

To: Bucharest Stock Exchange
Financial Supervisory Authority
London Stock Exchange

Current report according to Article 99 (s) of the Code of the Bucharest Stock Exchange Market Operator, Title II, Issuers and Financial Instruments

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Important events to be reported:

Allocation and pricing of the secondary public offering by Fondul Proprietatea S.A. with respect to a partial sale of its Shares (in the form of Shares and GDRs) in OMV Petrom S.A.

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch, in its capacity as Investment Manager of Fondul Proprietatea S.A. (the "**Fund**"), hereby announces, further to the earlier report on 5 October 2016 announcing the start of the secondary public offering by Fondul Proprietatea S.A. with respect to a partial sale of its Shares (in the form of Shares and GDRs) in OMV Petrom S.A (the "**Offer**"), the following.

- (a) The Final Offer Price** was set at RON 0.21 per Share, and USD 7.70 per GDR ("**Final Offer Price**").

The price per Share applicable to Investors in the Small Retail Tranche whose subscriptions were registered in the trading system of the Bucharest Stock Exchange during the first four working days of the Offer is of 95% of the Final Offer Price, i.e. RON 0.1995 per Share.

The price per Share applicable to Investors in the Small Retail Tranche whose subscriptions were registered in the trading system of the Bucharest Stock Exchange starting with the fifth working day of the Offer is of 97% of the Final Offer Price, i.e. RON 0.2040 per

Report date:

14 October 2016

Name of the issuing entity:

Fondul Proprietatea S.A.

Registered office:

78-80 Buzesti St., 7th floor, district 1, Bucharest, postal code 011017

Phone/fax number:

Tel.: + 40 21 200 9600

Fax: + 40 21 200 9631

Sole Registration Code with the Trade Register Office:

18253260

Order number in the Trade Register:

J40/21901/2005

Subscribed share capital:

RON 9,320,973,180.85

Paid-up share capital:

RON 9,011,732,683.35

Number of shares in issue:

10,965,850,801

Number of paid shares:

10,602,038,451

Regulated market on which the issued securities are traded:

Shares on Bucharest Stock Exchange

GDRs on London Stock Exchange

Share.

(b) Number of Shares to be sold in the Offer: 3,641,100,108, out of which 3,315,928,608 Shares were purchased in the form of Shares and 325,171,500 Shares were purchased in the form of GDRs, allocated as follows:

- *Institutional Tranche:* 2,921,818,597 Shares and 325,171,500 Shares in the form of GDRs;
- *Large Retail Tranche:* 30,000,000 Shares;
- *Small Retail Tranche:* 364,110,011 Shares.

(c) Allocation Index:

- *Large Retail Tranche:* 0.7169447428;
- *Small Retail Tranche:* 0.6241930485.

Important legal information

This announcement is for information purposes only and is not intended to constitute, and should not be construed as, an offer to sell or subscribe for securities, a solicitation of an offer to buy or subscribe for securities, or an announcement of a forthcoming solicitation of any offer to buy or subscribe for securities and shall not constitute an offer, solicitation or sale in the United States, Australia, Canada or Japan or any jurisdiction in which such offer, solicitation or sale is unlawful prior to registration, exemption from registration or qualification under the securities laws of such jurisdiction, and the distribution of this communication in jurisdictions may be similarly restricted.

The securities have not been and will not be registered under the Securities Act, and may only be offered or sold in the United States of America (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") if registered under the U.S. Securities Act or an exemption from such registration is available. There will be no public offering of securities in the United States.

This announcement does not represent an offering announcement, advertisement or prospectus for the purpose of the Romanian securities legislation and does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to purchase or subscribe for any shares or GDRs or any other securities nor shall it (or any part of it) or

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This announcement is addressed to and is only directed at, in any member state of the European Economic Area (the "**EEA**") (other than Romania and the United Kingdom) which applies Directive 2003/71/EC, as amended (together with any implementing measures in any member state, the "**Prospectus Directive**"), those persons who are qualified investors (within the meaning of Article 2(1)(e) of the Prospectus Directive) ("**Qualified Investors**") in such member state, and such other persons as this document may be addressed on legal grounds. Any investment or investment activity to which this announcement relates is only available to, in any member state of the EEA (other than Romania and the United Kingdom), Qualified Investors and may only be engaged with such persons. Any person in a member state of the EEA (other than Romania and the United Kingdom) who is not a Qualified Investor should not act or rely on this announcement or any of its contents.

This announcement is addressed to and is directed only at (i) persons who are outside the United Kingdom or (ii) persons in the United Kingdom who are Qualified Investors and who have (a) professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended from time to time (the "**Order**") or (b) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2) of the Order or (c) certified

high net worth individuals and certified and self-certified sophisticated investors as described in Articles 48, 50, and 50A respectively of the Order or (d) persons to whom this communication may otherwise be lawfully communicated (all such persons together being referred to as "**Relevant Persons**"). Any investment or investment activity to which this announcement relates is only available to, in the United Kingdom, Relevant Persons, and may only be engaged with such persons. Any person in the United Kingdom who is not a Relevant Person should not act or rely on this announcement or any of its contents.

The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy, completeness or fairness. The information in this announcement is subject to change. Any purchase of shares or GDRs in the Offer by an investor should be made solely on the basis of information contained in the Prospectus published in connection with the transaction.

Goldman Sachs International, Banca Comercială Română SA, Erste Group Bank AG and WOOD & Company Financial Services, a.s. (together, the "**Banks**"), are acting exclusively for the Fund and no one else in connection with the transaction and will not regard any other person as its client in relation to the transaction and will not be responsible to anyone other than the Fund for providing the protections afforded to their respective clients nor for giving advice in relation to the transaction, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

Each of the Banks and any of their respective affiliates, acting as investors for their own accounts, may hold or may, in connection with the Offer, subscribe for or purchase the shares or GDRs referred to in this announcement and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such shares and/or GDRs and other securities of the Company or the Fund or related investments in connection with the Company or the Fund otherwise. Accordingly, references in the Prospectus to the shares and/or GDRs being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by any of the Banks and any of their respective affiliates acting as investors for their own accounts. In

addition the Banks may enter into financing arrangements and swaps in connection with which they or their affiliates may from time to time acquire, hold or dispose of the shares and/or GDRs referred to in this announcement. None of the Banks nor any of their respective affiliates do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

To the fullest extent permitted under applicable law, none of the Banks or any of their respective affiliates, directors, officers, limited or unlimited partners, employees, advisers or agents accepts any responsibility or liability whatsoever for, or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted from the announcement) or any other information relating to the Company or the Fund, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith.

No stabilisation activities will be carried out in connection with the Offer.

Neither this announcement nor any copy of it may be taken or transmitted, directly or indirectly, into the United States, Australia, Canada or Japan or any jurisdiction where to do so might constitute a violation of the relevant laws or regulations of such jurisdiction.

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch, in its capacity of Investment Manager of FONDUL PROPRIETATEA S.A.

Oana Valentina Truta
Legal Representative