



***Petrolinvest***

**CONSOLIDATED  
QUARTERLY REPORT  
OF PETROLINVEST GROUP  
FOR 1st QUARTER 2009  
ENDED ON 31 MARCH 2009**

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**1. SELECTED FINANCIAL DATA**

**1.1. Selected financial data of PETROLINVEST Group**

	<i>for 3 months</i>		<i>for 3 months</i>	
	<i>ended 31 March</i>		<i>ended 31 March</i>	
	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>
	<i>PLN '000</i>		<i>EUR '000</i>	
1. Net revenue from the sale of products, goods and materials	18 682	41 189	4 062	11 578
2. Profit (loss) from operations	(30 743)	(10 800)	(6 684)	(3 036)
3. Gross profit (loss)	(138 060)	6 827	(30 017)	1 919
4. Net profit (loss) attributable to equity holders of the parent	(104 521)	2 226	(22 725)	626
5. Cash flows from operating activities	(10 405)	(13 586)	(2 262)	(3 819)
6. Cash flows from investing activities	(2 577)	(63 857)	(560)	(17 950)
7. Cash flows from financing activities	208	91 240	45	25 648
8. Net cash flows, total	(12 774)	13 797	(2 777)	3 878
9. Weighted average number of shares issued in units	8 283 949	5 873 002	8 283 949	5 873 002
10. Number of diluting potential ordinary shares	586 863	586 863	586 863	586 863
11. Earnings (loss) per share (in PLN/EUR)	(12.62)	0.38	(2.74)	0.11
12. Diluted earnings (loss) per share (in PLN/EUR)	(11.78)	0.34	(2.56)	0.10
	<i>as at</i>		<i>as at</i>	
	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>	<i>31 December</i>
	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>
	<i>PLN '000</i>		<i>EUR '000</i>	
13. Total assets	1 261 998	1 388 314	268 436	332 738
14. Liabilities and provisions for liabilities	1 021 288	982 645	217 235	235 511
15. Non-current liabilities	748 414	734 861	159 193	176 124
16. Current liabilities	272 874	247 784	58 042	59 386
17. Equity attributable to equity holders of the parent	233 682	391 270	49 706	93 776
18. Share capital	121 084	63 481	25 755	15 215
19. Weighted average number of shares issued in units	8 283 949	6 111 350	8 283 949	6 111 350
20. Number of diluting potential ordinary shares	586 863	586 863	586 863	586 863
21. Book value per share (in PLN/EUR)	28.21	64.02	6.00	15.34
22. Diluted book value per share (in PLN/EUR)	26.34	58.41	5.60	14.00
23. Declared or paid dividend per share (in PLN/EUR)	0.00	0.00	0.00	0.00

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**1.2. Selected financial data of PETROLINVEST S.A.**

	<i>for 3 months ended</i>		<i>for 3 months ended</i>	
	<i>31 March</i>		<i>31 March</i>	
	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>
	<i>PLN '000</i>		<i>EUR '000</i>	
1. Net revenue from the sale of products, goods and materials	18 682	41 189	4 062	11 578
2. Profit (loss) from operations	(26 865)	(5 999)	(5 841)	(1 686)
3. Gross profit (loss)	(21 642)	(4 344)	(4 705)	(1 221)
4. Net profit (loss) attributable to equity holders of the parent	(20 789)	(5 353)	(4 520)	(1 505)
5. Cash flows from operating activities	(5 001)	(9 046)	(1 087)	(2 543)
6. Cash flows from investing activities	(2 649)	(55 522)	(576)	(15 607)
7. Cash flows from financing activities	(2 139)	88 213	(465)	24 797
8. Net cash flows, total	(9 789)	23 645	(2 128)	6 647
9. Weighted average number of shares issued in units	8 283 949	5 873 002	8 283 949	5 873 002
10. Number of diluting potential ordinary shares	586 863	586 863	586 863	586 863
11. Earnings (loss) per share (in PLN/EUR)	(2.51)	(0.91)	(0.55)	(0.26)
12. Diluted earnings (loss) per share (in PLN/EUR)	(2.34)	(0.83)	(0.51)	(0.23)
	<i>as at</i>		<i>as at</i>	
	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>	<i>31 December</i>
	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>
	<i>PLN '000</i>		<i>EUR '000</i>	
13. Total assets	1 113 492	1 050 265	236 848	251 717
14. Liabilities and provisions for liabilities	569 504	599 922	121 138	143 783
15. Non-current liabilities	490 808	508 082	104 398	121 772
16. Current liabilities	78 696	91 840	16 739	22 011
17. Equity attributable to equity holders of the parent	543 988	450 343	115 710	107 934
18. Share capital	121 084	63 481	25 755	15 215
19. Weighted average number of shares issued in units	8 283 949	5 517 584	8 283 949	5 517 584
20. Number of diluting potential ordinary shares	586 863	586 863	586 863	586 863
21. Book value per share (in PLN/EUR)	65.67	81.62	13.97	19.56
22. Diluted book value per share (in PLN/EUR)	61.32	73.77	13.04	17.68
23. Declared or paid dividend per share (in PLN/EUR)	0.00	0.00	0.00	0.00

**2. AVERAGE PLN/EUR EXCHANGE RATE FIXED BY NBP**

	<i>for 3 months</i>	
	<i>ended 31 March</i>	
	<i>2009</i>	<i>2008</i>
average rate in the period	4.5994	3.5574
	<i>as at</i>	
	<i>31 March</i>	<i>31 December</i>
	<i>2009</i>	<i>2008</i>
rate at the end of the period	4.7013	4.1724

### 3. GENERAL INFORMATION REGARDING THE ISSUER AND THE ISSUER'S GROUP

PETROLINVEST S.A. Group is comprised of parent entity - PETROLINVEST S.A. (the "Company") as well as subsidiary companies (see point 4). For the needs of this Report, the parent company, its subsidiaries and the jointly-controlled entity (see point 4) shall be referred to as PETROLINVEST Group (the Group).

PETROLINVEST S.A., the parent entity of PETROLINVEST Group, was incorporated pursuant to Resolution of the Shareholders' Meeting of Petrolinvest Sp. z o.o. (limited liability company) dated 22 December 2006 regarding its transformation into Spółka Akcyjna (a joint stock company). The Company was registered with the National Court Register kept by the District Court, VIII Economic Department of the National Court Register under entry no. KRS 0000270970 on 29 December 2006. The Company was granted statistical REGON number 190829082.

On 16 July 2007, rights to shares of PETROLINVEST S.A. were first quoted on the Warsaw Stock Exchange.

The Company's registered office is located in Poland, at Podolska 21, Gdynia.

The parent entity and the other entities of the Group have an unlimited period of operation.

The main areas of business activities of PETROLINVEST Group include:

- activities incidental to oil and gas exploration and extraction,
- wholesale of solid, liquid and gaseous fuels and related products,
- retail sale of automotive fuel,
- manufacture of gaseous fuel,
- services connected with installation of metal structures,
- gas fittings and installations.

Gas trading activities are carried out by the Company's branch with a self-balancing set of accounts: PETROLINVEST Spółka Akcyjna – Oddział LPG (LPG Branch) headquartered in Gdynia. The Branch was separated on 1 July 2008. The Branch was granted statistical REGON number 190829082-00022.

As of the date of publication of this Quarterly Report, the largest shareholder of PETROLINVEST S.A. is Prokom Investments S.A. The controlling entity of PROKOM INVESTMENTS S.A. is Mr. Ryszard Krauze.

As set out in the Company's statutes, if the management board is composed of two or three persons, Prokom Investments S.A. has personal powers to appoint and dismiss the president of the management board while Mr. Ryszard Krauze, one of the shareholders of PETROLINVEST S.A., has personal powers to appoint and dismiss the vice president. The number of board members is determined by Prokom Investments S.A. The supervisory board is composed of six members, two of them (including the chairman and deputy chairman of the supervisory board) are appointed and dismissed by Prokom Investments S.A. while one member of the supervisory board is appointed and dismissed by Mr. Ryszard Krauze.

### 4. ENTITIES OF THE GROUP SUBJECT TO CONSOLIDATION IN 1st QUARTER 2009

PETROLINVEST Group is composed of the parent entity, its subsidiaries and a jointly-controlled entity (TOO COMPANY PROFIT) with the following profiles: prospecting and extraction, trade and service.

As of 31 March 2009, PETROLINVEST S.A. possessed stock/shares in the following companies:

Company name	Share capital	Shareholding	Consolidation method
Occidental Resources, Inc. (U.S.A.) <sup>(1)</sup>	199 332.77	USD 88.10%	Full
TOO EMBA JUG NIEFT (Republic of Kazakhstan)	145 000.00	KZT 79.00%	Full
TOO COMPANY PROFIT (Republic of Kazakhstan)	164 600.00	KZT 50.00%	Proportional
OOO NK SIEWIERGEOFIZYKA (Russian Federation)	100 000.00	RUB 59.999%	Full
OOO NIEFTIEGEOSEKSERWIS (Russian Federation) <sup>(2)</sup>	10 000.00	RUB 59.99%	Full
ZAO Pechora-Petroleum (Russian Federation)	20 000.00	RUB 59.00%	Full
UAB Petrolinvest Mockavos Perpyla (Lithuania)	2 000 000.00	LTL 87.00%	Full
TPG GAZ S.A. (Poland)	15 720 325.00	PLN 100.00%	Full

<sup>(1)</sup> Occidental Resources, Inc. owns 100% of the shares in OilTechnoGroup, registered in the Republic of Kazakhstan.

<sup>(2)</sup> OOO NIEFTIEGEOSEKSERWIS owns 100% of the shares in OOO Projekt 2008.

**5. MATERIAL EVENTS OCCURRING AFTER THE END OF THE PERIOD WHICH HAD NOT BEEN REFLECTED IN THE CONSOLIDATED FINANCIAL STATEMENTS FOR 1st QUARTER 2009**

- ✓ The offering of the Company's ordinary bearer M-series shares was effected on 16 April 2009 (details in point 10 herein).
- ✓ On 29 April 2009, the Company entered into an agreement with GEM Investments Advisers, Inc ("GEMIA") and GEM Global Yield Fund Limited ("GEM") under which a PLN 200 million financing was made available to the Company through an equity line of credit (the "Agreement") and under which subscription warrants convertible into 1,300,000 Petrolinvest shares are to be issued to GEM at PLN 60 per share (aggregate value PLN 78 million) (the "Warrants"). The Agreement gives the Company the option to demand within three years from the date of the Agreement that GEM subscribe for subscription warrants, exercise the rights to subscribe for the shares, and take up Petrolinvest shares issued within the scope of the authorised capital, the total issue price of which shall not exceed PLN 200 million, provided that the number of warrants and shares in one draw will not be higher than seven times the average turnover volume of Petrolinvest shares during 15 trading days preceding the day on which the Company uses the equity line of credit that has been granted to it. The Company may decide when to use the equity line of credit at its own discretion, depending on its current capital requirements, and use each tranche of the financing as needed. The Company is not obliged to use the full amount of the equity line of credit. Petrolinvest shares issued under the Agreement will be taken up in exchange for cash contributions. The issue price per share will vary depending on the time when the Company chooses to use the equity line of credit and will be determined using 90% of the average Petrolinvest close price quoted on 15 consecutive quoting days preceding the day on which subscription warrants conferring the right to subscribe for shares are taken up ("Subscription Date"). In each draw, as a rule GEM will be obliged to take up subscription warrants conferring rights to subscribe for Petrolinvest shares—and following that the Company's shares—that represent no less than 50% and no more than 200% of such number of Company shares that the Company sets out at the moment it decides to use the equity line of credit, which does not in any way reduce the amount of the credit line. On a day falling within 4 months from the earliest Subscription Date on which subscription warrants will have been taken up and for which Petrolinvest shares will not have yet been issued ("Closing Date"), the Management Board will adopt a resolution to issue such a number of Company shares—within the scope of the authorised capital and excluding the pre-emptive rights—that corresponds to the number of subscription warrants held by GEM on the Closing Date (the "Shares") (as provided in the Agreement, appropriate consents from the Chairman of the Company's Supervisory Board and the Supervisory Board itself will be given on the Closing Date as well). The Agreement provides that the Shares will be offered and taken up by GEM on the Closing Date. Immediately following the registration of the Shares in the National Court Register, the Company will take all actions necessary to introduce the Shares to trading at the WSE. As provided in the Agreement, on the first Subscription Date the Company will pay to GEMIA remuneration totalling PLN 2,000,000. In addition, the Company agreed to issue Warrants convertible into Petrolinvest shares at an issue price of PLN 60 per share (the price may change in certain circumstances) as follows: (i) 650,000 Warrants issued within the scope of the authorised capital, immediately following registration by the court of the amendments to the Company's statutes determining the authorised capital; and (ii) another 650,000 Warrants pursuant to an appropriate resolution of the Company's Extraordinary General Meeting convened within 60 days from the date of the Agreement ("EGM"). If the EGM does not take the resolution, the Company will issue the Warrants referred to in point (ii) from the authorised capital. The Agreement meets the criteria of a significant agreement because its value exceeds 10% of the Company's equity. The equity line of credit is a recognised solution used in US and UK markets that provides a flexible mechanism of increasing share capital – by amounts and on dates suited to the Company's current requirements. The GEM Group is a US-based private equity group founded in 1991, with offices in New York, London, and Beijing. The GEM Group manages US\$ 3.4 billion worth of assets and has completed more than 200 transactions in 29 countries across the world. It specialises in private investments but also invests in publicly-listed companies. The GEM Group operates in the US and internationally, across a broad spectrum of industries and transactional structures. Investments of GEM Group usually involve engagement in shares. GEM Group often provides financing for an entire undertaking or acts as the leading investor.
- ✓ On 7 May 2009, the EGM of PETROLINVEST S.A. adopted a resolution giving consent to sell, lease or otherwise dispose of the organised part of the Company's enterprise involved in gas trading. The EGM gave consent to the Management Board to take actions aimed at disposing—in favour of TPG GAZ Spółka Akcyjna with its registered office in Łubiana ("TPG")—of the organised part of the Company's enterprise involved in gas trading, which is a self-balancing LPG Branch headquartered in Gdynia ("LPG Enterprise"), or any tangible or intangible assets of the Company associated with the operation of the LPG Enterprise ("LPG Assets") in a timeframe, scope and on terms, including financial terms, that are negotiated by the Management Board, whereas:
- LPG Assets shall mean in particular the gas bottling plants in Łubiana and Suwałki and the associated assets;

- dispositions as to the LPG Enterprise or LPG Assets may also be made with the exclusion of rights connected with the lease of the LPG sea terminal in Port Gdynia;
- disposal of the LPG Enterprise or LPG Assets in favour of TPG may involve in particular:
  - a. using them as an in-kind contribution to cover the stake in the increased share capital of TPG,
  - b. selling them to TPG,
  - c. leasing them out to TPG.

The necessity of obtaining the consent described above was connected with the intention to increase the value of the Company and its capital assets by enabling the Company to focus to a greater extent on prospecting and production, as well as to create market value for TPG (wholly-owned by the Company) as a specialised entity and a leader in LPG trading in Poland and Central East Europe. Hiving off gas trading activities into a separate organisational structure – TPG – should lead to a considerable increase in the scale of LPG trading operations and an increase in margins delivered on those operations through constant expansion of the distribution network and diversification of LPG supply channels. Furthermore, separating LPG activities from prospecting and production will enhance the transparency of both business segments for the Group's trading partners and cooperating banks. Managing LPG operations as a separate entity will allow for a more flexible approach to any emerging opportunities to take over other operators in the industry, and also – make it possible to attract investors interested in this particular type of business activity.

