

## Audit and review

Grupa LOTOS presents the independent auditors' opinions of Ernst & Young Audit regarding the Financial statements of Grupa LOTOS and the Consolidated financial statements of the LOTOS Group for 2011 as well as the independent assurance report of Deloitte Advisory regarding the non-financial part of the Integrated Annual Report for 2011.

### Independent auditors' opinion of Ernst & Young Audit Sp. z o.o. regarding the Financial statements of Grupa LOTOS for 2011.

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The Polish original should be referred to in matters of interpretation.  
Translation of auditors' report originally issued in Polish.

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#### INDEPENDENT AUDITORS' OPINION

##### To the Supervisory Board of Grupa LOTOS S.A.

1. We have audited the attached financial statements for the year ended 31 December 2011 of Grupa LOTOS S.A. ("the Company") located in Gdańsk at 135 Elbląska Street, containing statement of financial position as at 31 December 2011, the statement of comprehensive income, the statement of cash flow, the statement of changes in equity for the period from 1 January 2011 to 31 December 2011 and the additional notes and explanations ("the attached financial statements").
2. The truth and fairness<sup>1</sup> of the attached financial statements, the preparation of the attached financial statements in accordance with the required applicable accounting policies and the proper maintenance of the accounting records are the responsibility of the Company's Management Board. In addition, the Company's Management Board and Members of the Supervisory Board are required to ensure that the attached financial statements and the Directors' Report meet the requirements of the Accounting Act dated 29 September 1994 (2009 Journal of Laws No. 152 item 1223 with subsequent amendments – "the Accounting Act"). Our responsibility was to audit the attached financial statements and to express an opinion on whether, based on our audit, these financial statements comply, in all material respects, with the required applicable accounting policies, whether they truly and fairly<sup>2</sup> reflect, in all material respects, the financial position and results of the operations of the Company and whether the accounting records that form the basis for their preparation are, in all material respects, properly maintained.
3. We conducted our audit of the attached financial statements in accordance with:
  - chapter 7 of the Accounting Act,
  - national auditing standards issued by the National Council of Statutory Auditors,in order to obtain reasonable assurance whether these financial statements are free of material misstatement. In particular, the audit included examining, to a large extent on a test basis, documentation supporting the amounts and disclosures in the attached financial statements. The audit also included assessing the accounting principles adopted and used and significant estimates made by the Management Board, as well as evaluating the overall presentation of the attached financial statements. We believe our audit has provided a reasonable basis to express our opinion on the attached financial statements treated as a whole.

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<sup>1</sup> Translation of the following expression in Polish: "rzetelność i jasność"

<sup>2</sup> Translation of the following expression in Polish: "rzetelnie i jasno"

4. In our opinion, the attached financial statements, in all material respects:
- present truly and fairly all information material for the assessment of the results of the Company's operations for the period from 1 January 2011 to 31 December 2011, as well as its financial position<sup>3</sup> as at 31 December 2011;
  - have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and based on properly maintained accounting records;
  - are in respect of the form and content, in accordance with legal regulations governing the preparation of financial statements and the Company's Articles of Association.
5. Without qualifying our opinion, we draw attention, that in the attached financial statements the Company has presented shares in the subsidiaries and associates at cost<sup>4</sup> less any impairment write down. In accordance with the accounting policies resulting from International Financial Reporting Standards, the Capital Group of Grupa LOTOS S.A. (The LOTOS Group), of which the Company is the dominant entity, prepared its consolidated financial statements dated 17 April 2012. The consolidated net profit from continuing operations of The LOTOS Group for the year ended 31 December 2011 amounts to PLN 649,322 thousand, the consolidated equity as at 31 December 2011 amounts to PLN 7,782,383 thousand and the consolidated assets amounts to PLN 20,423,220 thousand.
6. We have read the Directors' Report for the period from 1 January 2011 to 31 December 2011 and the rules of preparation of annual statements' ('the Directors' Report') and concluded that the information derived from the attached financial statements reconciles with these financial statements. The information included in the Directors' Report corresponds with the relevant regulations of the Decree of the Minister of Finance dated 19 February 2009 on current and periodic information published by issuers of securities and conditions for recognition as equivalent the information required by laws of non-EU member states (Journal of Laws No. 33, item 259 with subsequent amendments).

on behalf of  
Ernst & Young Audit sp. z o.o.  
Rondo ONZ 1, 00-124 Warsaw  
Reg. No 130

Key Certified Auditor

Partner

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Marcin Zieliński  
certified auditor  
No. 10402

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Jacek Hryniuk

Warsaw, 17 April 2012

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<sup>3</sup> Translation of the following expression in Polish: 'sytuacja majątkowa i finansowa'

<sup>4</sup> Translation of the following expression in Polish language: "cena nabycia"

Independent auditors' opinion of Ernst & Young Audit Sp. z o.o. regarding the Consolidated financial statements of the LOTOS Group for 2011.

