

Questions asked during the Annual General Meeting of Grupa LOTOS S.A.
on June 1st 2015

What were the main reasons behind the reduction in the Company's net result in 2014?

(Bogdan Kamola – Retail shareholder)

Paweł Olechnowicz, President of the Management Board, explained that all information on that matter had been published in periodic reports. Printouts of relevant documents were available to Shareholders at the Company's offices prior to the General Meeting.

Mariusz Machajewski, Vice-President of the Management Board, replied that the reduction in the Company's separate net result was associated primarily with the challenging macroeconomic conditions, including factors such as lower prices of crude oil and petroleum products, the obligation to maintain mandatory stocks, and strong volatility on the currency market, including a considerable weakening of the Polish złoty. The Vice-President added that these factors also contributed to the Company's net loss on sales.

The prices of Brent crude and the US dollar play a key role in determining the price of oil purchased by Grupa LOTOS S.A. Bearing this in mind, I would like to ask why the oil procurement costs in 2014 decreased at a slower rate than the prices of crude on global markets, reaching 12.9% in real terms (35% year on year, with the price of the US dollar up by 15% and considering the maintenance shutdown in 2013).

(Bogdan Kamola – Retail shareholder)

Mariusz Machajewski, Vice-President of the Management Board, explained that the slower cost reduction rate relative to the decline in oil prices was associated with a larger volume of oil having been processed in 2014 than in 2013, when the maintenance shutdown took place.

Does the Management Board uphold the EFRA project's crude processing targets?

(Bogdan Kamola – Retail shareholder)

Marek Sokołowski, Vice-President of the Management Board, replied that it was assumed in planning the project that, once completed, it would allow the refinery to process approximately 900,000 tonnes of crude oil more than it does at present, but that was not the project's key objective. How much crude is actually processed depends on market conditions and our optimisation efforts, and this will not change after the new units come onstream.

What is the progress on the Hestor project, which aims to assess the viability of storing hydrogen generated using renewable energy sources (RES) in salt caverns?

(Bogdan Kamola – Retail shareholder)

Marek Sokołowski, Vice-President of the Management Board, explained that the innovative Hestor project was at the preparation stage and was not a source of any material liabilities.

Will the Company make an adjustment with respect to Series D shares? Will the proceeds raised through the share capital increase be used in accordance with the assumptions presented in the Prospectus?

(Bogdan Kamola – Retail shareholder)

Paweł Olechnowicz, President of the Management Board, explained that the proceeds from the issue of Series D shares would be allocated, in consultation with the Company's main shareholder, in the manner set out in detail in the Prospectus and communicated to the market. No changes were planned in this respect.

Has the Management Board taken any steps to prevent the Company's exclusion from the WIG20 index listing the 20 largest companies on the Warsaw Stock Exchange?

(Bogdan Kamola – Retail shareholder)

Paweł Olechnowicz, President of the Management Board, explained that companies are included in WIG20 based on mathematical calculations. Whether or not a company features in the index depends directly on its market capitalisation and share trading volumes, and the ranking is created based on scores assigned using a mathematical formula. The Company's Management Board is not able to influence the process in any way.

Is the work carried out by LOTOS Petrobaltic S.A. and CalEnergy Resources Ltd. on development of the B4/B6 gas fields located in Poland's Exclusive Economic Zone of the Baltic Sea proceeding according to plan? What were LOTOS Petrobaltic's and CalEnergy's respective expenditures on development of the fields in 2014?

(Bogdan Kamola – Retail shareholder)

Zbigniew Paszkowicz, Vice-President of the Management Board, explained that the project was proceeding according to plan. Until a final decision is made regarding development of the deposits, the expenditure of approximately PLN 70m is incurred by CalEnergy.

Does the development plan for the B8 field envisaging launch of production in Q4 2015 remain valid?

(Bogdan Kamola – Retail shareholder)

Zbigniew Paszkowicz, Vice-President of the Management Board, explained that the Company, as is its general practice, continues its projects and pursues its objectives despite any changes in macroeconomic conditions. Therefore, in accordance with the original plan, a production test on the B8 deposit will be performed by the end of 2015, with full-scale production scheduled to commence in 2016.

What portion of the cost of the Heimdal assets located on the Norwegian Continental Shelf was covered by the tax shield?

(Bogdan Kamola – Retail shareholder)

Zbigniew Paszkowicz, Vice-President of the Management Board, explained that the tax shield had been fully utilised and so the cost of the assets was USD 105m.

Will the target 10% share in Poland's retail fuel market be achieved by the end of 2015, as envisaged under the Strategy for 2011–2015?

Paweł Olechnowicz, President of the Management Board, replied that the target would be achieved.