ROMPETROL WELL SERVICES S.A.
STAND-ALONE FINANCIAL STATEMENTS
Prepared in accordance with the **Order of the Minister of Public Finance no. 1286/2012**
31 December 2013

CONTENTS

PROFIT AND LOSS STATEMENT
For the year ended as at 31 December 2013

	Notes	Date 31.12.2013	Date 31.12.2012
Net turnover	2	111.109.482	97.677.364
Services performed		109.109.852	94.024.760
Sales of goods		1.999.630	3.652.604
Other operating income	3.1	381.468	1.001.169
OPERATING INCOME - TOTAL		**111.490.950**	**98.678.533**
Expenses with consumables		(28.411.122)	(25.133.072)
Power and water expenses		(700.903)	(613.772)
Merchandise expenses		(614.140)	(1.626.766)
Payroll costs, out of which:	5	(27.310.967)	(25.795.844)
Salaries		(21.585.777)	(20.525.387)
Social security contributions		(5.725.190)	(5.270.457)
Fixed assets value adjustment, of which		(10.043.214)	(8.917.614)
Depreciation		(9.800.741)	(9.703.445)
Current assets value adjustment		864.622	(1.138.006)
Expenses for third-party services	3.2	(14.007.763)	(11.426.131)
Taxes, duties and similar expenses		(843.933)	(821.255)
Provision adjustments		(317.595)	(245)
Other operating expenses		(431.721)	(282.922)
OPERATING EXPENSES - TOTAL		**(81.816.736)**	**(75.755.627)**
OPERATING RESULT		**29.674.214**	**22.922.906**
Interest income		2.438.145	2.506.105
- of which, revenues from related parties		1.723.257	1.973.439
Other financial income		1.043.319	2.523.413
FINANCIAL INCOME – TOTAL	**4.1**	**3.481.464**	**5.029.518**
Value adjustment in respect of financial investments		252.321	(149.466)
Other financial expenses		(1.031.126)	(1.553.410)
FINANCIAL EXPENSES – TOTAL	**4.2**	**(778.805)**	**(1.702.876)**

FINANCIAL PROFIT		2.702.659	3.326.642
GROSS PROFIT		32.376.873	26.249.548
Current and deferred income tax	6	(4.777.854)	(4.196.400)
NET PROFIT		**27.599.019**	**22.053.148**
Earning per share	7	**0,10**	**0,08**

The Financial Statements from page 3 to page 42 are approved by the Board of Directors and authorised for publishing in accordance with the directors' resolution date 27 March 2014.

Administrator,
STANESCU Adrian Ion

Signature
Unit stamp

SOCIETATEA COMERCIALA ROMPETROL WELL SERVICES S.A. PLOIESTI

PREPARED BY,
MANOLE Vasile - Gabriel
Economic Director

Signature

STATEMENT OF THE FINANCIAL POSITION
For year ended 31 December 2013

	Notes	Date 31.12.2013	Date 31.12.2012
Assets			
Non-current assets			
Tangible assets	8	51.247.437	55.451.401
Real estate investments	9	600.225	618.828
Intangible assets	10	30.967	60.053
Financial assets	11	6.528.251	6.275.930
Other financial assets	21	3.363.525	1.378.531
Deferred tax assets	6	373.882	254.700
Total fixed assets		**62.144.287**	**64.039.443**
Current assets			
Inventories	12	6.171.457	5.126.342
Trade and similar receivables	13	95.289.073	67.981.988
Other current assets	14	229.378	203.468
Cash and short-term deposits	15	17.026.759	22.031.514
Current assets - total		**118.716.667**	**95.343.312**
Total assets		**180.860.954**	**159.382.755**
Capital and reserves			
Capital			
Share capital, of which:		28.557.446	194.559.835
Subscribed and paid in share capital	16.1	27.819.090	27.819.090
Share capital adjustments	16.2	738.356	166.740.745
Legal reserves		5.563.818	5.563.818
Other reserves		80.757.218	66.855.424
Retained earnings		18.330.138	(147.672.251)
Current result		27.599.019	22.053.148
Total equity		**160.807.639**	**141.276.156**
Long-term liabilities			
Provisions	17	1.363.272	1.363.272
Employee benefits liabilities	18	909.452	882.321
Deferred tax liabilities	6	1.052.770	1.166.514
Total long-term liabilities		**3.325.494**	**3.412.107**

Current liabilities			
Trade payables and similar liabilities	19	14.298.916	12.792.558
Corporate tax payable		1.528.905	1.292.398
Provisions	17	900.000	609.536
Non current payables - total		**16.727.821**	**14.694.492**
Total payables		20.053.315	18.106.599
Total equity and liabilities		**180.860.954**	**159.382.755**

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STATEMENT OF CHANGES IN EQUITY
For the year ended as at 31 December 2012

	Share capital	Legal reserves	Other reserves	Retained earnings	Current result	Total equity: total
Balance as at 1 January 2012	194.559.835	5.480.000	60.009.630	(147.084.896)	14.679.454	127.644.023
Transfer to other reserves	-	-	-	6.845.794	-	6.845.794
Retained earnings	-	-	6.845.794	634.387	(14.679.454)	(7.199.273)
Result of the period	-	83.818	-	-	21.969.330	22.053.148
Dividends	-	-	-	(8.067.536)	-	(8.067.536)
Balance as at 31 December 2012	**194.559.835**	**5.563.818**	**66.855.424**	**(147.672.251)**	**21.969.330**	**141.276.156**

STATEMENT OF CHANGES IN EQUITY
For the year ended as at 31 December 2013

	Share capital	Legal reserves	Other reserves	Retained earnings	Current result	Total equity: total
Balance as at 1 January 2013	194.559.835	5.563.818	66.855.424	(147.672.251)	21.969.330	141.276.156
Transfer to other reserves	-	-	-	-	-	-
Retained earnings	(166.002.389)	-	13.901.794	166.002.389	(13.901.794)	-
Result of the period	-	-	-	-	27.599.019	27.599.019
Dividends	-	-	-	-	(8.067.536)	(8.067.536)
Balance as at 31 December 2013	**28.557.446**	**5.563.818**	**80.757.218**	**18.330.138**	**27.599.019**	**160.807.639**

Other Reserves represent reserve constituted through the distribution of prior year profit.

Retained Earnings represent the retained earning constituted on the first adoption of IAS, less IAS 29.

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STATEMENT OF CASH FLOWS

Indirect method

Name of item	Financial year Ended as at 31.12.2013	Ended as at 31.12.2012
Cash flows from operating activities:		
Net profit before tax	32.376.873	26.249.548
Adjustments for:		
Depreciation and adjustments related to tangible assets	9.995.996	8.858.603
Depreciation and adjustments related to intangible assets	47.218	59.011
Movements in other provisions, net	(941.668)	929.811
Interest income	(2.438.145)	(2.506.105)
Loss / (profit) from tangible asset sales	(175.804)	(186.364)
Operating profit before working capital changes	**38.864.470**	**33.404.504**
Decrease / (Increase) of trade and other receivables	(24.282.258)	(8.575.414)
Decrease / (Increase) of inventories	(1.080.529)	(1.279.667)
Decrease / (Increase) of trade and other debts	(1.492.846)	1.422.891
Paid income tax	(4.774.273)	(4.071.182)
Net cash flow (used in) generated by operating activities	**7.234.564**	**20.901.132**
Cash flows from investments:		
Payments for purchase of tangible assets	(5.470.685)	(10.246.691)
Payments for purchase of intangible assets	-	(3.314)
Tangibles and intangibles sales revenue	318.573	240.893
Received interest	1.799.517	1.974.710
Net cash from investments	**(3.352.594)**	**(8.034.401)**
Cash flows from financing activities:		
Dividends paid	(5.523.200)	(7.545.097)
Net cash flows from financing activities:	**(5.523.200)**	**(7.545.097)**
Net increase / (decrease) of cash and cash equivalents	(1.641.230)	5.321.633
Cash and cash equivalents at the beginning of the financial year	22.031.514	16.709.881
Cash and cash equivalents at the end of the financial year	**20.390.284**	**22.031.514**

Cash and cash equivalents on December 31, 2013 include the long-term collateral deposits (see note 21).

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PREPARED BY,
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NOTES TO THE FINANCIAL STATEMENTS

1. INFORMATION ON THE ENTITY

The financial statements of S.C. **ROMPETROL WELL SERVICES S.A.** for the financial year ended as at 31 December 2013 are authorised according to the resolution of the Board of Directors dated 27 March 2014.