The authority given to the Management Board to define the structure and scope of transactions at later stages of the process of relocating the LPG Enterprise or its components is connected with the need to optimise transactions in respect of their tax consequences for both sides on an ongoing basis, and in particular to ensure that the operation of tax warehouses maintained in the gas bottling plants is undisturbed and to adjust the structure and scope of transactions in a flexible manner to the financing used by the Company and TPG to finance their operations.

- ✓ On 12 May 2009, the Company received decisions of the District Court for Gdańsk-Północ of Gdańsk, VIII Economic Department of the National Court Register regarding the registration on 5 May 2009 of the share capital increase via the issuance of M-Series shares (details in point 10 herein), the registration on 11 May 2009 of amendments to the Company's Statutes pursuant to resolutions of the EGM of the Company dated 16 March 2009, and the registration on 12 May 2009 of the amount of the authorised capital of PLN 90,813,060.
- ✓ On 14 May 2009, the Company signed three agreements:
  - An agreement with PROKOM Investments S.A. (henceforth "PROKOM", "Agreement I"), setting forth the terms on which PROKOM makes its assets available to the Company to use as security for the credit facility extended under the agreement dated 21 March 2007 with the consortium of PKO Bank Polska S.A. and Bank Gospodarstwa Krajowego,
  - An agreement with Osiedle Wilanowskie Spółka z ograniczoną odpowiedzialnością (henceforth "Osiedle Wilanowskie", "Agreement II"), setting forth the terms on which Osiedle Wilanowskie makes its assets available to the Company to use as security for the credit facility extended under the agreement dated 21 March 2007 with the consortium of PKO Bank Polska S.A. and Bank Gospodarstwa Krajowego,
  - An agreement with Agro Jazowa S.A. (henceforth "Agro Jazowa", "Agreement III"), setting forth the terms on which Agro Jazowa makes its assets available to the Company to use as security for the credit facility extended under the agreement dated 21 March 2007 with the consortium of PKO Bank Polska S.A. and Bank Gospodarstwa Krajowego.

The average value of the assets encumbered by PROKOM, Osiedle Wilanowskie and Agro Jazowa as collateral for the Company's Credit Facility under Agreement I, II and III, according to professional surveyor's reports and stock quotes, in the period from the encumbrance date to the date of signing of Agreements I, II and III amounted to PLN 642.67 million (PLN 860 million maximum in the period). In exchange for the benefits provided by entities acting as second parties to the agreements—i.e. the possibility of the Company using those entities' financial and physical assets to collateralise the credit facility taken out by the Company to finance the investments of the oil prospecting and extraction companies of PETROLINVEST Group in Kazakhstan and the Russian Federation—those entities will be entitled to a fee. The fee will be calculated for the full period of encumbrance using the value of the assets made available for that purpose and an average cost of obtaining debt financing by the entities that have made the assets available, which in the encumbrance period is on average 7%. For the purpose of calculating the remuneration referred to above, the parties agreed that the cost of obtaining the financing is 6.5%.

As provided in Agreements I, II and III, the fees for using the assets made available by PROKOM, Osiedle Wilanowskie and Agro Jazowa do not have to be settled in cash but may be converted into Petrolinvest shares in proportions agreed during the term of the agreements. The fees may be prepaid; however, the prepayment may not be higher than the fee due for the period ending on the prepayment date.

As provided in the agreements, Prokom, Osiedle Wilanowskie and Agro Jazowa (henceforth "the Demanding Party") have the right to demand that the Company transfer to the Demanding Party (on one or many occasions) such a number of Company shares that is the product of the amount of the Demanding Party's accounts receivable (or a portion thereof) and the average closing price of one Company share at the WSE in the three months preceding the date of the demand made by the Demanding Party. The Company will be obliged to transfer to the Demanding Party, or issue and offer the shares specified in such a demand within five days from the date of the request, however not later than within three years from freeing the Encumbered Assets from encumbrance. The Company may also fulfil this obligation by taking a resolution on a share capital increase in the Company—within the limits of authorised capital as envisaged in Par. 11 of the Company's Statutes—through the issuance of Company shares that will be offered exclusively to the Demanding Party, excluding the pre-emptive rights of the remaining shareholders with the consent of the Supervisory Board.

The Demanding Party will be obliged to cover the shares subscribed for (pay for the shares acquired) in the manner described above—with a financial contribution (in cash) which shall be made (which shall be paid) by netting outstanding accounts receivable by the Company from the Demanding Party under a given share subscription (sale) agreement and accounts receivable by the Demanding Party from the Company under the agreements.

The Management Board wishes to point to the fact that in the credit facility agreement the Banks finance the Company's prospecting activities have obtained an above-standard comfort of collateral for the project and the accompanying, standard risks have been greatly reduced. At the same time, the Company gained access to financing that would be impossible to get without the support of PROKOM, Osiedle Wilanowskie and Agro Jazowa which provided their own assets as collateral for the credit facility. Please note that the financing that has been obtained for the prospecting and extraction project at its early stage is more of an equity investment than a debt instrument; hence, the overall cost of obtaining it, which involves the cost of obtaining and servicing the credit facility and the cost of obtaining collateral in the amount stipulated above, should be considered favourable.

Osiedle Wilanowskie and Agro Jazowa are subsidiaries of PROKOM and have been in close cooperation with PROKOM from the beginning of the project of obtaining finance for the Company's operations from the Banks in an effort to make it possible for the Company to draw the credit facility on the best possible terms. Those efforts are connected with the performance of the Support Agreement concluded on 21 March 2007 between PROKOM, PKO BP S.A. and the Company where PROKOM committed to support the Company's investment projects financed by the Banks. In compliance with the Support Agreement, PROKOM's receivables following from Agreement I are subordinated to the receivables due under the credit facility agreement dated 21 March 2007 referred to above.

The aggregate value of the assets encumbered by PROKOM, Osiedle Wilanowskie and Agro Jazowa as collateral for the Company's Credit Facility under Agreement I, II and III, calculating from the first date of the collateral, was maximum PLN 860 million, while the average value of the assets in the period from the encumbrance date to the date of signing Agreements I, II and III was PLN 642.67 million.

In execution of the agreements, on 14 May 2009, the Company received the following demands for share transfers:

- under Agreement I – for a number of shares corresponding to the product of the prepayment of PLN 63,254,590.52 towards remuneration due under the agreement and the stock quote of PLN 44.9312 per one Company share,
- under Agreement II – for a number of shares corresponding to the product of the prepayment of PLN 8,820,475.74 towards remuneration due under the agreement and the stock quote of PLN 44.9312 per one Company share,
- under Agreement III – the number of shares corresponding to the product of the prepayment of PLN 17,760,878.88 towards remuneration due under the agreement and the stock quote of PLN 44.9312 per one Company share.

As a result, and since Osiedle Wilanowskie and Agro Jazowa are subsidiaries of PROKOM, Agreement I, Agreement II, and Agreement III collectively meet the criteria of a significant agreement because the aggregate value of their subject matters, to the extent that had been delivered up to the date of conclusion of the Agreements, exceeds 10% of the Company's equity.

## **6. EFFECTS OF CHANGES IN THE STRUCTURE OF THE COMPANY, INCLUDING MERGERS, ACQUISITIONS OR DISPOSALS OF THE ISSUER'S GROUP UNDERTAKINGS, LONG-TERM INVESTMENTS, DE-MERGERS, RESTRUCTURING AND DISCONTINUED OPERATIONS**

Pursuant to a resolution on the change of shareholder, as from 6 January 2009, OOO NIEFTIEGEOSEWIS owns 100% of the shares in Projekt 2008. Previously, OOO NK SIEWIERGEOFIZYKA and OOO NIEFTIEGEOSEWIS each had a 50% interest in OOO Projekt 2008.

The Company is running a project of improving management efficiency by separating LPG trading operations from the current structure of PETROLINVEST S.A. to TPG GAZ S.A. (the Company's subsidiary company), which is expected to be finalised at the beginning of the third quarter 2009.

## **7. EXPLANATIONS REGARDING SEASONALITY OR CYCLICALITY OF THE ISSUER'S OPERATIONS IN THE PERIOD**

As far as the Company's trading activities are concerned, which involve trading in LPG, selected product groups show a high seasonality.

The demand for automotive gas is higher in the months from May to September due to higher seasonal activity of motor vehicle users. In the winter months, there is less vehicular traffic, which is reflected by a decrease in sales of automotive gas.

The demand for gas for heating purposes concentrates in the period before the start of the winter season and throughout that season. The sales of gas for heating purposes are greatly limited in the spring and summer months. The first quarter is usually a period of slower sales and lower results generated on those operations.

## **8. BRIEF DESCRIPTION OF SIGNIFICANT ACHIEVEMENTS OR FAILURES OF THE ISSUER DURING THE PERIOD COVERED BY THE REPORT, INCLUDING A LIST OF THE MOST SIGNIFICANT EVENTS RELATED TO SUCH ACHIEVEMENTS OR FAILURES**

### **PROSPECTING AND EXTRACTION**

In the first quarter of 2009, PETROLINVEST Group continued its prospecting and research work, the scope of which is presented below.

#### OOO NK SIEWIERGEOFIZYKA

The following works were carried out in the first quarter of 2009:

- ✓ A report on the progress of work on the concession in 2008 and a schedule of works for 2009 were prepared and filed with competent local inspection authorities.
- ✓ Processing and analysis of the results of interpretation of a new part of 3D seismic image covering the northern part of the concession area was ongoing vis-à-vis the interpretation of the southern part.
- ✓ Design work and preparations for drilling were continued.

#### OOO NIEFTIEGEOSEERWIS

The following works were carried out in the first quarter of 2009:

- ✓ A report on the progress of work on the Vysovskye and Yuzhno-Nyertsovskye concessions in 2008 was prepared and filed with competent local inspection authorities.
- ✓ Processing and analysis of the results of interpretation of the 3D seismic image covering a part of the Yuzhno-Nyertsovskye concession was continued.
- ✓ Design work was continued for drillings on sites selected on the basis of 3D seismic research results.
- ✓ Design work and preparations for drilling were continued.
- ✓ On 18 February 2009, OOO Neftegeoserwis signed Annex no. 6 to the Yermolovskye Exploration Concession with the Federal Agency for the Use of Mineral Resources. The Annex prolongs the prospecting period of the Concession to 31 December 2010 and sets out a minimum work programme for the years 2009 and 2010, which involves the construction of at least one exploration well in each year and filing a report on the results of the work completed with relevant offices in 2010.

#### ZAO PECHORA-PETROLEUM

The following works were carried out in the first quarter of 2009:

- ✓ A report on the progress of work on the Porozhskye and Vyerkhnye-Pechorskyye concessions in 2008 was prepared and filed with competent local inspection authorities.
- ✓ Interpretation of new 2D seismic research in the southern part of the Porozhskye concession was continued.
- ✓ Design work and preparations for drilling were continued.

#### TOO EMBA JUG NIEFT

The following works were carried out in the first quarter of 2009:

- ✓ A work programme performance report for 2008 and a schedule of works for 2009 were prepared and filed with competent local inspection authorities. Both documents were admitted without reservations.
- ✓ Processing of 3D seismic data obtained from the north-west part of the contract area was continued.
- ✓ Design work and preparations for drilling were ongoing.

#### TOO COMPANY PROFIT

The following works were carried out in the first quarter of 2009:

- ✓ A work programme performance report for 2008 and a schedule of works for 2009 were prepared and filed with competent local inspection authorities. Both documents were admitted without reservations.
- ✓ Work on a new prospecting project on the contract area was continued.
- ✓ Design work and preparations for drilling were continued.

#### OIL TECHNO GROUP (subsidiary of Occidental Resources, Inc.)

The OTG concession is the key concession for the whole Petrolinvest Group, for which the independent expert (McDaniel & Associates Consultants) estimated by far the largest prospective resources. This concession has the largest investment programme in place, which is expected to lead to crude oil and natural gas production being started as soon as possible. Consequently, the independent expert is expected to reclassify a significant portion of prospective resources to the proven category.

The following works were carried out in the first quarter of 2009:

- ✓ A work programme performance report for 2008 and a schedule of works for 2009 were prepared and filed with competent local inspection authorities. Both documents were admitted without reservations.
- ✓ Drilling of Shyrak 1 with a planned depth of 7,000 m was continued. The well was drilled to a depth of 1,231m and piped with 340mm pipes to a depth of 1,229m.
- ✓ Testing of Koblandy 3 was ongoing. The results obtained during drilling and preparations for production testing—and in particular the gas and oil flows obtained—indicate that hydrocarbon deposit(s) have been discovered in the previously identified geological structures that served as the basis for estimations of the magnitude of resources made by the independent expert.
- ✓ Interpretation of 2D and 3D seismic data, as well as gravimetric and microseismic data from the Koblandy, Tamdy, Bestau, Shyrak and Sarkol areas was continued.
- ✓ On 6 January 2009, the Company received a decision of the Ministry of Energy and Mineral Resources of the Republic of Kazakhstan prolonging the prospecting period of OTG Contract—registered to TOO OilTechnoGroup—by two years to 18 March 2011. The decision sets the amount of obligatory capital expenditure to be incurred by TOO OilTechnoGroup during the extended prospecting period at USD 23 million. The provisions of the decision will be implemented in the form of an annex to OTG Contract no. 993 dated 18 September 2002. OilTechnoGroup has finalised negotiations of the annex extending the respective periods of the concession, and it is expected to be signed in Q2 2009. It was agreed that the prospecting period of OTG Contract—registered to TOO OilTechnoGroup—would be extended by two years to 18 March 2011.

#### **Events pertaining to concessions held by entities with whom the Company has conditional investment agreements.**

#### **AKTAU TRANSIT**

- ✓ Work programme performance reports for 2008 and schedules of works for 2009 for the Zhangurshi and Tyubedzhik concessions were prepared and filed with competent local inspection authorities. The documents were admitted without reservations.
- ✓ **Trial production of crude oil** was continued on the Zhangurshi Concession (Aktau-Tranzit) based on a trial exploitation project.
- ✓ Drilling and testing of new wells was continued on the Tyubedzhik Concession (Aktau-Tranzit).

#### **GAS SALES**

- ✓ The Company continued the process of improving effective management of the Group initiated last year, and on 16 March 2009 it was given consent by the Extraordinary General Meeting of PETROLINVEST S.A. to **widen the scope of the Company's activities** by adding accounting, book-keeping and auditing activities, tax consultancy, activities of head offices and holding companies, except financial holding companies, and other business and management consulting activities. The widening of the scope of activities is a part of the Company's plan to implement a more efficient model with regard to business transactions with companies within PETROLINVEST Group and supervision of those entities, as part of which the Company will fulfil the role of a central facility for management and financial and book-keeping centre with respect to its subsidiaries. The changes are closely connected with the distribution of powers within the Capital Group and are not connected with a change to the Company's current business profile.

