

The following table presents the subsidiary undertakings of the LOTOS Group, their business profiles, consolidation method, and the Group's stakes in their share capitals.

Name	Registered office	Business profile	Method of consolidation/ valuation of shares	Percentage of share capital held by the Group	
				Dec 31 2009	Dec 31 2008
<b>Parent Undertaking</b>					
Grupa LOTOS S.A.	Gdańsk	Production and processing of refined petroleum products (mainly fuels) and their wholesale	Not applicable		Not applicable
<b>Direct Subsidiary Undertakings</b>					
LOTOS Paliwa Sp. z o.o.	Gdańsk	Wholesale and retail sale of fuels, light fuel oil, management of the LOTOS service station network	full	100.00%	100.00%
LOTOS Gaz S.A. <sup>(1)</sup>	Mława	Production, wholesale and retail sale of <a href="#">LPG</a> , the company does not conduct operations at the moment	full	100.00%	100.00%
LOTOS Oil S.A.	Gdańsk	Production and sale of lubricating oils and lubricants, and domestic sale of base	full	100.00%	100.00%

LOTOS Asphalt Sp. z o.o.	Gdańsk	oils Production and sale of bitumens	full	100.00%	100.00%
LOTOS Ekoenergia S.A.	Gdańsk	The company has not commenced operations	full	100.00%	100.00%
LOTOS Kolej Sp. z o.o.	Gdańsk	Railway transport	full	100.00%	100.00%
LOTOS Serwis Sp. z o.o.	Gdańsk	Maintenance of mechanical and electric operations and controlling devices, repairs	full	100.00%	100.00%
LOTOS Lab Sp. z o.o.	Gdańsk	Laboratory testing	full	100.00%	100.00%
LOTOS Straż Sp. z o.o.	Gdańsk	Fire protection	full	100.00%	100.00%
LOTOS Ochrona Sp. z o.o.	Gdańsk	Personal and property protection	full	100.00%	100.00%
LOTOS Parafiny Sp. z o.o.	Jasło	Production and sale of <a href="#">paraffin</a>	full	100.00%	100.00%
LOTOS Tank Sp. z o.o.	Gdańsk <sup>(2)</sup>	Wholesale of petroleum products	full	100.00%	100.00%
LOTOS Czechowice S.A. (parent undertaking of another group)	Czechowice-Dziedzice	Storage and distribution of fuels	full	85.04% <sup>(3)</sup>	80.04%
LOTOS Jasło S.A. (parent undertaking of another group)	Jasło	Services related to distribution of petroleum products, storage of fuels,	full	85.01% <sup>(3)</sup>	80.01%

Petrobaltic S.A. <sup>(4)</sup>	Gdańsk	building and maintenance of fuel stocks; production and processing of refined petroleum products and their wholesale and retail sale				
Acquisition of crude oil and natural gas reserves and their exploitation		Acquisition of crude oil and natural gas reserves and their exploitation	full	99.32% <sup>(3)</sup>	69.00%	
UAB LOTOS Baltija	Lithuania	Wholesale and retail sale of lubricating oils in Lithuania, Belarus, Ukraine and Latvia; from January 2009 – business and legal advisory services	full	100.00%	100.00%	
LOTOS Park Technologiczny Sp. z o.o.	Jasło	Business and management consultancy services/the company does not conduct operations at the moment	full	0.29% <sup>(5)</sup>	86.91%	
Indirect Subsidiary Undertakings						
RCEkoenergia Sp. z o.o.	Czechowice-Dziedzice	Provision of services	full	85.04% <sup>(6)</sup>	80.04%	

LOTOS Biopaliwa Sp. z o.o.	Czechowice-Dziedzice	Production of fatty acid methyl esters (FAME)		85.04% <sup>(6)</sup>	80.04%
RCSerwis Sp. z o.o.	Czechowice-Dziedzice	Provision of services	-(8)	-(9)	86.91%
PLASTEKOL Organizacja Odzysku S.A.	Jasło	Provision of services	full	81.18% <sup>(6,10)</sup>	66.81% <sup>(10)</sup>
KRAK - GAZ Sp. z o.o. in bankruptcy by liquidation	Kraków	Wholesale and retail sale of <a href="#">LPG</a>	-(1)	-(1)	100.00%
Miliana Shipping Company Ltd.	Cyprus	Provision of services	full	99.32 % <sup>(6)</sup>	68.93%
LOTOS Exploration and Production AS	Stavanger Norway	Oil exploration and production at the Norwegian continental shelf, provision of services related to oil exploration and production; the company commenced operations in November 2007	full	99.32% <sup>(6)</sup>	69.00% <sup>(11)</sup>
Aphrodite Offshore Services Ltd.	Netherlands Antilles	Provision of services	full	99.32% <sup>(6)</sup>	69.00%
Energobaltic Sp. z o.o.	Gdańsk <sup>(13)</sup>	Production activities	full <sup>(12)</sup>	99.32%	32.16%

