



ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR 2013

drawn up according to the Law no. 297/2004 on the capital market and the National Securities Commission (C.N.V.M.) Regulation no. 1/2006 on issuers of securities and securities operations

Commercial Company ROMPETROL WELL SERVICES S.A.

Head office:

Phone:

Fax:

Tax Identification Number:

Unique Company Registration Number:

Trading market:

Subscribed and paid-up share capital:

Ploiești - Clopoței Street no. 2 bis

0244/544321, 0244/544101

0244/522913

RO 1346607

J29/110/05.03.1991

BUCHAREST STOCK EXCHANGE

27.819.090 lei

The main characteristics of the securities issued by the company

No. of shares:

Nominal value (lei/share):

Class and type of securities:

278.190.900

0,10 lei

"A" nominative

ROMPETROL WELL SERVICES S.A.
Strada Clopotei nr. 2 bis
100189, Ploiești, ROMANIA
Reg. Com. Nr: J29/110/1991
C.I.F.: RO 1346607



ISO 9001

ISO 14001

OHSAS 18001

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1. The activity analysis of the Company "ROMPETROL WELL SERVICES" S.A.

1.1. a) The description of the company main activity:

S.C.ROMPETROL WELL SERVICES S.A. presents itself as a competitive, solid and reliable partner, offering a wide range of services in the field of petroleum upstream industry.

Object of activity of the company consists mainly of: well services for oil and gas wells, rental tools and equipment and other services. The well services include cementing, consolidation and sand control services, stimulation, testing, slick-line, tubular running operations etc. in Romania and abroad.

Annually, the company cements an average of 400 strings and liners, at depths between 300 m and 4,500 m. Every year stimulation and sand control operations are carried out for more than 300 oil and gas wells.

Stimulation services, slick-line services and tubular running services are accomplished with in-house resources. The company also offers rental services for its drilling and fishing tools.

b) The specification of the incorporation date of the commercial company;

The Company Rompetrol Well Services S.A. was incorporated in 1951 and during the 62 years of activity, although it functioned under different structures and different names, the main profile was the provision of well services in Romania.

By the Government Decision no. 1213 from November 1990, according to the Law no. 15/1990, the company was transformed into a joint stock company, under the name of S.C. PETROS S.A., under which it functioned until September 2001, when it changed the name in S.C. ROMPETROL WELL SERVICES S.A.

c) The description of any significant merger or reorganization of the company, of its subsidiaries and controlled companies, during the financial year;

Not applicable.

d) The description of asset purchases and/or disposals;

The primary goal of the investment program for 2013 was the upgrading of the technological processes, the improvement of the equipment performances and well services competitiveness. Among the new equipment and refurbishments put into operation and achieved in 2013 are to be mentioned: cementing and acidizing pump trucks, data acquisition and monitoring systems, handling tools, HCl tanker trucks, IT equipment and upgrading of the mechanical workshop Ploiesti, totaling 8,790,702 lei. The value of the ongoing investments at 31.12.2012 was 2.150.150 lei. The financing of all the mentioned projects was made from own sources.

The capitalization of unused land and buildings (working point Zadareni) and write-off equipment, - by sale, auction and scrapping amounted 1,161,963 lei.

e) The description of the main results of the company activity assessment.

1.1.1. General assessment factors:

a) profit;

Over the year 2013 the Company recorded:

-gross profit: 32,376,873 lei

-net profit: 27,599,019 lei

b) turnover;

The turnover for the year 2013: 111,109,482 lei

c) export;

The value of the exports over the year 2013 totalizes the equivalent of 4,180,928 lei.

d) costs;

In absolute values, the costs evolution highlights the effect of the investments made over the last three years, the direct correlation with the income evolution under relatively steady economic efficiency.

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Specification	2011	2012	2013
Operating expenses, out of which:	78,602,153	75,755,627	81,816,736
• Expenses with materials, merchandise, consumables and utilities	32,836,722	27,373,610	29,726,165
• Employee benefits expenses	26,393,213	25,795,844	27,310,967
• Depreciation, amortization and impairment	8,956,070	8,917,614	10,043,214
• Other operating expenses	10,416,148	13,668,559	14,736,390
Finance expenses	780,057	1,702,876	778,805

e) % of the market held;

In Romania the company holds market shares varying from 15% to 45% for different types of well services provided.

f) liquidity (cash account, etc).

The current liquidity indicator's evolution (6.49 in 2011, 6.49 in 2012, respectively 7.10 in 2013) supports the company cash flow management insuring the continuity of the commercial transactions from own sources.

1.1.2. The assessment of the technical level of the commercial company

Description of the main services rendered

The main works performed by the company ROMPETROL WELL SERVICES are as follows:

- **Operations performed with Cementing pump trucks** such as:
casing cementing, remedial cementing, fracturing, sand-control, surface treatments, acidizing, killing of wells, well circulation, milling works and fluid displacements, well interventions, miscellaneous pumping.

- **Operations with Bulk Trucks and Sand Blenders:**
transportation and handling of powder materials, mixtures and blends, operations at the well site

- **Operations with tank trucks:**
fluids transportation and handling (mud, crude-oil, acid solutions and emulsions, formation water etc.); operations at the well site (acidizing, fracturing, sand-control, cementing, pumping)

- **Operations with liquid nitrogen:**
Putting into production; nitrogen fracturing; foam acidizing; pressure tests, etc.

- **Operations with Slick line units;**
- **Casing and liner running operations;**
- **Tool and equipment rental (handling and fishing tools);**
- **Laboratory cement testing;**
- **Drill stem testing operations**

a) *main markets for each product or service and distribution methods;*

The company ROMPETROL WELL SERVICES maintained its position on *the domestic market* being continuously interested in the improvement of the quality of the rendered services. Having operational bases spread all over the country, as well as qualified and well trained labor force in the field of oil and gas well services, ROMPETROL WELL SERVICES promptly provides the services requested by its customers, regardless of the location within the territory.

On the *external market*, the company provided over the year 2013 well services in Kazakhstan, Bulgaria, Hungary, Iraq – Kurdistan region and Israel.

b) *share of each product or service category in the total incomes and turnover of the company for the last three years;*

The share of each service category within the operating incomes, as well as within the turnover, for the years 2011, 2012, 2013 is described in **annex no 1-a, respectively 1-b.**

c) *new product envisaged to which a large volume of assets will be allocated during the next financial year and products' development stage.*

The equipment modernization program was focused on updating the technologies for well stimulation and cementing services and on casing running services.

Company focused in 2013 on the implementation of a new system of data monitoring and recording and a simulation software for acidizing services.
The compliance with the clients' diversified requirements, as well as the reduction of the transport costs determined the continuous renewal of the equipment fleet.

1.1.3. The assessment of the procurement activity (domestic and import)

Information about the security of supply and the prices of the raw materials and the size of the raw material and other materials stocks.

The main types of materials necessary to perform the company's activity are: vehicle and operational equipment spare parts, fuels and lubricants, tires and accumulators, as well as cement and additives.

As *beneficiary*, our company concluded sale-purchase agreements with a series of fuel, spare parts and other materials suppliers: S.C. ROMPETROL DOWNSTREAM SRL, S.C. UPETROM S.A. PLOIEȘTI, AIR LIQUIDE ROMANIA, SICET SERVICES, S.C. CONFIND CÂMPINA, ADASI MORAVA, AUBIN, S.C. RENOVATION TRADING SRL, S.C. GEOMET INDUSTRIAL SRL, DYCKERKOFF AKTIENGESELLSCHAFT, S.C. MULTISUD PROD SRL, S.C. AMPLO S.A., as well as with service providers specialized in repairs and maintenance.

The internal supplying sources are selected according to the company's procedures and they are continuously assessed in terms of reliability and stability.

The levels of the raw material and spare part stocks usually guarantees the activity continuity for 10 days. The purchase prices are the market prices level.

1.1.4. The assessment of the selling activity

a) The description of the sales sequential evolution on the national and/or external market and the medium and long term sales perspectives.

The incomes evolution is showed in the following table:

	-lei		
	2011	2012	2013
Sales per activities:	93,168,753	97,677,364	111,109,482
• Incomes for services rendered	80,715,468	94,024,760	109,109,852
• Incomes from sales of merchandises	12,348,845	3,652,604	1,999,630
• Incomes from sales of finished products	104,440	-	-

2013 was a successful year for Rompetrol Well Services. Increased demand for our services and solid execution drove the achievement of a record EBITDA of \$11.3 million and Net Result of over \$8.7 million.

Despite the increasingly competitive environment, RWS succeeded to increase its market share for some of services provided in Romania while simultaneously raising the complexity of services rendered.

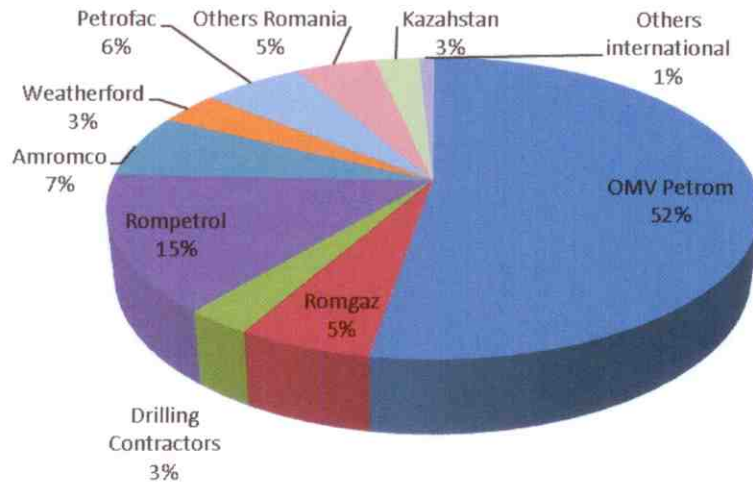
The company main client on *the national market* is OMV Petrom S.A. Bucharest, the services provided to this beneficiary in 2013 representing a percentage of over 52% of the total services rendered to this company.

Other domestic clients to whom the company ROMPETROL WELL SERVICES S.A. renders its services are S.N.G.N. Romgaz S.A. Mediaș, representing a percentage of about 5%, the Drilling contractors – 3% and other operators in the petroleum industry.

Over the year 2013, the company delivered also services on the internal market to independent operators, such as: Amromco Energy SRL, Petrofac Solutions and Facilities Suport SRL, etc.

The overseas activity, representing 4% of the company's revenues in 2013, was developed in Kazakhstan, Hungary, Bulgaria, Iraq – Kurdistan region and Israel.

Client structure



b) *The description of the competitors' situation in the field of activity of the company, the market share of the products and services of the commercial company and its competitors;*

Our company holds a share varying from 15% to 45% on the specific services market.

In the field of cementing and pumping services our competitors are: SCHLUMBERGER LOGELCO INC. SUC. BUCUREȘTI, HALLIBURTON ROMANIA, TACROM SERVICES and SIRCOSS Mediaș.

There are also competitors in the field of stimulation operations and slickline, such as WEATHERFORD INTERNATIONAL EASTERN EUROPE S.R.L., BAKER OIL TOOLS and TACROM SERVICES, and in the field of Tubular Running, tools and equipment rental, OJFIELD, TESCO, DOSCO PETROSERVICES S.R.L.

c) *Description of any significant dependence of the commercial company on a single client or a group of clients whose loss would have a negative impact on the company's incomes.*

Rompetrol Well Services still depends very much on the OMV - PETROM position towards the Romanian well service companies.

