

**Independent Auditors' Review Report on the Interim
Consolidated Financial Statements
for the 6 month period ended 30 June 2008**

To the Supervisory Board of Petrolinvest S.A.

1. We have reviewed the attached consolidated financial statements of Petrolinvest Group ('the Group') where Petrolinvest S.A. is the dominant entity ('the Company' or 'the dominant entity'), and is located in Gdynia at Podolska 21 Street, including:
 - the interim consolidated balance sheet as of 30 June 2008 with total assets amounting to 1,053,056 thousand zlotys,
 - the interim consolidated income statement for the period from 1 January 2008 to 30 June 2008 with a net profit amounting to 2,945 thousand zlotys,
 - the interim consolidated statement of changes in equity for the period from 1 January 2008 to 30 June 2008 with a net decrease of equity amounting to 26,949 thousand zlotys,
 - the interim consolidated cash flow statement for the period from 1 January 2008 to 30 June 2008 with a net cash outflow amounting to 16,289 thousand zlotys, and
 - the interim summary of significant accounting policies and other explanatory notes, ('the attached interim consolidated financial statements').
2. The truth and fairness¹ of the attached interim 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, except as discussed in paragraph 5 below, 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 attached interim 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 an audit. We have not performed an audit of the attached interim consolidated financial statements and, accordingly, do not express an audit opinion.
4. The consolidated financial statements for the year ended 31 December 2007 were audited by us and on 7 April 2008 we issued an opinion with emphases of matter on these consolidated financial statements. The emphases of matter paragraphs pertain to issues also discussed in point 7 below hereof report.

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*"

5. As described further in note 28 to the attached interim consolidated financial statements the dominant entity signed the amendments to all loan agreements received from the Company's main shareholder, which contained a clause about 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 shareholders (call option) in exchange of the lender's liabilities resulting from the mentioned loans. As of the date of this report, since the Company was not able to make a precise assessment of certain of the assumptions (and in particular the expected term of the conversion), the Company has not made any valuation of embedded financial instruments being part of the amended loan agreements nor has it presented to us a valuation of the loans to fair value as at the date of the change of the terms and conditions of the above mentioned loan agreements. If the valuations of the above mentioned call options 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 month period ended 30 June 2008.
6. Except for the effects of the matter described in paragraph 5 above, our review did not reveal the need to make material changes for the attached interim consolidated financial statements to present truly and fairly⁴ in all material respects the financial position of the Group as at 30 June 2008 and the financial result, for the 6 month period ended 30 June 2008 in accordance with IAS 34.
7. Without further qualifying our review report, we draw attention to the following issues:
 - (a) In notes 15 and 32 to the attached interim consolidated financial statements, the Group presented the possessed licences for exploration and extraction of hydrocarbon resources in the Russian Federation and the Republic of Kazakhstan. The licences provide for certain obligations of the Group 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 Russian Federation or the Republic of Kazakhstan.

As the above-mentioned license obligations will be realised in the future, there is an uncertainty at the date of this auditors' review report whether all licence obligations will be satisfied in accordance with the conditions of the licenses 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.
 - (b) In note 20 to the attached interim consolidated financial statements, the Group presented the most important assumptions underlying an impairment test of goodwill and other assets acquired together with the newly purchased entities. The assumptions adopted by the Management Board were based on the Group's own experience and research as well as the results of the assessments performed by an independent industry expert. These assumptions concerning, for instance, the production level of crude oil, depend on future conditions and circumstances, which cannot be defined today and the potential impact of which on the Group's financial results is unknown.
 - (c) In accordance with disclosures made in note 2 to the attached interim consolidated financial statements, the Company's Management Board pointed to some threats to the Group's going concern assumption. In 2006, the Group started an extensive investment program with a view to expand the Group's activities in the area of exploration and subsequent extraction of hydrocarbons. Development of the Company and its subsidiaries as well as their functioning as a going concern in the future will depend on the successful realization of these plans.

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

The investment program is run in the Russian Federation and the Republic of Kazakhstan, both of which have relatively young legal and tax systems. The lack of reference to well established legal and tax regulations in those countries may result in a 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 those countries that 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 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 possibility to obtain sufficient external financing. Failure to obtain necessary financing will result in delays or suspending of a part of or an entire investment program and will have a negative impact on the Group's business, financial condition and financial results of operations as well as the Group's ability to continue its operation in the current range.

The attached interim consolidated financial statements have been prepared on the going concern basis and do not include any adjustments relating to different method of valuation and classification of assets and liabilities that might be necessary, had the Group been unable to continue as a going concern during the period of 12 months after the balance sheet date.

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Warsaw, 29 September 2008