



THE LOTOS GROUP

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS FOR THE THREE MONTHS
ENDED MARCH 31ST 2006
PREPARED IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL
REPORTING STANDARD**

(Translation of a document originally issued in Polish)

**THE LOTOS GROUP
FINANCIAL HIGHLIGHTS**

FINANCIAL HIGHLIGHTS – CONSOLIDATED

THE LOTOS GROUP	PLN '000		EUR '000	
	One quarter cumulative Jan 1 – Mar 31 2006	One quarter cumulative Jan 1 – Mar 31 2005	One quarter cumulative Jan 1 – Mar 31 2006	One quarter cumulative Jan 1 – Mar 31 2005
Sales revenue	2,689,646	1,485,839	699,409	370,044
Operating profit	130,704	351,522	33,988	87,546
Pre-tax profit	149,849	351,629	38,966	87,572
Net profit	117,638	321,249	30,590	80,006
Net profit attributable to parent undertaking's shareholders	102,889	320,614	26,755	79,848
Net profit attributable to minority interests	14,749	635	3,835	158
Net cash provided by/(used in) operating activities	(91,375)	18,325	(23,761)	4,564
Net cash provided by/(used in) investing activities	(161,892)	16,009	(42,098)	3,987
Net cash provided by/(used in) financing activities	62,605	91,887	16,280	22,884
Total net cash flow	(190,662)	127,437	(49,579)	31,738
	PLN '000		EUR '000	
	As at Mar 31 2006	As at Dec 31 2005	As at Mar 31 2006	As at Dec 31 2005
Total assets	7,064,444	6,989,609	1,794,965	1,810,873
Equity attributable to parent undertaking's shareholders	4,657,796	4,553,828	1,183,473	1,179,809
Equity attributable to minority interests	269,030	254,281	68,356	65,879
Total equity	4,926,826	4,808,109	1,251,830	1,245,689
Basic earnings per ordinary share (PLN/EUR)	1.03	4.08	0.27	1.02
Diluted earnings per ordinary share (PLN/EUR)	-	-	-	-

FINANCIAL HIGHLIGHTS – NON-CONSOLIDATED

Grupa LOTOS S.A.	PLN '000		EUR '000	
	One quarter cumulative Jan 1 – Mar 31 2006	One quarter cumulative Jan 1 – Mar 31 2005	One quarter cumulative Jan 1 – Mar 31 2006	One quarter cumulative Jan 1 – Mar 31 2005
Sales revenue	2,522,534	1,298,965	655,953	323,504
Operating profit	47,817	85,806	12,434	21,370
Pre-tax profit	65,143	88,589	16,940	22,063
Net profit	51,634	71,387	13,427	17,779
Net cash provided by/(used in) operating activities	(311,913)	(55,121)	(81,109)	(13,728)
Net cash provided by/(used in) investing activities	46,723	(85,889)	12,150	(21,390)
Net cash provided by/(used in) financing activities	2,614	72,595	680	18,080
Total net cash flow	(262,576)	(68,415)	(68,280)	(17,039)
	PLN '000		EUR '000	
	As at Mar 31 2006	As at Dec 31 2005	As at Mar 31 2006	As at Dec 31 2005
Total assets	5,343,452	5,375,563	1,357,688	1,392,705
Equity	4,130,067	4,078,433	1,049,386	1,056,644
Basic earnings per ordinary share (PLN/EUR)	0.45	0.91	0.12	0.23
Diluted earnings per ordinary share (PLN/EUR)	-	-	-	-

(Translation of a document originally issued in Polish)

THE LOTOS GROUP
CONSOLIDATED BALANCE SHEETS
as at March 31st 2006 and December 31st 2005

(PLN '000)	Mar 31 2006	Dec 31 2005
	(unaudited)	
ASSETS		
Non-current assets		
Property, plant and equipment	3,430,169	3,311,780
Goodwill	63,128	54,588
Intangible assets	50,021	51,086
Investment property	5,832	5,888
Investments in associated undertakings	84,921	83,336
Financial assets	21,636	20,193
Deferred tax asset	25,872	26,593
Other non-current assets	24,335	28,016
	-----	-----
Total non-current assets	3,705,914	3,581,480
	-----	-----
Current assets		
Inventories	1,492,951	1,432,939
Trade and other receivables, including:	1,247,110	1,060,348
- income tax receivables	8,929	8,705
Prepayments	27,365	11,288
Current financial assets	13,972	135,760
Cash and cash equivalents	577,132	767,794
	-----	-----
Total current assets	3,358,530	3,408,129
	-----	-----
	=====	=====
Total assets	7,064,444	6,989,609
	=====	=====

THE LOTOS GROUP
CONSOLIDATED BALANCE SHEETS
as at March 31st 2006 and December 31st 2005

(PLN '000)	Mar 31 2006	Dec 31 2005
	(unaudited)	
EQUITY AND LIABILITIES		
Equity		
Share capital	113,700	113,700
Reserve funds	970,951	970,951
Retained earnings/(deficit)	3,569,800	3,466,911
Currency-translation differences	3,345	2,266
	-----	-----
Equity attributable to parent undertaking's shareholders	4,657,796	4,553,828
	-----	-----
Equity attributable to minority interests	269,030	254,281
	-----	-----
Total equity	4,926,826	4,808,109
	-----	-----
Non-current liabilities		
Loans and borrowings	338,351	294,198
Non-current provisions	168,330	191,801
Deferred tax liability	217,020	218,677
Other (financial) liabilities	10,610	11,230
	-----	-----
Total non-current liabilities	734,311	715,906
	-----	-----
Current liabilities		
Trade payables, accruals and deferred income, and other liabilities, including:		
- income tax expense	1,156,758	1,273,519
Loans and borrowings	11,304	65,302
Current provisions	135,273	111,452
Other financial liabilities	110,440	79,661
	836	962
	-----	-----
Total current liabilities	1,403,307	1,465,594
	-----	-----
	=====	=====
Total equity and liabilities	7,064,444	6,989,609
	=====	=====

THE LOTOS GROUP
CONSOLIDATED PROFIT AND LOSS ACCOUNTS
for the three months ended March 31st 2006 and March 31st 2005

