TRANSLATION

Polski Koncern Naftowy ORLEN

Spółka Akcyjna Group

Report supplementing the auditor's opinion on the consolidated financial statements

Financial Year ended 31 December 2008

The report supplementing the auditor's opinion
contains 26 pages
Report supplementing the auditor's opinion
on the consolidated financial statements
for the financial year ended
31 December 2008

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

Contents

1. General

1.1 Identification of the Group

1.1.1 Name of the Group

Polski Koncern Naftowy ORLEN Spółka Akcyjna Group („PKN ORLEN S.A. Group"; "Group")

1.1.2 Registered office of the Parent Company of the Group

7 Chemików Street
09-411 Płock

1.1.3 Registration of the Parent Company in the National Court Register

Registration court:	District Court in Warsaw, XXI Commercial Department of the National Court Register
Date:	19 July 2001
Registration number:	KRS 0000028860

1.1.4 Registration of the Parent Company in the Tax Office and Statistical Office

NIP number:	774-00-01-454
REGON:	610188201

1.2 Information about companies comprising the Group

1.2.1 Companies included in the consolidated financial statements

As at 31 December 2008, the following entities were consolidated by the Group:

Parent Company:

- PKN ORLEN S.A.

Subsidiaries consolidated on the full consolidation basis:

- ORLEN Deutschland AG
- ORLEN Gaz Sp. z o.o.
- ORLEN PetroCentrum Sp. z o.o.
- ORLEN Medica Sp. z o.o.
- ORLEN Budonaft Sp. z o.o.
- ORLEN Powiernik Sp. z o.o.
- ORLEN KolTrans Sp. z o.o.
- ORLEN Transport S.A.

- ORLEN Asfalt Sp. z o.o.
- ORLEN Laboratorium Sp. z o.o.
- ORLEN Oil Sp. z o.o. Group
  - ORLEN Oil Sp. z o.o. (parent company)
  - ORLEN Oil Cesko s.r.o. (full consolidation)
  - Petro-Oil Pomorskie Centrum Sprzedaży Sp. z o.o.(full consolidation)
  - Platinum Oil Sp. z o.o. (full consolidation)
- ORLEN PetroTank Sp. z o.o.
- Anwil S.A. Group
  - Anwil S.A. (parent company)
  - Przedsiębiorstwo Inwestycyjno – Remontowe Remwil Sp. z o.o. (full consolidation)
  - Przedsiębiorstwo Produkcyjno – Handlowo – Usługowe Pro – Lab Sp. z o.o. (full consolidation)
  - Przedsiębiorstwo Usług Specjalistycznych i Projektowych Chemeko Sp. z o.o. (full consolidation)
  - Spolana a.s. (full consolidation)
- Rafineria Trzebinia S.A. Group
  - Rafineria Trzebinia S.A. (parent company)
  - Energomedia Sp. z o.o. (full consolidation)
  - Euronaft Trzebinia Sp. z o.o. (full consolidation)
  - Fabryka Parafin Naftowax Sp. z o.o. (full consolidation)
  - EkoNaft Sp. z o.o. (full consolidation)
- Rafineria Nafty Jedlicze S.A. Group
  - Rafineria Nafty Jedlicze S.A. (parent company)
  - RAF - KOLTRANS Sp. z o.o. (full consolidation)
  - Konsorcjum Olejów Przepracowanych - Organizacja Odzysku S.A. (full consolidation)
- Inowrocławskie Kopalnie Soli „Solino" S.A.
- Unipetrol a.s. Group
  - Unipetrol a.s. (parent company)

- UNIPETROL TRADE a.s. Group (full consolidation)
    - UNIPETROL TRADE a.s. (parent company)
    - CHEMAPOL (SCHWEIZ) AG (full consolidation)
    - UNIPETROL AUSTRIA HmbH in liquidation (full consolidation)
    - UNIPETROL DEUTSCHLAND GmbH (full consolidation)
- UNIPETROL RPA s.r.o. Group (full consolidation)
    - UNIPETROL RPA s.r.o. (parent company)
    - UNIRAF SLOVENSKO s.r.o. (full consolidation)
    - UNIPETROL DOPRAVA s.r.o. (full consolidation)
- BENZINA s.r.o. Group (full consolidation)
    - BENZINA s.r.o. (parent company)
    - PETROTRANS s.r.o. (full consolidation)
- PARAMO a.s. (full consolidation)
- Česka Rafinerska a.s. (proportional method)

- Ship Service S.A.
- ORLEN Automatyka Sp. z o.o.
- Petrolot Sp. z o.o.
- ORLEN Projekt S.A.
- ORLEN Wir Sp. z o.o.
- ORLEN Administracja Sp. z o.o.
- ORLEN Eko Sp z o.o.
- ORLEN Księgowość Sp. z o.o.
- ORLEN Prewencja Sp. z o.o.
- ORLEN Upstream Sp. z o.o.
- ORLEN Holding Malta Ltd Group
    - ORLEN Holding Malta Ltd. (parent company)
    - ORLEN Insurance Ltd. (full consolidation)
- AB Mazeikiu Nafta Group

