

The offering and take-up of subscription warrants over series V shares within the scope of conditional share capital increase and take-up of series V shares

Legal basis: Art. 56.1.2a) of the Act on public offering in connection with Par. 5.1.3 of the Regulation of the Minister of Finance dated February 19th 2009 on current and periodic information to be published by issuers of securities and conditions for recognising as equivalent information required by the laws of a non-member state

In connection with the requests and calls for share offers made by Prokom Investments S.A. (henceforth “Prokom”) and Osiedle Wilanowskie Sp. z o.o. (“Osiedle Wilanowskie”) connected with the repayment by Prokom of PLN 74m of the Company’s credit facility and providing the Company with a PLN 30m financing, and also connected with the performance by Prokom and Osiedle Wilanowskie of other obligations connected with supporting the Company’s credit facility agreement—these events were the subject of current report no. 18/2010—and also in connection with the resolution of the Extraordinary General Shareholders’ Meeting dated 30 December 2009 regarding the issue of subscription warrants, conditional share capital increase, the exclusion of pre-emptive rights etc. (the “Issue Resolution”) published in current report number 121/2009, the Management Board of PETROLINVEST S.A. (henceforth the “Company”) announces that on 18 March 2010 it adopted two resolutions regarding the offering of registered subscription warrants over series V shares and setting forth detailed terms and conditions of the issue of the subscription warrants. In compliance with the provisions of those resolutions:

1. The Management Board decided to issue 3,824,241 series B subscription warrants (the “Series B Warrants”) and offered 3,747,273 to Prokom and 76,968 to Osiedle Wilanowskie. The Series B Warrants were taken up by Prokom and Osiedle Wilanowskie on 18 March 2010. On the same day, both eligible entities exercised their rights to take up the series V shares attached to the Series B Warrants and filed a statement of acquisition of 3,747,273 ordinary series V bearer Petrolinvest shares.

The issue price of the ordinary series V bearer shares, issued to holders of the Series B Warrants on the basis of the Issue Resolution within the scope of the conditional increase of the Company’s share capital, was set by the Management Board at PLN 20.5544 per share.

2. The Management Board decided to issue 1,440,354 series C subscription warrants (the “Series C Warrants”) and offered them to Prokom. The Series C Warrants were taken up by Prokom on 18 March 2010. On the same day, Prokom exercised its right to take up the series V shares attached to the Series B Warrants and filed a statement of acquisition of 1,440,354 ordinary series V bearer Petrolinvest shares.

The issue price of the ordinary series V bearer shares, issued to holders of the Series C Warrants on the basis of the Issue Resolution within the scope of the conditional increase of the Company’s share capital, was set by the Management Board at PLN 20.8282 per share.

Payments for the Series V Shares were made by netting mutual accounts receivable/accounts payable by the Company and the subscribers. On 18 March 2010, the Company entered into the following netting agreements:

1. a netting agreement with Prokom under which the Parties netted an outstanding account receivable by the Company under the share subscription agreements for Series V Shares totalling PLN 77,022,948.15 with outstanding accounts payable to Prokom by the Company for the early repayment by Prokom of a portion of the credit facility extended to the Company under the credit facility agreement with PKO Bank Polski S.A. and Bank Gospodarstwa Krajowego dated 21 March 2007 and under the Credit Facility Collateral Agreement dated 14 May 2009;
2. a netting agreement with Osiedle Wilanowskie under which the Parties netted an outstanding account receivable by the Company under the share subscription agreements for Series V Shares totalling PLN 1,582,031.05 with outstanding accounts payable to Osiedle Wilanowskie by the Company under the Credit Facility Collateral Agreement dated 14 May 2009;
3. a netting agreement with Prokom under which the Parties netted an outstanding account receivable by the Company under the share subscription agreement for Series V Shares totalling PLN 29,999,981.18 with outstanding accounts payable to Prokom by the Company for the payment of PLN 30,000,000.00 to the Company's account on 18 March 2010.

The Netting Agreements meet the criteria of a significant agreement because their aggregate value (together with the netting agreement concluded with Prokom on 25 February 2010 for the take-up of 1,313,780 series V shares, where the value of the agreement is PLN 28,726,325.21) exceeds 10% of the Company's equity. Osiedle Wilanowskie Sp. z o.o. is a subsidiary of Prokom Investments S.A. The agreement concluded with Prokom and referred to in point 3 above also 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 and Osiedle Wilanowskie to the Company in connection with the take-up by the subscribers of an aggregate 5,264,595 Series V Shares was fully covered.

The Management Board would like to point out that the offering and issue of the Series B and Series C Warrants and the issue of the series V shares does not mean that the entire conditional share capital available on the basis of the Issue Resolution has been used up. The Management Board intends to use the conditional share capital to carry out issues of subscription warrants and shares to the European Bank for Reconstruction and Development and to other investors.

18 March 2010

/-/ Paweł Gricuk – President of the Management Board

/-/ Marcin Balicki – Vice President of the Management Board