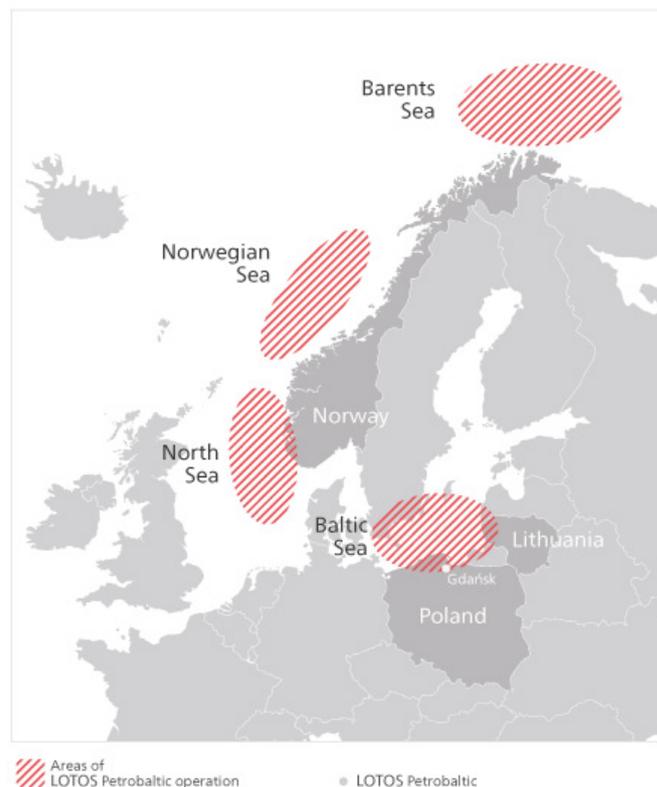


Management approach

LOTOS Petrobaltic implements the best solutions with respect to environmental protection, supporting the biodiversity of the Baltic Sea.

Grupa LOTOS, through its subsidiary LOTOS Petrobaltic, is the only Polish enterprise engaged in hydrocarbons production in the Polish economic zone of the Baltic Sea. LOTOS Petrobaltic's equity links to Grupa LOTOS date back to 2005. The company operates in Poland, Lithuania and Norway.



In Poland, exploration and production activities are conducted in seven exploration license areas (Gaz Północ, Gaz Południe, Gotlandia, Łeba, Rozewie, Sambia W and Sambia E) and four production license areas (Łeba, Smoldzino, Lubiadowo and Kuźnica). In the Baltic Sea, LOTOS Petrobaltic produces from the B3 field and develops the B8 field. LOTOS Petrobaltic operates offshore in Poland's economic area, over approximately 29 thousand sq. km.

Crude oil is also produced in Lithuania, through AB LOTOS Geonafra of Gargždai, Lithuania. LOTOS Petrobaltic is the sole shareholder in the company.

Intensive work is also on-going on the preparation of hydrocarbons production from the YME field in Norway, through LOTOS E&P Norge (LOTOS Exploration and Production Norge AS) of Stavanger, Norway, a company established in 2007.

Main areas of exploration and production operations

- continued operation in the Baltic Sea, on the Norwegian Continental Shelf and in Lithuania;
- identification of partially developed fields or fields in the closing stages of development, with a view to a prompt launch of production;
- joining growth projects and acquisition of new licenses, including onshore licenses;
- looking for growth opportunities in market niches, such as involvement in exploration and production in Lithuania;
- in acquiring hydrocarbon deposits, including shale gas - focusing on areas with low and moderate risk levels.

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Structure of the organization