- AB Mazeikiu Nafta (parent company)
- UAB Mazeikiu naftos sveikatos prieziuros centras (full consolidation)
- UAB Uotas in liquidation (full consolidation)
- UAB PASLAUGOS TAU (full consolidation)
- AB Ventus-Nafta (full consolidation)
- UAB Mazeikiu naftos prekybos namai Group:
    - UAB Mazeikiu naftos prekybos namai (parent company)
    - SIA Mazeikiu Nafta Tirdcniecibas nams (full consolidation)
    - OU Mazeikiu Nafta Trading House (full consolidation)
    - Mazeikiu Nafta Trading House Sp. z o.o. (full consolidation)

- ORLEN Finance AB
- ORLEN International Exploration & Production Company BV

Jointly controlled entities consolidated on the proportional consolidation basis:

- Basell ORLEN Polyolefins Sp. z o.o. Group
    - Basell ORLEN Polyolefins Sp. z o.o. (parent company)
    - Basell ORLEN Polyolefins Sprzedaż Sp. z o.o. (full consolidation)
- Płocki Park Przemysłowo-Technologiczny S.A.

The following subsidiaries were consolidated for the first time during the year ended 31 December 2008, as the Parent Company established control:

- UAB PASLAUGOS TAU – subject to consolidation for the period from May 2008
- ORLEN International Exploration & Production Company BV – subject to consolidation for the period from March 2008

The following subsidiaries were consolidated until the date control by the Parent ceased:

- Petrotel Sp. z o.o. – subject to consolidation for the period from January 2008 to November 2008
- RAF-EKOLOGIA Sp. z o.o. – subject to consolidation for the period from January 2008 to December 2008
- UNIPETROL CHEMICALS IBERICA S.A. – subject to consolidation for the period from January 2008 to December 2008
- BENZINA Trade a.s. in liquidation - subject to consolidation for the period from January 2008 to November 2008

- ORLEN Petrogaz Wrocław Sp. z o.o. in liquidation – subject to consolidation for the period from January 2008 to August 2008
- Etylobenzen Płock Sp. z o.o. in liquidation – subject to consolidation for the period from January 2008 to July 2008

1.2.2 Entities excluded from consolidation

As at 31 December 2008, the following subsidiaries of the Group were not consolidated:

- ORLEN Ochrona Sp. z o.o.
- Centrum Serwisowe Sp. z o.o.
- Zakładowa Straż Pożarna Sp. z o.o.
- Aqua Planet Sp. z o.o.
- SHIP SERVICE AGRO Sp. z o.o.
- HC Litvinov, a.s.
- POLYMER INSTITUTE BRNO, spol. s r.o.
- Centrum Komercjalizacji Technologii Sp. z o.o.
- Centrum Edukacji Sp. z o.o.
- CHEMICKÁ SERVISNÍ , a.s.
- Výzkumný ústav anorganické chemie, a.s.
- Sanatorium Uzdrowiskowe "Krystynka" Sp. z o.o.
- Mogul Slovakia, s.r.o.
- BUTADIEN KRALUPY, a.s.
- UNIPETROL SERVICES s.r.o. (previously Meliba Estates s.r.o.)
- Przedsiębiorstwo Rolne AGRO-AZOTY II Włocławek Sp. z o.o. Łąka (held for sale)
- Petroukraina Ltd Sp. z o.o. Lwów (business activity suspended)
- Petro-Mawi Sp. z o.o. in liquidation

1.3 Auditor information [the entity authorized to audit financial statements]

Name:	KPMG Audyt Sp. z o.o.
Registered office:	Warsaw
Address:	ul. Chłodna 51, 00-867 Warsaw
Registration number:	KRS 0000104753
Registration court:	District Court for the Capital City Warsaw in Warsaw, XII Commercial Department of the National Court Register
Share capital:	PLN 125,000
NIP number:	526-10-24-841

KPMG Audyt Sp. z o.o. is entered in the register of entities authorised to audit financial statements under number 458.

1.4 Legal status

1.4.1 Share capital

PKN ORLEN S.A. ("the Parent", "the Parent Company", "the Company") was incorporated for an indefinite period of time by a Notarial Deed dated 29 June 1993 through transformation of a state-owned enterprise into a joint stock company. The address of the Company's registered office is Płock, 7 Chemików Street.

In accordance with the resolution of the Ordinary General Meeting of Shareholders dated 19 May 1999, registered in the District Court in Plock on 20 May 1999, the Parent changed its name to Polski Koncern Naftowy Spółka Akcyjna.