## FINANCIAL AREA

- ✓ On 13 January 2009, the Company signed an **agreement with PROKOM Investments S.A.** ("Prokom") pertaining to:
- conditional acquisition by the Company from Prokom of accounts receivable associated with the financing of prospecting works on the Bozoba field** which belongs to BMB Munai, as well as accounts receivable and rights pertaining to indirect acquisition of shares in BMB Munai (BMB Munai is involved in testing the B-200 well located on the Bozoba field),
  - replacing the Call option** available to Prokom under loan agreements extended in 2006-2008 to finance acquisitions of oil prospecting and extraction companies in Kazakhstan and Russia, as well as the prospecting works carried out by those companies, with the Call option granted under the Agreement,
  - expanding the scope of the Call option to all accounts receivable by Prokom from the Company.**

The Agreement envisages that Prokom shall transfer to the Company:

- accounts receivable under the loan agreement concluded on 14 January 2008 between Prokom and Capital Energy S.A.; which shall entitle Prokom to a PLN 44,633,884 account receivable from the Company, reflecting interest accrued as at 30 September 2008; and
- rights and obligations under the share sale agreement of 20 December 2007 concluded between Prokom and Mars International Worldwide Inc. pertaining to indirect acquisition of shares in BMB Munai, one of the companies of Capital Energy S.A. group; the transfer entitles Prokom to a PLN 20,250,000 account receivable from the Company;

additionally, if the transfer of the accounts receivable and rights specified above (or any other collateral established in connection with the above-mentioned loan agreement) should require any consent or permit from any administrative authorities, corporate authorities, or third parties, the Company and Prokom agreed to co-operate in good faith to obtain such consents or permits as quickly as possible. Specifically, until the consent of the consortium agent bank is granted, the transfer of the accounts receivable and rights specified above is effectively only a commitment.

Furthermore, the parties confirmed in the Agreement that apart from the accounts receivable described above:

- the aggregate value of trade accounts receivable by Prokom from the Company which arose in the course of regular business activities of both companies, with accrued interest, is PLN 2,100,629.79 as at 13 January 2009 (as per the correction made in the annex dated 28 January 2009); and
- the aggregate value of accounts receivable by Prokom from the Company under the loans extended by Prokom, with accrued interest, is PLN 218,922,996.05 as at 13 January 2009.

As at 13 January 2009, the aggregate balance of the above-listed accounts receivable by Prokom from the Company, including the accounts receivable transferred on condition, was PLN 285,907,509.84; with the reservation that the interest accrued on the Capital Energy S.A. account receivable was calculated as of 30 September 2008.

As provided in the agreement, Prokom has the right to demand that the Company transfer to Prokom (on one or many occasions) such a number of Company shares that is the product of the value of Prokom's accounts receivable (or a portion thereof) with accrued interest and the average closing price of one Company share at the WSE in the three months preceding the date on which Prokom made the demand. The Company will be obliged to transfer to Prokom, or issue and offer to Prokom, the shares specified in such a demand within five days from the date of the request, however not later than within three years from 13 January 2009. The Company may also fulfil this obligation by taking a resolution on a share capital increase in the Company—within the limits of authorised capital as envisaged in Par. 11 of the Company's Statutes—through the issuance of Company shares that will be offered exclusively to Prokom, excluding the pre-emptive rights of the remaining shareholders.

Prokom will be obliged to cover the shares subscribed for (pay for the shares acquired) in the manner described above—with a financial contribution (in cash) which shall be made (which shall be paid) by netting outstanding accounts receivable by the Company from Prokom under a given share subscription (sale) agreement and accounts receivable by Prokom from the Company.

The provisions of the Agreement described above—referring to Prokom's rights—replace, in respect of the loan agreements concluded between Prokom and the Company, the Call Option granted to Prokom which was the subject of current report no. 34/2008 released on 6 June 2008.

- ✓ On 28 January 2009, pursuant to the provisions of the agreement dated 13 January 2009, the Company **received from Prokom Investments S.A.:**
- a request to transfer to Prokom a number of shares** that corresponds to the product of (i) the aggregate amount of all accounts receivable by Prokom from the Company as specified in the Agreement with accrued interest, the value of which as of 13 January 2009 was made public in current report no. 4/2009 published by the Company on 14 January 2009, and (ii) the average closing price of one Company share at the WSE in the three months preceding 28 January 2009, i.e. Petrolinvest share price quote of PLN 45.9387; and

- b) **a call to offer to Prokom**, within five days from 28 January 2009, to subscribe for 2,100,000 ordinary bearer Petrolinvest shares at an issue price of PLN 45.9387 per share, that is for a total consideration of PLN 96,471,270.00.

In the statement delivered to the Company, Prokom indicated that the aggregate amount of the accounts receivable which serves as the basis for calculating the number of shares participating in the call comprises:

- (i) all trade accounts receivable by Prokom from the Company which arose in the course of regular business activities of both companies, with interest accrued thereon as at 13 January 2009, which amount to PLN 2,100,629.79; and
- (ii) a fraction of accounts receivable by Prokom from the Company under the loans extended by Prokom, comprised of a principal amount following from the loan agreement concluded on 2 October 2006 of up to PLN 92,370,640.21 and interest accrued thereon—following from the same loan agreement—of up to PLN 2,000,000.

On 9 February 2009, the Company concluded a netting agreement with Prokom Investments S.A., which exercised the call referred to above (details in point 10 herein).

- ✓ On 20 February 2009, the Company was informed that **Occidental Resources, Inc. gave a guarantee** to Bank CenterCredit JSC (details in point 18 herein).
- ✓ On 18 March 2009 the Company and PKO BP, acting as Facility Agent, entered into a **pledge agreement over the shares of Occidental Resources Inc. ("ORI")**. The Pledge Agreement was concluded in execution of the obligation provided for in the pledge agreement concluded with PKO BP on 30 December 2008. The Pledge Agreement established a pledge over 75,947,519 ORI shares.
- The nominal value of each ORI share is USD 0.001. The Pledged ORI Shares are the Company's long-term equity investment. The Company owns shares representing 88.10% of ORI share capital and carrying 88.10% of the votes at the company's general meeting. The nominal value of the Pledged ORI Shares is USD 75,947.52 and they represent a 38.10% stake in ORI share capital. The Pledge Agreement was concluded in order to secure receivables due under the Credit Facility Agreement dated 21 March 2007 concluded between the Company, PKO BP and Bank Gospodarstwa Krajowego. The receivables that have been secured comprise all amounts due, including the principal amount, interest and other lending costs that the Company agreed to pay under the Credit Facility Agreement. The current principal amount of the facility under the Credit Facility Agreement is USD 100,184,412.75 and PLN 2,183,100.
- There are no any other links existing between the Company and its directors or supervisors and PKO BP and directors of PKO BP other than the Credit Facility Agreement.
- The book value of the Pledged ORI Shares entered in the Company's books of account is PLN 135,623,159.70.
- The pledged ORI Shares were deemed significant value assets because their value exceeded 10 percent of the Company's equity.
- ✓ On 20 March 2009 the **Company concluded an agreement with its majority shareholder, Prokom Investments S.A. ("Prokom"), which sets out terms and conditions for cooperation in seeking financing** for the Company.
- In the Agreement, Prokom committed to take appropriate actions to obtain a PLN 150 million financing for the Company's operations (the "Financing"), while the Company committed to accept the Financing obtained by Prokom under the Agreement. The Financing will be provided on the basis of loan agreements or other agreements of similar nature, on an arm's length basis, or as a direct equity investment into Petrolinvest shares, with the reservation that the loans or similar agreements will be uncollateralized and subordinated to the Company's bank debt, unless otherwise agreed by the parties.
- The Financing will be provided to the Company by Prokom, or another entity appointed by Prokom (Prokom or another entity appointed by Prokom henceforth referred to as the "Financing Entity"), based on agreements which should stipulate the authority of the Financing Entity to file a conversion request for an outstanding amount of the Financing, with accrued interest and other costs resulting from the Financing documents, to be converted, whether fully or partially, into Petrolinvest equity (the "Request").
- If the Financing Entity should have the intention to make a direct equity investment into Petrolinvest shares, the Request will apply accordingly to an issue of Petrolinvest shares on terms stipulated in the Agreement.
- The Request will be irrevocable and may be made by the Financing Entity at any date set by the Financing Entity or at the date stipulated in the Financing document. Subscription and payment for the shares in execution of the Request will be made within two months from the date of the Request. If the share issue is not made from the authorised capital, the deadline for subscription and payment for the shares in execution of the Request will be four months from the date of the Request.
- Once the Request is made, the Company is committed to take all actions necessary to increase the share capital through the issue of new Petrolinvest shares ("New Shares") within the timeframe specified in the Request in exchange for a cash contribution, at an issue price per New Share equal to an average close price of the Company's shares at the Warsaw Stock Exchange ("WSE") from 180 quoting days preceding the date of the Request, or—if the Financing Entity shall decide so—at an issue price per New Share equal to the close price of the Company's shares at the WSE from the day preceding the date of the Request, in each case reflecting the effects of possible distribution of the shares.

New Shares will first be issued within the scope of the authorised capital, and the Company is obliged to provide such a level of authorised capital that allows for an issue of New Shares to be effected within its limits.

If a Request is made for full or partial conversion of the outstanding amount of the Financing, New Shares shall be paid for by way of contractual netting of accounts receivable by the Financing Entity and accounts receivable by the Company under the New Share issue.

If, in execution of the Agreement, Prokom should obtain financing from another Financing Entity, other than Prokom, then Prokom shall be entitled to remuneration from the Company equal to 2% (net) of the value of the Financing so obtained.

The Agreement provides that the Financing should be obtained by 31 December 2010.

The Agreement was concluded at arm's length.

The Agreement meets the criteria of a significant agreement because its value exceeds 10% of the Company's equity.

- ✓ On 30 March 2009 the Company concluded with the bank Powszechna Kasa Oszczędności Bank Polski S.A. ("PKO BP") and Bank Gospodarstwa Krajowego Bank Państwowy ("BGK") – an **annex to the Credit Facility Agreement dated 21 March 2007** and with PKO BP acting as the facility agent – agreements for the transfer of rights under loan agreements extended by the Company to companies of PETROLINVEST Group with a book value of USD 72,678,500 with interest to collateralise the Credit Facility Agreement.

The Annex was concluded in order to regulate the mutual rights and obligations of the parties to the Credit Facility Agreement in connection with an earlier decline in value of a portion of the loan collateral portfolio, and also in connection with additional collateral being provided by the Company on 30 December 2008 and 18 March 2009 in the form of a pledge over 88.1% of the shares in Occidental Resources, Inc. owned by the Company.

On the terms set out in the Annex to the Credit Facility Agreement, the Consortium confirmed that it did not recognise the decline in value of the portion of the collateral portfolio below the level required by the Credit Facility Agreement as an event of default. Also, the Company provided additional collateral in the form of a transfer as collateral of receivables totalling USD 72,678,500 from loans extended by the Company pursuant to Transfer Agreements and committed to provide further collateral in the future, including a pledge over the Company's shares and stocks and transfer as collateral of USD 56,136,000 loan receivables with accrued interest.

There are no other links existing between the Company and its directors or supervisors and PKO BP, BGK and directors of PKO BP or BGK other than the Credit Facility Agreement dated 21 March 2007.

The Annex to the Credit Facility Agreement is treated as a significant agreement because the value of its subject matter exceeds 10% of the Company's equity. The rights provided for in the Transfer Agreement are treated as significant value assets because their value exceeds 10% of the Company's equity.

## CAPITAL AREA

- ✓ In the first quarter 2009, the Company finalised the **issue of series G and H shares**, carried out the issue of series K and L shares and adopted a resolution regarding the issue of series M (details in point 10 herein).

## OTHER

- ✓ The **composition of the Company Management Board changed** on 16 January 2009. Mr. Zenon Grablewski resigned from his office as Vice President of the Management Board for health reasons. On the same day, in exercise of its personal rights PROKOM Investments S.A. set the number of the Company's management board members at two, while Mr. Ryszard Krauze—exercising his personal rights—appointed Mr. Marcin Balicki, who had previously resigned from his office as Member of the Management Board, as Vice President of the Management Board.

## 9. DESCRIPTION OF FACTORS AND EVENTS, IN PARTICULARLY NON-RECURRING ONES, WHICH HAD A MATERIAL EFFECT ON FINANCIAL RESULTS

The first quarter 2009 results were primarily impacted by the following:

- ✓ On 4 February 2009, pursuant to a decision of the National Bank of the Republic of Kazakhstan, the exchange rate of the tenge to US dollar at the Kazakhstan Stock Exchange was lowered by nearly 18% to 143.98. Ever since PETROLINVEST started its investment programme aimed at expanding its operations in the area of prospecting for and extracting oil and gas in Kazakhstan, back in 2006, fluctuations of the tenge to US dollar were minimal and stayed around 120.0-125.0. This abrupt and sharp depreciation of the tenge produced significant foreign exchange losses under the Group's finance costs.
- ✓ On 13 January 2009, the Management Board of PETROLINVEST S.A. resolved to increase the Company's share capital by PLN 5,992,120 via the issuance of 599,212 ordinary registered K-series shares of a nominal value of PLN 10 each. K-Series Shares were offered in a private placement to the Company's executives, employees and associates, as well as the executives, key employees and associates of the companies of PETROLINVEST Group. The offering of the Company's ordinary registered K-series shares was effected on 6 February 2009. 599,212 K-Series Shares were subscribed for in the Offering at an issue price of PLN 10 each. All payments towards K-Series Shares had been made. The Company received gross proceeds of PLN 5,992,120 as a result of the Offering. In compliance with IFRS 2, the

Company is required to measure the fair value of the shares granted. The measurement to fair value was performed as at the offering end date. The excess of fair value over nominal value of the shares paid up by eligible persons was PLN 21.8 million and was taken to the Group's payroll expenses for Q1 2009. The cost will not impact the Group's cash flows.

The Management Board would like to reiterate that all of those factors are one-off non-cash items and result from the Group's conservative approach to presenting financial results.

#### 10. INFORMATION REGARDING ISSUE, REPURCHASE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

In the first quarter 2009, the Company finalised the **issue of G and H-series shares amounting to 2,613,163 shares and 447,942 shares**, respectively, carried out the **issue of K-series shares totalling 599,212 shares and L-series totalling 2,100,000 shares**, and passed a resolution regarding the **issue of M-series shares totalling 730,000 shares**, which will be finalised after the end of the period covered by this Report.

##### ✓ **Timetable of events relating to the issue of K-series shares**

*13 January 2009*

The Management Board resolved to increase the Company's share capital by PLN 5,992,120 via the issuance of **599,212 registered K-series shares** of a nominal value of PLN 10 each. In the Company's best interest, the pre-emptive rights of the existing shareholders to K-Series Shares were fully and completely excluded. The issue price of K-Series Shares was set at PLN 10. The issue price of K-Series Shares was determined taking into account the conditions prevailing on securities markets and the goals of the issue of K-Series Shares.

Management decided that K-Series Shares would be offered in a private placement to the Company's executives, employees and associates, as well as the executives, key employees and associates of the companies of PETROLINVEST Group. The Company believes that because the exercise of the Company's existing incentive programmes is doubtful, and their attractiveness – low, because of the execution price of subscription warrants which stands at PLN 227 per one Company share, the issue of K-Series Shares is the only realistic aspect of the incentive programme for top management.

K-Series Shares will participate in dividends starting from 1 January 2008 (as provided in the Management Board resolution dated 20 March 2009 amending the resolution dated 13 January 2009 in that respect). K-Series Shares may be paid for only by cash contributions. K-Series Shares may be convertible into ordinary bearer shares after they have been paid for in full (pursuant to Management Board Resolution dated 28 April 2009 registered shares were converted into bearer shares). In addition, K-Series Shares may be dematerialised. In case of dematerialisation of K-Series Shares, the Management Board will apply to have K-Series Shares admitted and introduced to trading on a regulated market and enter into an appropriate agreement with the National Depository For Securities (KDPW S.A.).

*6 February 2009*

Ending of the offer for K-series shares. Payments towards K-Series Shares were made at 25% of the issue price for each share, which is compliant with the Management Board Resolution on a share capital increase in the Company dated 13 January 2009. The Company received gross proceeds of PLN 5,992,120 as a result of the Offering.

