

**Estimations of selected financial and operating data for ORLEN Capital Group for the fourth quarter 2011
Regulatory announcement no 17/2012 dated 26 January 2012**

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 fourth quarter 2011.

Table 1.

| Macroeconomic data | unit | Q4'10 | Q1'11 | Q2'11 | Q3'11 | Q4'11 | change (Q4'11 / Q3'11) | change (Q4'11 / Q4'10) |
|---|-------|-------|-------|-------|-------|-------|------------------------------|------------------------------|
| Average Brent crude oil price | USD/b | 86,5 | 105,4 | 117,0 | 113,4 | 109,4 | -4% | 26% |
| URAL/Brent differential ¹ | USD/b | 1,5 | 2,9 | 2,9 | 0,7 | 0,3 | -57% | -80% |
| Model refining margin ² | USD/b | 3,3 | 1,5 | 1,4 | 2,7 | 2,8 | 4% | -15% |
| Model petrochemical margin ³ | EUR/t | 667 | 751 | 795 | 663 | 609 | -8% | -9% |
| Average PLN/USD ⁴ | PLN | 2,92 | 2,88 | 2,75 | 2,94 | 3,28 | 12% | 12% |
| Average PLN/EUR ⁴ | PLN | 3,97 | 3,94 | 3,96 | 4,15 | 4,42 | 7% | 11% |
| PLN/USD (at the end of period) ⁴ | PLN | 2,96 | 2,82 | 2,75 | 3,26 | 3,42 | 5% | 16% |
| PLN/EUR (at the end of period) ⁴ | PLN | 3,96 | 4,01 | 3,99 | 4,41 | 4,42 | 0% | 12% |

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 | Q4'10 | Q1'11 | Q2'11 | Q3'11 | Q4'11 | change (Q4'11 / Q3'11) | change (Q4'11 / Q4'10) |
|---|------|-------|-------|-------|-------|-------|------------------------------|------------------------------|
| Total throughput in ORLEN Capital Group, including: | th t | 7 542 | 6 423 | 6 765 | 7 418 | 7 177 | -3% | -5% |
| Throughput in Plock | th t | 3 788 | 3 301 | 3 480 | 3 953 | 3 814 | -4% | 1% |
| Utilisation ratio ⁵ | % | 100% | 87% | 85% | 97% | 94% | -3 p.p. | -6 p.p. |
| Fuel yield ⁶ | % | 80% | 79% | 74% | 75% | 76% | 1 p.p. | -4 p.p. |
| Throughput in Unipetrol | th t | 1 141 | 879 | 1 112 | 941 | 1 008 | 7% | -12% |
| Utilisation ratio ⁷ | % | 90% | 69% | 87% | 74% | 79% | 5 p.p. | -11 p.p. |
| Fuel yield ⁶ | % | 74% | 78% | 76% | 81% | 78% | -3 p.p. | 4 p.p. |
| Throughput in ORLEN Lietuva | th t | 2 541 | 2 166 | 2 123 | 2 435 | 2 283 | -6% | -10% |
| Utilisation ratio ⁸ | % | 100% | 85% | 83% | 96% | 90% | -6 p.p. | -10 p.p. |
| Fuel yield ⁶ | % | 73% | 74% | 76% | 75% | 75% | 0 p.p. | 2 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 | unit | Q4'10 | Q1'11 | Q2'11 | Q3'11 | Q4'11 | change (Q4'11 / Q3'11) | change (Q4'11 / Q4'10) |
|---|------|-------|-------|-------|-------|-------|------------------------------|------------------------------|
| Total sales in ORLEN Capital Group including: | th t | 8 888 | 8 070 | 8 597 | 9 626 | 9 152 | -5% | 3% |
| Refining sales | th t | 5 925 | 5 217 | 5 545 | 6 279 | 5 992 | -5% | 1% |
| Retail sales | th t | 1 759 | 1 600 | 1 836 | 1 987 | 1 921 | -3% | 9% |
| Petrochemical sales | th t | 1 204 | 1 253 | 1 216 | 1 360 | 1 239 | -9% | 3% |

MACRO ENVIRONMENT

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

- ▶ Model refining margin and URAL/Brent differential in total decreased by (-) 1,7 USD/bbl (y/y) to 3,1 USD/bbl.
- ▶ Model petrochemical margin decreased by (-) 58 EUR/t (y/y) to 609 EUR/t.
- ▶ On average, PLN depreciated against USD by 0,36 PLN (y/y) to the level of 3,28 PLN/USD.
- ▶ On average, PLN depreciated against EUR by 0,45 PLN (y/y) to the level of 4,42 PLN/EUR.

Comparing to the third quarter 2011:

- ▶ Model refining margin and URAL/Brent differential in total decreased by (-) 0,3 USD/bbl (q/q).
- ▶ Model petrochemical margin decreased by (-) 54 EUR/t (q/q).
- ▶ On average, PLN depreciated against USD by 0,34 PLN (q/q). PLN/USD exchange rate at the end of 2011 amounted to 3,42 and was higher by 0,16 PLN (q/q).
- ▶ On average, PLN depreciated against EUR by 0,27 PLN (q/q). PLN/EUR exchange rate at the end of 2011 amounted to 4,42 and was higher by 0,01 PLN (q/q).