In accordance with the resolution of the Extraordinary General Meeting of Shareholders dated 3 April 2000, registered in the District Court in Plock on 12 April 2000, the Parent changed its name to Polski Koncern Naftowy ORLEN Spółka Akcyjna.

On 19 May 1999 the Ordinary General Meeting of Shareholders of the Parent adopted a resolution on the merger of the Parent with Centrala Produktow Naftowych "CPN" S.A. ("CPN") by incorporation of CPN in to the Parent in accordance with Art. 463 point 1 of the Commercial Code.

On 7 September 1999 CPN was deregistered and the merger became effective.

According to the Commercial Register the share capital of the Parent amounted to PLN 534,636 thousand as at 31 December 2008 and divided into 427,709,061 ordinary shares with a nominal value of PLN 1.25 each. On 1 January 2004 - transition date to IFRS as adopted by the European Union the share capital has been restated by an amount of PLN 522,999 thousand in accordance with IAS 29 "Financial Reporting in Hyperinflationary Economies". After the restatement share capital presented in the financial statements as at 31 December 2008 amounts to PLN 1,057,635 thousand.

As at 31 December 2008, the shareholder structure was as follows:

Name of the Shareholder	Number of shares	Voting rights (%)	of shares PLN	share capital (%)
Nafta Polska S.A.	74,076,299	17.3%	92,595,374	17.3%
State Treasury	43,633,897	10.2%	54,542,371	10.2%
Others	309,998,865	72.5%	387,498,581	72.5%
	427,709,061	100.0%	534,636,326	100.0%

1.4.2 Management of the Parent Company

The Management Board is responsible for management of the Parent Company.

At 31 December 2008, the Management Board of the Company comprised the following members:

- Dariusz Krawiec – President of the Management Board, Chief Executive Officer,
- Sławomir Jędrzejczyk – Vice President of the Management Board, Chief Financial Officer,
- Wojciech Kotlarek – Vice President of the Management Board, Sales,
- Krystian Pater – Vice President of the Management Board, Refinery,
- Marek Serafin – Vice President of the Management Board, Petrochemistry.

The following changes to the composition of the Management Board of PKN ORLEN S.A. took place in 2008:

On 28 February 2008 the Supervisory Board of PKN ORLEN S.A. adopted a resolution regarding suspension of Mr. Piotr Kownacki from the activities of the President and Member of the Management Board of the Company for the indefinite period of time.

At the same meeting the Supervisory Board adopted a resolution, that for the period of suspension of the President Mr. Piotr Kownacki, the authority of the President of the Management Board of PKN ORLEN S.A. is taken over by the Vice President Mr. Wojciech Heydel.

On 29 April 2008 the Supervisory Board of PKN ORLEN S.A. appointed Mr. Wojciech Heydel to the President of the Management Board of PKN ORLEN S.A., for 3 years joint term of office of the Management Board, effective from 7 June 2008.

On 15 May 2008 the Supervisory Board of PKN ORLEN S.A. appointed Mr. Dariusz Jacek Krawiec to the position of the Vice-President of the Management Board of PKN ORLEN S.A., for 3 years joint term of office of the Management Board effective from the day after ongoing term of office of the Management Board is expired.

On 28 May 2008 the Supervisory Board of PKN ORLEN S.A. appointed the following persons to the position of Members of the Management Board of PKN ORLEN S.A.: Mr. Sławomir Robert Jędrzejczyk, Mr. Wojciech Robert Kotlarek, Mr. Krystian Pater and Mr. Marek Serafin, for 3 years joint term of office of the Management Board, effective from the day after ongoing term of office of the Management Board is expired.

On 18 September 2008, on a meeting of the Supervisory Board of PKN ORLEN S.A., the President of the Management Board, Mr. Wojciech Heydel, handed in his resignation from his position, motivating the decision by superior interest of the Company in terms of depletion of current cooperation formula within the Management Board.

At the same meeting the Supervisory Board appointed Mr. Dariusz Jacek Krawiec to the position of the President of the Management Board, the General Director for 3 years joint term of office, ending when Ordinary Shareholders' Meeting, approving Financial Statements for the year 2010, is held.

1.4.3 Scope of activities

The business activities listed in the Parent Company's Statute include the following:

- processing of crude oil and manufacturing of oil-derivative products and semi finished products (refinery and petrochemical),
- domestic and foreign trade on own account, on commission and as a consignee, including in particular: trade in crude oil, oil-derivative and other fuel, sale of motor vehicles, parts and accessories for motor vehicles, sale of industrial and consumer goods,
- research and development activity, project work, construction and production activities on own account and as a consignee, in the areas of processing, storage, packaging and trade in solid, liquid and gaseous oil fuels, derivative chemical products as well as transportation: by land, by rail, water and by pipeline,
- storage of crude oil and liquid fuels, creation and management of oil stock in accordance with appropriate regulations,
- services connected to the principal activity, especially:
  - land and sea reloading,
  - refining of gas and oil including ethylization, dyeing and blending of components,
- purchase, trade and processing of used lubricant oils and other chemical waste,
- manufacturing, transportation and trading in electrical and heating energy,
- overhaul of appliances used in principle activities, especially refinery and petrochemical installations, oil storage appliances, petrol stations and means of transportation,
- operation of petrol stations, bars, restaurants and hotels,

- capital investment activities, in particular: purchasing and trade in shares and interests in domestic and foreign trade,
- clearance of electronic fuel cards services,
- extraction and exploration of a crude oil,
- extraction and exploration of natural gas.

