

To: Management and Shareholders of Rompetrol Well Services SA

Report on the factual findings

We have performed the procedures agreed with the management of Rompetrol Well Services SA (the "Company") and set out below with respect to the issuance of an additional report in accordance with Art.259 (1) b) of Law 297/2004 and with Art. 144 (C), para. (3) and (4) of Regulation no. 5/2018 in relation to the following information prepared by the management of Rompetrol Well Services SA and presented as appendix to this factual findings report.

Our engagement was undertaken in accordance with the International Standard on Related Services 4400 applicable to agreed-upon procedures engagements.

The engagement letter related to the scope of our work, dated 05 February 2020, specify the procedure that Ernst & Young Assurance Services SRL ('EY'), as a result of a request ('letter') received from minority shareholders dated 31 October 2019 and received by EY on 18 November 2019 for the preparation of an additional report concerning the issuer Rompetrol Well Services SA, had agreed with the management of the Company to perform and is able to perform in regards to the aspects raised by the minority shareholders.

The scope and the level of details of the procedures performed have been agreed with the Company and, are the responsibility of the management of the Company. We mention that the procedures performed are limited to the financial information provided by the Company and received on 05 February 2020 and our report on the factual findings does not include any comment on, or evaluation of the factual findings.

The procedures were performed solely to assist in responding to a request of the minority shareholders. To address the matter notified by the minority shareholders in the letter received, we agreed to perform the following procedures:

- A. Obtain the cash pooling contract, with its all subsequent amendments, signed between KMG Rompetrol SRL ("Master" as defined in the cash pooling contract) and the Company;
- B. Obtain the schedule with the computation of monthly interest for cash pooling as received from the Master (hereinafter "monthly schedule") and compare the cumulated interest amount with the information disclosed by the Company in the reports submitted to the Romanian Financial Authority Supervisory ('ASF') on 23 January 2019 and 13 May 2019;
- C. Compare the interest rate computation formula applied in the monthly schedule with the contractual clauses of the cash pooling agreement;
- D. Compare average quarterly cash pooling balance as determined by the management based on monthly schedule with average cash pooling balance disclosed in the reports submitted by the Company to ASF on 23 January 2019 and 13 May 2019;
- E. Compare the cash pooling balance as at 31 December 2018 and 30 April 2019 from the monthly schedule with the amounts disclosed in the financial statements as at 31 December 2018, respectively unaudited trial balance as at 30 April 2019;
- F. For 2018 transactions included by the Company in the reports submitted to ASF on 23 January 2019, obtain the transfer pricing documentation from the Company for the year 2018 and performing the following procedures:
 - Determine if the cash pooling transaction is included and described in the transfer pricing documentation for the year 2018;

- Determine if the transfer pricing method used for the analysis for the cash pooling transaction as presented in the transfer pricing documentation is set in accordance with the Romanian transfer pricing regulations;
 - Determine if there is any transfer pricing assessment for interest rate level applied for the cash pooling transaction;
 - Determine if the interest revenue obtained by the Company from the cash pooling agreement is within the documented range in the transfer pricing file.
- G. For 2019 transactions included by the Company in the reports submitted to ASF on 13 May 2019, through reference to the 2018 latest available transfer pricing documentation, determine if the interest revenue obtained by the Company from the cash pooling agreement is within the documented range in the transfer pricing file.

We report our findings below:

