

**POLSKIE GÓRNICTWO NAFTOWE
I GAZOWNICTWO S.A.
WARSAW, UL. M.KASPRZAKA 25**

**FINANCIAL STATEMENTS
FOR THE 2007 FINANCIAL YEAR
WITH
AUDITOR'S OPINION**

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REPORT ON ACTIVITIES OF THE COMPANY

AUDITOR'S OPINION

To the Shareholders and Supervisory Board of Polskie Górnictwo Naftowe i Gazownictwo S.A.

We have audited the attached financial statements of Polskie Górnictwo Naftowe i Gazownictwo S.A. with registered office in Warsaw, ul. M.Kasprzaka 25, including:

- balance sheet prepared as of 31 December 2007, with total assets and liabilities plus equity of PLN 23,564,336 thousand;
- profit and loss account for the period from 1 January 2007 to 31 December 2007, disclosing a net profit of PLN 2,154,921 thousand;
- statement of changes in equity for the period from 1 January 2007 to 31 December 2007, disclosing an increase in equity of PLN 1,173,278 thousand;
- cash flow statement for the period from 1 January 2007 to 31 December 2007, showing a net cash outflow of PLN 1,938,244 thousand;
- notes, including information on the adopted accounting policy and other explanatory notes.

Preparation of these financial statements is the responsibility of the Management Board of the Company. Our responsibility was to audit and express an opinion on the fairness, correctness and clarity of these financial statements and the correctness of the underlying accounting records.

Starting from 2007, pursuant to Article 45 of the Accounting Act, the Company prepares its financial statements in accordance with provisions of the International Financial Reporting Standards as approved by the European Union

Our audit of the financial statements was planned and performed in accordance with:

- section 7 of the Accounting Act of 29 September 1994 (Dz.U. of 2002 No. 76, item 694 with subsequent amendments),
- auditing standards issued by the National Council of Certified Auditors in Poland

in such a way as to obtain reasonable and sufficient basis for expressing an opinion as to whether the financial statements were free of material misstatements. Our audit included in particular examination, largely on a test basis, of the accounting evidence and records supporting the amounts and disclosures in the financial statements, assessment of the accounting principles (policy) applied and material estimates made by the Management Board, as well as evaluation of the overall presentation of the financial statements.

We believe that our audit provides a reasonable basis for our opinion.

In our opinion the audited financial statements of the Company Polskie Górnictwo Naftowe i Gazownictwo S.A. for the 2007 financial year were prepared in all material respects pursuant to the Act of 29 September 1994 on accounting books and give a true and fair view of all the information essential for evaluating the financial position and financial result of the Company for the 12-month period ended 31 December 2007 and, as at that date, in accordance with the International Financial Reporting Standards as approved by the European Union.

The Report on the Company's activities in the 2007 financial year is complete in the meaning of Article 49 clause 2 of the Accounting Act and regulation of the Minister of Finance dated October 19th 2005 on current and periodic information to be published by the issuers of securities and consistent with underlying information disclosed in the audited financial statements.

The above audit opinion is a translation from the original Polish version. In case of any discrepancies between the Polish and English version, the Polish version shall prevail.

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Maria Rzepnikowska
Certified Auditor
No. 3499/1028

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represented by

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Entity entitled to audit
financial statements entered under
number 73 on the list kept by the
National Council of Certified Auditors

Warsaw, April 4, 2008