

Issue of subscription warrants and series T shares

Legal basis: Art. 56.1.2 of the Act on Public Offering—current and periodic information

The Management Board of PETROLINVEST S.A. (hereinafter: the „Company”) informs that on 12 October 2009 it adopted a resolution on the issuance of no more than 2,285,714 registered subscription warrants to the exclusion of pre-emptive rights of the existing shareholders in order to grant the rights to purchase shares in the Company (“Subscription Warrants”). The Subscription Warrants will be issued free of charge. One Subscription Warrant will authorise to subscribe for one ordinary bearer share in the Company issued within the scope of authorised capital to the exclusion of the pre-emptive rights and at the issue price of PLN 35 per each share. The Subscription Warrants will be transferable. The Subscription Warrants will be offered for subscription through private placement to selected investors interested in financing prospecting and extraction activities of PETROLINVEST Group. The issue of Subscription Warrants requires the consent of the Chairman of the Company’s Supervisory Board. Depriving the existing shareholders of all their pre-emptive rights with respect to the Subscription Warrants requires a consent of the Supervisory Board of the Company. The Management Board obtained all those consents on 12 October 2009.

Furthermore, the Management Board announces that on 12 October 2009, the Management Board resolved to increase the Company’s share capital by no more than PLN 22,857,140 via the issuance of no more than 2,285,714 ordinary series T bearer shares, each of a nominal value of PLN 10 (“Series T Shares”). The goal of the share capital increase via the issuance of the Series T Shares is to offer them for purchase and to award the Company shares to execute the rights of holders of subscription warrants. The Series T Shares will be offered in a private placement to holders of subscription warrants, provided that the number of Subscription Warrant holders does not exceed 99. In the Company’s best interest and subject to consent from the Supervisory Board, the pre-emptive rights of the existing shareholders to the Series T Shares were entirely excluded. The planned issue of the Series T Shares is an element of the Company’s strategy to obtain funds to enable the Company to continue its strategy of further growth and development of the oil prospecting and extraction activities of PETROLINVEST Group. The Supervisory Board provided the consent referred to above on 12 October 2009. Subject to consent from the Chairman of the Supervisory Board, the issue price of the Series T Shares was set at PLN 35. The issue price of the Series T Shares was determined taking into account the goals of the issue of the Series T Shares and the conditions prevailing on securities markets. The Chairman of the Supervisory Board provided the consent referred to above on 12 October 2009. Subscription agreements for the Series T Shares may be concluded up until 6 November 2009. Payments for the Series T Shares equal to the full amount of the issue price will be made before the date on which the share capital increase is filed with a register court, in the timeframe specified in the subscription agreements for the Series T Shares. The Series T Shares will participate in dividends starting from 1 January 2009. The Series T Shares may be paid for only by cash contributions.

The increase of the share capital of the Company will be effected regardless of the number of Series T Shares subscribed for within the limits defined above and will correspond to the number of Series T Shares that have been subscribed for. The Management Board will make a representation in the form of a notary deed regarding the specification of the amount of the increase of the share capital before

reporting the share capital increase to the register. The Series T Shares will be dematerialised. The Management Board will apply to have the Series T Shares admitted and introduced to trading on a regulated market and enter into an appropriate agreement with the National Depository For Securities (KDPW S.A.) and will take all and any other actions connected with the dematerialisation of the Series T Shares.

The resolution also envisages that in connection with the share capital increase in the Company § 8 of the Company's Statutes reading:

"The Company's share capital amounts to PLN 172,694,000 and is divided into:

1. 5,286,000 series A bearer shares with a nominal value of PLN 10 (ten) each;
2. 528,600 series B bearer shares with a nominal value of PLN 10 (ten) each;
3. 58,402 series C bearer shares with a nominal value of PLN 10 (ten) each;
4. 290,474 series D bearer shares with a nominal value of PLN 10 (ten) each;
5. 184,616 series F bearer shares with a nominal value of PLN 10 (ten) each;
6. 2,613,163 series G bearer shares with a nominal value of PLN 10 (ten) each;
7. 447,942 series H bearer shares with a nominal value of PLN 10 (ten) each;
8. 599,212 series K bearer shares with a nominal value of PLN 10 (ten) each;
9. 2,100,000 series L bearer shares with a nominal value of PLN 10 (ten) each;
10. 730,000 series M bearer shares with a nominal value of PLN 10 (ten) each;
11. 1,052,000 series N bearer shares with a nominal value of PLN 10 (ten) each;
12. 2,778,991 series Q bearer shares with a nominal value of PLN 10 (ten) each; and
13. 600,000 series R bearer shares with a nominal value of PLN 10 (ten) each;

shall be amended and shall read as follows:

"The Company's share capital amounts to no more than PLN 195,551,140 and is divided into:

1. 5,286,000 series A bearer shares with a nominal value of PLN 10 (ten) each;
2. 528,600 series B bearer shares with a nominal value of PLN 10 (ten) each;
3. 58,402 series C bearer shares with a nominal value of PLN 10 (ten) each;
4. 290,474 series D bearer shares with a nominal value of PLN 10 (ten) each;
5. 184,616 series F bearer shares with a nominal value of PLN 10 (ten) each;
6. 2,613,163 series G bearer shares with a nominal value of PLN 10 (ten) each;
7. 447,942 series H bearer shares with a nominal value of PLN 10 (ten) each;
8. 599,212 series K bearer shares with a nominal value of PLN 10 (ten) each;
9. 2,100,000 series L bearer shares with a nominal value of PLN 10 (ten) each;
10. 730,000 series M bearer shares with a nominal value of PLN 10 (ten) each;
11. 1,052,000 series N bearer shares with a nominal value of PLN 10 (ten) each;
12. 2,778,991 series Q bearer shares with a nominal value of PLN 10 (ten) each;
13. 600,000 series R bearer shares with a nominal value of PLN 10 (ten) each; and
14. no more than 2,285,714 series T bearer shares, each of a nominal value of PLN 10 (ten)."

The issue discussed in this report is the first of several steps mentioned in the Management Board's earlier communications that are now well under way and will provide the Company with finance for prospecting work on the territory of the Kazakhstan concessions. The Management Board expects to obtain proceeds of no less than PLN 40 million as a result of the issue, from the investors that will be targeted with the offering.

12 October 2009

/-/ Paweł Gricuk – President of the Management Board

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