

**Estimations of selected financial and operating data for PKN ORLEN Group for the first quarter 2010**  
**Regulatory announcement no 74/2010 dated 22 April 2010**

Polski Koncern Naftowy ORLEN Spolka Akcyjna ("Company", "PKN ORLEN S.A.") hereby announces its estimates of selected financial and operating data for PKN ORLEN Group ("PKN ORLEN") for the first quarter 2010.

Table 1.

Macroeconomic data	unit	Q1'09	Q2'09	Q3'09	Q4'09	Q1'10	change (Q1'10/ Q4'09)	change (Q1'10/ Q1'09)
Average Brent crude oil price	USD/b	44,5	59,1	68,1	74,5	76,4	3%	72%
Average Ural crude oil price	USD/b	43,7	58,5	67,8	74,2	75,3	1%	72%
URAL/Brent differential <sup>1</sup>	USD/b	1,2	0,9	0,5	0,7	1,4	100%	17%
Model refining margin <sup>2</sup>	USD/b	5,3	4,6	3,1	2,2	4,0	82%	-25%
Model petrochemical margin <sup>3</sup>	EUR/t	500	487	601	600	629	5%	26%
Average PLN/USD <sup>4</sup>	PLN	3,45	3,27	2,94	2,82	2,88	2%	-17%
Average PLN/EUR <sup>4</sup>	PLN	4,50	4,45	4,20	4,17	3,99	-4%	-11%
PLN/USD (at the end of period) <sup>4</sup>	PLN	3,54	3,17	2,89	2,85	2,87	1%	-19%
PLN/EUR (at the end of period) <sup>4</sup>	PLN	4,70	4,47	4,22	4,11	3,86	-6%	-18%

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	Q1'09	Q2'09	Q3'09	Q4'09	Q1'10	change (Q1'10/ Q4'09)	change (Q1'10/ Q1'09)
Throughput in PKN ORLEN Group	th t	6 848	6 560	7 343	6 605	6 233	-6%	-9%
Throughput in Plock	th t	3 573	3 586	3 870	3 498	3 495	0%	-2%
Utilisation ratio <sup>5</sup>	%	100%	100%	108%	98%	93%	-5 p.p.	-7 p.p.
Fuel yield <sup>6</sup>	%	67%	67%	58%	69%	59%	-10 p.p.	-8 p.p.
Throughput in Unipetrol	th t	1 018	848	1 156	1 087	948	-13%	-7%
Utilisation ratio <sup>7</sup>	%	74%	62%	84%	79%	69%	-10 p.p.	-5 p.p.
Fuel yield <sup>6</sup>	%	63%	62%	63%	65%	62%	-3 p.p.	-1 p.p.
Throughput in ORLEN Lietuva	th t	2 158	2 054	2 250	1 944	1 706	-12%	-21%
Utilisation ratio <sup>8</sup>	%	86%	82%	90%	78%	68%	-10 p.p.	-18 p.p.
Fuel yield <sup>6</sup>	%	70%	71%	73%	75%	73%	-2 p.p.	3 p.p.

5) For 15.1 m t/y in 2010 taking into account planned quarterly throughput and 14.3 m t/y in 2009 in PKN ORLEN.

6) Ratio calculated as: production of gasoline, diesel, light heating oil and JET production / volume of crude oil processed

7) For 5.5 m t/y in Unipetrol: CKA [51% Litvinov (2.8 m t/y) and 51% Kralupy (1.7m t/y)] and 100% Paramo (1.0 m t/y).

8) For 10.0 m t/y in ORLEN Lietuva.

Table 3.

Operating data: Sales in PKN ORLEN Group	unit	Q1'09	Q2'09	Q3'09	Q4'09	Q1'10	change (Q1'10/ Q4'09)	change (Q1'10/ Q1'09)
Refining sales	th t	5 488	5 249	5 885	5 471	4 737	-13,4%	-13,7%
Retail sales <sup>9</sup>	th t	1 482	1 693	1 826	1 712	1 541	-10,0%	4,0%
Petrochemical sales	th t	1 245	1 197	1 126	1 249	1 250	0,1%	0,4%

9) From 1q 2010 sales volumes realised through DOFO petrol stations, displayed previously as wholesale in refining segment, are allocated to retail segment. Comparable data for 2009 were adjusted. DOFO volumes for 1, 2, 3 and 4 quarter 2009 amounted to (th t): 142, 170, 196 and 188 respectively.

Model refining margin and URAL/Brent differential in the first quarter 2010 increased in comparison to the fourth quarter 2009 in total by 2.5 USD/bbl. Achieved values were however lower by (-) 1.1 USD/bbl in comparison to the first quarter 2009.

Model petrochemical margin increased by 5% (q/q) and 26% (y/y) respectively.

At the same time in the first quarter 2010 the decrease of fuels consumption was visible. Preliminary estimates show its reduction (y/y) at all markets operated by PKN ORLEN. Significant impact on the level of consumption had unfavourable weather conditions as well as increase, from the beginning of 2010, of fiscal charge in Czech Republic and Poland.

Against the background of difficult market conditions, PKN ORLEN recorded in the first quarter 2010:

- increase of retail sales volumes by 4% (y/y) achieved mainly on the Polish and German market together at lower volumes in Czech,
- reduction of refining segment sales by 14% (y/y), mainly due to decrease of consumption and higher retail segment demand,
- increase of olefins and polyolefins sales and lower PVC sales.

Crude oil throughput in PKN ORLEN decreased by (-) 9% (y/y) in the first quarter 2010.

Crude oil throughput in Plock decreased by (-) 2% (y/y). In the first quarter 2010 there were conducted planned maintenance shutdowns of Reforming and HON units, what resulted in increase of the level of semi-products and thus decrease of fuel yield ratio.

Adjustment of the level of crude oil throughput to current market conditions and realization of planned 14-day maintenance shutdown of ORLEN Lietuva refinery resulted in decrease of crude oil throughput by 7% (y/y) in Czech and 21% (y/y) in Lithuania.

The Management Board of PKN ORLEN S.A. estimates that in the first quarter 2010:

Total impact of changes in model refining and petrochemical margins (y/y), URAL/Brent differential and strengthening of Polish zloty against USD and EUR at lower sales volumes was negative and amounts to approximately PLN (-) 0.1 bn (y/y)

Strict control of operational costs and lack of negative one-off effects, which appeared in the first quarter 2009 mainly due to business risk provisions, caused an improvement in operational result by approximately PLN 0.2 bn PLN.

As a result, the estimated operational profit according to LIFO for the first quarter 2010 will be positive.

Due to rising crude oil prices in the first quarter 2010 the estimated LIFO effect, that increases reported operational result of PKN ORLEN, will amount to approximately PLN 0.4 bn.

As a result, the reported operational profit of PKN ORLEN for the first quarter 2010 will exceed PLN 0.4 bn.

Positive foreign exchange rate differences from EUR debt revaluation for the first quarter 2010 will reach approximately PLN 0.3 bn.

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.

All information published in this report is an estimate and the values may differ from the values which are to be published on 13 May 2010 in PKN ORLEN consolidated financial statements for the first quarter 2010.

*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.**