(PLN '000)	3 months ended Mar 31 2006	3 months ended Mar 31 2005 (comparable data)
	(unaudited)	(unaudited)
Sales revenue	2,689,646	1,485,839
Cost of sales	(2,348,220)	(1,267,981)
Net profit/(loss) on sales	341,426	217,858
Other operating income	5,547	9,908
Excess of net assets' fair value over acquisition cost	-	266,625
Selling costs	(141,357)	(76,887)
General and administrative expenses	(62,141)	(60,130)
Other operating expenses	(12,771)	(5,852)
Operating profit	130,704	351,522
Financial income	30,671	12,508
Financial expenses	(11,477)	(14,570)
Interest in investments in associated undertakings	(49)	2,169
Pre-tax profit	149,849	351,629
Corporate income tax	(32,211)	(30,380)
Net profit	117,638	321,249
Attributable to:		
Parent undertaking's shareholders	102,889	320,614
Minority interests	14,749	635
	117,638	321,249
Earnings per share		
- basic	1.03	4.08
- diluted	-	-

THE LOTOS GROUP
CONSOLIDATED CASH-FLOW STATEMENTS
for the three months ended March 31st 2006 and March 31st 2005

(PLN '000)	3 months ended Mar 31 2006 (unaudited)	3 months ended Mar 31 2005 (comparable data) (unaudited)
Cash flows from operating activities		
Net profit	117,638	321,249
Adjustments:		
Share in net profit/(loss) of subordinated undertakings valued with equity method	49	(2,169)
Depreciation and amortisation	72,014	62,190
Foreign exchange gains/(losses)	(547)	1,219
Net interest and dividend paid	5,126	4,527
(Profit)/loss on investing activities	(8,014)	2,668
Current income tax	32,211	30,380
Income tax paid	(86,689)	(15,254)
(Increase)/decrease in receivables	(188,861)	122,861
(Increase) in inventories	(60,001)	(108,048)
Decrease/increase in liabilities and in accruals and deferred income	31,619	(100,439)
Increase/(decrease) in provisions	6,701	787
Other	(12,621)	(301,646)
	-----	-----
Net cash provided by/(used in) operating activities	(91,375)	18,325
	-----	-----
Cash flows from investing activities		
Interest received	2,356	531
Acquisition of property, plant and equipment and intangible assets	(221,843)	(146,159)
(Acquisition)/ sale of financial assets	124,336	19,643
Cash acquired upon change in the Group's composition	-	142,169
Other, net	(66,741)	(175)
	-----	-----
Net cash provided by/(used in) investing activities	(161,892)	16,009
	-----	-----
Cash flows from financing activities		
Increase in loans and borrowings	79,778	96,814
Repayment of loans and borrowings	(11,943)	(485)
Interest paid	(5,002)	(3,848)
Other, net	(228)	(594)
	-----	-----
Net cash provided by/(used in) financing activities	62,605	91,887
	-----	-----
Change in cash on account of foreign exchange (gains)/losses	-	1,216
	=====	=====
Change in net cash	(190,662)	127,437
	=====	=====
Cash at beginning of period	767,794	155,012
	=====	=====
Cash at end of period	577,132	282,449
	=====	=====
- restricted cash	567	19,677

THE LOTOS GROUP
STATEMENTS OF CHANGES IN CONSOLIDATED EQUITY
for the three months ended March 31st 2006 and March 31st 2005

	Share capital	Reserve funds	Retained earnings/ (deficit)	Translation reserve	Equity attributable to Parent Undertaking's shareholders	Equity attributable to minority interests	Total equity
(PLN '000)							
Jan 1 2005	78,700	-	2,563,930	-	2,642,630	14,882	2,657,512
Net profit for the three months ended Mar 31 2005	-	-	320,614	-	320,614	635	321,249
Other	-	-	-	4,215	4,215	190,031	194,246
Mar 31 2005 (comparable data) (unaudited)	78,700	-	2,884,544	4,215	2,967,459	205,548	3,173,007
Jan 1 2006	113,700	970,951	3,466,911	2,266	4,553,828	254,281	4,808,109
Net profit for the three months ended Mar 31 2006	-	-	102,889	-	102,889	14,749	117,638
Other	-	-	-	1,079	1,079		1,079
Mar 31 2006 (unaudited)	113,700	970,951	3,569,800	3,345	4,657,796	269,030	4,926,826

(Translation of a document originally issued in Polish)

GRUPA LOTOS S.A.
NON-CONSOLIDATED BALANCE SHEETS
as at March 31st 2006 and December 31st 2005

(PLN '000)	Mar 31 2006	Dec 31 2005
	(unaudited)	
ASSETS		
Non-current assets		
Property, plant and equipment	1,898,200	1,885,333
Intangible assets	43,300	44,035
Financial assets	700,408	686,507
Total non-current assets	2,641,908	2,615,875
Current assets		
Inventories	1,292,910	1,258,336
Trade and other receivables	1,354,519	1,066,411
Prepayments	3,481	2,022
Current financial assets	14,229	133,938
Cash and cash equivalents	36,405	298,981
Total current assets	2,701,544	2,759,688
Total assets	5,343,452	5,375,563

GRUPA LOTOS S.A.
NON-CONSOLIDATED BALANCE SHEETS
as at March 31st 2006 and December 31st 2005

(PLN '000)	Mar 31 2006	Dec 31 2005
	(unaudited)	
EQUITY AND LIABILITIES		
Equity		
Share capital	113,700	113,700
Reserve funds	970,951	970,951
Retained earnings/(deficit)	3,045,416	2,993,782
Total equity	4,130,067	4,078,433
Non-current liabilities		
Loans and borrowings	-	-
Non-current provisions	14,288	14,288
Deferred tax liability	176,144	178,079
Total non-current liabilities	190,432	192,367
Current liabilities		
Trade payables, accruals and deferred income, and other liabilities, including:	976,185	1,060,609
- income tax expense	4,845	60,211
Loans and borrowings	2,614	-
Current provisions	44,154	44,154
Total current liabilities	1,022,953	1,104,763
Total equity and liabilities	5,343,452	5,375,563

GRUPA LOTOS S.A.
NON-CONSOLIDATED PROFIT AND LOSS ACCOUNTS
for the three months ended March 31st 2006 and March 31st 2005

(PLN '000)	3 months ended Mar 31 2006	3 months ended Mar 31 2005
	(unaudited)	(unaudited)
Sales revenue	2,522,534	1,298,965
Cost of sales	(2,341,294)	(1,117,813)
Profit on sales	181,240	181,152
Other operating income	343	81
Selling costs	(95,392)	(59,600)
General and administrative expenses	(37,222)	(34,711)
Other operating expenses	(1,152)	(1,116)
Operating profit	47,817	85,806
Financial income	21,091	9,270
Financial expenses	(3,765)	(6,487)
Pre-tax profit	65,143	88,589
Corporate income tax	(13,509)	(17,202)
Net profit	51,634	71,387
Earnings per share		
- basic	0.45	0.91
- diluted	-	-