- A. With respect to point A, we obtained the cash pooling agreement dated 25 August 2014, with its all subsequent amendments, signed between Master and the Company.
- B. With respect to point B, we obtained monthly schedule for the period 1 October - 30 April 2019. We compared the cumulated interest amount determined based on the monthly schedule for the period 1 October - 31 December 2018 with the information disclosed by the Company in the report submitted to ASF on 23 January 2019 and we did not identify differences. We compared the cumulated interest amount determined based on the monthly schedule for the period 1 January -30 April 2019 with the information disclosed by the Company in the report submitted to ASF on 13 May 2019 and we did not identify differences.
- C. With respect to point C, we compared the interest rate computation formula applied in the monthly schedule with the contractual clauses of the cash pooling agreement and we did not identify differences.
- D. With respect to point D, we compared the average quarterly cash pooling balance for the period 1 October - 31 December 2018, as determined by the management based on the monthly schedule, with the average cash pooling balance disclosed in the report submitted by the Company to ASF on 23 January 2019 and we did not identify differences. We compared the average quarterly cash pooling balance for the period 1 January - 30 April 2019, as determined by the management based on the monthly schedule, with the average cash pooling balance disclosed in the report submitted by the Company to ASF on 13 May 2019 and we did not identify differences.
- E. With respect to point E, we compared the cash pooling balance as at 31 December 2018 and 30 April 2019 from the monthly schedule with the amounts disclosed in the financial statements as at 31 December 2018 and, respectively, unaudited trial balance as at 30 April 2019 and we did not identify differences.
- F. With respect to point F, we obtained the transfer pricing documentation from the Company for the year 2018:
- We observed that the cash pooling transaction is included and described in the transfer pricing documentation for the year 2018;
 - With the input of our internal specialists in transfer pricing, we observed that:
 - the transfer pricing method used for the analysis of the cash pooling transaction, as presented in the transfer pricing documentation, is set in accordance with the Romanian transfer pricing regulations;
 - the transfer pricing documentation presents an assessment of the interest rate level applied in the cash pooling transaction;

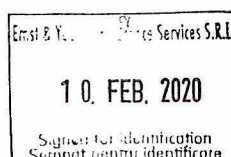
- the interest revenue obtained by the Company from the cash pooling agreement is within the documented range in the transfer pricing file as it is determined based on the interest rate charged/ paid by the third-party bank, without the Master applying a profit margin on top of these interest rates.
- G. With respect to point G, through reference to the latest available transfer pricing documentation, we observed that the interest revenue obtained by the Company from the cash pooling agreement during 2019, and included by the Company in the report submitted to ASF on 13 May 2019, is within the documented range in the transfer pricing file for the year 2018 as it is determined based on the interest rate charged/ paid by the third-party bank, without the Master applying a profit margin on top of these interest rates. We mention that the transfer pricing documentation for the year 2019 was not available at the date of our report.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements we do not express any assurance on the financial information presented in the additional report.

Had we performed additional procedures or had we performed an audit or review of the presented financial information in accordance with International Standards on Auditing or International Standards on Review Engagements, we might have identified other issues that would be of relevance to you.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used by other parties that do not understand the procedures agreed. This report relates only to the accounts and items specified above and do not extend to any financial statements of the Company, taken as a whole. To the fullest extent permitted by law, we do not assume responsibility to anyone other than the Company and its shareholders, as a whole, for the agreed upon procedures performed and our related factual findings report.

On behalf of Ernst & Young Assurance Services SRL



Carmen Spiridon, Associate Partner

10 February 2020

Appendices:

The report issued in accordance with art. 82 Law 24/2017 in 23 January 2019

The report issued in accordance with art. 82 Law 24/2017 in 13 May 2019

Additional information in connection with the reports issued in accordance with art. 82 Law 24/2017 in 23 January 2019 and 13 May 2019

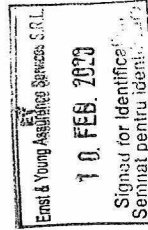
Reporting the legal documents concluded by the SC ROMPETROL WELL SERVICES S.A. according to art. 82 Law no. 24/2017 on the capital market and art. 144 par. (1) - (4) of FSA Regulation no. 5/2018

Date of report: 23.01.2019
 Rompetrol Well Services S.A.
 Registered headquarters: Ploiești, 2bis Clopoșei Street, Prahova County
 Phone/fax no.: 0244.544.101/ 0244.522.913
 Registration number with the Trade Registry: J29/110/1991
 Sole Registration Code: 1346607
 Subscribed and paid up share capital: 27,819,090 lei
 Regulated market on which the securities issued by the company are traded: BVB