The business activities of subsidiaries of the Group, according to their Deed/Statutes, include the following:

- ORLEN Deutschland AG – trading,
- ORLEN Gaz Sp. z o.o. – trading,
- ORLEN PetroCentrum Sp. z o.o. – trading,
- ORLEN Medica Sp. z o.o. – services,
- ORLEN Budonaft Sp. z o.o. – services,
- ORLEN Powiernik Sp. z o.o. – financial services,
- ORLEN KolTrans Sp. z o.o. – transport services,
- ORLEN Transport S.A. – transport services,
- ORLEN Asfalt Sp. z o.o. – production,
- ORLEN Laboratorium Sp. z o.o. – services,
- ORLEN Oil Sp. z o.o. Group – production, trading,
- ORLEN PetroTank Sp. z o.o. – trading, services,
- Anwil S.A. Group – production, trading,
- Rafineria Trzebinia S.A. Group – production, trading,
- Rafineria Nafty Jedlicze S.A. Group – production,
- Inowrocławskie Kopalnie Soli „Solino" S.A. – production, services,
- Unipetrol a.s. Group – production, trading,
- Ship-Service S.A. Group – trading, services,
- ORLEN Automatyka Sp. z o.o. – trading, services,
- Petrolot Sp. z o.o. – trading, services,
- ORLEN Projekt S.A. – services,
- ORLEN Wir Sp. z o.o. – production, services,
- ORLEN Administracja Sp. z o.o. – services,
- ORLEN Eko Sp. z o.o. – services,
- ORLEN Księgowość Sp. z o.o. – services,
- ORLEN Prewencja Sp. z o.o. – services,
- ORLEN Upstream Sp. z o.o. – exploration, services,

- ORLEN Holding Malta Ltd. Group – investment, insurance,
- AB Mazeikiu Nafta Group – production, trading,
- ORLEN Finance AB – services,
- ORLEN International Exploration & Production Company BV- exploration, production.

1.5 Prior period consolidated financial statements

The consolidated financial statements for the financial year ended 31 December 2007 were audited by KPMG Audyt Sp. z o.o. and received an unqualified opinion with the following emphasis of matter:

„Without qualifications to fair presentation of the audited consolidated financial statement, we draw attention to following issue:

As disclosed in note no. 37d of the accompanying consolidated financial statements Rafineria Trzebinia S.A. received decisions from the tax authorities stating an excise tax liability for May-August and September 2004 for a total amount of approximately PLN 100 million increased by interest calculated on these liabilities as a result of the tax proceedings. On 3 October 2007 Woivodship Administrative Court decided on tax proceedings re-examination. The outcome of the proceeding is unknown. In case of an unfavorable result of the above described dispute there is a risk that the tax authorities will question the correctness of the VAT settlements. The estimated potential VAT liability amounts to approximately PLN 22 million increased by interest calculated on these liabilities. There is also a risk that negative decisions of the tax authorities will be issued in respect to other periods. In the consolidated financial statements as at 31 December 2007 PKN ORLEN S.A. Group did not establish any provisions to cover potential tax liabilities arising in case of an unfavorable outcome for Rafineria Trzebinia S.A. of the above described matter."

The consolidated financial statements were approved at the General Meeting on 6 June 2008.

The closing balances as at 31 December 2007 have been properly recorded as the opening balances of the audited year.

The consolidated financial statements were submitted to the Registry Court on 7 October 2008 and were published in Monitor Polski B No. 1275 on 17 September 2008.

1.6 Audit scope and responsibilities

This report was prepared for the General Meeting of PKN ORLEN S.A. seated in Płock, 7 Chemików Street and relates to the consolidated financial statements comprising: 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 profit and loss account 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 the notes to the consolidated financial statements, comprising of a summary of significant accounting policies and other explanatory notes.

The audited Company prepares its financial statements in accordance with International Financial Reporting Standards as adopted by the European Union on the basis of the decision of the Extraordinary General Meeting of Polski Koncern Naftowy ORLEN S.A. dated 30 December 2004.

The consolidated financial statements have been audited in accordance with the contract dated 30 May 2005, concluded on the basis of the resolution of the Supervisory Board dated 21 January 2005 on the appointment of the auditor, prolonged with the appendix dated 5 November 2007 concluded on the basis of the resolution of the Supervisory Board dated 23 August 2007.

