



(This is a translation of a document originally issued in Polish)

THE LOTOS GROUP

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31ST 2012**

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**THE LOTOS GROUP
FINANCIAL HIGHLIGHTS**

FINANCIAL HIGHLIGHTS - CONSOLIDATED

THE LOTOS GROUP	PLN '000		EUR '000	
	3 months ended Mar 31 2012	3 months ended Mar 31 2011 (restated)	3 months ended Mar 31 2012	3 months ended Mar 31 2011 (restated)
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue	7,832,342	6,515,227	1,876,010	1,639,381
Operating profit	418,986	537,266	100,356	135,188
Pre-tax profit	736,998	751,567	176,526	189,112
Net profit from continuing operations	597,114	636,648	143,021	160,195
Profit from continuing operations attributable to owners of the Parent	597,050	636,362	143,006	160,123
Profit from continuing operations attributable to non-controlling interests	64	286	15	72
Total comprehensive income	847,993	764,857	203,112	192,456
Total comprehensive income attributable to owners of the Parent	847,943	764,575	203,110	192,385
Total comprehensive income attributable to non-controlling interests	50	282	12	71
Net cash from operating activities	(308,833)	316,132	(73,972)	79,546
Net cash from investing activities	(140,891)	(225,862)	(33,746)	(56,832)
Net cash from financing activities	14,785	288,938	3,541	72,703
Total net cash flow	(456,808)	375,972	(109,415)	94,603
Basic earnings per share (PLN/EUR)	4.60	4.90	1.10	1.23
Diluted earnings per share (PLN/EUR)	-	-	-	-
	PLN '000		EUR '000	
	As at Mar 31 2012	As at Dec 31 2011	As at Mar 31 2012	As at Dec 31 2011
	(unaudited)	(audited)	(unaudited)	(audited)
Total assets	20,472,360	20,423,220	4,919,348	4,623,986
Equity attributable to owners of the Parent	8,629,381	7,781,436	2,073,573	1,761,781
Non-controlling interests	992	947	238	214
Total equity	8,630,373	7,782,383	2,073,811	1,761,996

FINANCIAL HIGHLIGHTS - SEPARATE

GRUPA LOTOS S.A.	PLN '000		EUR '000	
	3 months ended Mar 31 2012	3 months ended Mar 31 2011 (restated)	3 months ended Mar 31 2012	3 months ended Mar 31 2011 (restated)
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue	7,524,990	6,212,049	1,802,393	1,563,094
Operating profit	315,453	352,076	75,558	88,590
Pre-tax profit	679,865	548,935	162,842	138,125
Net profit from continuing operations	549,185	447,586	131,541	112,623
Total comprehensive income	826,069	581,593	197,861	146,342
Net cash from operating activities	(202,476)	400,323	(48,497)	100,730
Net cash from investing activities	(16,863)	(100,577)	(4,039)	(25,307)
Net cash from financing activities	25,331	127,905	6,067	32,184
Total net cash flow	(215,857)	423,251	(51,702)	106,500
Basic earnings per share (PLN/EUR)	4.23	3.45	1.01	0.87
Diluted earnings per share (PLN/EUR)	-	-	-	-
	PLN '000		EUR '000	
	As at Mar 31 2012	As at Dec 31 2011	As at Mar 31 2012	As at Dec 31 2011
	(unaudited)	(audited)	(unaudited)	(audited)
Total assets	16,619,566	16,449,524	3,993,552	3,724,308
Equity	6,659,511	5,833,442	1,600,229	1,320,739

Items of the statement of financial position as at March 31st 2012, presented in Financial Highlights, have been translated using the EUR mid-exchange rate quoted by the National Bank of Poland for March 31st 2012, i.e. EUR 1 = PLN 4.1616. Items of the statement of comprehensive income and the statement of cash flows for the three months ended March 31st 2012, presented in the Financial Highlights, have been translated using the exchange rate of EUR 1 = PLN 4.1750 (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 – March 31st 2012).

Items of the statement of financial position as at December 31st 2011, presented in Financial Highlights, have been translated using the EUR mid-exchange rate quoted by the National Bank of Poland for December 31st 2011, i.e. EUR 1 = PLN 4.4168. Items of the statement of comprehensive income and the statement of cash flows for the three months ended March 31st 2011, presented in the Financial Highlights, have been translated using the exchange rate of EUR 1 = PLN 3.9742 (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 – March 31st 2011).

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THE LOTOS GROUP
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at March 31st 2012

(PLN '000)	3 months ended Mar 31 2012	3 months ended Mar 31 2011 (restated)
	(unaudited)	(unaudited)
Revenue	7,832,342	6,515,227
Cost of sales	(7,084,064)	(5,783,699)
Gross profit	748,278	731,528
Distribution costs	(242,890)	(222,321)
General and administrative expenses	(105,805)	(100,480)
Other operating income	5,871	7,028
Other operating expenses	(7,434)	(5,551)
Effect of accounting for the step acquisition of control (AB LOTOS Geonafta)	-	126,383
Loss of control over subsidiary	20,966	679
Operating profit	418,986	537,266
Finance income	376,982	238,971
Finance cost	(58,970)	(27,566)
Share of investments in associates	-	2,896
Pre-tax profit	736,998	751,567
Corporate income tax	(139,884)	(114,919)
Net profit from continuing operations	597,114	636,648
Other comprehensive income		
Exchange differences on translating foreign operations	(32,102)	(7,440)
Cash flow hedge accounting	341,832	165,678
Income tax on other comprehensive income	(58,851)	(30,029)
Other comprehensive income (net)	250,879	128,209
Total comprehensive income	847,993	764,857
Net profit from continuing operations, attributable to:		
Owners of the Parent	597,050	636,362
Non-controlling interests	64	286
	597,114	636,648
Total comprehensive income attributable to:		
Owners of the Parent	847,943	764,575
Non-controlling interests	50	282
	847,993	764,857
Net profit from continuing operations attributable to owners of the Parent per share (PLN)		
Weighted average number of shares ('000)	129,873	129,873
- basic	4.60	4.90
- diluted	-	-

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THE LOTOS GROUP
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at March 31st 2012

(PLN '000)	Mar 31 2012 (unaudited)	Dec 31 2011 (audited)
ASSETS		
Non-current assets		
Property, plant and equipment	8,876,050	8,965,480
Tangible assets under construction	1,571,652	1,558,070
Goodwill	46,688	46,688
Intangible assets	443,513	475,580
Non-current financial assets	98,594	96,189
Deferred tax assets	398,264	400,128
Non-current receivables	32,878	33,313
Prepayments and accrued income	11,129	6,789
Total non-current assets	11,478,768	11,582,237
Current assets		
Inventories, including:	6,190,562	5,855,840
- mandatory reserves	4,285,949	4,427,752
Trade and other receivables	2,227,131	2,190,029
Income tax receivable	48,013	132,876
Prepayments and accrued income	67,253	40,382
Current financial assets	157,114	129,052
Cash and cash equivalents	301,722	383,680
Total current assets	8,991,795	8,731,859
Assets held for sale	1,797	109,124
Total assets	20,472,360	20,423,220
EQUITY AND LIABILITIES		
Equity		
Share capital	129,873	129,873
Statutory reserve funds	1,311,348	1,311,348
Cash flow hedging reserve	(142,397)	(419,281)
Retained earnings	7,297,448	6,700,396
Translation reserve	33,109	59,100
Equity attributable to owners of the Parent	8,629,381	7,781,436
Non-controlling interests	992	947
Total equity	8,630,373	7,782,383
Non-current liabilities		
Interest-bearing borrowings and other debt instruments	4,483,396	4,983,889
Long-term provisions	396,879	399,104
Deferred tax liabilities	272,272	105,226
Other financial liabilities	218,484	304,949
Trade payables, accruals and deferred income, and other liabilities	52,760	54,371
Total non-current liabilities	5,423,791	5,847,539
Current liabilities		
Trade payables, accruals and deferred income, and other liabilities	3,562,636	4,156,553
Income tax payable	22,378	7,420
Interest-bearing borrowings and other debt instruments	2,705,113	2,407,740
Short-term provisions	20,056	21,358
Other financial liabilities	108,013	159,829
Total current liabilities	6,418,196	6,752,900
Liabilities directly associated with assets held for sale	-	40,398
Total liabilities	11,841,987	12,640,837
Total equity and liabilities	20,472,360	20,423,220

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THE LOTOS GROUP
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at March 31st 2012

(PLN '000)	3 months ended Mar 31 2012	3 months ended Mar 31 2011 (restated)
	(unaudited)	(unaudited)
Cash flows from operating activities		
Net profit from continuing operations	597,114	636,648
Adjustments:		
Share in net profit of equity-accounted subordinated entities	-	(2,896)
Depreciation and amortisation	165,268	123,545
Foreign exchange (gains)/losses	(221,186)	(123,389)
Interest and dividends	48,048	20,350
(Gain)/loss from investing activities	(22,124)	(130,000)
Current income tax	139,884	114,919
Income tax paid	(8,953)	(26,380)
(Increase) in receivables	(11,605)	(443,507)
(Increase) in inventories	(334,508)	(215,850)
(Decrease)/ increase in liabilities and accruals and deferred income	(489,140)	482,281
(Decrease) in provisions	(2,296)	(1,340)
(Increase) in prepayments and accrued income	(31,357)	(21,870)
Settlement and valuation of financial instruments	(143,470)	(93,133)
Other adjustments	5,492	(3,246)
Net cash from operating activities	(308,833)	316,132
Cash flows from investing activities		
Interest received	1,233	311
Sale of property, plant and equipment and intangible assets	8,027	9,509
Sale of non-current financial assets	250	121
Repayment of loans advanced	1,537	-
Loss of control over subsidiary, net of cash	78,000	1,104
Acquisition of UAB Meditus, net of cash acquired	(24,737)	(52,345)
Purchase of property, plant and equipment and intangible assets	(159,855)	(181,841)
Prepayments for tangible assets under construction	(31,136)	(3,272)
Other cash outflows on financial assets	(14,210)	(826)
Other cash provided by investing activities	-	1,377
Net cash from investing activities	(140,891)	(225,862)
Cash flows from financing activities		
Proceeds from borrowings and other debt instruments	188,449	419,819
Issue of notes	-	166,792
Cash flows attributable to changes in interest in a subsidiary not resulting in loss of control over non-current financial assets	(3)	(8,497)
Repayment of borrowings and other debt instruments	(92,743)	(57,400)
Dividend paid	-	(1,465)
Interest paid	(50,731)	(24,501)
Redemption of notes	-	(132,000)
Decrease in finance lease liabilities	(3,493)	(1,081)
Settlement of financial instruments	(25,482)	(72,295)
Other cash used in financing activities	(1,212)	(434)
Net cash from financing activities	14,785	288,938
Effect of exchange rate fluctuations on cash held	(21,869)	(3,236)
Change in net cash	(456,808)	375,972
Cash at beginning of period	161,552	118,233
Cash at end of period	(295,256)	494,205
- restricted cash	2,018	111,589

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THE LOTOS GROUP
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the three months ended March 31st 2012

(PLN '000)	Share capital	Statutory reserve funds	Cash flow hedging reserve	Retained earnings	Translation reserve	Equity attributable to owners of the Parent	Non-controlling interests	Total equity
Jan 1 2011 (audited)	129,873	1,311,348	(739)	6,046,056	12,281	7,498,819	14,658	7,513,477
Net profit from continuing operations for the 3 months ended Mar 31 2011	-	-	-	636,362	-	636,362	286	636,648
Change in the Group's organisational structure	-	-	-	-	-	-	(221)	(221)
Changes in ownership interest	-	-	-	2,936	-	2,936	(11,357)	(8,421)
Other comprehensive income net, for the 3 months ended Mar 31 2011	-	-	134,244	-	(6,031)	128,213	(4)	128,209
Mar 31 2011 (unaudited) (restated)	129,873	1,311,348	133,505	6,685,354	6,250	8,266,330	3,362	8,269,692
Jan 1 2012 (audited)	129,873	1,311,348	(419,281)	6,700,396	59,100	7,781,436	947	7,782,383
Net profit from continuing operations for the 3 months ended Mar 31 2012	-	-	-	597,050	-	597,050	64	597,114
Changes in ownership interest	-	-	-	2	-	2	(5)	(3)
Other comprehensive income net, for the 3 months ended Mar 31 2012	-	-	276,884	-	(25,991)	250,893	(14)	250,879
Mar 31 2012 (unaudited)	129,873	1,311,348	(142,397)	7,297,448	33,109	8,629,381	992	8,630,373

GRUPA LOTOS S.A.
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
for the three months ended March 31st 2012

