

Appendix to the current report no. 27/2010

The supplement information to the Issuer Management's Discussion and Analysis for the periods ended June 30, 2010 and 2009, published on 16 June 2010 as a part of Consolidated Report of the Issuer for the six months ended 30 June 2010. The base of the supplement information is the Ordinance of the Polish Minister of Finance of February 19, 2009 regarding current and periodic information to be submitted by issuers of securities and the equivalency conditions of the information required by the law of a non-member to the extent of them being the supplement to the information contained in the said Issuer Management's Discussion and Analysis which was made in accordance with the requirements of the Canadian law.

1. The Management position regarding the possibility of meeting earlier published result forecasts for a given year.

The Issuer does not prepare and publish financial result forecasts for financial year 2010.

2. Shareholders holding 5 % or more of the votes at the Issuer's general meeting of shareholders, directly or indirectly through subsidiaries, as at the publication date of Consolidated Report for the six months ended 30 June 2010, as well as indications of changes in the ownership structure of significant share stakes in KOV during the period since the publication of the previous quarterly report.

Shareholder name	Number of shares held	Number of votes held	Share in share capital	Share in the total number of votes
Kulczyk Investments S.A. ⁽¹⁾	200 358 212	200 358 212	49,84%	49,84%
OZ Management ⁽²⁾	30 681 954	30 681 954	7,63%	7,63%
Treasury shares - repurchased under reverse greenshoe option	1 219 061	1 219 061	0,30%	0,30%
Other	169 713 164	169 713 164	42,22%	42,22%
	401 972 391	401 972 391	100,00%	100,00%

⁽¹⁾ - According to notification received July 14, 2010 (current report /CR/ No. 18 of July 15, 2010)

⁽²⁾ - According to notifications received July 15 (CR No. 19) and May 28, 2010 (CR No. 9)

Description of the changes in the shareholder structure in period from date of admitting the shares to trading on the regulated market (Giełda Papierów Wartościowych w Warszawie – Warsaw Stock Exchange) to date of publication of Consolidated Report for the six months ended 30 June 2010:

On 21 May 2010 the Company received the following notice on a change of the stake in the total vote in the Company:

"Acting on the basis of Article 69, section 2 and Article 69a section 1 point 3) of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading and Public Companies dated July 29th 2005 (Journal of Laws of 2009, No. 185 item 1439), Jan Kulczyk and its related entity Kulczyk Investment S.A. informs about increase of shareholding of Kulczyk Investments S.A. in Kulczyk Oil Ventures Inc to the level of 48.55% of the total number of votes at the General Assembly of Kulczyk Oil Ventures Inc.

As a result of the initial public offering of the shares of Kulczyk Oil Ventures Inc Kulczyk Investments S.A. subscribed for 82,010,580 shares of the Company representing 20.93% of the share capital. The above shares were registered on the brokerage account of Kulczyk Investments S.A. for the first time on 19 May 2010. As a result of conversion of debenture in the amount of USD 14,418,676 into shares, on 19 May 2010 Kulczyk Investments S.A. acquired 25,000,000 shares of the Company, which represented 6.38% of the share capital.

Before the changes, Kulczyk Investments S.A. held 83,260,788 shares of the Company, which represented 41.53% of the share capital. The said shares entitled to the 83,260,788 of the votes, which constituted 41.53% of the total number of votes at the General Shareholders Meeting.

Currently Kulczyk Investments S.A. holds 190,271,370 shares of the Company representing 48.55% of the share capital. The said shares entitle to the 190,271,370 of the votes, which constitute 48.55% of the total number of votes at the General Shareholders Meeting.

No subsidiary of Kulczyk Investments S.A. hold any shares of Kulczyk Oil Ventures Inc. There are no third parties with which Kulczyk Investments S.A. concluded agreements under which it would transfer right to exercise voting rights from Kulczyk Oil Ventures Inc's shares held by Kulczyk Investments S.A."

