Deloitte.

Deloitte Audyt Sp. z o.o.
z siedzibą w Warszawie
ul Piękna 18
00-549 Warszawa
Polska

Tel.: +48 22 511 08 11, 511 08 12
Fax: +48 22 511 08 13
www.deloitte.com/pl

INDEPENDENT AUDITOR'S REPORT ON THE REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2007 TO 30 JUNE 2007

To the Shareholders and Supervisory Board of Grupa LOTOS S.A.

1. We have reviewed the attached consolidated financial statements of the Grupa LOTOS S.A. Capital Group ("the Group", "Capital Group") in which Grupa LOTOS S.A.("the Company", "holding company") with registered office in Gdańsk, ul. Elbląska 135 acts as the Group's holding company, including:

   – consolidated balance sheet prepared as of 30 June 2007, with total assets and liabilities plus equity of PLN 8,463,660 thousand;

   – consolidated profit and loss account for the period from 1 January 2007 to 30 June 2007, disclosing a net profit of PLN 304,974 thousand;

   – statement of changes in consolidated equity for the period from 1 January 2007 to 30 June 2007, disclosing an increase in equity of PLN 253,578 thousand;

   – consolidated cash flow statement showing a cash outflow of PLN 146,629 thousand in the period from 1 January 2007 to 30 June 2007;

   – additional information and explanations.

2. The fairness, correctness and clarity of information included in the consolidated financial statements are the responsibility of the Management Board of Grupa LOTOS S.A. Capital Group. Our responsibility was to review these consolidated financial statements.

3. The consolidated interim financial statements of the Capital Group for the previous midyear period ended 30 June 2006 were reviewed by another certified auditor, who issued an opinion on 27 September 2006 with the following qualifications:

   – failure to assess the correctness of estimates regarding a provision for the cost of post-production waste removal and utilization as well as provision for the cost of future land recultivation due to planned liquidation of installations disclosed by the Group in the total amount of PLN 40 million;

   – the fact that the holding company does not have financial statements of UAB Naftos Gavyba Capital Group ("NG Group") consolidated based on equity method and failure to assess the impact of qualifications included in the opinion of the certified auditor issued to the consolidated financial statements of the NG Group,

   and pointed out the issues related to the provision for risk related to the Company loan agreements for financing Rafineria Nafty Glimar S.A.

   The consolidated financial statements of the Capital Group for the previous financial year ended 31 December 2006 were audited by another certified auditor, who issued a qualified opinion, dated 17 April 2007, (with issues pointed out) analogical to those included in the report on review of interim consolidated financial statements for the period ended 30 June 2006 and with qualification regarding uncertainty as to if and how the cost of PLN 102 million incurred due to PKRT base project agreements would bring economic benefits to the Company.

Our report relates only to the consolidated financial statements of the Capital Group for period ended 30 December 2007.

4. The interim consolidated financial statements of Grupa LOTOS S.A. Capital Group for the period ended 30 June 2006 cover the financial data of 16 subsidiaries consolidated using the full method.

5. Except for issues referred to in clause 6-8, we conducted the review in line with applicable Polish regulations and auditing standards issued by the National Council of Certified Auditors. These standards require to plan and conduct the review in such a way as to obtain moderate assurance that the consolidated financial statements are free of material misstatement. Our review was conducted mainly based on an analysis of data included in the consolidated financial statements, the examination of consolidation documentation as well as information provided by the Management Board and the financial and accounting personnel of the holding company. The scope and methodology of a review of consolidated financial statements are substantially different from an audit. It is not an objective of the review to express an opinion on the accuracy, fairness and clarity of the consolidated financial statements. Therefore, no such opinion is issued.

6. The holding company is currently implementing a Program 10+ (Programme for Comprehensive Technical Development, PKRT), which comprises preparation of the base project, including preparation of the project part related to the installation for gasification of heavy oil residues ("IGCC"). By 30 June 2007, the capital expenditures related to the IGCC base project and costs of other investment activities related to IGCC had amounted to PLN 75 million. The Company's Management Board continues implementing IGCC program. Management activities are aimed at optimizing of IGCC program as regards the capital expenditure levels, project scope as well as operating costs and parameters based on know-how resulting from work already performed. As at the consolidated financial statements date we were not able to assess, to what extent the capitalized expenditures related to the IGCC project work already performed would result in economic benefits to the Company.

