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OPINION OF THE INDEPENDENT AUDITOR

To the General Meeting of Polski Koncern Naftowy ORLEN Spółka Akcyjna

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the Group, whose parent company is Polski Koncern Naftowy ORLEN Spółka Akcyjna ("the Company") with its registered office in in Płock, ul. Chemików 7 ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended, and additional information to the consolidated financial statements, comprising a summary of significant accounting policies and other explanatory information and notes.

In our opinion, the accompanying consolidated financial statements of Polski Koncern Naftowy ORLEN Spółka Akcyjna Group have been prepared and present fairly, in all material respects, the financial position of the Group as at 31 December 2015 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union, and are in compliance with the respective regulations that apply to the consolidated financial statements, applicable to the Group.

Basis for Opinion

We conducted our audit in accordance with section 7 of the Accounting Act dated 29 September 1994 (Official Journal from 2013, item 330 with amendments) ("the Accounting Act") and International Standards on Auditing as adopted by the National Council of Certified Auditors as the National Standards on Assurance („National Standards on Assurance"). We are independent of the Company in accordance with the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants' ("IFAC Code"), and we have fulfilled our other ethical responsibilities in accordance with the IFAC Code and the impartiality and independence requirements as described in Art. 56 points 3 and 4 of the Act on Certified Auditors and their Self-Governance, Audit Firms authorized to Audit Financial Statements and Public Oversight dated 7 May 2009 (Official Journal from 2015, item 1011 with amendments). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

On terms agreed with the Management Board of Polski Koncern Naftowy ORLEN Spółka Akcyjna, our audit work has been undertaken so that we might state to the Company's shareholders key audit matters that we are required to state to them in an auditor's opinion and, in respect of reporting, as if International Standard on Auditing 700 (Revised January 2015) applied.

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on them.

1. Impairment of property, plant and equipment

The carrying amount of property, plant and equipment as at 31 December 2015: PLN 24,536 million; impairment loss recognised in 2015 in respect of property, plant and equipment and intangible assets: PLN 993 million; accumulated impairment allowance as at 31 December 2015: PLN 14,089 million

We refer to the consolidated financial statements: Note 6.1. „Segments' data – Revenues, costs, financial results, investment expenditures", Note 7. "Description of significant factors influencing the financial data for the year 2015", Note 8.2.1. „Property, plant and equipment", Note 8.2.4. "Impairment of property, plant and equipment and intangible assets", Note 8.6.3.9. "Description of significant accounting principles - Impairment of property, plant and equipment and intangible assets", Note 8.7.2. "Estimates – Impairment of property, plant and equipment and intangible assets"

Key audit matter	Our response
As discussed in Note 8.2.4. to the consolidated financial statements, during 2015 the Group assessed the performance of its hydrocarbon exploration operations in Poland, for these operations to be streamlined and focused on the most promising areas. Further, 2015 turned out to be another year of falling prices of crude oil on the international markets, with these depressed price levels expected to persist in the foreseeable future. The Group concluded that the above factors represented an indication that certain assets may be impaired and performed impairment tests as required by appropriate IFRSs. Determining the recoverable amounts of the assets requires a number of significant judgments and estimates, especially in respect of the amount of future cash flows and the applied discount rate. The projected operating cash flows from upstream activities are influenced by assumptions concerning future oil prices. These projections are exposed to significant variability due to changing market conditions.	Our audit procedures included, among others: • assessing internal controls designed for identification of impairment indicators; • evaluating the appropriateness of the Group's judgments regarding identification of assets or cash generating units which may be impaired; • evaluating the appropriateness of allocation of assets to cash generating units; • critically assessing the Group's assumptions and estimates used to determine the recoverable amount of property, plant and equipment and any impairment losses recognised, using our internal valuations specialists. This included: - assessing the reasonableness of key macroeconomic assumptions applied by the Group (including those relating to discount rates, crude oil and gas prices, and exchange rates) against market data and the results of studies by external experts obtained by the Group; - assessing competence and independence of the external experts; - testing the Group's discounted cash flows model, in terms of its compliance with the relevant accounting standards; • evaluating the Group's analysis of the sensitivity of the impairment tests' results, in particular in respect of the assumptions with the greatest potential effect on the test results, e.g. those relating to discount rates and operating earnings before the deduction of depreciation and impairment allowances (EBITDA margin); • evaluating the adequacy of disclosures in respect of impairment.

2. Litigation and claims

The carrying amount of provisions for administrative and court proceedings as at 31 December 2015: PLN 170 million

We refer to the consolidated financial statements: Note 8.2.10.4. "Other provisions", Note 8.5.4. "Contingent assets and liabilities", Note 8.6.3.15.4. "Description of significant accounting principles – Other provisions", Note 8.8. "Information concerning significant proceedings in front of court, body appropriate for arbitration proceedings or in front of public administration bodies"

Key audit matter

In the normal course of the Group's business, potential exposures may arise from administrative and court proceedings. Whether a liability or contingent liability is recognized or disclosed in the consolidated financial statements is inherently uncertain and is dependent on a number of significant assumptions and judgments. The amounts involved are potentially significant and determining the amount, if any, to be recognized or disclosed in the financial statements, is inherently subjective.

