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I. Description of the operations conducted by Rompetrol SA

Rompetrol SA (RPSA), a Rompetrol Group Member Company, coordinates the drilling, workover and exploration and production operations of the Rompetrol Group.

Drilling and Well Services Division

The Drilling and Workover Division has over 30 years of experience in project management and has operated in more than 15 countries, on the East-European markets, in South America, North Africa and Middle East, having 2 branches in Libya and Iraq.

This department covers a wide range of operations, from the exploration drilling, drilling of oil, gas and water production wells, fitting and testing production wells to rehabilitation and stimulation of production.

Rompetrol SA- Well services operations in Libya

This division operates in Libya, providing well services to the following clients: Harouge Oil Operations (Ghani Area), Harouge Oil Operations (Amal Area), Akakus Oil Operations (Awbari Area). Rompetrol SA Libia is currently the only foreign contractor active on the drilling services market in Libya.

The Libyan operations were suspended in February 2011 when the war broke out and the Rompetrol SA staff was withdrawn from Libya. The locations and the transportation means were plundered during war, registering important losses. The three drilling rigs from Libya resumed operations in 2012. Most equipment was severely damaged and had to be replaced and/or serviced.

In 2012, the Drilling and Well Services Division in Libya recorded positive operating results.

The business line assets located in Libia include fixed assets (field containers neighboring the working sites, drilling equipment, motor vehicles and furniture), stocks and certain intangible assets (23 commercial agreements, 148 employment agreements).

The drilling equipment consists of:

- two Kremco mobile drilling rigs, K100 and K160
- one Upet drilling rig, TW 125-CA-A6
- Forklift trucks, pumps and other specific equipment

The motor vehicles stand for:

- Two road trucks and 7 off-road cars

Rompetrol SA- drilling operations in Romania

The Drilling and Well Services Division operations conducted in Romania consists of drilling and mud logging services, the main client thereof being OMV Petrom.

The business line assets located in Romania include fixed assets (land plot and buildings pertaining to Floresti storage facility, drilling equipment, motor vehicles and furniture), stocks and certain intangible assets (45 commercial agreements and 103 employment agreements).

The drilling equipment consists of:

- One Upet drilling rig, TD 160-CA-A7
- Three onshore mud logging units and one offshore mud logging unit
- Ancillary equipment

The motor vehicles stand for:

- Crane

- Truck crane
- 12 cars
- Forklift truck

The drilling operations in Romania yielded in 2012 a gross income of 4,059 K USD (2011: 2,045 K USD), however the operating results were negative, mainly because of the high operation costs inferred by the TD 160 rig, respectively of the limited opportunities to render drilling services on the Romanian market.

Exploration and Production Division

The Rompetrol Group Exploration and Production Division has over 30 years of experience as well, its main achievements being the discovery in 1980 of an important oil reserve in the Murzuk Basin in Libya, the El Sharara oil field, the award of the first two concessions in Romania, as well as a consolidated position on the internal market.

In Romania, the two concessions agreements signed in 2004 contemplating the Zegujani and Satu Mare perimeters, were a kick-off for the operations conducted by the Exploration and Production Division on the domestic territory. This division currently holds a full concession right over the exploration blocks from Focsani and Zegujani and a concession right in partnership over the exploration blocks from Satu Mare, Gresu and Nereju.

Shareholders and management team

Rompetrol SA ("RPSA") is held by The Rompetrol Group NV (99,99999994%) and Rompetrol Financial Group (0,00000006%).

The company's Board of Directors consists of three members: Valeriu Sverdlov (Chairman), Madi Serik tegi, Aureliu Marius Ghica.

The financial accounts of the Drilling and Well Services Division of Rompetrol SA.

kUSD

Indicator	2011	2012	Mid-year 2013	Budget 2013
Net sales	**3,794**	**14,726**	**7,116**	**14,226**
Sales costs	(2,686)	(9,244)	(4,740)	(9,712)
Sales margin	**1,108**	**5,482**	**2,376**	**4,513**
General and administrative expenditures	(1,991)	(1,833)	(538)	(1,177)
Operational cash profit (EBITDA)	**(886)**	**3,650**	**1,838**	**3,326**
Depreciation and reserves	(2,256)	(2,281)	(937)	(2,085)
Operating profit	**(3,142)**	**1,369**	**901**	**1,242**
Financial expenditures	(140)	(25)	(93)	(113)
Tax on profit	(30)	(304)	(413)	(816)
Net result	**(3,312)**	**1,040**	**394**	**312**

Note: the figures for 2011 and 2012 consist with the audited financial accounts drafted in compliance with the IFRS and the figures for Jan-Jun 2013 consist with the unaudited financial accounts;

Save for 2011, the financial results of which were severely affected by the civil war in Libya, the year 2012, the forecast for 2013, as well as the financial predictions assumed by the management for the following timeframe, project significant positive values of the operating cash profit (EBITDA), as well as of the net result of the contemplated timeframe.

