operations through the Oil National Transport System.

d) Other expenses

	6 months ended at June 30 2018	6 months ended at June 30 2017
Taxes, fees and similar levies related expenses	1,118,609	699,968
Compensations, fines and penalties expenses	15,787	804,664
Donations granted (Sponsorship)	41,865	198,250
Losses from disposal of assets and other capital operations	50,665	-
Environmental protection expenses	37,729	25,309
Expenses with the establishment of the modernization quota	25,326,114	25,963,435
Other operating expenses	110,425	128,073
Other expenses	26,701,194	27,819,699

Within the first six months of 2018, the expenses recorded with other taxes, fees and similar levies mainly include, the expenses with the local taxes and expenses with the contribution to the special fund, due under the Law no. 448/2016 regarding the protection and promotion of the persons with handicap.

The company constitutes reserves regarding the modernization quota through other operating expenses in compliance with the provisions of the GD no. 168/1998 further amendments and with the provisions of the Fiscal Code approved pursuant to Law no. 227/2015, further amendments and updates.

18. Net Financial Result

	6 months ended at June 30 2018	6 months ended at June 30 2017
Revenues from interests	2,041,159	1,282,187
Revenues from operations with securities and other financial instruments	330,110	623,064
Other financial revenues	2,294	14,925
Total financial revenues	2,373,563	1,920,176
Financial expenses	4,333	19,658
Total financial expenses	4,333	19,658

Net Financial Result	2,369,230	1,900,518
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The net financial result increased by 24.66% within the first 6 months of 2018 as compared to the same period of 2017, amendment due to the increase in revenues from interests.

19. Related Parties

In 2018 H1, respectively 2017, the Company performed the following significant transactions with related parties:

Procurement from related parties

Partner	Unsettled amounts at December 31, 2017	Procurement During January - June 2018	Settlements During January - June 2018	Unsettled amounts at June 30 2018
SNTFM CFR Marfă S.A.	6,080,039	33,130,516	33,540,176	5,670,379

Partner	Unsettled amounts at December 31, 2016	Procurement During January - June 2017	Settlements During January - June 2017	Unsettled amounts at June 30 2017
SNTFM CFR Marfă S.A.	5,902,301	35,055,918	33,386,346	7,571,873

20. Retreatment of the interim statement of the profit & loss account and other elements of the global result for the six months period ended June 30, 2017

The provisions for the employees' share of profit, the provisions related to untaken annual leaves and the provisions for the benefits granted upon retirement have been budgeted in quarter IV of the financial years prior to 2018 and have been presented in the annual financial statements. Starting with 2018, the estimated amounts for these provisions are stipulated quarterly and are reflected in the interim financial statements concluded at the date of June 30 2018, in compliance with IAS 34 - "Interim Financial Reporting".

In order to compare data in 2018 H1 with those from 2017 H1, has been performed the retreatment of the profit and loss account from 2017 H1, by the value of the said provisions, estimated for this period.

THE INTERIM STATEMENT OF THE PROFIT AND LOSS ACCOUNT AND OTHER GLOBAL RESULT ELEMENTS FOR THE SIX MONTHS PERIOD ENDED

AT JUNE 30, 2017

- RETREATED -

	6 months ended at June 30, 2017 -Initial-	6 months ended at June 30, 2017 -Retreated-	Difference
Operating Revenues			
Turnover revenues	186,314,395	186,314,395	-
Other revenues	16,289,129	15,389,511	(899,618)

Earnings from disposal of assets	-	899,618	899,618
Total operating revenues	202,603,524	202,603,524	-
Operating Expenses			
Inventory related expenses	3,229,734	3,229,734	-
Expenses with energy and water	5,172,245	5,172,245	-
Personnel expenses	57,562,595	57,854,364	291,769
Value adjustments on current, non-current assets	22,280,158	22,280,158	-
Value adjustments on the current assets	(1,063,173)	(1,063,173)	-
Expenses related to external services	49,365,959	49,074,190	(291,769)
Other expenses	27,819,699	27,819,699	-
Provision adjustments	(7,700,057)	(2,192,051)	5,508,006
Total operating expenses	156,667,160	162,175,166	5,508,006
Operating profit	45,936,364	40,428,358	(5,508,006)
Financial revenues	1,920,176	1,920,176	-
Financial expenses	19,658	19,658	-
Financial profit	1,900,518	1,900,518	-
Profit before income tax	47,836,882	42,328,876	(5,508,006)
Expenses with the current income tax	6,116,363	6,116,363	-
Expenses with (revenues coming from) deferred income tax	1,326,314	445,033	(881,281)
Profit of the period	40,394,205	35,767,480	(4,626,725)
Other global result elements	-	(4,928,491)	(4,928,491)
TOTAL GLOBAL RESULT	40,394,205	30,838,989	(9,555,216)
Earnings per share	4.67	4.13	-0.54

The operating expenses regarding the provisions in amount of 5,508,006 RON, included in the account related to the 2017 H1 result, is made of

- expenses related to provisions for the employees; share of profit, in amount of 2,938,990 RON;
- expenses related to provisions for untaken annual leaves, in amount of 2,332,936 RON;
- expenses related to provisions for the allowances/indemnifications awarded to the members of the Board of Administration, in compliance with the provisions of the EGO no. 109/2011 regarding the corporate governance, in amount of 185,799 RON;
- expenses related to provisions for the employees' benefits granted upon retirement, in amount of 50,281 RON.