<sup>(1)</sup> Until July 23rd 2009 LOTOS Gaz S.A. controlled KRAK-GAZ Sp. z o.o., a subsidiary. On April 30th 2009, KRAK-GAZ Sp. z o.o. filed a bankruptcy petition with the District Court for Kraków Śródmieście, VIII Commercial Division for Bankruptcy and Recovery. On July 23rd 2009, the District Court for Kraków Śródmieście, VIII Commercial Division for Bankruptcy and Recovery resolved to declare KRAK-GAZ Sp. z o.o.'s

bankruptcy by liquidation of the company's assets (see [Note 17](#)).

<sup>(2)</sup> On August 12th 2009, the registered office of LOTOS Tank Sp. z o.o. was relocated from Jasło to Gdańsk.

<sup>(3)</sup> On July 9th 2009, an agreement was signed providing for the acquisition by the State Treasury of Grupa LOTOS S.A. shares. In exchange, the State Treasury made non-cash contributions to Grupa LOTOS S.A. in the form of 30.32% of shares in Petrobaltic S.A., 5% of shares in LOTOS Czechowice S.A. and 5% of shares in LOTOS Jasło S.A. (see [Note 26](#)).

<sup>(4)</sup> On March 31st 2010, change in the name of Przedsiębiorstwo Poszukiwań i Eksploatacji Złóż Ropy i Gazu Petrobaltic Spółka Akcyjna to LOTOS Petrobaltic Spółka Akcyjna (abbreviated name: LOTOS Petrobaltic S.A.) was entered in the National Court Register.

<sup>(5)</sup> On November 20th 2009, the then-shareholders of LOTOS Park Technologiczny Sp. z o.o. sold their shares to LOTOS Park Technologiczny Sp. z o.o.:

- Grupa LOTOS S.A. – 9,400 shares out of the total of 9,500 shares held,
- LOTOS Czechowice S.A. – the entire stake of 12,314 shares,
- LOTOS Jasło S.A. – the entire stake of 9,866 shares,
- LOTOS Serwis Sp. z o.o. – the entire stake of 2,834 shares,
- Partner Holding Management Sp. z o.o. - the entire stake of 100 shares.

LOTOS Park Technologiczny Sp. z o.o. acquired its own shares with a view to their voluntary retirement by way of reduction of the share capital. Following the transaction, the shareholder structure of LOTOS Park Technologiczny Sp. z o.o. is as follows:

- LOTOS Park Technologiczny Sp. z o.o. – 99.71%,
- Grupa LOTOS S.A. - 0.29%.

Grupa LOTOS S.A. exercises control over LOTOS Park Technologiczny Sp. z o.o. given the GM powers vested in Grupa LOTOS S.A. as the only shareholder entitled to exercise rights attached to the shares held. On March 31st 2010, reduction in the share capital of LOTOS Park Technologiczny Sp. z o.o. to PLN 50 thousand was registered. The share capital of LOTOS Park Technologiczny Sp. z o.o. is divided into 100 shares. Following registration of the changes in the National Court Register, Grupa LOTOS S.A. holds a 100% stake in LOTOS Park Technologiczny Sp. z o.o.

<sup>(6)</sup> The shareholding changes described in item<sup>(3)</sup> above led to changes in the Group's indirect interests in the share capitals of the subsidiaries

of Petrobaltic S.A. (currently LOTOS Petrobaltic S.A.), LOTOS Czechowice S.A. and LOTOS Jasło S.A.

<sup>(7)</sup> On March 1st 2009, LOTOS Biopaliwa Sp. z o.o. commenced operations.

<sup>(8)</sup> Shares contributed to LOTOS Park Technologiczny Sp. z o.o. by the LOTOS Czechowice Group on January 2nd 2006.

<sup>(9)</sup> On November 6th 2009, LOTOS Park Technologiczny Sp. z o.o. sold 100% of shares in RC Serwis Sp. z o.o. to a third party for PLN 1,800 thousand. As a result of this transaction, the Group realised a gain of PLN 688 thousand.

