PKN ORLEN - Mažeikių Nafta Value Creation Program
Creating a regional leader in Central and Eastern Europe

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June 4 – 15, 2007

Mažeikių Nafta acquisition significantly strengthens PKN ORLEN Group position in Central and Eastern Europe

Acquisition completed	• Successfully finalized on December 15th, 2006 • Dominant majority of ~90% controlled by PKN ORLEN
Consistent with strategy	• In line with the third pillar of the PKN ORLEN strategy • Key step for delivery of leadership in the CEE region
Strengthens regional position	• Annual refining capacity of ~30 million tons(1) allows PKN ORLEN to enter new attractive downstream markets and become a key CEE oil & gas player

Value Creation Program (VCP)	• Targeted EBITDA in 2012E of USD 700 million(2)
	• EBITDA increase of USD 408 million(3) by 2012E (127%) based on 2005A EBITDA of USD 319 million(4)
	• To ensure business recovery and continuity following the unexpected fire and crude supply disruption is our priority now. The subsequent EBITDA increase will be driven by:
	    • Operational Efficiency Improvement across all Mažeikių Nafta business segments
	    • New growth through a modernization and New Investment Program

Implementation	• The Unipetrol integration experience and delivery of significant value creation will be replicated in Mažeikių Nafta

1. Calculated as for the end of 2006 : PKN ORLEN Poland 13,8 mtpa + Trzebinia 0,6 mtpa + Jedlicze 0,1 mtpa; Unipetrol : 51% of Ceska Rafinerska - 4,4 mtpa [51% of Litvinov (5,4) and 51% of Kralupy (3,3)] and 100% of Pardubice 1.0 mtpa; Mažeikių Nafta 10 mtpa as prior the fire in Oct. 2006
2. Under variable macro scenario
3. Under constant 2004 macro scenario
4. Based on 2007E EBITDA of USD 77 mln - EBITDA increase by 2012E amounts to USD 650 million (844%) (under constant macro 2004 scenario)

Agenda

Overview of the Mažeikių Nafta transaction in the context of PKN ORLEN strategy execution

Value Creation Program at Mažeikių Nafta – targets & initiatives by segment

PKN ORLEN strategy – execution of 2009E financial/operational targets

Appendices

Mažeikių Nafta transaction perfectly fits into Pillar 3 of PKN ORLEN strategy

Acquisition of Mažeikių Nafta addresses pillar 3 of PKN ORLEN's strategy

		Strategy	
Pillar 1	Implement improvements and investments	• Change of corporate culture – remedy the situation within the • Partnership Program – efficient integration of Unipetrol with P • Efficiency enhancement as a priority during the first stage of st – Restructuring and optimization of the retail network – Implementation of the new cost reduction program – Group restructuring and implementation of ma y segments – Implementation of the value managemen • High return capital investments in core peration • Implementation of the improveme or ORLEN Deutschland	ganic
Pillar 2	Strengthen existing core businesses in home markets	• Allocation of capital fo tive acquisitions to maintain competitive edge • Retail acquisitio • Developm of petrochemical operations • Revi of PKN ORLEN Group portfolio and structure simplification through disposals of on-core assets	Non-organic
Pillar 3	Monitor expansion opportunities on new markets	• **Monitoring the market for availability of development or interesting acquisition opportunities** • **Focus on markets with high growth potential**	Non-organic

ORLEN

PKN ORLEN is the major shareholder of Mažeikių Nafta holding ~90% stake

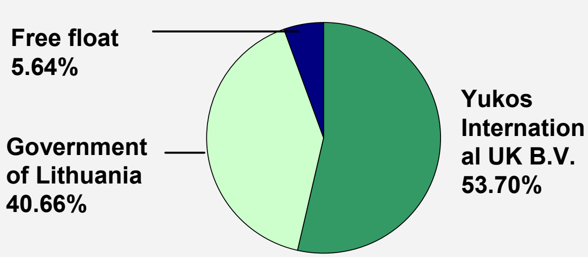
MAŽEIKIŲ NAFTA

ORLEN

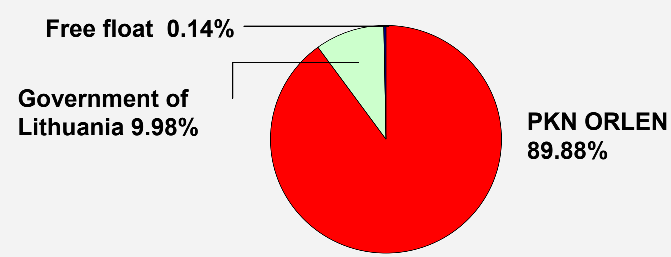
Yukos International UK B.V.	53.60%(1) USD 1,492.0 million
Government of Lithuania (GoL)	30.60%(1) USD 851.8 million
	9.98%(1)
Other shareholders	5.06%(1)(2)(3)
	0.62%(1)(2)(3)
	0.14%(1)(2)(3)

- On December 15th, PKN ORLEN purchased a 84.36% stake in Mažeikių Nafta for USD 2.34 billion, making it the biggest Polish acquisition in history
- The Government of Lithuania has a put option for app. 10% of the shares which may be exercised within 5 years from the transaction closing date (with an exercise price of USD 284 million within the next 3 years or USD 278 million if exercised at a later date)
- PKN ORLEN purchased a 5.06% stake in Mažeikių Nafta during the mandatory tender offer
- PKN ORLEN completed on May 21st, 2007 the first stage of the squeeze-out procedure of minority shareholders of Mažeikių Nafta and purchased during that process 0.62% stake in Mažeikių Nafta.

Shareholder structure before the transaction



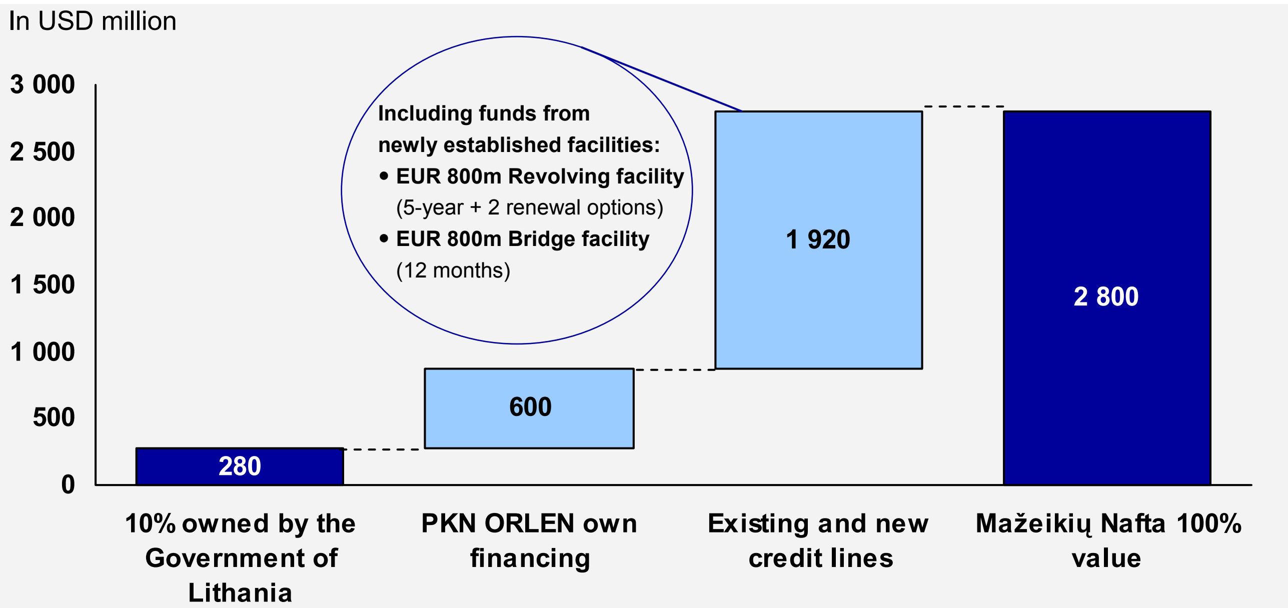
Shareholder structure after the transaction(4)



