

Current Report dated 20th August 2002

Impact of LIFO valuation of inventories

Polski Koncern Naftowy ORLEN Spolka Akcyjna ("PKN ORLEN"), Central Europe's largest downstream oil company, informs about **impact of LIFO valuation of inventories on consolidated financial results of PKN ORLEN Capital Group for 2Q 2002.**

Estimates of gross income and net income (after deferred taxation) assuming LIFO valuation of inventories of PKN ORLEN Capital Group under International Financial Reporting Standards (IFRS) are as follows (PLN m):

	2Q 2002	1&2Q 2002	2Q 2001*	1&2Q 2001*
Consolidated gross profit under IFRS	4	50	242	501
Consolidated net profit under IFRS	3	26	157	347

* These figures are different from the previously released to make them comparable with these for 2Q 2002.

The assumptions used for the above LIFO estimates are the same as used for previously published LIFO estimates. These assumptions were published in current report no 28/2001/29 dated 21st May 2001.

About PKN ORLEN S.A.

PKN ORLEN S.A. is one of the largest companies in Central & Eastern Europe, with listings on the Warsaw and London Stock Exchanges, and trading on the OTC market in the U.S.A. It is Poland's largest refiner of crude oil and marketer of world-class petroleum and related products. It has a substantial wholesale and retail distribution system that includes the largest network of service stations in Poland. It also has significant financial investments in the telecommunications sector in Poland.