

**Independent Auditor's Review Report
on the Interim Consolidated Financial Statements
for the six month period ended 30 June 2006**

To the Supervisory Board of Grupa LOTOS S.A.

1. We have reviewed the attached consolidated financial statements of Grupa LOTOS S.A. Capital Group ('the Group') where Grupa LOTOS S.A. is the dominant entity ('the Company' or 'the dominant entity'), and is located in Gdańsk at 135 Elbląska Street, including:
 - the interim consolidated balance sheet as of 30 June 2006 with total assets amounting to 7 627 156 thousand zlotys,
 - the interim consolidated income statement for the period from 1 January 2006 to 30 June 2006 with a net profit amounting to 414 265 thousand zlotys,
 - the interim consolidated statement of changes in equity for the period from 1 January 2006 to 30 June 2006 with a net increase of equity amounting to 413 514 thousand zlotys,
 - the interim consolidated cash flow statement for the period from 1 January 2006 to 30 June 2006 with a net cash inflow amounting to 59 253 thousand zlotys and
 - notes to the consolidated financial statements('the attached interim consolidated financial statements').

2. The truth and fairness¹ of the attached interim consolidated financial statements prepared in accordance with International Financial Reporting Standards applicable to interim financial reporting as adopted by the European Union ('IAS 34') and the proper maintenance of the consolidation documentation are the responsibility of the Company's Management Board. Our responsibility is to issue a report on these financial statements based on our review.

3. We conducted our review, except for the issues described in paragraphs 5 and 6 below, in accordance with the provisions of the law binding in Poland and auditing standards issued by the National Council of Statutory Auditors ('Standards'). These standards require that we plan and perform our review in such a way as to obtain moderate assurance as to whether the financial statements are free of material misstatement. The review was mainly based on applying analytical procedures to the financial data, review of documentation supporting the amounts and disclosures in the consolidated financial statements and discussions with the management of the Company as well as its employees. The scope of work² of a review differs significantly from an audit of financial statements, the objective of which is to express an opinion on the truth and fairness³ of the financial statements. Review provides less assurance than an audit. We have not performed an audit of the attached interim consolidated financial statements and, accordingly, do not express an audit opinion.

¹ Translation of the following expression in Polish language: "prawidłowość, rzetelność i jasność"

² In Polish language two expressions are used ("zakres i metoda") that in English language translation are covered by one expression "the scope of work";

³ Translation of the following expression in Polish language: "prawidłowo, rzetelnie i jasno"

4. The consolidated financial statements for the prior financial year ended 31 December 2005 were subject to our audit and we issued a qualified opinion including emphases of matter on these financial statements, dated 27 April 2006. The qualifications concerned: inability to assess the potential effect of the issues, which were subject to qualifications included in the auditors' opinion on the consolidated financial statements of the Lithuanian Capital Group UAB Naftos Gavyba and inability to verify the appropriateness of the estimations concerning provisions created by the subsidiary LOTOS Czechowice S.A. for both, the potential cost of removing and utilizing production waste stored in so called 'acid holes' plus provisions for future reclamation of land, on which certain installations designated as being due for liquidation are located in total amount of 39 million zlotys.

The emphases of matter concerned the profit recognition in the consolidated financial statements, of 267 million zlotys as a result of excess of interest in the net assets fair value over the acquisition cost in the share purchase transaction of Rafineria Czechowice S.A. (80.04%), Rafineria Jasło S.A. (80.01%), Rafineria Nafty Glimar S.A. in bankructcy (91.54%) and Petrobaltic S.A. (69.00%), and also the liabilities relating to the financing operating and investment activities of Rafineria Nafty Glimar S.A. ('RN Glimar') becoming payable. To the qualifications and emphases of matter included in the auditors' opinion to the consolidated financial statements for the prior financial year ended 31 December 2005 we also refer to in paragraphs 5, 6 and 8 of this review report.