1. Total number of Mažeikių Nafta shares: 708,821,122 of which: Yukos Inter. UK B.V. - 379,918,411 GoL acquired stake – 216,915,941 GoL put option - 70,750,000, other shareholders – 41,236,770
2. The price per share for Yukos Inter. UK B.V and GoL stake is equal USD 3.927 per share
3. The prices in the mandatory tender offer and in the squeeze-out procedure are equal and amounts to USD 3.927 per share
4. Shareholder structure after completing the first stage of the squeeze out procedure, as of May 21st, 2007

Financing the Mažeikių Nafta transaction

Sources of financing for 100% of the Mažeikių Nafta acquisition



Potential additional cash inflow

- Currently expect full asset replacement cost and proportional fixed cost contribution lost due to fire to be covered from insurance proceeds
- Agreement with Yukos provided for USD 250 million of the purchase consideration to be placed in escrow to secure potential post-closing claims by PKN ORLEN related to representations made by Yukos

Refinance the bridge loan

- **Eurobond issue**
  PKN ORLEN intends to refinance the Bridge Loan with a Eurobond issue
- Timing expected to be mid 2007

Investement rating priority

- Following the increase in projected consolidated net debt / EBITDA, Management focuses on the decrease of ratio towards target range of 1.5x to 2.0x EBITDA as soon as possible

Mažeikių Nafta is being integrated into PKN ORLEN's segment-based management

Key principles of a new management model

"One company"

- Joint management of PKN ORLEN Group main assets: PKN ORLEN, Mažeikių Nafta and Unipetrol
- One strategy for PKN ORLEN Group companies

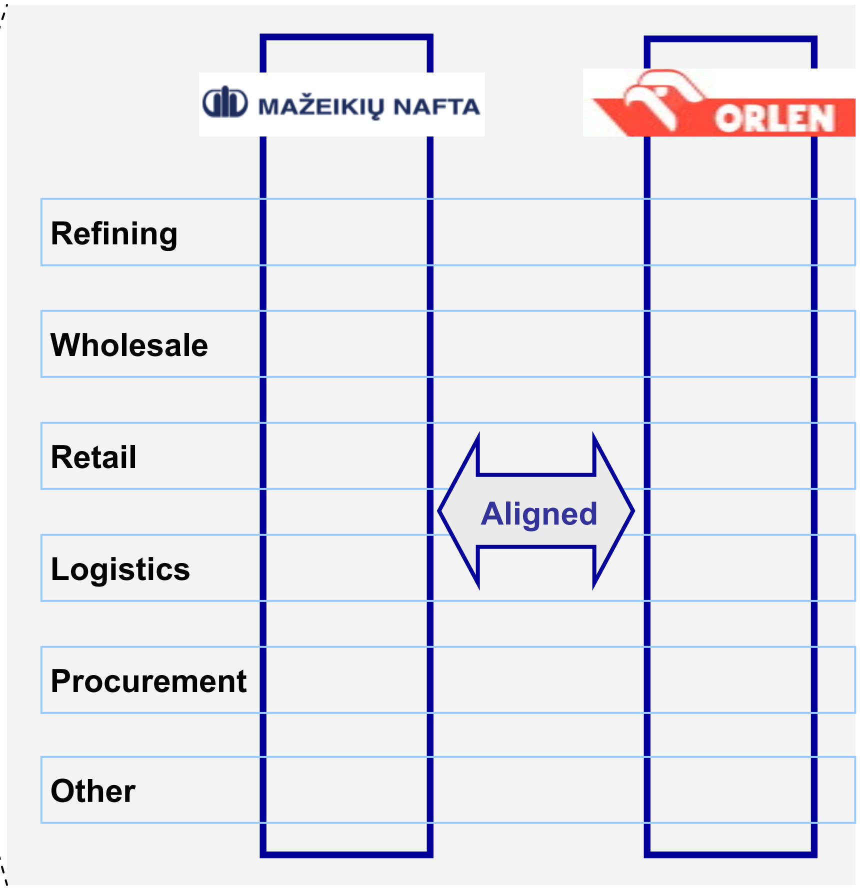
Segment based management

- Business segment heads at PKN ORLEN are responsible for managing the business units at Mažeikių Nafta
- Targets for Mažeikių Nafta will be included in the MBO[1] plans of PKN ORLEN executives and business heads
- Integration process driven by business units

Lithuanian-Polish teams

- Mixed teams ensuring transfer of best practices and supporting co-operation
- Teams will also be responsible for identifying and delivering synergy potential between Mažeikių Nafta and other companies of PKN ORLEN Group

