

AUDITOR'S REPORT ON THE REVIEW OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2006 TO 30 JUNE 2006

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

We have reviewed the consolidated financial statements of the Capital Group, with Polskie Górnictwo Naftowe i Gazownictwo S.A. with the registered office in Warsaw, ul. Krucza 6/14, acting as a holding company, including:

- consolidated balance sheet prepared as of 30 June 2006, with total assets and liabilities plus equity of PLN 30 745 732 thousand;
- consolidated profit and loss account for the period from 1 January 2006 to 30 June 2006, disclosing a net profit of PLN 732 434 thousand;
- statement of changes in consolidated equity for the period from 1 January 2006 to 30 June 2006, disclosing a decrease in equity of PLN 221 942 thousand;
- consolidated cash flow statement for the period from 1 January 2006 to 30 June 2006, showing a cash inflow of PLN 1 020 050 thousand;
- additional information and explanations.

Fairness, correctness and clarity of information included in the consolidated financial statements are the responsibility of the Management Board of the holding company of the Polskie Górnictwo Naftowe i Gazownictwo S.A. Capital Group. Our responsibility was to review these consolidated financial statements.

The consolidated financial statements of the Polskie Górnictwo Naftowe i Gazownictwo S.A. Capital Group for the period of 6 months ended 30 June 2006 cover financial information of twenty-one subsidiaries consolidated using the full method and equity method with regards to one co-subsidiary and two associated companies. The financial statements of subsidiaries were not subject to review by entities authorised to audit financial statements. The share in the consolidated balance sheet total before consolidation adjustments to the financial statements, which were not subject of the review was 3.8%, and in consolidated revenues before consolidation adjustments – 5.8%.

We have conducted the review in line with the auditing standards issued by the National Council of Certified Auditors. These standards require to plan and conduct the review in such a way as to obtain reasonable assurance that the consolidated financial statements are free of material misstatement.

Our review was carried out mainly based on analysis of data included in the consolidated financial statements, available consolidation documentation and information provided by the Management Board and the financial and accounting personnel of the holding company. The scope and method of review of the consolidated financial statements are substantially different from an audit. It is not an objective of the review to express an opinion on the accuracy, fairness and clarity of the consolidated financial statements. Therefore, no such opinion is issued.

Our review did not identify a need to introduce changes to the attached consolidated financial statements, so they correctly, fairly and clearly presented the financial situation of the Polskie Górnictwo Naftowe i Gazownictwo S.A. Capital Group as of 30 June 2006 and the financial result for the period from 1 January 2006 to 30 June 2006, in line with the International Financial Reporting Standards in the wording approved by the European Union.

Without raising the need to make adjustments in the attached consolidated financial statements we would like to point out the information described in point 6 of Additional information and explanations describing the uncertainty related to measurement of shares in co-subsiary EuRoPol Gaz S.A. The Management Board of the holding company performed an analysis of shares in EuRoPol Gaz S.A. in view of their impairment. Based on this analysis, impairment write-downs on shares were introduced down to the value of PLN 463.2 thousand. In the aforementioned point of the Additional information and explanations, the Management Board explained uncertainty regarding assumptions accepted for this analysis, resulting from external risk factors. The financial statements of EuRoPol Gaz S.A. as at 30 June 2006 were drawn in line with the Polish accounting standards.

We would also like to point out the fact that until the issuance of this report the financial statements of EuRoPol Gaz S.A. for 2005 had not been approved by the General Shareholders Meeting of the Company.

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Maria Rzepnikowska
Certified auditor
No. 3499

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Represented by

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entity authorized to audit financial
statements, entered under number 73
on the list of authorized entities kept by
National Council of Certified Auditors in
Poland.

Warsaw, 1 September 2006