

**REPORT OF THE SUPERVISORY BOARD OF PETROLINVEST JOINT-STOCK COMPANY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009**

Pursuant to Article 382 §3 of the Commercial Companies Code, the Supervisory Board audited:

- 1) the Company's financial statements for the financial year ended 31 December 2009, which comprised:
  - "Balance sheet as at 31 December 2009", showing on the side of assets and liabilities the balance sheet total of PLN 1,019,829 thousand (say: one billion nineteen million eight hundred twenty nine thousand PLN),
  - "Income statement for the term from 01.01.2009 until 31.12.2009", showing net loss of PLN 330,951 thousand (say: three hundred thirty million nine hundred fifty one thousand PLN),
  - "Statement of changes in equity for the term from 01.01.2009 until 31.12.2009", showing an increase in equity by PLN 197,633 thousand (say: one hundred ninety seven million six hundred thirty three thousand PLN),
  - "Cash flow statement for the term from 01.01.2009 until 31.12.2009", showing an increase in net cash by PLN 2,759 thousand (say: two million seven hundred fifty nine thousand PLN),
  - "Statement of comprehensive income for the term from 01.01.2009 until 31.12.2009", showing net loss of PLN 330,951 thousand (say: three hundred thirty million nine hundred fifty one thousand PLN),
  - Notes and explanations to the Company's financial statements.
- 2) the Management Board's report on the Company's activity in the financial year ended 31 December 2009,
- 3) the Management Board's motion to the Company's Ordinary General Shareholders Meeting concerning the coverage of net loss by profits of future terms.
- 4) consolidated financial statements of the capital group of PETROLINVEST S.A. for the financial year ended 31 December 2009, which comprised,
  - „Consolidated balance sheet as at 31 December 2009", showing on the side of assets and liabilities the balance sheet total of PLN 1,059,957 thousand (say: one billion three hundred fifty nine million nine hundred fifty seven thousand PLN),
  - „Consolidated income statement for the term from 01.01.2009 until 31.12.2009", showing net loss of PLN 440,665 thousand (say: four hundred forty million six hundred sixty five thousand PLN),
  - Consolidated statement of changes in equity for the term from 01.01.2009 until 31.12.2009", showing a decrease in equity by PLN 94,152 thousand (say: ninety four million one hundred fifty two thousand PLN),
  - „Consolidated cash flow statement for the term from 01.01.2009 until 31.12.2009", showing a decrease in net cash by PLN 8,648 thousand (say: eight million six hundred forty eights thousand PLN),

- „Consolidated statement of comprehensive income for the term from 01.01.2009 until 31.12.2009”, showing net loss of PLN 622,736 thousand (say: six hundred twenty two million seven hundred thirty six thousand PLN),
- Notes and explanations to the consolidated financial statements of the Capital Group of PETROLINVEST S.A.

5) the Management Board’s report on the activity of the Capital Group of PETROLINVEST S.A. in the financial year ended 31 December 2009.

In analysing and assessing the abovementioned statements and motion, the Supervisory Board made use of the opinion and report of the registered auditor appointed to audit the financial statements of the Company and of the Capital Group of PETROLINVEST S.A. for the year 2009 (hereinafter referred to as the “**Registered Auditor**”). The registered auditor specifically concluded in his opinion that the financial statements of the Company and of the Group for the year 2009, in all material aspects:

- (i) present truly and fairly all significant information for the assessment of the financial result of business activity for the term from 1 January 2009 until 31 December 2009, and also the financial standing and assets of the Company and of the Group as at 31 December 2009,
- (ii) were duly made, i.e. in accordance with the International Financial Reporting Standards, approved by EU,
- (iii) are consistent with the laws governing the preparation of financial statements which affect the form and substance of financial statements and with the provisions of the Company’s Statutes.

Furthermore, the Registered Auditor pointed out in the opinion made for the Company’s Supervisory Board that the Company had not measured embedded financial instruments stipulated in the agreement outlining the terms and conditions under which the companies being members of the majority shareholder’s capital group (Prokom Investments S.A.) provide the Company with assets to be used as collateral securing the repayment of the loan and in loan agreements with the Company’s majority shareholder, which contained a clause authorising Prokom Investments S.A. to convert the liabilities due to the loans granted into the Company’s share capital. The Registered Auditor also pointed out that the Company needs, in his opinion, separate the value of purchased exploration and production licences from goodwill, as part of the transaction of purchase of subsidiaries and jointly-controlled entities, and recognise the provision for deferred tax relating to the abovementioned licences. The Company’s financial statements audited by the Registered Auditor do not contain any adjustments resulting from the two aforesaid occurrences.

The Supervisory Board also got acquainted with the information communicated by the Registered Auditor in the final phase of the audit of consolidated financial statements of the Capital Group of PETROLINVEST S.A., pursuant to the Act on registered auditors and their self-government, entities authorised to audit financial statements and public supervision of 7 May 2009.

Following the abovementioned audit, the Supervisory Board resolved to recommend that the Company's Ordinary General Shareholders Meeting:

- 1) approve the Company's financial statements for the financial year ended 31 December 2009,
- 2) approve the Management Board's report on Company's activity in the financial year ended 31 December 2009,
- 3) approve the consolidated financial statements of the Capital Group of PETROLINVEST S.A. for the financial year ended 31 December 2009,
- 4) approve the Management Board's report on the activity of the Capital Group of PETROLINVEST S.A. in the financial year ended 31 December 2009,
- 5) pass the resolution on coverage of Company's net loss for the financial year 2009 amounting to PLN 330,950,096.52 (say: three hundred thirty million nine hundred fifty thousand ninety six PLN 52/100) from the future years' profits.
- 6) acknowledge the fulfilment of duties by all members of the Company's Management Board in the financial year ended 31 December 2009.