



Petrolinvest

LETTER FROM THE CHAIRMAN

Dear Sir or Madam / Mr. [],

On behalf of the Management Board of PETROLINVEST S.A. I am pleased to present you, for the second time, with the PETROLINVEST Group Annual Report.

This Report describes the PETROLINVEST Group's most significant achievements in 2008, the prospects for further growth and the challenges our Company will be facing.

The year 2008 was an extraordinarily difficult one for the world's economy and global financial markets, and was a difficult year for the oil sector due to the dramatic drop in oil prices and limited access to capital. In such a problematic and rapidly changing climate, the PETROLINVEST Group has been carrying out a prospecting project in Russia and Kazakhstan.

In our view last year's most important achievement was completion of the process of consolidation of the Capital Group and finalization of investment contracts with Kazakhstani partners, enabling us to take up a majority stake in two of the most valuable companies – Occidental Resources and Emba Jug Nieft. These companies represent 1.6 billion barrels of extracted geological reserves. In a year in which capital was very hard to come by, the Company continued its investment program in full, resulting in further confirmation of deposits and identification of new oil structures for our concessions in Kazakhstan.

The scale of the measures undertaken is a reflection of the level of financing available to implement the strategic goals before us. Nevertheless it should be pointed out that the work we are doing, in particular drilling of the K-3 well (the Koblandy area of the OTG concession) confirmed the presence of carbohydrogen (natural gas and condensate) which, upon completion of production testing, will present new prospects for the Group, long awaited by the Management Board and shareholders, relating to management and operation of what is potentially one of the largest oil deposits in Kazakhstan.

The Management Board sees the financial results of 2008 as typical for the exploratory stage of our project, and it is worth pointing out that they have been affected by one-off events. Our decision to revalue our investments in the Russian Federation, reserves created for disputes with Morgan Stanley regarding clearing, and the one-time and non-cash valuation of the Management Board option plan have significantly increased the Group's reported losses.

The most important goals we have set ourselves for 2009 are finding financing for exploratory and extraction work, starting to sell crude oil and gaining additional cash flow from operational activities, as well as acquisition of companies with stable levels of production and confirmed carbohydrogen deposits. The first of these goals was partly achieved in the days leading up to the publication of the 2008 Annual Report.

On behalf of the Company's Management Board I would like to thank you for your trust and support in 2008, a difficult, but exceptionally important year for PETROLINVEST. I would also like to thank the various financial institutions and firms with which PETROLINVEST works for their support in one of the most burdensome times in the history of the sector.

I would also like to thank the Management Boards and Employees in Companies within the PETROLINVEST GROUP for their enormous commitment, loyalty and work input, and Mr. Ryszard Krauze, our partner in Kazakhstan, and the entire Supervisory Board for their assistance with technical matters and strategic support in building PETROLINVEST's position as a leading exploratory and extraction company in Kazakhstan.

Paweł Gricuk

Chairman of the Management Board

Warsaw, 30 April, 2009