1.1.5. The assessment of the aspects related to the employees/the personnel of the company

a) *the number and the training level of the company's employees, as well as the degree of syndication of the labour force;*

The company conducted the training of its personnel, primarily done through in-house tuition programs, to ensure maximum benefit from the new state-of-the-art equipment put in operation in the last year.

On 31.12.2013, S.C. ROMPETROL WELL SERVICES recorded a number of 338 employees with labour contract, by comparison to 341 employees at the beginning of the year.

The personnel structure on December 31, 2013 was as follows:

TOTAL PERSONNEL	338
among which:	
- with higher education	95
- with secondary education	32
- qualified workers	210
- unqualified workers	1

The syndication level of the labour force is of 93,44%.

b) *The description of the relations between manager and employees, as well as any conflict elements which characterize these relations.*

The relations between manager and employees are normal and cooperative, being based on "Collective labour agreement" at company level, without any conflict elements which could characterize these relations.

1.6 Business impact assessment on the environment.

Summary description of the impact of basic environmental issues and any existing or expected litigation regarding breach of environmental protection legislation.

Activities carried out within the company, in all locations, aims to strictly follow environmental legislation in force and thus avoids any disputes that may occur on the violation of environmental laws.

Environmental issues that arise naturally, are kept constantly under control and Rompetrol Well Services aims to reduce the pollution by waste generated. Disposal (storage batteries, tires, scrap metal, used motor oil, household waste, waste consisting of plastic bags, etc..) is done under contracts with authorized companies.

We want to emphasize that the company aims to continuously improve environmental performance in all its activities by adopting a proactive behavior on minimizing environmental impacts.

Also Rompetrol Well Services has proposed multiple environmental objectives, among them:

- Inform suppliers and customers on our company politics in environmental protection activities;
- Monitoring and reducing consumption of resources (water, gas, electricity, lubricants and fuels);
- Regular monitoring of the activity of the loading and unloading bulk cement facility, and blends making;
- Reuse of packaging used for liquid additives to reduce the amount of packaging placed on the market;
- Reducing emissions released into the atmosphere by replacing the special vehicles equipped with non-euro engines with modern trucks equipped with Euro 6 engines;
- Training and awareness for all staff regarding: selective waste collection, reduction of specific consumption and especially the responsibility of implementing environmental policy that the company has declared and environmental objectives which it aims to achieve.

In July 2013 took place a recertification audit of the Integrated Management System (environment, quality, health and safety at work), accomplished by Germanischer Lloyd Certification GmbH, following which confirmed that our society is on an upward trend in complying with the requirements specified in the 3 standards and received ISO 9001:2008, ISO 14001:2009 and OHSAS 18001:2007 certification, valid until 26.09.2015.

According to Law no. 105/2006 and Emergency Ordinance no. 196/2005, concerning environmental obligations to the Environmental Fund, and the Environment Fund Declarations, Rompetrol Well Services SA, pays monthly fees for emissions of pollutants into the atmosphere from stationary sources and an annual fee for packaging placed on the market.

1.1.7. The assessment of the research-development activity

The specification of the expenses during the financial year, as well as of those anticipated for the next financial year allocated to the research-development activity

Not applicable.

1.1.8. The assessment of the company's activity related to the risk management

The description of the company's exposure concerning the price, credit, liquidity and cash flow risk. The description of the policies and the objectives of the commercial company concerning the risk management.

The assessment of the activity of the company regarding the risk management

The company's exposure to:

- *the price risk*: S.C.ROMPETROL WELL SERVICES S.A. Ploiești has a flexible price policy, allowing it to react and adapt to any variations of prices that could affect the market;
- *credit risk*: it has been reduced, as S.C.ROMPETROL WELL SERVICES S.A. Ploiești has approached the clients' crediting in a procedural manner, flexible due to the contracting strategy

established as an essential mechanism of risk distribution. The company's management is permanently monitoring the receivables and their recollection;

- *the interest rate risk*

The Company is not engaged in any crediting contractual relations and therefore it is not exposed to the risks related to the interest rate variation.

- *the liquidity risk*: it is estimated as being low until now since the company managed to maintain a steady balance between sales and the recollection of receivables. In return, the financial crisis is still a menace for the next period on the market segment where the company operates;

- *the cash-flow risk*: remains difficult to be characterized due to the menaces of the crisis effects on the global credit market;

- *the exchange rate risk*: the majority of incomes obtained by the company are in RON. The variation of the rate of exchange cannot generate significant patrimonial effects.

1.1.9. Perspective elements concerning the activity of the company

a) The description and analysis of the trends, elements, events or uncertainty factors which affect or could affect the liquidity of the commercial company by comparison to the same period of the previous year.

The commitments towards suppliers were progressively paid. The recorded arrears have not the risk of significant penalties and the company is not involved in any dispute for the payment of such depths. The company insured the permanent operability in the execution of its contracts all around the country.

The capacities resizing by the redistribution of operating fleet between the work bases was performed concurrently with the headcount of operating staff, permanently pursuing the specific indicators on profit centers.

Prospects for expansion of service activities on foreign markets determine rational and operative decisions regarding the prudent engagement of liquidities at the conclusion of new contracts.

Company management will closely monitor these events and act so that the objectives set by the revenue and expenses budget to be approved in 2014, to be achieved.

2014 Key Objectives

- Continue modernization of services focusing on cementing and stimulation services
- Consolidate market shares in Romania for all type of services rendered
- Implementation of the Development program focusing on business development in large demand area

To strengthen its market position in Romania, Rompetrol Well Services will continue the modernization of the rendered services by a capital investments program of \$2.37 million.

b) The presentation and the analysis of the effect of the current or anticipated capital expenses on the financial situation of the company by comparison to the same period of the previous year.

The company operated by using his own financing sources, without contracting any credits from banking institutions or any other individuals or entities.

In regard to debts category, there are no arrears such as interest or any other credits contracted from banking institutions.

c) The presentation and the analysis of the events, economic changes transactions changes significantly affecting the incomes generated by the main activity.

On-going contracts with customers and traditional providers assured performance over the provisions of the budget for the year 2013.

2. The company's tangible assets

2.1. The specification of the location and of the characteristics of the main production capacities owned by the company.

The patrimonial assets of tangible fixed assets nature allow a flexible organization in the territory in order to fulfil the orders placed by the beneficiaries.

The services provision is done at the customers location, not at the company's facilities, the use of the operational capacities depending upon the orders received from the beneficiaries.

The location of lands and buildings on the geographical area is the following:

Ploiești (Prahova County), Câmpina (Prahova County), Boldești - Scăieni (Prahova County), Răzvad (Dâmbovița County), Leordeni (Argeș County), Mihăești - Stupărei (Vâlcea County), Potcoava (Olt County), Craiova (Dolj County), Tg. Cărbunești (Gorj County), Slobozia - Conachi (Galați county), Ianca (Brăila County), Timișoara (Timiș County), Tg. Mureș (Mureș County), Mediaș (Sibiu County), Moinești (Bacău County), Tecuci (Galați County), Videle (Teleorman County).

The main operational facilities are represented by the fixed assets, such as: cementing units, bulk trucks, blenders, tank trucks, cement laboratory equipment and other types of utility vehicles and drilling tools.

2.2. The description and analysis of the wear degree of the company property.

Working outdoors, travelling on difficult access roads causes a significant degree of wear – compensated by the significant investments in recent years. The equipment fleet requires high maintenance costs resulting from imperative European norms and the environmental protection issues: ADR transport licenses, vignettes, tachographs, environmental taxes, local taxes, etc.

The company proceeded to revalue buildings and special construction (total group 1), reevaluation performed by an authorized evaluator " General Society of Technical Experts Bucharest" with reference date 31.12.2013; the results of the evaluation report no. 3057/29.01.2014 are the following:

Item no.	Asset	Accounting values		Revalued amount at 31.12.2013
		Acquisition value	Remaining value at 31.12.2013	
1.	Buildings and special constructions in use	6,557,349	5,381,918	5,456,525
2.	Buildings and special constructions not-used	296,162	217,733	272,646
TOTAL		6,853,511	5,599,651	5,729,171

-lei

2.3 The specification of the potential problems related to the ownership of the tangible assets of the company.

The ownership is acknowledged for all the patrimonial assets, except what is subject to financial leasing contracts. The admitted methodology used for highlighting the recording of the financial leasing contracts requires introducing in the fixed assets the counter value of the goods subject to these contracts. The effect in net value is of 0 RON as there are no on-going leasing contracts at 31.12.2013.

3. The market of the transferable securities issued by the "ROMPETROL WELL SERVICES" S.A. company

3.1. The specification of markets in Romania and other countries where there are negotiated transferable securities issued by the company.

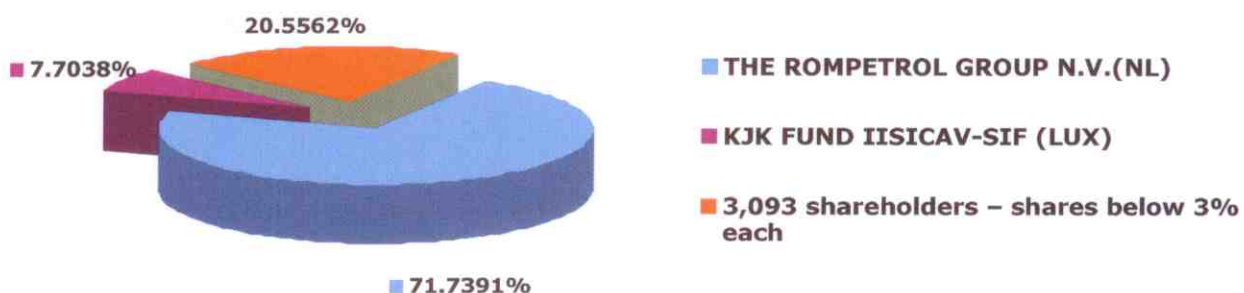
The transferable securities issued by SC Rompetrol Well Services S.A. are admitted to the Bucharest Stock Exchange by decision No. 133 / 26.03.1998 and are traded on this market category II in the securities sector issued by romanian legal entities, starting with 18.06.1998, under the symbol PTR.

The transferable securities issued by the company are Class A – nominative shares.

The registered capital on 31.12.2013 is of 27,819,090 RON equivalent to 278,190,900 shares with a nominal value of 0.10 RON / share and is distributed to holders as follows:

1. The Rompetrol Group NV	19,957,165 RON (71.7391%)
2. Other shareholders (3094 shareholders)	7,861,925 RON (28.2609%)

Shareholders' Structure as of 31.12.2013



3.2. The description of the company policy regarding the dividends. The specification of the dividends due/paid/accrued in the last 3 years and, if appropriate, of the reasons for any decrease in dividends over the last 3 years.

For 2011, the A.G.O.A. of 26.04.2012 approved the distribution of the net profit amounted to 15,813,330 lei, towards the following destinations:

- 8,067,536 lei for dividends;
- 900,000 lei for the establishment of the legal reserve fund;
- 6,845,794 lei - other reserves.