GRUPA LOTOS S.A.
NON-CONSOLIDATED CASH-FLOW STATEMENTS
for the three months ended March 31st 2006 and March 31st 2005

(PLN '000)	3 months ended Mar 31 2006	3 months ended Mar 31 2005
	(unaudited)	(unaudited)
Cash flows from operating activities		
Net profit	51,634	71,387
Adjustments:		
Depreciation and amortisation	41,664	42,706
Foreign exchange gains/(losses)	-	(680)
Net interest and dividend paid	3,023	2,926
(Profit)/loss on investing activities	(7,276)	3,033
Current income tax	13,509	17,202
Income tax paid	(70,810)	(9,171)
Increase in receivables	(288,108)	(90,953)
Increase in inventories	(34,574)	(83,404)
Increase in liabilities, accruals and deferred income	(19,516)	(6,889)
Increase/(decrease) in provisions	-	(463)
Increase in prepayments and accrued income	(1,459)	(815)
	-----	-----
Net cash provided by/(used in) operating activities	(311,913)	(55,121)
	-----	-----
Cash flows from investing activities		
Sale of property, plant and equipment and intangible assets	50	169
Acquisition of property, plant and equipment and intangible assets	(63,791)	(81,316)
Sale/(acquisition) of current financial assets	124,336	22,216
Acquisition of non-current financial assets	-	(2,573)
Interest received	29	-
Other, net	(13,901)	(24,385)
	-----	-----
Net cash provided by/(used in) investing activities	46,723	(85,889)
	-----	-----
Cash flows from financing activities		
Increase in loans and borrowings	2,614	74,339
Repayment of loans and borrowings		(24)
Interest paid		(1,720)
	-----	-----
Net cash provided by/(used in) financing activities	2,614	72,595
	-----	-----
Change in cash on account of foreign exchange (gains)/losses	-	-
	=====	=====
Change in net cash	(262,576)	(68,415)
	=====	=====
Cash at beginning of period	298,981	79,897
	=====	=====
Cash at end of period	36,405	11,482
	=====	=====
-restricted cash	-	-

GRUPA LOTOS S.A.
NON-CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
for the three months ended March 31st 2006 and March 31st 2005

(PLN '000)	Share capital	Reserve funds	Retained earnings/ (deficit)	Total equity
Jan 1 2005	78,700	-	2,473,654	2,552,354
Net profit for the three months ended Mar 31 2005	-	-	71,387	71,387
Mar 31 2005 (unaudited)	78,700	-	2,545,041	2,623,741
Jan 1 2006	113,700	970,951	2,993,782	4,078,433
Net profit for the three months ended Mar 31 2006	-	-	51,634	51,634
Mar 31 2006 (unaudited)	-	970,951	3,045,416	4,130,067

THE LOTOS GROUP
Notes to the condensed consolidated financial statements
for the three months ended March 31st 2006

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31ST 2006

1. General Information

Grupa LOTOS S.A. ("the Company", "the Parent Undertaking"), the parent undertaking of the LOTOS Group ("the Group") was established by virtue of the Notarial Deed dated September 18th 1991. On April 10th 2002, the Company was entered into the National Court Register maintained by the District Court of Gdańsk, XII Commercial Division of the National Court Register (currently the District Court for Gdańsk – Północ, VII Commercial Division of the National Court Register), under entry No. KRS 0000106150. The Company was assigned the Industry Identification Number (REGON) 190541636.

The Parent Undertaking's registered office is situated at ul. Elbląska 135, 80-718 Gdańsk, Poland.

In 2003, by virtue of its decision of May 28th 2003, the District Court of Gdańsk, XII Commercial Division of the National Court Register, changed the Company's name from Rafineria Gdańska Spółka Akcyjna to Grupa LOTOS Spółka Akcyjna.

The Group's core business consists in the production and processing of refined petroleum products and their wholesale and retail sale. The Group's business also includes exploration and extraction of crude oil and natural gas reserves.

2. Composition of the Group

Name	Registered office	Business profile	Method of consolidation /valuation of shares	Percentage of share capital held by the Group		
				Mar 31 2006	Dec 31 2005	Mar 31 2005
Parent Undertaking						
Grupa LOTOS S.A.	Gdańsk	production and processing of refined petroleum products (mainly fuels) and their wholesale	Not applicable	Not applicable	Not applicable	Not applicable
Direct Subsidiary Undertakings						
LOTOS Paliwa Sp. z o.o.	Gdańsk	wholesale and retail sale of fuels, light fuel oil, management of the LOTOS service station network	full	100.00%	100.00%	100.00%
LOTOS Partner Sp. z o.o.	Gdańsk	sales of fuels and provision of services for retail networks of international concerns; logistic services	full	100.00%	100.00%	100.00%
LOTOS Mazowsze S.A.	Mława	sales of LPG, heavy fuel oil and special products (sulphur, plasticizers, fuels containing recycled components)	full	100.00%	100.00%	75.00%
LOTOS Oil S.A.	Gdańsk	production and sale of lubricating oils and lubricants, and domestic sales of base oils	full	100.00%	100.00%	100.00%
LOTOS Asphalt Sp. z o.o.	Gdańsk	production and sale of bitumens	full	100.00%	100.00%	100.00%

THE LOTOS GROUP
Notes to the condensed consolidated financial statements
for the three months ended March 31st 2006