<sup>(10)</sup> In May – June 2008 and January – December 2009, LOTOS Jasło S.A. acquired shares in PLASTEKOL Organizacja Odzysku S.A. As a result of the executed transactions, LOTOS Jasło S.A.'s share in the share capital of PLASTEKOL Organizacja Odzysku S.A. increased to 95.5%.

<sup>(11)</sup> On May 19th 2008, the Management Board of Petrobaltic S.A. made a decision to initiate the registration procedure concerning the increase of the share capital and the acquisition by Petrobaltic S.A. of 80% of the shares in LOTOS Exploration and Production Norge AS. Petrobaltic S.A. purchased 32 million new shares for the price equal to their par value, i.e. NOK 32m (or PLN 13,782 thousand, translated at the mid-exchange rate for NOK quoted by the National Bank of Poland for May 19th 2008). On June 12th 2008, Grupa LOTOS S.A. entered into an agreement with Petrobaltic S.A. to sell to Petrobaltic S.A. 8 million shares in LOTOS Exploration and Production Norge AS, representing 20% of the company's share capital. The shares transferred under the agreement, with the total par value of NOK 8m (or PLN 3,376 thousand, translated at the mid-exchange rate for NOK quoted by the National Bank of Poland for June 12th 2008), conferring the right to 8 million votes, are equal and indivisible shares and represent 20% of the share capital of LOTOS E&P Norge AS. As a result of the transaction, Petrobaltic S.A. holds 40 million shares, representing 100% of the share capital of LOTOS Exploration and Production Norge AS.

<sup>(12)</sup> On November 27th 2009, Petrobaltic S.A. acquired control over Energobaltic Sp. z o.o. (see [Note 17](#)).

<sup>(13)</sup> The relocation of Energobaltic Sp. z o.o.'s registered office from Gdańsk to Władysławowo was registered on January 25th 2010.

As at December 31st 2009, the Group held an indirect equity interest of 40.31% shares in associated undertaking AB Geonaftha Group (see

Note 18).

As at December 31st 2009 and December 31st 2008, the Group's shares in the total vote at the general shareholders meetings of its subsidiary undertakings were equal to its shares in their share capitals, except in the case of LOTOS Park Technologiczny Sp. z o.o.

### **Changes in the Shareholder Structure of PLASTEKOL Organizacja Odzysku S.A.**

On January 30th 2009, LOTOS Jasło S.A. acquired 15 shares in PLASTEKOL Organizacja Odzysku S.A., representing 1.5% of the company's share capital, from Krzysztof Boniecki, who conducts business activity under the business name of Przedsiębiorstwo Wielobranżowe ROBAC. Following the transaction, LOTOS Jasło S.A.'s holding in the share capital of PLASTEKOL Organizacja Odzysku S.A. increased from 83.5% to 85% (or from 835 to 850 shares).

On February 13th 2009, LOTOS Jasło S.A. acquired 30 shares in PLASTEKOL Organizacja Odzysku S.A., representing 3.0% of the company's share capital, from EKO-OPEN Sp. z o.o. Following the transaction, LOTOS Jasło S.A.'s holding in the share capital of PLASTEKOL Organizacja Odzysku S.A. increased from 85% to 88% (or from 850 to 880 shares).

On April 6th 2009, LOTOS Jasło S.A. acquired 30 shares in PLASTEKOL Organizacja Odzysku S.A., representing 3% of the company's share capital, from Jan B. Tyliasz, who conducts business activity under the business name of Przedsiębiorstwo Handlowo - Usługowe TYL-OIL. Following the transaction, LOTOS Jasło S.A.'s stake in PLASTEKOL Organizacja Odzysku S.A. increased from 88% to 91% (or from 880 to 910 shares).

On May 13th 2009, LOTOS Jasło S.A. acquired 30 shares of PLASTEKOL Organizacja Odzysku S.A., representing 3% of the company's share capital, from JASCHEM Zakład Petrochemiczno-Rafineryjny Sp. z o.o. Following the transaction, LOTOS Jasło S.A.'s stake in PLASTEKOL Organizacja Odzysku S.A. increased from 91% to 94% (or from 910 to 940 shares).