Segment based management overview



1. MBO: Management by Objectives plan

Agenda

Phases of Value Creation Program at Mažeikių Nafta

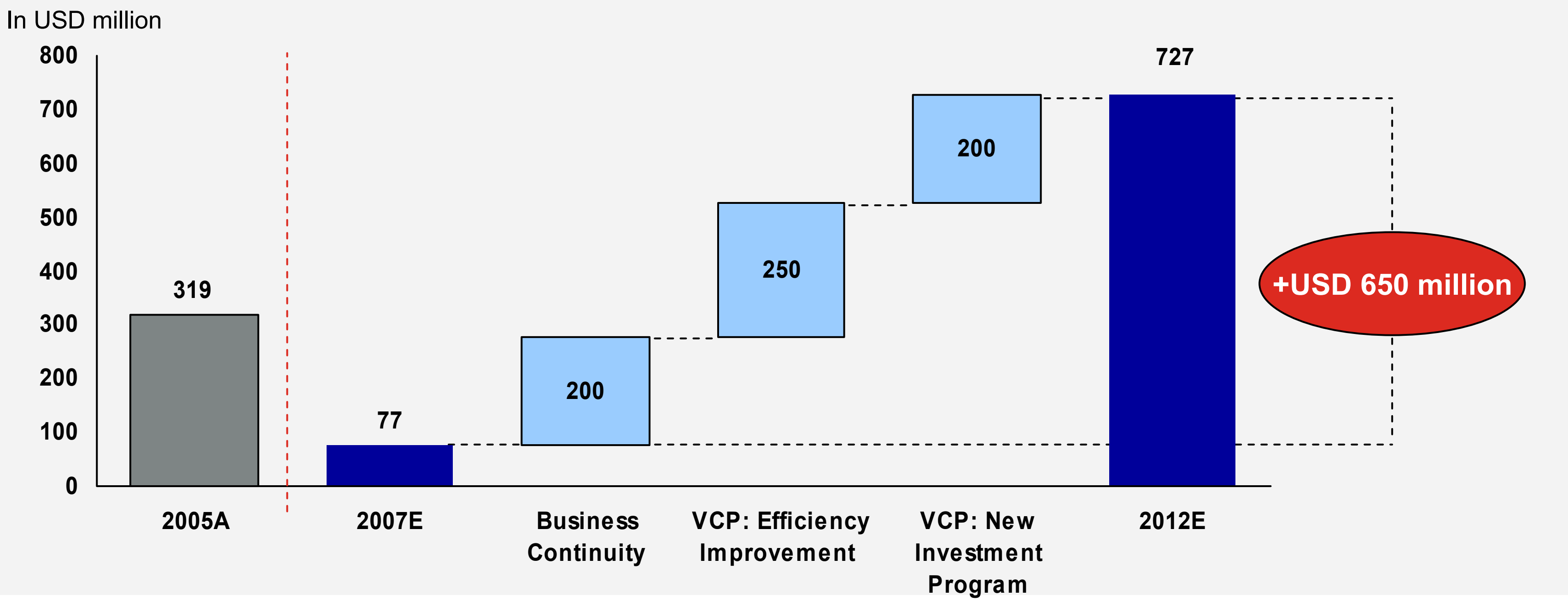
Phase	Process Timeline (2007–2012)	Actions
Business Continuity	**Stabilisation** **Ensuring 'Business Continuity'**	**Restore production to full capacity** • Bitumen vacuum unit not used for last 20 years was put into operations to reduce atmospheric residue output • Visbreaker unit damaged in a fire was rebuild so full conversion mode is restored • VGO deliveries were secured to fully utilized FCC unit • Restoring improved Vacuum Unit by end of 2007 **Secure crude oil deliveries** • Crude oil imports by sea utilizing own infrastructure in Butinge and joint crude oil sourcing with PKN ORLEN • Engaging with relevant parties to attempt to restore deliveries by pipeline
Efficiency Improvement	**Phase 1** **Restructuring and capturing value from 'Efficiency Improvement'**	• Implement action of operational improvements initiatives identified in Value Creation Program in all business and functional areas (based in part on participation in Solomon study) • Retail network expansion in the Baltics • Establishing own seaborne trading activities • Implementation of segment based management in Mažeikių Nafta
New Investment Program	**Phase 2** **Exploring growth via a 'New Investment Program'**	• Increasing refinery conversion ratio (white products yields): — Hydrocracker — Visbreaker unit vacuum column — Propylene splitter • Investments to comply with EU regulations (i.e., clean fuels)

Ensuring Business Continuity is the key priority for Mažeikių Nafta

Incident	Fire at Mažeikių Nafta refinery	Disruption in crude oil deliveries by "Druzhba" pipeline
Date	• October 12th, 2006	• July 29th, 2006
Recovery	**Action** / **Status** • Assess cause of fire ✓ • Continued operations to meet clients commitments ✓ • Rebuild a smaller capacity Vacuum Unit to reduce losses ✓ • Operations at half capacity. Vacuum unit coupled with Visbreaker to reduce losses and to generate small profit - 20kt (comparable to the level of 26kt before the incident) ✓ • additional supply condensate to reduce loading VDU unit (additional profit) ✓ • Restore Vacuum Unit capacity to its pre-fire condition with: By end 2007 – Capacity/performance improvements	**Action** / **Status** • Crude oil imports via Butinge terminal ✓ • Long-term agreement with PKN ORLEN for crude oil sourcing ✓ • Engaging with relevant parties to attempt to restore deliveries by pipeline In progress • Investigation of alternative crude oil sourcing opportunities In progress
Planned recovery date	• By end 2007	• Continue to monitor

Mažeikių Nafta 2012E EBITDA(1) increase of USD 650 million versus 2007E from business continuity recovery and Value Creation Program

EBITDA under constant macro scenario(1)



EBITDA under variable macro scenario(2)

In USD million

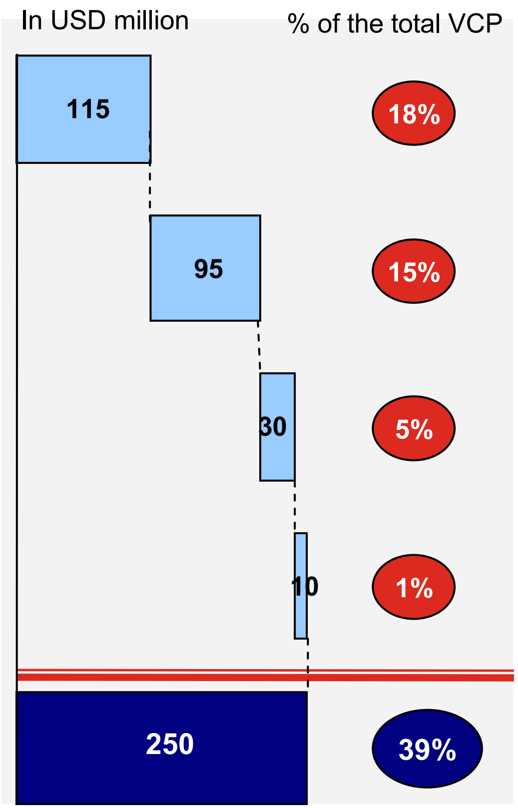
2005A	2007E		2012E
410	59	→	700

1. Macro assumptions: Constant reference environment of 2004: Brent price USD 38.3/bbl, Brent-Ural differential USD 4.1/bbl, Refining margin USD 5.6/bbl, PLN/EUR 4.52, PLN/USD 3.65
2. Variable assumptions: a) Brent-Ural differential: 2007E: 3.5, 2008E: 3.3, 2009E: 3.3, 2010E-12E: 3.0
   b) Refining margin: 2007E: 5.26, 2008E: 4.86, 2009E: 4.95, 2010E: 5.03, 2011E: 4.97, 2012E: 5.21
   c) PLN/USD: 2007E 2.85, 2008E: 2.84, 2009E: 2.85, 2010E: 2.87, 2011E: 2.87, 2012E: 2.84

Phase 1: Mažeikių Nafta Efficiency Improvement aim to increase 2012E EBITDA by USD 250 million

Key activity	Key value creation levers
1.1 Refining	• Increase white product yield • Improve energy performance • Optimise operating costs of the refinery
1.2 Wholesale and Logistics	• Improve wholesale margin • Optimise products logistics • Optimise other wholesale and logistics operating costs
1.3 Retail	• Develop retail network in the Baltics • Expand franchising model • Optimise non-fuel margin and network efficiency
1.4 Corporate and Other	• Optimise purchasing spend • Optimise other operating costs at Mažeikių Nafta
Phase 1: Mažeikių Nafta	