We conducted the audit in accordance with section 7 of the Accounting Act, the professional standards established by the Polish National Council of Certified Auditors and International Standards on Auditing.

We audited the consolidated financial statements in the Parent Company's seat during the period from 2 March 2009 to 27 April 2009.

Management of the Parent Company is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with other applicable regulations.

Management of the Parent Company and members of the Supervisory Board are obliged to ensure that the consolidated financial statements and the Report of Management Board on the Group's operations are in compliance with the requirements set forth in the Accounting Act.

Our responsibility is to express an opinion, and to prepare a supplementing report, on the consolidated financial statements.

The Management Board of the Parent Company submitted a statement, dated the same date as this report, as to the true and fair presentation of the consolidated financial statements presented for audit, which confirmed that there were no undisclosed matters which could significantly influence the information presented in the consolidated financial statements.

All our requests for additional documents and information necessary for expressing our opinion and preparing the report have been fulfilled.

KPMG Audyt Sp. z o.o., the members of its Management Board and Supervisory Board and other persons involved in the audit of the consolidated financial statements fulfil independence requirements from the companies included in the Group. The scope of the work planned and performed has not been limited in any way. The method and scope of our audit is detailed in working papers prepared by us and retained in the offices of KPMG Audyt Sp. z o. o.

1.7 Information on audits of the financial statements of the consolidated companies

1.7.1 Parent Company

The financial statements of the Parent Company for the year ended 31 December 2008 were audited by KPMG Audyt Sp. z o.o., certified auditor number 458, and received an unqualified opinion with the following emphasis of matters:

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

The Company accounted for impairment loss of financial non-current assets in the amount of PLN 1,646,188 thousand. The Company'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 Company's control. As described in note 7.4 of the accompanying financial statements, the change of these variables and assumptions might influence the Company'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 Company.

Additionally, as disclosed in note 7.11 of the accompanying unconsolidated financial statements bank loans of PLN 9,051,266 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 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 unconsolidated financial statements for the second quarter 2009."

1.7.2 Other consolidated entities

Entity's name	Authorised auditor	Type of auditor's opinion
ORLEN Deutschland AG	KPMG AG	Unqualified opinion
ORLEN Gaz Sp. z o.o.	KPMG Audyt Sp. z o.o.	Unqualified opinion
ORLEN PetroCentrum Sp. z o.o.	KPMG Audyt Sp. z o.o.	Unqualified opinion
ORLEN Medica Sp. z o.o.	DGA Audyt Sp. z o.o.	Unqualified opinion
ORLEN Budonaft Sp. z o.o.	DGA Audyt Sp. z o.o.	Unqualified opinion
ORLEN Powiernik Sp. z o.o.		Not audited
ORLEN KolTrans Sp. z o.o.	DGA Audyt Sp. z o.o.	Unqualified opinion
ORLEN Transport S.A.	DGA Audyt Sp. z o.o.	Unqualified, with the following emphasis of matter: "The proceeding for indemnity due to communication accident in the amount of PLN 2.6 million is carried against the Company in front of the District Court in Warsaw. This claim is covered by insurance granted by TuiR WARTA S.A. The Head of the Customs Office in Olsztyn is performing tax proceedings against ORLEN Transport S.A. in respect of excise tax liability for 2005. The tax proceedings have not been finished till the end of the audit. The Company estimated total future tax liability in the amount of PLN 3.8 million, that was fully provided for."
ORLEN Asfalt Sp. z o.o.	KPMG Audyt Sp. z o.o.	Unqualified opinion
ORLEN Laboratorium Sp. z o.o.	DGA Audyt Sp. z o.o.	Unqualified opinion
Grupa Kapitałowa ORLEN - Oil Sp. z o.o.	KPMG Audyt Sp. z o.o.	Unqualified opinion
ORLEN PetroTank Sp. z o.o.	KPMG Audyt Sp. z o.o.	Unqualified opinion
Anwil S.A. Group	KPMG Audyt Sp. z o.o.	Unqualified opinion