No	Person / entity with which the Company concluded the legal document	Date of conclusion legal act and its nature	The object of the legal act	Total value of legal act or, its estimative value	Mutual claims	Constituted warranties and stipulated penalties	Terms and methods of payment
Transactions performed by the company							
1	KMG ROMPETROL SRL-as the coordinating Company	Contract registered by RWS under no. 4219 of 15.09.2014	Cash Optimization System implementation of The Rompetrol Group companies (cash pooling)	The average balance (* of cash pooling account was RON 48,600,149 between October, 01, 2018 and December, 31, 2018, and interest for this period of RON 548,047.		Blank promissory note issued by the company which received the credit	For loan / credit: daily, depending on the needs of payment or at due date (a year from the signing date which is also the date of termination of contract) for the existing balance. The agreement is automatically extended clause consecutive periods of 1 (one) year.

(* The average balance was calculated on daily balances for the period October,01,2018-December,31,2018. All available daily balance were the nature of the claim, and interest related to were the nature of the income

**Member of the Administration Board,
 General Manager,
 Mr. Timur ZHETPISBAYEV**



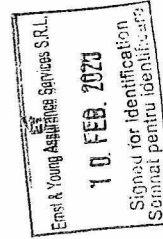
Reporting the legal documents concluded by the SC ROMPETROL WELL SERVICES S.A. according to art. 82 Law no. 24/2017 on the capital market and art. 144 par. (1) - (4) of FSA Regulation no. 5/2018

Date of report: 13.05.2019
 Rompetrol Well Services S.A.
 Registered headquarters: Ploiești, 2bis Clopoșei Street, Prahova County
 Phone/fax no.: 0244.544.101/ 0244.522.913
 Registration number with the Trade Registry: J29/110/1991
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Transactions performed by the company							
1	KMG ROMPETROL SRL -as the coordinating Company	Contract registered by RWS under no. 4219 of 15.09.2014	Cash Optimization System implementation of The Rompetrol Group companies (cash pooling)	The average balance (* of cash pooling account was RON 55,455,606 between January, 01, 2019 and April, 30, 2019, and interest for this period of RON 909,458.		Blank promissory note issued by the company which received the credit	For loan / credit: daily, depending on the needs of payment or at due date (a year from the signing date which is also the date of termination of contract) for the existing balance. The agreement is automatically extended clause consecutive periods of 1 (one) year.

(* The average balance was calculated on daily balances for the period January,01,2019-April,30,2019. All available daily balance were the nature of the receivable, and interest related to were the nature of the income

**Member of the Administration Board,
 General Manager,
 Mr. Timur ZHETPISBAYEV**





Additional information in connection to reports issued in accordance with art. 82 Law 24/2017 in 23 January 2019 and 13 May 2019

General presentation of cash pooling contract:

KMG International Group companies were associated in a centralized cash pooling agreement as it enables each involved entity to improve the risk / reward balance in relation to short term deposits and credit facilities. The funds available are used by the participating companies for their general purposes (ranging from day-to-day working capital to ongoing financing of capital expenditures and investments).

The cash pooling agreement establishes the daily transfer of the cash availabilities of each participating company to a common bank account from which it is used by each of these participating companies for making payments; the bank account is opened on behalf of the coordinating company of the cash-pooling and who, as such, is mandated to negotiate and obtain the necessary financing from the banking institutions through which the operations are carried out. The coordinating company of the cash pooling does not apply different interest rates than those charged by the bank to the master account. As such, the transaction is assumed as being performed on arm's length terms.

General presentation of the transfer pricing policies applied at the level for KMG International Group (main shareholder of the Company):

a) The Company applies transfer pricing policies in accordance with the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations and local tax legislation. The transfer pricing policy depends on the nature of product or service provided, type of the financing structure applied and represents confidential information. In order to ensure that the transfer price in transactions with related parties meet the transfer pricing requirements, these are yearly tested and, if needed, adjustments are made based on the external consultant's transfer pricing analysis for the relevant year.

b) Transactions with related parties are supported by documentation and recorded in the financial records of the Company.

c) Transfer pricing documentation for the financial year ended 31 December 2019 is currently under preparation with support of the external consultant, the Company observing the tax legislation requirements in this respect.

General Manager,

Timur ZHETPISBAYEV

Finance Manager,

Luiza Roxana MOISE

