

Warsaw, 24 August 2011
Press Release

PETROLINVEST CONSOLIDATES SHALE GAS ASSETS

Petroinvest has decided to increase its involvement in the Silurian Hallwood Ltd. and Silurian Sp. z o.o. by purchasing shares from a financial investor in both entities.

Petroinvest will acquire 20% of shares in Silurian Hallwood and 30% of shares in Silurian and after the transaction it will control 49% of shares in Silurian Hallwood and 90% of shares in Silurian.

Shares in both entities will be acquired through non-cash transaction — Petroinvest will pay for these shares with its own shares. Furthermore, under the agreements concluded with a financial investor, the investor has committed to participate in Petroinvest's capital increase in the amount of not less than PLN 30 million.

The increased Petroinvest's involvement in Silurian Hallwood and Silurian is related to the development strategies carried out by these entities, particularly their planned introduction to the stock exchange. This process is particularly advanced in relation to Silurian Hallwood. Currently, a proposal memorandum is being prepared, based on which the so called private placement of Silurian Hallwood and then its IPO will be implemented during the next few weeks.

In the foreseeable future, the increased Petroinvest's involvement in Silurian Hallwood and Silurian will allow the Company to increase its share in the assets which will become liquid assets with high value and good development prospects. Silurian Hallwood is a company in which Hallwood Energy Group is the second major shareholder, next to Petroinvest, which is specializing in the exploitation of unconventional gas fields and hydraulic fracturing technologies, used for extracting gas from the shale. Silurian Hallwood's operations include, among others, drilling services and hydraulic fracturing. The company will also lead shale gas exploration and exploitation works within four concessions held in Poland. Currently, Silurian has five concessions for hydrocarbons searches in Poland of a total area of 4,082.10 km².

These assets could provide additional protection for Petroinvest's previously obtained debt financing and new financing necessary to complete the investment program within Shyrak structure and Emba concession, aimed at commercial exploitation of hydrocarbons at these structures.

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Silurian Hallwood and Silurian have unique opportunities for growth due to, among others, the enormous potential of their concessions for hydrocarbons searches in Poland and the potential resources of shale gas, shale oil and the usual crude oil. Currently, a detailed report is being prepared referring to some of the acquired concessions. The preparations involve Polish geologists and specialists from the U.S. LaRoche Petroleum Consultants, a company dealing with analytical work and valuations of public and private companies in the oil and gas industry for over 30 years.

A complete report will be an important element of the private placement process and IPO of Silurian Hallwood. Immediately upon its receipt we will inform our shareholders about the outcomes — said Bertrand Le Guern, President of the Management Board of Petroinvest S.A.

Petroinvest currently consolidates the assets that can quickly gather a large value. The increased number of shares in Silurian Hallwood and Silurian directly builds the value of Petroinvest. Although this is a non-cash transaction, it will also help Petroinvest to ensure financial resources for operations on the Shyrak structure and Emba concessions. This is our strategic goal — said Bertrand Le Guern.

In exchange for the purchased shares in Silurian Hallwood and Silurian, Petroinvest will issue shares to a financial investor, whereas the final number of shares issued will depend on the valuation of companies at the stage of private placement and IPO, as well as Petroinvest share price on the Warsaw Stock Exchange. The adopted mechanism will reflect the actual value of the acquired assets to a great degree.

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A detailed description of the risks associated with investing in securities of the Company can be found in the Company's annual report for 2010 published on the Internet at the Company's website at <http://www.petroinvest.pl/pl/raporty-okresowe.html>.

Subject to the fulfilment of its legal obligations (including its obligation to disclose confidential information), the Company hereby states that it is under no obligation to update or revise any published data relating to the information contained in the present press release or the assumptions underlying the Company's strategy with respect to such information.