S.C. Rompetrol Well Services S.A. ("the Company") is a stock company, registered office located in Ploiesti, str. Clopotei, Nr. 2 bis, Romania. The Company is registered with registered with the Trade Register under the number J29/110/05.03.1991.

The Company has a non legal personality subsidiary in Kazakhstan, Atyrau, 060003, str Moldagaliyeva 31/19.

It was turned into a stock company named S.C. PETROS S.A. based on the Government Decision no. 1213 of November 1990, under the Law 15/1990, and operated under such name until September 2001 when its name was changed into S.C. ROMPETROL WELL SERVICES S.A.

The main scope of business of the company includes: special well operations, rent of special well tools and devices, other service provision. The Company provides services for both the domestic and foreign market. Its long history in both the domestic and the foreign oil industry makes it a competitive, reliable and serious partner for a large range of services:

- Primary and secondary cementing
- Acidisation and cracking services
- Sand-Control services (reinforcement and packing)
- Well nitrogen treatment services
- Well testing services
- Well lining services
- Drilling tools and instrumentation rental services

The Company is part of the Rompetrol Group. The annual consolidated financial statements are prepared at the level of the parent company, The Rompetrol Group NV, with the head office located in World Trade Center, Strawinskylaan 807, Tower A, 8th Floor, 1077 XX, Amsterdam, The Netherlands.

These annual consolidated financial statements are public and available on www.rompetrol.com, on Investor Relations section.
The last parent of The Rompetrol Group NV is the state-owned company of asset management Samruk-Kazyna JSC, an entity based in Kazakhstan.

The Company carries out similar activities through its subsidiary ROMPETROL WELL SERVICES registered in the Republic of Kazakhstan. The national functional currency is Tenge KZT.

1.1. BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

Starting the year ended on 31 December 2012, the financial statements of the Company are prepared in accordance with the Order no. 1286/2012 of the Ministry of Public Finance approving the accounting regulations compliant with the International Financial Reporting Standards applicable to companies whose securities are admitted to trading on a regulated market, as further amended and extended. Such provisions are aligned with the requirements of the International Financial Reporting Standards adopted by the European Union, except for the provisions of IAS 21 - *The Effects of Changes in Foreign Exchange Rates regarding the functional currency.*

In order to prepare these financial statements, pursuant to the Romanian legal requirements, the functional currency of the Company is deemed to be the Romanian Leu (RON).

The financial statements of the Company are based on the historical cost principle. The stand-alone financial statements are presented in RON and all amounts are rounded up in RON unless otherwise specified.

The financial statements of the Company are prepared based on the going concern principle.

1.2. ACCOUNTING PRINCIPLES, POLICIES AND METHODS

a) The going concern principle

The financial statements of the Company are prepared based on the going concern principle.

b) Foreign Currency Translations

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss resulted from the re-conversion of non-monetary items is treated in line with the recognition of gain or loss upon the change in fair value (i.e., the exchange rate differences on items whose fair value gain or loss is recognised in Other elements of global earnings, or the profit or loss are also recognised in Other elements of global earnings, profit or loss, respectively).

The exchange rates used to translate the balances denominated in foreign currency as at 31 December 2013 were, for RON:

	31 December 2012	31 December 2013
EUR 1	4,4287	4,4847
USD 1	3,3575	3,2551

For the indicators of the subsidiary in Kazakhstan, the KZT/USD and then the USD/RON conversions are used, the exchange rate for KZT being:

	31 December 2012	31 December 2013
USD 1	150,74	153,61

c) Financial instruments

The Company establishes the classification of financial instruments on the date of the initial recognition. All financial instruments are first measured at fair value.

The Company's financial assets include cash and cash equivalents, trade receivables and other receivables (including loans to related parties) and financial investments. The Company's financial liabilities includes trade liabilities and other liabilities. The accounting policies for the recognition and measurement of each item are described in this note.

Financial investments available for sale are recognised at fair value.

d) Impairment of financial assets

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or several events occurred after the initial recognition of that asset and that loss-causing event has an impact on the estimated future cash flows of the financial asset or the group of financial assets than can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors are experiencing significant financial difficulties, contractual or interest or principal payment default, the probability that they will enter in bankruptcy or other financial reorganization and there is information showing a measurable decrease on the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

e) Property, plant and equipment

Property, plant and equipment are stated at cost in the financial statements of the Company.

The Company has opted in year 2012 to apply the deemed cost exemption for the first enforcement of IFRS:

- Buildings and land were carried in the statement of financial position prepared in accordance with Romanian accounting regulations (Order no. 3055/2009 of the Ministry of Finance) on the basis of valuation performed on 31 December 2010. The Company has chosen to regard these values as cost assumed at that date, as the revalued amount was generally comparable to the fair value.
- Equipment was carried in the statement of financial position prepared in accordance with Romanian accounting regulations (Order no. 3055/2009 of the Ministry of Finance) on the basis of valuations performed on 31 December 2003. The Company has chosen to regard these values as cost assumed at that date, as the revalued amount was generally comparable to the fair value.

When assets are sold or disposed of, their cost and related accumulated depreciation are removed and any income or loss resulting from their output is included in the profit or loss account.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the assets have been put to operation, such as repairs and maintenance are charged to the profit and loss statement in the period in which the costs are incurred. In cases where it can be proved that expenses have increased the future economic benefits obtained from the use of intangible assets besides the standard evaluation of its performance, the expenditure is capitalized as additional costs of the property, plant and equipment.

Construction in progress represents plant and properties under construction and is stated at cost, less any impairment loss. This includes the cost of construction and other direct costs. Depreciation of these and other assets is registered starting with the date when they are ready to be used for the activity they are intended for.

Depreciation for property, plant and equipment except land and construction in progress is computed using the straight-line method over the following estimated useful lives:

Buildings and other constructions	5 - 60 years
Machinery and other equipment	3 - 27 years
Vehicles	3-15 years

The company instructed to an authorised evaluator, "Societatea Generala a Expertilor Tehnici S.A. Bucuresti", a revaluation of buildings and special construction, total of first group, for the reference date of 31 december 2013, the results of the Evaluation Report no. 3057/29.01.2014 being as follows:

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Nr crt	Assets	Accounting Values		Revaluation Value at 31.12.2013
		Acquisition value	Remaining value at 31.12.2013	
1	Buildings and special constructions for main activity	6.557.349	5.381.918	5.456.525
2	Buildings and special constructions outside main activity	296.162	217.733	272.646
	TOTAL	6.853.511	5.599.651	5.729.171

The conclusions of the report were communicated to all local public administrations where the company is registered with assets belonging to the category of buildings and special constructions, in order to update the taxable values according to the fiscal requirments, without recognising the differences from revaluation into the financial statements.

f) Investment property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are disclosed at their historical cost less the provisions for depreciation and impairment. For the purpose of disclosure, fair values are consequently assessed by an accredited external, independent valuator, by applying a valuation model recommended by the International Valuation Standards Committee. The reevaluation will be performed at least every 3 years.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.
The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the income statement in the period of derecognition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change of use. If an owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change of use.

g) Intangible assets

Intangible assets are measured initially at cost. Intangible assets are recognized if it is probable that the future economic benefits attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. After the initial recognition, intangible assets are measured at cost less the accumulated amortization and any accumulated impairment losses. Intangible assets are amortized on a straight-line basis over the best estimate of their useful lives:

Intangible assets consist mainly of software and licenses and are amortized on a straight-line basis over 3 to 5 years.

Development costs for specific projects which are reasonably anticipated to be recovered through commercial activity as well as the expenditure on acquired computer software licenses are capitalized and amortized using the straight-line method over their useful lives, generally 3 years. The carrying amount of each intangible asset is reviewed annually and adjusted for impairment where it is considered necessary. External and internal costs specifically associated with the maintenance of already existing computer software programmes are expensed as incurred.

h) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have undergone an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the respective asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the assets (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately, unless the relevant asset is stated at its revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss is reversed, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

i) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects a provision to be reimbursed partially or totally, the reimbursement is recognized as a separate asset, but only when the reimbursement is certain. The expense related to any provision is presented in the profit and loss statement net of any reimbursement. If the effect of the time value of money is material, the provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as interest cost.

Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

j) Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of the ownership to the lessee. All other leases are classified as operating leases. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Finance costs representing the difference between the total leasing commitments and the fair value of the assets acquired are charged to the consolidated profit and loss statement throughout the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

Leased assets are depreciated over their useful life. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the income statement on a straight line basis over the lease term.

k) Inventories

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the selling price in the ordinary course of business, less the costs of completion, marketing and distribution. Cost comprises the acquisition cost and other costs that have been incurred in bringing the inventories to their present location and condition and is determined by weighted average method for all the inventories.

l) Receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less the impairment adjustments. The provisions for customers are set up when there is objective evidence that the Company will not collect all amounts due within their initial payment deadlines. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization and default or delinquency in payments require provisions to be set up for receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flow discounted at the effective interest rate.

m) Cash and cash equivalents

Cash includes petty cash, cash at banks and cheques in course of being cashed. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with remaining three months or less to maturity from the date of acquisition and that are subject to an insignificant risk of devaluation.

n) Revenue recognition

Revenue are valued at the fair value of the sale of goods and services, net of value-added tax, excise duties and other sales taxes, rebates and sales discounts. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. In an agency relationship, the gross inflows of economic benefits include amounts collected on behalf of the principal and which do not result in increases in equity for the entity. The amounts collected on behalf of the principal are not recognized as revenue, but revenue is recognised as the amount of the fee.

The following specific recognition criteria must be met before revenue is recognized, if the entity:

- Has primary responsibility for providing the goods or services;

- Bears the risks related to inventories;
- Has discretion in establishing prices;
- Bears the credit risk.

In addition:

- Sales of goods are recognized when delivery has taken place and transfer of significant risks and rewards has been completed.
- Revenue from rendering transportation services and other services is recognized when services are rendered.
- Interest income is recognized on a time-portion basis using the effective interest method.
- Dividend income from investments is recognized when the shareholders' rights to receive payment have been established.

o) Retirement benefit costs

Payments made to state - managed retirement benefit schemes are dealt with as defined contribution plans where the Company pays fixed contributions into the state-managed fund and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior period. The contributions are charged as an expense in the same period when the employee service was rendered.

Under the provisions of the collective labour agreement, employees are entitled to specified retirement benefits, payable on retirement, if they are employed with the Company at the date of their retirement. These amounts are estimated as of the reporting date, based on: applicable benefits provided in the agreement, the Company headcount and the actuarial estimates of the future debts. The defined benefit liability as of reporting date comprises the fair value of the defined benefit obligation and the related service cost recorded in the profit and loss statement. All actuarial gains and losses are fully recognized in other comprehensive income in the period in which they occur for all defined benefit plans. Actuarial gains and losses recognized in other comprehensive income are presented in the statement of comprehensive income.

The Company has no other liabilities with respect to future pension benefits, health and other costs for its employees.

p) Taxes

- *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the profit and loss statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

- *Deferred tax*

Deferred tax is recorded using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- The deductible temporary differences associated with investments in subsidiaries and related parties and interests in joint ventures, when the reversal of such temporary differences can be controlled and likely not to reversed in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused losses and tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In case of deductible temporary differences associated with investments in subsidiaries and related parties and interests in joint ventures, the deferred tax liability is recognised only when the temporary differences are likely to be reversed in a foreseeable future and when there can be a taxable profit for which temporary differences may be used.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced consequently to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted until the end of the reporting period.

Deferred tax relating to items recognized off the profit and loss statement is recognized off the profit or loss account. Deferred tax items are recognized depending on the nature of the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and are collected by the same tax authority.

- *Sales taxes*

Revenues, expenses and assets are recognized net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case the sales tax is recognized as part of the acquisition cost of the asset or as part of the expense item as the case may be.
- Receivables and payables whose taxes are included in their amount.

The net amount of sales tax recoverable from, or payable to, the tax authority is included in the receivables or payables in the balance sheet.

q) Dividends

Dividends are recorded in the year in which they are approved by the shareholders.

r) Contingent assets and liabilities

Contingent liabilities are not recognized in the consolidated financial statements. They are however disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

1.3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's separate financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the balance sheet date. The estimates and associated assumptions rely on the historical experience and other factors that are considered to be relevant. However, uncertainty about these assumptions and estimates could result in outcomes that require an adjustment to the carrying amount of the assets or liabilities in the future periods.

The estimates and assumptions that accounting judgements rely on are subject to constant review. Revisions to accounting estimates are recognized in the period in which the estimate is revised if such revision only affects that period or in the period of the revision and future periods if such revision affects both current and future periods.

The matters presented below are considered to be paramount in understanding the judgments that are involved in preparing these statements and the uncertainties that could impact the amounts reported in the results of operations, financial position and cash flows.

(i) Carrying value of trade receivables

The Company assesses the requirement for an allowance for impairment in trade and other receivables at each balance-sheet date. The management uses its judgment, based on the nature and extent of overdue debtors and historical experience, in order to estimate the amount of such an allowance. The allowance is recognized where there is objective evidence that a particular trade receivable or a group of trade receivables have impaired.

1.4. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

Changes to the accounting policies and disclosable information

The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRS, adopted by the Company as of 1 January 2013:

- **IAS 1 Financial Statement Presentation (Amended) – Presentation of Items of Other Comprehensive Income**
- **IAS 19 Employee Benefits (Revised)**
- **IFRS 7 Financial Instruments: Disclosures (Amended) - Offsetting Financial Assets and Financial Liabilities**
- **IFRS 13 Fair Value Measurement**
- **Annual Improvements to IFRSs – 2009 – 2011 Cycle**

When the adoption of the standard or interpretation is deemed to have an impact on the financial statements or performance of the Company, its impact is described below:

- **IAS 1 Financial Statement Presentation (Amended) – Presentation of Items of Other Comprehensive Income**
  The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) would be presented separately from items that will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has no impact on the Company's financial position or performance.

- **IAS 19 Employee Benefits (Revised)**
  IAS 19 initiates a number of amendments to the accounting for defined benefit plans, including actuarial gains and losses that are now recognised in other comprehensive income (OCI) and permanently excluded from profit and loss; expected returns on plan assets that are no longer recognised in profit or loss, instead, there is a requirement to recognise interest on the net defined benefit liability (asset) in profit or loss, calculated using the discount rate used to measure the defined benefit obligation, and; unvested past service costs are now recognised in profit or loss at the earlier of when the amendment occurs or when the related restructuring or termination costs are recognised. Other amendments include new disclosures, such as, quantitative sensitivity disclosures. This amendment has no impact on the Company's financial statements.

- **IFRS 7 Financial Instruments: Disclosures (Amended) - Offsetting Financial Assets and Financial Liabilities**
  These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g. collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognized financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. This amendment has no impact on the Company's financial statements.

- **IFRS 13 Fair Value Measurement**
  IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not materially impacted the fair value measurements carried out by the Company. IFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including IFRS 7 Financial Instruments: Disclosures. This amendment has no impact on the Company's financial statements.

- **IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine**
  This interpretation applies to waste removal (stripping costs) incurred in surface mining activity, during the production phase of the mine. The interpretation addresses the accounting for the benefit from the stripping activity. This amendment has no impact on the Company's financial statements.

- The **IASB has issued the Annual Improvements to IFRSs – 2009 – 2011 Cycle**, which contains amendments to its standards and the related Basis for Conclusions. The annual improvements project provides a mechanism for making necessary, but non-urgent, amendments to IFRS.
  - **IAS 1 Presentation of Financial Statements:** This improvement clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative period is the previous period.
  - **IAS 16 Property, Plant and Equipment:** This improvement clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory.
  - **IAS 32 Financial Instruments, Presentation:** This improvement clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes.
  - **IAS 34 Interim Financial Reporting:** The amendment aligns the disclosure requirements for total segment assets with total segment liabilities in interim financial statements. This clarification also ensures that interim disclosures are aligned with annual disclosures.

1.5 STANDARDS ISSUED BUT NOT YET EFFECTIVE AND NOT EARLY ADOPTED

- **IAS 28 Investments in Associates and Joint Ventures (Revised)**
  The Standard is effective for annual periods beginning on or after 1 January 2014 As a consequence of the new IFRS 11 Joint arrangements and IFRS 12 Disclosure of Interests in Other Entities, IAS 28 Investments in Associates, has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. This amendment will have no impact on the Company's financial statements.

- **IAS 32 Financial Instruments: Presentation (Amended) - Offsetting Financial Assets and Financial Liabilities**
  The amendment is effective for annual periods beginning on or after 1 January 2014.These amendments clarify the meaning of "currently has a legally enforceable right to set-off". The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The Company is presently evaluating the impact of this amendment on the financial statements.