*16 February 2009*

Registration by the District Court for Gdańsk-Północ of Gdańsk, VIII Economic Department of the National Court Register, of the share capital increase of the Company. Following the registration of K and L-Series shares:

- the Company's share capital was increased from PLN 63,480,920 to PLN 90,473,040;
- the total number of votes resulting from all of the Company's shares issued is 9,047,304.

##### ✓ **Timetable of events relating to the issue of L-series shares**

*28 January 2009*

The Management Board resolved to increase the Company's share capital by PLN 21,000,000 via the issuance of **2,100,000 bearer L-series shares** of a nominal value of PLN 10 each. In the Company's best interest, the pre-emptive rights of the existing shareholders to L-Series Shares were fully and completely excluded. The issue price of L-Series Shares was set at PLN 45.9387. The issue price was determined taking into account the provisions of the agreement concluded by the Company with Prokom Investments S.A. on 13 January 2009, which regulates the terms and conditions of satisfying accounts receivable by Prokom Investments S.A. from the Company, as well as the wording of the transfer request and the call for a share offering delivered to the Company by Prokom Investments S.A. on 28 January 2009.

L-Series Shares were offered in a private placement to Prokom Investments S.A. Payments for L-Series Shares are made entirely by netting mutual accounts receivable/accounts payable before the date on which the share capital increase is filed with a register court, in the timeframe and manner specified in the subscription agreement for L-Series Shares. L-

- Series Shares will participate in dividends starting from 1 January 2008 (as provided in the Management Board resolution dated 20 March 2009 amending the resolution dated 13 January 2009 in that respect). L-Series Shares may be paid for only by cash contributions.
- 9 February 2009* Ending of the offer for L-series shares. The Company concluded a netting agreement with Prokom Investments S.A. on 9 February 2009 under which the Parties netted an outstanding account receivable by the Company under the share subscription agreement for L-Series Shares totalling PLN 96,471,270.00 with: (i) an outstanding account payable in connection with the performance by the Company of its obligation to repay the principal amount of the loan due under the agreement dated 2 October 2006 concluded between Prokom and the Company of up to PLN 92,370,640.21, (ii) an outstanding account payable in connection with the performance by the Company of its obligation to repay interest accrued under the loan agreement of up to PLN 2,000,000.00, and (iii) an outstanding trade account payable which arose in the course of regular business activity of the Company and Prokom, with interest accrued thereon, amounting to PLN 2,100,629.79, all payable to Prokom. The Netting Agreement meets the criteria of a significant agreement because its value exceeds 10% of the Company's equity. As a result of the netting, the cash contribution due by Prokom Investments S.A. to the Company in connection with the subscription by Prokom for L-Series Shares was fully covered.
- 16 February 2009* Registration by the District Court for Gdańsk-Północ of Gdańsk, VIII Economic Department of the National Court Register, of the share capital increase of the Company. Following the registration of K and L-Series shares:
- the Company's share capital was increased from PLN 63,480,920 to PLN 90,473,040;
  - the total number of votes resulting from all of the Company's shares issued is 9,047,304.
- ✓ On 12 March 2009, the District Court for Gdańsk-Północ of Gdańsk, VIII Economic Department of the National Court Register, in a secret ballot **registered the share capital increase of the Company** effected by way of:
- an issue of 2,613,163 ordinary bearer G-series shares of a nominal value of PLN 10 each, and
  - an issue of 447,942 ordinary bearer H-series shares of a nominal value of PLN 10 each.
- In consequence:
- the Company's share capital after the registration is PLN 121,084,090 and
  - the total number of votes attached to all Company shares issued, following the registration, is 12,108,409.
- The goal of the issues was to execute the investment agreements pertaining to the acquisition of shares and stocks in TOO EMBA YUG NIEFT and Occidental Resources Inc. (details are given in the Management Board Report on the Activities of PETROLINVEST Group for 2008).
- ✓ **Timetable of events relating to the issue of M-series shares**
- 28 January 2009* The Management Board resolved to increase the Company's share capital by PLN 4,500,000 via the issuance of 450,000 bearer M-series shares of a nominal value of PLN 10 each, and later amended the resolution on 2 March 2009 so that the resolution now envisages an increase by up to 7,300,000 via the **issuance of up to 730,000** ordinary bearer M-series shares. In the Company's best interest, the pre-emptive rights of the existing shareholders to M-Series Shares were fully and completely excluded. The issue price of M-Series Shares was set at PLN 10. The issue price was determined taking into account the conditions prevailing on securities markets and the goals of the issue of M-Series Shares.
- M-Series Shares will be offered in a private placement to the Company Supervisory Board Members, the Company's employees and associates, as well as the executives, employees and associates of the companies of its capital group not included in the incentive programme connected with the issue of K-series shares. The goal of the issue of M-Series Shares is to implement the incentive programme for the Supervisory Board members and associates of the Company.
- The Management Board resolution, as amended on 2 March 2009, provides that subscription agreements for M-series shares may be concluded until 15 July 2009. Payments for M-Series Shares will be made in full before the date on which the share capital increase is filed with a register court, in the timeframe specified in the subscription agreement for M-Series Shares. M-Series Shares will participate in dividends starting from 1 January 2008 (as provided in the Management Board resolution dated 20 March 2009 amending the resolution dated 13 January 2009 in that respect). M-Series Shares may be paid for only by cash contributions.
- 16 March 2009* The EGM passed the resolution regarding allocation of ordinary bearer M-series shares to members of the Company's Supervisory Board.

- 16 April 2009* Ending of the offer for M-series shares. On 16 April 2009, 730,000 M-Series shares were subscribed for. The Company received gross proceeds of PLN 7,300,000 as a result of the offering.
- 5 May 2009* Registration by the District Court for Gdańsk-Północ of Gdańsk, VIII Economic Department of the National Court Register, of the share capital increase of the Company. Following the registration of M-Series shares:
- the Company's share capital was increased from PLN 121,084,090 to PLN 128,384,090;
  - the total number of votes resulting from all of the Company's shares issued is 12,838,409.

**11. INFORMATION ON ANY DIVIDED PAID OUT (OR DECLARED) IN AGGREGATE AND PER ONE SHARE, SEPARATELY FOR ORDINARY AND PREFERENCE SHARES**

In the first quarter of 2009, the Company did not pay or declare dividends.

**12. SELECTED FINANCIAL DATA, INCLUDING THE KEY ITEMS OF CONDENSED FINANCIAL STATEMENTS (ALSO TRANSLATED INTO EURO)**

Selected financial data of the Company and the Group were presented in point 1 of this Report.

**13. THE MANAGEMENT BOARD'S POSITION ON THE FEASIBILITY OF ACHIEVING THE RESULTS STATED IN THE FINANCIAL FORECASTS PUBLISHED EARLIER FOR THE YEAR IN VIEW OF THE FINANCIAL RESULTS PRESENTED IN THE QUARTERLY REPORT IN RELATION TO THE PROJECTED RESULTS**

The Management Board of PETROLINVEST S.A. did not publish any forecasts for 2009.

**14. SHAREHOLDERS HOLDING DIRECTLY OR INDIRECTLY (THROUGH SUBSIDIARY UNDERTAKINGS) 5% OR MORE OF THE TOTAL VOTE AT THE ISSUER'S GENERAL MEETING**

The table below sets forth the number of shares held by Shareholders as at the date of publication of this quarterly Report, also showing changes in the shareholding structure which had taken place since the publication of the previous quarterly report (according to information available to the Company).

Shareholder	Number of shares/ votes	Percentage held in share capital/ total vote at AGM	Change in number of shares	Number of shares/ votes	Percentage held in share capital/ total vote at AGM
	<i>at publication date of last Report</i>			<i>at publication date of this Report</i>	
Ryszard Krauze	3 586	0.04%		573 586	4.47%
Prokom Investments S.A.	4 630 430	51.18%		4 630 430	36.07%
NIHONSWI AG	1 188 231	13.13%		1 107 315	8.63%
Transcontinental Fund Limited	792 900	8.76%		792 900	6.18%
Raycliff Resources Ltd.	0	0.00%		700 297	5.45%
Landsgate Marketing	0	0.00%		655 548	5.11%
Other shareholders	2 432 157	26.89%		4 378 333	34.00%
<b>TOTAL</b>	<b>9 047 304</b>	<b>100.00%</b>		<b>12 838 409</b>	<b>100.00%</b>

**15. STATEMENT OF CHANGES IN THE NUMBER OF THE ISSUER SHARES OR RIGHTS TO SUCH SHARES (OPTIONS) HELD BY THE ISSUER'S MANAGING OR SUPERVISORY PERSONS, ACCORDING TO INFORMATION AVAILABLE TO THE ISSUER, IN THE PERIOD FROM THE DATE OF THE PREVIOUS QUARTERLY REPORT**

The table below sets forth the number of shares held by as at the date of publication of this quarterly Report together with information on any changes since the publication of the previous quarterly report (according to information available to the Company).

Shareholder	Number of shares held at publication date of last Report	Change in number of shares	Number of shares at publication date of this Report
<b>Supervisory Board</b>			
Ryszard Krauze	3 586	+ 570 000	573 586
Dariusz Górka	1 321	+ 50 000	51 321
Maciej Grelowski	1 321	+ 30 000	31 321
Grzegorz Maciąg	1 321	+ 20 000	21 321
Zbigniew Szachniewicz	1 321	+ 30 000	31 321
Krzysztof Wilski	1 321	+ 30 000	31 321
<b>Management Board</b>			
Paweł Gricuk	270 348	- 270 348	0
Marcin Balicki	13 517	- 13 517	0

In accordance with information in the possession of the Company, managing and supervisory persons did not own shares in PETROLINVEST Group companies as of 31 March 2009.

In addition, Members of the Management Board own subscription warrants convertible into Company E-series shares—all warrants were taken up in July 2008 as part of the Incentive Programme implemented by resolutions of the EGM dated 29 April 2008. The rights conferred by the warrants to subscribe for shares will be realisable from 30 April 2011.

	Number of warrants held at publication date of last Report	Change in number of warrants	Number of warrants at publication date of this Report
<b>Management Board</b>			
Paweł Gricuk	176,190	0	176,190
Marcin Balicki	29,365	0	29,365

**16. PROCEEDINGS PENDING BEFORE COURT, COMPETENT ARBITRATION BODY OR ANY PUBLIC ADMINISTRATION AUTHORITY, INCLUDING INFORMATION ON ANY PROCEEDINGS CONCERNING THE ISSUER'S OR ITS SUBSIDIARY UNDERTAKING'S LIABILITIES OR CLAIMS WHOSE VALUE REPRESENTS 10% OR MORE OF THE ISSUER'S EQUITY**

There are no proceedings pending before courts, competent arbitration bodies or any public administration authorities, the aggregate value of which as at 31 March 2009 represents 10% or more of the Company's equity.

**17. INFORMATION ON ANY ONE OR MORE TRANSACTIONS CONCLUDED BY THE ISSUER OR ITS SUBSIDIARY UNDERTAKING WITH RELATED PARTIES, IF THEY ARE INDIVIDUALLY OR COLLECTIVELY MATERIAL AND HAVE BEEN CONCLUDED ON TERMS OTHER THAN AT ARM'S LENGTH**

In the first quarter 2009, no material transactions within PETROLINVEST Group were concluded on terms other than at arm's length. A detailed description of the transactions concluded in the reporting period by the Company and other entities of PETROLINVEST Group with related parties is provided in note 15 to the condensed interim financial statements.

**18. INFORMATION ON SURETIES FOR LOANS OR GUARANTEES ISSUED BY THE ISSUER OR ITS SUBSIDIARY UNDERTAKING – JOINTLY TO ONE ENTITY OR ITS SUBSIDIARY, IF THE AGGREGATE VALUE OF EXISTING SURETIES AND GUARANTEES IS EQUIVALENT TO AT LEAST 10% OF THE ISSUER'S EQUITY**

In the first quarter 2009, Occidental Resources, Inc. gave a guarantee to Bank CenterCredit JSC. (guarantee agreement dated 23 January 2009).

It is a guarantee of payment of liabilities due from TOO OilTechnoGroup to Bank CenterCredit JSC under the credit line agreement totalling USD 37,800 thousand granted to TOO OilTechnoGroup on 13 April 2006, later amended by subsequent annexes. The guarantee remains in force until final repayment of the liabilities resulting from the credit line which matures on 5 April 2012. The value of the guarantee is not limited to the principal amount of the credit line and covers other fees payable to Bank CenterCredit JSD under the credit facility agreement. The guarantee does not provide for any charges to be

paid for its granting. The guarantee specifies a contractual penalty—in case of non-payment of the amount due—equal to 0.1 per cent of such amount for each day of delay and a contractual penalty of 0.1 per cent of the total amount of the guarantee for other breaches of the guarantee.

Occidental Resources, Inc. and TOO OilTechnoGroup are subsidiaries of PETROLINVEST S.A.

This is the second guarantee issued to collateralise TOO OilTechnoGroup's line of credit. The guarantee given in 2008 is also in force—provided on similar terms by TOO EMBA JUG NIEFT, a subsidiary of PETROLINVEST S.A.

**19. OTHER INFORMATION WHICH THE ISSUER DEEMS RELEVANT FOR THE ASSESSMENT OF ITS PERSONNEL, ASSETS, FINANCIAL SITUATION, AND ITS NET RESULT, AS WELL AS THEIR CHANGES, AND FOR THE ASSESSMENT OF THE ISSUER'S ABILITY TO PERFORM ITS OBLIGATIONS**

The Management Board of PETROLINVEST S.A. believes that information presented in this Report is an exhaustive description of the Company's personnel, assets and financial situation, and that no other events had taken place that have not be disclosed by the Company and that could be material for the assessment of the Company's standing.

**20. FACTORS WHICH IN THE ISSUER'S OPINION WILL AFFECT ITS RESULTS IN A PERIOD COVERING AT LEAST THE NEXT QUARTER**

The main factors that may affect the Company's results in the next quarter include primarily:

- ✓ With respect to prospecting and extraction:
  - fluctuations of exchange rates, including in particular USD to PLN, KZT to USD and RUB to USD, KZT to PLN and RUB to PLN;
  - fluctuations of interest rates that impact the Company's debt service costs.
- ✓ With respect to trading activities:
  - fluctuations of exchange rates, including in particular USD to PLN;
  - fluctuations of crude oil and LPG pricing in world markets and the relations between those prices and the prices that are possible to be achieved in the domestic market;
  - seasonal changes in the demand for liquefied gas for heating and automotive purposes.
- ✓ Since the offering of the Company's ordinary bearer M-Series shares was effected on 16 April 2009 (details in point 10 herein), the Company is required, under IFRS 2, to measure the fair value of the shares granted at the offering end date. 730,000 M-Series Shares at an issue price of PLN 10 each were subscribed for in the offering. The excess of fair value over nominal value of the shares paid up by eligible persons was PLN 29.9 million and will be taken to PETROLINVEST/PETROLINVEST Group's payroll expenses for the second quarter 2009. The cost will not impact the Company's or the Group's cash flows.

