



**rompetrol**

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### **Petromidia Refinery – four decades of performances and professionalism**

Petromidia Refinery Navodari celebrates 40 years of activity, time frame when from one idea it reached to be the largest such unit in Romania and one of the most modern in the Black Sea region.

Petromidia started up its first installation in 1979 – Atmospheric Distillation – and since then it started an evolution carried on via major investments, every year. Only in 2019, 50 million dollars are allocated for the alignment and continuation of installation revamping, as well as for the digitalization of Petromidia Refinery.

The positive trend of the operational results is the proof that at Petromidia, the development strategies were successfully implemented. Last year, no less than 11 records were broken, having reached historic levels on raw material processing (5.92 million tons), obtained oil products (5.78 million tons), essences production (1.36 million tons) and Diesel fuels (2.75 million tons), aviation fuel (317 thousand tons) or on the ratio of utilization of the refining capacity (91.98%).

The refinery has the highest white product output in the region - 86.2% and ranks 9th among the 250 refineries in Europe and Africa, according to a study made in 2018 by Wood MacKenzie.

During 1979-2018, Petromidia processed a total volume of 122.8 million tons of raw material and 3.1 million in the first half of this year, the objective for 2019 is to reach another historic record – 6.1 million tons.

Its evolution and turmoil also reflected in the processed quantities: approximately 26 million tons (1979 – 1989) – part of a centralized raw material supply and finished goods sales system, 23.2 million tons (1990 – 2000) – on the background of the transition to market economy, 22.6 million tons (2001 – 2007) – alignment to the mandatory EURO standards and the generation of our own fuel distribution network in Romania and in the region, 51 million tons (2008 – 2018) – part of the national oil and gas company KazMunayGas and important investments in revamping and increasing the refining capacity.

Since Rompetrol was taken over by KazMunayGas, total investments of over 1.6 billion dollars were made. Out of this amount, approximately one billion dollars was directed to Petromidia, and the largest project, in value of approximately 450 million dollars aimed revamping and increasing the capacity from 3.5 to over 5 million tons of raw material annually.

“Petromidia is the engine of the development of Năvodari for the last 40 years, but also the heart of the KMG International Group - which stays at the base for the success of Rompetrol in the Black Sea basin. We are proud of the history and performance achieved by the refinery and we wish to continue the development of Petromidia, along with our main resource: the passion and commitment of the employees. We celebrate with the people who built the Petromidia story, present at all the stages that defined what Petromidia means today - a model of efficiency and professionalism”, said Zhanat Tussupbekov, CEO of KMG International.



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The first steps in developing the concept of Smart Refinery were made this year, by implementing Advance Process Control (APC) – a software meant to optimize the production and mitigate impact on the environment. Introducing the digitalization projects at Petromidia level, the refinery enters in a new era, where the main objectives are activity efficiency, cost reduction and processed volumes increase.

Petromidia at present has a Nelson complexity index of 10.5 and it represents the processing unit in the region with the highest capability of extraction of Sulphur from the oil, exclusively obtaining the Euro 5 fuels. Also, a study made by Solomon Associates shows that Petromidia has a complexity index of 11.4 and is among the youngest refineries in Europe (by international standards). Also, the refinery has a utilization rate of 90%, higher compared to the European average of 83%, a level reached only through constant investments and commitment of employees.

Moving to higher quality fuels occurred in several stages: following the revamping at the beginning of the '90s, the refinery started producing Euro 2 in 1996. Four years later, from Petromidia left Euro 3 fuels, and 2005, the quality standard Euro 4 was reached. In 2007, the year of being taken over by KMG, Petromidia started delivering Euro 5 fuels on the domestic market, two years earlier than the requirements of the European Commission. This step was successfully taken because of increasing more than three folds the volumes of the reactors. The Euro 5 fuel (less than 10 parts of Sulphur per million) is improved and constantly optimized, due to revamping the installations in the refinery.

With the support of the future investments, KMG International aims to increase the quality of the fuels and to enter the Euro 6 segment, which will have an even lower impact on the environment.

At the same time, several important and innovative projects are foreseen, such as developing a new bitumen unit that would double the annual production, an alkylation unit that could develop the capacity of obtaining essence or a dewaxing installation that would allow for the optimum Diesel fuel production and for temperatures of -35 degrees Celsius.

On Petromidia platform, currently work over 2,800 people, direct employees of the group, as well as contractors. The annual contribution of Rompetrol Rafinare (the operator of Petromidia Refinery) to Romania's State Budget is approximately 1.5 billion dollars.

Given the 40<sup>th</sup> anniversary of Petromidia, KMG International launches new education and health programs in the region, aiming to healthily and harmoniously develop the new generation. The projects developed in partnership with two important NGOs aim at supporting the children coming from less advantaged families in Constanța County and not only, via a free dental health national program, as well as by supporting quality education and teachers in the elementary and gymnasium and high school and university education in the country.

### **About Petromidia Refinery**

For the construction of the refinery, it was necessary to recover from the sea, over 30 hectares of land. For four years, between 1975 and 1979, works ran at fast pace to develop a refinery that would integrate in the general plan of the times. In time, the refinery started to introduce on the technological flow ever more installations, including those of the Petrochemistry Division. Otherwise, today, Petromidia is the only national producer of polyethylene and polypropylene.



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After Vega Refinery joined the Rompetrol portfolio, Petromidia Refinery created a perfect synergy with the unit at Ploiești, to which it delivers the necessary materials / prefabs to obtain new products and special solutions.

Petromidia Năvodari is the largest refinery in Romania and one of the most modern in the Black Sea and the Mediterranean Sea areas. Its strategic setting and complex distribution network make Petromidia a real energetic hub, capable to substantially cover the distribution station network in Romania. At the same time, the fuel produced at Petromidia, of a higher quality and in compliance with the Romanian and European regulations, is distributed in countries like Bulgaria, Georgia or the Republic of Moldova, where it is sold still under the Rompetrol brand.

## **Communications and Public Relations Department**

### **KMG International**