- **IFRS 9 Financial Instruments: Classification and Measurement and subsequent amendments to IFRS 9 and IFRS 7-Mandatory Effective Date and Transition Disclosures; Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39**
  IFRS 9, as issued, reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of financial assets, but will not have an impact on classification and measurements of financial liabilities. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The subsequent package of amendments issued in November 2013 initiate further accounting requirements for financial instruments. These amendments a) bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements; b) allow the changes to address the so-called 'own credit' issue that were already included in IFRS 9 Financial Instruments to be applied in isolation without the need to change any other accounting for financial instruments; and c) remove the 1 January 2015 mandatory effective date of IFRS 9, to provide sufficient time for preparers of financial statements to make the transition to the new requirements. These standard and subsequent amendments have not yet been endorsed by the EU.

- **IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements**
  The new standard is effective for annual periods beginning on or after 1 January 2014. IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also addresses the issues raised in SIC-12 Consolidation — Special Purpose Entities.

  IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled and therefore are required to be consolidated by a parent, compared with the requirements that were in IAS 27. This amendment will have no impact on the Company's financial statements.

- **IFRS 11 Joint Arrangements**
  The new standard is effective for annual periods beginning on or after 1 January 2014. IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. This amendment will have no impact on the Company's financial statements.

- **IFRS 12 Disclosures of Interests in Other Entities**
  The new standard is effective for annual periods beginning on or after 1 January 2014. IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. The Company is presently evaluating the impact of this amendment on the financial statements.

- **Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)**
  The guidance is effective for annual periods beginning on or after 1 January 2014 The IASB issued amendments to IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities. The amendments change the transition guidance to provide further relief from full retrospective application. The date of initial application' in IFRS 10 is defined as 'the beginning of the annual reporting period in which

IFRS 10 is applied for the first time'. The assessment of whether control exists is made at 'the date of initial application' rather than at the beginning of the comparative period. If the control assessment is different between IFRS 10 and IAS 27/SIC-12, retrospective adjustments should be determined. However, if the control assessment is the same, no retrospective application is required. If more than one comparative period is presented, additional relief is given to require only one period to be restated. For the same reasons IASB has also amended IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities to provide transition relief. The Company is presently evaluating the impact of this amendment on the financial statements.

- **Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)**
  The amendment is effective for annual periods beginning on or after 1 January 2014. The amendment applies to a particular class of business that qualify as investment entities. The IASB uses the term 'investment entity' to refer to an entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. An investment entity must also evaluate the performance of its investments on a fair value basis. Such entities could include private equity organisations, venture capital organisations, pension funds, sovereign wealth funds and other investment funds. Under IFRS 10 Consolidated Financial Statements, reporting entities were required to consolidate all investees that they control (i.e. all subsidiaries). The Investment Entities amendment provides an exception to the consolidation requirements in IFRS 10 and requires investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them. The amendment also sets out disclosure requirements for investment entities. This amendment will have no impact on the Company's financial statements.

- **IFRS 14 Regulatory Deferral Accounts**
  The standard is effective for annual periods beginning on or after 1 January 2016. The aim of this interim standard is to enhance the comparability of financial reporting by entities that are engaged in rate-regulated activities, whereby governments regulate the supply and pricing of particular types of activity. This can include utilities such as gas, electricity and water. Rate regulation can have a significant impact on the timing and amount of an entity's revenue. The IASB has a project to consider the broad issues of rate regulation and plans to publish a Discussion Paper on this subject in 2014. Pending the outcome of this comprehensive Rate-regulated Activities project, the IASB decided to develop IFRS 14 as an interim measure. IFRS 14 permits first-time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items. An entity that already presents IFRS financial statements is not eligible to apply the standard. This standard has not yet been endorsed by the EU. This amendment will have no impact on the Company's financial statements.

- **IAS 36 Impairment of Assets (Amended) – Recoverable Amount Disclosures for Non-Financial Assets**
  This amendment is effective for annual periods beginning on or after 1 January 2014. These amendments remove the unintended consequences of IFRS 13 on the disclosures required under IAS 36. In addition, these amendments require disclosure of the recoverable amounts for the assets or CGUs for which impairment loss has been recognised or reversed during the period. The Company is presently evaluating the impact of this amendment on the financial statements.

- **IAS 39 Financial Instruments (Amended): Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting**

This amendment is effective for annual periods beginning on or after 1 January 2014. Under the amendment there would be no need to discontinue hedge accounting if a hedging derivative was novated, provided certain criteria are met. The IASB made a narrow-scope amendment to IAS 39 to permit the continuation of hedge accounting in certain circumstances in which the counterparty to a hedging instrument changes in order to achieve clearing for that instrument. This amendment will have no impact on the Company's financial statements.

- **IAS 19 Defined Benefit Plans (Amended): Employee Contributions**
  The amendment is effective from 1 July 2014. The amendment applies to contributions from employees or third parties to defined benefit plans. The objective of the amendment is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. This amendment has not yet been endorsed by the EU. The Company is presently evaluating the impact of this amendment on the financial statements.

- **IFRIC Interpretation 21: Levies**
  The interpretation is effective for annual periods beginning on or after 1 January 2014. The Interpretations Committee was asked to consider how an entity should account for liabilities to pay levies imposed by governments, other than income taxes, in its financial statements. This Interpretation is an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. This interpretation has not yet been endorsed by the EU. The Company is presently evaluating the impact of this amendment on the financial statements.

- The **IASB has issued the Annual Improvements to IFRSs 2010 – 2012 Cycle**, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 July 2014. These annual improvements have not yet been endorsed by the EU.
  - **IFRS 2 Share-based Payment:** This improvement amends the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition' (which were previously part of the definition of 'vesting condition').
  - **IFRS 3 Business combinations:** This improvement clarifies that contingent consideration in a business acquisition that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of IFRS 9 Financial Instruments.
  - **IFRS 8 Operating Segments:** This improvement requires an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments and clarifies that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly.
  - **IFRS 13 Fair Value Measurement:** This improvement in the Basis of Conclusion of IFRS 13 clarifies that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting if the effect of not discounting is immaterial.
  - **IAS 16 Property Plant & Equipment:** The amendment clarifies that when an item of property, plant and equipment is revalued, the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.
  - **IAS 24 Related Party Disclosures:** The amendment clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.
  - **IAS 38 Intangible Assets:** The amendment clarifies that when an intangible asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.

- The **IASB has issued the Annual Improvements to IFRSs 2011 – 2013 Cycle**, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 July 2014. These annual improvements have not yet been endorsed by the EU.
  - **IFRS 3 Business Combinations:** This improvement clarifies that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.
  - **IFRS 13 Fair Value Measurement:** This improvement clarifies that the scope of the portfolio exception defined in paragraph 52 of IFRS 13 includes all contracts accounted for within the scope of IAS 39 Financial Instruments: Recognition and Measurement or IFRS 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in IAS 32 Financial Instruments: Presentation.
  - **IAS 40 Investment Properties:** This improvement clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in IFRS 3 Business Combinations and investment property as defined in IAS 40 Investment Property requires the separate application of both standards independently of each other.

2. THE NET TURNOVER

Please find an analysis of the revenue of the company below:

	Sales 2013	Sales 2012
Service revenue	109.109.852	94.024.760
Revenue from goods sales	1.999.630	3.652.604
Total	**111.109.482**	**97.677.364**

	Sales 2013	Sales 2012
Export		
Europa	224.905	1.380.077
Africa	-	345.379
Asia Centrala	3.956.023	5.255.110
Export total	**4.180.928**	**6.980.566**
Internal market sales	106.928.555	90.696.798
Sales total	**111.109.482**	**97.677.364**

As a consequence of applying IAS 18 *Revenue Recognision*, the company analised existing contracts and identified one contract where it has the quality of agent on behalf of one client. As a result, the Company recognised as revenue only the commision from this specific contract (net value between revenue and expense recognised according OMFP no. 1286/2012). The impact in current result is zero. The Service Revenues were lowered with the value of the services aquired on behalf of the client, amounting 10.145.982 RON.