**21. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS WHICH OCCURRED SINCE THE END OF THE LAST FINANCIAL YEAR**

As at 31 March 2009, compared to the end of the financial year 2008, there was a change in the balance of PETROLINVEST Group's contingent liabilities as a result of:

- ✓ the guarantee provided on 23 January 2009 by Occidental Resources Inc to secure the repayment by TOO OilTechnoGroup of liabilities due to Bank CenterCredit JSC in connection with the USD 37,800 thousand credit line. Occidental Resources Inc and TOO OilTechnoGroup are controlled by PETROLINVEST S.A., and
- ✓ the guarantee provided on 6 November 2008 by Occidental Resources Inc. (still in force) to secure the repayment by TOO OilTechnoGroup of liabilities due to Tenaris Global Services S.A. under agreements for the purchase of well construction materials. The aggregate amount of liabilities covered by the guarantee as at 31 March 2009 was USD 2,916 thousand compared to USD 2,805 thousand shown as at 31 December 2008.

**CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT**

	<i>for 3 months</i>	
	<i>ended 31 March</i>	
	<i>2009</i>	<i>2008</i>
	<i>unaudited</i>	<i>unaudited</i>
	<i>PLN '000</i>	<i>PLN '000</i>
<b>Continuing operations</b>		
Sale of goods	18 532	40 898
Rendering of services	150	291
<b>Revenue</b>	<b>18 682</b>	<b>41 189</b>
Value of goods and materials sold	13 810	38 989
Materials and energy	572	897
Employee benefits	28 098	5 879
Depreciation and amortisation	1 068	739
External services	5 951	4 816
Taxes and charges	1 228	907
Other expenses	359	829
<b>Operating expenses</b>	<b>51 086</b>	<b>53 056</b>
<b>Gross profit (loss)</b>	<b>(32 404)</b>	<b>(11 867)</b>
Other operating income	1 928	1 290
Other operating expenses	267	223
Finance income	2 344	24 125
Finance costs	109 661	6 498
<b>Profit (loss) before tax</b>	<b>(138 060)</b>	<b>6 827</b>
Income tax expense	(14 379)	3 793
<b>Net profit (loss) from continuing operations</b>	<b>(123 681)</b>	<b>3 034</b>
<b>Net profit (loss)</b>	<b>(123 681)</b>	<b>3 034</b>
Attributable to:		
Equity holders of the parent	(104 521)	2 226
Minority interest	(19 160)	808
Weighted average number of issued shares for basic earnings per share computations	8 283 949	5 873 002
Number of diluting potential ordinary shares	586 863	586 863
Earnings (loss) per share in PLN	(12.62)	0.38
Diluted earnings (loss) per share in PLN	(11.78)	0.34

CONSOLIDATED QUARTERLY REPORT OF PETROLINVEST GROUP FOR 1st QUARTER 2009  
ENDED ON 31 MARCH 2009  
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF PETROLINVEST S.A. GROUP

**CONDENSED INTERIM CONSOLIDATED BALANCE SHEET**

	<i>31 March 2009</i>	<i>31 December 2008</i>	<i>31 March 2008</i>
	<i>unaudited</i>	<i>audited</i>	<i>unaudited</i>
	<i>PLN '000</i>	<i>PLN '000</i>	<i>PLN '000</i>
<b>ASSETS</b>			
<b>Non-current assets (long-term)</b>			
Goodwill	397 881	536 414	443 617
Intangible assets	566	765	542
Property, plant and equipment	60 380	62 070	54 467
Expenditure on exploration for and evaluation of mineral resources	491 767	497 550	306 495
Investment properties	2 616	2 616	2 567
Other financial assets	109 841	92 350	106 412
Non-current receivables	21 570	21 132	15 324
Long-term deposits	169	1 222	1 695
Deferred tax	58 506	50 766	47 312
	<u>1 143 296</u>	<u>1 264 885</u>	<u>978 431</u>
Non-current assets held for sale	<u>22 476</u>	<u>29 225</u>	<u>0</u>
<b>Current assets (short-term)</b>			
Inventories	2 491	3 646	9 503
Trade and other receivables	9 383	8 520	52 356
Income tax overpayment	56	58	79
Prepayments and deferred costs	5 703	10 759	3 813
Current investments	58 642	47 431	6 256
Cash and cash equivalents	19 951	23 790	37 640
	<u>96 226</u>	<u>94 204</u>	<u>109 647</u>
<b>TOTAL ASSETS</b>	<b><u>1 261 998</u></b>	<b><u>1 388 314</u></b>	<b><u>1 088 078</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Issued capital	121 084	63 481	58 730
Foreign currency translation	(127 831)	39 670	(125 876)
Other reserves	689 927	633 096	471 013
Retained earnings	(449 498)	(344 977)	(26 897)
	<u>233 682</u>	<u>391 270</u>	<u>376 970</u>
Minority interest	7 028	14 399	1 296
<b>Total equity</b>	<b><u>240 710</u></b>	<b><u>405 669</u></b>	<b><u>378 266</u></b>
<b>Non-current liabilities</b>			
Non-current provisions	6 168	6 567	4 090
Deferred income tax liabilities	0	0	29 451
Interest-bearing loans and borrowings	569 522	584 113	469 491
Finance lease liabilities	114	145	321
Other non-current liabilities	172 610	144 036	133 957
	<u>748 414</u>	<u>734 861</u>	<u>637 310</u>
<b>Current liabilities</b>			
Current provisions	39 468	39 858	880
Current portion of interest-bearing loans and borrowings	98 756	88 270	13 766
Finance lease liabilities	204	231	180
Trade and other payables	131 866	116 515	56 183
Accruals	2 580	2 910	1 493
	<u>272 874</u>	<u>247 784</u>	<u>72 502</u>
<b>Total liabilities</b>	<b><u>1 021 288</u></b>	<b><u>982 645</u></b>	<b><u>709 812</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>1 261 998</u></b>	<b><u>1 388 314</u></b>	<b><u>1 088 078</u></b>

**CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT**

	<i>for 3 months</i>	
	<i>ended 31 March</i>	
	<i>2009</i>	<i>2008</i>
	<i>unaudited</i>	<i>unaudited</i>
	<i>PLN '000</i>	<i>PLN '000</i>
<b>Cash flows from operating activities</b>		
Profit/ (loss) before taxation	(138 060)	6 827
Adjustments for:	127 655	(20 413)
Depreciation and amortisation	1 068	739
Interest and dividends, net	(658)	848
Foreign exchange differences	58 857	(14 485)
Gain/ (loss) from investing activities	49	50
(Increase)/ decrease in receivables	(30)	(2 455)
(Increase)/ decrease in inventories	1 119	(1 241)
Increase/ (decrease) in payables except loans and borrowings	44 762	(7 190)
Change in prepayments and accruals	(230)	802
Change in provisions	250	1 120
Income tax paid	(1)	787
Other, including	22 469	612
financial fees paid	12	108
valuation (discount) of liabilities under share purchase transactions	0	523
share-based payments	21 751	0
other	706	(19)
<b>Net cash flows from operating activities</b>	<b>(10 405)</b>	<b>(13 586)</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment and intangibles	0	0
Purchase of property, plant and equipment and intangibles	(129)	(2 259)
Expenditure on exploration for and evaluation of mineral resources	0	(30 925)
Capitalised costs of external financing	(2 291)	(5 694)
Acquisition of subsidiary and jointly-controlled entity, net of cash acquired	0	(12 684)
Interest received	0	0
Repayment of loans granted	0	0
Granting of loans	(157)	(11 495)
Long-term deposits	0	(118)
Other	0	(682)
<b>Net cash flows from investing activities</b>	<b>(2 577)</b>	<b>(63 857)</b>
<b>Cash flows from financing activities</b>		
Proceeds from share capital increase	1 498	41 565
Costs relating to share issue	(372)	(3 150)
Payment of finance lease liabilities	(10)	(15)
Proceeds from loans and borrowings	0	54 049
Repayment of loans and borrowings	(220)	(720)
Interest paid	(676)	(381)
Other	(12)	(108)
<b>Net cash flows from financing activities</b>	<b>208</b>	<b>91 240</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(12 774)</b>	<b>13 797</b>
Cash and cash equivalents at the beginning of the period	(1 623)	23 480
<b>Cash, cash equivalents at the end of the period</b>	<b>(14 397)</b>	<b>37 277</b>
including restricted use cash	13 598	5 144

CONSOLIDATED QUARTERLY REPORT OF PETROLINVEST GROUP FOR 1st QUARTER 2009  
ENDED ON 31 MARCH 2009  
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF PETROLINVEST S.A. GROUP

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Issued capital	Foreign currency translation	Other capital, including	Attributable to equity holders of the parent						Retained earnings/ Accumulated (losses)	Total	Minority interest	Total equity
				From profit appropriation	From share premium	Unregistered share capital increase	Called up share capital	Revaluation of assets and liabilities	Other reserves				
<i>unaudited</i>	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000
<b>As at 1 January 2009</b>	<b>63 481</b>	<b>39 670</b>	<b>633 096</b>	<b>15 441</b>	<b>473 930</b>	<b>153 590</b>	<b>0</b>	<b>(21 874)</b>	<b>12 009</b>	<b>(344 977)</b>	<b>391 270</b>	<b>14 399</b>	<b>405 669</b>
Currency translation differences	0	(167 501)	0	0	0	0	0	0	0	0	(167 501)	11 789	(155 712)
Loss for the period	0	0	0	0	0	0	0	0	0	(104 521)	(104 521)	(19 160)	(123 681)
<b>Revenues / expenses for the period</b>	<b>0</b>	<b>(167 501)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(104 521)</b>	<b>(272 022)</b>	<b>(7 371)</b>	<b>(279 393)</b>
Share issue	57 603	0	40 366	0	198 450	(153 590)	(4 494)	0	0	0	97 969	0	97 969
Share issue / share-based payments	0	0	21 751	0	21 751	0	0	0	0	0	21 751	0	21 751
Cost of share issue	0	0	(5 286)	0	(5 286)	0	0	0	0	0	(5 286)	0	(5 286)
<b>As at 31 March 2009</b>	<b>121 084</b>	<b>(127 831)</b>	<b>689 927</b>	<b>15 441</b>	<b>688 845</b>	<b>0</b>	<b>(4 494)</b>	<b>(21 874)</b>	<b>12 009</b>	<b>(449 498)</b>	<b>233 682</b>	<b>7 028</b>	<b>240 710</b>
<i>unaudited</i>	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000
<b>As at 1 January 2008</b>	<b>58 730</b>	<b>(59 864)</b>	<b>391 133</b>	<b>15 441</b>	<b>375 692</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(29 123)</b>	<b>360 876</b>	<b>488</b>	<b>361 364</b>
Currency translation differences	0	(66 012)	0	0	0	0	0	0	0	0	(66 012)	0	(66 012)
Loss for the period	0	0	0	0	0	0	0	0	0	2 226	2 226	808	3 034
<b>Revenues / expenses for the period</b>	<b>0</b>	<b>(66 012)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2 226</b>	<b>(63 786)</b>	<b>808</b>	<b>(62 978)</b>
Share issue	0	0	79 880	0	0	79 880	0	0	0	0	79 880	0	79 880
<b>As at 31 March 2008</b>	<b>58 730</b>	<b>(125 876)</b>	<b>471 013</b>	<b>15 441</b>	<b>375 692</b>	<b>79 880</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(26 897)</b>	<b>376 970</b>	<b>1 296</b>	<b>378 266</b>
<i>audited</i>	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000
<b>As at 1 January 2008</b>	<b>58 730</b>	<b>(59 864)</b>	<b>391 133</b>	<b>15 441</b>	<b>375 692</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(29 123)</b>	<b>360 876</b>	<b>488</b>	<b>361 364</b>
Currency translation differences	0	99 534	0	0	0	0	0	0	0	0	99 534	1 126	100 660
Revaluation of assets and liabilities	0	0	(21 874)	0	0	0	0	(21 874)	0	0	(21 874)	0	(21 874)
Loss for the period	0	0	0	0	0	0	0	0	0	(305 194)	(305 194)	(1 744)	(306 938)
<b>Revenues / expenses for the period</b>	<b>0</b>	<b>99 534</b>	<b>(21 874)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(21 874)</b>	<b>0</b>	<b>(305 194)</b>	<b>(227 534)</b>	<b>(618)</b>	<b>(228 152)</b>
Share issue	4 751	0	252 720	0	99 130	153 590	0	0	0	0	257 471	0	257 471
Warrant issue / share based payments	0	0	12 009	0	0	0	0	0	12 009	0	12 009	0	12 009
Cost of share issue	0	0	(892)	0	(892)	0	0	0	0	0	(892)	0	(892)
Shares subscribed for in subsidiaries	0	0	0	0	0	0	0	0	0	(10 660)	(10 660)	14 529	3 869
<b>As at 31 December 2008</b>	<b>63 481</b>	<b>39 670</b>	<b>633 096</b>	<b>15 441</b>	<b>473 930</b>	<b>153 590</b>	<b>0</b>	<b>(21 874)</b>	<b>12 009</b>	<b>(344 977)</b>	<b>391 270</b>	<b>14 399</b>	<b>405 669</b>

**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**1) Segment information**

The Company identifies two reportable business segments:

- a) *LPG* – trading activities carried out in Poland, comprising import, distribution and sale of liquefied petroleum gas (LPG) for heating and automotive purposes (auto gas), gas cylinders and to wholesale distributors;
- b) *Prospecting and extraction* – operations carried out in the countries where Prospecting and Extraction Companies conduct their activities, including geophysical research, site preparation and drilling.

Results of the *LPG* segment are subject to seasonal fluctuations discussed in point 7 herein.

Results of the *Prospecting and extraction* segment are characteristic of a start-up phase of a prospecting project. Management expects that the negative results of the segment may be sustained until commercial production of crude oil is commenced.

<i>for 3 months ended 31 March 2009 and as at 31 March 2009</i>	<i>LPG</i>	<i>Prospecting and extraction</i>	<i>Total</i>
Segment revenue	18 682	0	18 682
Profit (loss) of the segment	(811)	(9 842)	(10 653)
Share Incentive Programme			(21 751)
Other unallocated revenue			1 928
Unallocated expenses			(267)
Profit (loss) from continuing operations before tax, finance income and costs			(30 743)
Finance costs	(425)	(109 108)	(109 661)
Finance income	0	2 344	2 344
Profit (loss) before tax and minority interest			(138 060)
Income tax expense			(14 379)
<b>Net profit (loss) for the period</b>			<b>(123 681)</b>
<b>Assets and liabilities</b>			
Segment assets	57 855	1 147 780	1 205 635
Unallocated assets			56 363
<b>Total assets</b>			<b>1 261 998</b>
Segment liabilities	84 369	935 359	1 019 728
Unallocated liabilities			1 560
Equity			240 710
<b>Total equity and liabilities</b>			<b>1 261 998</b>
<b>Other segment information</b>			
Capital expenditure:			
property, plant and equipment (including assets under construction)	129	0	129
expenditures on exploration for and evaluation of mineral resources	0	32 178	32 178
intangible assets	0	0	0
Depreciation	644	203	847
Amortisation	108	113	221

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<i>for 3 months ended 31 March 2008 and as at 31 December 2008</i>	<i>LPG</i>	<i>Prospecting and extraction</i>	<i>Total</i>
Segment revenue	40 898	0	40 898
Profit (loss) of the segment	(3 664)	(8 494)	(12 158)
Share Incentive Programme			0
Other unallocated revenue			1 581
Unallocated expenses			(223)
Profit (loss) from continuing operations before tax, finance income and costs			(10 800)
Finance costs			(6 498)
Finance income			24 125
Profit (loss) before tax and minority interest			6 827
Income tax expense			3 793
<b>Net profit (loss) for the period</b>			<b>3 034</b>
<b>Assets and liabilities</b>			
Segment assets	57 735	1 301 151	1 358 886
Unallocated assets			29 428
<b>Total assets</b>			<b>1 388 314</b>
Segment liabilities	71 557	901 837	973 394
Unallocated liabilities			9 251
Equity			405 669
<b>Total equity and liabilities</b>			<b>1 388 314</b>
<b>Other segment information</b>			
Capital expenditure:			
property, plant and equipment (including assets under construction)	2 259	0	2 259
expenditures on exploration for and evaluation of mineral resources	0	41 530	41 530
intangible assets	0	84	84
Depreciation	531	165	696
Amortisation	43	0	43

## 2) Employee benefits

	<i>for 3 months ended 31 March</i>	
	<i>2009</i>	<i>2008</i>
	<i>unaudited</i>	<i>unaudited</i>
	<i>PLN '000</i>	<i>PLN '000</i>
Wages and salaries	5 499	5 172
Share Incentive Programme	21 751	0
Social security costs	779	660
Other	69	47
	<b>28 098</b>	<b>5 879</b>

On 13 January 2009, the Management Board of PETROLINVEST S.A. resolved to increase the Company's share capital by PLN 5,992,120 via the issuance of 599,212 ordinary registered K-series shares of a nominal value of PLN 10 each.