II. Description of the operations of Rompetrol Well Services SA

Rompetrol Well Services ("RWS") has been a member of the Rompetrol Group since 2000 and is specialized in well services and extraction of crude oil and natural gas.

This division operates in Eastern-European, Middle East and Central Asia countries, having a branch in Kazakhstan.

RWS provides a wide range of specialized services for oil and gas wells, 45% of its incomes being yielded from the well cementing activity.

The activity of the Kazakhstani branch is influenced by the cooperation with KMG E&P which contemplates upstream operations in Western-Kazakhstan regions.

The RWS activity in Romania, Bulgaria, Kurdistan and Kazakhstan is coordinated from its headquarters in Ploiesti, Romania.

Shareholders and management team

Rompetrol Well Services SA ("RWS") is held by The Rompetrol Group NV (71,7391%), Rompetrol Financial Group (1.27196%) and minor shareholders (26.98894%).

The company's Board of Directors consists of 5 members: Talgat Issayev (chairman), Gheorghe Georgescu, Ion Adrian Stanescu, Kuanysh Kudaibergenov, Palmer Capital RO SRL.

Statement of RWS profit and losses account

Profit and losses account – Rompetrol Well Services S.A.

k USD

Indicator	2011	2012	Mid-year 2013	Budget 2013
Net sales	**31,213**	**30,261**	**17,267**	**28,240**
Sales costs	(23,302)	(22,279)	(11,847)	(20,862)
Sales margin	**7,910**	**7,982**	**5,421**	**7,379**
General and administrative expenditures	(2,850)	(1,935)	(1,230)	(2,181)
Operational cash profit (EBITDA)	**8,178**	**9,411**	**5,863**	**8,666**
Depreciation and reserves	(3,148)	(3,173)	(1,115)	(3,492)
Operating profit	**5,030**	**6,238**	**4,784**	**5,174**
Financial expenditures	41	1,141	(26)	731
Tax on profit	(989)	(1,336)	(915)	(954)
Net result	**4,083**	**6,043**	**3,807**	**4,951**

Note: the figures for 2011 and 2012 consist with the audited financial accounts drafted in compliance with the IFRS and the figures for 2013 (Jan-Jun) consist with the unaudited financial accounts;

III. Market and competitors

Oil drilling and well services market in Romania

The main players on the Romanian drilling and well services market that hold drilling rigs with a maximum hook load between 100 and 550 tons are:

- Dafora - 17 drilling rigs; maximum drilling depth: 8,500 metres
  - Onshore drilling services for oil, natural gas and geothermal water;
  - Drilling equipment maintenance and transport services;
  - Well-testing and workover
- TM Drill (11 drilling rigs; maximum drilling depth: 5,000 metres)
  - Onshore drilling services;
  - Drilling equipment maintenance and transport services;
- Rompetrol (1 mobile drilling rig; maximum drilling depth: 3,200 metres)
  - Drilling and mud logging services

The entry on the Romanian market of new operators, such as Petrofac, PetroSantander, Hunt Oil and Chevron, and the enhancement of the activity thereof shall contribute to the future increase of the demand for oil services.

The main client of RPSA for the drilling and well services operations in Romania is OMV Petrom, as the company was operating, at the end of 2012, 238 crude oil and gas fields located in Romania and in the Caspian Sea Region (Kazakhstan). The OMV Petrom strategy for the ensuing period regards the drilling of a number of 100-150 wells per year and the performance of investments in mature field revitalization projects.

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Oil drilling and well services market in Libya

In 2012, the economic situation of Libya improved as a result of the resumption of hydrocarbon production, of the growth of the constructions segment and of the outlooks envisaging a softening of political instability, according to African Economic Outlook.

The main competitors within the Libyan drilling and well services market are: NWD, subsidiary of the National Oil Company, Arabian Drilling and Workover Co. and Asail Drilling. Rompetrol is the sole active foreign contractor within the said market.

In 2012, according to the company's data, the position that Rompetrol has on the Libyan well services market, based on the market shares held for each exploration basin is as follows:

- Murzuk Basin: Rompetrol 67% - other contractors 33%
- Ghani Basin: Rompetrol 50% - other contractors 50%
- Amal Basin: Rompetrol 50% - other contractors 50%

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IV. Integration purpose and objectives

Brief historical background

The arguments upon which the proposal regarding the integration of RPSA business activity within RWS relies have their grounds in the history of the Rompetrol Group.

