

Independent Auditors' Review Report on the Interim Condensed Consolidated Financial Statements for the 6 month period ended 30 June 2009

To the Supervisory Board of Petrolinvest S.A.

1. We have reviewed the attached interim condensed consolidated financial statements of Petrolinvest Group ('the Group') for which the dominant entity is Petrolinvest S.A. ('the Company' or 'the dominant entity') located in Gdynia at 21 Podolska Street, containing:
 - the interim condensed consolidated balance sheet as of 30 June 2009 with total assets amounting to 1 189 954 thousand zlotys,
 - the interim condensed consolidated income statement for the period from 1 January 2009 to 30 June 2009 with a net loss amounting to 305 365 thousand zlotys,
 - the interim condensed consolidated statement of comprehensive income for the period from 1 January 2009 to 30 June 2009 with a total comprehensive loss amounting to 439 808 thousand zlotys,
 - the interim condensed consolidated statement of changes in equity for the period from 1 January 2009 to 30 June 2009 with a net decrease of equity amounting to 256 469 thousand zlotys,
 - the interim condensed consolidated statement of cash flows for the period from 1 January 2009 to 30 June 2009 with a net cash outflow amounting to 17 826 thousand zlotys and
 - the interim condensed summary of significant accounting policies and other explanatory notes ('the attached interim condensed consolidated financial statements').

2. The truth and fairness¹ of the attached interim condensed consolidated financial statements prepared in accordance with International Financial Reporting Standards applicable to interim financial reporting as adopted by the European Union ('IAS 34') and the proper maintenance of the consolidation documentation are the responsibility of the Company's Management Board. Our responsibility is to issue a report on these financial statements based on our review.

3. We conducted our review in accordance with the provisions of the law binding in Poland and auditing standards issued by the National Council of Statutory Auditors. These standards require that we plan and perform our review in such a way as to obtain moderate assurance as to whether the financial statements are free of material misstatement. The review was mainly based on applying analytical procedures to the financial data, review of documentation supporting the amounts and disclosures in the consolidated financial statements and discussions with the management of the Company as well as its employees. The scope of work² of a review differs significantly from an audit of financial statements, the objective of which is to express an opinion on the truth and fairness³ of the financial statements. Review provides less assurance than audit. We have not performed an audit of the attached interim condensed consolidated financial statements and, accordingly, do not express an audit opinion.

¹ Translation of the following expression in Polish language: "prawidłowość, rzetelność i jasność"

² In Polish language two expressions are used ("zakres i metoda") that in English language translation are covered by one expression "the scope of work"

³ Translation of the following expression in Polish language: "prawidłowo, rzetelnie i jasno"

4. The consolidated financial statements for the proceeding financial year ended 31 December 2008 were subject to our audit and we issued qualified opinion including emphases of matter on these consolidated financial statements, dated 30 April 2009. The modification paragraphs pertain to issues also discussed in points 5, 6 and 8 below.
5. As further described in note 23.2 to the attached interim condensed consolidated financial statements, the Company is a party of loan agreements received from the Company's principal shareholder, which contained a clause on an authorisation granted to the lender for a conversion request that the Company would issue shares as part of its target capital and offer the shares to the lender precluding the pre-emptive rights of the existing shareholder ('call option') in exchange of the lender's liabilities resulting from the mentioned loans. The Company signed also agreements with companies from the principal shareholder's capital group in order to establish rules, on which the mentioned companies enable the Company to use their assets as bank loan collateral. The above mentioned agreements contain call option as well as other embedded derivative instruments. Since the Company was not able to make a precise assessment of certain assumptions, it has neither made any valuation of the embedded derivative instruments being part of the above mentioned agreements nor has it presented to us any valuation of the loans to fair values as at the date of the modification of the loan agreements. If the valuation of the above mentioned embedded derivative instruments as well as new valuations of the loans to their fair values as at the date of signing the amendments to the loan agreements had been performed, it would have affected the consolidated net result for the 6 months ended 30 June 2009.
6. As further described in note 13 to the attached interim condensed consolidated financial statements, the Company acquired subsidiaries and jointly controlled entities and recognized goodwill which amounted to 384.2 million zlotys as at 30 June 2009. In our opinion, the dominant entity should disclose the value of the licence purchased in transactions of acquiring subsidiaries and jointly controlled entities and disclose the deferred tax liability relating to the above mentioned licences. The attached interim condensed consolidated financial statements do not contain adjustments mentioned above.
7. Except for the effects of the matters described in paragraphs 5 and 6, our review did not reveal the need to make material changes for the attached interim condensed consolidated financial statements to present truly and fairly⁴ in all material respects the financial position of the Group as at 30 June 2009 and the financial result for the 6 months ended 30 June 2009 in accordance with IAS 34.
8. Without further qualifying our report, we draw attention to the following matters:
 - (a) In note 13 to the attached interim condensed consolidated financial statements, the Group presented the most important assumptions underlying an impairment test of goodwill and other assets acquired together with the newly acquired entities. The assumptions adopted by the Company's Management Board were based on the Group's entities' own experience and research as well as the results of the assessments performed by an independent industry expert. These assumptions concerning, for instance, the level of crude oil production, depend on future conditions and circumstances, which cannot be defined today and which potential impact on the Group's financial results is unknown.