Rafineria Trzebinia S.A. Group	KPMG Audyt Sp. z o.o.	Audit in progress
Rafineria Nafty Jedlicze S.A. Group	KPMG Audyt Sp. z o.o.	Unqualified opinion
Inowrocławskie Kopalnie Soli "Solino" S.A.	KPMG Audyt Sp. z o.o.	Unqualified opinion
Unipetrol a.s. Group	KPMG Ceska Republika s.r.o.	Unqualified opinion
Ship-Service S.A.	KPMG Audyt Sp. z o.o.	Unqualified opinion
ORLEN Automatyka Sp. z o.o.	DGA Audyt Sp. z o.o.	Unqualified opinion
Petrolot Sp. z o.o.	KPMG Audyt Sp. z o.o.	Unqualified opinion
ORLEN Projekt Sp. z o.o.	DGA Audyt Sp. z o.o.	Unqualified opinion
ORLEN Wir Sp. z o.o.	DGA Audyt Sp. z o.o.	Unqualified, with the following emphasis of matter: "In 2008 ORLEN Wir Sp. z o.o. provided machinery overhaul services, as one of the contractors. The customer supervised the work performed. During tests the machine experienced breakdown. The customer informed ORLEN Wir Sp. z o.o. that the breakdown is due to a foreign matter that fall into circulating system and although the works have been performed by a couple of companies, the fault is on ORLEN Wir Sp. z o.o. side. The repair expense is estimated at PLN 2.9 million. Till the end of audit, the customer has not taken any further legal steps to recover expenses. ORLEN Wir Sp. z o.o. has civil liability insurance policy with upper limit of assurance of PLN 3 million."
ORLEN Administracja Sp. z o.o.	DGA Audyt Sp. z o.o.	Unqualified opinion
ORLEN Eko Sp. z o.o.	DGA Audyt Sp. z o.o.	Unqualified opinion
ORLEN Księgowość Sp. z o.o.	DGA Audyt Sp. z o.o.	Unqualified opinion
ORLEN Prewencja Sp. z o.o.	DGA Audyt Sp. z o.o.	Unqualified opinion
ORLEN Upstream Sp. z o.o.		Not audited

ORLEN Holding Malta Ltd.	KPMG Malta	Unqualified opinion
ORLEN Insurance Ltd.	KPMG Malta	Unqualified opinion
AB Mazeikiu Nafta Group	KPMG Baltics	Unqualified opinion
ORLEN Finance AB		Not audited
ORLEN International Exploration & Production Company BV		Not audited
Basell Orlen Polyolefins Sp. z o.o. Group	KPMG Audyt Sp. z o.o.	Unqualified with the following emphasis of matter: „Without qualifying our opinion, we draw attention to the fact that the Group has incurred a net loss of PLN 229,547.0 thousand in the audited period, and as at 31 December 2008 Group's current liabilities exceeded current assets by PLN 574,874.6 thousand what is a result of breaching covenants of credit agreement by the Group which has been explained in Note 26 of supplementary information and explanations to the financial statements and which resulted in presentation of the whole credit liability as current liability. Additionally we draw attention to other information included in Note 26 of supplementary information and explanations to the financial statements, explaining the going concern assumption in light of the events, indicating the existence of uncertainty on Group's ability to continue as a going concern. Additionally we draw attention to the fact that the forecasts of future financial performance are based on number of variables and assumptions, which are partially out of Group's control. As described in Note 1 of supplementary information and explanations to the financial statements, the change of these variables and assumptions might influence the Group's financial position, including the results of test for impairment of non-current assets, and consequently might lead to changes in financial position and performance of the Group".
Płocki Park Przemysłowo-Technologiczny S.A.	DGA Audyt Sp. z o.o.	Unqualified, with the following emphasis of matter: „As at the balance sheet date the Company held contingent liabilities in the amount of PLN 6,682.0 thousand due to the decision issued in 2006 by the President of Płock regarding acceptance of disforest of trees and bushes in the condition of replant. The Company has a right to issue a motion for cancellation of payment after 3 years period since the decision was published, if it fulfils requirements settled in this decision"

The financial statements of 13 subsidiaries included in the consolidated financial statements were audited by certified auditors other than KPMG Group. The total assets presented in the financial statements of these entities as at 31 December 2008 amount to 0,94 % of the total consolidated assets of the Group before consolidation eliminations and the revenues of these entities for the financial year ended 31 December 2008 amount to 0,55 % of the consolidated revenues of the Group, before eliminations of intercompany transactions.

The financial statements of other entities in the Group were not required to be audited for the financial year ended 31 December 2008.

2. Financial analysis of the Group

2.1 Summary of the consolidated financial statements

2.1.1 Consolidated balance sheet

ASSETS	31.12.2008 PLN '000	% of total	31.12.2007 PLN '000	% of total
Non-current assets				
Property, plant and equipment	26,268,757	55.9	24,833,925	53.9
Intangible assets	557,048	1.2	530,970	1.2
Goodwill	87,633	0.2	85,858	0.2
Financial assets available for sale	62,174	0.1	62,322	0.1
Investments in associates	1,561,132	3.3	700,331	1.5
Deferred tax assets	485,362	1.0	233,219	0.5
Investment property	71,757	0.2	69,076	0.1
Perpetual usufruct of land	99,247	0.2	91,430	0.2
Non-current loans and receivables	87,746	0.2	129,206	0.3
Total non-current assets	29,280,856	62.3	26,736,337	58.0
Current assets				
Inventory	9,089,047	19.4	10,365,409	22.5
Trade and other receivables	6,356,174	13.5	6,884,455	14.9
Income tax receivable	392,042	0.8	115,381	0.3
Short-term financial assets	257,832	0.6	167,957	0.4
Short-term prepayments	204,088	0.4	146,892	0.3
Cash and cash equivalents	1,344,224	2.9	1,498,232	3.2
Non-current assets classified as held for sale	51,487	0.1	188,162	0.4
Total current assets	17,694,894	37.7	19,366,488	42.0
TOTAL ASSETS	46,975,750	100.0	46,102,825	100.0