Our response

Our audit procedures included, among others:

- reviewing legal expenses incurred during the audited year and sending letters to the attorneys providing legal services to the Group's entities, inquiring about litigations and actual or potential claims and disputes;
- assessing the responses received to the above inquiries and discussing selected matters with the Group's attorneys, including the disputes with Agrofert Holding a.s., ENERGA-OPERATOR S.A. and OBR S.A. (discussed in Note 8.8.1.to the consolidated financial statements);
- reading minutes of the meetings of the management and supervisory boards of the Group's key entities, and also inspecting correspondence with regulators;
- critically assessing the Group's assumptions and estimates in respect of claims, including the liabilities recognized or contingent liabilities disclosed in the consolidated financial statements. Assessment of the probability of negative result of litigation and the reliability of estimates of related obligation;
- monitoring external sources to identify actual and potential non-compliance with laws and regulations, both those specific to the Group's business and those relating to the conduct of business generally;
- assessing whether the Group's disclosures detailing significant legal and regulatory proceedings adequately disclose the potential liabilities of the Group.

3. Compensation related to accident on istallation for ethylene production in subsidiary UNIPETROL RPA s.r.o.

Impairment loss recognized in 2015 in respect of the damaged assets: PLN 93 million, other liabilities as at 31 December 2015: PLN 43 million (prepaid insurance proceeds); contingent assets as at 31 December 2015: PLN 1,050 million

We refer to the consolidated financial statements: Note 7. "Description of significant factors influencing the financial data for the year 2015", Note 8.2.4. "Impairment of property, plant and equipment and intangible assets", Note 8.5.4. "Contingent assets and liabilities", Note 8.7.2. "Estimates – Contingent assets"

Key audit matter

In August 2015, an accident occurred at the ethylene production plant in Litvinov, Czech Republic. The accident resulted in substantial damage and forced a complete halt to production at the facility. An impairment loss of PLN 93 million was recognized in the consolidated financial statements in respect of the damaged assets.

The Group's entities are protected by insurance policies with the coverage including *inter alia* the replacement cost of the damaged plant and compensation for lost profits. The Group expects the insurance to cover the costs of rebuilding the installation, estimated at PLN 647 million, as well as lost profits and other accident-related costs through the end of 2015 in the estimated amounts of PLN 378 million and PLN 25 million, respectively. The total amount of the expected insurance proceeds was disclosed as a contingent asset as at 31 December 2015.

Under the relevant IFRSs, compensation for insurance recoveries is recognized in profit or loss when receivable, i.e. when the entity has an unconditional contractual right to receive the compensation. The assessment of the above recognition criteria involves significant judgment. When the receipt of compensation has been assessed as probable but the right to insurance payment is not unconditional, a contingent asset is disclosed.

Our response

Our audit procedures included, among others:

- reading the external loss adjustor's report to assess the scope of the insurance coverage;
- analysing the memorandum prepared for the Group by an external attorney discussing certain aspect of the insurance proceedings;
- sending letters of inquiry to the Group's legal department and its management and assessing the responses received;
- evaluating the insurers' ability to provide compensation by assessing their ratings and financial standing;
- critically evaluating the estimate of the amount of expected compensation and the related assumptions;
- evaluating the appropriateness of the Group's accounting for the estimated insurance recoveries in the consolidated financial statements;
- evaluating the completeness and adequacy of the related disclosures.

Management's and Supervisory Board's Responsibility

Management of the parent company is responsible for the accuracy of the accounting records and the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union and with other applicable regulations and preparation of the report on the Group's activities. Management of the parent company is also responsible for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management of the parent company is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management of the parent company either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

According to the Accounting Act, management of the parent company and members of the Supervisory Board are required to ensure that the consolidated financial statements and the report on the Group's activities are in compliance with the requirements set forth in the Accounting Act.

Members of the Supervisory Board are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are derived from properly maintained accounting records and are free from material misstatement, whether due to fraud or error, and to issue an auditor's opinion and report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with National Standards on Assurance will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with National Standards on Assurance, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management of the parent company and related disclosures.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with members of the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide members of the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with members of the Supervisory Board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's opinion unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Group's Activities

As required under the Accounting Act, we report that the accompanying report on the Group's activities includes, in all material respects, the information required by Art. 49 of the Accounting Act and by the Decree of the Ministry of Finance dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal from 2015, item 133) and the information is consistent with the consolidated financial statements.

On behalf of KPMG Audyt Sp. z o.o.
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Zbigniew Libera
Key Certified Auditor
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Director

23 March 2016