(PLN '000)	3 months ended Mar 31 2012 <u>(unaudited)</u>	3 months ended Mar 31 2011 (restated) <u>(unaudited)</u>
Revenue	7,524,990	6,212,049
Cost of sales	(7,009,547)	(5,673,019)
Gross profit	515,443	539,030
Distribution costs	(142,691)	(132,821)
General and administrative expenses	(56,980)	(54,018)
Other operating income	1,467	800
Other operating expenses	(1,786)	(915)
Operating profit	315,453	352,076
Finance income	353,721	212,548
Finance cost	(41,366)	(15,689)
Loss of control over subsidiary	52,057	-
Pre-tax profit	679,865	548,935
Corporate income tax	(130,680)	(101,349)
Net profit from continuing operations	549,185	447,586
Other comprehensive income		
Cash flow hedge accounting	341,832	165,441
Income tax on other comprehensive income	(64,948)	(31,434)
Other comprehensive income (net)	276,884	134,007
Total comprehensive income	826,069	581,593
Net profit from continuing operations per share (PLN)		
Weighted average number of shares ('000)	129,873	129,873
- basic	4.23	3.45
- diluted	-	-

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GRUPA LOTOS S.A.
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
as at March 31st 2012

(PLN '000)	Mar 31 2012 (unaudited)	Dec 31 2011 (audited)
ASSETS		
Non-current assets		
Property, plant and equipment	6,924,538	7,024,570
Tangible assets under construction	72,797	54,421
Intangible assets	81,900	83,354
Non-current financial assets	1,210,675	1,208,537
Prepayments and accrued income	3,832	3,900
	-----	-----
Total non-current assets	8,293,742	8,374,782
	-----	-----
Current assets		
Inventories, including:	5,951,156	5,637,321
- mandatory reserves	4,284,334	4,425,263
Trade and other receivables	2,146,008	2,223,332
Income tax receivable	-	73,512
Prepayments and accrued income	28,657	28,306
Current financial assets	197,704	82,730
Cash and cash equivalents	2,299	3,598
	-----	-----
Total current assets	8,325,824	8,048,799
	-----	-----
Assets held for sale	-	25,943
	=====	=====
Total assets	16,619,566	16,449,524
	=====	=====
EQUITY AND LIABILITIES		
Equity		
Share capital	129,873	129,873
Statutory reserve funds	1,311,348	1,311,348
Cash flow hedging reserve	(142,397)	(419,281)
Retained earnings	5,360,687	4,811,502
	-----	-----
Total equity	6,659,511	5,833,442
	-----	-----
Non-current liabilities		
Interest-bearing borrowings	4,302,085	4,786,893
Long-term provisions	41,065	41,036
Deferred tax liabilities	201,428	23,182
Other financial liabilities	54,728	127,364
	-----	-----
Total non-current liabilities	4,599,306	4,978,475
	-----	-----
Current liabilities		
Trade payables, accruals and deferred income, and other liabilities	3,403,615	3,817,503
Income tax payable	14,788	-
Interest-bearing borrowings	1,842,328	1,682,149
Short-term provisions	7,327	8,521
Other financial liabilities	92,691	129,434
	-----	-----
Total current liabilities	5,360,749	5,637,607
	-----	-----
Total liabilities	9,960,055	10,616,082
	=====	=====
Total equity and liabilities	16,619,566	16,449,524
	=====	=====

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GRUPA LOTOS S.A.
INTERIM CONDENSED STATEMENT OF CASH FLOWS
for the three months ended March 31st 2012

(PLN '000)	3 months ended Mar 31 2012	3 months ended Mar 31 2011 (restated)
	(unaudited)	(unaudited)
Cash flows from operating activities		
Net profit from continuing operations	549,185	447,586
Adjustments:		
Depreciation and amortisation	105,070	70,350
Foreign exchange (gains)/losses	(203,279)	(97,874)
Interest and dividends	31,988	2,267
(Gain)/loss from investing activities	(51,876)	941
Current income tax	130,680	101,349
Income tax paid	(2,092)	(12,551)
Decrease/(increase) in receivables	77,324	(386,759)
(Increase) in inventories	(313,835)	(168,895)
(Decrease)/ increase in liabilities and accruals and deferred income	(400,060)	536,409
(Decrease) in provisions	(1,165)	(1,166)
(Increase) in prepayments and accrued income	(375)	(4,859)
Settlement and valuation of financial instruments	(126,402)	(86,475)
Other adjustments	2,361	-
Net cash from operating activities	(202,476)	400,323
Cash flows from investing activities		
Sale of non-current financial assets	78,000	-
Sale of property, plant and equipment and intangible assets	17	25
Interest received	1,168	208
Repayment of loans advanced	650	-
Prepayments for tangible assets under construction	(4,839)	(50)
Loans advanced	(62,720)	(599)
Purchase of non-current financial assets	(3)	(9,492)
Purchase of property, plant and equipment and intangible assets	(14,927)	(89,843)
Other cash outflows on financial assets	(14,210)	(826)
Other cash provided by investing activities	1	-
Net cash from investing activities	(16,863)	(100,577)
Cash flows from financing activities		
Proceeds from borrowings and other debt instruments	162,159	215,487
Repayment of borrowings and other debt instruments	(77,360)	-
Interest paid	(32,719)	(15,129)
Settlement of financial instruments	(26,749)	(72,397)
Decrease in finance lease liabilities	-	(56)
Net cash from financing activities	25,331	127,905
Effect of exchange rate fluctuations on cash held	(21,849)	(4,400)
Change in net cash	(215,857)	423,251
Cash at beginning of period	(165,987)	(187,066)
Cash at end of period	(381,844)	236,185
- restricted cash	1,418	88,362

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GRUPA LOTOS S.A.
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
for the three months ended March 31st 2012

(PLN '000)	Share capital	Statutory reserve funds	Cash flow hedging reserve	Retained earnings	Total equity
Jan 1 2011 (audited)	129,873	1,311,348	-	4,503,832	5,945,053
Net profit from continuing operations for the 3 months ended Mar 31 2011	-	-	-	447,586	447,586
Total comprehensive income, net, for the 3 months ended Mar 31 2011	-	-	134,007	-	134,007
Mar 31 2011 (unaudited) (restated)	129,873	1,311,348	134,007	4,951,418	6,526,646
Jan 1 2012 (audited)	129,873	1,311,348	(419,281)	4,811,502	5,833,442
Net profit from continuing operations for the 3 months ended Mar 31 2012	-	-	-	549,185	549,185
Other comprehensive income, net, for the 3 months ended Mar 31 2012	-	-	276,884	-	276,884
Mar 31 2012 (unaudited)	129,873	1,311,348	(142,397)	5,360,687	6,659,511

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THE LOTOS GROUP
Notes to the interim condensed consolidated financial statements
for the three months ended March 31st 2012

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31ST 2012

1. General information

Grupa LOTOS S.A. (the "Company", the "Parent"), the parent entity 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 has been assigned Industry Identification Number (REGON) 190541636.

The Parent's registered address is 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 acquisition of crude oil and natural gas deposits and oil and gas production.

2. Composition of the Group

As at March 31st 2012, the LOTOS Group comprised Grupa LOTOS S.A. (the Parent) and 33 production and service companies, including:

- 15 subsidiaries of Grupa LOTOS S.A.
- 16 indirect subsidiaries of Grupa LOTOS S.A. and two companies accounted for using the proportional method.

The following table presents the subsidiaries of the LOTOS Group, their core business, consolidation method, and the Group's interests in their share capitals.

Name	Registered office	Core business	Method of consolidation/ accounting for the interest	Ownership interest (%)		
				Mar 31 2012	Dec 31 2011	Mar 31 2011
Parent						
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 subsidiaries						
LOTOS Paliwa Sp. z o.o.	Gdańsk	Wholesale and retail sale of fuels and light fuel oil, management of the LOTOS service station network	full	100.00%	100.00%	100.00%
LOTOS Gaz S.A. w likwidacji (in liquidation) ⁽¹⁾	Kraków ⁽¹⁾	The company is not conducting operations	full	100.00%	100.00%	100.00%
LOTOS Oil S.A.	Gdańsk	Production and sale of lubricating oils and lubricants, and sale 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% ⁽²⁾	100.00%
LOTOS Ekoenergia Sp. z o.o.	Gdańsk	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, overhaul and repair services	full	100.00%	100.00%	100.00%
LOTOS LAB Sp. z o.o.	Gdańsk	Laboratory analyses	full	100.00%	100.00%	100.00%
LOTOS Straż Sp. z o.o.	Gdańsk	Fire safety	full	100.00%	100.00%	100.00%

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Name	Registered office	Core business	Method of consolidation/ accounting for the interest	Ownership interest (%)		
				Mar 31 2012	Dec 31 2011	Mar 31 2011
LOTOS Ochrona Sp. z o.o.	Gdańsk	Personal and property protection	full	100.00%	100.00%	100.00%
LOTOS Parafiny Sp. z o.o.	Jasło	Production and sale of paraffin	-	_(4)	100.00%(3)	100.00%
LOTOS Tank Sp. z o.o.	Gdańsk	Trading in aviation fuel until Oct 16 2011, at present – logistics services	full	100.00%	100.00%	100.00%
LOTOS Czechowice S.A. (parent of another group)	Czechowice-Dziedzice	Storage and distribution of fuels	full	100.00%	100.00%(6)	97.55%(5)
LOTOS Jasło S.A.	Jasło	Storage and distribution of fuels Renting and operating of own or leased real estate	full	100.00%	100.00%(6)	98.12%(5)
LOTOS Petrobaltic S.A. (parent of another group)	Gdańsk	Acquisition of crude oil and natural gas deposits and their exploitation	full	99.95%(7)	99.95%(7)	99.93%(7)
LOTOS Park Technologiczny Sp. z o.o.	Jasło	The company is not conducting operations	full	100.00%	100.00%	100.00%
Indirect subsidiaries						
RCEkoenergia Sp. z o.o.	Czechowice-Dziedzice	Production and distribution of electricity, heat and gas	full	100.00%	100.00%(8)	97.55%(8)
LOTOS Biopaliwa Sp. z o.o.	Czechowice-Dziedzice	Production of fatty acid methyl esters (FAME)	full	100.00%	100.00%(8)	97.55%(8)
PLASTEKOL Organizacja Odzysku S.A.	Jasło	Provision of services		_(9)		
Miliana Shipholding Company Ltd. (Miliana Shipping Company Ltd.) (parent of another group) ⁽¹²⁾	Nicosia, Cyprus	Storage and transport of crude oil, other sea transport related services, and managing own financial assets	full	99.95%(10)	99.95%(10, 11)	99.93%(10)
Miliana Shipmanagement Ltd.	Nicosia, Cyprus	Provision of sea transport and related services	full	99.95%(10)	99.95%(10, 12)	-
Miliana Shipping Group Ltd. (parent of another group) ⁽¹²⁾	Nicosia, Cyprus	Management of own assets	full	99.95%(10)	99.95%(10, 12)	-
Bazalt Navigation Co. Ltd.	Nicosia, Cyprus	Ship chartering	full	99.95%(10)	99.95%(10, 12)	-
Granit Navigation Company Ltd.	Nicosia, Cyprus	Ship chartering	full	99.95%(10)	99.95%(10, 12)	-
Kambr Navigation Company Ltd.	Nicosia, Cyprus	Ship chartering	full	99.95%(10)	99.95%(10, 12)	-
St. Barbara Navigation Company Ltd.	Nicosia, Cyprus	Ship chartering	full	99.95%(10)	99.95%(10, 12)	-
Petro Icarus Company Ltd.	Nicosia, Cyprus	Ship chartering	full	99.95%(10)	99.95%(10, 12)	-
Petro Aphrodite Company Ltd.	Nicosia, Cyprus	Ship chartering	full	99.95%(10)	99.95%(10, 12)	-
LOTOS Exploration and Production Norge AS	Stavanger, Norway	Oil exploration and production at the Norwegian Continental Shelf, provision of services related to oil exploration and production	full	99.95%(10, 13)	99.95%(10, 13)	99.93%(10)
Aphrodite Offshore Services N.V.	Curaçao, Netherlands Antilles	The company has been dormant since October 17th 2011	full	99.95%(10)	99.95%(10)	99.93%(10)
Energobaltic Sp. z o.o.	Władysławowo	Production of electricity, heat, LPG and natural gas condensate	full	99.95%(10)	99.95%(10)	99.93%(10)
AB LOTOS Baltija (parent of another group) ^(14, 15)	Vilnius, Lithuania	Business and legal advisory services	-	-	_(10, 14)	99.93%(10)
AB Meditus (parent of another group) ^(14, 16)	Vilnius, Lithuania	Business and legal advisory services	-	-	_(10, 14)	99.93%(10, 14)
AB LOTOS Geonafta (parent of another group) ⁽¹⁴⁾	Gargždai, Lithuania	Crude oil exploration and production, drilling services, and purchase and sale of crude oil	full	99.95%(10, 14)	99.95%(10, 14)	99.93%(10, 14, 17)

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Name	Registered office	Core business	Method of consolidation/ accounting for the interest	Ownership interest (%)		
				Mar 31 2012	Dec 31 2011	Mar 31 2011
UAB Genciu Nafta	Gargzdai, Lithuania	Crude oil exploration and production	full	99.95% ^(10, 14)	99.95% ^(10, 14)	99.93% ^(10, 14)
Companies accounted for using the proportional method						
UAB Manifoldas	Gargzdai, Lithuania	Crude oil exploration and production	proportional	49.98% ^(10, 14)	49.98% ^(10, 14)	49.96% ^(10, 14)
UAB Minijos Nafta	Gargzdai, Lithuania	Crude oil exploration and production	proportional	49.98% ^(10, 14)	49.98% ^(10, 14)	49.96% ^(10, 14)

⁽¹⁾ On January 10th 2011, the General Meeting of LOTOS Gaz S.A. adopted a resolution to dissolve LOTOS Gaz S.A. by way of its liquidation. Furthermore, on January 3rd 2011 the Management Board of LOTOS Gaz S.A. filed a petition with the Commercial Division of the District Court of Plock requesting that LOTOS Gaz S.A. be declared bankrupt. According to the information received by the Company, the petition was effectively withdrawn, and the bankruptcy proceedings were discontinued on January 7th 2011. These developments had no effect on the data disclosed in the consolidated financial statements.