LIABILITIES AND SHAREHOLDERS' EQUITY	31.12.2008 PLN '000	% of total	31.12.2007 PLN '000	% of total
Equity				
Share capital	1,057,635	2.3	1,057,635	2.3
Share premium	1,227,253	2.6	1,227,253	2.7
Hedging reserve	(99,793)	(0.2)	83,302	0.2
Foreign exchange difference on subsidiaries from consolidation	(76,792)	(0.2)	(1,327,936)	(2.9)
Retained earnings	15,704,788	33.4	18,895,081	41.0
Total equity attributable to equity holders of the parent	17,813,091	37.9	19,935,335	43.3
Minority interest	2,718,556	5.8	2,637,425	5.7
Total equity	20,531,647	43.7	22,572,760	49.0
Long-term liabilities				
Interest-bearing loans and borrowings	2,610,651	5.6	8,602,721	18.7
Provisions	747,287	1.6	799,266	1.7
Deferred tax liabilities	1,134,686	2.4	1,548,835	3.4
Other long-term liabilities	141,554	0.3	140,580	0.2
Total long-term liabilities	4,634,178	9.9	11,091,402	24.0
Short-term liabilities				
Trade and other liabilities	8,414,147	17.9	9,181,243	19.9
Provisions	788,925	1.6	723,152	1.6
Income tax liability	35,454	0.1	39,389	0.1
Interest-bearing loans and borrowings	11,282,114	24.0	1,719,223	3.7
Deferred income	76,676	0.2	60,683	0.1
Other financial liabilities	1,212,609	2.6	714,973	1.6
Total short-term liabilities	21,809,925	46.4	12,438,663	27.0
Total liabilities	26,444,103	56.3	23,530,065	51.0
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	46,975,750	100.0	46,102,825	100.0

2.1.2 Consolidated income statement

	1.01.2008 - 31.12.2008 PLN '000	% of total sales revenues	1.01.2007 - 31.12.2007 PLN '000	% of total sales revenues
Sales revenues				
Sales of finished goods	79,884,662		60,524,829	
Excise tax and other charges	(17,965,121)		(15,044,496)	
Revenues from sale of finished goods, net	61,919,541		45,480,333	
Sales of merchandise and raw materials	19,730,227		21,041,337	
Excise tax and other charges	(2,114,563)		(2,728,687)	
Revenues from sale of merchandise and raw materials, net	17,615,664		18,312,650	
Total sales revenues	79,535,205	100.0	63,792,983	100.0
Cost of finished goods sold	(56,685,848)	(71.2)	(39,258,891)	(61.5)
Cost of merchandise and raw materials sold	(17,313,474)	(21.8)	(16,867,030)	(26.5)
Cost of finished goods, merchandise and raw materials sold	(73,999,322)	(93.0)	(56,125,921)	(88.0)
Gross profit on sales	*5,535,883*	7.0	*7,667,062*	12.0
Distribution expenses	(3,325,701)	(4.2)	(3,175,974)	(5.0)
General and administrative expenses	(1,462,477)	(1.8)	(1,637,370)	(2.6)
Other operating revenues	747,930	0.9	470,003	0.7
Other operating expenses	(3,098,957)	(3.9)	(719,839)	(1.1)
Profit/(Loss) from operations	*(1,603,322)*	(2.0)	*2,603,882*	4.0
Financial revenues	702,800	0.9	1,190,048	1.9
Financial expenses	(2,281,414)	(2.9)	(1,050,246)	(1.6)
Net financial revenues and expenses	(1,578,614)	(2.0)	139,802	0.3
Share in profit from investments accounted for under equity method	266,533	0.3	267,381	0.4
Profit/(Loss) before tax	*(2,915,403)*	(3.7)	*3,011,065*	4.7
Income tax expense	388,777	0.5	(530,639)	(0.8)
Net profit/(loss)	*(2,526,626)*	(3.2)	*2,480,426*	3.9
Attributable to:				
Minority interest	(21,384)		68,017	
Equity holders of the parent	(2,505,242)		2,412,409	

2.2 Selected financial ratios

	2008	2007	2006
1. Return on sales			
net profit x 100% / net revenues	negative value	3.9%	3.9%
2. Return on equity			
net profit x 100% / equity - net profit	negative value	12.3%	10.6%
3. Debtors turnover			
average trade receivables (net) x 365 days / net revenues	23 days	29 days	30 days
4. Debt ratio			
liabilities x 100% / equity and liabilities	62.1%	56.7%	58.5%
5. Current ratio			
current assets / current liabilities	0.8	1.6	1.2

- Net revenues are comprised of the sale of finished products, merchandise and raw materials.
- Average trade receivables represent the average of trade receivables at the beginning and at the end of the period, including allowances for receivables.