Name	Registered office	Business profile	Method of consolidation /valuation of shares	Percentage of share capital held by the Group		
				Mar 31 2006	Dec 31 2005	Mar 31 2005
LOTOS Ekoenergia S.A.	Gdańsk	construction of basic PKRT units; the company has not commenced operations	full	100.00%	100.00%	100.00%
LOTOS Kolej Sp. z o.o.	Gdańsk	railway transport	full	100.00%	100.00%	100.00%
LOTOS Serwis Sp. z o.o.	Gdańsk	maintenance of mechanical and electric operations and controlling devices, repairs	full	100.00%	100.00%	100.00%
LOTOS Lab Sp. z o.o.	Gdańsk	laboratory testing	full	100.00%	100.00%	100.00%
LOTOS Straż Sp. z o.o.	Gdańsk	fire protection	full	100.00%	100.00%	100.00%
LOTOS Ochrona Sp. z o.o.	Gdańsk	personal and property protection	full	87.44%	87.44%	87.44%
LOTOS Parafiny Sp. z o.o.	Jasło	production and sale of paraffin	full	100.00%	100.00%	85.22%
LOTOS Czechowice S.A. (parent undertaking of another group, formerly Rafineria Czechowice S.A.) ⁽¹⁾	Czechowice	production and processing of refined petroleum products and their wholesale	full	80.04%	80.04%	80.04%
LOTOS Jasło S.A. (parent undertaking of another group; formerly Rafineria Jasło S.A.) ⁽²⁾	Jasło	production and processing of refined petroleum products and their wholesale and retail sale	full	80.01%	80.01%	80.01%
Petrobaltic S.A. (parent undertaking of another group)	Gdańsk	acquisition of reserves, crude oil and natural gas production	full	69.00%	69.00%	69.00%
UAB LOTOS Baltija	Lithuania	wholesale and retail sale of lubricating oils in Lithuania, Belarus, Ukraine and Latvia	not consolidated due to immateriality	100.00%	100.00%	60.29%
BiproRaf Sp. z o.o.	Gdańsk	design services for oil industry	not consolidated due to immateriality	50.00%	50.00%	50.00%
Rafineria Nafty Glimar S.A. (Glimar Refinery) in liquidation	Gorlice	refining (currently discontinued due to the company's bankruptcy)	not consolidated due to lack of control	91.54%	91.54%	91.54%
LOTOS Hydrokompleks Sp. z o.o.	Gorlice	construction and subsequent operation of hydrocomplex unit; the company has not commenced operations	not consolidated due to immateriality	100.00%	100.00%	100.00%
LOTOS Park Technologiczny Sp. z o.o.	Gorlice	management of the Glimar Refinery assets	not consolidated due to immateriality	89.66%	90.00%	100.00%
Indirect Subsidiary Undertakings						
RCEkoenergia Sp. z o.o	Czechowice-Dziedzice	services	full	80.04%	80.04%	80.04%
RCParafiny Sp. z o.o.	Czechowice-Dziedzice	no operations – assets transferred to LOTOS Parafiny in exchange for shares	full	80.04%	80.04%	80.04%
RCRemo Sp. z o.o.	Czechowice-Dziedzice	services	full	100.00%	80.04%	80.04%
CBA Racer Sp. z o.o.	Czechowice-Dziedzice	services	full	80.04%	80.04%	80.04%

THE LOTOS GROUP
Notes to the condensed consolidated financial statements
for the three months ended March 31st 2006

Name	Registered office	Business profile	Method of consolidation /valuation of shares	Percentage of share capital held by the Group		
				Mar 31 2006	Dec 31 2005	Mar 31 2005
RCSerwis Sp. z o.o.	Czechowice-Dziedzice	services	equity method	89.66%	80.04%	80.04%
RCPaliwa Sp. z o.o.	Czechowice-Dziedzice	trading (not commenced yet)	equity method	80.04%	80.04%	80.04%
RCTransport Sp. z o.o.	Czechowice-Dziedzice	services	equity method	-	80.04%	80.04%
Jasbit – Rafineria Jasło Sp. z o.o. in liquidation	Jasło	no operations – company in liquidation	full	80.01%	80.01%	80.01%
LOTOS Tank Sp. z o.o.	Jasło	trading	Full/equity method	86.01%	30.00%	30.00%
Parafiny Sp. z o.o.	Jasło	production of refined petroleum products	full	-	-	13.00%
Rafineria Jasło Monto-Rem Sp. z o.o.	Jasło	services	full	100.00%	79.56%	79.56%
Plastekol Organizacja Odzysku S.A.	Jasło	services	full	53.61%	53.61%	53.61%
Rafineria Jasło Sped-Kol Sp. z o.o.	Jasło	no operations – lease of assets to LOTOS Kolej	not consolidated due to immateriality	80.01%	80.01%	80.01%
Petrosoft.pl Technologie Informatyczne Sp. z o.o.	Jasło	services	not consolidated due to immateriality	80.01%	80.01%	80.01%
Laboratorium Badacz Sp. z o.o.	Jasło	services	not consolidated due to immateriality	-	100.00%	80.01%
Chemipetrol Sp. z o.o.	Jasło	trading – assets transferred to LOTOS Parafiny in exchange for shares	not consolidated due to immateriality	80.01%	80.01%	80.01%
Miliana Shipping Company Ltd.	Cyprus	services	full	68.93%	68.93%	68.93%
Aphrodite Offshore Services Ltd.	Netherlands Antilles	services	not consolidated due to immateriality	69.00%	69.00%	69.00%

⁽¹⁾ On December 19th 2005, the District Court of Katowice registered the change of the name of Rafineria Czechowice S.A. to LOTOS Czechowice S.A.

⁽²⁾ On January 2nd 2006, the District Court of Rzeszów registered the change of the name of Rafineria Jasło S.A. to LOTOS Jasło S.A.

Associated Undertakings

Energobaltic Sp. z o.o.	Gdańsk	manufacturing	equity method	32.16%	32.16%	32.16%
UAB Naftos Gavyba	Klaipeda, Lithuania	service activities	equity method	29.46%	29.46%	29.46%
AB Geonafta	Gargždai, Lithuania	crude oil production	equity method	27.60%	27.60%	27.60%
Naftoport Sp. z o.o.	Gdańsk	operation of reloading terminals for crude oil and petroleum products	equity method	⁽³⁾	⁽³⁾	25.64%

⁽³⁾ As described in Note 17 to the 2005 consolidated financial statements, following disposal of shares, Grupa LOTOS S.A. holds an 8.97% equity interest in Naftoport Sp. z o.o.

As at March 31st 2006, December 31st 2005, and March 31st 2005, the Group's share in the total vote at general shareholders meetings of its subsidiary undertakings equals the Group's share in the share capital of these undertakings.

THE LOTOS GROUP
Notes to the condensed consolidated financial statements
for the three months ended March 31st 2006

3. Rules of Presentation

These condensed consolidated financial statements were prepared in accordance with the IFRS and the EU-endorsed IFRS. The IFRS include the standards and interpretations adopted by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretation Committee ("IFRIC").