3. OTHER REVENUE AND OTHER EXPENDITURE

3.1. Other operating revenues

In the table below other operating revenues are being detailed depending on their nature:

	2013	2012
Other operating revenues :		
Waste recovery revenues	70.896	773.910
Profit from the capitalisation of fixed assets	175.804	186.364
Other revenue	134.768	40.895
Total	**381.468**	**1.001.169**

3.2. Expenses for third-party services

In the table below expenses for third party services are being detailed depending on their nature:

	Report period completed on December 31st 2013	**Report period completed on December 31st 2012**
Royalties and rental expenses	403.296	481.250
Bank commissions and similar charges	113.773	81.557
Insurance premiums	239.352	194.818
Commissions and fees	95.561	79.652
Maintenance and repair expenses	1.877.609	2.043.007
Postage and telecommunications	147.428	78.219
Travel expenses	3.990.043	2.676.356
Entertaining, promotion and advertising	74.138	216.362
Other third party services, from which:	**7.066.562**	**5.574.910**
Security services	814.937	904.859
Externalised activities services	1.124.374	1.038.025
Consultancy and auditing	293.601	209.748
Management services	2.448.956	647.348
Goods transportation services	1.300.277	1.131.858
Well services	324.564	905.063
Others	759.853	738.009
Total	**14.007.763**	**11.426.131**

The weight of these expenses in the structure of the operating costs is specific to the main activity, regarding the service delivery at the headquarters of the beneficiaries with auto type equipments.

The evolution is being sustained by the specifics of the orders received from the beneficiaries. The non-compliances with the level of expenses during the past year are mainly the effect of the implication in the operating and production project in Romania and the relocation of the planning equipment from abroad.

As a consequence of applying IAS 18 *Revenue Recognision*, the company analised existing contracts and identified one contract where it has the quality of agent on behalf of one client. The Well services expenses were adjusted with the value of the services aquired on behalf of the client, amounting 10.145.982 RON.

4. FINANCIAL EXPENSES AND REVENUE

4.1 Financial revenue

	2013	2012
Interest income, from which:	**2.438.145**	**2.506.105**
Income obtained from the entities within the group	1.723.257	1.973.439
Other financial income	**1.043.319**	**2.523.413**
Income from exchange rate differences	943.301	1.905.798
Other financial income	100.018	617.615
Financial income Total	**3.481.464**	**5.029.518**

4.2 Financial expenses

	2013	2012
Value adjustments regarding the financial assets, as follows:	(252.321)	149.466
Expenses	-	226.397
Revenue	252.321	76.931
Expenses resulting from exchange rate differences	1.031.126	1.553.410
Total financial expenses	**778.805**	**1.702.876**

5. EXPENSES WITH THE BENEFITS OF THE EMPLOYEES

The expenses with salaries and taxes, recorded during 2013 and 2012 are as follows:

	Fiscal year completed on December 31st 2013	**Fiscal year completed on December 31st 2012**
Expenses related to salaries and allowances	21.585.777	20.525.387
Expenses related to the social insurances	1.344.927	1.231.592
Contributions to the savings fund for retiremen	4.380.263	4.038.865
Total	**27.310.967**	**25.795.844**

The medium number of employees has evolved as follows:

	Fiscal year completed on December 31st 2013	**Fiscal year completed on December 31st 2012**
Management personnel	4	4
Administrative personnel	31	33
Production personnel	302	306

The Administrators and Managers
During 2013, the company has paid the following allowances to the members of the Board of Directors and to the directors:

	Fiscal year completed on December 31st 2013	Fiscal year completed on December 31st 2012
The Members of the Board of Directors	178.508	176.199
Directors	1.424.218	1.334.018
Total	**1.602.726**	**1.510.217**

On December 31st 2013, the company has had no obligations regarding the payment of the retirement money to the ex members of the Board of Directors and of the executive management. At the end of 2013, the company had no advance payments to be reimbursed to the members of the executive Management registered and there were also no guarantees of future obligations taken over by the company under the name of the Managers or Administrators.

6. THE INCOME TAX

	2013	2012
Current income tax:		
Expenses regarding the current income tax	5.010.780	4.451.100
Deferred income tax:		
For the initial registration and continuation of the temporary diferences	(232.926)	(254.700)
Expenses regarding the income tax reported in the profit and loss account	**4.777.854**	**4.196.400**

A reconciliation between the expenses regarding the current income tax and the delayed income tax and the accountancy profit is as follows:

	2013	2012
Profit before tax	32.609.799	26.504.248
Tax percent	16%	16%
Income tax determined with applicable tax percent	5.217.568	4.240.680
Effect of the legal reserve	-	(13.411)
Effect of the value adjustments	(597.217)	(493.081)
Effect of the permanent differences	493.014	716.912
Fiscal credit	(102.585)	-
Expenses regarding the current income tax	**5.010.780**	**4.451.100**
Effect of the temporary differences	(232.926)	(254.700)
Expenses regarding the current and delayed income tax	**4.777.854**	**4.196.400**

The deferred income tax

The deferred income tax refers to the following:

	The statement of the financial position		Profit and Loss Statement	
	12/31/2013	**12/31/2012**	**2013**	**2012**
The revaluation of the cost assets with reserve transfer in the retained earnings	(1.052.770)	(1.166.514)	-	-
Recognising of the received estimates for the participation of the employees to the profit	144.000	97.526	(144.000)	(97.526)
Recognising the benefits estimation at retirement	145.512	141.171	(145.512)	(141.171)
Adjustment to inflation other financial assets	-	16.003	-	(16.003)
Recognising estimate for untaken holidays	343	-	(343)	-
Temporary adjustment receivables	84.027	-	(84.027)	-
Expenses regarding /(income from) the deferred tax			**(373.882)**	**(254.700)**
Receivables regarding the deferred tax	373.882	254.700		
Liabilities regarding the deferred tax	(1.052.770)	(1.166.514)		
Liabilities regarding the deferred tax, net	**(678.888)**	**(911.814)**		

7. Earning per share

The value of earning per share is calculated by dividing the net profit of the year attributable to shareholders by the weighted average number of shares outstanding during the period.
The following report present the net profit and the number of shares used in computing earning per share:

	At 31.12.2013	At 31.12.2012
Net profit attributable to shareholders	27.599.019	22.053.148
Weighted average number of shares	278.190.900	278.190.900
Earning per share	**0,10**	**0,08**

There were no transactions invloving the shares of the Company between the date of the report and the date of the presentation of the financial statements.

8. TANGIBLE ASSETS

	Land	Buildings and special constructions	Technical equipment and machinery and other tangible assets	Tangible assets in progress	Total
Cost or evaluation					
On January 1st 2012	**5.644.846**	**5.881.711**	**74.988.729**	**3.099.491**	**89.614.777**
Additions	-	277.936	12.430.900	14.337.928	27.046.764
Disposals	-	1.360	1.027.073	12.430.898	13.459.331
On December 31st 2012	**5.644.846**	**6.158.287**	**86.392.556**	**5.006.521**	**103.202.210**
Additions	-	134.771	8.655.931	5.916.198	14.706.900
Disposals	59.000	95.579	1.007.384	8.790.702	9.952.665
On December 31st 2013	**5.585.846**	**6.197.479**	**94.041.103**	**2.132.017**	**107.956.445**
Depreciation and impairment					
On January 1st 2012	-	**436.397**	**39.423.605**	-	**39.860.002**
Depreciation charge for the year	-	408.761	9.217.072	-	9.625.833
Disposals	-	1.360	947.834	-	949.194
Impairment	-	2.450	(788.282)	-	(785.832)
On December 31st 2012	-	**846.248**	**46.904.561**	-	**47.750.809**
Depreciation charge for the year	-			-	
Disposals	-	11.877	1.007.317	-	1.019.193
Impairment	-	17.404	225.068	-	242.473
On December 31st 2013	-	**1.217.908**	**55.491.099**	-	**56.709.007**
Net accounting value					
On December 31st 2013	**5.585.846**	**4.979.571**	**38.550.004**	**2.132.017**	**51.247.438**
On December 31st 2012	**5.644.846**	**5.312.039**	**39.487.995**	**5.006.521**	**55.451.401**
On January 1st 2012	**5.644.846**	**5.445.314**	**35.565.124**	**3.099.491**	**49.754.775**

All presented fixed assets are the property of the company.

9. INVESTMENT PROPERTIES

The company has an apartment block in Câmpina and two apartments in Timişoara, held with the exclusive target to obtain income from rents. These are being classified as investment properties.