⁴ Translation of the following expression in Polish language: "rzetelny, prawidłowy i jasny"

- (b) In note 12 to the attached interim condensed consolidated financial statements, the Group presented the possessed licences for exploration and extraction of hydrocarbons resources in the Republic of Kazakhstan. The licences provide certain obligations of the Group's entities which, if breached or not complied with, may result in the rights under the licences being suspended or licences being cancelled by the authorities of the Republic of Kazakhstan.

As further described in note 12 to the interim condensed consolidated financial statements, as at 18 March 2009 and as at 29 June 2009 the prolongation date concerning two licences expired. The Management Board of the dominant entity is in the process of negotiating with Kazakhstan's Energy Ministry the amendments that would prolong these licences for the next two years. As at the date of issuing this report, the Management Board of the dominant entity is certain that the negotiation will be successful and the above-mentioned amendments will be signed in the nearest future.

As the above-mentioned licence obligations will be realized in the future, there is an uncertainty at the date of issuing this report whether all licence obligations will be met in accordance with the conditions of the licences as well as the accepted investment programs, and whether the licences for exploration and extraction of hydrocarbon resources will not be suspended or cancelled in the future.

- (c) In accordance with disclosures made in note 2 to the attached interim condensed consolidated financial statements, the Management Board of the dominant entity pointed to some potential threats to the Group's going concern. In 2006 the Group started an extensive investment program aiming at expansion of the Group's activities in the area of exploration and subsequent extraction of crude oil.

The investment program is run in the Republic of Kazakhstan, which has relatively young legal and tax systems. The lack of reference to well established legal and tax regulations in this country may result in lack of clarity and integrity in the regulations. Frequent contradictions may arise in legal interpretations of tax regulations, as well as regulations applicable to the exploration and development of oil fields, both within government bodies and between companies and government bodies, which may create uncertainties and conflicts. These facts create investment risks in this country which are substantially more significant than those typically found in countries with more developed systems, which may have a direct impact on the valuation of the Group's assets.

Due to the start-up phase of the investments, as at the date of the attached interim condensed consolidated financial statements, there is no certainty that the Group will achieve the established goals as a result of capital expenditures planned and incurred to date. The investment program is financed from the Group's own resources, loans received from its principal shareholder and external resources. The success of the investment program depends on the ability to obtain sufficient external financing by the Group.

As further described in note 2 to the attached interim condensed consolidated financial statements as at 29 April 2009 the Company signed agreement guaranteeing financing to the Group (in a form of share capital increase) amounting up to 200 million zlotys.

Failure to obtain further necessary financing may result in suspending a part of or the entire investment program and may have a significant impact on the business, financial condition, financial results of operations and the Group's ability to continue as a going concern.

The attached interim condensed consolidated financial statements were prepared on the assumption that the Group will continue as a going concern and do not include any adjustment relating to different methods of valuation and classification of assets and liabilities which might have been necessary if the Group were unable to continue as a going concern for 12 months from the balance sheet date.

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Warsaw, 31 August 2009