These condensed interim consolidated financial statements of the Group were prepared in accordance with International Accounting Standard (IAS) 34 – Interim Financial Reporting ("IAS 34") and in accordance with the respective accounting standards applicable to interim financial reporting and endorsed by the EU, published and effective at the time of preparing these interim consolidated financial statements of the Group.

These condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements of the LOTOS Group for 2005, prepared in accordance with the IFRS. The interim financial result should not be treated as indicative of the financial performance for the whole financial year.

The financial data as at March 31st 2006 and for the three months ended on that date, as well as comparable financial data as at March 31st 2005 and for the three months ended on that date, presented in these condensed consolidated financial statements have not been audited.

In connection with the final settlement of the acquisition of 80.04% of shares in Rafineria Czechowice S.A., 80.01% of shares in Rafineria Jasło S.A., 91.45% of shares in Rafineria Nafty Glimar S.A. in bankruptcy, and 69.00% of shares in Petrobaltic S.A. (the agreement of January 13th 2005, under which Grupa LOTOS S.A. purchased shares in these companies from Nafta Polska S.A., was finalised on February 3rd 2005), referred to in Note 40 to the 2005 consolidated financial statements prepared in accordance with the IFRS, the comparable financial data for the three months ended March 31st 2005 presented in these condensed interim consolidated financial statements were adjusted accordingly. A preliminary estimate of goodwill related to the acquisition was disclosed in the 2005 consolidated interim financial statements in the balance sheet under provisions. An important change following the final settlement of the merger was the disclosure of negative goodwill of PLN 266,625 thousand in the profit and loss account.

As described in Note 40 to the consolidated financial statements for 2005 prepared in accordance with the IFRS, as at the date of preparing the consolidated financial statements for 2005, the Company performed a separate goodwill valuation for each acquired company and disclosed the difference between their acquisition cost and its share in the net fair value of identifiable assets, liabilities and contingent liabilities.

As described in Note 11 to the consolidated financial statements for 2005, the Group offsets the assets of the Social Benefits Fund with its liabilities towards the Fund. In connection with this change in the presentation of assets and liabilities of the Social Benefits Fund, the respective items in the cash-flow statement for the three months ended March 31 2005 were changed.

In these condensed consolidated financial statements, the Parent Undertaking disclosed the financial information of the Group of Przedsiębiorstwo Poszukiwań i Eksploatacji Złóż Ropy i Gazu Petrobaltic ("GK Petrobaltic") for the three months ended March 31st 2006, assuming that GK Petrobaltic accounts for the shares in Naftos Gavyba ("NG"), its associated undertaking, using the equity method as at December 31st 2005. The consolidated financial statements of the NG Group (NG Group), prepared in line with the accounting policies applicable in Lithuania, served as the basis for disclosure in the consolidated financial statements of NG's value corresponding to the number of NG shares held by Petrobaltic.

The measurement and reporting currency of these condensed consolidated financial statements is the Polish złoty (PLN). These consolidated financial statements are presented in PLN '000.

These condensed interim consolidated financial statements were approved by the Management Board for publication on May 11th 2006.

THE LOTOS GROUP
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for the three months ended March 31st 2006

4. Accounting Policies

The accounting policies and calculation methods adopted in the preparation of these condensed consolidated financial statements are consistent with those used in the preparation of the consolidated financial statements for the year ended December 31st 2005 (see Note 10 to the consolidated financial statements for 2005 prepared in accordance with the IFRS.)

Moreover the Group adopted IFRS 6 – *Exploration for and Evaluation of Mineral Resources*. The adoption of this standard did not have a material bearing on the Group's accounting policies.

5. Activities in the Interim Period

There are no cyclical or seasonal changes in the Group's activities in the interim period.

6. Dividends

As at the date of preparing these condensed financial statements, the Management Board of the Parent Undertaking did not take any decision concerning the distribution of the 2005 net profit of the Parent Undertaking.

7. Earnings per Share

	3 months ended Mar 31 2006	3 months ended Mar 31 2005
Consolidated net profit (PLN '000) (A)	117,638	321,249
Weighted average number of shares (in thousands) (B)*	113,700	78,700
Earnings per share (A/B)	1.03	4.08

* Earnings per share for the three months ended March 31st 2006 were computed on the basis of the weighted average number of shares in the period January 1st – March 31st 2006. Earnings per share for the three months ended March 31st 2005 were computed on the basis of the weighted average number of shares in the period January 1st – March 31st 2005.

8. Changes in the Structure of the LOTOS Group

Acquisition of shares in LOTOS Park Technologiczny Sp. z o.o. by LOTOS Czechowice S.A. in exchange for a contribution in kind

On January 2nd 2006, LOTOS Czechowice S.A. acquired, in exchange for a contribution in kind, 8,920 shares in the increased share capital of LOTOS Park Technologiczny Sp. z o.o. for the aggregate amount of PLN 4,460 thousand, representing . As a result of the transaction, LOTOS Czechowice S.A. became the owner of 55.24% of shares in LOTOS Park Technologiczny Sp. z o.o., with a par value of PLN 500 per share. Following the transaction, LOTOS Czechowice S.A. holds 60.58% of shares in LOTOS Park Technologiczny Sp. z o.o. Prior to the execution of the transaction, Grupa LOTOS S.A. and LOTOS Czechowice S.A. held 12.5% and 11.93%, respectively, of shares in LOTOS Park Technologiczny Sp. z o.o..

THE LOTOS GROUP
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Acquisition of shares in RCRemo Sp. z o.o. and Monto-Rem Sp. z o.o. by LOTOS Serwis Sp. z o.o.

On January 5th 2006, LOTOS Serwis Sp. z o.o. acquired the following assets:

- 2,428 shares in RCRemo Sp. z o.o. of Czechowice – Dziedzice from LOTOS Czechowice S.A., controlled in 80.04% by Grupa LOTOS S.A., for the aggregate amount of PLN 3,000 thousand
- 3,200 shares in Monto-Rem Sp. z o.o. of Jasło from LOTOS Jasło S.A., controlled in 80.01% by Grupa LOTOS S.A., for the aggregate amount of PLN 1,768 thousand.