	2013	2012
Initial balance on January 1st	618.828	637.430
Subsequent Increase/ (decrease)	(18.603)	(18.602)
Final balance on December 31st	**600.225**	**618.828**

	2013	2012
Income from rents obtained from real estate investments	36.610	46.763
Direct operational expenses (including repairs and maintenance) which generate income from rents	(27.829)	(46.237)
Net profit resulted from real estate investments registered at costs	**8.782**	**526**

10. INTANGIBLE ASSETS

	Patents and licences	Intangible assets in progress	Total
Costs			
On January 1st 2012	**601.054**	-	**601.054**
Additions	3.314	-	3.314
On December 31st 2012	**604.368**	-	**604.368**
Additions	-	18.132	18.132
On December 31st 2013	**604.368**	**18.132**	**622.500**
Amortisation and impairment			
On January 1st 2012	**485.304**	-	**485.304**
Amortisation	59.011	-	59.011
On December 31st 2012	**544.315**	-	**544.315**
Amortisation	47.218	-	47.218
On December 31st 2013	**591.533**	-	**591.533**
Net accounting value			
On December 31st 2013	**12.835**	**18.132**	**30.967**
On December 31st 2012	**60.053**	-	**60.053**
On January 1st 2012	**115.750**	-	**115.750**

11. FINANCIAL ASSETS

Name of the company	Nature of the relantionship	Year of investment	Percent detained on		Value of the investment on	
			31.01.2012	31.12.2013	31.12.2012	31.12.2012
Rompetrol Logistics S.R.L.	Long term investment	2002/2003/2007	6,98%	6,98%	5.580.056	5.580.056
Ecomaster Servicii Ecologice S.R.L.	Long term investment	2001/2007	0,12%	0,12%	2.200	2.200
Rominserv S.R.L.	Long term investment	2005	0,01%	0,01%	1.295	1.295
Rompetrol Rafinare S.A.(*	Long term investment	2003/2004	0,05%	0,05%	944.700	944.700
Adjustment for value					-	(252.321)
Total					**6.528.251**	**6.275.930**

(* Company listed on Bucharest Stock Exchange under RRC symbol.

The investment on Rompetrol Logistics S.R.L. is presented at cost since the accuracy of presentation at fair value for this unlisted company would have been influenced by a series of elements hard to quantify.

	Adjustments for the value loss at Rompetrol Rafinare S.A.
On January 1st 2012	**102.855**
Constituted	226.397
Used during the year	76.931
On December 31st 2012	**252.321**
Constituted	
Used during the year	(252.321)
On December 31st 2013	-

The evaluation at fair value of the titles held in the Bucharest Stock Exchange listed company under symbol RRC, for which the evolution of the adjustment has been presented has had an impact over the profit and loss account. Thre evaluation was made using the share price published by BSE on it's web page on the last transaction day from 2013. See note 4: "Epenses and financial income"

12. INVENTORIES

		Raw materials and consumables	Finished products and goods	Total
On January 1st 2012	**Inventories, net**	**3.587.902**	**7.240**	**3.595.142**
	Cost	5.657.529	27.755	5.685.284
	Adjustments for depreciation	558.942	-	558.942
On December 31st 2012	**Inventories, net**	**5.098.587**	**27.755**	**5.126.342**
	Cost	6.751.194	14.619	6.765.813
	Adjustments for depreciation	594.356	-	594.356
On December 31st 2013	**Inventories, net**	**6.156.838**	**14.619**	**6.171.457**

The inventories mainly contain spare parts for special equipment, cement and additives. Because for some of the items, the procurement would mean a relatively long period of time until taking over, the company has chosen, for technical and operative reasons in the relationship with its customers, to optimize the lots on some items at procurement, accepting that these are being partially held for a period of time longer than one year. So the presented adjustments are the lack of movement within more than one year, the respective inventories not having time relational validities and being still usable.

	Adjustments for inventories depreciation
On January 1st 2012	**810.475**
Constituted	4.433
Used during the year	255.966
On December 31st 2012	**558.942**
Constituted	49.724
Used during the year	14.309
On December 31st 2013	**594.356**

13. TRADE AND OTHER RECEIVABLES

	On December 31st 2013	On December 31st 2012
Trade receivables - third parties	32.660.334	32.632.710
Trade receivables with affiliated entities	38.944.299	13.341.671
Value adjustments for trade receivables	(1.763.028)	(3.734.278)
Total trade receivables, net	**69.841.605**	**42.240.103**
Loans granted to entities within the group	**24.710.153**	**24.786.413**
Other receivables – third parties	893.205	1.064.947
Other receivables with the affiliated entities	218.326	255.847
Value adjustments for other receivables	(374.217)	(365.322)
Total other receivables, net	**737.314**	**955.472**
Total receivables, net	**95.289.073**	**67.981.988**

Trade receivables are usually regularised within 30 to 90 days.
In the table below, there are detailed the movements within the provision for the impairment of the receivables:

	Individually impaired	Collectively impaired	Total
On January 1st 2012	**194.657**	**2.746.653**	**2.941.309**
Charge for the year		1.180.261	1.180.261
Utilised	(21.971)	-	(21.971)
Unused amounts, reversed	-	-	-
On December 31st 2012	**172.686**	**3.926.914**	**4.099.600**
Charge for the year		920.045	920.045
Utilised		(2.882.400)	(2.882.400)
Unused amounts, reversed			
On December 31st 2013	**172.686**	**1.964.559**	**2.137.245**

On December 31st, the aging analysis of the receivables is as follows:

			Overdue but not impaired				
	Total	Current, not impaired	< 30 days	30–60 days	61-90 days	91-180 days	> 180 days
2013	**95.289.073**	48.092.629	8.365.355	2.029.686	9.662.685	13.539.283	13.599.435
2012	**67.981.988**	49.946.439	7.962.040	3.076.436	2.639.961	2.293.955	2.063.157

14. OTHER CURRENT ASSETS

	On December 31st 2013	On December 31st 2012
Advance expenses for car insurances	55.074	58.260
Advance expenses for rovignets	103.828	103.545
Advance expenses for CNCAN authorisations, transportation licenses, subscriptions, others	70.476	41.663
OTHER CURRENT ASSETS TOTAL	**229.378**	**203.468**

The values represent the payments carried out during the current year, for costs which affect the next financial year in accordance with the validity period for the insurances, authorisations, licenses, subscriptions.

15. CASH AND SHORT TERM DEPOSITS

	2013	2012
Bank accounts in lei	12.180	75.096
Bank accounts in foreign currency	112.040	15.108
Short term deposits in lei	12.023.802	16.486.255
Short term deposits in foreign currency	253.383	492.217
Collateral accounts for letters of guarantee with maturity under one year	4.568.217	4.775.454
Specific accounts regarding performance bonds, other guarantees	33.856	172.754
Petty cash in lei	11.926	7.100
Petty cash in foreign currency	11.355	7.530
Total and short term deposits	**17.026.759**	**22.031.514**

The cash in banks registers interests at variable rates, depending on the daily rates of the deposits in banks. The short term deposits are being constituted for periods of one day and register interests for the respective rates of the short term deposits.

Collateral deposits with maturity over one year were presented as Other financial investments. The value for this deposits at December 31st, 2013 is 3.363.525 lei. Collateral deposits are detailed in note 21.

16. SHARE CAPITAL

16.1. Subscribed share capital

The last modification of the share capital has been in 2008, when the shareholders have decided, after the general meeting which has taken place on June 20th 2008, to increase the share capital of the company by the amount of 13,909,545 lei, from 13,909,545 lei up to 27,819,090 lei, through issuing, for free, of a number of 139,095,450 new shares with a nominal value of 0.10 lei/share.

The new issued shares have been allocated for the shareholders registered under the Shareholders' Registry at the date of the registration, approved by the Extraordinary Meeting of the Shareholders, respectively July 8th 2008, proportional to the amounts held by each of them. The allocation index has been 1. The issuing of shares has been financed from the reserves of the result carried forward of the financial year 2007, respectively from the amount allocated to Other reserves.

The finalisation of the procedural phases for approval and recognition has been officially signalled through the repetition of the transacting of the shares, after the increase of the social capital, on September 18th 2008, without undergoing modifications until December 31st 2013.

	Balance on December 31st 2013	**Balance on December 31st 2012**
	Number	Number
Subscribed capital, ordinary shares	278,190,900	278,190,900
	RON	RON
Nominal value, ordinary shares	0,1	0,1
	RON	RON
Value of the share capital	27,819,090	27,819,090

The share capital of the company is totally paid in on December 31st 2013.
The Company is listed under the Bucharest Stock Exchange under the symbol PTR.