EBITDA 2012E impact[1]

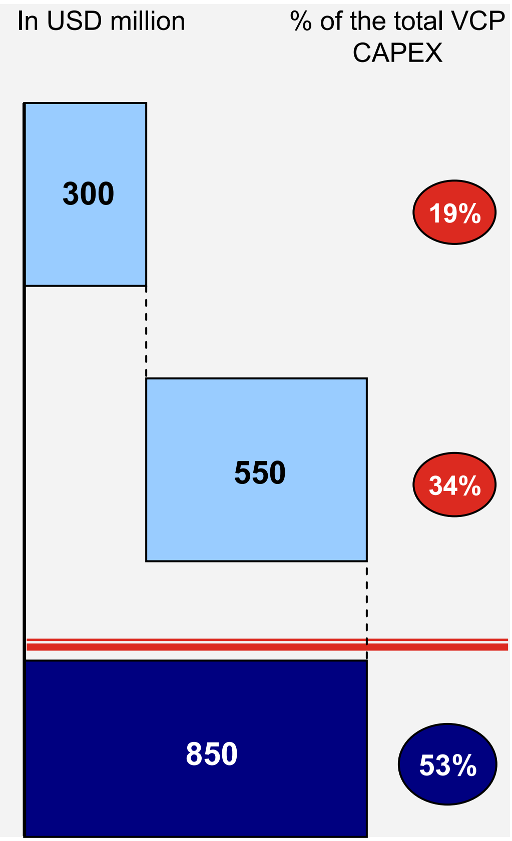


1. Under constant macro scenario

Business Recovery & Continuity & Phase 1: Capex requirement for delivery of Efficiency Improvement

Project group	Major investments included	Benefits
Business Continuity	• Repairs after fire in VDU • Heat exchangers • Heaters' modernisation • Sustaining capital	• Rebuilt VDU • Ensure technical availability and appropriate efficiency of the refining equipment • Prevent accidents in the refinery and ensure continuity of production
Efficiency Improvement	• Pipeline and terminal project under consideration • Operational improvements • Retail expansion in Baltic states	• Implement VCP initiatives • Capture growth opportunities in retail • Decrease logistics costs and secure exports gateway
Business Continuity & Phase 1: Mažeikių Nafta		

Capex 2007E-2012E[1]



1. Under constant macro scenario

Phase 2: The New Investment Program for Mažeikių Nafta

Key value creation projects	Initiative example	EBITDA 2012E[1] Impact – In USD million	% of the total VCP
Hydrocracking	• Increase refining conversion ratio up to ~90% • Increase the flexibility of the refinery for Diesel versus gasoline production	60	9.3%
New H_2 Plant	• To meet gasoline and diesel quality specification (EU 2009)	10	1.6%
Vacuum Flasher	• Produce maximum feed for the hydrocracker and increase the efficiency of the crude processing	15	2.3%
Propylene Splitter	• Extract petrochemical feed from the low price LPG produced at the refinery	25	3.9%
VGO Processing	• Increase production volume by processing third party VGO	75	11.6%
Other	• To ensure low sulphur content fuel for power generation and heating plant	15	2.3%
Phase 2: Mažeikių Nafta	• Average IRR of program ~26%	200	31%

1. Under constant macro scenario

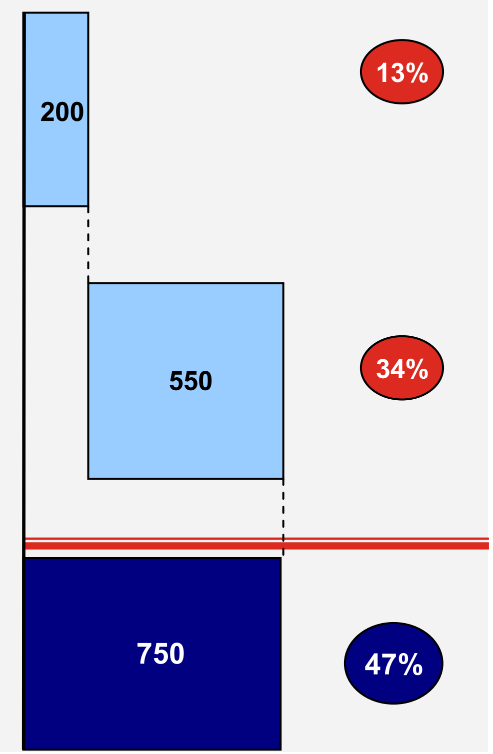
Phase 2: Capex required for the New Investment Program for Mažeikių Nafta

Project group	Major investments included	Benefits
Clean fuels/regulatory (including Power Plant and Flu Gas Desulphurization)	• Power plant including flu gas desulphurization • Diesel hydrodesulphurization unit modernisation	• Ensure Mažeikių Nafta products specification complies with European Union requirements (i.e., sulphur content ≤ 10 ppm)
Modernization of the refinery	• Hydrocracker • Vacuum flasher • Propylene splitter • New H_2 plant (including H_2 expansion project)	• White products yields increase • Maximising capacity utilisation • Debottlenecking
Phase 2: Mažeikių Nafta		

Capex 2007E-2012E[1]

In USD million

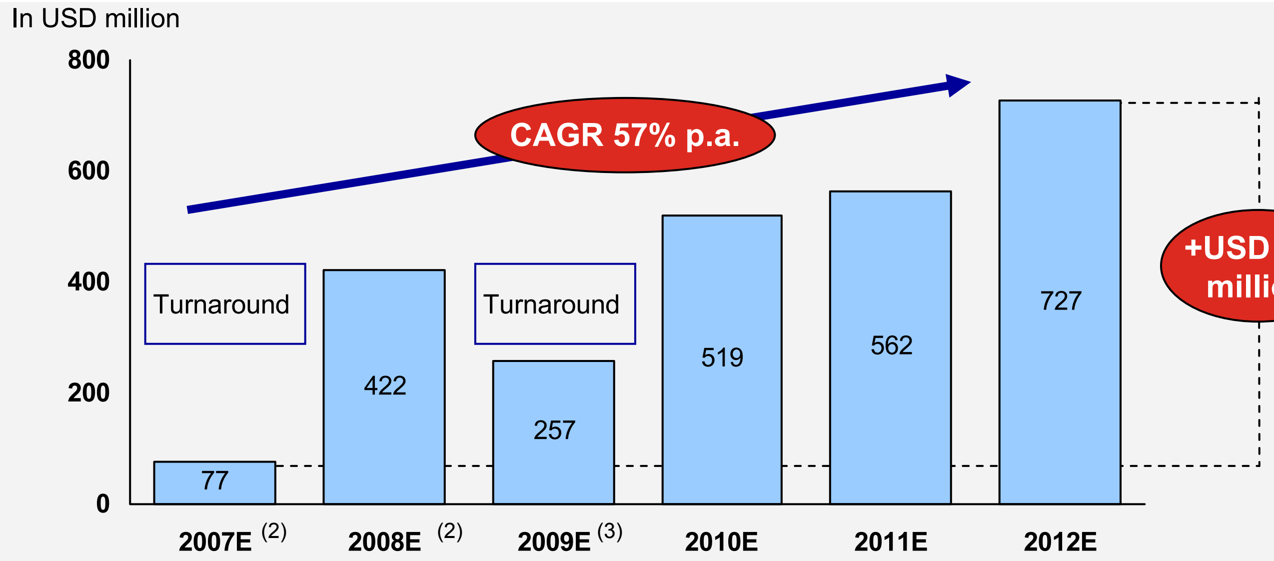
% of the total VCP CAPEX

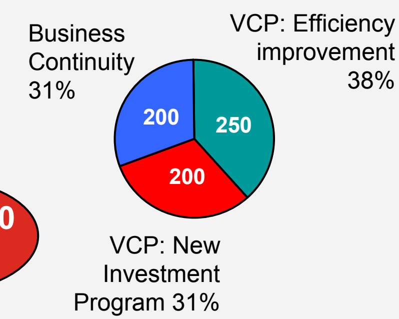


1. Under constant macro scenario

Total Value Creation: Mažeikių Nafta 2012E EBITDA[1] increase of USD 650 million versus 2007E