OPERATIONAL PARAMETERS

Crude oil throughput in PKN ORLEN in the fourth quarter 2011 decreased by (-) 5% (y/y) to the level of 7,2 mt due to planned shutdowns in Unipetrol and limited production in ORLEN Lietuva that was economically justified.

- ▶ Plock refinery worked at lower by (-) 6 pp capacity utilisation ratio mainly due to maintenance shutdown of CDU III.
Shutdown of Fluid Catalytic Cracking II and lower share of low-sulphur crude oils in total volumes processed in fourth quarter 2011 influenced on reduction of light distillates and as a result decrease of fuel yield by (-) 4 pp (y/y).
- ▶ Utilisation ratio in Unipetrol lower by (-) 11 pp (y/y) due to cyclical shutdown of refining and petrochemicals in Litvinov started in the third quarter 2011 and limited work of Paramo refinery connected with unfavourable macro conditions.
Limited production in Paramo refinery, which is characterized by lower light and middle distillates yields comparing to Kralupy and Litvinov refinery, improved fuel yield by 4 pp (y/y).
- ▶ Unfavourable macro situation resulted in lower crude oil throughput and lower by (-) 10 pp (y/y) utilisation ratio in ORLEN Lietuva with higher by 2 pp (y/y) fuel yield.

Sales volumes increase in fourth quarter 2011 by 3% (y/y) achieved due to significant grow in retail sales volumes by 9% and over 110 kt of PTA sales.

- ▶ Increase in refining sales by 1% (y/y) achieved on Polish market at lower sales on Czech market mainly due to shutdown in Litvinov.
- ▶ Increase in retail sales by 9% (y/y) achieved on Polish and German market.
- ▶ Increase in petrochemical sales by 3% (y/y) mainly due to start of purified terephthalic acid (PTA) sales in 2011.
Lower sales of olefins and polyolefins by (-) 11% (y/y) as a result of finished in fourth quarter 2011 shutdown in petrochemicals in Litvinov.
Lower sales of fertilizers by (-) 17% (y/y) as a result of shutdown in Anwil realized in October 2011 at the PVC sales volumes increasing by 16% (y/y).

FINANCIAL PARAMETERS

PKN ORLEN in the fourth quarter 2011 operated in tough external environment, which significantly influenced on deteriorating operating result.

- ▶ Negative impact of macro factors including: refining and petrochemical margins, URAL/Brent differential, changes of PLN against foreign currencies in the amount of ca. PLN (-) 0,3 bn (y/y) was partially offset by positive effect of sales volumes increase in the amount of ca. PLN 0,2 bn (y/y).
- ▶ Remaining high crude oil prices at weakening PLN against USD caused fuel prices increase, which influenced on diminishing retail margins by ca. PLN (-) 0,2 bn (y/y).

- ▶ Negative impact of other operating elements, mainly legislation changes in taxation of biocomponents in fuels amounted ca. PLN (-) 0,3 bn (y/y).
- ▶ Change in the balance of other operating activities will lower operating result by ca. PLN (-) 0,2 bn (y/y), what results mainly from impairment of assets in Spolana (Anwil), Paramo (Unipetrol), ORLEN Lietuva and retail segment in PKN ORLEN S.A. Total amount of conducted in the fourth quarter 2011 impairment was ca. PLN (-) 0,6 bn (y/y).

As a result, operating result acc. LIFO will be lower by ca. PLN (-) 0,8 bn (y/y).

Due to growing crude oil prices converted into PLN, estimated LIFO effect increasing operating result will be higher by ca. PLN 0,2 bn (y/y) and will amount to ca. PLN 0,7 bn in the fourth quarter 2011.

Estimated operating profit in the fourth quarter 2011 will amount to ca. PLN 0,1 bn.

Negative net effect of debt revaluation in the fourth quarter 2011 concerning mainly USD denominated debt is estimated at ca. PLN (-) 0,3 bn, from which ca. PLN (-) 0,2 bn refers to USD denominated debt connected with ORLEN Lietuva investment and foreign units debts that will be booked in equity.

Remaining part in the amount of ca. PLN (-) 0,1 bn will be booked in profit and loss account.

Net financial costs from foreign exchange differences from other positions in foreign currencies and interests amounted to ca. PLN (-) 0,3 bn.

Due to finalization of Polkomtel sales transaction in the fourth quarter 2011 there will be recorded a profit of PLN 2,3 bn in financial revenues.

Moreover, we inform that due to standard quarterly procedures concerning IFRS 36 (Impairment of Assets) there are currently carried out further 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 9 February 2012 in PKN ORLEN consolidated financial statements for the fourth quarter 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.