On 28 May 2010 the Company received the following notifications regarding changes of the stake in the total vote in the Issuer:

- 1) notification by OZ Management LP provided in connection with Article 87 par. 1 pt. 1c of the Act, regarding that entity holding, on the basis of investment management agreements concluded with certain investment funds and accounts managed by OZ Management LP, the right to exercise 32,800,000 votes, i.e., 8.37 per cent of the total number of votes in KULCZYK OIL VENTURES INC., attached to 32,800,000 shares purchased on behalf of the notifying party's clients constituting 8.37 per cent of the Company's share capital.
- 2) notification by OZ Master Fund, Ltd., c/o Goldman Sachs (Cayman) Trust Limited, regarding that entity holding the right to exercise 21,716,664 voting rights, i.e., 5.54 per cent of the total number of votes in KULCZYK OIL VENTURES INC. attached to 21,716,664 shares constituting 5.54 per cent of the Company's share capital.

On 14 July 2010 the Company received the following notice on a change of the stake in the total vote in the Issuer:

"Acting on the basis of Article 69, section 2 and Article 69a, section 1 point 3 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies dated 29th July 2005 (Journal of Laws of 2009, No. 185, item 1439), Jan Kulczyk and its related entity Kulczyk Investments S.A. informs about increase of shareholding of Kulczyk Investments S.A. in Kulczyk Oil Ventures Inc. to the level of 49.99% of the total number of votes at the General Assembly of Kulczyk Oil Ventures Inc.

On 10 July 2010 Kulczyk Investments S.A. was informed that, as a result of the conversion of debenture in the amount of USD 5,581,324.38 into shares, on 9 July 2010 Kulczyk Investments S.A. acquired 10,086,842 shares of the Company which represented 1.29% of the share capital.

Before the changes, Kulczyk Investments S.A. held 190,271,370 shares of the Company which represented 48.70% of the share capital. The said shares entitled to the 190,271,370 of the votes, which constituted 48.70% of the total votes at the General Shareholders Meeting.

Currently Kulczyk Investments S.A. holds 200,358,212 shares of the Company representing 49.99% of the share capital. The said shares entitle to the 200,358,212 of the votes, which constitute 49.99% of the total number of votes at the General Shareholders Meeting.

No subsidiary of Kulczyk Investments S.A. holds any shares of Kulczyk Oil Ventures Inc. There are no third parties with which Kulczyk Investments S.A. concluded agreements under which it would transfer right to exercise voting rights from Kulczyk Oil Ventures Inc's shares held by Kulczyk Investments S.A."

On 15 July 2010 the Company received the notice on a change of the stake in the total vote in the Issuer following the KOV's new issue of shares on 9 July 2010, as reported by the Company in Current Report No. 17/2010. OZ Master Fund Ltd. reduced its stake below 5% of the total vote in the Company:

"Prior to the change, OZ Master Fund Ltd. held 19,598,618 votes representing 5.001% of the total vote in the Company, conferred in 19,598,618 shares representing 5.001% of the Company's share capital.

Following the change, OZ Master Fund Ltd. holds 19,598,618 votes representing 4.88% of the total vote in the Company, conferred in 19,598,618 shares representing 4.88% of the Company's share capital."

3. **A list of holdings of the Issuer's shares or rights to them by persons that manage or supervise the Issuer** as at the publication date of the Consolidated Report for the six months ended 30 June 2010, together with an indication of changes to the holdings in the period since the publication of the previous quarterly report, individually for each person.

Shares and Options owned by KOV directors and executive officers as at the date of the report together with changes during the period are presented in the table below.

