TRANSLATION

Polski Koncern Naftowy ORLEN
Spółka Akcyjna Group

Opinion and Report of the Independent Auditor Financial Year ended 31 December 2008

The opinion contains 3 pages
The report supplementing the auditor's opinion
contains 26 pages
Opinion of the independent auditor
and report supplementing the auditor's opinion
on the consolidated financial statements
for the finacial year ended
31 December 2008

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This document is a free translation of the Polish original. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation in order to aid understanding. The binding Polish original should be referred to in matters of interpretation.

OPINION OF THE INDEPENDENT AUDITOR

To the General Meeting of Polski Koncern Naftowy ORLEN Spółka Akcyjna

We have audited the accompanying consolidated financial statements of Polski Koncern Naftowy ORLEN Spółka Akcyjna Group seated in Płock, 7 Chemików Street ("PKN ORLEN S.A. Group", "Group"), which comprise the consolidated balance sheet as at 31 December 2008, with total assets and total liabilities and equity of PLN 46,975,750 thousand, the consolidated income statement for the year then ended with a net loss of PLN 2,526,626 thousand, the consolidated statement of changes in equity for the year then ended with a decrease in equity of PLN 2,041,113 thousand, the consolidated cash flow statement for the year then ended with a decrease in cash amounting to PLN 155,624 thousand and notes to the consolidated financial statements, comprising a summary of significant accounting policies and other explanatory notes.

Management's Responsibility

Management of the parent entity is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by European Union and with other applicable regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility, based on our audit, is to express an opinion on these consolidated financial statements. We conducted our audit in accordance with section 7 of the Accounting Act dated 29 September 1994 (Official Journal from 2002, No. 76, item 694 with amendments) ("the Accounting Act"), the professional standards established by the Polish National Council of Certified Auditors and International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the accompanying consolidated financial statements of PKN ORLEN Group have been prepared and present fairly in all material respects the financial position of the Group as at 31 December 2008 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union, and are in compliance with the respective regulations that apply to the consolidated financial statements, applicable to the Group.

Emphasis of Matter

Without qualifications of the fair presentation of the audited consolidated financial statements, we draw attention to the following issues:

The Group accounted for impairment loss of property, plant and equipment in the amount of PLN 2,347,278 thousand. The Group's future financial performance, that was the basis for the impairment test, is based on number of variables and assumptions, that are, in respect of macroeconomic factors, partially out of the Group's control. As described in note 7.8 of the accompanying consolidated financial statements, the change of these variables and assumptions might influence the Group's financial position, including the results of the test for impairment of non-current assets, and consequently might lead to changes in the financial position and performance of the Group.

Additionally, as disclosed in note 7.16 of the accompanying consolidated financial statements bank loans of PLN 9,475,449 thousand were reclassified from long-term liabilities to short-term liabilities. The amount relates to liabilities resulting from bank loan agreements containing provisions specifying the required ratio of net debt to EBITDA, which was exceeded as at 31 December 2008. According to International Accounting Standard 1 a breach of provisions of bank loan agreements that may result in an entity not having an unconditional right to defer their settlement for at least twelve months results in the necessity to classify liabilities connected with such bank loan agreements as short-term.

As at the date of issuing this opinion, for bank loans of PLN 9,066,166 thousand, negotiations between PKN ORLEN S.A. and lenders being the parties of the agreements mentioned above in respect of terms of continuation of financing had been finalized. The consent to a temporary extension of the maximum debt ratio and to continuation of cooperation within previously set bank loan limits and maturity dates had been received, which will result in classification of the respective bank loans as long-term in the consolidated financial statements for the second quarter 2009.

Moreover, as disclosed in detail in note 18 b of the accompanying consolidated financial statements, as a result of tax control proceedings Rafineria Trzebinia S.A. received tax authorities decisions determining an excise tax liability for the period May – September 2004 of approximately PLN 100 million plus interest. In its sentence dated 12 November 2008 the Woivodship Administrative Court dismissed the decisions of the Director of the Customs Office in Kraków determining excise tax liability for the period May – September 2004 at the amount of approximately PLN 100 million. On 16 January 2009 the Director of the Customs Chamber in Kraków submitted an annulment to the National Administrative Court in Warsaw against the decision for September 2004. After dismissal of the decisions issued by the Director of the Customs Chamber and the Head of the Customs Office in Kraków, proceedings for the period May – September 2004 are conducted in front of the Head of the Customs Office in Kraków. The final outcome of the proceedings is unknown.

According to the assessment of the Management Board of PKN ORLEN S.A. there is high probability that the outcome of the proceedings will be favourable for Rafineria Trzebinia S.A. In the accompanying consolidated financial statements for the year ended 31 December 2008 PKN ORLEN S.A. Group did not establish any provisions to cover potential tax liabilities resulting from the above proceedings.

Other Matters

As required under the Accounting Act we also report that the Report on the Group's operations includes, in all material respects, the information required by Art. 49 of the Accounting Act and by the Minister of Finance Regulation dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal from 2009, No 33, item 259) and the information is consistent with the consolidated financial statements.

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Certified Auditor No. 10268/7598
Monika Bartoszewicz

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For KPMG Audyt Sp. z o.o.
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Certified Auditor No. 9451/7175
Leszek Dubicki,
Member of the Management Board

27 April 2009
Warsaw, Poland