Until the execution of the transaction, Monto – Rem Sp. z o.o. operated as part of the LOTOS Jasło Group, while RCRemo Sp. z o.o. had been wholly-owned by LOTOS Czechowice S.A. Following the transaction, LOTOS Serwis Sp. z o.o. came to hold 100% of shares in RCRemo Sp. z o.o. and 100% of shares in Rafineria Jasło Monto – Rem Sp. z o.o. The par value per share in RCRemo Sp. z o.o. and in Rafineria Jasło Monto – Rem Sp. z o.o. is PLN 1 thousand and PLN 500, respectively. The aggregate par value of 100% of shares in the two companies acquired by LOTOS Serwis Sp. z o.o. amounts to PLN 2,428 thousand and PLN 1,600 thousand, respectively. The transaction is part of a programme intended to rearrange the structure of the LOTOS Group and a programme aimed at restructuring the Southern Refineries.

Share Capital Increase at LOTOS Park Technologiczny Sp. z o.o.

On January 20th 2006, the District Court for Kraków-Śródmieście of Kraków, XII Commercial Division of the National Court Register, registered a share capital increase to PLN 8,074 thousand at LOTOS Park Technologiczny Sp. z o.o. Following the increase, the share capital of LOTOS Park Technologiczny Sp. z o.o. is divided into 16,148 shares with a par value of PLN 500 per share, conferring the right to 16,148 votes. The share capital increase was effected through non-cash contributions made by LOTOS Czechowice S.A., whose value was established at PLN 4,460 thousand.

Registration of Changes in the Share Capital of LOTOS Parafiny Sp. z o.o.

On January 23rd 2006, the District Court of Rzeszów, XII Commercial Division, registered a change in the share capital of LOTOS Parafiny Sp. z o.o. in the National Court Register. Following the registration of the change, 100% of the share capital of LOTOS Parafiny Sp. z o.o. is held by Grupa LOTOS S.A. The share capital is made up of 19,783 shares with a par value of PLN 1,000 per share, conferring the rights to 19,783 votes at the company's General Shareholders Meeting. The change in the share capital of LOTOS Parafiny Sp. z o.o. occurred as a result of the agreement executed on December 16th 2005 between Grupa LOTOS S.A., Rafineria Jasło S.A., RC Parafiny and Chemipetrol Sp. z o.o., whereby Grupa LOTOS S.A. acquired 14,639 shares in LOTOS Parafiny Sp. z o.o.

Acquisition of Shares in LOTOS Park Technologiczny by Grupa LOTOS S.A.

On January 31st 2006, Grupa LOTOS S.A. acquired 8,600 shares in the increased share capital of LOTOS Park Technologiczny Sp. z o.o. for the aggregate amount of PLN 4,300 thousand. The shares were paid for in cash. As a result of the transaction, Grupa LOTOS S.A. became the owner of 34.7% of shares in LOTOS Park Technologiczny Sp. z o.o. with a par value of PLN 500 per share. Following the transaction, Grupa LOTOS S.A. holds 38.4% of shares in LOTOS Park Technologiczny Sp. z o.o.

Disposal of Shares in RC Transport Sp. z o.o. by LOTOS Czechowice S.A.

On February 16th 2006, LOTOS Czechowice S.A. signed an agreement on sale, to Paul Klaccka Sp. z o.o., of 100% of shares held in RC Transport Sp. z o.o., that is 3,213 shares with a par value of PLN 500 per share and total par value of PLN 1,606.5 thousand. The selling price of all the shares is PLN 2,800 thousand. The transfer of the ownership right from LOTOS Czechowice S.A. to the buyer is conditional on the satisfaction of all of the following conditions:

- the buyer concludes a transport agreement with LOTOS Paliwa Sp. z o.o.
- the Buyer pays the price for the shares to LOTOS Czechowice S.A.

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Share capital increase at LOTOS Park Technologiczny Sp. z o.o.

On February 17th 2006, the District Court for Kraków-Śródmieście of Kraków, XII Commercial Division of the National Court Register, registered a share capital increase at LOTOS Park Technologiczny Sp. z o.o. to PLN 12,374 thousand. Following the increase, the share capital of LOTOS Park Technologiczny Sp. z o.o. is divided into 24,748 shares with a par value of PLN 500 per share, carrying the right to 24,748 votes. The share capital was increased through a cash contribution of PLN 4,300 thousand by Grupa LOTOS S.A. As a consequence, Grupa LOTOS S.A. increased its equity interest in LOTOS Park Technologiczny Sp. z o.o. from 5.6% to 38.4%.

Following the registration of the share capital increase, LOTOS Park Technologiczny Sp. z o.o. has the following shareholders:

- Grupa LOTOS S.A., which holds 9,500 shares worth PLN 4,750 thousand,
- LOTOS Czechowice S.A., which holds 9,782 shares worth PLN 4,891 thousand,
- CBA RACER Sp. z o.o., which holds 2,532 shares worth PLN 1,266 thousand,
- RC REMO Sp. z o.o., which holds 2,834 shares worth PLN 1,417 thousand,
- Kolaja&Partners Sp. z o.o., which holds 100 shares worth PLN 50 thousand.

9. Supplementary Information

As described in Note 40 to the consolidated financial statements for 2005, the acquisition of the ESSO service station network resulted in the recognition of goodwill in the amount of PLN 42,717 thousand as at December 31st 2005, representing the difference between the acquisition cost and the net fair value of the acquired assets. Following the acquisition of further service stations as part of the abovementioned transaction, the goodwill arising on the transaction is as follows:

(PLN '000)	Mar 31 2006
Merger cost (acquisition cost)	296,135
Non-current assets	244,878
Goodwill	51,257

10. Material Events Subsequent to Q1 2006

On April 11th 2006, LOTOS Ekoenergia S.A. and Shell International Trading and Shipping Company Limited (Shell Trading) entered into an agreement on feedstock supply for the installations which are to be constructed under the Comprehensive Technical Upgrade Programme of Grupa LOTOS S.A. (PKRT). The agreement, whose term is 12 years from the commencement of commercial operation of the PKRT project, secures the supply of feedstock by Shell Trading to LOTOS Ekoenergia S.A. The commencement of performance of the obligations related to the supply and offtake of feedstock is subject to prior implementation of PKRT. The value of the agreement to LOTOS Ekoenergia S.A. over the agreement term is estimated at PLN 11bn, counting from the anticipated date of commencement of supplies, based on the forecast oil market prices. The agreement stipulates contractual penalties for failure to perform both parties' obligations of supply/offtake of agreed volumes of feedstock meeting relevant quality requirements. The value of the penalties may exceed the PLN equivalent of EUR 200,000. The abovementioned agreement, in addition to the earlier concluded offtake agreement securing the collection from LOTOS Ekoenergia S.A. by Shell Trading of the product surplus generated after the implementation of the PKRT project, is another essential step in the execution of the PKRT project, which was specified as one of the main issue objectives in the Issue Prospectus of Grupa LOTOS S.A. The Comprehensive Technical Upgrade Programme, in which Grupa LOTOS S.A. intends to invest over PLN 3.2bn in 2005–2009, provides for the construction of an IGCC unit, an SDA unit and an MHC unit at the Gdańsk refinery.