The company's new business address in Kraków was registered on July 8th 2011. Previously, the company was based in Mława.

⁽²⁾ On December 29th 2011, the share capital increase at LOTOS Asphalt Sp. z o.o. was registered. The share capital was increased from PLN 2,000 thousand to PLN 20,000 thousand, by way of raising the par value of the existing shares from PLN 500 per share to PLN 5,000 per share. The share capital increase was financed using own funds of LOTOS Asphalt Sp. z o.o.

⁽³⁾ On December 7th 2011, the share capital increase at LOTOS Parafiny Sp. z o.o. was registered. The share capital was increased from PLN 19,783 thousand to PLN 28,783 thousand, by way of creating 9,000 new shares, with a par value of PLN 1,000 per share. The share capital increase was financed using own funds of LOTOS Parafiny Sp. z o.o. All the new shares were acquired by Grupa LOTOS S.A.

⁽⁴⁾ On January 10th 2012, 100% of shares in LOTOS Parafiny Sp. z o.o. were sold to a third party, namely to Krokus Chem Sp. z o.o., in which Fundusz Nova Polonia Natrix LPiI and the management staff of LOTOS Parafiny Sp. z o.o. hold interests. On November 30th 2011, Grupa LOTOS S.A. and Krokus Chem Sp. z o.o. signed a preliminary agreement to sell 100% of shares in LOTOS Parafiny Sp. z o.o. (see Note 15 to these interim condensed consolidated financial statements).

⁽⁵⁾ In the period from January 1st to March 31st 2011, Grupa LOTOS S.A. acquired shares in LOTOS Czechowice S.A. and LOTOS Jaslo S.A. from non-controlling interests as part of the minority squeeze-out process. By December 31st 2010, Grupa LOTOS S.A. acquired from non-controlling interests an additional 12.51% interest in LOTOS Czechowice S.A. and a 13.11% interest in LOTOS Jaslo S.A.

⁽⁶⁾ Following the transactions carried out as part of the squeeze-out, and relevant entries having been made in the share registers of LOTOS Czechowice S.A. and LOTOS Jaslo S.A. on April 7th and 8th 2011, respectively, Grupa LOTOS S.A. holds a 100% interest in LOTOS Czechowice S.A. and a 100% interest in LOTOS Jaslo S.A.

⁽⁷⁾ By March 31st 2011, Grupa LOTOS S.A. acquired from non-controlling interests an additional 0.61% of shares in LOTOS Petrobaltic S.A. As a result of the executed transactions, as at March 31st 2011 Grupa LOTOS S.A. held 99.93% of shares in LOTOS Petrobaltic S.A., including 99.32% of shares entered in the share register of LOTOS Petrobaltic S.A. conferring the right to vote at the company's General Meeting.

By December 31st 2011, Grupa LOTOS S.A. acquired from non-controlling shareholders an additional 0.63% interest in LOTOS Petrobaltic S.A. On November 29th 2011, an increase in the share capital of LOTOS Petrobaltic S.A. was registered. Its share capital was increased from PLN 92,400 thousand to PLN 96,600 thousand i.e. by PLN 4,200 thousand, through the issue of 420,000 Series B registered shares with a par value of PLN 10 per share in return for a cash contribution. Grupa LOTOS S.A. acquired in total 419,979 new Series B shares, in return for a cash contribution of PLN 80,968 thousand. As at December 31st 2011, Grupa LOTOS S.A. held a 99.95% interest in LOTOS Petrobaltic S.A.

On February 2nd 2012, the increase in the share capital of LOTOS Petrobaltic S.A. was registered. In exercise of its pre-emptive rights, on December 15th 2011 Grupa LOTOS S.A. subscribed for new Series C shares. The share capital of LOTOS Petrobaltic S.A. was increased by PLN 2,800 thousand, i.e. from PLN 96,600 thousand to PLN 99,400 thousand, through the issue of 280,000 registered Series C shares with a value of PLN 10 per share. Grupa LOTOS S.A. was allocated 279,996 shares.

In the period from January 1st to March 31st 2012, Grupa LOTOS S.A. acquired 26 shares in LOTOS Petrobaltic S.A. with an aggregate value of PLN 3 thousand, representing 0.0003% of the company's share capital (see Note 15 to these interim condensed consolidated financial statements).

⁽⁸⁾ The shareholding changes described in items ^(5, 6) above resulted in changes in the Group's indirect interests in the share capitals of the subsidiaries of LOTOS Czechowice S.A.

⁽⁹⁾ On February 11th 2011, LOTOS Jaslo S.A. entered into an agreement with an external partner concerning sale of five investment areas, including an organised part of business and a holding of 95.5% of shares in PLASTEKOL Organizacja Odzysku S.A. The effect of loss of control over the subsidiary, of PLN 679 thousand, has been presented in the statement of comprehensive income for the three months ended March 31st 2011 under "Loss of control over subsidiary".

⁽¹⁰⁾ The shareholding changes described in item ⁽⁷⁾ above resulted in changes in the Group's indirect interests in the share capitals of the subsidiaries of LOTOS Petrobaltic S.A.

⁽¹¹⁾ On June 24th 2011, LOTOS Petrobaltic S.A. acquired one share in Miliana Shipping Company Ltd. under an agreement of April 21st 2011 providing for the sale of one share in Miliana Shipping Company Ltd. by Aphrodite Offshore Services N.V. to LOTOS Petrobaltic S.A. for a price of USD 19.8 thousand (PLN 53.8 thousand, translated at the USD mid-exchange USD quoted by the National Bank of Poland for April 21st 2011). LOTOS Petrobaltic S.A. currently holds 100% of shares in Miliana Shipping Company Ltd.

⁽¹²⁾ In connection with the restructuring of the sea shipping business in the LOTOS Petrobaltic Group, on July 22nd 2011 Miliana Shipping Company Ltd. established two subsidiaries registered in the Republic of Cyprus: Miliana Shipmanagement Ltd. and Miliana Shipping Group Ltd. Miliana Shipping Company Ltd. is the sole shareholder in both entities. Indirectly through LOTOS Petrobaltic S.A., the Group holds 99.95% in each of the companies.

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Furthermore, on September 13th 2011, LOTOS Petrobaltic S.A. received a formal confirmation that on July 28th 2011 Miliana Shipping Company Ltd. assumed control over four companies, i.e. Granit Navigation Company Limited, Kambr Navigation Company Limited, Petro Icarus Company Limited and St. Barbara Navigation Company Limited, and another two companies, i.e. Bazalt Navigation Company Limited and Petro Aphrodite Company Limited on July 29th 2011.

On January 23rd 2012 a name change from Miliana Shipping Company Limited to Miliana Shipholding Company Limited was registered.

⁽¹³⁾ On December 21st 2011, the court registered an increase in the share capital of LOTOS Exploration and Production Norge AS from NOK 430,000,001 to NOK 572,733,964, i.e. by NOK 142,733,963, through the issue of new Series B shares with a par value of NOK 1 per share in return for a cash contribution. All the new issue shares were acquired by LOTOS Petrobaltic S.A.

On January 14th 2012, the court registered an increase in the share capital of LOTOS Exploration and Production Norge AS by NOK 91,984 thousand, to NOK 664,718 thousand, through the issue of new Series B shares with a par value of NOK 1 per share. All the new Series B shares were subscribed for by LOTOS Petrobaltic S.A.

⁽¹⁴⁾ Following corporate approvals by the General Meeting of LOTOS Petrobaltic S.A. and the Lithuanian anti-trust authority, on February 3rd 2011 UAB LOTOS Baltija (a subsidiary of LOTOS Petrobaltic S.A.) acquired 100% of shares in UAB Meditus, which holds 59.41% of shares in AB Geonafta. On the acquisition date, LOTOS Petrobaltic S.A. directly held 40.59% of shares in AB Geonafta. As a result of the transaction, LOTOS Petrobaltic S.A. gained control of AB Geonafta.

On November 30th 2011, the merger of AB Geonafta, AB LOTOS Baltija, and AB Meditus, as well as the name change from AB Geonafta to AB LOTOS Geonafta were registered. Following registration of the merger, the shareholder structure of AB LOTOS Geonafta was as follows: LOTOS Petrobaltic S.A. – 43.1980822%, Grupa LOTOS S.A. – 0.0005934%, own shares held by AB LOTOS Geonafta – 56.8013244%. However, the proportions of shares conferring the right to vote at the General Meeting of AB LOTOS Geonafta were as follows: LOTOS Petrobaltic S.A. – 99.99862%, Grupa LOTOS S.A. – 0.00137%. LOTOS Petrobaltic S.A. retained control of AB LOTOS Geonafta. AB LOTOS Geonafta intends to voluntarily cancel its own shares acquired in the merger process.

⁽¹⁵⁾ On May 23rd 2011, a change in the legal form of UAB LOTOS Baltija to AB LOTOS Baltija was registered. Until the merger referred to in ⁽¹⁴⁾, the company operated under the name of AB LOTOS Baltija.

⁽¹⁶⁾ On May 10th 2011, a change in the legal form of UAB Meditus to AB Meditus was registered. Until the merger referred to in ⁽¹⁴⁾, the company operated under the name of AB Meditus.

⁽¹⁷⁾ On March 23rd 2011, LOTOS Petrobaltic S.A. and Grupa LOTOS S.A. executed an agreement whereby Grupa LOTOS S.A. purchased one share in AB Geonafta for LTL 3 thousand (PLN 3.5 thousand).

As at March 31st 2012 and December 31st 2011, the Group's shares in the total vote at the general meetings of its subsidiaries were equal to its respective ownership interests, except in the case of AB LOTOS Geonafta (see above).

As at March 31st 2011, the Group's shares in the total vote at the general meetings of its subsidiaries were equal to its respective ownership interests, except in the case of LOTOS Petrobaltic S.A., LOTOS Czechowice S.A. and LOTOS Jasło S.A. (see above).

3. Changes in the composition of the Management and Supervisory Boards

In the period from January 1st 2012 until the date of approval of these interim condensed consolidated financial statements, the composition of the Management Board of Grupa LOTOS S.A. was as follows:

Paweł Olechnowicz – President of the Management Board, Chief Executive Officer,
Mariusz Machajewski – Vice-President of the Management Board, Chief Financial Officer,
Marek Sokółowski – Vice-President of the Management Board, Chief Operation Officer,
Maciej Szozda – Vice-President of the Management Board, Chief Commercial Officer.

As at January 1st 2012, the composition of Grupa LOTOS S.A. Supervisory Board of the eighth term of office was as follows:

Wiesław Skwarko – Chairman of the Supervisory Board,
Rafał Wardziński – Deputy Chairman of the Supervisory Board,
Oskar Pawłowski – Secretary of the Supervisory Board,
Małgorzata Hirszel – Member of the Supervisory Board,
Michał Rumiński – Member of the Supervisory Board,
Leszek Starosta – Member of the Supervisory Board.

On January 27th 2012 Mr Rafał Wardziński, Deputy Chairman of the Supervisory Board of Grupa LOTOS S.A., submitted his resignation as member of the Supervisory Board of Grupa LOTOS S.A.

On February 29th 2012, the Extraordinary General Meeting of Grupa LOTOS S.A. resolved to change the composition of the Company's Supervisory Board and appointed Ms Agnieszka Trzaskalska and Mr Marcin Majeranowski as Members of the Supervisory Board, and removed from office Mr Leszek Starosta.