In 2000, The Rompetrol Group NV (TRG NV) purchased the majority stake within RWS (an outstanding operator on the domestic crude oil market, named Petros back then), as a key step of the Group's expansion strategy.

In prior to 2007, the Group's structure evolved in a rather opportunity-based manner, and, therefore, the organizational structure thereof has become extremely complex.

In 2007, KazMunayGas ("KMG") became major shareholder of TRG NV, obtaining control over all the companies of the Rompetrol Group. In addition, KMG admitted as necessary the internal reorganization of the Group, setting itself as target the achievement of two objectives:

- A simplified organizational structure of the Rompetrol Group (TRG), in order for inefficiencies to be eliminated and for long-term administrative costs to be decreased
- An alignment of KMG and TRG structures, which should allow for the reach of synergies between the Rompetrol Group and its main shareholder

RPSA has been present in Libya from the very 1980s, and, further to its privatization, has become an important company in Romania. Nevertheless, RWS has been the best known operator on the market ever since 1951.

Purpose and objectives of the integration transaction

The integration transaction refers to the transfer of the drilling and workover operations in Romania and Libya (fixed assets, stocks, goodwill resulting from valuation, commercial agreements, employment agreements, permits and licences) into RWS, in consideration for a price paid by the latter to RPSA.

The management of the two companies deems that this transfer is aimed to support the achievement of the Group's objectives, given that:

- it incorporates the drilling services and the well services within one company (RWS)
- it contributes to the alignment of the organizational structure of TRG with that of its shareholder, namely KMG.

Rompetrol SA
Further to the transfer, RPSA shall focus its activities on Exploration and Production, where it enjoys a competitive advantage, as well as on the administrative activities regarding the companies of the Rompetrol Group.

Rompetrol Well Services
Further to the transfer, RWS shall develop itself as an international integrated operator, acquiring the competence of providing services in a broader range and of a more complex nature, improving its chances of being awarded more agreements, more in number and more valuable as well.

V. Price of integration and payment mechanism

Transaction price

The transaction price shall be subject to approval by the shareholders of the two concerned companies, namely RPSA and RWS. The management of the 2 companies plans to perform the transfer at market price based on a valuation carried out by an independent valuator in accordance with the international valuation standards. Therefore, TRG NV contracted the valuator

KPMG Advisory SRL for the valuation of the operating assets (fixed assets, stocks, employment agreements, commercial agreements) of the two drilling and workover divisions, in Romania and, respectively, Libya.

Consequently, the market value of the operating assets (fixed assets, stocks, commercial and employment agreements and the goodwill resulting from valuation) ancillary to the two divisions was estimated at:

- USD 8.88 million for the drilling and workover division of RPSA Romania
- USD 13.16 million for the drilling and workover division of RPSA Libya

The management of the 2 companies intends to use the values according to the valuation as reference for the price of the transaction between RPSA (the seller of the two divisions, in Romania and, respectively, Libya) and RWS (buyer), the decision and final responsibility resting upon the Board of Directors and, implicitly, upon the shareholders of the two companies.

Price payment mechanism

RPSA and RWS submit to their shareholders as proposal the following payment mechanism:

1. In January 2014, (the first month after the date of the business transfer), around USD 11 million from the transaction price shall be paid on account of the debts of RWS towards RPSA resulting from the business transfer, followed by the payment by RPSA to RWS of the same amount on account of the debts existing upon the moment of the business transfer and deriving from the performance of the commercial agreements concluded between the two companies until the transfer time; considering that the amount of USD 11 million is an estimate put forward at the present moment, the final value of the amount which is to be subject to mutual settlement between RPSA and RWS shall be

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established on the date on which the effective business transfer takes place;

2. By 30 June 2014, RWS shall pay to RPSA the amount of USD 6.5 million;

3. The rest of the amount remaining after all the payments specified at point 1 and point 2 have been performed shall be scheduled in 4 (four) equal annual instalments as of 2015, payable by 30th June of each year.

VI. Benefits of integration

Rompetrol SA

RPSA shall sell the two drilling and workover divisions in Romanian and Libya and shall receive, in exchange, the pecuniary equivalent of the market value of the assets falling within the scope of the transaction.

RPSA shall continue to perform the Exploration and Production operations, which, given the nature thereof, trigger substantial capital values, and it shall also continue to conduct the administrative activities regarding the other companies of the Group.