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11. Contingent Liabilities

No material changes occurred in contingent liabilities from the last day of the previous financial year, i.e. December 31st 2005 (see Note 41 to the consolidated financial statements for 2005 prepared in accordance with the IFRS), except for the changes presented below:

1. as at March 31st 2006, one cheque for a total amount of PLN 80,000 thousand was submitted to customs authorities to secure the Parent Undertaking's customs duty liabilities;
2. on March 16th 2006, Grupa LOTOS S.A. submitted excise security in the form of a blank promissory note of up to PLN 200,000 thousand in respect of a tax liability related to the suspended-excise-tax procedure; the security is effective up until March 16th 2007.

12. Material Court, Arbitration or Administrative Proceedings and other Risks Concerning the Parent Undertaking or its Subsidiary Undertakings

No changes occurred in relation to the court, arbitration or administrative proceedings or other risks concerning the parent undertaking or its subsidiary undertakings from the last day of the previous financial year, i.e. December 31st 2005 (see Note 43 to the consolidated financial statements for 2005 prepared in accordance with the IFRS), except for those presented below:

1. On March 30th 2006, LOTOS Paliwa Sp. z o.o received a decision of the Gdańsk Tax Office of March 28th 2006 relating to the determination of the value added tax liability for January 2005. Acting pursuant to Art. 109 of the Act on Value Added Tax of March 11th 2004 (Dz. U. No. 54, item 535, as amended), the Head of the Tax Office imposed an additional tax liability on the company, related to the settlement of the purchase of an organised part of business of LOTOS Mazowsze. The financial statements of LOTOS Paliwa Sp. z o.o. give no account of the effects of this event since the Management Board of the company appealed against the decision and believes that the appeal will be considered favourably for LOTOS Paliwa Sp. z o.o.
2. On April 12th 2006, the Head of the Customs Office of Bielsko-Biała instigated proceedings in order to determine the correct amount of excise tax liability for September 1st – December 31st 2003. Before conclusion of the proceedings, it is difficult to determine whether and in what amount the excise tax liabilities will be reassessed.
3. On May 5th 2006, LOTOS Czechowice received four decisions issued by the Head of the Customs Office of Bielsko-Biała, determining the amount of excise tax liability for January, February, and March 2004. The proceedings concerning determination of the amount of excise tax liability for April 2004 were discontinued. The company intends to appeal against the abovementioned decisions to a higher authority.

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SUPPLEMENTARY INFORMATION PROVIDED UNDER THE REGULATION OF THE MINISTER OF FINANCE ON CURRENT AND PERIODIC INFORMATION TO BE PUBLISHED BY ISSUERS OF SECURITIES, DATED OCTOBER 19TH 2005

Pursuant to Par. 91 of the Regulation of the Minister of Finance on current and periodic information to be published by issuers of securities, dated October 19th 2005, (Dz.U. of 2005, No. 209, item 1744), the Management Board of Grupa LOTOS S.A. hereby releases the following information:

I. Rules Applied in the Translation of the Financial Highlights into the Euro

The balance-sheet items contained in the table "Financial Highlights" were translated as at March 31st 2006 at the mid exchange rate quoted by the National Bank of Poland for the euro on that date, that is EUR 1 = PLN 3.9357. The items of the profit and loss account and the cash-flow statement contained in the table "Financial Highlights" for Q1 2006 (cumulative) were translated at the rate EUR 1 = PLN 3.8456 (equal to the arithmetic mean of the mid exchange rates quoted by the National Bank of Poland for the last day of each full month in the period January 1st to March 31st 2006).

The balance-sheet items contained in the table "Financial Highlights" were translated as at December 31st 2005 at the mid exchange rate quoted by the National Bank of Poland for the euro on that date, that is EUR 1 = PLN 3.8598. The items of the profit and loss account and the cash-flow statement contained in the table "Financial Highlights" for Q1 2005 (cumulative) were translated at the rate EUR 1 = PLN 4.0153 (equal to the arithmetic mean of the mid exchange rates quoted by the National Bank of Poland for the last day of each full month in the period January 1st to March 31st 2005).

II. Organisation of the LOTOS Group, Including a List of the Undertakings Subject to Consolidation

The structure of the LOTOS Group and a list of the undertakings subject to consolidation are presented in Note 2 to these condensed consolidated financial statements for the three months ended March 31st 2006.

III. Effects of Changes in the Structure of the LOTOS Group

The effects of changes in the Group's structure, including those resulting from a business combination, acquisition or sale of the Group's undertakings are described in Note 8 to these condensed consolidated financial statements for the three months ended March 31st 2006.

IV. Opinion of the Management Board on the Feasibility of Meeting Earlier Published Forecasts of Financial Results for the Year

The Management Board of Grupa LOTOS S.A. has not published any forecasts of 2006 financial results.

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V. Shareholders Holding, Directly or Indirectly through Subsidiary Undertakings, 5% or More of the Total Vote at the General Shareholders Meeting of the Parent Undertaking as at the Date of this Report

As at the date of this report, the shareholder structure of Grupa LOTOS S.A. was as follows:

	Number of shares	Number of votes	Par value of shares	% share of the share capital
State Treasury	7,878,030	7,878,030	7,878,030	6.93 %
Nafta Polska S.A.	59,025,000	59,025,000	59,025,000	51.91 %
Other	46,796,970	46,796,970	46,796,970	41.16 %
Total	113,700,000	113,700,000	113,700,000	100.00 %

*The Company has no information on any other shareholders holding, directly or indirectly through subsidiary undertakings, 5% or more of the total vote at the General Shareholders Meeting of the Parent Undertaking, as by the date of these condensed consolidated financial statements the company received no information to this effect from such shareholders. The Company has no information concerning any changes in the ownership of material blocks of shares.

VI. Changes in the Number of the Company Shares or Rights to the Company Shares Held by the Management and Supervisory Staff, in Accordance with the Information Available to the Company

	As at the date of the previous report	Acquisition	Sale	Other	As at the date of this report *
Management Board, including:					
Paweł Olechniewicz	42,755	-	-	-	42,755
Marek Sokołowski	8,636	-	-	-	8,636
Total	51,391	-	-	-	51,391

**As at May 10th 2006.*

To the Company's knowledge, members of the Supervisory Board do not hold any Company shares or rights to the Company shares.