On December 30th 2009, LOTOS Jasło S.A. acquired 15 shares in PLASTEKOL Organizacja Odzysku S.A., representing 1.5% of the company's share capital, from Krzysztof Boniecki, who conducts business activity under the business name of Przedsiębiorstwo Wielobranżowe ROBAC. Following the transaction, LOTOS Jasło S.A.'s holding in the share capital of PLASTEKOL Organizacja Odzysku S.A. increased from 94% to 95.5% (or from 940 to 955 shares).

### **Share Capital Increase at LOTOS Exploration and Production Norge AS and Acquisition of New Shares by Petrobaltic S.A. (currently**

### **LOTOS Petrobaltic S.A.)**

On January 20th 2009, the Management Board of Petrobaltic S.A. resolved to commence the procedure for registration of another share capital increase at LOTOS Exploration and Production Norge AS and acquisition of the new shares by Petrobaltic S.A.

The share capital of LOTOS Exploration and Production Norge AS was increased from NOK 190m (the equivalent of PLN 90m, translated at the NOK/PLN mid-exchange rate quoted by the National Bank of Poland for January 20th 2009) to NOK 430m (the equivalent of PLN 203m, translated at the NOK/PLN mid-exchange rate quoted by the National Bank of Poland for January 20th 2009). The new shares comprising the increased share capital, whose aggregate par value amounts to NOK 240m (the equivalent of PLN 113m, translated at the NOK/PLN mid-exchange rate quoted by the National Bank of Poland for January 20th 2009) are equal and indivisible, and they are treated by Petrobaltic S.A. as a long-term equity investment.

Petrobaltic S.A. covered the 240 million new shares in LOTOS Exploration and Production Norge AS with cash. The purchase price for the shares was equal to their par value, i.e. NOK 240m (the equivalent of PLN 113m, translated at the NOK/PLN mid-exchange rate quoted by the National Bank of Poland for January 20th 2009) and was covered with Petrobaltic's internally-generated funds.

On February 26th 2009, the Norwegian companies registrar Brønnøysundregistrene registered the share capital increase at LOTOS Exploration and Production Norge AS.

### **Reduction of the Share Capital of UAB LOTOS Baltija**

On September 21st 2009, the reduction of the share capital of UAB LOTOS Baltija from LTL 720.2 thousand to LTL 381.9 thousand was registered. Following the reduction, the Company's share capital is divided into 5,876 ordinary registered shares with a par value of LTL 65 per share.

### **Increase of the Share Capital of LOTOS Gaz S.A.**

On December 14th 2009, an Extraordinary General Shareholders Meeting of LOTOS Gaz S.A. was held, during which the share capital of LOTOS Gaz S.A. was increased from PLN 3,680 thousand to PLN 10,080 thousand, i.e. by PLN 6,400 thousand, by way of raising the par value of the existing 160,000 shares from PLN 23 to PLN 63 per share. Grupa LOTOS S.A. will acquire the increased par value of the shares in exchange for cash. Payment for the shares was made in full before the registration of the share capital increase at LOTOS Gaz S.A.

As at the date of approval of these interim consolidated financial statements, the share capital increase described above has not been registered.

### **Acquisition of an Organised Part of Business by LOTOS Paliwa Sp. z o.o.**

On December 14th 2009, LOTOS Paliwa Sp. z o.o. acquired from LOTOS Gaz S.A. an organised part of business in the form of the [LPG](#) Trading Division of LOTOS Gaz, comprising mainly:

- ownership title to movable property, including plant and materials and rights *in rem* in movable property,
- rights under movable property lease agreements and rights to use movables,
- business contracts with customers,
- business contracts with fuel suppliers and service providers.

The acquisition cost of the organised part of business in the form of the [LPG](#) Trading Division of LOTOS Gaz amounted to PLN 15,000 thousand.

### **Acquisition of Assets by LOTOS Serwis Sp. z o.o.**

Pursuant to the agreement of October 29th 2009 between Petrobaltic S.A. (currently LOTOS Petrobaltic S.A.) and LOTOS Serwis Sp. z o.o., movable property (comprising tangible assets and low-value assets) making up the Land Transport Department and the Warehouse Section of Petrobaltic S.A., worth PLN 3,454 thousand, was sold. Concurrently, the companies entered into an agreement on the provision of warehouse management services and internal transport, storage and similar services. In connection with the above transaction, on November 1st 2009, 23 employees of the Land Transport Department and the Warehouse Section were moved to LOTOS Serwis Sp. z o.o. under Art. 23<sup>(1)</sup> of the Polish Labour Code.

*This is a translation of a document originally issued in Polish*