The gross dividend per share for 2011 was of 0.029 lei for the shareholders registered in the Register of Shareholders on 18.05.2012(date of registration).

For 2012, the A.G.O.A. of 30.04.2013 approved the distribution of the net profit amounted to 22.053.148 lei, towards the following destinations:

- 8,067,536 lei for dividends;
- 83,818 lei for the establishment of the legal reserve fund;
- 13,901,794 lei - other reserves.

The gross dividend per share for 2012 was of 0.029 lei for the shareholders registered in the Register of Shareholders on 20.05.2013 (date of registration).

For 2013, the A.G.O.A. from 28(29).04.2014 will decide how to distribute the profits.

In 2013 was achieved total revenues amounting to 114,972,414 lei achieving a gross profit of 32,376,873 lei and, respectively, a net profit of 27,599,019 lei.

By 31 December 2013 were paid:

- 92.96% of the gross dividend approved for the year 2010;
- 92.11% of the gross dividend approved for the year 2011;
- 67.18% of the gross dividend approved for 2012.

3.3. The description of any activities of the company to purchase own shares.

The Company has not conducted activities to purchase own shares.

3.4. If the company has subsidiaries, stating the number and the nominal value of shares issued by the parent company and held by subsidiaries.

Not applicable.

3.5. If the company issued bonds and/or other debt securities, the presentation of the way the company paid its obligations to holders of such transferable securities.

Not applicable.

4. The management of the ROMPETROL WELL SERVICES S.A. company

4.1. The presentation of the list of company managers and the following information for each manager:

a) CV (surname, first name, age, qualifications, work experience, position and tenure in the position);

Under the Constitutive Act, the company's activity is managed by an Administrative Board composed of five members appointed by the Ordinary General Assembly, who can be shareholders of the company, individuals or legal entities, of citizenship, nationality respectively, Romanian or foreign.

- **Mr. Adrian-Ion Stănescu**, romanian citizen, born on 26.11.1953;

Mr. Adrian-Ion Stănescu performs the function of Chairman of the Board of Directors for the period 09.03.2006 - 09.05.2013, and member of the Board of Directors for the period 23.11.2002 - 11.08.2003 and 10.05.2013 - present.

In the A.G.O.A. of 27.04.2010 he was elected to the Board of Directors for a term of four years.

Mr Adrian-Ion Stănescu is an engineer in mechanical engineering technology, specialized in cementing operations technology, management and marketing.

He has extensive professional experience in the oil industry technologies and practices, in implementing modern management practices and in the qualitative management of resources, in opening of new markets and increasing the sales volume on domestic and foreign markets, holding senior positions in the companies he had worked for.

Mr. Adrian-Ion Stănescu performs the function of General Manager for the period 01.07.2011-13.05.2013 and Deputy General Manager for the period 01.05.2003-30.06.2011 and 14.05. 2013 - present.

- **Mr. Talgat Issayev**, citizen of Kazakhstan born on 06.05.1972 in Almaty, the Kazakhstan Republic, domiciled in the Republic of Kazakhstan, Astana and with the residence in Bucharest.

In the A.G.O.A. of 27.04.2010 he was elected member to the new Administrative Board for a term of four years.

From 10.05.2013 was elected Chairman of the Board of Directors.

Mr Talgat Issayev is the engineer for the development and exploitation of oil and gas deposits, and an economist.

From January 2010, Mr Talgat Issayev occupies the position of Upstream Director in the Rompetrol Group and is responsible for the management, coordination and control in the following areas: exploration and production, drilling activities and well services.

Mr. Talgat Issayev has the solid professional experience in the financial field and oil industry.

- **Mr. Gheorghe Georgescu**, romanian citizen, born on 23 .08.1952;

Mr Gheorghe Georgescu was elected member to the Administrative Board in the General Assembly of Shareholders of 27.04.2009.

In the A.G.O.A. of 27.04.2010 he was elected member to the new Administrative Board for a term of four years.

Mr. Gheorghe Georgescu is the drilling and oil and natural gas extraction engineer with extensive experience in this area (1979-2010), occupying leading positions in the companies in which he worked. He has long professional experience in these fields of activity.

He is currently Deputy General Manager of S.C. Rompetrol S.A.

- **Mr. Nurkanat Retayev**, citizen of Kazakhstan, born on 04.04.1981, domiciled in the Republic of Kazakhstan, Astana and with the residence in Bucharest.

Following the resignation of a manager in September 2010, the Administrative Board that met on 29.09.2010, decided to appoint Mr Retayev Nurkanat as temporary administrator of the Company until the meeting of the Ordinary General Assembly of 28.04.2011.

Mr. Retayev Nurkanat is the oil engineer and he has solid professional experience in the Kazakh oil industry, holding senior positions in petrochemistry and commercial management.

In the A.G.O.A. of 28.04.2011 he was elected member to the new Administrative Board for a term of four years, but resigned from 01.03.2013.

• **Mr. Kuanysh Kudaibergenov**, citizen of Kazakhstan, born on 24.07.1984, domiciled in the Republic of Kazakhstan, Astana and with the residence in Bucharest.

Following the resignation of Mr Nurkanat Retayev starting with 01.03.2013, the Board met on 19.03.2013, decided that Mr. Kuanysh Kudaibergenov to be named as temporary administrator of the Company until the ordinary general meeting of 30.04.2013.

In the A.G.O.A. of 30.04.2013 he was elected member to the new Administrative Board for a mandate ending on 30.04.2014, once with the mandates of other members of the Board of Directors.

Mr. Kuanysh Kudaibergenov is oil engineer and he has solid professional experience in the oil industry.

• **Palmer Capital RO S.R.L.**, romanian legal entity based in Cluj-Napoca str. Cometei nr. 5 corp I ap.5, CUI 18128488, J12/ 1885/2009, represented by the administrator – Mr. Făder Cristian Robert, having as permanent representative Mr. Făder Cristian Robert in accordance with management contract no. 54/2010 and Addendum no. 1 related to this contract.

In the AGOA of 27.04.2010, Palmer Capital RO S.R.L. was elected member of the Administrative Board for a term of four years.

Mr. Cristian Robert Făder is romanian citizen, born in 1980.

He is the economist and has experience in financial services, investments funds administration, capital market.

Since 2007 he is the director of SC Palmer Capital RO SRL (former Middle Europe Investments SRL).

b) any agreement, understanding or family relationship between the respective administrator and another person due to which that person was appointed administrator;

We are not aware of any agreement, understanding or family relationship between the managers of the company and another person due to which they were appointed administrators;

c) the participation of the administrator to the company's capital;

According to the Register of Shareholders, consolidated on 31.12.2013, issued by the Central Depository, none of the directors participates to the company's share capital.

d) the list of persons affiliated to the company.

None of the members of the Administrative Board of the Company is an affiliated person to SC ROMPETROL WELL SERVICES S.A. under the Regulation CNVM No. 1/2006.

4.2. The presentation of the list of members of the executive management of the company.

For each, supply the following information:

a) the period for which the person is part of the executive management;

During 2013, the directors whom the company management was delegated were:

Item no.	Position designation	Surname and first name	Period
1.	GENERAL MANAGER	Eng. STĂNESCU ADRIAN-ION	01.01.2013-13.05.2013
2.	GENERAL MANAGER	Eng. SVERDLOV VALERIU	14.05.2013-31.12.2013
3.	DEPUTY GENERAL MANAGER	Eng. STĂNESCU ADRIAN-ION	14.05.2013-31.12.2013
4.	FINANCE DIRECTOR	Ec. GUEF DORIN	01.01.2013-14.09.2013
5.	FINANCE DIRECTOR	Ec. MANOLE VASILE GABRIEL	15.09.2013-31.12.2013
6.	DEPUTY FINANCE DIRECTOR	Ec. GUEF DORIN	15.09.2013-31.12.2013
7.	DEPUTY FINANCE DIRECTOR	Ec. DUMITRU VALERICA	01.01.2013-14.09.2013

b) any agreement, understanding or family relationship between the respective person and another person due to which that person was appointed member of the executive management;

There is no agreement, understanding or family relationship between the occupants of the positions mentioned above due to which the occupants of the positions were appointed as members of the executive management.

c) the respective person's participation to the company's capital.

According to the Company's register of shareholders, consolidated on 31.12.2013, issued by the Central Depository, no member of the executive management participates to the capital of the company.

4.3. For all the persons presented in 4.1. and 4.2. the specification of any litigation or administrative proceedings in which they were involved, in the last five years, regarding their work for the issuer, as well as those concerning the respective person's ability to perform duties for the issuer.

None of the managers of the company was involved in the last five years in any litigation or administrative proceedings.

5. Annual accounts

The presentation of an analysis of the current economic and financial situation compared to the last three years, including at least:

a) balance sheet elements: assets representing at least 10% of the total assets, cash and other liquidities; reinvested profits, total current assets, total current liabilities;

Starting the year ended 31 December 2012, the separate financial statements of the Company were prepared in accordance with the provisions of OMFP no. 1286/2012 for approving the accounting regulations compliant with the International Financial Reporting Standards applicable to companies whose securities are admitted for trading on a regulated market, with all subsequent modifications and clarifications. These provisions are aligned with the requirements of the International Financial Reporting Standards as endorsed by the European Union, with the exception of the provisions of IAS 21 The Effects of Changes in Foreign Exchange Rates regarding the functional currency.

For the purposes of the preparation of these financial statements, in accordance to Romanian legislative requirements, the functional currency of the Company is deemed to be the Romanian Leu (RON).

Synthesis of patrimonial elements:

- lei

Specification	2011	2012	2013
Total Assets , of which:	143,403,446	159,382,755	180,860,954
Fixed assets	63,961,958	64,039,443	62,144,287
Circulating assets	79,441,488	95,343,312	118,716,667
Total Liabilities, of which:	143,403,446	159,382,755	180,860,954
Social capital of which:	194,559,835	194,559,835	28.557.446
Share capital subscribed paid	27,819,090	27,819,090	27,819,090
Legal reserves	5,480,000	5,563,818	5,563,818
Other to equity	(87,075,366)	(80,816,827)	99,087,356
Current income not distributed	14,679,454	21,969,330	27,599,019
Exigible debt under one year	12,238,920	14,694,492	16,727,821
Exigible debts over one year	3,520,603	3,412,107	3,325,494

b) profit and loss account**Summary of items of income and expense:**

-lei

Specification	2011	2012	2013
Total revenues, of which:	97,626,487	103,708,051	114,972,414
Operating income	93,480,046	98,678,533	111,490,950
Financial income	4,146,441	5,029,518	3,481,464
Total expenses	79,382,210	77,458,503	82,595,541
Operating expenses, of which:	78,602,153	75,755,627	81,816,736
- material costs	21,381,014	25,133,072	28,411,122
- power, water, gas expenses	564,570	613,772	700,903
- personnel expenses	26,393,213	25,795,844	27,310,967
- depreciation of assets expenses	8,956,070	8,917,614	10,043,214
- expenses related to goods	10,891,138	1,626,766	614,140
- other operating expenses	10,416,148	13,668,559	14,736,390
Financial expenses	780,057	1,702,876	778,805
Gross result - profit	18,244,277	26,249,548	32,376,873
Income tax current and deferred	2,664,823	4,196,400	4,777,854
Net result - profit	15,579,454	22,053,148	27,599,019

Summary of actual budget indicators:

-lei

Specification	Achievements -previous year	Year 2013	
		Budget Provisions	Achievements
Total revenues, of which:	103,708,051	97,186,100	114,972,414
Operating income	98,678,533	94,738,300	111,490,950
Financial income	5,029,518	2,447,800	3,481,464
Total expenses of which:	77,458,503	77,420,600	82,595,541
Operating expenses	75,755,627	77,420,600	81,816,736
Financial expenses	1,702,876		778,805
Gross result:			
Profit	26,249,548	19,765,500	32,376,873
Income tax current and deferred	4,196,400	3,193,900	4,777,854
Net result:			
Profit	22,053,148	16,571,600	27,599,019

The indices and expenditure structure are determined by:

- Maintaining concern for providing complex services, including imported materials of good quality, but more expensive (cement and additives) or, as appropriate, with subcontracting special services at well site;
- the need of mobilization and demobilization at the objectives located at great distances from operational bases;
- provisioning with accepting the character of non-deductible expense, but with prudent and real presentation of receivables and inventories;
- increase spending on traffic on public roads in the conditions of legislation updating both by installing speedometers and obtaining vignettes, ie increased car taxes, but also restricting the circulation of heavy special vehicles;

- evolution of exchange rate RON -other currencies;
- the payments of debts to the state budget and local budgets;
- leadership through prudent management of budgets that provides consistency in identifying and managing events that could produce uneconomic costs;

The evolution of the profitability is strongly determined by the structure of the service demand for the core business and the fulfilment of occasional contracts, and by the performance of programs of strict tracking of the production costs.