16.2. The adjustment of the share capital

According to the IAS 29 provisions, the company has adjusted the costs of its purchased investments until December 31st 2003 with the purpose of reflecting the accounting impact in the hyperinflation. The value of the share capital has been increased at December 31st, 2012 by 166,740,745 RON. This adjustment had no impact over the carried forward distributable profit of the company. In 2013, the general ordinary meeting of shareholders on April 30, 2013 approved to cover the brought forward accounting loss from first application of IAS 29 "Financial Reporting in Hyperinflationary Economies" in amount of 166.002.389 lei, from own capitals, i.e. "adjustment of share capital". The effect of this decision for the structure of share capital on December 31st, 2013 is presented in the table below:

	On 31.12.2013	**On 31.12.2012**	**On 01.01.2012**
Share capital, from which:	28.557.446	194.559.835	194.559.835
Paid in share capital	27.819.090	27.819.090	27.819.090
The adjustment of the share capital	738.356	166.740.745	166.740.745

17. PROVISIONS

	Provisions for the participation of the employees to the profit (short term)	Provisions for litigations (long term)	Other Provisions for risks and expenses (long term)	Total
On January 1st 2012	**500.895**	**75.613**	**1.287.659**	**1.864.167**
Constituted	609.536	-	-	**609.536**
Used during the year	(500.895)	-	-	**(500.895)**
On December 31st 2012	**609.536**	**75.613**	**1.287.659**	**1.972.808**
Constituted	900.000	-	-	**900.000**
Used during the year	(609.536)	-	-	**(609.536)**
On December 31st 2013	**900.000**	**75.613**	**1.287.659**	**2.263.272**

The provision for the participation of the personnel to the profit shall be recognised according to the regulations of the collective labour contract of the company, which stipulates that the administration shall annually propose to the Board of Directors, depending on the performance criteria carried out, within the limit of 10% from the net profit for the year, granting awards to the employees. Granting of amounts shall be carried out after the approval of the General Ordinary Meeting of the Shareholders.

18. OTHER POST EMPLOYMENT BENEFITS

	Liabilities regarding the benefits of employees
On January 1st 2012	**990.717**
Constituted	
Used during the year	108.396
On December 31st 2012	**882.321**
Constituted	27.131
Used during the year	-
On December 31st 2013	**909.452**

The liabilities regarding pensions and other similar obligations have been determined depending on the provisions of the collective labour contract of the company, which stipulates the payment of a number of salaries to each employee at retirement, depending on the period of employment. The amount for the provision for benefits to be granted at retirement of 909,452 lei has been determined in 2013, according to the method of the credit factor, planed on the basis of an internal calculation, using the actuarial model. The management has taken into consideration for carrying out the calculation, mainly the fluctuation of the salaries, the age of the employees, the estimated mortality rate, the estimated salary costs evolution, discount rates. The provision has been determined by the company and has been updated in the sense of the increase by 27,131 lei.

The hypotheses according to which the actuarial calculation of the provision regarding the benefits at retirement has been made:

	31.12.2013	31.12.2012
Rate of personnel exits, estimated up to the retirement date	0,00%	5,25%
The turnover of the personnel in one year	2,48%	7,34%
The mortality rate for the current year	1,21%	1,18%
The contribution of the company to the gross salary	29,00%	29,00%
The inflation rate of the salary	3,15%	2,50%
The nominal discounting rate (the interest rate for governmental bonds)	5,23%	6,68%
The real discounting rate	**2,08%**	**4,18%**

19. TRADE PAYABLES AND SIMILAR LIABILITIES (CURRENT)

	On December 31st 2013	On December 31st 2012
Trade payables - third parties	4.234.492	4.934.976
Trade payabes with affiliated entities	2.094.440	2.194.470
Advance payments and deferred income	328.220	119.860
Salaries	1.345.262	1.406.044
Dividends to be paid	4.479.759	1.935.423
Taxes	1.749.827	2.131.256
Other liabilities	66.916	70.530
TOTAL	**14.298.917**	**12.792.558**

20. PRESENTATION OF THE AFFILIATED PARTIES

Name of the company	Nature of the relationship	Transaction type	Country of origin	Headquarters
Rompetrol Rafinare S.A.	Commercial	Loans granted, ITP services	Romania	Năvodari, Bulevardul Năvodari nr. 215, Pavilion Administrativ, Judeţul Constanţa
Rompetrol Logistics S.R.L.	Commercial	Procurement of spare parts, rental services	Romania	Ploiesti, Str. Basarabilor Nr. 7
Rompetrol S.A.	Commercial	Well services, rental of premisses	Romania	Piata Presei Libere, nr. 3-5, City Gate Northern Tower, etaj 6, sector 1, Bucureşti
Ecomaster Servicii Ecologice S.R.L.	Commercial	Rental of premises, procurement of capital goods	Romania	Piata Presei Libere, nr. 3-5, City Gate Northern Tower, etaj 4, camerele 6-9, sector 1, Bucureşti
Rompetrol Downstream S.R.L.	Commercial	Procurement of fuel	Romania	Piata Presei Libere, nr. 3-5, City Gate Northern Tower, etaj 2, sector 1, Bucureşti
Rominserv S.R.L.	Commercial	Maintenance services	Romania	Piata Presei Libere, nr. 3-5, City Gate Northern Tower, etaj 3, sector 1, Bucureşti

Rompetrol Bulgaria JSC	Commercial	Procurement of fuel	Bulgaria	Slivnitsa blvd. no. 188, Sofia
Rompetrol Petrochemicals S.R.L.	Commercial	Car rental	Romania	Navodari, Bulevardul Navodari nr. 215, Pavilion Administrativ, Judeţul Constanţa
The Rompetrol Group Corporate Center S.R.L. (*	Commercial	Management and IT services	Romania	Piata Presei Libere, nr. 3-5, City Gate Northern Tower, etaj 5, camera 2, sector 1, Bucureşti
Rompetrol Financial Group S.R.L.	Shareholding	Payments of dividends	Romania	Bucuresti, Piata Presei Libere nr. 3-5, City Gate Northern Tower, Etaj 5, Camera 3, Sector 1
The Rompetrol Group NV (*	Shareholding	Payments of dividends	Holland	Amsterdam, Strawinskylaan 807, turn A-8,
Rompetrol Gas S.R.L.	Commercial	Car rental	Romania	Piata Presei Libere, nr. 3-5, City Gate Northern Tower, etaj 5, sector 1, Bucureşti

(* Starting with March 6th, 2014 the following names were modified: The Rompetrol Group NV is renamed KazMunayGas International NV and The Rompetrol Group Corporate Center S.R.L. is renamed KMG Rompetrol S.R.L.

Loan contracts with Rompetrol Rafinare S.A.	Main	Interest	Total
On January 1st 2012	**24.600.000**	**187.684**	**24.787.684**
1CI/September 09th 2008	13.000.000	99.183	13.099.183
2CI/October 14th 2008	7.000.000	53.406	7.053.406
3CI/November 04th 2008	3.100.000	23.651	3.123.651
CI/April 28th 2010	1.500.000	11.444	1.511.444
On December 31st 2012	**24.600.000**	**186.413**	**24.786.413**
1CI/September 09th 2008	13.000.000	98.511	13.098.511
2CI/October 14th 2008	7.000.000	53.044	7.053.044
3CI/November 04th 2008	3.100.000	23.491	3.123.491
CI/April 28th 2010	1.500.000	11.367	1.511.367
On December 31st 2013	**24.600.000**	**110.153**	**24.710.153**
1CI/September 09th 2008	13.000.000	58.211	13.058.211
2CI/October 14th 2008	7.000.000	31.344	7.031.344
3CI/November 04th 2008	3.100.000	13.881	3.113.881
CI/April 28th 2010	1.500.000	6.717	1.506.717

All the above mentioned loans are being guaranteed with promissory notes and have been extended automatically on successive periods of time, in the situation that none of the parties has denounced the contract in writing, within maximum 3 days before the due date. Beginning June 1st 2011, there shall be applied an interest at the level of ROBOR 3M + 2.5% for all contracts.
The loans granted to Rompetrol Rafinare S.A. are included in the Statement of Financial Position within "Trade and other receivables", also detailed in Note 13.