K-Series Shares were offered in a private placement to the Company's executives, employees and associates, as well as the executives, key employees and associates of the companies of PETROLINVEST Group. The offering of the Company's ordinary registered K-series shares was effected on 6 February 2009. 599,212 K-Series Shares were subscribed for in the Offering at an issue price of PLN 10 each. All payments towards K-Series Shares had been made. The Company received gross proceeds of PLN 5,992,120 as a result of the Offering.

In compliance with IFRS 2, the Company is required to measure the fair value of the shares granted. The measurement to fair value was performed as at the offering end date. The excess of fair value over nominal value of the shares paid up by eligible persons was PLN 21.8 million and was taken to the Group's payroll expenses for Q1 2009. The cost will not impact the Group's cash flows. The management board members' share in the excess of fair value over nominal value was PLN

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9.8m in the case of Paweł Gricuk and PLN 0.5m in the case of Marcin Balicki. The remaining PLN 11.5m was attributable to employees and associates of the companies of PETROLINVEST Group.

On 28 January 2009, the Management Board resolved to increase the Company's share capital by PLN 4,500,000 via the issuance of 450,000 ordinary bearer M-series shares of a nominal value of PLN 10 each; the resolution was amended on 2 March 2009 so that it now envisages an increase by up to PLN 7,300,000 via the issuance of up to 730,000 ordinary bearer M-series shares.

The issue price of M-Series Shares was set at PLN 10. M-Series Shares were offered in a private placement to the Company Supervisory Board Members, the Company's employees and associates, as well as the executives, employees and associates of the companies of its capital group not included in the incentive programme connected with the issue of K-series shares. The goal of the issue of M-Series Shares is to implement the incentive programme for the Supervisory Board members and associates of the Company.

On 16 March 2009, the EGM passed the resolution regarding allocation of ordinary M-series bearer shares to members of the Company's Supervisory Board.

The offering of the Company's ordinary bearer M-series shares was effected on 16 April 2009. 730,000 M-Series Shares were subscribed for in the Offering at an issue price of PLN 10 each. The Company received gross proceeds of PLN 7,300,000 as a result of the Offering.

In compliance with IFRS 2, the Company is required to measure the fair value of the shares granted. The measurement to fair value was performed as at the offering end date. The excess of fair value over nominal value of the shares paid up by eligible persons was PLN 29.9 million, and it will be taken to the Group's payroll expenses for Q2 2009. The cost will not impact the Group's cash flows.

### 3) Finance income and expenses

#### 4.1.) Finance income

	<i>for 3 months ended 31 March</i>	
	<i>2009</i>	<i>2008</i>
	<i>unaudited</i>	<i>unaudited</i>
	<i>PLN '000</i>	<i>PLN '000</i>
Bank interest receivable	300	1 389
Interest on loans granted to other parties	2 044	745
Foreign exchange differences	0	21 991
	<b>2 344</b>	<b>24 125</b>

#### 4.2) Finance costs

	<i>for 3 months ended 31 March</i>	
	<i>2009</i>	<i>2008</i>
	<i>unaudited</i>	<i>unaudited</i>
	<i>PLN '000</i>	<i>PLN '000</i>
Interest on bank loans and overdrafts	1 376	1 578
Lenders fees	19	112
Finance costs under finance leases	10	15
Valuation (discount) of future liabilities	6 804	4 793
Foreign exchange differences	100 653	0
Other	799	0
	<b>109 661</b>	<b>6 498</b>

**4) Income tax**

	<i>for 3 months ended 31 March</i>	
	<i>2009</i>	<i>2008</i>
	<i>unaudited</i>	<i>unaudited</i>
	<i>PLN '000</i>	<i>PLN '000</i>
<i>Current income tax</i>		
Current income tax charge	1	0
<i>Deferred income tax</i>		
Relating to origination and reversal of temporary differences	(14 380)	3 793
<b>Income tax expense reported in the income statement</b>	<b>(14 379)</b>	<b>3 793</b>

**5) Earnings per share**

The following reflects the income and share data used in the basic and diluted earnings per share computations.

	<i>for 3 months ended 31 March</i>	
	<i>2009</i>	<i>2008</i>
	<i>unaudited</i>	<i>unaudited</i>
Net profit/ loss from continuing operations attributable to equity holders of the parent (in PLN '000)	(104 521)	2 226
Weighted average number of shares for basic earnings per share computations	8 283 949	5 873 002
Number of diluting potential ordinary shares	586 863	586 863
Earnings/ loss per share in PLN	(12.62)	0.38
Diluted earnings (loss) per share in PLN	(11.78)	0.34

There are diluting instruments existing as at the date of these condensed interim consolidated financial statements. Following the resolutions passed on 29 April 2008 by the Extraordinary General Shareholders' Meeting regarding the implementation of the Incentive Programme and the Resolution passed by the Supervisory Board on 18 June 2008 implementing the Rules and Regulations of the Incentive Programme – the Management Board Members (who held the position as at the grant date) were granted the right to subscribe for in aggregate not more than 264,285 subscription warrants convertible into the Company E-series shares.

In July 2008, all eligible persons submitted their declarations of acceptance of the offer and acquisition of subscription Warrants. The rights conferred by the Warrants to subscribe for shares may be realised from the day of issuance of the Warrants, i.e. from 29 July 2008, to 30 April 2011.

On 28 January 2009, the Management Board resolved to increase the Company's share capital by PLN 4,500,000 via the issuance of 450,000 ordinary bearer M-series shares of a nominal value of PLN 10 each; the resolution was amended on 2 March 2009 so that it now envisages an increase by up to PLN 7,300,000 via the issuance of up to 730,000 ordinary bearer M-series shares.

In the Company's best interest, and subject to consent from the Company's Supervisory Board, the pre-emptive rights of the existing shareholders to M-Series Shares were fully and completely excluded. Furthermore, subject to consent from the Chairman of the Company's Supervisory Board, the issue price of M-Series Shares was set at PLN 10. The issue price of M-Series Shares was determined taking into account the conditions prevailing on securities markets and the goals of the issue of M-Series Shares.

M-Series Shares were offered in a private placement to the Company Supervisory Board Members, the Company's employees and associates, as well as the executives, employees and associates of the companies of its capital group not included in the incentive programme connected with the issue of K-series shares. The goal of the issue of M-Series Shares is to implement the incentive programme for the Supervisory Board members and associates of the Company.

Payments for M-Series Shares were made in full before the date on which the share capital increase was filed with a register court, in the timeframe specified in the subscription agreement for M-Series Shares. M-Series Shares will participate in dividends starting from 1 January 2008. M-Series Shares may be paid for only by cash contributions.

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The Management Board applied to have M-Series Shares admitted and introduced to regulated trading. As a result, M-Series Shares will be dematerialised. Moreover, the Management Board will enter into an appropriate agreement with the National Depository For Securities (KDPW S.A.).

On 16 March 2009, the EGM passed the resolution regarding allocation of ordinary M-series bearer shares to members of the Company's Supervisory Board.

The offering of the Company's ordinary bearer M-series shares was effected on 16 April 2009. 730,000 M-Series Shares were subscribed for in the Offering at an issue price of PLN 10 each. The Company received gross proceeds of PLN 7,300,000 as a result of the Offering.

On 5 May 2009, the District Court for Gdańsk-Północ of Gdańsk, VIII Economic Department of the National Court Register, in a secret ballot registered the share capital increase of the Company via the issuance of 730,000 ordinary M-series shares.

	average market price of shares in the period	instrument execution price as per agreement	total number of instruments issued	number of instruments issued at fair value	number of diluting potential ordinary shares
warrants	128	227	264 285	468 245	0
M-series shares	51	10	730 000	143 137	586 863
			<b>994 285</b>	<b>611 382</b>	<b>586 863</b>

## 6) Cash and cash equivalents

For the purposes of the interim condensed cash flow statement, cash and cash equivalents comprise the following:

	<u>31 March 2009</u> <i>unaudited</i> <i>PLN '000</i>	<u>31 December 2008</u> <i>audited</i> <i>PLN '000</i>	<u>31 March 2008</u> <i>unaudited</i> <i>PLN '000</i>
Cash at bank and in hand	19 951	23 790	37 640
Revolving credit facility	(34 348)	(25 413)	(363)
<b>Cash and cash equivalents in the cash flow statement</b>	<b>(14 397)</b>	<b>(1 623)</b>	<b>37 277</b>

## 7) Property, plant and equipment and expenditure on exploration for and evaluation of mineral resources

In 3 months ended 31 March 2009, Petrolinvest Group purchased property, plant and equipment with a value of PLN 0.1m (2008: PLN 2.3m).

In 3 months ended 31 March 2009, Petrolinvest Group incurred expenditure on exploration for and evaluation of mineral resources amounting to PLN 32.2m (2008: PLN 41.6m).

## 8) Other financial assets

	<u>31 March 2009</u> <i>unaudited</i> <i>PLN '000</i>	<u>31 December 2008</u> <i>audited</i> <i>PLN '000</i>	<u>31 March 2008</u> <i>unaudited</i> <i>PLN '000</i>
Loans granted and loan discounts	168 483	139 781	111 541
Other	0	0	1 127
<b>Total other financial assets, including</b>	<b>168 483</b>	<b>139 781</b>	<b>112 668</b>
non-current	109 841	92 350	106 412
current	58 642	47 431	6 256

## 9) Goodwill

In compliance with IFRS, goodwill at acquisition date is measured in the functional currency of the acquired company and subsequently measured at the exchange rate of Polish zloty to such functional currency prevailing on a given balance sheet date. Foreign exchange differences arising on the measurement are taken to equity as foreign currency translation.

	<i>31 March 2009</i>	<i>31 December 2008</i>	<i>31 March 2008</i>
	<i>unaudited</i>	<i>audited</i>	<i>unaudited</i>
	<i>PLN '000</i>	<i>PLN '000</i>	<i>PLN '000</i>
Occidental Resources, Inc.	308 325	438 425	286 286
TOO EmbaJugNieft	69 182	75 696	37 071
TOO Company Profit	20 374	22 293	18 347
OOO NK Siewiergeofizyka	0	0	31 725
OOO Niefiegeoserwis	0	0	30 290
ZAO Pechora - Petroleum	0	0	39 898
<b>Total carrying amount</b>	<b>397 881</b>	<b>536 414</b>	<b>443 617</b>

## 10) Equity

On 17 September 2008, the Management Board resolved to convene an Extraordinary General Meeting for 24 October 2008 in order to increase the share capital by PLN 45,129,500 via the issuance of shares series G, H, I, and J.

The goal of the issue is to execute the investment agreements pertaining to the acquisition of shares/stocks in TOO EMBA YUG NIEFT, Occidental Resources Inc., and Caspian Services Inc.

On 24 October 2008, the EGM of PETROLINVEST S.A. passed the following resolutions on share capital increases of the Company via:

- the issuance of up to 3,310,573 G-series shares
- the issuance of up to 772,315 H-series shares
- the issuance of up to 412,221 I-series shares, and
- the issuance of up to 17,841 J-series shares.

G-series Shares were offered in a private placement and subscribed for by the then shareholders of Occidental Resources Inc. and the H-series Shares were offered in a private placement and subscribed for by the then shareholders of EmbaJugNieft and Capital Vario CR. S.A.

As G-series Shares had not been covered on time by three out of eleven eligible entities, and H-series Shares by the first eligible entity and, partly, the second eligible entity, the Management Board decided to resister G-Series Shares and H-Series Shares without the Shares dedicated to those entities.

On 12 March 2009, the District Court for Gdańsk-Północ of Gdańsk, VIII Economic Department of the National Court Register, in a secret ballot registered the share capital increase of the Company effected by way of:

- an issue of 2,613,163 ordinary bearer G-series shares of a nominal value of PLN 10 each, and
- an issue of 447,942 ordinary bearer H-series shares of a nominal value of PLN 10 each.

As the resolutions connected with the issue of I and J-series shares had not been filed with the register court within six months from adoption, the issues of I-Series Shares and J-Series Shares were not successful.

On 13 January 2009, the Management Board of PETROLINVEST S.A. resolved to increase the Company's share capital by PLN 5,992,120 via the issuance of 599,212 ordinary registered K-series shares of a nominal value of PLN 10 each.

In the Company's best interest and subject to consent from the Company's Supervisory Board, the pre-emptive rights of the existing shareholders to K-Series Shares were fully and completely excluded. The Management Board decided that K-Series Shares will be offered in a private placement to the Company's executives, employees and associates, as well as the executives, key employees and associates of the companies of PETROLINVEST Group. The offering of the Company's ordinary registered K-series shares was effected on 6 February 2009. 599,212 K-Series Shares were subscribed for in the Offering at an issue price of PLN 10 each. All payments towards K-Series Shares had been made. The Company received gross proceeds of PLN 5,992,120 as a result of the Offering. On 16 February 2009, the District Court for Gdańsk-Północ of Gdańsk, VIII Economic Department of the National Court Register, in a secret ballot registered the share capital increase of the Company via the issuance of 599,212 K-series shares.

On 13 January 2009, the Company signed an agreement with PROKOM INVESTMENTS S.A. pertaining to:

- a) conditional acquisition by the Company from PROKOM of accounts receivable
- b) replacing the Call option
- c) expanding the scope of the Call option to all accounts receivable by PROKOM from the Company.

A detailed description of the agreement is provided in note—Related Party Transactions.

As provided in the agreement, PROKOM has the right to demand that the Company transfer to PROKOM (on one or many occasions) such a number of Company shares that is the product of the value of PROKOM'S accounts receivable (or a portion thereof) with accrued interest and the average closing price of one Company share at the WSE in the three months preceding the date on which PROKOM makes the demand.

On 28 January 2009, pursuant to the provisions of the agreement dated 13 January 2009, the Company received from PROKOM Investments S.A.:

- a) a request to transfer to PROKOM a number of shares that corresponds to the product of (i) the aggregate amount of all accounts receivable by PROKOM from the Company as specified in the Agreement with accrued interest, and (ii) the average closing price of one Company share at the WSE in the three months preceding 28 January 2009; and
- b) a call to offer to PROKOM, within five days from 28 January 2009, to subscribe for 2,100,000 ordinary bearer Petrolinvest shares at an issue price of PLN 45.9387 per share, that is for a total consideration of PLN 96,471,270.00.

A detailed description of the representation is provided in note—Related Party Transactions.

On 28 January 2009, the Management Board resolved to increase the Company's share capital by PLN 21,000,000 via the issuance of 2,100,000 ordinary bearer L-series shares of a nominal value of PLN 10.