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As at the date of approval of these interim condensed consolidated financial statements, the composition of the Supervisory Board of Grupa LOTOS S.A. of the eighth term of office was as follows:

Wiesław Skwarko – Chairman of the Supervisory Board,
Marcin Majeranowski – Deputy Chairman of the Supervisory Board,
Oskar Pawłowski – Secretary of the Supervisory Board,
Małgorzata Hirszel – Member of the Supervisory Board,
Michał Rumiński – Member of the Supervisory Board,
Agnieszka Trzaskalska – Member of the Supervisory Board.

4. Basis of presentation

These interim condensed consolidated financial statements of the LOTOS Group have been prepared in accordance with International Accounting Standard No. 34 Interim Financial Reporting (“IAS 34”) and in compliance with the relevant EU-endorsed IFRSs applicable to interim financial reporting, which had been published and were effective at the time of preparing these interim condensed consolidated financial statements of the LOTOS Group.

The International Financial Reporting Standards (“IFRS”) include the standards and interpretations approved by the International Accounting Standards Board (the “Board”, “IASB”) and the International Financial Reporting Interpretation Committee (“IFRIC”).

These interim condensed consolidated financial statements have been prepared on the assumption that the Group companies will continue their business activities in the foreseeable future. As at the date of approval of these interim condensed consolidated financial statements no circumstances have been identified that might pose a threat to the Group’s companies continuing as going concerns.

These interim condensed consolidated financial statements should be read in conjunction with the 2011 consolidated financial statements of the LOTOS Group prepared in accordance with IFRS.

The financial information as at March 31st 2012 and for the three months ended on that date, as well as the comparative financial data for the three months ended March 31st 2011, contained in these interim condensed consolidated financial statements, have not been audited. The financial information as at December 31st 2011 has been audited by a qualified auditor, who issued an opinion on the financial statements on April 17th 2012.

The functional and the reporting currency of these interim condensed consolidated financial statements is the Polish złoty (PLN). These interim condensed consolidated financial statements have been prepared in the złoty (PLN), and all the figures are presented in thousands of złoty, unless indicated otherwise.

These interim condensed consolidated financial statements were approved for publication by the Management Board on May 7th 2012.

4.1 Change of information presented in previous reporting periods

1. As at March 31st 2011, in its statement of financial position the Group reclassified certain items which had earlier been presented as restricted cash and cash equivalents into (i) interest-bearing current borrowings, which included the PLN 8,334 thousand (January 1st 2010: PLN 8,665 thousand) deposits securing the repayment of interest and principal under the borrowings intended for financing of the 10+ Programme; and (ii) current financial assets, which included the PLN 23,769 thousand cash reserved for financing purchase of shares. Therefore, in the cash flow statement, restricted cash as at March 31st 2011 and cash flows from operating activities for the three months ended March 31st 2011, changed by PLN (32,103) thousand and PLN (23,438) thousand, respectively.
2. For the three months ended March 31st 2011, the Group adjusted its revenue from sales of merchandise and cost of merchandise sold. For the three months ended March 31st 2011, revenue and cost of sales in the statement of comprehensive income decreased by PLN 4,279 thousand.
3. As at March 31st 2011, the amount of cash and cash equivalents in the statement of cash flows changed by PLN 56,080 thousand (January 1st 2011: PLN 10,463 thousand) in connection with an overdraft facility which is not classified as cash equivalents. In the statement of cash flows for the three months ended March 31st 2011, cash flows from financing activities changed by PLN 47,423 thousand.

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4. For the three months ended March 31st 2011, the Group reclassified some of the general and administrative expenses (perpetual usufruct charges, property insurance, licence charges). As a result of the adjustment, general and administrative expenses fell by PLN 7,940 thousand, while distribution costs rose by PLN 378 thousand, and cost of sales went up by PLN 7,562 thousand.
5. The Group reclassified certain items previously recognised under investment commitments to other liabilities. As at March 31st 2012 and January 1st 2011, other liabilities increased respectively by PLN 1,801 thousand and PLN 866 thousand. As a result, in the statement of cash flows for the three months ended March 31st 2011, cash flows from operating and investing activities changed by PLN 935 thousand.
6. In the period of the three months ended March 31st 2011, the Group finally accounted for the business combination of February 3rd 2011, consisting in acquisition of AB Geonafta shares by an indirect subsidiary. The gain on bargain purchase of PLN 19,920 thousand and the increase in the value of LOTOS Petrobaltic S.A.'s 40.59% interest previously held in AB Geonafta, resulting from its measurement to fair value at the acquisition-date, of PLN 106,463 thousand was recognised in the statement of comprehensive income under "Effect of accounting for the step acquisition of control over AB LOTOS Geonafta" at PLN 126,383 thousand.

5. Accounting policies

The accounting policies and calculation methods adopted by the Group in the preparation of these interim condensed consolidated financial statements are the same as those used in the preparation of the consolidated financial statements for the year ended December 31st 2011 (see Note 10 to the consolidated financial statements for 2011, prepared in accordance with the IFRS).

The Parent and LOTOS Petrobaltic S.A., LOTOS Exploration and Production Norge AS, LOTOS Asphalt Sp. z o.o., LOTOS Oil S.A., LOTOS Paliwa Sp. z o.o., LOTOS Kolej Sp. z o.o., LOTOS Tank Sp. z o.o., LOTOS Serwis Sp. z o.o., AB LOTOS Geonafta and UAB Minijos Nafta maintain their accounting books in accordance with the accounting policies prescribed by the International Financial Reporting Standards. The other Group companies maintain their accounting books in accordance with the accounting standards defined in the Polish Accountancy Act of September 29th 1994 and the accounting policies and standards applicable at their foreign locations. These consolidated financial statements include adjustments which are absent from the accounting books of the Group's entities applying standards other than IFRS, and which have been introduced to ensure consistency of the entities' financial information with the IFRS.

The following new standards, amendments to the existing standards and interpretations which have been adopted by the European Union are effective in periods beginning after January 1st 2012:

- Amendments to IFRS 7 Financial Instruments: Disclosures: Transfers of Financial Assets (effective for annual periods beginning on or after July 1st 2011).

The Group has reviewed the new interpretations, standards and amendments to the existing standards. The new interpretations, standards and amendments to the existing standards which are in effect and have been adopted by the European Union, have no material impact on the accounting policies applied by the Group.

5.1 New standards and interpretations

The following new standards, amendments to existing standards and interpretations have been issued by the International Accounting Standards Board or the International Financial Reporting Interpretation Committee, but have not been adopted by the European Union:

- IFRS 9 *Financial Instruments: Classification and Measurement* (effective for periods beginning on or after January 1st 2015),
- Amendments to IAS 12 – *Deferred Tax: Recovery of Underlying Assets* (effective for annual periods beginning on or after January 1st 2012),
- Amendments to IFRS 1 – *First-Time Adoption of International Financial Reporting Standards: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters* (effective for periods beginning on or after July 1st 2011),
- IFRS 10 *Consolidated Financial Statements* (effective for periods beginning on or after January 1st 2013),
- IFRS 11 *Joint Arrangements* (effective for periods beginning on or after January 1st 2013),
- IFRS 12 *Disclosure of Interests in Other Entities* (effective for periods beginning on or after January 1st 2013),
- IFRS 13 *Fair Value Measurement* (effective for periods beginning on or after January 1st 2013),
- Amendment to IAS 19 *Employee Benefits* (effective for periods beginning on or after January 1st 2013),
- Amendment to IAS 1 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income* (effective for periods beginning on or after July 1st 2012),
- IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine* (effective for periods beginning on or after January 1st 2013),
- Amendments to IFRS 7 – *Financial Instruments: Disclosures: Offsetting Financial Assets and Financial Liabilities* (effective for annual periods beginning on or after January 1st 2013),
- Amendments to IAS 32 *Financial Instruments: Presentation: Offsetting Financial Assets and Financial Liabilities* (effective for annual periods beginning on or after January 1st 2014),
- Amendments to IFRS 1 – *First-Time Adoption of International Financial Reporting Standards: Government Loans* (effective for annual periods beginning on or after January 1st 2013).

The Group has not decided to choose the option of early application of any of the above standards, interpretations, or amendments which have been published but have not yet become effective.

By the date of approval of these interim condensed consolidated financial statements, the first phase of IFRS 9 *Financial Instruments: Classification and Measurement* (effective for annual periods beginning on or after January 1st 2015), had not been endorsed by the European Union. During the next phases, the International Accounting Standards Board will focus on hedge accounting and impairment. Implementation of the first phase of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets. The Group will analyse this effect along with the effect from the other phases of the project after their publication, in order to present a coherent picture.

The Management Board is assessing whether the introduction of the new standards and interpretations specified above will have any material impact on the accounting policies applied by the Group.

6. Translation of Financial Highlights into the euro

Items of the statement of financial position as at March 31st 2012, presented in Financial Highlights, have been translated using the EUR mid-exchange rate quoted by the National Bank of Poland for March 31st 2012, i.e. EUR 1 = PLN 4.1616. Items of the statement of comprehensive income and the statement of cash flows for the three months ended March 31st 2012, presented in the Financial Highlights, have been translated using the exchange rate of EUR 1 = PLN 4.1750 (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 – March 31st 2012).

Items of the statement of financial position as at December 31st 2011, presented in Financial Highlights, have been translated using the EUR mid-exchange rate quoted by the National Bank of Poland for December 31st 2011, i.e. EUR 1 = PLN 4.4168. Items of the statement of comprehensive income and the statement of cash flows for the three months ended March 31st 2011, presented in the Financial Highlights, have been translated using the exchange rate of EUR 1 = PLN 3.9742 (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 – March 31st 2011).

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7. Seasonality and cyclicity of operations in the interim period

There was no seasonality or cyclicity in the Group's operations in the interim period.

8. Amounts with a significant bearing on assets, liabilities, equity, net profit/loss or cash flows which are non-typical due to their nature, value, effect or frequency

In the period January 1st – March 31st 2012, the effect of the gain on remeasurement of borrowings and other debt instruments denominated in foreign currencies, recognised in the statement of comprehensive income, amounted to PLN 566,320 thousand and has been presented in finance income PLN 224,488 thousand and in other comprehensive income, net PLN 341,832 thousand.

In the period January 1st – March 31st 2012, foreign exchange gains recognised in the cash flow hedging reserve amounted to PLN 341,832 thousand and related exclusively to the gain on valuation of borrowings and other debt instruments denominated in foreign currencies, before the PLN 64,948 thousand adjustment for a tax effect.

9. Changes of estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years, if those changes have a material effect on the current interim period

There were no material changes in estimates reported in prior financial years.

10. Issue, redemption or repayment of debt or equity securities

Issue of notes by LOTOS Asphalt Sp. z o.o.

In the three months ended March 31st 2012, LOTOS Asphalt Sp. z o.o. issued short-term bearer notes under the Note Issuance Programme Agreement of July 27th 2010.

As part of the Note Issuance Programme, LOTOS Asphalt Sp. z o.o. may carry out numerous notes issues. The company's total liabilities under notes outstanding at any given time may not exceed PLN 300,000 thousand (based on the nominal value of the notes). The term of the programme is five years. The notes are denominated in the Polish zloty and are offered in private placements. The notes are issued as unsecured zero-coupon bearer notes in book-entry form and are redeemed at nominal values.

In the period of three months ended March 31st 2012, the notes were acquired by the Group companies. As at March 31st 2012, the Group had no liabilities under outstanding notes to investors outside the Group.

In the period January 1st – March 31st 2012, LOTOS Asphalt Sp. z o.o. issued notes with the total nominal value of PLN 61,200 thousand. The notes were acquired by the Group companies (see Note 17 to these interim condensed consolidated financial statements). In the period January 1st– March 31st 2012, LOTOS Asphalt Sp. z o.o. redeemed notes with a nominal value of PLN 35,700 thousand from the Group companies.

No other debt or equity securities were issued, redeemed or repaid in the period between January 1st and March 31st 2012.

11. Dividends

As at the date of publication of these interim condensed consolidated financial statements, the Company's Management Board has not yet adopted a resolution containing its proposal as to the distribution of the 2011 profit.

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12. Earnings per share

	3 months ended Mar 31 2012	3 months ended Mar 31 2011 (restated)
	(unaudited)	(unaudited)
Profit from continuing operations attributable to owners of the Parent PLN '000 (A)	597,050	636,362
Weighted average number of shares (in thousands) (B)	129,873 =====	129,873 =====
Earnings per share (PLN) (A/B)	4.60	4.90

Earnings per share for each period are calculated by dividing the profit from continuing operations attributable to owners of the Parent for a given period by the weighted average number of shares in the period.