EBITDA under constant macro scenario[4]





Total VCP EBITDA increase USD 650 million

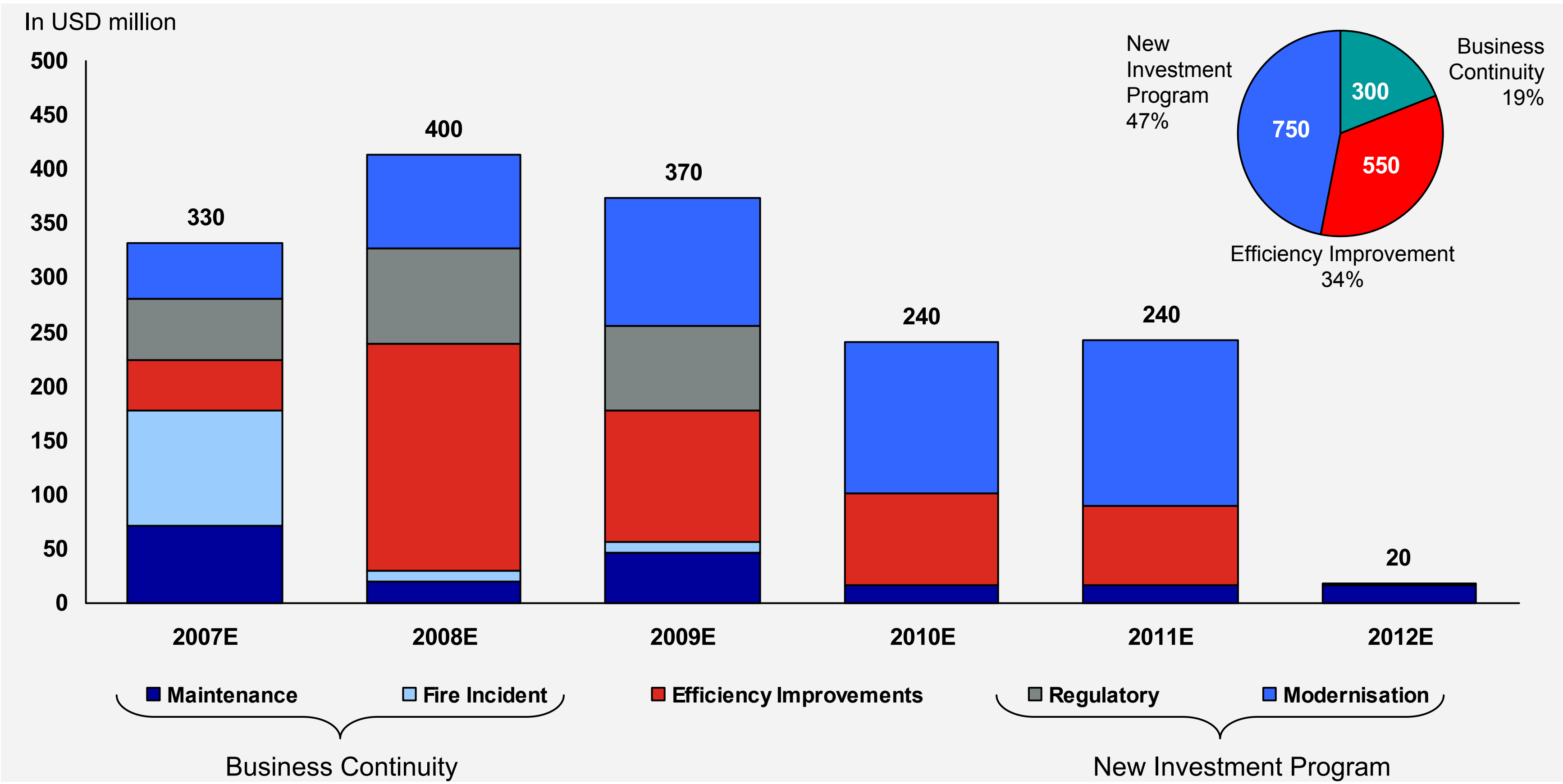
EBITDA under variable macro scenario[5]

In USD million	2007E	2012E
	59	700

1. Estimated consolidated EBITDA for Mažeikių Nafta
2. 2008E includes insurance proceeds of around USD 180 million in relation to the fire at Mažeikių Nafta
3. In 2009E turnaround at the refinery is planned resulting in decreased profitability of the company
4. Macro assumptions: Constant reference environment of 2004: Brent price USD 38.3/bbl, Brent-Ural differential USD 4.1/bbl, Refining margin USD 5.6/bbl, PLN/EUR 4.52, PLN/USD 3.65
5. Variable assumptions: a) Brent-Ural differential: 2007E: 3.5, 2008E: 3.3, 2009E: 3.3, 2010E-12E: 3.0
   b) Refining margin: 2007E: 5.26, 2008E: 4.86, 2009E: 4.95, 2010E: 5.03, 2011E: 4.97, 2012E: 5.21
   c) PLN/USD: 2007E 2.85, 2008E: 2.84, 2009E: 2.85, 2010E: 2.87, 2011E: 2.87, 2012E: 2.84

Total Mažeikių Nafta 2007E - 2012E capex

Capex of ~USD 1.6 billion planned for Mažeikių Nafta (2007E - 2012E)(1)



1. PKN ORLEN 2012E exchange rate assumptions: PLN/EUR: 3.67, PLN/USD: 2.84

Agenda

PKN ORLEN delivery on strategic objectives and key targets of the strategy 2006 – 2009E

	Strategic objectives	Delivery as of 2006 (1)		Key targets 2009E(1)
Organic	Implement Efficiency Improvement and investments	**EBITDA**(2)	PLN 7 billion	>PLN 10 billion
		ROACE	17.1%(2),(3)	>18.5%
Inorganic	Strengthen existing core businesses in home markets	**Capex** (4)	PLN 1.9 billion	PLN 3.4 billion (average 2005–09)(2)(5)
		Gearing	39.2%	30 – 40%
	Monitor expansion opportunities in new areas and markets	**Dividend policy (payout ratio)**	Implemented	Based on FCFE

