



rompetrol

KazMunayGas
Group
Member

ROMPETROL WELL SERVICES

Strada Clopotei, nr. 2 bis,
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QUARTERLY REPORT

prepared in accordance with Law no. 297/2004 regarding the capital market
and NSC Regulation No.1/2006 on issuers and the securities for

First Quarter 2014

ROMPETROL WELL SERVICES S.A.

Date of report:

May 14th 2014

Head office:

Ploiești-Clopotei Street no. 2 bis

Phone:

0244/544321, 0244/544101

Fax:

0244/522913

Tax Identification Number:

RO 1346607

Unique Company Registration Number:

J29/110/05.03.1991

Subscribed and paid-up share capital:

27.819.090 lei

Trading market:

BUCHAREST STOCK EXCHANGE

(Category II Shares, market symbol PTR)



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A. Quarterly Report for the First Quarter of 2014

Rompetrol Well Services (PTR) is one of the major suppliers of well services in Romania. The company offers a wide range of services for oil and gas wells on domestic market and in several countries of Eastern Europe and Central Asia.

These services include cementing, consolidation and sand control services, stimulation, testing, slick-line, tubular running operations etc.

Economic and financial indicators presented in profit and loss account, for the first quarter of this year, highlights positive economic results, a net profit amounting RON 3,255,117 versus the budget provisions of RON 2,304,300.

The result is generated amid the favorable economic growth in Romania in the previous year, but still under the effects of the prolonged financial crisis.

It is to be mentioned that our domestic customers recorded delays in obtaining construction permits for new oil and gas wells and thus the services provided for these clients declined in the first quarter; this trend could continue in the next period.

Managing the direct and indirect effects of the volatile business environment was achieved through flexibility in the negotiation of commercial contracts under the conditions of the current services demand.

By analyzing the evolution of the patrimonial indicators it is notable the engaging of own funds to obtain the resources necessary for the provision of well services at quality standards, with high economic efficiency.

Positive financial result of the company is directly linked with strict cost control but, also, with the fact that the company has no bank loans and working capital financing is fully secured from own sources.

Evolution of domestic currency relative to other currencies remains an independent but significant factor in the management of foreign commitments in this period.

There are no controllable factors of the economic environment or internal organizational decisions with significant effect in the financial position that can be identified, except the correlation with national and independent operators' programs for exploration, production and redevelopment of oil and gas fields.

The costs structure is determined by the following factors:

- maintain the technical capability for provision of complex well services, including importation of superior quality materials (cement and additives) or, as appropriate, subcontracting special services at the well site;



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- the mobilization and demobilization of equipment and personnel to remote locations, at great distances from operational bases;
- increase expenses for traffic of heavy vehicles on public roads under the circumstances of current legal requirements (road taxes for heavy and oversized vehicles, speedometers, etc.);
- provisioning of trade receivables and inventories for prudent presentation of assets;
- evolution of exchange rate, RON to other currencies;
- the payment in time of debts to the state budget and local budgets;
- prudent management of budgets to identify and manage events that could produce inefficient costs;

To ensure the quality of its services, health and safety of employees and environment protection, Rompetrol Well Services has implemented and maintains since 2006 an integrated management system certified according to ISO 9001, ISO 14001 and OHSAS 18001.

The registered capital at March 31st 2014 is 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:

- | | |
|---|---------------------------|
| • KMG International NV | 19,957,165 RON (71.7391%) |
| • Other shareholders (3,030 shareholders) | 7,861,925 RON (28.2609%) |

On March 3rd 2014, the majority shareholder "**The Rompetrol Group NV**" changed its name to "**KMG International NV**"

At March 31st 2014, no person from the Company's management participated in the share capital of the company.

We specify that financial information for the reported period January 1st 2014 – March 31st 2014 was not audited.

The auditor's report shall be prepared only annually at the end of each financial year - calendar year. Financial auditor of the Company is Ernst & Young Assurance Services SRL, a company specialized and recognized as independent auditor so auditing the annual statements shall provide a clear picture in all significant aspects of the financial position of the company, the results of its operations, the situation of movements in equity and the cash flow statement.

B. Economic and financial indicators on March 31st 2014

Trade Registry No: J 29/110/1991
Fiscal Identification No: RO1346607

IBAN: RO34BACX0000000030551310
UniCredit Tiriac Bank – Ploiesti
Share Capital: 27819090 lei



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Current liquidity indicator	10,66
Indebtedness indicator	Not applicable
Turnover speed of debits - clients (days)	287,85
Turnover speed of fixed assets	0,35

Member of the Board,

Deputy General Manager,

Mr. Adrian-Ion Stănescu



Deputy Finance Manager,

Mr. Dorin Guef