The Group does not present diluted earnings per share, since it carries no instruments with a dilutive effect.

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13. Business segments

PLN '000	Upstream segment	Downstream segment	Other ⁽¹⁾	Consolidation adjustments	Consolidated
	3 months ended Mar 31 2012				
	(unaudited)				
Revenue:	264,332	7,778,117	7,005	(217,112)	7,832,342
Intersegment sales	202,410	9,804	4,898	(217,112)	-
External sales	61,922	7,768,313	2,107	-	7,832,342
Operating profit/(loss) (EBIT)	134,508	345,379	1,380	(62,281)	418,986
Depreciation and amortisation	31,211	131,955	2,545	(443)	165,268
Operating profit/(loss) before amortisation and depreciation (EBITDA)	165,719	477,334	3,925	(62,724)	584,254
	=====	=====	=====	=====	=====
	=====	=====	=====	=====	=====
PLN '000	Upstream segment	Downstream segment	Other ⁽¹⁾	Consolidation adjustments	Consolidated
	Mar 31 2012				
	(unaudited)				
Total assets	3,212,941	18,098,916	146,855	(986,352)	20,472,360
	=====	=====	=====	=====	=====
- including net exploration and appraisal assets	91,685	-	-	-	91,685
	=====	=====	=====	=====	=====

⁽¹⁾ Includes LOTOS Ekoenergia Sp. z o.o., LOTOS Park Technologiczny Sp. z o.o., LOTOS Gaz S.A. w likwidacji (in liquidation) and Energobaltic Sp. z o.o.

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PLN '000	Upstream segment	Downstream segment	Other ⁽¹⁾	Consolidation adjustments	Consolidated
	3 months ended Mar 31 2011				
	(restated)				
	(unaudited)				
Revenue:	103,763	6,481,217	5,258	(75,011)	6,515,227
Intersegment sales	62,212	9,373	3,426	(75,011)	-
External sales	41,551	6,471,844	1,832	-	6,515,227
Operating profit/(loss) (EBIT)	147,656	391,341	(1,171)	(560)	537,266
Depreciation and amortisation	25,543	95,903	2,424	(325)	123,545
Operating profit/(loss) before amortisation and depreciation (EBITDA)	173,199	487,244	1,253	(885)	660,811
	Dec 31 2011				
	(audited)				
Total assets	3,078,573	17,901,203	147,187	(703,743)	20,423,220
- including net exploration and appraisal assets	89,581	-	-	-	89,581

⁽¹⁾ Includes LOTOS Ekoenergia Sp. z o.o., LOTOS Park Technologiczny Sp. z o.o., LOTOS Gaz S.A. w likwidacji (in liquidation) and Energobaltic Sp. z o.o.

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14. Material events occurring after the end of the interim period and not reflected in the consolidated financial statements for the interim period

1. On May 1st 2012, Talisman Energy, the operator on the YME field, published its interim consolidated financial statements for the three months ended on March 31st 2012 where it disclosed an impairment loss recognised on the YME project. The operator cited delays in project execution and the need to incur significant expenditure prior to the production start as the main causes for recognising the impairment loss. Further, Talisman said in a statement that it continued close cooperation with the project partners and the supplier of the MOPU vessel to fully understand the extent of the remaining work and to consider available options for the field development.

Once the analyses are completed and the field development scenario is selected, the Group will again test the project for impairment and assess its recoverable value.

15. Changes in the entity's structure in the interim period, including changes which follow from mergers, acquisitions or sale of subsidiaries, long-term investments, restructurings or discontinuations of any businesses

In the period from the end of the previous financial year, i.e. December 31st 2011 (see Note 2 to the consolidated financial statements for 2011, prepared in accordance with the IFRS), the Group's structure was subject to the changes listed below and described in Note 2 to these interim condensed consolidated financial statements.

Offer to purchase Series A shares in LOTOS Petrobaltic S.A.

On December 17th 2010, Grupa LOTOS S.A. made an offer to purchase LOTOS Petrobaltic S.A. shares. The offer was addressed only to the following persons: employees and former employees of LOTOS Petrobaltic S.A. who acquired the shares free of charge under the Act on Commercialisation and Privatisation of State-Owned Enterprises, dated August 30th 1996, as well as their heirs and members of their immediate family who acquired the shares through donation directly from such persons. The offer was valid until January 30th 2011. The purchase price was PLN 126 per share. By the date of approval of these interim condensed consolidated financial statements, the share purchase process has been completed.

Accounting for the acquisition of Series A shares in LOTOS Petrobaltic S.A. from non-controlling shareholders

In the period from January 1st to March 31st 2012, Grupa LOTOS S.A. acquired 26 shares in LOTOS Petrobaltic S.A. with an aggregate value of PLN 3 thousand, representing 0.0003% of the company's share capital.

In line with IAS 27 Consolidated and Separate Financial Statements, the transaction has been accounted for as an equity transaction, as a result of which an amount of PLN 2 thousand was recognised under retained earnings attributable to the Parent.

Accounting for the acquisition of shares in LOTOS Petrobaltic S.A. from non-controlling shareholders as at March 31st 2012:

(PLN '000)

Value of non-controlling interests as at Mar 31 2012 (A)	5
Value of the acquired 0.0003% of shares in LOTOS Petrobaltic S.A. (B)	3
Costs related to the acquisition (C)	-
Excess of the value of non-controlling interests over the value of the acquired shares (A-B-C)	2

Increase of the share capital of LOTOS Petrobaltic S.A.

On February 2nd 2012, the increase in the share capital of LOTOS Petrobaltic S.A. was registered. In exercise of its pre-emptive rights, on December 15th 2011 Grupa LOTOS S.A. subscribed for new Series C shares. The

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share capital of LOTOS Petrobaltic S.A. was increased by PLN 2,800 thousand, i.e. from PLN 96,600 thousand to PLN 99,400 thousand, through the issue of 280,000 registered Series C shares with a par value of PLN 10 per share. Grupa LOTOS S.A. was allocated 279,996 shares.

As a result of the executed transactions, consisting in the purchase of shares in LOTOS Petrobaltic S.A. from non-controlling shareholders and the increase in the share capital of LOTOS Petrobaltic S.A., as at March 31st 2012 Grupa LOTOS S.A. held a 99.95% interest in LOTOS Petrobaltic S.A., including 9,934,851 shares conferring the right to vote at the company's General Meeting.

Sale of shares in LOTOS Parafiny Sp. z o.o. to a third party

On January 10th 2012, 100% of shares in LOTOS Parafiny Sp. z o.o. were sold to a third party, namely to Krokus Chem Sp. z o.o., in which Fundusz Nova Polonia Natexis LPiI and the management staff of LOTOS Parafiny Sp. z o.o. hold interests. On November 30th 2011, Grupa LOTOS S.A. and Krokus Chem Sp. z o.o. signed a preliminary agreement to sell 100% of shares in LOTOS Parafiny Sp. z o.o.

As an additional element of the transaction, on November 29th 2011 the parties executed a seven-year agreement on supply of slack waxes by Grupa LOTOS S.A. to LOTOS Parafiny Sp. z o.o. The agreement was concluded for a period from January 1st 2012 to December 31st 2018, and its estimated net value is PLN 780m. The maximum net value of contractual penalties is estimated at PLN 98m. The agreement does not contain any provisions which would prevent the parties from seeking additional compensation above the contractual penalties. The other terms and conditions of the contract do not differ from the terms and conditions commonly applied in agreements of such type.

The effect of loss of control over the subsidiary, of PLN 20,966 thousand, has been presented in the statement of comprehensive income for the three months ended March 31st 2012 under "Loss of control over subsidiary". As at December 31st 2011, the assets and liabilities of LOTOS Parafiny Sp. z o.o. were presented in the consolidated financial statements in related entity assets held for sale and the associated liabilities. LOTOS Parafiny Sp. z o.o. was classified in the downstream segment.

Increase of the share capital of LOTOS Exploration and Production Norge AS

On January 14th 2012, the court registered an increase in the share capital of LOTOS Exploration and Production Norge AS by NOK 91,984 thousand, to NOK 664,718 thousand, through the issue of new Series B shares with a par value of NOK 1 per share. All the new Series B shares were subscribed for by LOTOS Petrobaltic S.A.

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16. Changes in contingent liabilities, contingent assets, guarantees and other security instruments since the previous balance-sheet date

16.1 Promissory notes, bank guarantees or other types of security instruments issued by financial institutions

Bank guarantees and other types of security instruments issued upon the instructions of the Parent and the LOTOS Group companies, and issued by the LOTOS Group companies

Mar 31 2012 (PLN '000)	Value of security in foreign currency	Currency of security	Value of security in PLN ⁽¹⁾	Security expiry date	Bank or other institution issuing the security instrument	Type of security / information on debtor
Beneficiary						
Security instruments issued upon the instructions of Grupa LOTOS S.A.						
Port Lotniczy Rzeszów–Jasionka Sp. z o.o.	4,116	PLN	4,116	Dec 31 2012	PKO BP S.A.	Bank guarantee
Port Lotniczy Wrocław	5,547	PLN	5,547	Jan 30 2013	ING Bank Śląski S.A.	Bank guarantee
Other (each with a unit value of less than PLN 1,000 thousand)	2,670	PLN	2,670	-	-	Bank guarantees
Other (each with a unit value of less than PLN 1,000 thousand)	161	EUR	670	-	-	Bank guarantees
Total security instruments issued upon the instructions of Grupa LOTOS S.A.			13,003			
Security instruments issued by or upon the instructions of the LOTOS Group companies						
Government of Norway	-	-	-	unspecified	LOTOS Petrobaltic S.A.	Guarantee covering all the activities undertaken by LOTOS Exploration and Production Norge AS as part of its exploration and production operations on the Norwegian Continental Shelf
National Fund for Environmental Protection and Water Management	16,931 ⁽²⁾	PLN	16,931	Feb 20 2015	Bank Pekao S.A.	Bank guarantee
Other, including:	27,877	PLN	27,877	-	-	-
bank guarantees	4,968	PLN	4,968	-	-	-
bank performance bonds	21,059	PLN	21,059	-	-	-
Total other security instruments issued by or upon the instructions of the LOTOS Group companies			44,808			
TOTAL FOR THE GROUP			57,811			

⁽¹⁾ The values of security instruments denominated in foreign currencies have been translated using the respective mid-exchange rates quoted by the National Bank of Poland for March 31st 2012.

⁽²⁾ The bank guarantee secures the PLN 35,000 thousand loan of June 29th 2007 contracted by LOTOS Biopaliwa Sp. z o.o. with the National Fund for Environmental Protection and Water Management.

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Dec 31 2011 (PLN '000)	Value of security in foreign currency	Currency of security	Value of security in PLN ⁽¹⁾	Security expiry date	Bank or other institution issuing the security instrument	Type of security / information on debtor
Beneficiary						
Security instruments issued upon the instructions of Grupa LOTOS S.A.						
Port Lotniczy Rzeszów–Jasionka Sp. z o.o.	4,116	PLN	4,116	Dec 31 2012 ⁽²⁾	PKO BP S.A.	Bank guarantee
UOP CH SARL	700	USD	2,392	Jan 15 2012 ⁽³⁾	Deutsche Bank S.A.	Bank guarantee
Port Lotniczy Wrocław	5,547	PLN	5,547	Jan 30 2013	ING Bank Śląski S.A.	Bank guarantee
Other (each with a unit value of less than PLN 1,000 thousand)	2,210	PLN	2,210	-	-	Bank guarantees
Other (each with a unit value of less than PLN 1,000 thousand)	134	EUR	591	-	-	Bank guarantees
Other (each with a unit value of less than PLN 1,000 thousand)	36	USD	123	-	-	Bank guarantees
Total security instruments issued upon the instructions of Grupa LOTOS S.A.			14,979			
Security instruments issued by or upon the instructions of the LOTOS Group companies						
Government of Norway	-	-	-	unspecified	LOTOS Petrobaltic S.A.	Guarantee covering all the activities undertaken by LOTOS Exploration and Production Norge AS as part of its exploration and production operations on the Norwegian Continental Shelf
National Fund for Environmental Protection and Water Management	18,556 ⁽⁴⁾	PLN	18,556	Feb 20 2015	Bank Pekao S.A.	Bank guarantee
Other, including:	25,652	PLN	25,652	-	-	-
bank guarantees	5,168	PLN	5,168	-	-	-
bank performance bonds	18,634	PLN	18,634	-	-	-
Total other security instruments issued by or upon the instructions of the LOTOS Group companies			44,208			
TOTAL FOR THE GROUP			59,187			

⁽¹⁾ The values of security instruments denominated in foreign currencies have been translated using the respective mid-exchange rates quoted by the National Bank of Poland for December 31st 2011.

⁽²⁾ The original validity term (December 31st 2011) has been extended under a relevant annex until December 31st 2012.