The Polish original should be referred to in matters of interpretation.  
Translation of auditors' report originally issued in Polish.

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**INDEPENDENT AUDITORS' OPINION**

**To the Supervisory Board of Grupa LOTOS S.A.**

1. We have audited the attached consolidated financial statements of Capital Group Grupa LOTOS S.A. ('the Group'), for which the holding company is Grupa LOTOS S.A. ('the Company') located in Gdańsk at 135 Elbląska Street, for the year ended 31 December 2011 containing, the consolidated statement of financial position as at 31 December 2011, the consolidated statement of comprehensive income, the consolidated statement of cash flow, the consolidated statement of changes in equity for the period from 1 January 2011 to 31 December 2011 and the additional notes and explanations ('the attached consolidated financial statements').
2. The truth and fairness<sup>1</sup> of the attached consolidated financial statements, the preparation of the attached consolidated financial statements in accordance with the required applicable accounting policies and the proper maintenance of the consolidation documentation are the responsibility of the Company's Management Board. In addition, the Company's Management Board and Members of the Supervisory Board are required to ensure that the attached consolidated financial statements and the Directors' Report meet the requirements of the Accounting Act dated 29 September 1994 (2009 Journal of Laws No. 152 item 1223 with subsequent amendments – 'the Accounting Act'). Our responsibility was to audit the attached consolidated financial statements and to express an opinion on whether, based on our audit, these financial statements comply, in all material respects, with the required applicable accounting policies and whether they truly and fairly<sup>2</sup> reflect, in all material respects, the financial position and results of the operations of the Group.
3. We conducted our audit of the attached consolidated financial statements in accordance with:
  - chapter 7 of the Accounting Act,
  - national auditing standards issued by the National Council of Statutory Auditors,in order to obtain reasonable assurance whether these financial statements are free of material misstatement. In particular, the audit included examining, to a large extent on a test basis, documentation supporting the amounts and disclosures in the attached consolidated financial statements. The audit also included assessing the accounting principles adopted and used and significant estimates made by the Management Board, as well as evaluating the overall presentation of the attached consolidated financial statements. We believe our audit has provided a reasonable basis to express our opinion on the attached consolidated financial statements treated as a whole.
4. The consolidated financial statements for the prior financial year ended 31 December 2010 were subject to our audit and on 11 April 2011 we have issued an unqualified opinion with an emphasis of matter on these financial statements concerning the uncertainty indicated by the Company's Management relating to the recoverability of the assets recognized due to the purchase of interest and exploration expenses incurred in respect of the YME oil field.

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<sup>1</sup> Translation of the following expression in Polish: 'rzetelność i jasność'

<sup>2</sup> Translation of the following expression in Polish: 'rzetelne i jasne'

5. In our opinion, the attached consolidated financial statements, in all material respects:
- present truly and fairly all information material for the assessment of the results of the Group's operations for the period from 1 January 2011 to 31 December 2011, as well as its financial position<sup>3</sup> as at 31 December 2011;
  - have been prepared in accordance with International Financial Reporting Standards as adopted by the EU;
  - are in respect of the form and content, in accordance with the legal regulations governing the preparation of financial statements.
6. As disclosed in note No. 17 of the additional notes and explanations to the attached consolidated financial statements, the Group recognized under construction in progress the expenditures incurred by LOTOS Exploration and Production Norge AS for the purchase of 20% interest in Norwegian production licences relating to the YME field as well as the costs of drilling and other costs of said field exploration. The Group carried out an impairment test for the said assets described in the mentioned note, based on the analysis of discounted cash flows for the 20% interest held in hydrocarbons' reserves acquired as part of the production licences for the development of the YME field, and as the result in 2011 recognized an impairment allowance in the amount of 256 million zloty (with an impact on the net financial result amounted to 90 million zloty after deferred tax adjustment), revaluating the amount of capitalized expenditures to the total amount of 1218 million zloty. Without qualifying our opinion, we draw attention to the uncertainty indicated by the Company's Management concerning recoverability of the remaining assets recognized in the attached consolidated financial statements in respect of the YME field due to the fact that the forecasted cash flows are determined by a series of futures events, in particular, by market volatility of crude oil prices as well as the ability of obtaining further significant funding required to start the production.
7. We have read the 'Directors' Report for the period from 1 January 2011 to 31 December 2011 and the rules of preparation of annual statements' ('the Directors' Report') and concluded that the information derived from the attached consolidated financial statements reconciles with these financial statements. The information included in the Directors' Report corresponds with the relevant regulations of the Decree of the Minister of Finance dated 19 February 2009 on current and periodic information published by issuers of securities and conditions for recognition as equivalent the information required by laws of non-EU member states (Journal of Laws No. 33, item 259 with subsequent amendments).

