

Estimations of selected financial and operating data for ORLEN Capital Group for the second quarter 2011
Regulatory announcement no 119/2011 dated 26 July 2011

Polski Koncern Naftowy ORLEN Spolka Akcyjna ("Company", "PKN ORLEN S.A.") hereby announces its estimates of selected financial and operating data for ORLEN Capital Group ("PKN ORLEN") for the second quarter 2011.

Table 1.

| Macroeconomic data | unit | Q2'10 | Q3'10 | Q4'10 | Q1'11 | Q2'11 | change (Q2'11 / Q1'11) | change (Q2'11 / Q2'10) |
|---|-------|-------|-------|-------|-------|-------|------------------------------|------------------------------|
| Average Brent crude oil price | USD/b | 78,3 | 76,9 | 86,5 | 105,4 | 117,0 | 11% | 49% |
| URAL/Brent differential ¹ | USD/b | 1,8 | 0,9 | 1,5 | 2,9 | 2,9 | 0% | 61% |
| Model refining margin ² | USD/b | 4,7 | 3,1 | 3,3 | 1,5 | 1,4 | -7% | -70% |
| Model petrochemical margin ³ | EUR/t | 721 | 753 | 667 | 751 | 795 | 6% | 10% |
| Average PLN/USD ⁴ | PLN | 3,16 | 3,10 | 2,92 | 2,88 | 2,75 | -5% | -13% |
| Average PLN/EUR ⁴ | PLN | 4,01 | 4,01 | 3,97 | 3,94 | 3,96 | 1% | -1% |
| PLN/USD (at the end of period) ⁴ | PLN | 3,39 | 2,93 | 2,96 | 2,82 | 2,75 | -2% | -19% |
| PLN/EUR (at the end of period) ⁴ | PLN | 4,15 | 3,99 | 3,96 | 4,01 | 3,99 | 0% | -4% |

1) Spread Ural Rdam vs fwd Brent Dtd = Med Strip - Ural Rdam (Ural CIF Rotterdam).

2) PKN ORLEN model refining margin = revenues from products sold (93,5% Products = 36% Gasoline + 43% Diesel + 14,5% HHO) - costs (100% input: crude oil and other raw materials). Total input calculated acc. to Brent crude quotations. Spot market quotations.

3) PKN ORLEN model petrochemical margin = revenues from products sold (98% Products = 44% HDPE + 7% LDPE + 35% PP Homo + 12% PP Copo) - costs (100% input = 75% Naphtha + 25% LS VGO). Contract market quotations.

4) According to the National Bank of Poland.

Table 2.

| Operating data: Production | unit | Q2'10 | Q3'10 | Q4'10 | Q1'11 | Q2'11 | change (Q2'11 / Q1'11) | change (Q2'11 / Q2'10) |
|-----------------------------------|------|-------|-------|-------|-------|-------|------------------------------|------------------------------|
| Throughput in ORLEN Capital Group | th t | 6 901 | 7 406 | 7 542 | 6 423 | 6 765 | 5% | -2% |
| Throughput in Plock | th t | 3 506 | 3 664 | 3 788 | 3 301 | 3 480 | 5% | -1% |
| Utilisation ratio ⁵ | % | 93% | 97% | 100% | 87% | 85% | -2 p.p. | -8 p.p. |
| Fuel yield ⁶ | % | 80% | 79% | 80% | 79% | 74% | -5 p.p. | -6 p.p. |
| Throughput in Unipetrol | th t | 1 082 | 1 182 | 1 141 | 879 | 1 112 | 27% | 3% |
| Utilisation ratio ⁷ | % | 85% | 93% | 90% | 69% | 87% | 18 p.p. | 2 p.p. |
| Fuel yield ⁶ | % | 75% | 76% | 74% | 78% | 76% | -2 p.p. | 1 p.p. |
| Throughput in ORLEN Lietuva | th t | 2 257 | 2 481 | 2 541 | 2 166 | 2 123 | -2% | -6% |
| Utilisation ratio ⁸ | % | 89% | 97% | 100% | 85% | 83% | -2 p.p. | -6 p.p. |
| Fuel yield ⁶ | % | 75% | 74% | 73% | 74% | 76% | 2 p.p. | 1 p.p. |

5) Nameplate capacity for Plock refinery is 15,1 mt/y in 2010 and in 1q'2011. Since 2q'2011 nameplate capacity is 16,3 mt/y as a result of PX/PTA installation start-up.

6) Fuel yield is a ratio of (gasoline, naphtha, LPG, diesel, LHO, JET) production excluding BIO and internal transfers to crude oil throughput.

7) Nameplate capacity for Unipetrol refinery is 5,1 mt/y in 2011. CKA [51% Litvinov (2,8 mt/y) and 51% Kralupy (1,7mt/y)] and 100% Paramo (0,6 mt/y).

8) Nameplate capacity for ORLEN Lietuva refinery is 10,2 mt/y in 2011.