1. Refers to the Capital Group, IFRS numbers in the whole presentation if not otherwise pointed
2. Assumes constant macro scenario in 2004: Brent price USD 38.3/bbl, Brent-Ural differential USD 4.1/bbl, Refining margin USD 5.6/bbl, PLN/EUR 4.52, PLN/USD 3.65
3. Calculation based on PKN ORLEN consolidated financial statements 2006 excluding consolidation effect of Mazeikiu Nafta
4. Capex plan for PKN ORLEN excluding Mazeikiu Nafta
5. Annual average D&A (2006-2009E) PLN 2.1 billion

Ongoing strategy implementation

Progress on other initiatives during 2006

Progress on other initiatives during 2006		
Pillar 1	**Implement improvements and investments**	• **Unipetrol:** Ongoing integration and efficiency gains achieved within Unipetrol (Partnership Program) – EUR 109 million for 2006, exceeding target by ~45% • **Retail**: Implementation of retail strategy, restructuring of the retail network including two brand concept. Excellent performance in 2006: volume increase of 17.2% y/y, EBIT increase to PLN 573 million – Ongoing optimisation with the construction of 90 new / rebuild sites – Implementation of dual brand strategy in Czech Benzina – Implementation of ORLEN Deutschland remedy plan on track • **Optima:** Cost reduction program well on track • **Corporate governance:** Group restructuring and implementation of management by segments
Pillar 2	**Strengthen existing core businesses in home markets**	• **Refining:** Diesel Desulphurization Unit investment in progress to deliver refinery expansion • **Petrochemicals:** PX/PTA projects under construction • **Chemicals:** Anwil acquired Spolana, creating leading chemical company in the region; disposal of Kaučuk for EUR 195 million(1)
Pillar 3	**Monitor expansion opportunities on new markets**	• **Mažeikių Nafta:** Acquisition of Mažeikių Nafta successfully completed because it expands the refining capacity by ~50%. Entering high growth potential markets • **E&P:** Continuing to actively search for projects with acceptable risk level; non-aggressive approach applies

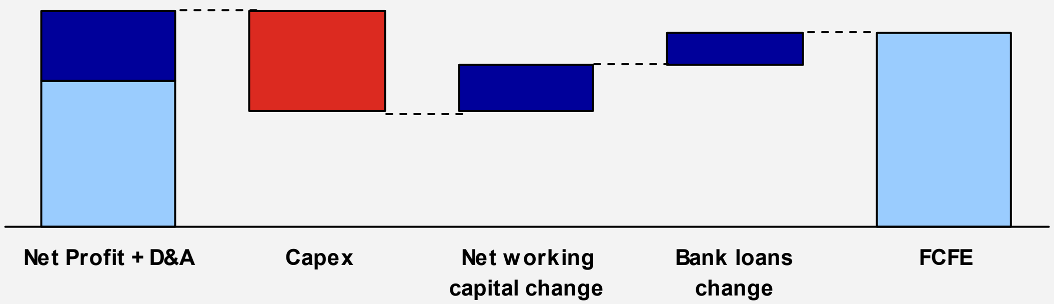
1. Transaction of Kaucuk disposal has not been closed yet; the Share Purchase Agreement, signed on 30 January 2007 between Unipetrol a.s. and FIRMA CHEMICZNA DWORY S.A. provides for a possible adjustment of the Purchase Price resulting from environmental conditions relating to Kaučuk and its operations. For details see the regulatory announcement of Unipetrol dated 30 January 2007, available on www.unipetrol.cz.

PKN ORLEN dividend policy

PKN ORLEN approach to the dividend policy

- **Dividend policy**
  - Taking into account mergers and acquisitions
  - Allowing for maintaining the optimal capital structure determined by the following ratios
    - Indebtedness levels not higher than 1.5x – 2.0x of Net Debt / EBITDA
    - Net Debt / Capital of 30%

Free Cash Flow to Equity (FCFE)



PKN ORLEN aims to pay dividends equal to or higher than 50% of FCFE

- In case of a material acquisition, return to safe levels of indebtedness will be a priority, which may lead to a very limited dividend, or none at all, according to the FCFE-based approach
- Dividend policy supports PKN ORLEN investment grade objective by:
  - controling leverage within the targeted 1.5x – 2.0x EBITDA range accross the cycle
  - accounting for strategic capex requirements

Total Value Creation Program EBITDA and capex impact for Mažeikių Nafta to 2007E - 2012E