The prospect of continuing the activity in the oil sector should be still positioned in the context of a demand recovery rate quite temperate also worldwide, as well as of a deteriorated consumer confidence and an economic growth negatively affected by the economic environment.

Specification	Measuring unit	Year 2011	Year 2012	Year 2013
Well Services	Equivalent operations	10,406	9,837	9,245
Average number of staff	Persons	351	343	337
Labour productivity annual average	RON/ person	227,722	272,078	321,821
Equipment fleet	Number of trucks	116	111	114

The financial result of the company's positive record is because the company has no bank loans and the financing of the operational activities are carried from own sources.

c) *cash flow: all the changes in the cash level within the primary activity, the investments and financial activities, in the cash level at the beginning and end of the period.*

Statement of Cash Flows Synthesis-indirect method

Specification	-lei		
	2011	2012	2013
0	1	2	3
Net profit before tax and extraordinary items	18,244,277	26,249,548	32,376,873
Operating profit before changes in the working capital	24,662,908	33,404,504	33,864,470
Net cash from operating activities	12,714,987	20,901,132	7,234,564
Net cash from investment activities	(3,329,066)	(8,034,401)	(3,352,594)
Net cash from financing activities	(3,940,824)	(7,545,097)	(5,523,200)
Net variation of cash and cash equivalents	5,445,097	5,321,633	(1,641,230)
Cash and cash equivalents at the beginning of the fiscal year	11,264,784	16,709,881	22,031,514
Cash and cash equivalents at the end of the fiscal year	16,709,881	22,031,514	20,390,284

The development of contracts with customers and strategic suppliers was managed in conditions of financial balance, and ensuring availability of cash for all full and timely payment of the wages, fiscal debt and dividends, during the year 2013.

All investment projects were financed from own sources.

Specification	2011	2012	2013
1 Liquidity indicators			
Current liquidity indicator	6.49	6.49	7.10
Immediate liquidity indicator	6.2	6.14	6.73
2 Activity indicators			
Turnover speed of debits - clients (days)	114.03	138.55	190.64
Turnover speed of credits – suppliers (days)	12.33	20	22.11
Turnover speed of fixed assets	1.46	1.53	1.79
Turnover speed of total assets	0.65	0.61	0.61
3 Profitability indicators			
Return on equity	0.14	0.18	0.20
Gross margin from sales	19.58	26.87	29.14
4 Indicators on earnings per share			
Earnings per share	0.06	0.08	0.10
The ratio of market price action and earnings per share	6.64	3.6	4.09

The values of the presented indicators reflect the maintenance of financial independence, even with the slower pace of receivable collection. The same time was imposed the continuation of strict cost monitoring processes.

The profitability indicators show an efficient activity of the company in the last years, under the positive impact of achieved investments, without ignoring the fact that the primary activity has been marked by the global economic environment.

6. Corporate Governance

S.C. ROMPETROL WELL SERVICES S.A. is a company listed on the Bucharest Stock Exchange - category II shares under the symbol << PTR >>, dated 18.06.1998, according to the Stock Exchange's Admission Committee decision no. 133/26 March 1998.

The Company is subject to the current legislation applicable to companies and to capital market: Law no. 31/1990 Commercial Company Law – including subsequent amendments, Law no. 82/1991 the Accounting Law – including subsequent amendments, Law no. 297/2004 on the capital market - including subsequent amendments, the National Securities Commission (CNVM) Regulation No. 1/2006 on issuers of securities and operations with securities - including subsequent amendments.

The company's administration has voluntarily adopted, self-imposed, part of the Code of Corporate Governance of Bucharest Stock Exchange (CGC-BSE), approved by the Stock Exchange Council in December 2007 and which may be found on BSE's website ([http:// www.bvb.ro / companies / CorporateGovernance.aspx](http://www.bvb.ro/companies/CorporateGovernance.aspx)) -Romanian version.

The Code of Corporate Governance of Bucharest Stock Exchange includes some recommendations, which are provisions of suppletive character of the legal acts mentioned in the above paragraph.

The Code of Corporate Governance's aim is to maximize transparency in the company's management, based on clear rules and objectives, on market consolidation and on stakeholder's confidence (shareholders, business partners, employees).

This helps to protect the rights of shareholders, improves the overall performance of the company, provides better access to capital and reduces the risks.

The Code of Corporate Governance of Bucharest Stock Exchange is structured on 19 principles and 41 recommendations, all having equal power and importance.

The implementation level, by S.C. Rompetrol Well Services S.A., of the principles and recommendations from CGC are reported in the statement "Apply or Explain"(annex no 2), according to Rec. 3 of CGC, which will be communicated to BSE together with the Annual report of 2012, and posted on the Company site, www.rompetrol.ro, under the section Investor Relations / Rompetrol Well Services SA / GSM 2013.

In accordance with the articles of incorporation, **S.C. Rompetrol Well Services S.A. is administrated in unitary system**, where the administrative powers fall on an administration board, consisting of five members, elected by the ordinary general meeting of shareholders, with a 4 years mandate.

The Administration Board has full powers in making any administrative and management decisions, other than those which the law expressly confers to the General Shareholders' Meeting. By exception, the Administration Board will exercise the powers of the General Shareholders' Meeting, powers provided in article 113, letter b, c and f of Law 31/1990, republished.

The Administration Board's decisions shall be valid if taken with the vote of the majority of present members. In case of equal votes, the president has the casting vote.

During 2013, **the Administration Board's composition** was as follows:

- Mr. Adrian - Ion Stănescu – Chairman of the Board for the period 01.01.2013 –09.05.2013
- Member for the period 10.05.2013 – 31.12.2013
- Mr. Talgat Issayev – Member for the period 01.01.2013 – 09.05.2013
- Chairman of the Board for the period 10.05.2013 – 31.12.2013
- Mr. Gheorghe Georgescu - Member
- Mr. Retayev Nurkanat – Member for the period 01.01.2013 – 28.02.2013
- Mr. Kuanysh Kudaibergenov - Member for the period 01.03.2013 – 31.12.2013
- Palmer Capital RO S.R.L. permanently represented by Mr. Cristian Robert Fäder – Member

Information about Board members:

- **Adrian-Ion Stănescu**, romanian citizen, born in 1953.

Member of the Administration Board for the period 23.11.2002–11.08.2003 and 10.05.2013-31.12.2013, and Chairman of the Board for the period 09.03.2006 – 9.05.2013.

Duration of the last mandate: from 27.04.2010 to 30.04.2014.

Education, professional qualifications, responsibilities

He is engineer, graduate of the Faculty of Mechanics – majoring in Machine Manufacturing Technology, Iasi - class of 1977, and of other specialized courses in the field of cementing operations technology, management and marketing.

He has a solid professional experience in the oil and gas industry, in various domains of this industry: the manufacture of oilfield equipment, in the technology of special operations, in the implementation of modern management practices and qualitative management of resources, in the opening of new markets and increasing the sales volume on domestic and foreign markets, holding management positions at UPETROM Ploiesti (1987-1999), ROMPETROL SA (1999-2001), ROMPETROL WELL SERVICES – General Manager for the period 01.07.2011-13.05.2013 and Deputy General Manager for the period 01.05.2003–30.06.2011 and 14.05.2013 – 31.12.2013.

- **Talgat Issayev**, Kazakh citizen, born in 1972;

Member of the Administration Board for the period 27.04.2010 - 09.05.2013 and Chairman of the Board for the period 10.05.2013 – 31.12.2013;

Duration of last mandate: 27.04.2010 until 30.04.2014.

Education, professional qualifications, responsibilities

He is engineer; graduate of the Faculty of Development and exploitation of oil and gas fields at the Gubkin Russian State University of Oil and Gas, Moscow-class of 1995, and well as of the Faculty of Finance and Credit at the Almaty Academy of Management, Kazakhstan-class of 2000.

Mr. Talgat Issayev joined the Rompetrol Group in January 2010, as Upstream Group Director. Prior to Rompetrol, he has worked for the National Company KazMunayGaz, holding management positions in the Department of Development.

He has a rich professional experience in the Kazakh Oil and Gas Industry, working in various companies such as JSC Munaygas, RosbiOil Corporation, Askam Corporation, JSC National Oil and Gas Company Kazakhoil.

In the Rompetrol Group (TRG), he is responsible for management, coordination and control in the following areas:

- Exploration and production;

- Drilling and workover activities;
- Special operations at well site (Rompetrol Well Services).

• **Gheorghe Georgescu**, Romanian citizen, born in 1952;

Member of the Administration Board since 27.04.2009;

Duration of last mandate: 27.04.2010 until 30.04.2014.

Education, professional qualifications, responsibilities

He is engineer, graduate of the Well Drilling and Petroleum and Gas Reservoirs Exploration Faculty, Ploiesti – class of 1979, and of other specialized courses in the field of drilling – extraction.

He possesses a remarkable professional experience in the Oil and Gas Industry, in the field of drilling on various structures in Greece, Sudan, Ecuador, India, Jordan, Egypt, Iraq, and of Deep Sea Drilling.

During 1982 – 1987, 1990 – 1997, 2001-2013 – he was employed by ROMPETROL SA, holding various management positions.

He is currently Deputy General Manager of ROMPETROL SA, continuing, at the same time, to direct the drilling division, which represents this company's main activity.

• **Nurkanat Retayev**, Kazakh citizen, born in 1981;

Member of the Administration Board for the period 01.10.2010 – 28.02.2013;

On March 1, 2013, Mr. Nurkanat Retayev has waived to this position.