	Shares					Options		
	Shares owned - Opening		Acquired during period from January 1, 2010 to August 17, 2010	Shares owned - Closing		Options - Opening	Granted during period from January 1, 2010 to August 17, 2010	Options - Closing
	Number	Percentage	Number	Number	Percentage			
Dr. Jan Kulczyk (owned via KI)	83 260 788	41,53%	117 097 424	200 358 212	49,84%	1 500 000	510 000	2 010 000
Timothy M. Elliott	4 272 000	2,13%	483 870	4 755 870	1,18%	3 995 000	3 000 000	6 995 000
Norman W. Holton	2 716 331	1,35%	322 581	3 038 912	0,76%	2 995 000	2 850 000	5 845 000
Stuart B. Smith	791 744	0,39%	-	791 744	0,20%	500 000	-	500 000
Manoj Madnani	34 100	0,02%	322 581	356 681	0,09%	500 000	510 000	1 010 000
Gary King	67 500	0,03%	-	67 500	0,02%	500 000	-	500 000
Michael McVea	50 000	0,02%	50 000	100 000	0,02%	600 000	-	600 000
Jock M. Graham	1 140 000	0,57%	322 581	1 462 581	0,36%	2 725 000	2 850 000	5 575 000
Edwin A. Beaman	375 000	0,19%	81 102	456 102	0,11%	1 540 000	480 000	2 020 000
Paul H. Rose	-	0,00%	243 307	243 307	0,06%	1 500 000	510 000	2 010 000
Trent Rehill	-	0,00%	170 315	170 315	0,04%	500 000	1 020 000	1 520 000
Jakub Korczak	-	0,00%	-	-	0,00%	-	900 000	900 000
	<u>92 707 463</u>	<u>46,24%</u>	<u>119 093 761</u>	<u>211 801 224</u>	<u>52,69%</u>	<u>16 855 000</u>	<u>11 730 000</u>	<u>28 585 000</u>
Total	<u>200 491 549</u>	<u>100,00%</u>	<u>201 480 842</u>	<u>401 972 391</u>	<u>100,00%</u>	<u>20 040 000</u>	<u>15 834 000</u>	<u>35 874 000</u>

4. **Proceedings underway before courts, bodies appropriate for arbitration proceedings or public administration bodies**

- a) proceedings related to the Issuer's or its subsidiary's payables or debts, whose value is 10 % or more of the Issuer's equity, including a description of: the subject of the proceedings, the value of the dispute, the date the proceedings were initiated, the parties to the initiated proceedings and the Issuer's position.
- b) two or more proceedings regarding payables and debt, whose total value corresponds to 10 % or more of the Issuer's equity, with an indication of the total value of proceedings within the group of payables and debts, together with the Issuer's position on this matter and, with regard to the largest proceedings in the group of payables and the group of debts - with an indication of their subject, the value of the dispute, the date the proceedings were initiated and the parties to the initiated proceedings;

The Company or its subsidiaries were not involved in any proceedings before a court, relevant arbitration body or public administration authority concerning payables or debt of the Issuer or its subsidiaries whose value would be equal to or greater than 10% of the issuer's equity.

The Company or its subsidiaries were not involved in all proceedings before a court, relevant arbitration body or public administration authority concerning payables or debt of the Issuer or its subsidiaries which would cumulatively be equal or greater than 10% of the issuer's equity.

5. **Information on the conclusion by the Issuer or one of its subsidiaries of one or more transactions with affiliated companies, if they are individually or jointly significant and were concluded under non-market conditions.**

During H1 2010 the Issuer did not enter into transactions with any related parties based on non-market conditions. All related party transactions are fully disclosed and explained in the Issuer's interim consolidated financial statements as at June 30, 2010.

6. **Information regarding the Issuer or its subsidiaries granting credit or loan suretyships or guarantees**
- jointly to a single entity or a subsidiary of that entity, if the total value of the existing suretyships or guarantees is equivalent to 10 per cent or more of the Issuer's equity

During the period covered by this report, the Issuer did not issue guarantees exceeding 10% of the Issuer's equity. Details of all debt outstanding, including pledges, are disclosed in the notes to the Issuer's interim consolidated financial statements as at June 30, 2010.