Business Continuity

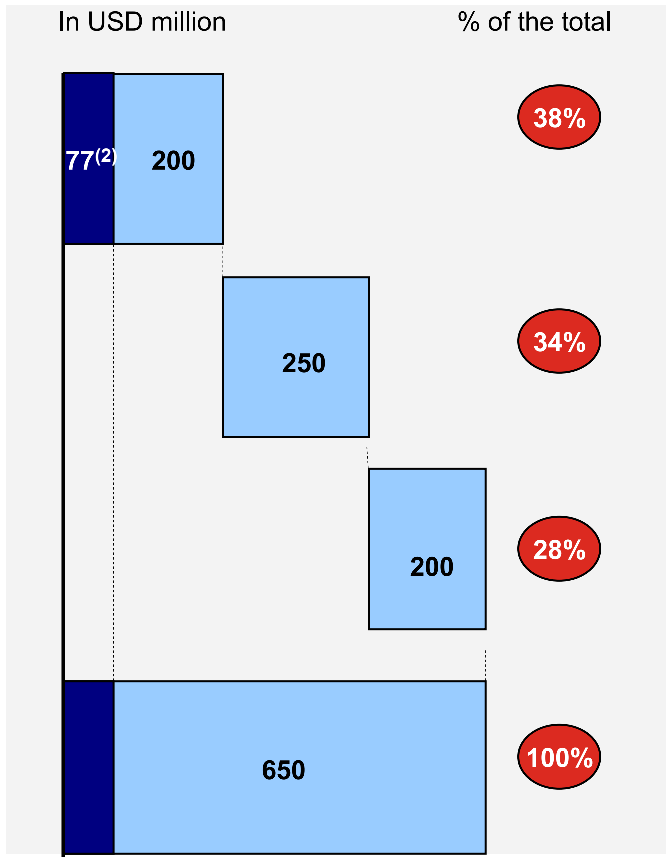
Efficiency Improvement

New Investment Program

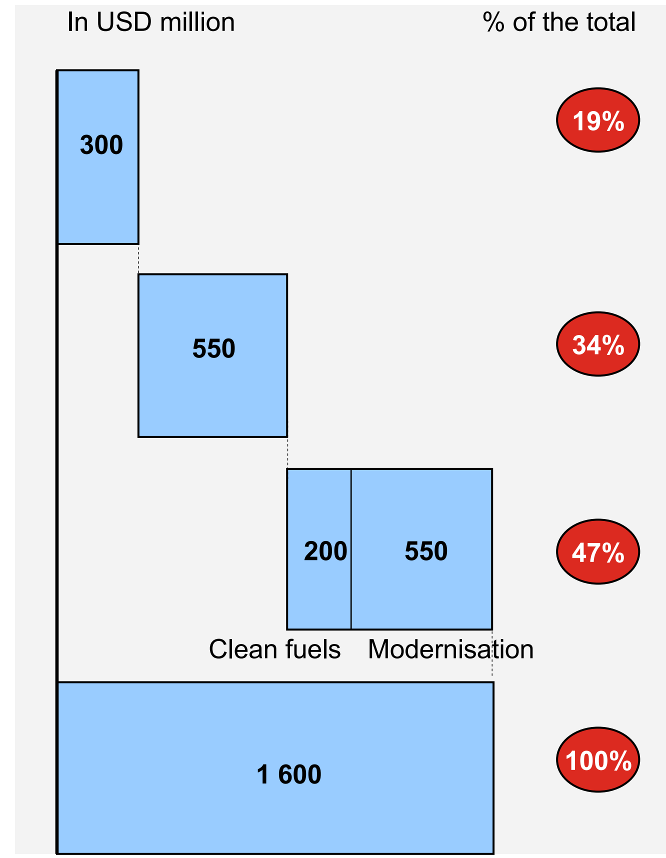
2012E EBITDA

727 million

EBITDA 2012E[1]



VCP capex 2007E - 2012E[1]



1. Under constant macro scenario
2. EBITDA 2007E

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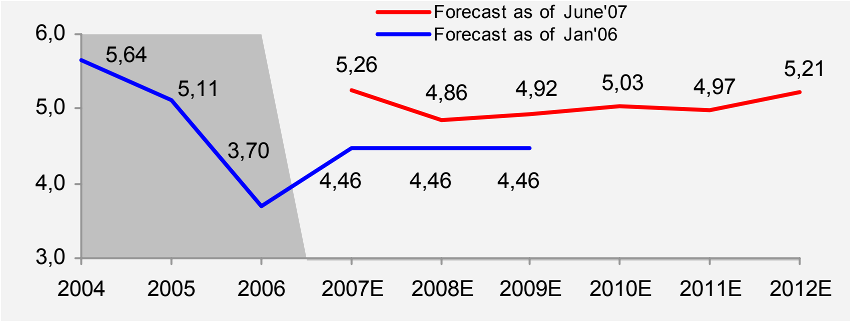
Agenda

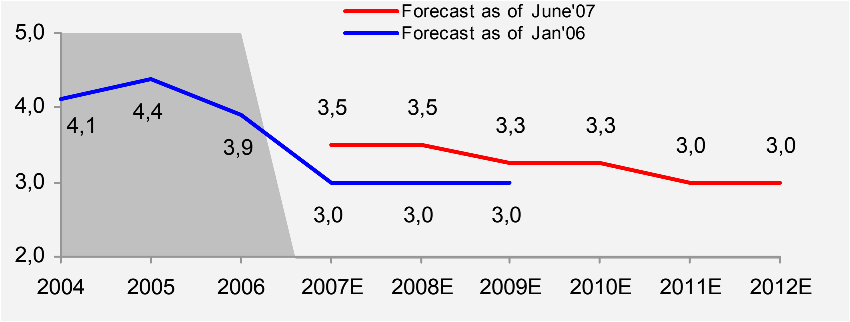
Main PKN ORLEN macroeconomic assumptions

June 2007 vs January 2006. Part 1/2

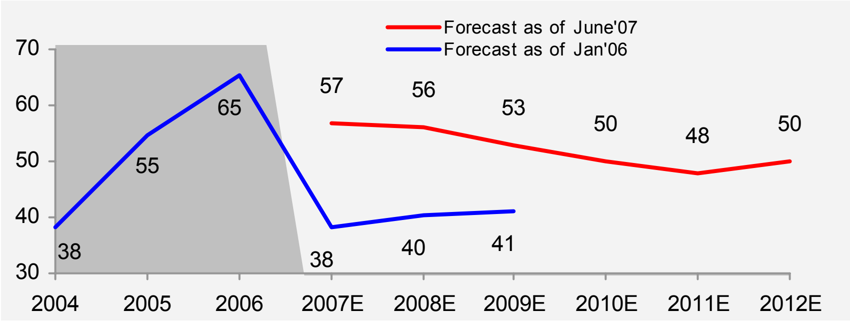
Benchmark refining margin (USD/bbl)(1)



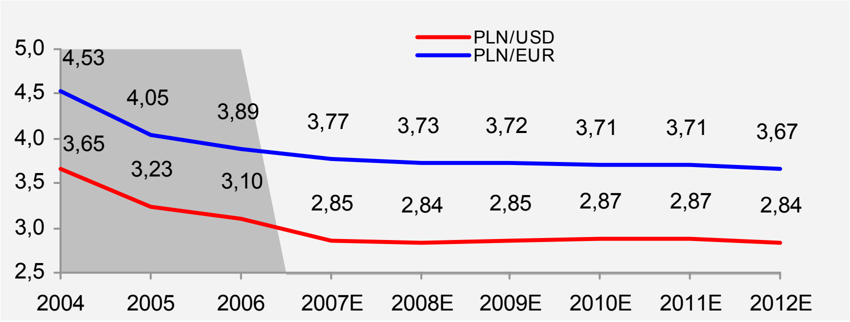
Brent/Ural differential (USD/bbl)



Crude oil price Brent (USD/bbl)



Exchange rates(2)



1.) Calculated as: Products (88.36%) vs. Brent Dtd (100%). Products contain Premium Unl (25.21%), USLD (23.20%), Naphtha (16.51%), LHO (15.31%), HSFO (5.44%) i Jet (2.69%) (source: CIF NWE quotations, except HSFO FOB ARA)

2.) Exchange rates assumed in January 2006 for PLN/EUR: 4.10 (average 2001-05), 3.95 (2006), 3.89 (2007E), 3.85 (2008E), 3.92 (2009E) and for PLN/USD: 3.79 (average 2001-05), 2.98 (2006), 2.93 (2007E), 2.91 (2008E), 3.00 (2009E)
Source: Datastream, PKN ORLEN assumptions based on CERA and investment banks

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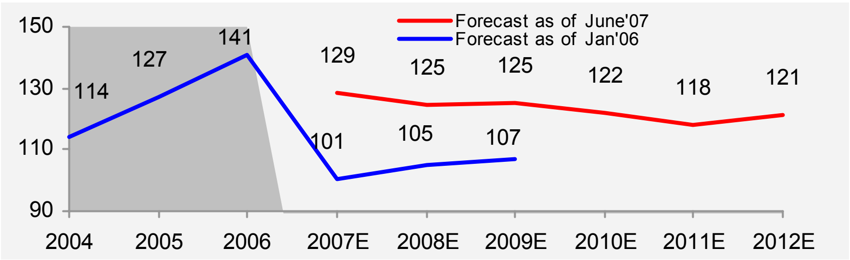
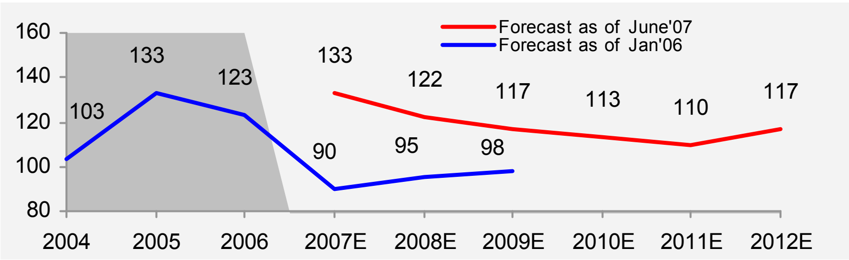
Main PKN ORLEN macroeconomic assumptions