Education, professional qualifications, responsibilities

He is engineer, a graduate of "Satpayev" Technical University in Almaty, Kazakhstan - class of 2001, of the Faculty of Development and exploitation of oil and gas fields from the "Gubkin", Russian State University of Oil and Gas, Moscow-class of 2004 and of the "Russian-French Master's degree program" specializing in: *International oil-gas affairs* at "Gubkin"- Moscow and *The Management and Economics of Petroleum* at School IFP (Institut Francais du Petrole), Rueil Malmaison, France;

He graduated from the "Japan Corporation Center Petroleum (JCCP)" specializing in: "Modern technologies of refining, FCC technology, Project Management".

He has solid professional experience in Kazakh oil industry, holding management positions in petrochemistry and commercial management.

From January 2006 - August 2009 he worked for JSC << Trade House KazMunayGaz >> as Sales Department Director and Oil Processing Department Manager.

Mr. Nurkanat Retayev joined Rompetrol Group in 2009, as Consultant on the commercial management of ROMPETROL PETROCHEMICALS SRL and during December 2010 - February 2013 he is the Deputy Commercial Director with THE ROMPETROL GROUP CORPORATE CENTER.

• **Kuanysh Kudaibergenov**, citizen of Kazakhstan, born in 1984

Member of the Administration Board since 01.03.2013;

The duration of this mandat: 01.03.2013 - 30.04.2014.

Education, professional qualifications, responsibilities

He is engineer, a graduate of the Russian State University of Oil and Gas named after I. M. Gubkin, Moscow, Russian Federation, "Oil and Gas Fields Development"-class of 2006 and the master: *International Oil and Gas Business*, Moscow State University of the Ministry Foreign Affairs of the Russian Federation-class in 2012.

Mr. Kuanysh Kudaibergenov has solid professional experience in drilling and exploration of oil and gas, working in various companies such as: Offshore Oil Company KazMunai Teniz ", Astana; The First National Drilling Company, Russian Federation; Shell International Exploration & Production BV, Rijswijk, Netherlands; Caspi Meruert Operating Company BV, Aktau, Kazakhstan; NC KazMunayGas (KMG), Astana, Kazakhstan.

• **Palmer Capital RO S.R.L.**, romanian legal entity based in Cluj-Napoca str. Cometei nr. 5 corp I ap.5, CUI 18128488, J12/ 1885/2009, represented by the administrator – Mr. Făder Cristian Robert, having as **permanent representative Mr. Făder Cristian Robert** in accordance with management contract no. 54/2010 and Addendum no. 1 related to this contract.

He is member of the Administration Board since 27.04.2010;

Duration of mandate: 27.04.2010 until 30.04.2014;

Cristian Robert Făder is a Romanian citizen, born in 1980;

He graduated the Faculty of European Studies from "Babeş-Bolyai" University Cluj-Napoca, with special accent on the European Institutions Management. He has experience in financial services, investment fund management, capital market. From 2007 he is the manager of Palmer Capital RO SRL (former Middle Europe Investments SRL).

The Administration Board evaluated the independence of its non-executive members under the criteria provided in Art. 138 ^ 2 of Law no. 31/1990 - Commercial Company Law, republished and updated and in Recommendation 16 of the Code of Corporate Governance of Bucharest Stock Exchange.

Therefore, the administrator of Palmer Capital RO SRL, a Romanian legal person who is permanently represented by Mr. Cristian Robert Fäder, is independent.

In 2013 a number of 14 meetings of the Administration Board were held, the administrators' participation in these meetings being as follows: Adrian - Ion Stănescu - 14 meetings, Talgat Issayev - 14 meetings, Gheorghe Georgescu - 14 meetings, Kuanysh Kudaibergenov - 13 meetings, Palmer Capital RO S.R.L. represented by Cristian Robert Fäder - 12 meetings.

All the Administration Board's meetings were presided over by the President. Topics and projects relevant to the Company's business were brought into discussion. Decisions were adopted, taking into account the legal provisions, the regulations, the articles of incorporation and internal incident procedures. The decisions were taken by the "in favour of" vote expressed by the majority of those present, according to the Articles of Incorporation. From the analysis of the manner in which they have been met, it resulted that all decisions taken have been achieved.

The Board of Directors has not created so far advisory committees (committees for appointment, remuneration and audit).

For the tax year of 2013, in accordance with the law, directors' remuneration was approved by the Ordinary General Meeting of Shareholders on April 30, 2013.

Information on the remuneration costs of directors' and managers' with mandate is given in the annual financial statements.

The company has a **financial auditor** and **an internal auditor** who worked in accordance with applicable laws and contracts concluded in this regard.

The department of Budgets & Controlling ensures internal audit responsibilities.

The internal control of the company is to monitor compliance with regulations, internal memos, decisions of the General Manager and Board of Directors, as applicable, regarding specific work procedures and flow of documents, identifying each approval level both interdepartmental and within the commitments of the company with third parties. The control targets the application of internal control rules and procedures for all hierarchical and functional levels: approval, authorization, verification, evaluation of operational performance, securing assets, segregation of duties. The system is characterized by flexibility, feature that provides timely adaptation to changes in legislation and implementation of procedures agreed at level group by Rompetrol.

Since 2008, the **financial auditor** has been "Ernst & Young Assurance Services SRL". The financial auditor has audited the annual financial statements.

Executive Leadership

In 2013, the company's executive management is provided by the following directors:

- Mr. Adrian - Ion Stănescu - General Manager for the period 01.01.2013 – 13.05.2013
- Mr. Valeriu Sverdlov - General Manager for the period 14.05.2013 – 31.12.2013
- Mr. Adrian-Ion Stănescu– Deputy General Manager for the period 14.05.2013 – 31.12.2013
- Mr. Dorin Guef – Finance Director for the period 01.01.2013 – 14.09.2013
- Mr. Vasile Gabriel Manole - Finance Director for the period 15.09.2013 - 31.12.2013
- Mrs. Dumitru Valerica - Director Economic Adjunct în perioada 01.01.2013 – 14.09.2013
- Mr. Dorin Guef - Deputy Finance Director for the period 15.09.2013 - 31.12.2013

The mandate term for the General Manager and Finance Director ends on 30.04.2014.

Shareholders' rights

S.C. ROMPETROL WELL SERVICES S.A. ensures fair treatment of all shareholders, including minority and foreign shareholders, in accordance with the law and the Articles of Incorporation of the Company.

The company uses all its best efforts to facilitate shareholders' participation in the works of the General Meeting of Shareholders (GMS). Shareholders of ROMPETROL WELL SERVICES have the opportunity to participate in the GMS directly, through a representative based on special power of attorney or can vote by mail (by sending the vote form by mail of any delivery form or by e-mail with electronic signature incorporated under Law no. 455/2001 on electronic signature).

According to Article 11 of the Articles of Incorporation of the Company updated on April 27, 2010 in conjunction with the applicable laws, the **Ordinary General Meeting** shall meet at least once a year within the mandatory deadline required by law, and has the following main tasks:

- a) discuss, approve or modify annual financial statements based on reports submitted by the Board of Directors and the financial auditor, and to determine the dividends;
- b) elect and dismiss directors of the company;
- c) appoint and fix the minimum duration of the financial audit agreements and revoke the financial auditor;
- d) fix for every current year the remuneration due to directors;
- e) to decide on management directors;
- f) review the work of the Board and Directors and to decide the prosecution of directors for the damage to the company, designating the person responsible to exercise it;
- g) to determine the income and expenditure budget and, where appropriate, the working program, for the following tax year;
- h) decide pledging, leasing or closing of one or more units of the company;
- i) approve the maximum limits of remuneration of persons occupying / exercising management positions when required by applicable law;

The **Extraordinary General Meeting** has the following duties:

- a) changing the legal form of the company;
- b) relocating the company;
- c) changing the object of the company;
- d) the establishment or closure of subsidiaries: branches, agencies, offices or other such units without legal personality, unless otherwise provided by the Articles of Incorporation;
- e) prolongation of company duration;
- f) increase of registered capital;
- g) reduction of registered capital or replenishment by issuing new shares;
- h) merger with another companies or division of the company;
- i) anticipated dissolution of the company;
- j) conversion of shares from one category to another;
- k) conversion of a category of bonds into another category or in shares;
- l) issue of bonds;
- m) approves the adoption / conclusion of legal documents on behalf of the company whose object is worth more than USD 10 million;
- n) any other amendment to the Articles of Incorporation or any other decision for which approval is requested from the Extraordinary General Meeting.

The Extraordinary General Meeting designates the Board of Directors with the exercise of powers provided in letters b) and c) of the above line.

The Extraordinary General Meeting may delegate the Board of Directors with the capital increase in accordance with the provisions of Art. 236 of Law no. 297/2004 on the capital market.

Conducting the Annual General Meeting of Shareholders

The General Meeting of Shareholders is convened by the directors whenever need be, by publication of an announcement in the Official Gazette of Romania, Part IV, and in one of widespread local or national newspapers in the locality where the company has its registered office. The summons will include: location, date and time of the meeting, with an explicit agenda

of all matters that will be subject to debates of the Assembly and any other terms provided for by the capital market.

When the agenda includes proposals to amend the Articles of Incorporation, the call will include the full text of the proposals.

When the agenda includes the election of directors, the call will contain the mention that the list with the names, domicile and professional qualifications of the persons proposed for the position of administrator is available to shareholders and can be accessed and completed by them.

In the notice for the first General Meeting there will be set the day and time for the second meeting, if the first one could not be held. If the day fixed for the next General Meeting is not mentioned in the notice, it could be convened within a minimum of 8 days.

The General Meeting may meet at the Company headquarters or in other place determined in the convening notice by directors. Shareholders may also be represented in the General Meeting by persons who do not have the capacity of shareholder of the Company.

The General Meeting is chaired by Chairman of the Board of Directors or by a person appointed by him, who designates, among the members of the General Meeting of Shareholders or one of the shareholders of the company, one to three secretaries, plus a technical secretary among the employees. They will draw the attendance list of shareholders, by checking the following:

- identity documents of people who come to the General Meeting as shareholders or their authorized proxies;

- special power of attorney submitted by the shareholders' proxies. It will be considered that the power of attorney is valid only for the General Meeting of Shareholders for which it was requested;

- forms to vote by mail.

The secretary of the meeting shall also verify the fulfillment of the legal requirements on the quorum present for the validity of General Meetings.

If the Ordinary or Extraordinary General Meeting cannot work due to failure of the legal requirements on attendance, the meeting that will meet at a second convocation may deliberate on the points on the agenda of the first meeting, regardless of the quorum, taking decisions through the majority of expressed vote.

After submitting the documents in the agenda, the issues debated by shareholders are voted on by the Chairman of the Meeting.

The General Meeting decisions are taken by open vote, except for the cases when the General Meeting decides that voting should be secret or the law requires a secret ballot.

Each share entitles to one vote in the General Meeting. The person representing more shareholders based on special powers of attorney expresses the votes of persons represented by the aggregation of the number of votes "for", "against" and "abstention" without offsetting them (e.g. "on the x point of the agenda I represent "x" votes "for", "b" votes "against" and "c" abstentions "). Votes so cast are validated or, where appropriate, invalidated, based on the third copy of special powers of attorney by the secretary of the General Meeting. The votes included in the special power of attorney are exercised only in the manner desired by the shareholder.

