Revised method of calculating the model refining margin by Grupa LOTOS S.A.

The method takes into account the completion of the +10 Programme and the Gdańsk refinery's switch to natural gas as the fuel source, which have led to: (1) improved product mix, and (2) reduced consumption of crude oil for own needs thanks to enhanced energy efficiency profile, achieved through modernisation (maintenance shutdown).

The presented model margin reflects the refinery's profitability based on NWE market prices published by Thomson Reuters, taking into account product group aggregation to generally available price indices, which are the basis for most of the Company's sales.

The model margin is calculated for a yield structure estimated in the averaged scenario (excluding the annual seasonality) of typical annual operation of Grupa LOTOS' refinery. Annual throughput has been assumed to correspond to the distillation capacity utilisation of 95% if Urals crude was the only feedstock, whose value is determined as the sum of Dtd Brent price and the Urals vs. Brent spread.

The margin calculation is built around a new yield structure, with the following price indices assigned: 14.14% gasoline (PRM UNL 10 ppm ARA); 4.24% naphtha (Naphtha CIF NWE); 4.53% LPG (50% Propane FOB NWE, 50% Butane FOB NWE); 49.57% diesel oil (ULSD 10 ppm CIF NWE); 5.34% jet fuel (Jet CIF NWE); 18.11% heavy fuel oil (HFO 3.5%S ARA), 4.07% refinery's own consumption.
In the calculation, the margin is reduced by the estimated cost of natural gas used (including transmission cost) of around USD 3 per barrel of oil processed.

Considering the above, and given that the presented model does not allow for differences in prices following from sales on different geographical markets, the presented model margin is an approximate only, which is not identical with the actual refining margin of the Gdańsk refinery of Grupa LOTOS S.A.

Table Grupa LOTOS S.A.'s model refining margin

refining margin (USD/bbl)	**Q3 2012**	**Q4 2012**	**Q1 2013**	**Q2 2013**	**Q3 2013**
According to previous model*	**6.95**	**5.40**	**4.46**	**4.08**	**1.91****
According to new model	**-**	**-**	**-**	**-**	**4.32**

** The Company's model refining margin estimated in accordance with the previous model, as published in Current Report No. 30/2011 of October 26th 2011.*
*** Theoretical value presented for comparison only (calculated for the previous configuration of the Gdańsk refinery).*