2.3 Interpretation of selected financial ratios

Return on sales and return on equity

Return on sales and return on equity ratios achieved in 2008 negative values due to net loss incurred in 2008. Net loss is mainly an effect of non-current assets impairment, negative exchange differences from valuation of positions denominated in foreign currencies due to experienced depreciation of PLN at the end of the year and decrease in profit from operations due to higher cost of energy and materials consumption, being a result of increasing costs of crude oil used in the process of production.

Debtors turnover

Debtors' days ratio improved in comparison to 2007, that is mainly a result of decrease in fuel prices at the end of 2008, which resulted in a decrease in the level of receivables.

Debt ratio
Debt ratio increased in 2008 in comparison to previous years, which is mainly an effect of increase in loans and borrowings due to valuation of loans denominated in foreign currencies and decrease in retained earnings due to loss incurred in 2008.

Current ratio
Current ratio decreased significantly in comparison to previous years, due to reclassification of loans of PLN 9,475,499 thousand from long-term liabilities to short-term liabilities. This reclassification relates to liabilities resulting from bank loan agreements containing provisions specifying the required level of net debt to EBITDA ratio, which was exceeded as at 31 December 2008. As at the date of issuing this report 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 finished. 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 cause classification of the respective bank loan liabilities as long-term in the financial statements for the second quarter 2009.

3. Detailed report

3.1 Accounting principles

The Parent Company maintains current documentation describing the accounting principles applied by the Group and adopted by the Management Board of the Parent Company.

The accounting principles are described in the notes to the consolidated financial statements to the extent required by International Financial Reporting Standards as adopted by the European Union.

In view of the fact that not all entities being part of the Group apply common accounting principles consistent with the accounting principles applied by the Parent Company, appropriate adjustments to the financial statements of those entities were made to ensure consistency with the accounting principles applied by the Parent Company.

The financial statements of the entities included in the consolidated financial statements were prepared at the same balance sheet date as the financial statements of the Parent Company.

3.2 Basis of preparation of the consolidated financial statements

The consolidated financial statements of the PKN ORLEN S.A. Group were prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with other applicable regulations.

The consolidated financial statements were prepared on the basis of the consolidation documentation prepared in accordance with the requirements of the Minister of Finance Regulation dated 12 December 2001 on principles for the preparation of financial statements of related entities by entities other than banks and insurance companies (Official Journal from 2001, No 152, item 1729).

3.3 Method of consolidation

The method of consolidation is described in note 5 of the notes to the consolidated financial statements.

3.4 Goodwill arising on consolidation

The method of calculating goodwill arising on consolidation is described in note 5 of the notes to the consolidated financial statements.

3.5 Consolidation of equity and calculation of minority interest

The share capital of the Group is equal to the share capital of the Parent Company.

Other equity items of the Group are determined by adding the equity balances of subsidiaries included in the consolidated financial statements in the proportion reflecting the Parent

Company's share in the subsidiaries' equity as at the balance sheet date to the corresponding positions of the equity of the Parent Company.

Only equity of subsidiaries arising after the Parent Company obtained control of the subsidiary is included in the equity of the Group.

Minority interests in subsidiaries included in the consolidated financial statements were determined based on the minority shareholders' share in the subsidiaries' equity as at the balance sheet date.

3.6 Consolidation eliminations

Intercompany balances within the Group were eliminated on consolidation.

Sales between entities and other intercompany operating revenues and expenses and financial revenues and expenses were eliminated on consolidation.

The consolidation eliminations were based on the accounting records of PKN ORLEN S.A. and agreed with information received from the subsidiaries.

3.7 Notes to the consolidated financial statements

All information included in the notes to the consolidated financial statements, comprising a summary of significant accounting policies and other explanatory notes, is, in all material respects, presented accurately and completely. This information should be read in conjunction with the consolidated financial statements taken as a whole.

3.8 Report on the Group's operations

The Report on the Group's operations includes, in all material respects, 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.

3.9 Information on the opinion of the independent auditor

Based on our audit of the consolidated financial statements of the Group as at and for the year ended 31 December 2008, we have issued an unqualified with the following emphasis of matters:

"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."

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Certified Auditor No. 10268/7598
Monika Bartoszewicz

....
For KPMG Audyt Sp. z o.o.
ul. Chłodna 51; 00-867 Warsaw
Certified Auditor No. 9451/7175
Leszek Dubicki,
Member of the Management Board

27 April 2009
Warsaw, Poland