The Secretary or Secretaries of the meeting, based on the vote freely expressed by shareholders, will prepare the minutes of the General Meeting.

Decisions adopted by the General Meetings of Shareholders in 2013:

The Ordinary General Meeting of Shareholders of S.C. ROMPETROL WELL SERVICES S.A. dated **April 30, 2013** decided the following:

- approves the annual financial statements for the tax year 2012.
- approves coverage of accounting loss carried forward from the application for the first time application of IAS 29 "Reporting in Hyperinflationary Economies" in the amount of 166,002,389 lei, from equity, namely from " Adjustments to the share capital "
- approves the allocation of profit obtained in the tax year 2012- in accordance with the law. approves the distribution of a gross dividend per share of 0.029 lei for 2012 to shareholders registered in the Register of Shareholders on May 20, 2013 (date of registration).

The dividend payment deadline is of 6 months after the General Meeting of Shareholders setting dividends, deadline provided in Art. 238 line 2 of Law no. 297/2004.

- approves the termination of the mandate of member of the Board of Directors of Mr. Retayev Nurkanat, further to his request to resign from this position as of March 1, 2013.
 - approves election as member of the Board of Directors of the Company, for a term that starts with 01/05/2013 and expires on 04/30/2014 in the same time with mandates current members of the Board of Directors, of Mr. Kuanysh Kudaibergenov , further to the resignation from the capacity of director of the Company of Mr. Retayev Nurkanat.
 - approves the financial management discharge for the tax year 2012.
 - approves the income and expenditure budget for 2013.
- Approves the budget of the investment activity for 2013 amounting to 2,675 thousand dollars.
- approves the remuneration due for the tax year 2013 of the members of the Board of Directors of the Company for the year 2012.
 - approves the dissolution of the working point located in Zădăreni locality, Arad County.

The General Extraordinary Meeting of the Shareholders of S.C. ROMPETROL WELL SERVICES S.A. dated **June 13, 2013** decided the following:

- Subject to unanimous vote, it is hereby approved the incorporation of a Rompetrol Well Services branch in IRAQ - Kurdistan region.
- Subject to unanimous vote, it is hereby approved the incorporation of a Rompetrol Well Services branch in Iraq, pursuant to the transfer of the activity conducted by the branch "Rompetrol SA, Rompetrol Company Iraq", the new branch following be headquartered in Baghdad.
- Subject to unanimous vote, it is hereby approved the incorporation of a Rompetrol Well Services branch in Libya, pursuant to the transfer of the branch "Rompetrol SA Libya Libyan Branch Rompetrol SA" from Rompetrol SA to Rompetrol Well Services SA.
- Subject to unanimous vote, it is hereby approved that the Company's Board of Directors be authorized to execute and validate transactions having as scope fixed assets of the Company with an aggregate value during the financial year 2013 which can exceed 20% of the total fixed assets, less liabilities, however not more than USD 35,000,000. These transactions may stand for deeds of purchase, conveyance, exchange and creation of securities, as well as other subsequent or ancillary documents needed for the execution of such transactions.
- Subject to unanimous vote, it is hereby approved that the Company's Board of Directors be authorized and empowered to carry out any and all legal deeds that may be necessary for the fulfilment of the resolutions adopted by the General Extraordinary Meeting concerning the activity transfer in Libya and Iraq.

The General Extraordinary Meeting of the Shareholders of S.C. ROMPETROL WELL SERVICES S.A. dated **November 12, 2013** decided the following:

- Legally constituted General Assembly was unable take an valid decision on "Approval of the Assessment Report prepared by the expert valuator KPMG Advisory SRL (headquartered in Bucharest, Sector 1, Victoria Business Park, DN1, 69-71 Soseaua Bucuresti-Ploiesti, DN1, registered with the Trade Registry under no. J40/1829/1995, having sole registration code RO2627023) concerning the assessment of the assembly of operating assets in the patrimony of Rompetrol SA (headquartered in Bucharest, 3-5 Piata Presei Libere, City Gate Northern Tower, 6th Floor, sector 1, registered with the Trade Registry under no. J40/9709/2001, having sole registration code RO3347498) pertaining to the activity "*services ancillary to crude oil and natural gas extraction*" conducted by ROMPETROL SA on the territory of Romania and Libya, for the purpose of carrying out the operation under item 2 of this agenda." whereas the votes cast at the meeting did not meet the majority of votes held by the shareholders present or represented, in accordance with art. 13.1 of the Constitutive Act corroborated with art. 115 paragraph 2 of Law no. 31/1990.
- Legally constituted General Assembly was unable take an valid decision on "Approval of the acquisition by the Company, via purchase, of the ownership title over the assets consisting of land plots, fixed assets (buildings and constructions, technological equipment, measurement devices and installations, office equipment, IT equipment, means of transportation, other tangible assets), stocks and other intangible assets resulting (goodwill), pertaining to or related to the activity << services ancillary to crude oil and natural gas extraction >> conducted by ROMPETROL SA on the territory of Romania and Libya, as such have been identified in the appendixes of the Assessment Report provided under point 1) above, over which ROMPETROL SA has an ownership title." whereas the votes cast at the meeting did not meet the majority of votes held by the shareholders present or represented, in accordance with art. 13.1 of the Constitutive Act corroborated with art. 115 paragraph 2 of Law no. 31/1990.

- Legally constituted General Assembly was unable take an valid decision on " Approval of the take-over by the Company, subject to the same terms and conditions, of all the Agreements concluded by Rompetrol SA with third parties – either legal entities or individuals – that are necessary for the conduct of the activity "*servicis ancillary to crude oil and natural gas extraction*" carried out by ROMPETROL SA on the territory of Romania and Libya, including (however without limitation):

- a) Transfer of the personnel involved in the activities specified above, in compliance with the provisions of the applicable labour legislation;
- b) Commercial agreements together with all their related guarantees;
- c) Loan agreements together with all their related guarantees."

whereas the votes cast at the meeting did not meet the majority of votes held by the shareholders present or represented, in accordance with art. 13.1 of the Constitutive Act corroborated with art. 115 paragraph 2 of Law no. 31/1990.

- Legally constituted General Assembly was unable take an valid decision on " Authorization of Mr. Adrian Ion Stanescu, Deputy General Manager of the Company and Mr. Dorin Guef, Deputy Finance Manager of the Company, to carry out any and all legal formalities and to sign for and on behalf of the Company all the deeds approved by the GEMS, the said persons being authorized as well to sub-appoint third parties to this effect. " whereas the votes cast at the meeting did not meet the majority of votes held by the shareholders present or represented, in accordance with art. 13.1 of the Constitutive Act corroborated with art. 115 paragraph 2 of Law no. 31/1990.

Shareholders' rights to dividends

If the General Meeting of Shareholders approves the distribution of dividends from the net profit of the company, are entitled to receive dividends all shareholders registered in the register of shareholders on the record date approved by the General Meeting approving also the value of dividends and the time they are paid to shareholders.

The Ordinary General Meeting of Shareholders of April 30, 2013 approved the distribution of a gross dividend per share of 0.029 lei for 2012 to shareholders registered in the Register of Shareholders on May 20, 2013 (date of registration). The information on paying dividends for the tax year 2012 were presented in a report currently submitted to the Bucharest Stock Exchange and Financial Supervisory Authority in August 22, 2013, and in the press release of August 23, 2013 published in BURSA newspaper. All these information were posted also on Company's web site.

Transparency, communication, financial reporting

S.C. Rompetrol Well Services attaches great importance to transparency in communication. Considering that the confidence of the public is essential to the company, the company transforms its communication policy into an explicit and mutual commitment between the company and its interlocutors. The fulfilment of reporting obligations and transparency of communication are ways to win the confidence of investors.

The company aims to ensure a continuous and periodic reporting in an objective and honest manner, covering all important aspects of company business, financial status, applied accounting policies, recorded performances.

During 2013 there have been prepared reports and press releases about financial results, summons and decisions of GMS, regular reporting (monthly, quarterly, annual), distributing dividends, etc. The information being subject to mandatory reporting - current and periodic reports - was also presented on the Company's website, www.rompetrol.ro in the section Relații cu Investitorii/Rompetrol Well Services/Prezentări (Investor Relations/Rompetrol Well Services/Presentations).

In order to ensure equal access to information for investors, the posting on the Company's website of reports and press releases addressed to the market participants is made after being posted on the market operator, which is the BSE.

In accordance with the law, the accounting and financial statements of Rompetrol Well Services and the ones related to operations are audited by Ernst & Young Assurance Services SRL, an independent financial auditor appointed by the General Meeting of Shareholders of April 26, 2012 for a period of two years.

Social responsibility

S.C. Rompetrol Well Services S.A. actively supports all programs of social responsibility of TRG. **The Rompetrol Group** (TRG) considers social responsibility a voluntarily assumed contribution to social development, working closely with the company activity, international laws and resources of the Group.

Our commitments to corporate social responsibility:

1. Sustainable, responsible development, which extends beyond the operations undertaken by us;
2. Acting ethically and responsibly in terms of safety, health and welfare of our employees and partners in the industry;
3. Best corporate governance practices since they affect all stakeholders, including our employees, local and regional communities, suppliers, investors and partners;
4. Investing time and energy in promoting leadership by entrepreneurial and educational initiatives.

Our commitment to corporate social responsibility provides work principles for all management decisions and we focus on the use of best practices in the industry encouraging the participation of the company and the community in joint projects to raise standards in areas such as: success in business, environment, health and safety, social responsibility, youth education and leadership

Basic principles

The Rompetrol Group approach concerning corporate social responsibility is reflected in the motto of the group „living energy”, which is a call to active continuous involvement in projects that meet our goals concerning corporate social responsibility.

Rompetrol Group defines the following basic principles of its policy of corporate social responsibility:

1. Respect/Consideration to employees: To respect and help the employees to improve their lifestyle through development opportunities and employment practices based on equal opportunities and on best professional and safety practices.
2. Continuous involvement: The involvement to an adequate level of the authorities, community, and other persons interested in all the decisions affecting them.
3. Health and Safety: To ensure health and safety for our employees, suppliers, and the communities where we operate.
4. Risk management: To identify, assess, manage and mitigate risks related to the communities hosting us, to employees, contractors, environment and our business.
5. Education and Leadership: To promote leadership, particularly to young people through civic engagement and educational activities which encourage initiatives of social and entrepreneurial responsibility.
6. Consideration to local communities: To respect, protect and promote human rights, culture, customs and communities' values where we operate.
7. Best practices: We respect the ten principles of the United Nations Global Pact regarding human rights, work, environment and anti-corruption.

In order to comply with basic principles of the Group, the following rules shall be observed:

- All projects concerning corporate, social responsibility will be accomplished in the spirit of transparency, fairness and respect of human rights and labour practices and anti-corruption.
- All projects concerning corporate, social responsibility require a proactive response from all employees and are coordinated by the Communication and Corporate Affairs Department.
- All projects concerning corporate, social responsibility are review, monitored and continuously measured.
- The company will support projects promoting the development of social involvement between interested parties.

The Rompetrol Group, as a socially responsible company, is committed to the ongoing implementation and improvement of the quality of social activities in the following main directions:

1. Social Partnership and Sponsorship
2. Environment Protection
3. Development of Human Resources
4. Health and job security

1. Social Partnerships and Sponsorships

Rompetrol Group continued to provide support for projects related to environmental, health, sport, culture and education. In 2013, TRG has invested over 1.1 million dollars in projects to support the development of local communities.

