

REPORT ON THE ACTIVITY OF SUPERVISORY BOARD OF PETROLINVEST S.A. FOR THE YEAR 2009

The report drafted for presentation to the ordinary shareholders meeting of PETROLINVEST S.A., pursuant to rule III.1.2, contained in the document "Best Practices of Companies Listed on the Warsaw Stock Exchange".

Pursuant to the Commercial Companies Code, the Supervisory Board exercises supervision over the Company's activity in all areas of its activity. Apart from the Commercial Companies Code, the Supervisory Board's activity is based on: the Company's Statutes, resolutions of the General Shareholders meeting and the Supervisory Board's Bylaw adopted by the Supervisory Board.

Composition of the Supervisory Board

As at 1 January 2009, the composition of the Supervisory Board of PETROLINVEST S.A. was as follows:

- Ryszard Krauze – the Supervisory Board Chairman
- Maciej Grelowski – the Supervisory Board Member
- Dariusz Górka – the Supervisory Board Member
- Grzegorz Maciąg – the Supervisory Board Member
- Zbigniew Szachniewicz – the Supervisory Board Member
- Krzysztof Wilski – the Supervisory Board Member

Following the resignations from the positions of the Supervisory Board members submitted as at 29 June 2009 by Mr Grzegorz Maciąg and Mr Zbigniew Szachniewicz and as at 26 June 2009 by Mr Dariusz Górka, Messrs. Marek Modecki and Tomasz Buzuk were appointed the Supervisory Board members, and they perform their functions from 30 June 2009.

As at 31 December 2009, the composition of the Supervisory Board of PETROLINVEST S.A. was as follows:

- Ryszard Krauze – the Supervisory Board Chairman
- Maciej Grelowski – the Supervisory Board Member
- Krzysztof Wilski – the Supervisory Board Member
- Marek Modecki – the Supervisory Board Member
- Tomasz Buzuk – the Supervisory Board Member

The Supervisory Board Members:

- Messrs. Ryszard Krauze and Krzysztof Wilski were appointed on 15 February 2007 in exercising personal prerogatives, stipulated under §17 paragraph 2 subparagraphs 1 and 2 of the Statutes of PETROLINVEST S.A.;
- Mr Tomasz Buzuk was appointed on 30 June 2009 in exercising personal prerogatives, stipulated under §17 paragraph 2 subparagraph 1 of the Statutes of PETROLINVEST S.A.;
- Messrs. Maciej Grelowski and Marek Modecki were appointed by the Extraordinary Shareholders Meeting of PETROLINVEST S.A. on 15 February 2007 and 30 June 2009, respectively.

All Supervisory Board Members have qualifications, education and professional experience which allow them to effectively perform their functions.

Activities initiated by the Supervisory Board

During the year 2009, the Supervisory Board fully performed their statutory duties in respect of the supervision over the Company's activity, being especially committed to the effectiveness of the pursued development strategy. All Supervisory Board Members liaised with the Company's Management Board, discussing strategic aspects of the activities of the Company and the PETROLINVEST SA Group.

In the year 2009, the Supervisory Board passed 28 resolutions. All resolutions were implemented.

Pursuant to the effective Statutes, the resolutions pertained to:

- election of the Supervisory Board Secretary,
- granting permission for excluding as a whole the pre-emptive right of current shareholders in connection with the issue of shares,
- expressing opinion concerning permission for the issue price of shares,
- granting permission to deprive the shareholders as a whole of the pre-emptive right in respect of subscription warrants, issued as part of the authorised capital, in order to grant to them the stock rights,
- allocation of subscription warrants,
- offering subscription warrants,
- allocation of ordinary bearer's shares,
- granting permission to deprive the shareholders as a whole of the pre-emptive right in respect of shares issued as part of the authorised capital,
- granting permission for transactions with the related entity,
- accepting assessments and statements for the year 2008,
- appointing the auditor.

Furthermore, the Supervisory Board discussed with the Company's Management Board the Company's current standing, with a special consideration of the operating activity in the area of oil and gas and talks held with investors.