

**REPORT OF THE SUPERVISORY BOARD OF PETROLINVEST SPÓŁKA AKCYJNA
FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2010**

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

- 1) the financial statements of the Company for the financial year ended on 31 December 2010 containing:
 - the Balance Sheet as at 31 December 2010 showing total assets and equity and liabilities in the amount of PLN 1,239,137 thousand (in words: one billion two hundred and thirty nine million one hundred and thirty seven thousand zlotys),
 - the Income Statement for the period from 1 January 2010 to 31 December 2010 with a net loss of PLN 36,765 thousand (in words: thirty six million seven hundred and sixty five thousand zlotys),
 - the Statement of Changes in Equity for the Period from 1 January 2010 to 31 December 2010 with an increase in equity by PLN 386,030 thousand (in words: three hundred and eighty six million thirty thousand zlotys),
 - the Cash Flow Statement for the Period from 1 January 2010 to 31 December 2010 with a net cash inflow amounting to PLN 20,628 thousand (in words: twenty million six hundred and twenty eight thousand zlotys),
 - the Statement of Comprehensive Income for the Period from 1 January 2010 to 31 December 2010 with a net loss of PLN 36,765 thousand (in words: thirty six million seven hundred and sixty five thousand zlotys),
 - the notes to the financial statements of the Company.

- 2) the Management Board report on the Company's activities in the financial year ended on 31 December 2010,

- 3) the motion of the Management Board to the Annual General Meeting of the Company to cover the net loss from future profit.

- 4) the consolidated financial statements of the PETROLINVEST S.A. Capital Group for the financial year ended on 31 December 2010 containing:
 - the Consolidated Balance Sheet as at 31 December 2010 showing total assets and equity and liabilities in the amount of PLN 1,184,959 thousand (in words: one billion one hundred and eighty four million nine hundred and fifty nine thousand zlotys),
 - the Consolidated Income Statement for the Period from 1 January 2010 to 31 December 2010 with a net loss of PLN 155,749 thousand (in words: one hundred and fifty five million seven hundred and forty nine thousand zlotys),
 - the Consolidated Statement of Changes in Equity for the Period from 1 January 2010 to 31 December 2010 with an increase in equity by PLN 294,697 thousand (in words: two hundred and ninety four million six hundred and ninety seven thousand zlotys),

- the Consolidated Cash Flow Statement for the Period from 1 January 2010 to 31 December 2010 with a net cash inflow amounting to PLN 19,994 thousand (in words: nineteen million nine hundred and ninety four thousand zlotys),
 - the Consolidated Statement of Comprehensive Income for the Period from 1 January 2010 to 31 December 2010 with a net loss of PLN 128,098 thousand (in words: one hundred and twenty eight million ninety eight thousand zlotys),
 - the notes to the consolidated financial statements of the PETROLINVEST S.A. Capital Group.
- 5) the Management Board report on the activities of PETROLINVEST S.A. Capital Group in the financial year ended on 31 December 2010.

When analysing and assessing the statements and the motion mentioned above, the Supervisory Board used the opinion and the report of the statutory auditor appointed to audit the financial statements of PETROLINVEST S.A. Company and Capital Group for the year 2010 (hereinafter referred to as the “Statutory Auditor”). In his opinion the Statutory Auditor stated, in particular, that the financial statements of the Company and the Group for the year 2010 in all material aspects:

- (i) present truly and fairly all information material for the assessment of the financial position of the Company and the Group as at 31 December 2010, as well as its financial result for the financial year from 1 January to 31 December 2010
- (ii) have been prepared based on properly maintained accounting records, in accordance with the International Accounting Standards, International Financial Reporting Standards and related interpretations published in the form of EU regulations, and in the scope not regulated by these standards — in accordance with the requirements of the Accounting Act and secondary legislation issued on the basis thereof,
- (iii) are, in respect of the content, in accordance with legal regulations and the provisions of the Company's Statute.

In the opinion expressed for the Supervisory Board of the Company, the Statutory Auditor noted that the Company did not perform the valuation of derivatives embedded in an agreement determining the principles according to which the companies of the capital group of the principal shareholder (Prokom Investments S.A.) make their assets available to the Company to use as security for the repayment of a credit facility, as well as in loan agreements with the principal shareholder of the Company, which contain a clause about an authorisation granted to Prokom Investments S.A. to convert the liabilities under extended loans to the share capital of the Company. The Statutory Auditor also noted that no confirmation of the receivable balances in the amount of PLN 114.7 million has been obtained, which made it impossible to confirm the correctness of the valuation of the relevant amounts shown in the balance sheet

The financial statements of the Company regarding which the Statutory Auditor expressed his opinion do not contain adjustments resulting from the two above-mentioned events.

The Supervisory Board has also acquainted itself with the information provided by the Statutory Auditor at the stage of final works relating to the audit of the consolidated financial statements of the PETROLINVEST S.A. capital group, in accordance with the provisions of the Act on

statutory auditors and their self-governance, audit firms authorised to audit financial statements and public oversight, dated 7 May 2009.

As a result of the audit described above and following the discussion of its results by the Audit Committee of the Supervisory Board and the Statutory Auditor, the Supervisory Board decided to recommend to the Annual General Meeting of the Company the following:

- 1) the approval of the financial statements of the Company for the financial year ended on 31 December 2010,
- 2) the approval of the Management Board report on the Company's activities in the financial year ended on 31 December 2010,
- 3) the approval of the consolidated financial statements of the PETROLINVEST S.A. Capital Group for the financial year ended on 31 December 2010,
- 4) the approval of the Management Board report on the activities of PETROLINVEST S.A. Capital Group in the financial year ended on 31 December 2010,
- 5) the adoption of a resolution on the covering of the Company's net loss for the 2010 financial year in the amount of PLN 36,765,613.57 (thirty six million seven hundred and sixty five thousand six hundred and thirteen zloty 57/100) from future years' profit.
- 6) the acknowledgement of the fulfilment of duties by all members of the Management Board of the Company in the financial year ended on 31 December 2010.