Table 3.

| Operating data: Sales in ORLEN Capital Group | unit | Q2'10 | Q3'10 | Q4'10 | Q1'11 | Q2'11 | change (Q2'11 / Q1'11) | change (Q2'11 / Q2'10) |
|---|------|-------|-------|-------|-------|-------|------------------------------|------------------------------|
| Refining sales | th t | 5 683 | 6 075 | 5 925 | 5 217 | 5 545 | 6% | -2% |
| Retail sales | th t | 1 785 | 1 940 | 1 759 | 1 600 | 1 836 | 15% | 3% |
| Petrochemical sales | th t | 1 077 | 1 212 | 1 204 | 1 253 | 1 216 | -3% | 13% |

MACRO ENVIRONMENT

Changes in macroeconomic factors in the second quarter 2011 comparing y/y:

- ▶ Model refining margin and URAL/Brent differential in total decreased by (-) 2,2 USD/bbl (y/y) to 4,3 USD/bbl.
- ▶ Model petrochemical margin increased by 74 EUR/t (y/y) to 795 EUR/t.
- ▶ On average, PLN strengthened against USD and was stable against EUR.

Comparing to the first quarter 2011:

- ▶ Model refining margin and URAL/Brent differential in total decreased by (-) 0,1 USD/bbl (q/q).
- ▶ Model petrochemical margin increased by 44 EUR/t (q/q).
- ▶ On average, PLN strengthened against USD and was stable against EUR.

OPERATIONAL PARAMETERS

Crude oil throughput in PKN ORLEN in the second quarter 2011 increased by 5% (q/q) to the level of 6,8 mt. Due to realisation of maintenance shutdowns in the second quarter 2011 crude oil throughput was lower by (-) 2% (y/y).

- ▶ Shutdowns of Hydrocracking, H-Oil, Hydrogen Plant I and II decreased utilisation ratio in Plock refinery by (-) 8 pp (y/y) and fuel yield by (-) 6 pp (y/y).
- ▶ Utilisation ratio in Unipetrol increased by 2 pp (y/y) mainly as a result of lack of shutdowns of Hydrocracking and Visbreaking that took place in the second quarter of the previous year, what also resulted in higher fuel yield (y/y). The increase of utilisation ratio by 18 pp (q/q) is due to production restart in Paramo refinery after shutdown in the first quarter 2011.
- ▶ ORLEN Lietuva utilisation ratio decreased by (-) 6 pp (y/y) at stable fuel yield. This is a result of cyclical shutdown realisation at the turn of the first and the second quarter this year.

Taking into account the above mentioned conditions in the second quarter 2011 PKN ORLEN recorded:

- ▶ Decrease of refining sales by (-) 2% (y/y) due to lower production, increase of volumes for retail network and tough market environment.
- ▶ Increase of retail sales by 3% (y/y) achieved on Polish and German markets. Lower retail margins in Poland and the Czech Republic limited the effects of sales volumes increase.
- ▶ Sales volumes increase in petrochemical segment by 13% (y/y) achieved mainly due to start of sales of purified terephthalic acid (PTA) and higher sales of fertilizers. Lower sales of olefins and polyolefins on Czech market due to shutdowns of major buyers and high product prices was partially offset by increase of sales volumes in Polish market.

FINANCIAL PARAMETERS

The Management Board of PKN ORLEN S.A. estimates that in the second quarter 2011:

Total negative impact of macro factors including: refining and petrochemical margins, URAL/Brent differential, changes of exchange rates of PLN against foreign currencies and higher sales volumes is estimated at ca. PLN (-) 0,1 bn (y/y).

In the second quarter 2011 PKN ORLEN S.A. repurchased from LAMBOURN Sp. z o.o. the tranche of obligatory inventories sold in March 2010. Purchase price of crude oil was hedged with futures contract and it was therefore close to sales price from the last year, so in fact lower than current market quotations. Positive impact of obligatory inventories repurchase on operating results for the second quarter 2011 is estimated at ca. PLN 0,2 bn (y/y).

As a result estimated operating profit acc. to LIFO in the second quarter 2011 will be higher by ca. PLN 0,1 bn (y/y) and PLN 0,3 bn (q/q).

Estimated LIFO effect increasing operating result will be lower by ca. PLN (-) 0,2 bn (y/y) and will amount to ca. PLN 0,2 bn in the second quarter 2011.

As a result estimated operating profit in the second quarter 2011 will amount to ca. PLN 1,0 bn.

Positive net effect of debt revaluation in the second quarter 2011 is estimated at ca. PLN 0,1 bn and refers mainly to USD denominated debt connected with ORLEN Lietuva investment and foreign units debts and will be booked in equity.

After taking into account net positive foreign exchange differences from other positions in foreign currencies in the amount of ca. PLN 0,1 bn as well as net interest costs in the amount of ca. PLN (-) 0,1 bn, the impact of the balance in financial operations on results in the second quarter 2011 will be insignificant.

Moreover, we inform that due to standard quarterly procedures concerning IFRS 36 (Impairment of Assets) there are currently carried out analysis of potential reasons to conduct tests for impairment of assets.

Additionally, in accordance with IFRS 10 (Events After the Balance Sheet Date), significant events taking place after the balance sheet date till the date of financial statements approval, in particular risks evaluation, can impact the reported results.

All information published in this report is an estimate and the values may differ from the values which are to be published on 5 August 2011 in PKN ORLEN consolidated financial statements for the second quarter and the first half of 2011.

This announcement has been prepared pursuant to §5 item 1 p 25 and §31 of the Regulation of the Minister of Finance, dated 19 February 2009, on current and periodic information to be published by issuers of securities and on the conditions under which such information may be recognized as being equivalent to information required by the regulations of law of a state which is not a member state (Journal of Laws No. 33, item 259) and Article 56 section 1 p 1 of the Act on Public Offerings, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies dated 29 July 2005 (Journal of Laws No. 184, item 1539).

Management Board of PKN ORLEN S.A.