on behalf of  
Ernst & Young Audit sp. z o.o.  
Rondo ONZ 1, 00-124 Warsaw  
Reg. No 130

Key Certified Auditor

Partner

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Marcin Zieliński  
certified auditor  
No. 10402

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Jacek Hryniuk

Warsaw, 17 April 2012

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<sup>3</sup> Translation of the following expression in Polish: 'sytuacja majątkowa i finansowa'

Independent assurance report of Deloitte Advisory Sp. z o.o. regarding the non-financial part of the Integrated Report of the LOTOS Group for 2011.

**Deloitte.**

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**Independent assurance report pertaining to the non-financial part of the Integrated Report of the LOTOS Group for 2011**

**To the Management Board of the LOTOS Group**

We have reviewed the non-financial part of the Integrated Report of the LOTOS Group ("Sustainable Development Report" or "Report") with the registered address in Gdańsk, at ul. Eibłaska 135 ("Company"), with respect to indicators developed based on G3 Sustainable Development Reporting Guidelines for A level issued by Global Reporting Initiative (GRI). The assurance works covered the period from 1 January 2011 to 31 December 2011 with relation to quantity and quality of available evidence.

The Management Board of the Company is responsible for reliable, correct and fair information and for correct preparation of the documentation. Our task was to issue an independent assurance report based on the Sustainable Development Report.

Our procedures did not include assessment of the fairness, correctness and completeness of documents provided by the Company, nor did they constitute an audit of the internal control system implemented therein. Therefore, we do not express an opinion regarding correctness of the system. Our procedures did not constitute an audit of financial statements as defined in the Accounting Act. Therefore, we do not express an opinion concerning the auditor's Report nor do we make statements regarding the financial statements of the Company as determined in regulations applicable to certified auditors.

Planning and performing our works had the nature of a limited assurance engagement performed in line with ISAE 3000 (Assurance Engagements Other than Audits or Reviews of Historical Financial Information), which requires us to plan and perform the engagement in a manner which allows for limited assurance that the Sustainable Development Report does not include significant misstatements. The scope and methodology of a review of the Sustainable Development Report significantly differ from those applied during an audit, which is aimed at expressing reasonable assurance. The purpose of the review is not to issue an opinion on correct, true and fair nature of the Sustainable Development Report, and therefore no such opinion has been issued. The procedures followed during the review of the Sustainable Development Report comprised:

- Identifying issues and results significant for the content of the Report from the viewpoint of the corporate social responsibility policy followed by the Company and stakeholders' expectations;
- Comparing data included in the Sustainable Development Report to those presented in the Financial Statements of the LOTOS Group for 2011;
- Interviewing individuals in charge of the implementation of the corporate social responsibility policy in the Company and of the preparation of non-financial part of the Report;
- Verifying the information included in the Report for compliance with the internal documentation of the Company;
- Assessing the level of compliance with Sustainable Development Reporting Guidelines and GRI Reporting Framework.

Based on the review we obtained limited assurance that the information concerning indicators reported by the Company included in the Sustainable Development Report developed by the LOTOS Group is free from material misstatements and it is compliant with G3 Sustainable Development Reporting Guidelines for level A issued by Global Reporting Initiative.

*Deloitte Advisory Sp. z o.o.*

Deloitte Advisory Sp. z o.o.

Warsaw, 18 April 2012

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