L-Series Shares were offered in a private placement to PROKOM Investments S.A. L-Series Shares will participate in dividends starting from 1 January 2008. L-Series Shares may be paid for only by cash contributions.

The offering of the Company's ordinary bearer L-series shares was effected on 9 February 2009. PROKOM Investments S.A. subscribed for 2,100,000 L-Series Shares in the Offering at an issue price of PLN 45.9387 each.

Furthermore, on 9 February 2009 the Company concluded a netting agreement with PROKOM Investments S.A. under which the Parties netted an outstanding account receivable by the Company under the share subscription agreement for L-Series Shares totalling PLN 96,471,270.00. A detailed description of the agreement is provided in note—Related Party Transactions.

As a result of the netting, the cash contribution due by the Subscriber to the Company in connection with the subscription by the Subscriber for 2,100,000 L-Series Shares was fully covered.

On 16 February 2009, the District Court for Gdańsk-Północ of Gdańsk, VIII Economic Department of the National Court Register, in a secret ballot registered the share capital increase of the Company effected via the issuance of L-series shares.

#### **11) Interest-bearing loans and borrowings**

The following events related to interest-bearing loans and borrowings extended to PETROLINVEST Group took place in 3 months ended 31 March 2009.

##### **Powszechna Kasa Oszczędności Bank Polski S.A.**

On 18 March 2009, the Company and PKO BP, acting as Facility Agent, entered into a pledge agreement over the shares of Occidental Resources Inc. ("ORI"). The Pledge Agreement was concluded in execution of the obligation provided for in the pledge agreement concluded with PKO BP on 30 December 2008. The Pledge Agreement established a pledge over 75,947,519 ORI shares.

The nominal value of each ORI share is USD 0.001. The Pledged ORI Shares are the Company's long-term equity investment. The Company owns shares representing 88.10% of ORI share capital and carrying 88.10% of the votes at the company's general meeting. The nominal value of the Pledged ORI Shares is USD 75,947.52 and they represent a 38.10% stake in ORI share capital.

The Pledge Agreement was concluded in order to secure receivables due under the Credit Facility Agreement dated 21 March 2007 concluded between the Company, PKO BP and Bank Gospodarstwa Krajowego. The receivables that have been secured comprise all amounts due, including the principal amount, interest and other lending costs that the Company agreed to pay under the Credit Facility Agreement. The current principal amount of the facility under the Credit Facility Agreement is USD 100,184,412.75 and PLN 2,183,100.

The book value of the Pledged ORI Shares entered in the Company's books of account is PLN 135,623,159.70.

On 30 March 2009 the Company concluded:

- a) with the bank Powszechna Kasa Oszczędności Bank Polski S.A. ("PKO BP") and Bank Gospodarstwa Krajowego Bank Państwowy ("BGK") – an annex to the credit facility agreement dated 21 March 2007 (the "Credit Facility Agreement") concluded with those banks (the "Consortium") and
- b) with PKO BP acting as the facility agent – agreements for the transfer of rights under loan agreements extended by the Company to companies of PETROLINVEST Group with a book value of USD 72,678,500 with interest to collateralise the Credit Facility Agreement (the "Rights" and "Transfer Agreements").

The Annex to the Credit Facility Agreement was concluded in order to regulate the mutual rights and obligations of the parties to the Credit Facility Agreement in connection with an earlier decline in value of a portion of the loan collateral portfolio, of which the Company informed the public in the Consolidated Quarterly Report for Q4 2008, and also in connection with additional collateral being provided by the Company on 30 December 2008 and 18 March 2009 in the form of a pledge over 88.1% of the shares in Occidental Resources, Inc. owned by the Company.

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On the terms set out in the Annex to the Credit Facility Agreement, the Consortium confirmed that it did not recognise the decline in value of the portion of the collateral portfolio below the level required by the Credit Facility Agreement as an event of default. Also, the Company provided additional collateral in the form of a transfer as collateral of receivables totalling USD 72,678,500 from loans extended by the Company pursuant to Transfer Agreements and committed to provide further collateral in the future, including a pledge over the Company's shares and stocks and transfer as collateral of USD 56,136,000 loan receivables with accrued interest.

**PROKOM Investments S.A.**

A detailed description of agreements and transactions with Prokom Investments S.A. is provided in note—Related Party Transactions.

**Bank CenterCredit JSC**

On 23 January 2009, Occidental Resources Inc gave a guarantee of payment of liabilities of TOO OilTechnoGroup due to Bank CenterCredit JSC under the credit line totalling USD 37,800 thousand.

**Caplan Ventures Inc**

On 19 March 2009, an annex was signed whereby the loan maturity date was extended to 20 June 2009. At the same time, the loan was converted to USD. The outstanding amount is equivalent to USD 3m.

**12) Receivables**

	<i>31 March 2009</i>	<i>31 December 2008</i>	<i>31 March 2008</i>
	<i>unaudited</i>	<i>audited</i>	<i>unaudited</i>
	<i>PLN '000</i>	<i>PLN '000</i>	<i>PLN '000</i>
Trade receivables	7 384	8 200	13 255
Receivables from public authorities	1 203	167	310
Receivables from employees	189	136	110
Related to share issue	0	0	38 316
Other receivables	607	17	365
<b>Current receivables</b>	<b>9 383</b>	<b>8 520</b>	<b>52 356</b>
Receivables from public authorities	21 570	20 880	15 324
Other receivables	0	252	0
<b>Non-current receivables</b>	<b>21 570</b>	<b>21 132</b>	<b>15 324</b>
	<b>30 953</b>	<b>29 652</b>	<b>67 680</b>

**13) Trade and other payables and other current liabilities**

	<i>31 March 2009</i>	<i>31 December 2008</i>	<i>31 March 2008</i>
	<i>unaudited</i>	<i>audited</i>	<i>unaudited</i>
	<i>PLN '000</i>	<i>PLN '000</i>	<i>PLN '000</i>
Trade payables	8 577	9 682	7 091
Liabilities to public authorities	1 981	4 221	5 382
Liabilities related to exploration for and evaluation of resources	110 562	92 804	22 568
Liabilities resulting from acquisition of financial assets	0	0	18 402
Concession and share option liabilities	7 991	7 404	2 058
Other liabilities	2 755	2 404	682
<b>Current liabilities</b>	<b>131 866</b>	<b>116 515</b>	<b>56 183</b>
Liabilities resulting from acquisition of financial assets	0	0	30 306
Concession and share option liabilities	172 610	144 036	103 651
<b>Non-current liabilities</b>	<b>172 610</b>	<b>144 036</b>	<b>133 957</b>
	<b>304 476</b>	<b>260 551</b>	<b>190 140</b>

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**14) Prepayments and accruals**

Current prepayments and accruals on the assets' side comprise:

	<i>31 March 2009</i>	<i>31 December 2008</i>	<i>31 March 2008</i>
	<i>unaudited</i>	<i>audited</i>	<i>unaudited</i>
	<i>PLN '000</i>	<i>PLN '000</i>	<i>PLN '000</i>
Capital raising expenses	4 830	9 745	3 150
Gas cylinders expensed over time	152	170	112
Expenses relating to purchases of goods	122	438	0
Other	599	406	551
	<b>5 703</b>	<b>10 759</b>	<b>3 813</b>

**15) Related party transactions**

The table below sets forth aggregate amounts of transactions concluded by the Company with related entities in 3 months ended 31 March 2009 and 2008 and balances of receivables and liabilities as at 31 March 2009 and 31 December 2008.

Related party		<i>Sales to related parties</i>	<i>Purchases from related parties</i>	<i>Receivables from related parties</i>	<i>Liabilities to related parties</i>
		<i>PLN '000</i>	<i>PLN '000</i>	<i>PLN '000</i>	<i>PLN '000</i>
Ryszard Krauze	2009	0	0	50	378
	2008	0	0	50	374
Prokom Investments	2009	0	115	0	126 191
	2008	0	93	0	220 648
UAB Petrolinvest Mockavos Perpyla Sp. z o.o.	2009	0	108	1 283	4
	2008	0	42	1 122	39
TPG GAZ S.A.	2009	0	0	273	0
	2008	1	0	165	0
OOO NK Siewiergeofizyka	2009	0	0	0	0
	2008	0	0	0	0
OOO Nieftiegeoserwis	2009	0	0	0	0
	2008	0	0	0	0
ZAO Pechora Petroleum	2009	0	0	0	0
	2008	0	0	0	0
Occidental Resources, Inc.	2009	0	0	67 626	0
	2008	0	0	52 648	0
TOO Profit Company	2009	0	0	34 757	0
	2008	0	0	28 489	0
TOO EmbajugNieft	2009	0	0	141 063	0
	2008	0	0	116 659	0

The agreements discussed below are agreements pertaining to transactions within the Group as well as transactions with related parties.

*Agreements concluded between the Company and Occidental Resources, Inc.*

In the period from 1 January 2009 to the date of this Report, the Company concluded one agreement with Occidental Resources, Inc. The agreement was regarding a loan granted by the Company for a total amount of USD 10,000 thousand. Up until the date of this Report, USD 950 thousand has been made available by the Company. The loan is payable on or before 30 November 2009. Interest accruing on the loans was agreed at 18% p.a. In order to secure the above-mentioned receivable, the Company entered into a guarantee agreement with OTG as the guarantor for USD 15,000 thousand. Additionally, two annexes to the loan agreement dated 23 July 2008 were signed in that period, which increased the loan amount from USD 11,461 thousand to USD 12,041 thousand. All funds have been advanced. Other terms and conditions of the agreement dated 23 July 2008 remained unchanged.

*Agreements concluded between the Company and TPG GAZ S.A.*

In the period from 1 January 2009 to the date of this Report, the Company concluded two loan agreements with TPG GAZ S.A. totalling PLN 105 thousand. The loans were advanced in full. The loans become payable on or before 30 June 2009.

Interest was agreed at 5% p.a. In the reporting period, the repayment periods of four loans totalling PLN 160 thousand, which originally matured on 31 December 2008, were extended to 30 June 2009.

Agreements concluded between TOO EmbajugNieft and TOO Company Profit

In the period from 1 January 2009 to the date of this Report, EmbajugNieft and TOO Company Profit entered into three financial support agreements totalling KZT 10,950 thousand. The loans become payable within one year from the date on which funds become available. Financial support agreements are non-interest bearing.

Agreements concluded between OOO Neftegeoserwis and OOO Siewiergeofizyka

In the period from 1 January 2009 to the date of this Report, OOO Neftegeoserwis and OOO Siewiergeofizyka entered into one financial support agreement for RUR 2,000 thousand. The agreement for RUR 2,000 had been repaid by the date of publication of this Report. The financial support agreement is non-interest bearing.

Agreements concluded between OOO Neftegeoserwis and ZAO Pechora-Petroleum

In the period from 1 January 2009 to the date of this Report, OOO Neftegeoserwis and ZAO Pechora-Petroleum entered into one financial support agreement totalling RUR 2,000 thousand. The agreement for RUR 2,000 becomes payable on or before 30 November 2009. The financial support agreement is non-interest bearing.

Agreements concluded between the Company and Prokom Investments S.A.

On 13 January 2009, the Company signed an agreement with PROKOM Investments S.A. regarding:

- a) conditional acquisition by the Company of accounts receivable from Prokom,
- b) replacing the Call option available to Prokom under loan agreements extended in 2006-2008 to finance acquisitions of oil prospecting and extraction companies in Kazakhstan and Russia, as well as the prospecting works carried out by those companies, with the Call option granted under the Agreement,
- c) expanding the scope of the Call option to all accounts receivable by Prokom from the Company.

The Agreement envisages that PROKOM shall transfer to the Company:

- a) accounts receivable under the loan agreement concluded on 14 January 2008 between PROKOM and Capital Energy S.A.; the transfer shall entitle PROKOM to a PLN 44,633,884 account receivable from the Company, reflecting interest accrued as at 30 September 2008; and
- b) rights and obligations under the share sale agreement of 20 December 2007 concluded between PROKOM and Mars International Worldwide Inc. pertaining to indirect acquisition of shares in BMB Munai, one of the companies of Capital Energy S.A. group; the transfer entitles PROKOM to a PLN 20,250,000 account receivable from the Company;

additionally, if the transfer of the accounts receivable and rights specified above (or any other collateral established in connection with the above-mentioned loan agreement) should require any consent or permit from any administrative authorities, corporate authorities, or third parties, the Company and PROKOM agreed to co-operate in good faith to obtain such consents or permits as quickly as possible. Specifically, until the consent of the consortium agent bank is granted, the transfer of the accounts receivable and rights specified above is effectively only a commitment.

Furthermore, the parties confirmed in the Agreement that apart from the accounts receivable described above:

- a) the aggregate value of trade accounts receivable by PROKOM from the Company which arose in the course of regular business activities of both companies, with accrued interest, is PLN 2,100,629.79 as at 13 January 2009 (as per the correction made in the annex dated 28 January 2009); and
- b) the aggregate value of accounts receivable by PROKOM from the Company under the loans extended by PROKOM, with accrued interest, is PLN 218,922,996.05 as at 13 January 2009.

As at 13 January 2009, the aggregate balance of the above-listed accounts receivable by PROKOM from the Company, including the accounts receivable transferred on condition, was PLN 285,907,509.84; with the reservation that the interest accrued on the Capital Energy S.A. account receivable was calculated as of 30 September 2008.

As provided in the agreement, PROKOM has the right to demand that the Company transfer to PROKOM (on one or many occasions) such a number of Company shares that is the product of the value of PROKOM'S accounts receivable (or a portion thereof) with accrued interest and the average closing price of one Company share at the WSE in the three months preceding the date on which PROKOM makes the demand. The Company will be obliged to transfer to PROKOM, or issue and offer to PROKOM, the shares specified in such a demand within five days from the date of the request, however not later than within three years from 13 January 2009. The Company may also fulfil this obligation by taking a resolution on a share capital increase in the Company—within the limits of the authorised capital as envisaged in Par. 11 of the Company's Statutes—through the issuance of Company shares that will be offered exclusively to PROKOM, excluding the pre-emptive rights of the remaining shareholders.

PROKOM will be obliged to cover the shares subscribed for (pay for the shares acquired) in the manner described above—with a financial contribution (in cash) which shall be made (which shall be paid) by netting outstanding accounts receivable by the Company from PROKOM under a given share subscription (sale) agreement and accounts receivable by PROKOM from the Company.

The provisions of the Agreement described above—referring to PROKOM'S rights—replace, in respect of the loan agreements concluded between PROKOM and the Company, the Call Option granted to PROKOM which was the subject of current report no. 34/2008 released on 6 June 2008.

On 28 January 2009, pursuant to the provisions of the agreement dated 13 January 2009, the Company received from PROKOM Investments S.A.:

- a) a request to transfer to PROKOM a number of shares that corresponds to the product of (i) the aggregate amount of all accounts receivable by PROKOM from the Company as specified in the Agreement with accrued interest, the value of which as of 13 January 2009 was made public in current report no. 4/2009 published by the Company on 14 January 2009, and (ii) the average closing price of one Company share at the WSE in the three months preceding 28 January 2009, i.e. Petrolinvest share price quote of PLN 45.9387; and
- b) a call to offer to PROKOM, within five days from 28 January 2009, to subscribe for 2,100,000 ordinary bearer Petrolinvest shares at an issue price of PLN 45.9387 per share, that is for a total consideration of PLN 96,471,270.00.