The benefits granted upon retirement related to 2017 H1, have been estimated based on the Actuarial Report prepared by the Company GELID ACTUARIAL COMPANY S.R.L. Bucharest.

The updated value of the provision was determined using the Projected Unit Credit Method (IAS 19). The benefits upon retirement received by an employee have been, first of all, augmented by the value of the employer's contributions and thereafter, every benefit was updated considering the employees' rotation, lay-offs and life expectancy until retirement. The number of years until retirement was calculated as difference between the date of retirement and the date of the reporting. The foreseen average of the work period left was calculated based on the number of years until retirement, given the rate of lay-offs, the rate of personnel turnover and the life

expectancy.

The main actuarial hypotheses used for the calculation at June 30, 2017 have been the followings:

- a) The discount rate. Have been used the following values: the estimated rate of inflation on the long run 2% per year, the estimated real yield on the long run of the government bonds 2.2% per year, the liquidity premium for Romania 0%, the balance forward rate 4.2% per year.
- b) The estimated rate of inflation based on the statistics issued by INSSE and of the forecast of the National Bank of Romania is 3.2% in 2018, 3.1% in 2019, linearly decreasing up to 2.5% during 2020-2023, 2.5% in 2024-2030, following a decreasing tendency during the next years.
- c) the rate of increase of the monthly gross average earnings per company. For 2018 and the following years, has been estimated an indexation of the monthly gross average earnings per company by the annual inflation rate.

During 2017 H1, the movement in the provision for the benefits upon retirement granted to the employees is exposed in the table below:

January 1, 2017	3,606,242
Cost of the interest	71,862
Cost of the current service	139,866
Payments from provisions during the year	(266,184)
Actuarial loss related to the period	5,867,251
June 30, 2017	9,419,037

21. Subsequent Events

At the date of 03.08.2018, took place the Ordinary General Meeting of Shareholders (OGMS), where the company shareholders have been informed on the extension of the deadline for the carry-on of the measures from the Decision no. 28/2013 of Prahova Chamber of Accounts, until the date of 30.06.2019.

These interim financial statements and the related notes, from page 3 to page 27 have been authorized for issue and signed by the company management at 9 of August 2018.

Director General
Eng. Dan-Silviu Baciu, E.M.B.A.

Economic Director,
Econ. Sanda Toader

STATEMENT OF THE PERSONS IN CHARGE

**in CONPET S.A., in compliance with the provisions
of Articles 65 of Law no. 24/ 2017 regarding the issuers of financial instruments and
market operations**

Have been prepared the Interim Financial Statements at the date and for the six months period ended at

June 30, 2018 for:

Entity	CONPET SA
County	29 - PRAHOVA
Address	Ploiești No. 1-3, Anul 1848 Street
Trade Registry Number	J29/6/1991
Type of ownership	26 - Publicly and privately owned companies with domestic and foreign capital
Main activity (NACE code)	4950 - Transport through pipelines
Tax Registration Number	1350020

The undersigned: Dan-Silviu Baciu, acting as Director General and Toader Sanda, acting as Economic Direction, takes responsibility for the preparation of the interim financial statements at June 30, 2018 in compliance with the applicable accounting standards (International Accounting Standard 34 - "Interim Financial Reporting") and confirms, according to their knowledge:

- a) The Interim Financial Statements at June 30, 2018 offers a true view, compliant with the reality of assets, liabilities, financial standing, profit and loss account of the company; and
- b) The administrators' report presents in a fair and complete manner the information about the company.

**Director General
Eng. Dan-Silviu Baciu, E.M.B.A.**

**Economic Director
Econ. TOADER Sanda**

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

To the Shareholders of CONPET S.A.

Introduction

We have reviewed the accompanying interim financial statements of CONPET S.A. (The Company) as of June 30, 2018, which comprise the statement of financial position as at 30 June 2018, and the related statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and other explanatory notes.

Management of the Company is responsible for the preparation and fair presentation of these interim financial statements in accordance with IAS 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not present fairly, in all material respects, the financial position of the entity as at June 30, 2018, and of its financial performance and its cash flows for the six-month period then ended in accordance with IAS 34 “Interim Financial Reporting”.

Other Aspects

This report is addressed exclusively to the Company's shareholders, as a body. Our review was undertaken in order to report to the Company's shareholders all those aspects that we are required to state to them in a review report and for no other purposes whatsoever. To the extent permitted by law, we do not accept or take responsibility to anyone other than the Company and its shareholders, as a body, for our review work, for this report or for the conclusion we have formed.

On behalf, of
BDO AUDIT SRL

Registered with the Chamber of Financials Auditors in Romania No 018 / 2001

Name of signing person: Vasile Bulata
Registered with the Chamber of Financials Auditors in Romania
No 1480 / 2002

Bucharest, Romania
9 August 2018

This is a free translation of the original Romanian language version. In case of any differences the Romanian version will prevail.