



**ROMPETROL WELL SERVICES S.A,**

**PRELIMINARY UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR 2017  
STATEMENT OF THE FINANCIAL POSITION**

	<b>- RON-</b>	
	<b>La data 31.12.2017</b>	<b>La data 31.12.,016</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Tangible assets	23,459,576	29,472,070
Real estate investments	525,813	544,416
Intangible assets	257,852	12,832
Financial assets	6,524,856	6,524,856
Other financial assets	22,034	973,165
<b>Total fixed assets</b>	<b>30,790,131</b>	<b>37,527,339</b>
<b>Current assets</b>		
Inventories	4,229,588	2,849,530
Trade and similar receivables	95,224,459	82,091,884
Profit tax receivable	257,842	2,370,643
Other current assets	181,351	264,465
Cash and deposits	3,513,305	6,573,982
<b>Current assets - total</b>	<b>103,406,545</b>	<b>94,150,504</b>
<b>Total assets</b>	<b>134,196,676</b>	<b>131,677,843</b>
<b>Capital and reserves</b>		
<b>Capital</b>		
Share capital, of which:	28,557,446	28,557,446
Subscribed and paid in share capital	27,819,090	27,819,090
Share capital adjustments	738,356	738,356
Legal reserves	5,563,818	5,563,818
Other reserves	67,507,892	73,680,797
Retained earnings	18,330,137	18,330,137
Current result	2,471,740	(5,820,561)
<b>Total equity</b>	<b>122,431,033</b>	<b>120,311,638</b>
<b>Long-term liabilities</b>		
Provisions	229,429	158,457
Employee benefits liabilities	864,721	486,999
Deferred tax liabilities	365,363	365,363
Other liabilities	40,518	6,664
<b>Total long-term liabilities</b>	<b>1,500,031</b>	<b>1,017,483</b>
<b>Current liabilities</b>		
Trade payables and similar liabilities	10,265,612	10,323,803
Provisions	-	24,919
<b>Total current liabilities</b>	<b>10,265,612</b>	<b>10,348,722</b>
<b>Total liabilities</b>	<b>11,765,643</b>	<b>11,366,205</b>
<b>Total equity and liabilities</b>	<b>134,196,676</b>	<b>131,677,843</b>



## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For year ended 31 December 2017

- RON -

	La data 31.12.2017	La data 31.12.2016
<b>Turnover</b>	39,997,068	31,106,110
Services performed	39,874,677	31,024,397
Sales of goods	122,391	81,714
Other operating income	252,599	32,954
<b>OPERATING INCOME - TOTAL</b>	<b>40,249,667</b>	<b>31,139,065</b>
Expenses with consumables	(11,345,721)	(7,315,658)
Power and water expenses	(182,838)	(420,929)
Merchandise expenses	(80,620)	(48,095)
Payroll costs, out of which:	(14,487,577)	(15,763,596)
Salaries	(11,906,949)	(12,946,893)
Social security contributions	(2,580,628)	(2,816,702)
Fixed assets value adjustment, of which	(6,172,280)	(8,618,926)
Depreciation	(6,172,280)	(6,970,205)
Current assets value adjustment	(182,878)	(363,378)
Expenses for third-party services	(6,441,774)	(5,463,874)
Taxes, duties and similar expenses	(726,248)	(633,988)
Provision adjustments	(46,053)	974,770
Other operating expenses	(680,558)	(1,130,639)
<b>OPERATING EXPENSES - TOTAL</b>	<b>(40,346,547)</b>	<b>(38,784,313)</b>
<b>OPERATING RESULT</b>	<b>(96,880)</b>	<b>(7,645,248)</b>
Interest income	2,541,486	1,890,865
- of which, revenues from related parties	2,531,720	1,883,967
Other financial income	294,913	434,820
<b>FINANCIAL INCOME - TOTAL</b>	<b>2,836,399</b>	<b>2,325,686</b>
Other financial expenses	(267,779)	(398,708)
<b>FINANCIAL EXPENSES - TOTAL</b>	<b>(267,779)</b>	<b>(398,708)</b>
<b>FINANCIAL RESULT</b>	<b>2,568,620</b>	<b>1,926,978</b>
<b>RESULT BEFORE TAX</b>	<b>2,471,740</b>	<b>(5,718,271)</b>
Income tax expense	-	(102,290)
<b>RESULT FOR THE YEAR</b>	<b>2,471,740</b>	<b>(5,820,561)</b>
<b>Other comprehensive income</b>		
Actuarial gain / (losses) relating to retirement benefits	(352,345)	-
<b>TOTAL COMPREHENSIVE RESULT FOR THE YEAR</b>	<b>2,119,395</b>	<b>(5,820,561)</b>



**Rompetrol Well Services S.A. (PTR)** is one of the major suppliers of well services in Romania, The company offers a wide range of services for oil and gas wells, These services include cementing, consolidation and sand control services, stimulation, testing, slick-line, tubular running operations, etc. The company has a real potential for diversifying and increasing the complexity of the services rendered as the technologies in the field develop.

The year 2017, mostly its second half, marked a gradual and constant increase in the company's operational activity and financial performance, after the difficult period generated by the drastic decrease of demand for Upstream services during 2015-2016.

In addition to the moderate increase of demand for well services recorded this year, a determinant role in increasing the financial performance of the company has been the full implementations of the operational restructuring program, started in 2016.

During the year 2017 all the company commitments were managed in financial equilibrium and ensuring the cash for full and timely payment of commercial commitments, salaries, debt budget. Current cash and cash equivalents offers the possibility by full financing the working capital from own sources. The company managed to improve operational performance, even though the economic environment in the oil and gas industry conditions were not favorable.

Performance of contracts with traditional customers and suppliers has offered the continuity of business trying as through the cost monitoring programs to diminish the negative effect of crude oil price volatility.

The analysis of the preliminary results will continue until the financial statements are completed and audited, in order to present on a prudent position a pertinent adjustment of all assets as of December 31<sup>st</sup> 2017

General Manager,  
Adrian Ion Stanescu



Chief Financial Officer,  
Valerica Dumitru