Rompetrol Well Services

Rompetrol Well Services shall purchase the two drilling and workover divisions in Romania and Libya, at market price estimated based on the value thereof.

The new divisions, complementary to the operations that RWS is currently carrying out, shall bring benefits to RWS and, implicitly, to the company's shareholders as follows:

- RWS shall be granted the possibility to enhance the complexity of the services it provides, which is to materialize into higher value agreements, with the current clients and with new potential clients. Although the company's management does not forecast the short-term increase of margins, RWS shall profit by the rise in the activity volume triggered by the purchase of the two drilling and workover divisions of RPSA. It is expected that such thing, considered in conjunction with the financial results projection of the drilling and well services division taken over from RPSA, should bring an increase in the company's net profit.
- With increased technical capacities generated by the purchase of the two divisions, RWS shall be able to enter new markets outside Romania. The company's management deems that, on medium term, RWS shall conclude agreements in Iraq and Kurdistan, and also in other Middle East countries.
- The said international development shall reduce the business risks arising from the dependence of RWS on the domestic market, which is currently dominated by a major client (OMV Petrom).
- Moreover, due to the expansion of the supply, RWS may obtain agreements and better prices with regard to the affiliated companies of KMG.
- It is expected that the opportunities created by the integration of these divisions to provide a solid, value-adding base for shareholders.

VII. Costs of integration

Rompetrol SA

Further to the transaction, it is expected that RPSA should realize a capital gain resulting from the difference between the book value of the transferred assets and the transaction price. The taxable accounting profit deriving from

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the transaction shall be adjusted with the Company's fiscal standing upon the moment of the business transfer. Consequently, any resulted fiscal profit shall be subject to taxation in the form of the profit tax in Romania, in accordance with the legal provisions in force.

Other costs due to the transfer may be generated by the necessity for an update of software, licences and permits, etc., these costs being estimated at around USD 0.1 million. In addition, the consultancy-related costs for the performance of the transaction are not expected to exceed USD 0.06 million.

Rompetrol Well Services

The main cost of RWS refers to employment agreements: at present, the collective employment agreement provides for terms and conditions which are more favourable to employees. Once the employees are transferred, the management estimates that the new employment agreements offered to employees for harmonization with the RWS collective agreement shall increase personnel costs by nearly USD 150 thousand per year.

VIII. Impact of integration over the shareholders of Rompetrol Well Services

RWS shareholders shall share all long-term benefits, as contemplated in the chapter "Benefits of the integration transaction".

Furthermore, the transaction may have a positive impact over the price of RWS shares, which are listed on the Bucharest Stock Exchange. Given that the future variation of the price of such shares, which are often influenced by market feeling (rather than by fundamental reasons), is not in any way certain, the future prices to be potentially generated by the transaction may offer attractive possibilities to turn the company's shares to profit.

IX. Contingent liabilities

Both companies are exposed to disputes which may normally arise in the ordinary course of their activity. Most part of such disputes does not entail any significant amounts (with one exception, in the case of Rompetrol SA). These were taken into account, being provisioned or described in detail in the financial accounts.

The exception concerning RPSA regards a claim of the Ministry of Finance (MF) for damages estimated at around USD 166 million, in relation to the historical debt of the Libyan government towards the former Rompetrol Libya and arisen before 1990. RPSA sold its receivable ancillary to this debt to Repsol Exploracion in Spain. The case was referred to the law courts in 2007. In 2012, the Bucharest County Court dismissed both the claim of the Prosecutor's Office against the individuals involved in the case and the claim of the Ministry of Finance against Rompetrol SA. The Prosecutor's Office and the Ministry of Finance filed an appeal against the decision of the Bucharest County Court, the first hearing being set in September 2013.

Neither the company's management nor the legal department are in condition to foresee which is to be the final result of the trial. Nevertheless, based on the manner in which the dispute has been conducted up to present, it is expected that it shall extend over a period of several years before a verdict is reached.

It is expected that no contingent liability related to any dispute arisen in prior to the relations with the state authorities and/or third parties to which Rompetrol SA is a party should in any way whatsoever impair this transfer of business from Rompetrol SA to Rompetrol Well Services, as the assets falling within the scope of the transfer are in no way connected to any contingent liability of Rompetrol SA.

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X. Implementation time frame

The management's intent is that of performing the integration, respectively the transfer of assets, agreements, personnel, permits and licences, until the end of 2013.

In the case of the RPSA Libya division, it is possible for a time lag to arise due to the fact that the process is conditioned by the issuance of a series of approvals by authorities which are beyond the control of the management team.

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