⁽³⁾ Security expired upon the lapse of its validity term.

⁽⁴⁾ The bank guarantee secures the PLN 35,000 thousand loan of June 29th 2007 contracted by LOTOS Biopaliwa Sp. z o.o. with the National Fund for Environmental Protection and Water Management.

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Promissory notes

Mar 31 2012 (PLN '000)	Promissory note(s) amount in foreign currency	Currency of promissory note(s)	Promissory note(s) amount in PLN ⁽¹⁾	Expiry date of promissory note(s)	Type
Promissory notes issued by Grupa LOTOS S.A.					
Head of the Customs Office in Gdańsk	240,000	PLN	240,000	Aug 19 2012	Contingent liability in the form of lump sum security for a tax liability of PLN 800,000 thousand
PKO BP S.A.	300,000	PLN	300,000	Nov 25 2016	Security for bank borrowings
Total promissory notes issued by Grupa LOTOS S.A.			540,000		
Promissory notes issued by the LOTOS Group companies					
Head of the Customs Office in Gdańsk	10,000	PLN	10,000	Apr 30 2013 ⁽²⁾	Security for a tax liability
National Fund for Environmental Protection and Water Management	1,500	PLN	1,500	Sep 30 2012	Security for a subsidy
Head of the Customs Office in Gdańsk	7,000	PLN	7,000	Feb 28 2013	Security for excise duty
BRE Bank S.A.	50,000	PLN	50,000	Mar 15 2013 ⁽³⁾	Security for bank borrowings
PKO BP S.A.	60,000	PLN	60,000	May 18 2012 ⁽⁴⁾	Security for bank borrowings
National Fund for Environmental Protection and Water Management	3,450	PLN	3,450	Dec 31 2012	Security for a subsidy
Head of the Customs Office in Bielsko-Biała	13,224	PLN	13,224	Jun 30 2012	Global excise duty security
Bank Polska Kasa Opieki S.A.	200,000	PLN	200,000	- ⁽⁵⁾	Security for bank borrowings
Stablewood Power Ventures (Władysławowo) Ltd.	8,000	USD	24,953	Jun 30 2013 ⁽⁶⁾	Security for cash liabilities under acquisition of shares and debt claims
Bank Ochrony Środowiska S.A.	27,413	PLN	27,413	Jun 30 2016	Security for liabilities under a credit facility agreement
Bank Ochrony Środowiska S.A.	9,490	PLN	9,490	Dec 20 2016	Security for liabilities under a credit facility agreement
NORDEA BANK POLSKA S.A.	20,000	PLN	20,000	Jul 31 2012	Security for liabilities under a credit facility agreement
BRE Bank S.A.	35,000	PLN	35,000	Apr 25 2013 ⁽⁷⁾	Security for liabilities under a credit facility agreement
Millennium Leasing Sp. z o.o.	9,608 ^{(8), (10)}	EUR	39,987	-	Security for liabilities under lease agreements
NORDEA FINANCE POLSKA S.A.	15,790 ^{(9), (10)}	EUR	65,710	-	Security for liabilities under lease agreements

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Mar 31 2012 (PLN '000)	Promissory note(s) amount in foreign currency	Currency of promissory note(s)	Promissory note(s) amount in PLN ⁽¹⁾	Expiry date of promissory note(s)	Type
Beneficiary of promissory note					
Other (each with a unit value of less than PLN 1,000 thousand)	2,142	PLN	2,142	-	-
Total promissory notes issued by the LOTOS Group companies			569,869		
TOTAL FOR THE GROUP			1,109,869		

⁽¹⁾ The values of security instruments denominated in foreign currencies have been translated using the respective mid-exchange rates quoted by the National Bank of Poland for March 31st 2012.

⁽²⁾ The validity term (April 30th 2012) has been extended until April 30th 2013.

⁽³⁾ The validity term has been extended until March 15th 2013.

⁽⁴⁾ The validity term (April 16th 2012) has been extended until May 18th 2012.

⁽⁵⁾ Credit facility agreement of November 7th 2011.

⁽⁶⁾ The date of payment of the last instalment of the price for the acquisition of shares and debt claims from Stablewood Power Ventures (Wladyslawowo) Ltd.

⁽⁷⁾ The validity term, previously expiring on April 25th 2012, has been extended until April 25th 2013.

⁽⁸⁾ The value of leased assets is EUR 11,192.

⁽⁹⁾ The value of leased assets is EUR 18,582.

⁽¹⁰⁾ The value of payment liabilities as at March 31st 2012.

Dec 31 2011 (PLN '000)	Promissory note(s) amount in foreign currency	Currency of promissory note(s)	Promissory note(s) amount in PLN ⁽¹⁾	Expiry date of promissory note(s)	Type
Beneficiary of promissory note					
Promissory notes issued by Grupa LOTOS S.A.					
Head of the Customs Office in Gdańsk	240,000	PLN	240,000	Aug 19 2012 ⁽²⁾	Contingent liability in the form of lump sum security for a tax liability of PLN 800,000 thousand
PKO BP S.A.	300,000	PLN	300,000	Nov 25 2016 ⁽³⁾	Security for bank borrowings
Total promissory notes issued by Grupa LOTOS S.A.			540,000		
Promissory notes issued by the LOTOS Group companies					
Head of the Customs Office in Gdańsk	10,000	PLN	10,000	Apr 30 2012 ⁽⁴⁾	Security for a tax liability
National Fund for Environmental Protection and Water Management	1,500	PLN	1,500	Sep 30 2012	Security for a subsidy
Head of the Customs Office in Gdańsk	7,000	PLN	7,000	Feb 29 2012 ⁽⁵⁾	Security for excise duty
BRE Bank S.A.	50,000	PLN	50,000	Mar 15 2013 ⁽⁶⁾	Security for bank borrowings
PKO BP S.A.	60,000	PLN	60,000	Apr 16 2012 ⁽⁷⁾	Security for bank borrowings
National Fund for Environmental Protection and Water	3,450	PLN	3,450	Dec 31 2012	Security for a subsidy

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Dec 31 2011 (PLN '000)	Promissory note(s) amount in foreign currency	Currency of promissory note(s)	Promissory note(s) amount in PLN ⁽¹⁾	Expiry date of promissory note(s)	Type
Management					
Head of the Customs Office in Bielsko-Biala	13,224	PLN	13,224	Jun 30 2012	Global excise duty security
Bank Polska Kasa Opieki S.A.	200,000	PLN	200,000	- ⁽⁸⁾	Security for bank borrowings
Stablewood Power Ventures (Wladyslawowo) Ltd.	8,000	USD	27,339	Jun 30 2013 ⁽⁹⁾	Security for cash liabilities under acquisition of shares and debt claims
Bank Ochrony Środowiska S.A.	27,413	PLN	27,413	Jun 30 2016	Security for liabilities under a credit facility agreement
Bank Ochrony Środowiska S.A.	9,490	PLN	9,490	Dec 20 2016	Security for liabilities under a credit facility agreement
NORDEA BANK POLSKA S.A.	20,000	PLN	20,000	Jul 31 2012	Security for liabilities under a credit facility agreement
BRE Bank S.A.	35,000	PLN	35,000	Apr 25 2012	Security for liabilities under a credit facility agreement
Millennium Leasing Sp. z o.o.	9,824 ^{(10), (12)}	EUR	43,390	-	Security for liabilities under lease agreements
NORDEA FINANCE POLSKA S.A.	16,143 ^{(11), (12)}	EUR	71,301	-	Security for liabilities under lease agreements
Other (each with a unit value of less than PLN 1,000 thousand)	2,142	PLN	2,142	-	-
Total promissory notes issued by the LOTOS Group companies			581,249		
TOTAL FOR THE GROUP			1,121,249		

⁽¹⁾ The values of security instruments denominated in foreign currencies have been translated using the respective mid-exchange rates quoted by the National Bank of Poland for December 31st 2011.

⁽²⁾ The previous validity term of the security for excise duty was August 19th 2011.

⁽³⁾ Under a relevant annex, effective of November 25th 2011, the credit facility term end date was postponed to November 25th 2016 and the facility amount was changed from PLN 200,000 thousand to PLN 300,000 thousand.

⁽⁴⁾ The validity term (April 30th 2011) has been extended until April 30th 2012.

⁽⁵⁾ The original validity term (February 28th 2011) has been extended until February 29th 2012.

⁽⁶⁾ The validity term has been extended until March 15th 2012 and again until March 15th 2013, and the facility amount was increased from PLN 30,000 thousand to PLN 50,000 thousand.

⁽⁷⁾ The validity term has been extended until March 16th 2012 and again until April 16th 2012, and the facility amount was changed from PLN 100,000 thousand to PLN 60,000 thousand.

⁽⁸⁾ Credit facility agreement of November 7th 2011.

⁽⁹⁾ The date of payment of the last instalment of the price of the shares and debt claims from Stablewood Power Ventures (Wladyslawowo) Ltd.

⁽¹⁰⁾ The value of leased assets is EUR 11,192.

⁽¹¹⁾ The value of leased assets is EUR 18,582.

⁽¹²⁾ The value of payment liabilities as at December 31st 2011.

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16.2 Material court, arbitration or administrative proceedings and other risks relating to the Parent or its subsidiaries

The following changes occurred with respect to material pending court, arbitration, or administrative proceedings or with respect to other risks of the Company or its subsidiaries since the end of the previous financial year, i.e. December 31st 2011 (see Note 38.4 to the 2011 consolidated financial statements prepared in accordance with the IFRS):

1. On May 18th 2001, PETROECCO JV Sp. z o.o. brought an action against the Company whereby it sought the courts' decision awarding an amount of PLN 6,975 thousand, together with statutory interest from May 1st 1999, as compensation for damage incurred as a result of the Company's monopolistic practices, which involved selling BS base oils in a manner favouring some customers, whose orders were executed to a disproportionately higher extent than the orders of PETROECCO JV Sp. z o.o. The alleged use of the monopolistic practices by the Company was confirmed by a decision of the Anti-Monopoly Office of September 26th 1996, in which the Office ordered the Company to abandon such practices. The Company appealed against the decision. The Provincial Court of Warsaw – the Anti-Monopoly Court, changed, by virtue of its decision of October 22nd 1997, only the wording of the decision and ordered the Company to abandon monopolistic practices. The cassation complaint against this decision filed by the Company was dismissed by the Supreme Court by virtue of its decision of June 2nd 1999.

The Regional Court of Gdańsk, by virtue of its decision of December 21st 2002, dismissed the action for compensation, fully complying with the Company's objection referring to the statute of limitation. However, this decision was overruled on December 4th 2003 by the Gdańsk Court of Appeals, in case No. I ACa 824/03, and remanded for re-examination by the Regional Court of Gdańsk. The Court of Appeals found that the reference to the statute of limitation was not justified. According to the Court, it was only on June 2nd 1999 (the date of the Supreme Court's ruling) that PETROECCO JV Sp. z o.o. became aware that the damage it incurred resulted from monopolistic practices giving rise to the Company's liability in tort, and it is as of that date, in the Court's opinion, that the three-year period of limitation of compensation claims should be counted.

The case was pending before the Regional Court of Gdańsk (First Instance Court); court docket No. IX GC134/04. The Company has also defended itself by raising objections as to the merits of the case (it questions the fact that any damage was incurred by PETROECCO JV Sp. z o.o., the amount of the alleged damage, and the existence of the cause and effect relationship between the monopolistic practices and the damage). Following a hearing held in June 2005, the Regional Court of Gdańsk ordered an court expert in accountancy and economics to draw up an opinion concerning the extent of the damage which the plaintiff incurred as a result of Grupa LOTOS S.A.'s activities. In the issued opinion, the court expert stated that based on the materials presented by PETROECCO JV Sp. z o.o. it was not possible to establish the amount of the losses or even state whether any losses were actually incurred. Besides, the expert pointed out that an opinion should be requested from an court expert in a field other than accountancy. The lack of evidence required to issue an opinion prevented the plaintiff from procuring the appointment of another expert witness. Another hearing was held on March 27th 2007. Announcement of the ruling was scheduled for April 10th 2007, and subsequently postponed until April 20th 2007. Pursuant to the ruling of April 20th 2007, the action was dismissed. On May 17th 2007, the Company filed an appeal against the court's decision regarding the cost of the proceedings. On June 4th 2007, PETROECCO JV Sp. z o.o. lodged an appeal against the ruling issued on April 20th 2007. On August 12th 2007, the Company submitted its response to the appeal. On December 20th 2007, the Court dismissed PETROECCO JV Sp. z o.o.'s appeal against the Regional Court's decision. On March 19th 2008, an enforcement motion was filed with a Court Enforcement Officer against PETROECCO JV Sp. z o.o. On April 17th 2008, PETROECCO JV Sp. z o.o. lodged a cassation complaint against the ruling of December 20th 2007. The complaint was delivered to Grupa LOTOS S.A. on June 17th 2008. On June 30th 2008, Grupa LOTOS S.A. sent a response to the complaint. The case was referred to pre-trial proceedings scheduled for November 14th 2008. On January 14th 2009, the Supreme Court reversed the ruling appealed against and remanded the case for re-examination by the Court of Appeals in Gdańsk. On March 10th 2009, the case files were delivered to the Court of Appeals. On April 3rd 2009, the Court Enforcement Officer sent the decision on discontinuation of the enforcement proceedings. On May 14th 2009, the Court of Appeals referred the case to the Regional Court for re-examination. During a hearing held on November 3rd 2009, the Court obliged PETROECCO JV Sp. z o.o. to appoint an expert. On October 1st 2010, a hearing was held during which the expert was heard. On May 16th 2011, Grupa LOTOS S.A. sent its response to the summons to submit a representation concerning sustaining the motion for evidence from an expert's opinion and to pay a PLN 23 thousand advance towards the cost of the opinion. On May 18th 2011, a court paper was received from PETROECCO JV Sp. z o.o. which upheld the previous position on the above matter. On March 14th 2012, an opinion of the Oil and Gas Institute of Kraków was received, to which Grupa LOTOS S.A. replied on March 28th 2012. On March 22nd 2012, a court paper was received from

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PETROECCO JV Sp. z o.o. As at the date of approval of these interim condensed consolidated financial statements, the case was pending.

