

## **Conclusion of a preliminary agreement**

*Legal basis: Article 56 section 1 item 1 of the Public Offering Act — confidential information*

The Management Board of PETROLINVEST S.A. (the “**Company**”) announces that on 20 September 2010, the Company concluded with the Yukola company with its registered office in Moscow a preliminary agreement concerning the purchase of 50% of shares in Open Stock Company “Bogorodsknieft” with its registered office in Saratov (“**Bogorodsknieft**”) which owns a licence authorising to exploit deposits, explore for and produce crude oil from Bogorodskie and Nikolskie deposits and Raduzhny structure situated in Saratov Oblast in the territory of the Russian Federation.

The subject of the agreement is the granting to the Company of an exclusive right to conduct negotiations aiming at finalising the purchase of 50% of shares in Bogorodsknieft and to complete the comprehensive due diligence covering, among other things, corporate, legal and financial aspects by the end of 2010. The Company has completed the due diligence regarding the crude oil deposits that Bogorodsknieft already owns and exploits.

The Parties agreed that the closing of the transaction is conditional upon the completion of the due diligence, obtaining relevant approvals and the establishment of final terms of the transaction, including the price.

Moreover, the Parties expressed their interest, in the event of closing the transaction, in starting a cooperation in the scope of collection by Petrolinvest of crude oil produced by Bogorodsknieft.

Bogorodsknieft currently extracts crude oil from Bogorodskie and Nikolskie deposits. The total documented and confirmed oil reserves in both deposits amount to approximately 45 million barrels. Within the licensed area of the company, there are also structures whose prospective reserves are additionally estimated at around 20 million barrels. The development of the main horizon of the first deposit with the aim of producing crude oil currently has already been completed, while in the case of the second deposit it started in 2010.

Bogorodsknieft has been stably producing crude oil for a number of years. The production forecast for crude oil in 2010 amounts to approximately 1 million barrels. After the second deposit is developed and subsequent wells are included in the output, it is expected that the production will increase to approximately 3 million barrels annually. The manufactured crude oil is characterised by very good properties and is classified as light crude oil. The efficiency of wells is stable and amounts to approximately 400 barrels from any single well daily.

The deposits of Bogorodsknieft are relatively shallow, from 800 to 1200 m, and are characterised by a simple geological structure, thus development of those deposits is not technically complex and does not require high financial outlays.

Bogorodsknieft has very good infrastructure in place for the purposes of industrial exploitation of crude oil, including its own distribution plant encompassing tanks for the storage of crude oil and cisterns for the transportation thereof. The specific deposits are linked with the distribution base via the company's own pipeline. The already existing infrastructure will allow the company to both accelerate the incorporation of subsequent wells to industrial production, and to decrease the investment outlays required for further utilisation of deposits in order to increase production to the level of 3 million barrels annually.

Crude oil is mostly exported and transported via the "Friendship" pipeline to Poland and Germany.

The Management Board believes that the potential acquisition of Open Stock Company "Bogorodsknieft," an entity representing a stable level of production and promising growth prospects, constitutes a step towards implementation of the strategy of PETROLINVEST S.A. in the area of crude oil production and sales.

*20 September 2010*

/-/ Bertrand Le Guern – President of the Management Board

/-/ Marek Pietruszewski – Vice-President of the Management Board