5. The Group recognizes in the attached interim consolidated financial statements, provisions created for both, the potential cost of removing and utilizing production waste plus a provision for future reclamation of land, on which certain installations designated as being due for liquidation are located. Total provisions amount to 40 million zlotys. With reference to the amount of post production waste and the area of land, which were the basis for the calculation of the provisions' value, the estimation was performed on the basis of the Group's documentation as well as its technological employees best knowledge, however no quantity survey, using proper drilling techniques, which would ensure full credibility of the results, was conducted. Furthermore, there is a significant range of the value of the provisions for the reclamation of the land, as assessed by the environmental experts. Taking all the above into consideration, as well as the lack of measurement data regarding pollution concentration plus actual contaminated locations in the Group's refineries, we were unable to verify the appropriateness of the performed estimations and the resulting value of the provisions stated above.
6. The dominant entity presents the shares in the UAB Naftos Gavyba Capital Group ('The NG Group'), located in Lithuania, using the equity method in the amount of 61 million zlotys. The basis of including in the attached interim consolidated financial statements the value of the NG Group, being the value of interest in the equity of the NG Group, was the consolidated financial statements of the NG Group prepared as at 31 December 2005 according to accounting principles applicable in Lithuania. The auditor of the consolidated financial statements of the NG Group issued a qualified audit opinion, dated 28 March 2006, and the qualifications concerned:
- lack of independent assessment of the size of natural resources owned by the NG Group, and as a result, limitation of audit scope in relation to the net book value of fixed assets used in mining activities and corresponding depreciation,
 - limitation of audit scope relating to the inability to assess all financial consequences of arbitration proceedings, of which one of the subsidiaries – AB Geonafta is a party. The proceedings are described in detail in Note 40 to the attached interim consolidated financial statements.

Furthermore, the Group presents in the attached interim consolidated financial statements advances for share purchase in AB Geonafta in total amount of 25 million zlotys.

The dominant entity does not possess the financial statements of the NG Group for the 6 months ended 30 June 2006 as well as the financial statements of AB Geonafta. The investment value in the attached interim consolidated financial statements has not changed in comparison to the consolidated financial statements of the Group for the prior financial year ended 31 December 2005. Taking into consideration qualifications concerning the consolidated financial statements of the NG Group for the year ended 31 December 2005 presented above and lack of financial data for the 6 months ended 30 June 2006, as at the date of issue of this report we were unable to assess whether the value of assets engaged in the NG Group and AB Geonafta presented in the attached interim consolidated financial statements is correct.

7. Except for potential effects of the matters described in paragraphs 5 and 6 above, our review did not reveal the need to make material changes for the attached interim consolidated financial statements to present truly and fairly⁴ in all material respects the financial position of the Group as at 30 June 2006 and the financial result, for the 6 months ended 30 June 2006 in accordance with IAS 34.
8. Without qualifying our review report to the truth and fairness of the attached interim consolidated financial statements we draw attention to the following matter.

As described in detail in Note 19 of the attached interim consolidated financial statements, the Company signed loan agreements with RN Glimar, dated 23 September 2003 and 8 April 2004, in order to finance its operating and investing activities, including in particular the Hydrokompleks Glimar project, for the total amount of 90 million zlotys. In the attached interim consolidated financial statements prepared as at 30 June 2006, the Group created a provision for the loans granted to RN Glimar, and provisions for liabilities resulting from the above-mentioned agreements, in the total amount of 90 million zlotys. We draw attention to the fact that, in accordance with the loan agreements, under certain circumstances not all of these liabilities may be payable in their full amount.

In addition, as described in detail in the above mentioned note, the Company committed to co-finance the Hydrokompleks Glimar project and to maintain appropriate financial and economic position of RN Glimar, which on 19 January 2005 was declared bankrupt.

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Warsaw, 27 September 2006

⁴ Translation of the following expression in Polish language: "rzetelny, prawidłowy i jasny"