The Company's Management Board is of the opinion that the risk of an unfavourable ruling in a potential dispute is low, therefore no provisions for potential damages were created and disclosed in the interim condensed consolidated financial statements.

2. On November 3rd 2005, Grupa LOTOS S.A. was served a nullity suit submitted by the Minister of State Treasury, concerning the agreement of August 18th 1998 between Grupa LOTOS S.A. and Polska Żegluga Morska, a state-owned company, providing for the sale of two shares in Naftoport Sp. z o.o., valued at PLN 3,340 thousand. On April 21st 2006, the Regional Court of Gdańsk, IX Commercial Division, issued a ruling dismissing the suit in its entirety. On June 8th 2006, the Minister of State Treasury appealed against the ruling of April 21st 2006 which dismissed the Minister's nullity suit regarding the agreement of August 18th 1998. On June 30th 2006, the Company filed its response to the appeal. On December 28th 2006, the Court of Appeals passed a ruling reversing the challenged decision of April 21st 2006 and declaring the agreement on the sale of two shares in Naftoport Sp. z o.o. as invalid. On April 6th 2007, the Company filed a cassation complaint and a request to stay enforcement of the decision of the second instance. By virtue of the ruling of the Court of Appeals of Szczecin dated April 20th 2007, the request to stay enforcement of the decision of the second instance was dismissed. On August 10th 2007, the Supreme Court issued a decision to accept the cassation complaint for consideration. On November 21st 2007, the Supreme Court issued a decision to remand the case back to the Court of Appeals of Szczecin. The hearing was held on May 7th 2008. The court dismissed the claim in its entirety and decided that the costs of the proceedings in the amount of PLN 100 thousand would be returned to Grupa LOTOS S.A. On May 7th 2008, the court's decision became final. On August 20th 2008, the State Treasury lodged a cassation complaint. On December 11th 2008, the case files arrived at the Supreme Court, Civil Chamber Division II. In a closed session held on March 6th 2009, the court accepted the complaint for consideration. The date of the hearing was set for May 6th 2009; during the hearing, the Supreme Court remanded the case for re-examination by the Szczecin Court of Appeals. At the hearing held on September 30th 2009, the Court of Appeals dismissed the action and awarded reimbursement of the cost of court proceedings to Grupa LOTOS S.A. by the State Treasury. On January 11th 2010, the State Treasury lodged a cassation complaint against the ruling to the Court of Appeals. The complaint, along with the court's decision to accept the complaint for consideration, was served on the Company on June 6th 2010. On July 8th 2010, the Supreme Court overruled the Court of Appeals' judgment and remanded the case for re-examination. On February 17th 2011, a hearing was held before the Szczecin Court of Appeals, which, however, did not issue any ruling due to the complexity of the case. On July 13th 2011, the Supreme Court issued its decision concerning a legal issue presented by the Court of Appeals. On November 23rd 2011, the Court refused the Minister of State Treasury's appeal. On March 6th 2012, the State Treasury's cassation complaint was received, to which Polska Żegluga Morska replied on March 20th 2012. As at the date of approval of these interim condensed consolidated financial statements the case was pending.

The Company's Management Board is of the opinion that the risk of an unfavourable ruling in a potential dispute is low, therefore no provisions for potential damages were created in these interim condensed consolidated financial statements.

3. On January 16th 2012, an arbitration court's session was held to hear a case concerning claims brought by Single Buoy Moorings Inc. ("SBM"), supplier of the MOPU (Mobile Operating and Production Unit) intended to be used to conduct production from the YME field. The petition in which SBM presented its claims against Talisman Energy Norge AS and other holders of interests in the YME project was filed with the arbitration court in Norway on January 25th 2011. The petitioner demanded:
- USD 90,000 thousand as an additional bonus for delivering the MOPU within the deadline set forth for its delivery in the agreement,
 - USD 3,700 thousand as reimbursement of costs incurred in connection with using a different method to transport the MOPU.

The liability of LOTOS Exploration and Production Norge AS for SBM's claims amounts to 20% of the above amounts, i.e. USD 18,740 thousand in total. According to information obtained by LOTOS Exploration and Production Norge AS from Talisman Energy Norge AS, the licence operator and leader of the YME project, in the light of the MOPU Supply Agreement, SBM's claims are unfounded.

On February 20th 2012, a decision in the arbitration proceedings was announced. All claims of Single Buoy Moorings Inc. were dismissed and the arbitration proceedings were closed.

Furthermore, as at the date of approval of these interim condensed consolidated financial statements preparations related to the second arbitration proceedings concerning claims brought by Single Buoy Moorings Inc. ("SBM") against the YME consortium were under way. The claim involves disputed costs of USD 330,000 thousand relating to dealings between the parties under the agreement on delivery of the

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MOPU to Norway. The share of SBM's claims attributable to LOTOS Exploration and Production Norge AS is 20%.

4. On July 23rd 2009, the District Court for Kraków-Śródmieście in Kraków declared KRAK-GAZ Sp. z o.o. bankrupt. The company's estate is managed by a bankruptcy administrator. As at the date of approval of these interim condensed consolidated financial statements, the bankruptcy proceedings were pending. On March 13th 2012, the judge commissioner conducting the bankruptcy proceedings of KRAK-GAZ Sp. z o.o. issued a decision admitting objections to the list of debt claims and recognised the claim of LOTOS Gaz S.A. w likwidacji (in liquidation) in the total amount of PLN 23,695 thousand, including principal amount of PLN 21,435 thousand, and acknowledged claims of PLN 21,132 thousand as secured with mortgages. As at the date of approval of these interim condensed consolidated financial statements LOTOS Gaz S.A. (in liquidation) had not received any information on whether the ruling was final.

17. Other information

1. On January 17th 2012, following completion of the APA 2011 licence round, LOTOS Exploration and Production Norge AS was awarded interests in two exploration licences in the Norwegian Sea. Interests in licence PL 643 – block 6406/ & 6406/4 (Halten Terrace) were awarded to LOTOS Exploration and Production Norge AS – 30%, VNG Norge AS – 40% (licence operator), and Edison International Spa – 30%. Interests in licence PL 655 – block 6610/2 (Træna Basin) were awarded to LOTOS Exploration and Production Norge AS – 30%, Wintershall – 30% (licence operator), Centrica – 20%, and VNG – 20%.
2. In the twelve months to January 25th 2012, Grupa LOTOS S.A. entered into agreements with TNK Trade Ltd. whose total value reached approximately USD 213.65m, (i.e. PLN 704.84m, translated using the mid-exchange rate for USD quoted by the National Bank of Poland for January 25th 2012) i.e. the value of a significant agreement (more than 10% of Grupa LOTOS S.A.'s equity). On December 28th 2011, Grupa LOTOS S.A. and TNK Trade Ltd. executed an agreement for a specified period (from December 28th 2011 to January 31st 2012) providing for crude oil supplies to Grupa LOTOS S.A., which was the highest-value agreement in the series. The net value of the agreement of December 28th 2011 is estimated at approximately USD 40.35m (i.e. PLN 135.61m, translated using the USD mid-exchange rate quoted by the National Bank of Poland for December 28th 2011). The agreement does not include any condition precedent or specify any date of events giving rise to a claim (dies a quo), nor does it provide for any contractual penalties. The other terms and conditions of the contract do not differ from the terms and conditions commonly applied in agreements of such type.
3. In the period from January 10th 2011 to January 3rd 2012, Grupa LOTOS S.A. signed agreements with companies of the BP Group whose total value reached approximately PLN 1,841m, i.e. the value of a significant agreement (more than 10% of Grupa LOTOS S.A.'s equity). On January 3rd 2012, Grupa LOTOS S.A. and BP Europa SE Polish Branch executed an agreement for a specified period (from January 3rd 2012 to December 31st 2012), providing for sale of liquid fuels by Grupa LOTOS S.A. to BP Europa SE, which was the highest-value agreement in the series. The estimated net value of the agreement of January 3rd 2012 is approximately PLN 1,300m, and the maximum net amount of contractual penalties under this agreement is around PLN 19m. The agreement does not contain any provisions under which the parties would be entitled to seek any additional compensation above the contractual penalties. The other terms and conditions of the contract do not differ from the terms and conditions commonly applied in agreements of such type.
4. In the period from November 8th 2011 to February 29th 2012, Grupa LOTOS S.A. and Petraco Oil Company Ltd. entered into agreements whose total value approximated PLN 848m, attaining the value of a significant agreement (more than 10% of Grupa LOTOS S.A.'s equity). The highest-value transaction was the agreement of December 29th 2011, which was made for a specified period from January 1st 2012 to January 31st 2012 and provided for supplies of crude oil to Grupa LOTOS S.A. The estimated value of the agreement of December 29th 2011 was PLN 297m. The agreement does not include any condition precedent or specify any date of events giving rise to a claim (dies a quo), it does not provide for any contractual penalties and its terms and conditions do not differ from the terms and conditions commonly applied in agreements of such type.
5. On March 14th 2012, having obtained the relevant corporate approvals, LOTOS Exploration and Production Norge AS decided to abandon licences PL 455 and PL 515.
6. In the period from December 29th 2011 to April 2nd 2012, Grupa LOTOS S.A. and Eminent Energy Ltd entered into agreements whose total value approximated PLN 841m, attaining the value of a significant agreement (more than 10% of Grupa LOTOS S.A.'s equity). The highest-value transaction was the agreement between Grupa LOTOS S.A. and Eminent Energy Ltd of February 24th 2012, which was made for a specified period from March 1st 2012 to March 31st 2012 and provided for supplies of crude oil to Grupa

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LOTOS S.A. Its estimated value was PLN 303m. The agreement does not include any condition precedent or specify any date of events giving rise to a claim (dies a quo), nor does it provide for any contractual penalties. The other terms and conditions of the contract do not differ from the terms and conditions commonly applied in agreements of such type.

7. On April 2nd 2012, Grupa LOTOS S.A. and Mercuria Energy Trading SA entered into two agreements for a specified period (from April 2nd 2012 to April 30th 2012) providing for supplies of crude oil to Grupa LOTOS S.A. The total value of the two agreements approximated PLN 808m, attaining the value of a significant agreement (more than 10% of Grupa LOTOS S.A.'s equity). The highest-value transaction in the series had an estimated value of PLN 539m. The agreement does not include any condition precedent or specify any date of events giving rise to a claim (dies a quo), nor does it provide for any contractual penalties. The other terms and conditions of the contract do not differ from the terms and conditions commonly applied in agreements of such type.
8. In the period from November 9th 2011 to April 18th 2012, Grupa LOTOS S.A. entered into agreements with companies of the Statoil Group whose total value reached approximately PLN 935m, i.e. the value of a significant agreement (more than 10% of Grupa LOTOS S.A.'s equity). On January 13th 2012, Grupa LOTOS S.A. and Statoil ASA of Stavanger executed an agreement for a specified period (from January 13th 2012 to January 31st 2012), which was the highest-value agreement in the series – it provided for sale to Grupa LOTOS S.A. of crude oil with the value of approximately PLN 357m. The agreement does not include any condition precedent or specify any date of events giving rise to a claim (dies a quo), nor does it provide for any contractual penalties. The other terms and conditions of the contract do not differ from the terms and conditions commonly applied in agreements of such type.