7. In the enclosed consolidated financial statements, the Group discloses a provision for the cost of post-production waste removal and utilization in so called "acid pits" as well as provision for the cost of liquidation of installation and land recultivation in the total amount of PLN 40 million. The Group estimated the quantities of post-production waste as well as the area of land to be recultivated to the best knowledge of the Group's technical personnel. However, bore-hole technology measurements were not taken that would confirm the estimated value of provisions calculated by the Group. The cost of land recultivation due to planned installation liquidation was significantly different from the reports of the environmental experts. In addition, due to lack of data on the pollution levels, the Group did not analyze the cost of soil purification and did not estimate the related provision. Due to the above, we were not able to assess the reliability of calculations regarding the total amount of provisions for environmental issues referred to above.

8. The Group discloses 42.7% interest in UAB Naftos Gavyba Capital Group ("NG Group") with its seat in Lithuania, measured based on equity method at the amount of PLN 36 million. The Group does not have the financial statements of NG Group for the period of 6 months ended 30 June 2007. The value of interest in the NG Group was calculated based on consolidated financial statements of NG Group for the financial period ended 31 December 2006 and prepared in accordance with Lithuanian accounting standards. On 13 March 2007, the certified auditor, who audited consolidated financial statements of NG Group issued an opinion on these financial statements with the qualification regarding:

- limited audit scope due to lack of possibility to evaluate financial consequences of arbitration proceedings, in which AB Geonafta, a subsidiary, is the party. The proceedings were described in detail in Note 45 to the consolidated financial statements;
- limited audit scope as regards net value of tangible assets involved in mining operations and their depreciation due to incorrect estimate of the deposits owned by NG Group.

In view of limitations due to lack of financial data for the first 6 months of 2007, qualifications included in the opinion of the certified auditor issued to the consolidated financial statements of NG Group for the financial year ended 31 December 2006 referred to above; as well as due to the fact that NG Group applies different accounting principles and due to doubts as to the impact of NG Group's operations, Deloitte.

including its subsidiaries, as at this report date we were not able to evaluate whether the assets employed by NG capital group were correctly measured and realized.

9. Except for the issue(s) described above in clause 6-8, our review did not identify the need to introduce significant changes to the attached consolidated financial statements, so that they would correctly, fairly and clearly presented the financial and economic situation of the Grupa LOTOS S.A. Capital Group of as of 30 June 2007 and the profit or loss for the period from 1 January 2007 to 30 June 2007, in line with International Financial Reporting Standards in the form adopted by the European Union.

Without insisting on the necessity to introduce additional changes to the attached consolidated financial statements we would like to point out to:

- information in note 12: property, plant and equipment and work in progress. As of 30 June 2007, the Group disclosed assets due to expenditure incurred on gas deposit exploration B-4 and B6 as well as the bore-hole cost in the amount of PLN 48 million. The Group ordered a profitability analysis regarding the deposit exploitation profitability. The analysis results indicate the need for significant operating expenditure in order to exploit the aforementioned deposits. As describe in note 12, it is not certain that the benefits generated by deposit exploitations will cover the expenditure already incurred and expenditure required to commence the exploitation process.
- information in note 18: Business combinations. As of 30 June 2007 the Company disclosed the goodwill resulting from the purchase of organized part of ExxonMobile Poland Sp. z o.o. and Slovnaft Polska Sp. z o.o. amounting to PLN 55 million. As of 31 December 2006, the Company tested for impairment the goodwill of ExxonMobile and Slovnaft based on the discounted cash flow analysis performed for the acquired gas station networks. Due to the fact that gas station profit and loss fluctuates during financial year as a result of seasonal nature of sales and due to the fact that financial performance depends on a series of future events, it is not certain whether the full amount of goodwill disclosed in the consolidated financial statements can be realized.

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Piotr Sokołowski
Certified auditor
No. 9752/7281

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Represented by

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Entity authorized to audit
financial statements entered under
number 73 on the list kept by the
National Council of Certified Auditors

Warsaw, 19 September 2007

The above audit opinion together with audit report is a translation from the original Polish version. In case of any discrepancies between the Polish and English version, the Polish version shall prevail.