In the statement delivered to the Company, PROKOM indicated that the aggregate amount of the accounts receivable which serves as the basis for calculating the number of shares participating in the call comprises:

- a) all trade accounts receivable by PROKOM from the Company which arose in the course of regular business activities of both companies, with interest accrued thereon as at 13 January 2009, which amount to PLN 2,100,629.79; and
- b) a fraction of accounts receivable by PROKOM from the Company under the loans extended by PROKOM, comprised of a principal amount following from the loan agreement concluded on 2 October 2006 of up to PLN 92,370,640.21 and interest accrued thereon—following from the same loan agreement—of up to PLN 2,000,000.

On 28 January 2009, the Company Management Board resolved to increase the Company's share capital by PLN 21,000,000 via the issuance of 2,100,000 ordinary bearer L-series shares of a nominal value of PLN 10 each.

On 16 February 2009, the District Court for Gdańsk-Północ of Gdańsk, VIII Economic Department of the National Court Register, in a secret ballot registered the share capital increase of the Company effected by way of an issue of 2,100,000 ordinary bearer L-series shares of a nominal value of PLN 10 each.

On 9 February 2009, the Company concluded a netting agreement with PROKOM Investments S.A. (the "Netting Agreement") under which the Parties netted an outstanding account receivable by the Company under the share subscription agreement for L-Series Shares totalling PLN 96,471,270.00 with: (i) an outstanding account payable in connection with the performance by the Company of its obligation to repay the principal amount of the loan due under the agreement dated 2 October 2006 concluded between the Subscriber and the Company (the "Loan Agreement") of up to PLN 92,370,640.21, (ii) an outstanding account payable in connection with the performance by the Company of its obligation to repay interest accrued under the Loan Agreement of up to PLN 2,000,000.00, and (iii) an outstanding trade account payable which arose in the course of regular business activity of the Company and PROKOM Investments, with interest accrued thereon, amounting to PLN 2,100,629.79, all payable to Prokom.

On 20 March 2009 the Company concluded an agreement with its dominant shareholder, Prokom Investments S.A. headquartered in Gdynia ("Prokom"), which sets out terms and conditions for cooperation in seeking financing for the Company (the "Agreement").

In the Agreement, Prokom committed to take appropriate actions to obtain a PLN 150 million financing for the Company's operations (the "Financing"), while the Company committed to accept the Financing obtained by Prokom under the Agreement. The Financing will be provided on the basis of loan agreements or other agreements of similar nature, on an arm's length basis, or as a direct equity investment into Petrolinvest shares, with the reservation that the loans or similar agreements will be uncollateralized and subordinated to the Company's bank debt, unless otherwise agreed by the parties. The Financing will be provided to the Company by Prokom, or another entity appointed by Prokom (Prokom or another entity appointed by Prokom henceforth referred to as the "Financing Entity"), based on agreements which should stipulate the authority of the Financing Entity to file a conversion request for an outstanding amount of the Financing, with accrued interest and other costs resulting from the Financing documents, to be converted, whether fully or partially, into Petrolinvest equity (the "Request").

If the Financing Entity should have the intention to make a direct equity investment into Petrolinvest shares, the Request will apply accordingly to an issue of Petrolinvest shares on terms stipulated in the Agreement.

The Request will be irrevocable and may be made by the Financing Entity at any date set by the Financing Entity or at the date stipulated in the Financing document. Subscription and payment for the shares in execution of the Request will be made within two months from the date of the Request. If the share issue is not made from the authorised capital, the deadline for subscription and payment for the shares in execution of the Request will be four months from the date of the Request.

Once the Request is made, the Company is committed to take all actions necessary to increase the share capital through the issue of new Petrolinvest shares ("New Shares") within the timeframe specified in the Request in exchange for a cash contribution, at an issue price per New Share equal to an average close price of the Company's shares at the Warsaw Stock Exchange ("WSE") from 180 quoting days preceding the date of the Request, or—if the Financing Entity shall decide so—at an issue price per New Share equal to the close price of the Company's shares at the WSE from the day preceding the date of the Request, in each case reflecting the effects of possible distribution of the shares.

New Shares will first be issued within the scope of the authorised capital, and the Company is obliged to provide such a level of authorised capital that allows for an issue of New Shares to be effected within its limits.

If a Request is made for full or partial conversion of the outstanding amount of the Financing, New Shares shall be paid for by way of contractual netting of accounts receivable by the Financing Entity and accounts receivable by the Company under the New Share issue.

If, in execution of the Agreement, Prokom should obtain financing from another Financing Entity, other than Prokom, then Prokom shall be entitled to remuneration from the Company equal to 2% (net) of the value of the Financing so obtained.

The Agreement provides that the Financing should be obtained by 31 December 2010.

The Agreement was concluded at arm's length.

On 14 May, the Company signed three agreements with PROKOM Investments S.A., Osiedle Wilanowskie Spółka z ograniczoną odpowiedzialnością and Agro Jazowa S.A. setting forth the terms on which those companies make their assets available to the Company to use as security for the credit facility extended under the agreement dated 21 March 2007 by the consortium of PKO Bank Polska S.A. and Bank Gospodarstwa Krajowego. A detailed description of the agreements is provided in point 5 herein.

CONDENSED INTERIM FINANCIAL STATEMENTS OF PETROLINVEST S.A.

**CONDENSED INTERIM FINANCIAL STATEMENTS OF PETROLINVEST S.A.**

The condensed interim Financial Statements of PETROLINVEST S.A. contain combined data, being the sum of the financial statements of the unit and its branch.

**CONDENSED INTERIM INCOME STATEMENT**

	<i>for 3 months</i>	
	<i>ended 31 March</i>	
	<i>2009</i>	<i>2008</i>
	<i>PLN '000</i>	<i>PLN '000</i>
<b>Continuing operations</b>		
Sale of goods	18 532	40 898
Rendering of services	150	291
<b>Revenue</b>	<b>18 682</b>	<b>41 189</b>
Value of goods and materials sold	13 756	38 984
Materials and energy	525	839
Employee benefits	23 133	3 285
Depreciation and amortisation	655	555
External services	6 877	3 560
Taxes and charges	215	325
Other expenses	327	634
<b>Operating expenses</b>	<b>45 488</b>	<b>48 182</b>
<b>Gross profit (loss)</b>	<b>(26 806)</b>	<b>(6 993)</b>
Other operating income	41	1 159
Other operating expenses	100	165
Finance income	10 747	8 091
Finance costs	5 524	6 436
Impairment of Oil&Gas investments	0	0
<b>Profit (loss) before tax</b>	<b>(21 642)</b>	<b>(4 344)</b>
Income tax expense	(853)	1 009
<b>Net profit (loss) from continuing operations</b>	<b>(20 789)</b>	<b>(5 353)</b>
<b>Net profit (loss)</b>	<b>(20 789)</b>	<b>(5 353)</b>
<hr/>		
Weighted average number of issued shares for basic earnings per share computations	8 283 949	5 873 002
Number of diluting potential ordinary shares	586 863	586 863
Basic earnings (loss) per share in PLN	(2.51)	(0.91)
Diluted earnings (loss) per share in PLN	(2.34)	(0.83)

CONDENSED INTERIM FINANCIAL STATEMENTS OF PETROLINVEST S.A.

**CONDENSED INTERIM BALANCE SHEET**

	<i>31 March 2009</i>	<i>31 December 2008</i>	<i>31 March 2008</i>
	<i>PLN '000</i>	<i>PLN '000</i>	<i>PLN '000</i>
<b>ASSETS</b>			
<b>Non-current assets (long-term)</b>			
Property, plant and equipment	46 482	46 979	46 898
Investment properties	2 616	2 616	2 567
Intangible assets	69	99	177
Other financial assets	260 720	218 002	179 300
Shares in subsidiaries and jointly-controlled entities	652 016	652 016	618 984
Deferred tax	0	0	10 163
	<u>961 903</u>	<u>919 712</u>	<u>858 089</u>
<b>Current assets (short-term)</b>			
Inventories	1 691	2 826	9 271
Trade and other receivables	7 142	7 831	51 255
Prepayments and deferred costs	5 504	10 561	3 576
Current investments	135 386	106 616	65 947
Cash and cash equivalents	1 831	2 684	30 770
Income tax overpayment	35	35	35
	<u>151 589</u>	<u>130 553</u>	<u>160 854</u>
<b>TOTAL ASSETS</b>	<b><u>1 113 492</u></b>	<b><u>1 050 265</u></b>	<b><u>1 018 943</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Issued capital	121 084	63 481	58 730
Unpaid share capital	(4 494)	0	0
Other reserves	716 448	501 533	391 286
Unregistered share capital	0	153 590	79 880
Retained earnings	(289 050)	(268 261)	(37 599)
<b>Total equity</b>	<u>543 988</u>	<u>450 343</u>	<u>492 297</u>
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings	489 444	505 834	415 559
Non-current provisions	422	422	347
Deferred income tax liabilities	828	1 681	16 029
Finance lease liabilities	114	145	321
Other non-current liabilities	0	0	30 306
	<u>490 808</u>	<u>508 082</u>	<u>462 562</u>
<b>Current liabilities</b>			
Trade and other payables	9 987	13 496	49 010
Finance lease liabilities	204	228	170
Current portion of interest-bearing loans and borrowings	35 228	44 878	13 691
Current provisions	31 395	31 395	0
Income tax liabilities	0	0	0
Accruals	1 882	1 843	1 213
	<u>78 696</u>	<u>91 840</u>	<u>64 084</u>
<b>Total liabilities</b>	<u>569 504</u>	<u>599 922</u>	<u>526 646</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>1 113 492</u></b>	<b><u>1 050 265</u></b>	<b><u>1 018 943</u></b>

CONDENSED INTERIM FINANCIAL STATEMENTS OF PETROLINVEST S.A.

**CONDENSED INTERIM CASH FLOW STATEMENT**

	<i>for 3 months</i>	
	<i>ended 31 March</i>	
	<i>2009</i>	<i>2008</i>
	<i>PLN '000</i>	<i>PLN '000</i>
<b>Cash flows from operating activities</b>		
Profit (loss) before taxation	(21 642)	(4 344)
Adjustments for:	16 641	(4 702)
Depreciation and amortisation	655	555
Interest and dividends, net	(1 587)	2 949
Foreign exchange differences	(4 446)	(4 728)
Gain/ (loss) from investing activities	0	(50)
(Increase)/ decrease in receivables	691	1 370
(Increase)/ decrease in inventories	1 135	(1 401)
Increase/ (decrease) in payables except loans and borrowings	(1 750)	(4 799)
Change in prepayments and accruals	181	599
Change in provisions	(1)	10
Other, including	21 763	793
share-based payments	21 751	0
lending costs	12	109
valuation (discount) of liabilities under share purchase transactions	0	684
<b>Net cash flows from operating activities</b>	<b>(5 001)</b>	<b>(9 046)</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment and intangibles	0	13
Purchase of property, plant and equipment and intangibles	(129)	(2 022)
Acquisition of subsidiary and jointly-controlled entity	0	(17 193)
Interest received	2	778
Repayment of loans granted	2	5
Granting of loans	(2 524)	(36 421)
Other	0	(682)
<b>Net cash flows from investing activities</b>	<b>(2 649)</b>	<b>(55 522)</b>
<b>Cash flows from financing activities</b>		
Proceeds from share capital increase	1 498	41 565
Costs relating to share issue	(372)	(3 150)
Payment of finance lease liabilities	(55)	(59)
Proceeds from loans and borrowings	0	54 049
Repayment of loans and borrowings	(220)	(720)
Interest paid	(2 978)	(3 364)
Other	(12)	(108)
<b>Net cash flows from financing activities</b>	<b>(2 139)</b>	<b>88 213</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(9 789)</b>	<b>23 645</b>
Cash and cash equivalents at the beginning of the period	(22 729)	6 764
<b>Cash and cash equivalents at the end of the period</b>	<b>(32 518)</b>	<b>30 409</b>
including restricted use cash	0	0

CONSOLIDATED QUARTERLY REPORT OF PETROLINVEST GROUP FOR 1st QUARTER 2009  
ENDED ON 31 MARCH 2009

CONDENSED INTERIM FINANCIAL STATEMENTS OF PETROLINVEST S.A.

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**

	<i>Issued capital</i>	<i>Other capital, including</i>	<i>Reserve and revaluation capital</i>			<i>Unregistered share capital increase</i>	<i>Called up share capital</i>	<i>Retained earnings/ Accumulated (losses)</i>	<i>Total</i>
	<i>PLN '000</i>	<i>PLN '000</i>	<i>PLN '000</i>	<i>From share premium</i>	<i>Other capital</i>	<i>PLN '000</i>	<i>PLN '000</i>	<i>PLN '000</i>	<i>PLN '000</i>
<b>As at 1 January 2009</b>	<b>63 481</b>	<b>655 123</b>	<b>15 593</b>	<b>473 931</b>	<b>12 009</b>	<b>153 590</b>	<b>0</b>	<b>(268 261)</b>	<b>450 343</b>
Loss for the period	0	0	0	0	0	0	0	(20 789)	(20 789)
<b>Revenues / Expenses for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(20 789)</b>	<b>(20 789)</b>
Share issue	57 603	62 118	0	220 202	0	(153 590)	(4 494)	0	119 721
Cost of share issue	0	(5 287)	0	(5 287)	0	0	0	0	(5 287)
<b>As at 31 March 2009</b>	<b>121 084</b>	<b>711 954</b>	<b>15 593</b>	<b>688 846</b>	<b>12 009</b>	<b>0</b>	<b>(4 494)</b>	<b>(289 050)</b>	<b>543 988</b>
	<i>PLN '000</i>	<i>PLN '000</i>	<i>PLN '000</i>	<i>PLN '000</i>	<i>PLN '000</i>	<i>PLN '000</i>	<i>PLN '000</i>	<i>PLN '000</i>	<i>PLN '000</i>
<b>As at 1 January 2008</b>	<b>58 730</b>	<b>391 286</b>	<b>15 593</b>	<b>375 693</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(32 246)</b>	<b>417 770</b>
Loss for the period	0	0	0	0	0	0	0	(5 353)	(5 353)
<b>Revenues / Expenses for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(5 353)</b>	<b>(5 353)</b>
Share issue	0	79 880	0	0	0	79 880	0	0	79 880
Cost of share issue	0	0	0	0	0	0	0	0	0
<b>As at 31 March 2008</b>	<b>58 730</b>	<b>471 166</b>	<b>15 593</b>	<b>375 693</b>	<b>0</b>	<b>79 880</b>	<b>0</b>	<b>(37 599)</b>	<b>492 297</b>
	<i>PLN '000</i>	<i>PLN '000</i>	<i>PLN '000</i>	<i>PLN '000</i>	<i>PLN '000</i>	<i>PLN '000</i>	<i>PLN '000</i>	<i>PLN '000</i>	<i>PLN '000</i>
<b>As at 1 January 2008</b>	<b>58 730</b>	<b>391 286</b>	<b>15 593</b>	<b>375 693</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(32 246)</b>	<b>417 770</b>
Loss for the period	0	0	0	0	0	0	0	(236 015)	(236 015)
<b>Revenues / Expenses for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(236 015)</b>	<b>(236 015)</b>
Share issue	4 751	252 720	0	99 130	0	153 590	0	0	257 471
Cost of share issue	0	(892)	0	(892)	0	0	0	0	(892)
Warrant issue	0	12 009	0	0	12 009	0	0	0	12 009
<b>As at 31 December 2008</b>	<b>63 481</b>	<b>655 123</b>	<b>15 593</b>	<b>473 931</b>	<b>12 009</b>	<b>153 590</b>	<b>0</b>	<b>(268 261)</b>	<b>450 343</b>