Intercompany loans

1. On January 16th 2012, an annex was signed to the agreement of October 24th 2011 under which AB LOTOS Geonafta provided a loan of USD 20,000 thousand (or PLN 63,410 thousand, translated at the mid-exchange rate for USD quoted by the National Bank of Poland for October 24th 2011) to LOTOS Exploration and Production Norge AS. Under the annex, the final date for repayment of the loan was postponed to December 31st 2014. Originally, the loan was to be repaid within three months of the date the loan agreement was signed by both parties. The loan is secured with a promissory note with a "protest waived" clause, issued by LOTOS Exploration and Production Norge AS for the benefit of the AB Geonafta.
2. On February 22nd 2012, Grupa LOTOS S.A. signed an agreement to grant a loan of USD 10,000 thousand (or PLN 31,635 thousand, translated at the mid-exchange rate for USD quoted by the National Bank of Poland for February 22nd 2012) to LOTOS Exploration and Production Norge AS. The loan is mainly intended for the financing of the YME Production Project. The loan principal and interest are to be repaid by January 31st 2013. In order to secure the repayment of the loan (including principal, interest and default interest, if any, as well as any other liabilities that may arise in connection with the execution and performance of the loan agreement), LOTOS Exploration and Production Norge AS created for the benefit of Grupa LOTOS S.A. security in the form of a blank promissory note with a "protest waived" clause and a promissory note declaration.
3. On March 16th 2012, Grupa LOTOS S.A. signed an agreement to grant a loan of USD 10,000 thousand (or PLN 31,688 thousand, translated at the mid-exchange rate for USD quoted by the National Bank of Poland for March 16th 2012) to LOTOS Exploration and Production Norge AS. The loan is mainly intended for the financing of the YME Production Project. The loan principal and interest are to be repaid by January 31st 2013. In order to secure the repayment of the loan (including principal, interest and default interest, if any, as well as any other liabilities that may arise in connection with the execution and performance of the loan agreement), LOTOS Exploration and Production Norge AS created for the benefit of Grupa LOTOS S.A. security in the form of a blank promissory note with a "protest waived" clause and a promissory note declaration.
4. On January 31st 2012, LOTOS Gaz S.A. w likwidacji (in liquidation) repaid another portion (PLN 650 thousand) of the PLN 2,000 thousand loan advanced to it by Grupa LOTOS S.A. on June 29th 2010. By March 31st 2012, LOTOS Gaz S.A. w likwidacji (in liquidation) repaid PLN 1,750 thousand under the above loan. The outstanding loan amount is to be repaid by November 30th 2012.

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As at March 31st 2012, the total carrying amount of intercompany loans stood at PLN 955,261 thousand, and the total nominal value of these loans was as follows:

- loans denominated in PLN: PLN 7,208 thousand,
- loans denominated in USD: USD 259,758 thousand (PLN 810,211 thousand, translated at the USD mid-exchange rate quoted by the National Bank of Poland for March 31st 2012),
- loans denominated in EUR: EUR 13,280 thousand (PLN 55,266 thousand, translated at the EUR mid-exchange rate quoted by the National Bank of Poland for March 31st 2012).

Moreover, on April 16th 2012, LOTOS Petrobaltic S.A. signed an agreement to grant a loan of USD 10,700 thousand (PLN 34,549 thousand, translated at the mid-exchange rate for USD quoted by the National Bank of Poland for April 16th 2012) to LOTOS Exploration & Production Norge AS. The loan principal and interest are to be repaid by November 30th 2014. In order to secure the repayment of the loan (including principal, interest and default interest, if any, as well as any other liabilities that may arise in connection with the execution and performance of the loan agreement), LOTOS Exploration and Production Norge AS created for the benefit of LOTOS Petrobaltic S.A. security in the form of a blank promissory note with a "protest waived" clause and a promissory note declaration.

Supplementary information on intercompany transactions

- Due to early repayment of the loan, the surety of up to EUR 47,300 thousand (PLN 188,935 thousand, translated at the EUR mid-exchange rate quoted by the National Bank of Poland for December 21st 2010) issued under the agreement of December 21st 2010 by LOTOS Petrobaltic S.A. for the benefit of Nordea Bank Polska S.A. and Nordea Bank Finland PLC Lithuania Branch in respect of the liabilities of UAB LOTOS Baltija (currently AB LOTOS Geonafta) under an agreement for a loan of EUR 43,000 thousand (PLN 171,759 thousand, translated at the EUR exchange rate quoted by the National Bank of Poland for December 21st 2010) executed between UAB LOTOS Baltija and the above banks, expired on April 16th 2012. Originally, the surety was supposed to be effective until June 14th 2012.
- On April 16th 2012, LOTOS Petrobaltic S.A. issued a surety for the benefit of Nordea Bank Polska and Nordea Bank Finland PLC Lithuania Branch in respect of the liabilities of AB LOTOS Geonafta under the credit facility agreements of April 5th 2012 between AB LOTOS Geonafta and the said banks. The credit facility amount is USD 57,298 thousand (PLN 181,509 thousand, translated at the USD exchange-rate quoted by the National Bank for April 5th 2012). The surety was issued up to the lower of USD 63,027 thousand or PLN 293,828 thousand. The date until which the surety applies has been determined as the earlier of the date on which all the security under the credit facility agreements has been created or February 29th 2016. As security for potential claims, a blank promissory note with a "protest waived" clause and a promissory note declaration was issued by AB LOTOS Geonafta for the benefit of LOTOS Petrobaltic S.A.
- In the three months ended March 31st 2012, LOTOS Serwis Sp. z o.o. and LOTOS Lab Sp. z o.o. purchased notes issued by LOTOS Asphalt Sp. z o.o. as part of the Note Issuance Programme described at greater length in Note 10 to these interim condensed consolidated financial statements. As at March 31st 2012, the nominal amount of LOTOS Asphalt Sp. z o.o.'s liabilities under intercompany note issuance was PLN 25,500 thousand, which included:
 - PLN 7,500 thousand of liabilities towards LOTOS Lab Sp. z o.o.,
 - PLN 18,000 thousand of liabilities towards LOTOS Serwis Sp. z o.o.

SUPPLEMENTARY INFORMATION PROVIDED UNDER THE MINISTER OF FINANCE'S REGULATION ON CURRENT AND PERIODIC INFORMATION TO BE PUBLISHED BY ISSUERS OF SECURITIES AND CONDITIONS FOR RECOGNITION AS EQUIVALENT OF INFORMATION WHOSE DISCLOSURE IS REQUIRED UNDER THE LAWS OF A NON-MEMBER STATE, DATED FEBRUARY 19TH 2009

Pursuant to Par. 87 and Par. 83.1 of the Minister of Finance's Regulation on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated February 19th 2009, as amended (Dz. U. of 2009, No. 33, item 259, as amended), the Parent's Management Board hereby releases the following information:

I. Organisation of the LOTOS Group, and consolidated entities

The structure of the LOTOS Group as well as the consolidated entities are presented in Note 2 to these interim condensed consolidated financial statements.

II. Effects of changes in the structure of the LOTOS Group

In Q1 2012, there were changes in the structure of the LOTOS Group. The changes are discussed in Note 15 to these interim condensed consolidated financial statements.

III. Seasonal or cyclical nature of the Company's business in Q1 2012

In Q1 2012, the operations of Grupa LOTOS S.A. were not affected by seasonality or cyclicity.

IV. Issue, redemption or repurchase of non-equity and equity securities in Q1 2012

Other than as described in Note 10 to these interim condensed consolidated financial statements, in Q1 2012 no non-equity or equity securities were issued, redeemed or repurchased.

V. Shareholders holding 5% or more of the total vote at the General Meeting of the Parent as at this report release date

As at the date of release of the previous interim condensed consolidated financial statements (i.e. February 23rd 2012), the shareholder structure of Grupa LOTOS S.A. was as follows:

	Number of shares	Number of votes	Par value of shares (PLN)	% of share capital held (⁽¹⁾)
State Treasury ⁽²⁾	69,076,392	69,076,392	69,076,392	53.19%
Other shareholders	60,796,970	60,796,970	60,796,970	46.81%
Total	129,873,362	129,873,362	129,873,362	100.00%

⁽¹⁾ The percentage of share capital held equals the percentage share in the total vote.

⁽²⁾ In accordance with the shareholder's representation delivered to Grupa LOTOS S.A. on January 29th 2010.

As at the date of release of the previous interim condensed consolidated financial statements, the share capital comprised 129,873,362 ordinary shares, fully paid-up, with a par value of PLN 1 per share. Each share confers the right to one vote at the General Meeting and carries the right to dividend.

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As at the date of release of these interim condensed consolidated financial statements, the shareholder structure of Grupa LOTOS S.A. was as follows:

	Number of shares	Number of votes	Par value of shares (PLN)	% of share capital held (⁽¹⁾)
State Treasury ⁽²⁾	69,076,392	69,076,392	69,076,392	53.19%
Other shareholders	60,796,970	60,796,970	60,796,970	46.81%
Total	129,873,362	129,873,362	129,873,362	100.00%

⁽¹⁾ The percentage of share capital held equals the percentage share in the total vote.

⁽²⁾ In accordance with the shareholder's representation delivered to Grupa LOTOS S.A. on January 29th 2010. By the date of publication of these interim condensed consolidated financial statements, the Company has not received from the shareholder any other representation concerning any changes in the number of the Company shares held.

As at the date of release of these interim condensed consolidated financial statements, the share capital comprised 129,873,362 ordinary shares, fully paid-up, with a par value of PLN 1 per share. Each share confers the right to one vote at the General Meeting and carries the right to dividend.

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 release of the previous periodic report ⁽¹⁾	Acquisition	Sale	Other	As at the date of release of the present periodic report ⁽²⁾
Marek Sokółowski	8,636	-	-	-	8,636
Vice-President of the Management Board, Chief Operation Officer					
Total	8,636	-	-	-	8,636

⁽¹⁾ Based on the representations as at February 16th 2012.

⁽²⁾ Based on the representations as at April 26th 2012.

To the best of the Company's knowledge, other Management Board and Supervisory Board members do not hold any Company shares or rights to the Company shares as at the date of release of this periodic report and did not hold any Company shares or rights to the Company shares as at the release date of the previous periodic report.

VII. Material court, arbitration or administrative proceedings and other risks of the parent or its subsidiaries

There are no pending court, arbitration or administrative proceedings concerning liabilities or claims with a unit or aggregate value equal to or exceeding 10% of the Company's equity. Material court, arbitration or administrative proceedings and other risks concerning the Parent or its subsidiaries are described in Note 16.2 to these interim condensed consolidated financial statements.

VIII. Information on material related party transactions

Related-party transactions are executed on market terms. Transactions executed in the period from January 1st to March 31st 2011 are presented in Note 17 to these interim condensed consolidated financial statements.

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IX. Information on loan or borrowing sureties or guarantees issued by the parent or its subsidiaries, or guarantees issued jointly to one entity or its subsidiary, where the aggregate value of such sureties or guarantees represents 10% or more of the Company's equity

In the period from January 1st to March 31st 2012, the Parent 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. Material liabilities are described in Note 16.1 and Note 17 to these interim condensed consolidated financial statements.

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's ability to fulfil its obligations

Apart from the information contained in these interim condensed consolidated financial statements and in the notes to these financial statements, 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.

XI. Management Board's position regarding the feasibility of meeting forecasts published earlier for a given year in the light of the results presented in the quarterly report in relation to the forecast results

Grupa LOTOS S.A.'s Management Board has not published any forecasts concerning the Company's performance in 2012.

XII. Factors with a bearing on the LOTOS Group's results in the next quarter or in a longer term, according to Grupa LOTOS S.A.'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 or in a longer term:

- prices of crude oil and of petroleum products,
- supply and demand for petroleum products,
- PLN/USD exchange rate,
- PLN/EUR exchange rate,
- from January 1st 2008, producers and importers have been required to achieve the National Indicative Target specifying the minimum content of bio-components in fuels marketed in Poland,
- abolishment as from April 30th 2011 of the bio-component corporate income tax credit previously available to producers of bio-components,
- abolishment as from April 30th 2011 of the bio-component excise duty credit previously available to producers of fuels,
- results of analyses regarding development of the YME field.

XIII. Segmental information

Segmental information is presented in Note 13 to these interim condensed consolidated financial statements.

XIV. Signatures of the Management Board members and the person responsible for keeping the accounting books of Grupa LOTOS S.A.

President of the Management Board, Chief Executive Officer	
	Paweł Olechnowicz
Vice-President of the Management Board, Chief Financial Officer	
	Mariusz Machajewski
Vice-President of the Management Board, Chief Operation Officer	
	Marek Sokołowski
Vice-President of the Management Board, Chief Commercial Officer	
	Maciej Szozda
Chief Accountant	
	Tomasz Południewski