

## 35. Notes

In the year ended December 31st 2011, LOTOS Asphalt Sp. z o.o. issued short-term bearer notes under the Note Issue Programme Agreement of July 27th 2010.

As part of the Note Issue 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 value.

The issued notes were acquired by third-party investors as well as by the Group members. The nominal value of notes issued to investors outside the Group in the years ended December 31st 2011 and December 31st 2010 is presented below:

PLN '000	Nominal value of notes issued	Discount	Liabilities under notes issued
<b>As at Jan 1 2010</b>	-	-	-
Increase (issue)	103,000	(330)	
Decrease (redemption)	(50,000)	-	
<b>As at Dec 31 2010</b>	<b>53,000</b>	<b>(330)</b>	<b>52,670</b>
<b>As at Jan 1 2011</b>	<b>53,000</b>	<b>(330)</b>	<b>52,670</b>
Increase (issue)	575,000	(2,248)	
Decrease (redemption)	(628,000)	2,578	
<b>As at Dec 31 2011</b>	-	-	-

In the year ended December 31st 2011, the proceeds from the notes issued by the Group to investors outside the group were PLN 572,752 thousand, net of the issue expenses (December 31st 2010: PLN 102,670 thousand). In the year ended December 31st 2011, the Group's expenditure on redemption of the notes amounted PLN 628,000 thousand. (December 31st 2010: PLN 50,000 thousand).

Moreover, in the year ended December 31st 2011, LOTOS Asphalt Sp. z o.o. issued notes with a nominal value of PLN 242,400 thousand, which were acquired by Group entities. In the year ended December 31st 2011, LOTOS Asphalt Sp. z o.o. redeemed all issued notes held by Group entities. In 2010, LOTOS Asphalt Sp. z o.o. did not issue notes to Group members.

This is a translation of a document originally issued in Polish.