♦ **"Together for each and everyone"** (fifth edition) 16 health and the environment projects were funded, with a total budget of \$ 250.000. All projects had two components: one that involved the rehabilitation of health facilities in rural and urban or construction of water sump, of environmentally-friendly water recycling, solar panels for schools, and the second which consisted in cultural and educational activities for community members.

♦ Partner of **George Enescu International Festival**

♦ In health, TRG, **SMURD Foundation** and Inspectorate General Aviation (IGAV) continued partnership to support the overhead emergency interventions, medical personnel movement and transportation of victims. In this cooperation, TRG by RRC provides since 2010 a monthly amount of Jet A1 fuel, the quantity estimated for three helicopters operating in Bucharest, Târgu Mureş and Arad.

♦ "Each child in kindergarten" – national campaign initiated by **Ovidiu Ro Association**. This partnership began in 2004, said: training programs for school, supplies, uniforms and free hot meals for children from disadvantaged families, incentives in the form of coupons for food, education and enforcement of children's rights, etc.

♦ Since 2003 Rompetrol is a partner and sponsor of the **Civil Society Gala** – annual competition in which the best projects are awarded the year, projects initiated by NGOs, unions, individuals, etc.

2. Environmental Protection

The main objective of environmental TRG is to develop activities in full compliance with applicable environmental legislation in each country in which TRG has operations.

Rompetrol Group's environmental strategy focuses on the following aspects:

- Compliance with national laws and international environmental;
- Minimizing environmental incidents;
- Minimize consumption of natural resources and the amount of waste generated, especially hazardous;
- Optimizing operations and technologies used to improve energy efficiency and reduce emissions of various kinds of pollutants, particularly greenhouse gas emissions;
- Improving environmental management system certificate (ISO 14001), implemented in all Group entities;
- Continuous training of specialized personnel in the field;
- Ensure good communication within the Group and the public interest - public authorities, NGOs, etc.

3. Human Resources

Training and Development

In 2013, "Rompetrol Group" continued to support the human capital development and expanding it by training employees to provide skills and business competences necessary to achieve the objectives.

Romp petrol Program - Performance Management

Performance Management is the planning and objective evaluation of the individual contribution of each employee to team results is part of the company and the group, using means such as Performance Indicators (KPIs). These indicators chosen to monitor the performance of strategic objectives and outcomes are important in measuring the success of an organization's activities and growth. Performance Indicators make objectives quantifiable by providing visibility into individual performance, team, department, organization and enable decision makers to act to achieve the desired results.

As a result, the performance management process aligns employees to company culture, motivates them to focus on results and promote behaviors and attitudes associated with the performance.

To have a high efficiency each employee should know exactly what the company's expectations of him / her, expectations about results and behavior, the priorities, each employee must be informed constantly on its current performance and how to measure them.

During the assessment, comparison of performance indicators made to the values initially facilitate immediate identification of areas for improvements and in the same time, show potential to optimize business processes.

Since 2014, performance evaluation will be done for all employees regardless TRG entity they belong, city, hierarchical level, seniority and other criteria.

Romp petrol Internship Programs

Romp petrol Group strategy is to attract the most talented by conducting internship program. University graduates and master can access this program gives them the opportunity to apply theoretical knowledge received during university studies.

The program was initiated at the end of 2013 already brings tangible results, three interns, participants in this project have become employees of Rompetrol.

Romp petrol target is talented students with academic and very good references. For this reason the company has initiated strategic partnerships with the Academy of Economic Studies, University "Ovidius" University of Constanta and Ploiesti Oil and Gas, three universities in the country which is the guarantee of quality education in line with European standards and qualifications which are recognized in any country in Europe. The project aims to actively participate in university life by supporting events for (employment fairs, career days, Conferences, mentoring programs, simulations of interviews for students). In this way the visibility of company Rompetrol among students and teachers grow and position the Group as a reliable partner that invests in education.

4. Health and Safety

Objective: Our QHSE Strategy include health promotion and imposition of high medical standards for healthcare providers operative.

Medlife operative care provider is responsible for providing medical services, including occupational health activities required by law. QHSE objectives established by our strategy include higher standards for all clinics Medlife and regular assessments of health.

To encourage health and wellbeing, we are involved in health promotion activities, such as the Campaign for ergonomics and healthy working conditions.

Moreover, we have prepared employees for medical emergencies, running training on first aid and evacuation simulation exercises.

In 2012 and 2013 - more than 2,000 people at Group level graduate courses in first aid.

Objectives in 2014

- Maintaining and improving performance indicators QHS - 1.5% maximum target;
- Implement a program to improve the rate of slight injuries in the entities of the group Rompetrol online training platform, dedicated training on specific requirements for QHSE, workshops organized in collaboration with health care providers for the purpose of prevention (prophylaxis organized with the specific based medical diagnosis prevailed in 2013);

7. Appendices

a) articles of incorporation of the commercial company, if they have been modified during the reporting year;

The Society's article of incorporation has not been modified in 2013.

b) major contracts concluded by the commercial society during the reporting year;

S.C.ROMPETROL WELL SERVICES S.A. Ploiești, as **provider-supplier**, has developed its activity based on contracts, whose object was services delivery related to oil and gas extraction.

In terms of **service contracts** concluded with various internal beneficiaries, the situation at the end of 2013 is as follows:

BENEFICIARY	Contract value (lei)	Total Income (lei)
	2013	2013
OMV PETROM S.A. BUCURESTI	(*)	63,365,429
ROMPETROL S.A.	(*)	17,694,429
AMROMCO SRL PLOIESTI	(*)	8,064,903
PETROFAC SOLUTION& FACILITIES SUPORT SRL	(*)	7,129,605
S.N.G.N. ROMGAZ S.A. MEDIAS	(*)	6,759,627
WEATHERFORD INTERNATIONAL EASTERN EUROPE SRL	(*)	4,175,403
ALTI OPERATORI -INTERN	(*)	9,144,248
ALTI OPERATORI - EXTERN	(*)	1,076,615

(*) There were contracts in execution in 2013 without total value specifications.

c) resignation/dismissal acts, if there were such situations among the members of the administrative department, executive management, auditors;

The withdrawal request of the administrator Nurkanat Retayev

d) list of company's subsidiaries and societies under its control;

S.C.Romp petrol Well Services S.A. has no subsidiaries or societies under its control.

e) list of persons affiliated to the company^[1]

S.C. Rompetrol Well Services S.A. is part of the Rompetrol Group.

Romp petrol Group is registered to National Commission of Transferable Securities (NCTS) and at 31.12.2013 consisted of the following companies:

- The Rompetrol Group N.V.
- Rompetrol S.A.
- Rompetrol Downstream S.R.L.
- Rompetrol Rafinare S.A.
- Palplast S.A.
- Ecomaster Servicii Ecologice S.R.L.
- Rompetrol Logistics S.R.L.
- Rominserv S.R.L.
- Rom Oil S.A.
- Global Security Sistem S.A.
- Uzina Termoelectrică Midia S.A.
- Rompetrol Petrochemicals S.R.L.
- Rompetrol Quality Control S.R.L.
- Rompetrol Financial Group S.R.L.
- Rompetrol Gas S.R.L.
- Midia Marine Terminal S.R.L.

^[1] As Government Emergency Ordinance no. 28/2002 which defined the term "affiliated person" was repealed, and in the absence of another legislative act issued by the capital market institutions to define this term at this point all the companies within Rompetrol Group were listed.

- The Rompetrol Group Corporate Center S.R.L.^[2]
- Byron Shipping S.R.L.
- EPPLN SAS (Entrepot Petrolier de Port La Nouvelle)
- Rominserv Valves Iaifo S.R.L.
- Byron Shipping LTD
- Întreprinderea Mixta "Rompetrol Moldova" S.A.
- Rompetrol Georgia LTD
- Rompetrol France SAS
- Dyneff SAS
- Dyneff Espagne SL
- BIONEFF SL
- Dyneff Gas Stations Network SL
- TMP SAS (Terminal Midi Pyrenees)
- DPPLN SAS (Depot Petrolier de Port-la Nouvelle)
- AGAT LTD.
- Rominserv Kazahstan LLC
- TRG PETROL TICARET ANONIM ŞİRKETİ
- Rompetrol Bulgaria AD
- KazMunayGaz Trading A.G.^[3]
- Rompetrol Energy S.A.
- Rompetrol Albania Downstream Sh.A - liquidation proceedings
- Rompetrol Albania Wholesale Sh.A - liquidation proceedings
- Rompetrol Albania ShA - liquidation proceedings
- Rompetrol Distribution Albania Sh.A. - liquidation proceedings
- KMG Investments B.V.
- Rompetrol Exploration and Production S.R.L.^[4]
- KazMunayGas Engineering B.V.^[5]

**CHAIRMAN OF THE ADMINISTRATION BOARD,
Mr. Talgat ISSAYEV**

**GENERAL MANAGER,
Mr. Valeriu SVERDLOV**



**FINANCE MANAGER,
Mr. Vasile Gabriel MANOLE**

(Handwritten signature of Vasile Gabriel Manole)

[2] Din 06.03.2014, cu denumirea de KMG ROMPETROL S.R.L.
 [3] By the end of March 2013 under the name Vector Energy A.G.
 [4] Incorporated on 25.10.2013
 [5] Incorporated on 02.07.2013

Anexa 1-a

OPERATIONAL REVENUES

NAME ASSORTMENT	2011		2012		2013	
	ACTUAL RON	%	ACTUAL RON	%	ACTUAL RON	%
1	2	3	4	5	6	7
Down-hole String	1.699.749,320	1,77	2.141.909,000	1,93	7.234.635,090	6,49
Slick Line Unit	3.568.825,890	3,73	4.387.196,000	3,96	2.504.521,330	2,25
Cementing Unit	40.829.810,240	42,62	46.960.624,000	42,37	54.389.196,610	48,78
Tank Truk	1.257.951,840	1,31	871.334,000	0,79	972.960,970	0,87
Power Tongs	1.769.573,630	1,85	4.344.259,000	3,92	4.323.000,120	3,88
Solution, spacer preparation	516.036,280	0,54	1.109.395,000	1,00	953.609,360	0,86
Lab Analisis	1.212.053,070	1,27	548.551,000	0,49	1.615.941,980	1,45
Bulk Truck	5.688.288,320	5,94	4.166.874,000	3,76	6.657.038,410	5,97
Non-fired Nitogen	1.725.137,170	1,80	1.898.875,000	1,71	1.588.187,890	1,42
Nitrogen Tank	974.900,820	1,02	700.531,000	0,63	769.300,020	0,69
Rental equipments	2.642.545,480	2,76	3.546.961,000	3,20	4.428.284,310	3,97
Rental tools	490.276,640	0,51	478.289,000	0,43	623.784,200	0,56
Data Acqutsition System	1.621.059,000	1,69	2.412.301,000	2,18	2.958.411,760	2,65
Cement Silo	28.250,000	0,03	53.196,000	0,05	333.506,000	0,30
Separator	6.195,600	0,01	2.995,000	0,00	0,000	0,00
Chlorine Hydride Tank	1.234.564,410	1,29	1.675.815,000	1,51	1.558.441,630	1,40
Nitrogen	103.180,000	0,11	2.011.118,000	1,81	1.801.223,940	1,62
Mileage	281.574,950	0,29	926.740,000	0,84	1.127.216,280	1,01
Others	30.153.901,340	31,47	32.600.203,000	29,41	17.651.690,100	15,83
OPERATIONAL REVENUES						
SC Rompetrol Well Sevices S.A.	95.803.874,000	100,00	110.837.166,000	100,00	111.490.950,000	100,00