VII. Material Court, Arbitration or Administrative Proceedings and other Risks Concerning the Parent Undertaking or its Subsidiary Undertakings

There are no pending court, arbitration or administrative proceedings concerning the liabilities or claims with a value equal to or exceeding 10% of the Company's equity.

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VIII. Information about Non-Recurring Transactions Executed between the Related Undertakings of the Group

In the period January 1st – March 31st 2006, no non-recurring transactions with a value exceeding EUR 500 thousand occurred between the related undertakings of the Group, except for the ones described in Note 8 to these condensed consolidated financial statements and those itemised below:

1. On January 20th 2006, LOTOS Czechowice S.A. and LOTOS Mazowsze S.A. concluded an agreement providing for the sale of heating oil by LOTOS Czechowice S.A. to LOTOS Mazowsze S.A. The agreement was executed for a definite period, i.e. until March 31st 2006. Its estimated value was PLN 30,000 thousand. The transaction was made on an arms-length basis.

2. On February 2nd 2006, Neste Polska Sp. z o.o., LOTOS Partner Sp. z o.o. and Grupa LOTOS S.A. signed a significant agreement providing for the sale of liquid fuels to Neste Polska Sp. z o.o. The agreement was concluded for a definite period, i.e. until December 31st 2008. The estimated value of the agreement during its term is PLN 2,400,000 thousand. The agreement provides for contractual penalties with the estimated maximum value of PLN 55,000 thousand. The agreement does not contain any provisions which would prevent the parties thereto from seeking additional compensation pursuant to general provisions of the law. On February 2nd 2006, in connection with the conclusion of the aforementioned trilateral agreement, LOTOS Partner Sp. z o.o. and Neste Polska Sp. z o.o. terminated the previous agreement for the sale of liquid fuels, dated January 1st 2004.

3. On February 13th 2006, BP Polska Sp. z o.o., LOTOS Partner Sp. z o.o. and Grupa LOTOS S.A. signed a significant agreement for the sale of liquid fuels to BP Polska Sp. z o.o. The agreement was concluded for a definite period, i.e. until December 31st 2006. The estimated value of the agreement during its term is PLN 1,030,000 thousand.

4. On March 6th 2006, ConocoPhillips Poland Sp. z o.o., LOTOS Partner Sp. z o.o. and Grupa LOTOS S.A. signed a trilateral significant agreement providing for the sale and delivery of liquid fuels to ConocoPhillips Poland Sp. z o.o. The agreement was concluded for a definite period, i.e. until December 31st 2006. The estimated value of the agreement is PLN 1,000,000 thousand. The agreement provides for contractual penalties of up to PLN 25,000 thousand. The agreement does not contain any provisions preventing the parties thereto from seeking additional compensation pursuant to general provisions of law.

IX. Information on Loan Sureties or Guarantees Issued by the Parent Undertaking or Its Subsidiaries, where the Value of Such Sureties or Guarantees Issued to a Single Entity or Its Subsidiaries Represents 10% or More of the Company's Equity

In the period from January 1st to March 31st 2006 the Parent Undertaking and its subsidiaries issued no loan sureties or guarantees to any entity or its subsidiary whose value would represent 10% or more of the Company's equity.

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X. Information Material for the Assessment of the Personnel, Assets, Financial Standing and the Financial Result of the Group and their Changes, and for the Assessment of the Parent Undertaking's Ability to Fulfil Its Obligations

There is no other information material for the assessment of the personnel, assets, financial standing and the financial result of the Group and their changes, or for the assessment of the Group's ability to fulfil its obligations, apart from the information provided below and the information contained in other sections of these condensed consolidated financial statements and in the notes thereto.

1. Further to Current Report No. 76/2005 of September 28th 2005, concerning conclusion by LOTOS Paliwa Sp. z o.o. of a preliminary conditional agreement on the acquisition of the Slovnaft service stations network in Poland from Slovnaft Polska S.A., on March 9th 2006, having satisfied all the conditions precedent of the agreement, LOTOS Paliwa Sp. z o.o. finalised the aforementioned transaction with Slovnaft Polska S.A. by concluding the final agreement.

The transaction concerns the acquisition of an organised part of Slovnaft Polska S.A.'s business including:

- 12 Slovnaft service stations located in southern Poland, in an area of strategic importance to the development of the LOTOS network,
- two undeveloped plots for new service stations (the sale agreement for one of the lots is a conditional agreement).

As part of the acquisition of an organised part of business, LOTOS Paliwa will take over the established partnerships with selected Slovnaft franchisees

The net price of the transaction was EUR 15,000 thousand. LOTOS Paliwa Sp. z o.o. will finance the transaction with funds from the additional contributions to equity made by Grupa LOTOS S.A., representing one of the objectives of the public offering of shares, and from the loan granted under the agreement concluded in 2004 between LOTOS Paliwa Sp. z o.o. and a bank syndicate (Bank Pekao S.A. and PKO BP S.A.).

XI. Factors Which will Have a Bearing on the Group's Results in the Next Quarter or in a Longer Time Horizon, According to the LOTOS Group's assessment

The Management Board believes that the factors presented below will have a bearing on the Company's and the Group's results in the next quarter of 2006 or in a longer time horizon:

- quotations of oil and petroleum products prices,
- PLN/USD exchange rate,
- supply and demand for petroleum products,
- changes in tax regulations affecting excise tax relief used by the Southern Refineries; the changes may result in lower economic effectiveness of these companies,
- acquisition by LOTOS Paliwa S.A. of an organised part of Slovnaft Polska S.A.'s business in connection with the agreement concerning the acquisition of the Slovnaft service stations network from Slovnaft Polska S.A.,
- discontinuation of crude oil refining at LOTOS Czechowice S.A. as of March 31st 2006,
- implementation of the PROSTA Programme (development of the service stations network), which involves taking out investment loans by LOTOS Paliwa Sp. z o.o., a subsidiary, and development of retail sales of fuel.

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XII. Signatures of the Management Board Members

President of the Management Board, CEO	
	Paweł Olechnowicz
Vice-President of the Management Board, COO	
	Marek Sokołowski
Vice-President of the Management Board, Trade Director	
	Wojciech Kowalczyk