

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

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR 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

For the purposes of the UK Prospectus Rules only, this announcement is an advertisement and not a prospectus. For the purposes of the Romanian securities legislation, this announcement does not represent an offering announcement, advertisement or prospectus. Investors should not subscribe for or purchase any securities referred to in this announcement except on the basis of information in the prospectus to be published in accordance with Law no. 297/2004 on capital market (the "Prospectus"). Application will be made for the admission to listing of global depository receipts representing OMV Petrom S.A.'s shares to the Official List of the UK Financial Conduct Authority and to trading on the London Stock Exchange plc's main market for listed securities. The Prospectus will be available on the website of OMV Petrom S.A. at www.omvpetrom.com, the website of Fondul Proprietatea S.A. at www.fondulproprietatea.ro and the website of Banca Comerciala Romana S.A. at www.bcr.ro.

Important events to be reported:

Financial Supervisory Authority approves the Prospectus relating to 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. and admission to listing of GDRs representing OMV Petrom S.A.'s Shares to the Official List of the UK Financial Conduct Authority and to trading on the London Stock Exchange's main market for listed securities.

Franklin Templeton Investment Management Ltd. United Kingdom Bucharest Branch, in its capacity as Investment Manager of Fondul Proprietatea S.A. (the "**Fund**"), announces that on 5 October 2016, the Financial Supervisory Authority approved the Prospectus relating to the secondary public offering by the Fund with respect to a partial sale of its shares (the "**Shares**") in OMV Petrom S.A. (the "**Company**") (the "**Offer**"). The translation of the approval decision is enclosed in the annex herein.

The main details of the Offer are:

- **Value of the Offer:** up to 3,641,100,108 Shares (representing approximately 6.4% of the Company's share capital) in the form of Shares and global depository receipts (the "**GDRs**") which represent the Shares, with one GDR representing an interest in 150 Shares;
- **Price:** the maximum price of the Offer is RON 0.244 per Share

Report date:

5 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

and USD 9.16 per GDR ("**Maximum Price**") for retail investors. For institutional investors, at any price up to and including the Maximum Price. The final Offer price is expected to be announced on 14 October 2016 (being the first business day following the expiry of the subscription period);

- **Subscription period:** 6 (six) business days, from 6 October 2016 to 13 October 2016;
- **GDR Admission:** the Company will apply for admission to listing of the GDRs to the Official List of the UK Financial Conduct Authority and to trading on the London Stock Exchange's main market for listed securities.

In relation to the Offer, Goldman Sachs International is acting as Sole Global Coordinator and Joint Bookrunner and Banca Comercială Română, Erste Group and WOOD & Company are acting as Joint Bookrunners.

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 the fact of its distribution, form the basis of, or be relied on in connection with, any contract. The Offer and the distribution of this announcement and other information in connection with the transaction in certain jurisdictions may be restricted by law and persons into whose possession any document or other information referred to herein comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Any purchase of securities referenced in this announcement in the Offer should be made solely on the basis of the information contained in the Prospectus to be issued in connection with the Offer and Admission. Before purchasing any securities referred to in this announcement, persons should ensure that they fully understand and accept the risks which will be set out in the Prospectus when published. 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 completeness, accuracy or fairness.

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 to be issued by the Company in connection with the transaction in due course.

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 Offeror otherwise. Accordingly, references in the Prospectus, once published, 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

THE FINANCIAL SUPERVISORY AUTHORITY

DECISION No. 1934 / 05 October 2016

Whereas the provisions of Art. 2 paragraph (1) letters a) and d), Art. 3 paragraph (1) letter a), Art. 6 paragraphs (1) and (3), and Art. 27 of the Government Emergency Ordinance no. 93/2012 on the establishment, organization and operation of the Financial Supervisory Authority, approved as amended and supplemented by Law no. 113/2013, as subsequently amended and supplemented,

Considering the provisions of Art. 173 paragraph (1), Art. 182 and Art. 183 paragraph (1) of Law no. 297/2004 on capital market, as subsequently amended and supplemented,

whereas the provisions of the Extraordinary General Shareholders Meetings Resolutions of OMV Petrom S.A. Bucharest as of 22 September 2015 and 26 April 2016, published in the Official Gazette of Romania, Part IV, no. 6050/21 October 2015 and no. 2010/25 May 2016,

Following the official letters of Banca Comercială Română S.A. registered with F.S.A. under no. RG/68063/22 September 2016, RG/69096/28 September 2016, RG/70798/4 October 2016, RG/70883/5 October 2016 and no. RG/70890/5 October 2016,

On the basis of the analysis of the specialized direction and of the resolution adopted during the meeting held on 5 October 2016, the Board of the Financial Supervisory Authority decided to issue this individual act,

DECISION

Art. 1. Approval of the Prospectus relating to the secondary public offering of shares, in the form of shares and global depository receipts (the „GDRs”) held by Fondul Proprietatea SA in OMV Petrom SA, which will be available in electronic format on the websites www.bcr.ro, www.fondulproprietatea.ro and www.omypetrom.com, having the following characteristics:

- the Object of the offer: maximum 3,641,100,108 shares
- Nominal value: RON 0.1 / share
- Subscription price:
 - For Retail Investors: at maximum price of RON 0.244/ share
at maximum price of USD 9.16 / GDR
 - For Institutional Investors: at any price up to and including the maximum price. The price tick for the subscription of offer shares is RON 0.001 and the price tick for the subscription of offer GDRs is USD 0.5
- The final price of the offer will be determined according to the provisions in the offering Prospectus through a bookbuilding process
- The subscription period: 06 October 2016 – 13 October 2016
- The Intermediary of the offer: Sole Global Coordinator and Joint Bookrunner: Goldman Sachs International, Joint Bookrunners: Banca Comerciala Romana SA, Erste Group Bank AG and Wood & Company Financial Services a.s.

Art. 2. The Offer shall be performed on the basis of all conditions set out in the Offering Prospectus

Art. 3 The responsibility of the completion of the operations regarding the public offer, according to the provisions of the prospectus and of the incidental legal requirements belongs to the intermediary of the Offer, the intermediaries involved in the offer, the selling shareholder and the market operator, considering the duties of each.

Art. 4 The notification announcing the results of the offer shall be submitted to the FSA, accompanied by the proof of the transfer of the 0.1% quota determined based on the subscriptions made within the offer,

according to the provisions of FSA Regulation no. 16/2014 regarding the revenues of the Financial Supervisory Authority, as further amended and supplemented.

Art. 5 This document shall be published in the bulletin of the Financial Supervisory Authority, in electronic format.

CHAIRMAN,

MISU NEGRITOIU

Illegible signature

*Stamp affixed: Financial Supervisory Authority
FSA*