STRUCTURE OF TURNOVER

NAME ASSORTMENT	2011		2012		2013	
	ACTUAL RON	%	ACTUAL RON	%	ACTUAL RON	%
1	2	3	4	5	6	7
Down-hole String	1.699.749,320	1,78	2.141.909,000	2,03	6.853.167,090	6,17
Slick Line Unit	3.568.825,890	3,74	4.387.196,000	4,16	2.504.521,330	2,25
Cementing Unit	40.829.810,240	42,76	46.033.884,000	43,69	54.389.196,610	48,95
Tank Truk	1.257.951,840	1,32	871.334,000	0,83	972.960,970	0,88
Power Tongs	1.769.573,630	1,85	4.344.259,000	4,12	4.323.000,120	3,89
Solution, spacer preparation	516.036,280	0,54	1.109.395,000	1,05	953.609,360	0,86
Lab Analisis	1.212.053,070	1,27	548.551,000	0,52	1.615.941,980	1,45
Bulk Truck	5.688.288,320	5,96	4.166.874,000	3,95	6.657.038,410	5,99
Non-fired Nitrogen	1.725.137,170	1,81	1.898.875,000	1,80	1.588.187,890	1,43
Nitrogen Tank	974.900,820	1,02	700.531,000	0,66	769.300,020	0,69
Rental equipments	2.642.545,480	2,77	3.546.961,000	3,37	4.428.284,310	3,99
Rental tools	490.276,640	0,51	478.289,000	0,45	623.784,200	0,56
Data Acquisition System	1.621.059,000	1,70	2.412.301,000	2,29	2.958.411,760	2,66
Cement Silo	28.250,000	0,03	53.196,000	0,05	333.506,000	0,30
Separator	6.195,600	0,01	2.995,000	0,00	0,000	0,00
Chlorine Hydride Tank	1.234.564,410	1,29	1.675.815,000	1,59	1.558.441,630	1,40
Nitrogen	103.180,000	0,11	2.011.118,000	1,91	1.801.223,940	1,62
Mileage	281.574,950	0,29	926.740,000	0,88	1.127.216,280	1,01
Others	29.838.962,340	31,25	28.061.253,000	26,63	17.651.690,100	15,89
TURNOVER	95.488.935,000	100,00	105.371.476,000	100,00	111.109.482,000	100,00

Principle/ Recommendation		Question	YES	NO	If NOT, please EXPLAIN
P19		Is the issuer managed under a dualist system?		x	Romp petrol Well Services adopted a unitary administrative system which meets the current needs of Society regarding proper administration and business management.
P1	R1	Has the issuer drawn up the By-laws/Corporate Governance Regulations to describe the main aspects of the corporate governance?		x	Regulation of Corporate Governance (RCG) is in the process of development.
		The By-laws/Corporate Governance Regulations are posted on the company website, indicating the date of the last update?		x	Relevant information related to corporate governance has been posted on the Company's website through the Annual Report.
	R2	In The By-laws/Corporate Governance Regulations are there defined the corporate governance structures, positions, components and responsibilities of the Board of Directors (BD) and of the executive management?		x	Are defined in published support documents.
	R3	Does the issuer's Annual report provide for a chapter on corporate governance where they describe all the relevant events related to the corporate governance, recorded during the previous financial exercise?	x		
		Does the issuer circulate on the company website the information related to the following aspects of their corporate governance policy: a) a description of their corporate governance structures?		x	RCG is in the process of development.
		b) the updated articles of incorporation?		x	The amendments to the articles of incorporation have been published with GMS materials where they were approved.
		c) the operation bylaws/essential aspects for each specialty?		x	These information will be disseminated after the completion of RCG.
		d) the "Comply or explain" Statement?	x		
e) the list of the BD members mentioning which members are independent and/or nonexecutive, of the members of the executive management and those of the specialty commissions/committees?		x		They can be found in the chapter of corporate governance from the managers' annual report	

		f) a brief description of the CV for each BD member of the executive management?		x	BD members' CVs have been published with the GMS materials in which they were elected
P2		Does the issuer abide by the rights of the financial instrument holders, providing them with the equal treatment and submitting to the approval any modification of the rights in the special meetings of these holders?	x		
P3	R4	Does the issuer publish in a spate part of the website the details of the General Meetings of Shareholders (GMS): a) GMS summons?	x		
		b) materials/documents corresponding to the agenda as well as any information on the agenda?	x		
		c) special power of attorney forms?	x		
	R6	Has the drawn and proposed to GMS the procedures for the efficient and proper development of the GMS agenda without any damage to the right of any shareholder to express their free opinion on the debated topics?	x		The company directly applies the incident legal provisions (Law no. 31/1990, National Commission of Transferable Securities (NCTS) Regulations no. 1/2006 and no. 6/2009) and Society's Articles of Corporation, ensuring strict compliance.
	R8	Does the issuer publish in a spate part of the website the details of the shareholders' rights as well as the regulations for the attendance at GMS?	x		The informative material of each GMS is presented in the notice to attend, in order to facilitate the compliance.
		Does the issuer provide the information in due time (immediately after the GMS) of all the shareholders through the separate section on their website: a) on the decisions made within GMS?	x		
		b) on the detailed result of the vote?	x		
		Do the issuers circulate through the special section of the website, that is easily identifiable and accessible: a) a) current/communicated reports?	x		
		b) the financial schedule, the annual reports, the quarter and semester reports?	x		
R9	Is there within the issuer's company a special department/person dedicated to the relation with the investors?	x			
P4, P5	R10	Does the BD meet at least once a trimester for the monitoring and the activity of the issuer?	x		
	R12	Does the issuer have a set of rules referring to	x		

		the reporting conduct and obligations of the transactions of the shares or other financial instruments issued by the company ("company assets") made on their name by the directors and other persons?			
		If a BD member or a member of the executive management or any other person made on their interest a transaction with the company deeds, then, the transaction is circulated through the company website, according to the corresponding Regulations?	x		The information is disseminated also by SSIF where the transaction is done. These notifications are also published on BVB' site.
P6		Does the structure of the Board of Directors of the Issuer provide a balance between the executive and nonexecutive members (and especially independent nonexecutive directors) so that no person or group of persons may dominate the BD decision-making process of BD?	x		
P7		Does the structure of the Board of Directors provide a sufficient number of independent members?		x	The current structure of the Administration Board does not ensure a sufficient number of independent members, because this recommendation of the exchange is also optional in Law 31/1990.
P8	R15	During their activity, does BD have the support of consultative commissions/committees for the examination of specific topics, chosen by BD for their counseling on these themes?		x	BD members have the professional training and the managerial requested in order to manage the company's activity. To examine specific topics, BD' members benefit from the support of professionals within the company or, when necessary, of external consultants selected based on professional excellence.
		Do the consultative commissions/committees forward activity reports to the BD on their specific themes?		x	See previous comment.
	R16	For the assessment of the independence of their nonexecutive members, does the Board of Directors use the assessment criteria listed in the Recommendation 16?	x		
	R17	Do the BD members permanently improve their knowledge through training/formation in corporate governance?	x		
P9		Does the selection of the BD members have a procedure based on transparency (objective criteria regarding the personal/professional qualification etc.)?	x		The procedure is transparent, the choice is made in GMS, and the CVs of members proposed to be part of BD are published with GMS materials.
P10		Is there an Appointment Committee within the company?		x	The nomination is done in accordance with the Law and the Articles of Incorporation by BD's members or by shareholders. BD nomination is made based on several

					objective criteria regarding professional qualification and personal traits of candidates.
P11	R21	Does the Board of Directors analyze t least once a year the need to register a remuneration /remuneration policy committee for the directors and members of the executive management?		x	RCG is in the process of being drawn.
		Has the remuneration policy been approved by the GMS?	x		
	R22	Is there a Remuneration Committee made exclusively of nonexecutive directors?		x	There is no Payment Committee. General Shareholders' Meeting approves: (i) the payments due to members of the Administration Board for each financial exercise; (ii) the maximum limits of payments for the managers.
	R24	Is the company remuneration policy of the company provided in the Bylaws/ Corporate Governance Regulations?		x	The Administration Board approves the company's policy concerning the payment for the company's employees.
P12, P13	R25	Does the issuer circulate, in the English language, the information representing the subject of the reporting requirements: a) periodic information (providing information periodically)?	x		These information are made available on request and in a foreign language.
		b) continuous information (providing information periodically)?	x		These information are made available on request and in a foreign language.
		Does the Issuer prepare and make public the financial report according to the IFRS standards?	x		
	R26	Does the issuer promote, at least once a year, meetings with the financial analysts, brokers, rating agents and other market specialists with the view to presenting the financial elements relevant to the investment decision?		x	The continuous and periodic reports drawn by the company to present financial elements were considered relevant in terms of information requested to make investment decisions.
	R27	Is there an Audit Committee within the company?		x	BD is the one that regularly examines the efficiency of financial reporting, internal control and administrative system of the risk adopted by the company.
	R28	Does the BD of the Audit Committee, as the case may be, examine on regular basis, the efficiency of the financial report, the internal control and the control of the risk management system passed by the company?	x		
	R29	Is the Audit Committee made of nonexecutive directors and is there a sufficient number of independent directors?		x	There is no Audit Committee at BD.
R30	Does the Audit committee meet at least twice a year; are tehse meetings dedicated to drawing		x	There is no Audit Committee at BD.	

		up and circulating the quarter and annual results to the shareholders?			
	R32	Does the Audit Committee recommend to BD the selection, appointment, re-appointment and replacement of the financial auditor, as well as the terms and conditions of their remuneration?		x	There is no Audit Committee at BD.
P14		Has the BD passed a procedure with the view to identifying and settling adequately the conflicts of interests?		x	- No such situations have been identified. Incident legal provisions are directly applied.
P15	R33	Do the directors inform BD on the conflicts of interests as they occur and do they refrain from the debates and the vote on those matters, according to the legal provisions?		x	
P16	R34/ R35	Has the BD passed the specific procedures in order to provide their procedure accuracy (identification criteria of the significant transactions, relevant for transparency, objectivity, non-concurrence, etc.) for defining the transactions?		x	Rompetrol Well Services has internal regulations in place for such matters.
P17	R36	Has BD passed a procedure of the internal circuit and the disclosure to third parties of the documents and information referring to the issued, with emphasis on the information that can influence the price of the assets issued by them?		x	Rompetrol Well Services has internal regulations in place for such matters.
P18	R37/ R38	Does the issuer have activities regarding Social Responsibility and Company Environment?		x	

**CHAIRMAN OF THE ADMINISTRATION BOARD,
Mr. Talgat ISSAYEV**

**GENERAL MANAGER,
Mr. Valeriu SVERDLOV**