Receivables

	Balance on December 31st 2013	Balance on December 31st 2012
Rompetrol Rafinare S.A.	24.710.153	24.787.542
Romperol Logistics S.R.L.	97.889	174.161
Rompetrol S.A.	39.032.665	13.406.170
Ecomaster Sevicii Ecologice S.R.L.	25.138	15.676
The Rompetrol Group Corporate Center S.R.L.	5.034	
Rominserv S.R.L.	1.900	
Total	**63.872.778**	**38.383.931**

Liabilities

	Balance on December 31st 2013	Balance on December 31st 2012
Rompetrol Logistics S.R.L.	5.846	46.218
Rompetrol Downstream S.R.L.	884.026	1.679.719
The Rompetrol Group Corporate Center S.R.L.	1.197.026	394.996
Rompetrol Bulgaria JSC	-	-
Rompetrol Petrochemicals S.R.L.	-	-
Rompetrol Rafinare S.A.	1.617	1.617
Ecomaster Sevicii Ecologice S.R.L.	5.925	71.920
Total	**2.094.440**	**2.194.470**

Sales

	Fiscal year completed on December 31st 2013	Fiscal year completed on December 31st 2012
Rompetrol Rafinare S.A.	1.723.334	1.974.280
Rompetrol Logistics S.R.L.	78.630	98.851
Rompetrol S.A. *)	17.845.528	3.411.780
Ecomaster Servicii Ecologice S.R.L.	9.103	8.104
Rominserv S.R.L.	6.875	552
Rompetrol Gas S.R.L.	9.897	8.427
Total	**19.673.368**	**5.501.994**

*) The sales to Rompetrol S.A. in amount of 17.845.528 lei include also the value of the services aquired on behalf of the client, amounting 10.145.982 RON (the Company acting as agent).

Acquisition of goods and services

	Fiscal year completed on December 31st 2013	Fiscal year completed on December 31st 2012
Rompetrol Logistics S.R.L.	12.252	36.838
Rompetrol Downstream S.R.L.	7.094.773	6.804.035
Rominserv S.R.L.	-	1.370
The Rompetrol Group Corporate Center S.R.L.	1.175.023	1.038.025
Rompetrol Rafinare S.A.	7.825	7.825
Ecomaster Servicii Ecologice S.R.L.	7.484	
Total	**8.297.358**	**7.888.093**

Managerial expenses

	Fiscal year completed on December 31st 2013	Fiscal year completed on December 31st 2012
The Rompetrol Group Corporate Center S.R.L.	2.448.956	647.348
Total	**2.448.956**	**647.348**

21. COMMITMENTS AND CONTINGECIES

The value of the commitments on December 31st 2013 is of 2,223,006 lei for the procurement of new tangible assets: batch mixer, acid container, stainless steel tank, vacum tank, warehouse Govora repairs.

The value of the commitments on December 31st 2012 were of 2,261,009 lei for the procurement of tangible assets: cimenting tank, acid tank, ACF cementing data aquisition system, drilling tools.

Starting with September 2013, the Company concluded an operational leasing contract for 5 vehicles, for 48 months, the contract totalising 70.479,36 EUR.

Guarantees to third parties

The service providing contracts concluded with our main customers (OMV PETROM and ROMGAZ SA) contain clauses referring to performance bonds through a guarantee granting instrument under the provisions of the law, by a bank or insurance company, meaning Letters of Bank Guarantees.

The detail of the collateral accounts on December 31st 2013 for the Letters of Bank Guarantee is enclosed in the table below:

Number	Beneficiary	Currency	Amount equivalent RON	Maturity date	Currency collateral deposit	Collateral deposit equivalent RON
LG/PB12000509	OMV PETROM S.A.	RON	3.400.000	15-Feb-14	RON	3.400.000
LG/PB12004203	OMV PETROM S.A.	EUR	448.470	15-Apr-14	EUR	448.470
LG/PB12006589	OMV PETROM S.A.	EUR	179.388	21-Apr-14	EUR	179.388
LG/BB12009709	S.N.G.N. ROMGAZ S.A.	RON	347.514	6-Jan-14	USD	358.061
LG/00888-02-0014580	S.N.G.N. ROMGAZ S.A.	RON	8.760	18-Aug-14	RON	8.760
LG/00888-02-0014599	S.N.G.N. ROMGAZ S.A.	RON	84.021	18-Aug-14	RON	84.021
LG/00888-02-0014606	S.N.G.N. ROMGAZ S.A.	RON	89.517	18-May-14	RON	89.517
Total short term collateral deposits						**4.568.217**
LG/PB13003544	OMV PETROM S.A.	EUR	1.345.410	12-Jul-15	EUR	1.345.410
LG/00888-02-0016506	OMV PETROM S.A.	EUR	2.018.115	28-Feb-15	EUR	2.018.115
Total long-term collateral deposits						**3.363.525**

The collateral accounts on December 31st 2012 had the following components:

Number	Beneficiary	Currency	Amount equivalent RON	Maturity date	Currency collateral deposit	Collateral deposit equivalent RON
LG/PB1112547	S.N.G.N. ROMGAZ S.A.	RON	345.250	21-mai-13	USD	386.111
LG/PB12000509	OMV PETROM S.A.	RON	3.400.000	15-feb-13	RON	3.400.000
LG/PB12004203	OMV PETROM S.A.	EUR	131.905	15-apr-13	EUR	442.870
LG/BB12009709	S.N.G.N. ROMGAZ S.A.	RON	347.514	5-nov-13	USD	369.325
LG/PB12006589	OMV PETROM S.A.	EUR	52.762	21-apr-14	EUR	177.148

Another type of Guarantees granted to third parties were the performance bonds, constituted as successive retentions from the proper payment, in a special account for the supplier, opened for the contracting authority, at a bank agreed upon by both parties, with a total on December 31st 2013: 0 lei and on December 31st 2012: 136.237 lei.

Received guarantees

January 2012, the contract no. RWS 03/2011, regarding Security Interests in Movable Property granted by SC ROMPETROL S.A. for the total value of 9,539,048 lei has been entered in the Electronic Archive for Security Interests in Movable Property.

22. OBJECTIVES AND POLICIES FOR THE FINANCIAL RISK MANAGEMENT

The risk of the interest rate

The company is not being implicated in any loan contract and therefore not exposed to risks regarding the movement of the interest rate.

Risk of the exchange rate variations

Most of the transactions of the company are in lei. Depending on the case, the structure of the amounts available in cash and the short term deposits are also being adapted. The difference between the entry of the amounts in foreign currency and their repayment cannot generate, through the variation of the exchange rate, significant patrimonial effects.

Foreign currency sensitivity

The following tables demonstrate the sensitivity towards a possible reasonable change (5%) of the exchange rate of the US dollar, EUR and KZT, all other variables being maintained constant.
The impact over the profit of the company before taxation is due to the modifications of the real value of the assets and monetary debts. The exposal of the company to the foreign currency modifications for any other foreign currency is not significant.

	TOTAL RON	5% USD	5% EUR	5% KZT
December 31st 2012				
Total increase	248.787	90.353	128.974	29.460
Monetary assets	387.876	94.429	259.392	34.055
Monetary debts	(139.089)	(4.076)	(130.418)	(4.595)
December 31st 2013				
Total increase	249.358	50.293	170.505	28.560
Monetary assets	314.046	63.599	203.366	47.082
Monetary debts	(64.688)	(13.305)	(32.861)	(18.522)

The credit risk

The company treats the crediting of its customers procedural, with flexibility through the stable contracting strategy as an essential mechanism for the risk repartition. The beginning and the deepening of the generalised liquidities and solvability crises of the financial - banking market is also experienced by the customers of the company, but the Management permanently monitors the receivables and their collection.

The market risk

Taking into consideration the structure and continuance of trade contracts, it can be evidentiated as important clients S.C. OMV Petrom S.A., S.N.G.N. Romgaz S.A. and AMROMCO ENERGY S.R.L., concentrating around 66% of the total turnover registered for the financial year 2013. The main contracts with S.C. OMV Petrom S.A., S.N.G.N. Romgaz S.A and AMROMCO ENERGY S.R.L. are valid until December 31th 2016, November 3rd 2016, respectively May 1th 2014.

23. THE EVENTS SUBSEQUENT TO THE REPORTING PERIOD

For two of the main customers of the company, respectively S.C. OMV Petrom S.A. and S.N.G.N. Romgaz S.A. the contracts are valid until December 31th 2016, respectively November 3rd 2016. Under this context, the Letter of Bank Guarantee LG/PB12000509RON in the relationship with S.C. OMV Petrom S.A. in amount of 3,400,000 lei has been replaced with Letter of Bank Guarantee 00888-02-0032935 in amount of 500.000 EUR.
In February 2014 the Company has signed an addendum to the loan agreement RWS1-CI/28.04.2010 in amount of 3.300.000 lei, the rest of the loan contracts with S.C. Rompetrol Rafinare S.A. being automatically extended on the due date, with the same period and under the same conditions. At the moment of the financial statements, these loans continue to be granted with an interest ROBOR 3M + 2,5% applied for all the contracts.

The General Ordinary Meeting of the Shareholders shall decide on April 29th 2014 regarding the distribution of the net profit for fiscal year 2013. The dividend proposed for the year 2013 is of 0.0300 lei /share, compaired to 0.0290 lei/share for the previous year.