June 2007 vs January 2006. Part 2/2

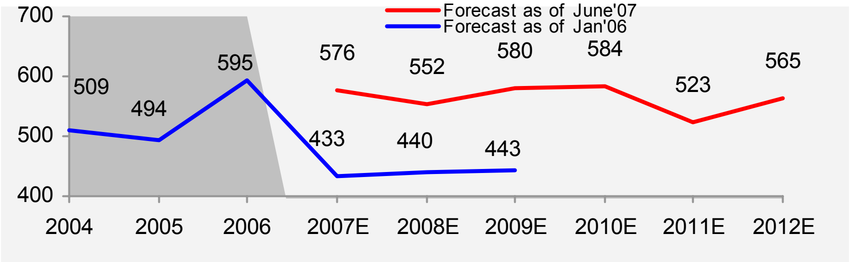
Gasoline crack margin (USD/ton)



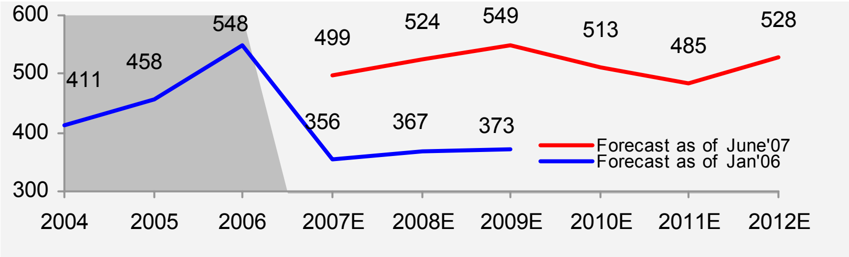
Diesel crack margin (USD/ton)



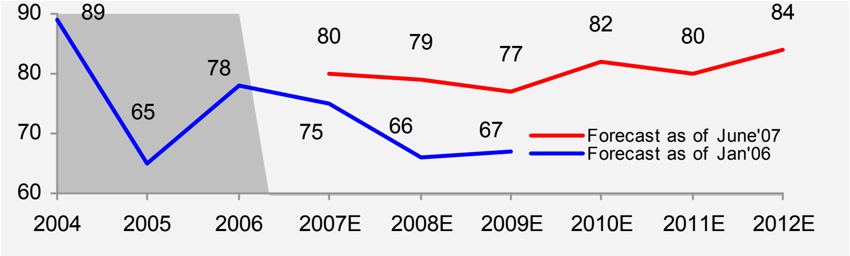
Ethylene crack margin (USD/ton)



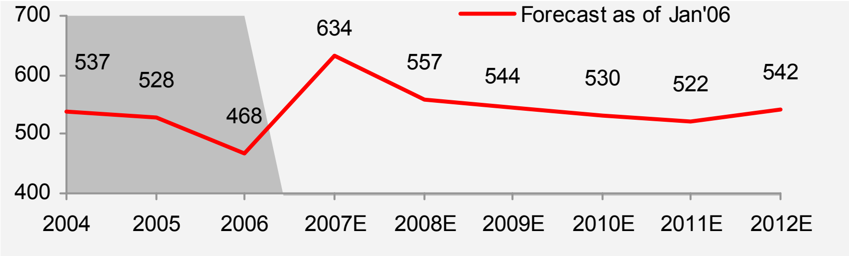
Propylene crack margin (USD/ton)



Naphtha crack margin (USD/ton)



Paraxylene crack margin (USD/ton)



1) Source : PKN ORLEN estimates

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Refining Efficiency Improvement
Phase 1.1.

Key value creation levers	Initiative examples	Potential(1)
Increase product yield	• Install valves before pressure safety relief valves • Recover hydrogen and LPG flare gas • Control automatic level for separator in PENEX unit • Convert heavy viscous residue into sellable emulsion • Improve information system of material flows • Save diesel by producing two type fuel oil • Supply heavy visbreaker diesel to FCC unit • Gasoil dewaxing	USD 48 million
Improve energy performance	• Increase process condensate temperature • Reduce fuel consumption heaters • Supply gas condensate from the refinery to power plant for burning • Install rotation speed regulators for air coolers and water pumps • Reduce pressure at gasoline reformers • Insulate and heat of off-spec product lines	USD 23 million
Other	• Reduce maintenance costs by introducing scope challenge • Optimise cost of external contractors • Reduce laboratory costs • Implement DCS/ESD control systems	USD 34 million
Total phase 1.1: Refining Efficiency Improvement		**USD 115 million**

1. Under constant macro scenario

ORLEN

Efficiency Improvement in wholesale and logistics
Phase 1.2.

Key value creation levers	Initiative examples	Potential(1)
Improve wholesale margin	• Increase diesel and LPG sales to Poland • Increase bitumen sales to Estonia • Develop partnership in fuel oil sales, blending and distribution • Establish own trading activities for waterborne sales • Increase sales to end-users in the Baltic States • Improve pricing procedures in the Baltic States • Sell bitumen throughout whole year	USD 50 million
Reduce product delivery costs	• Optimise rail tariffs • Optimise rail routes in the Baltic States • Utilize rail licensed transport • Optimise port fees in Klaipeda • In-source forwarding agency • Pipeline to Klaipeda	USD 25 million
Other	• Reduce internal laboratory costs for exported products • Take control of Klaipedos Nafta terminal • Optimise Butinge terminal OPEX • Optimise pipelines OPEX	USD 20 million
Total phase 1.2: Wholesale and Logistics Efficiency Improvement		**USD 95 million**

1. Under constant macro scenario

ORLEN

Efficiency Improvement in retail

Phase 1.3.

Key value creation levers	Initiative examples	Potential[1]
Develop retail network in the Baltics	• Expand Ventus retail network in Lithuania and enter Latvia via greenfield development and selective acquisitions	USD 25 million
Expand franchising model	• Develop franchising retail network (DOFO) in Lithuania and Latvia to account for ~30% of target Ventus network	USD 2 million
Improve efficiency in current network	• Optimise non-fuel margin from shop sales and car-washing services • Implement appropriate organization for managing the retail network	USD 3 million
Total phase 1.3: Retail Efficiency Improvement		**USD 30 million**

1. Under constant macro scenario

ORLEN

Efficiency Improvement in corporate and other
Phase 1.4.

Key value creation levers	Initiative examples	Potential[1]
Optimise purchasing spend	• Optimise chemicals purchasing • Optimise indirect purchasing • Optimise maintenance materials and services purchase costs • Reduce warehouse costs	USD 5 million
Other	• Reduce insurance fees • Dispose redundant assets • Implement IP telephony and fax server • Strengthen in-house capabilities of legal advisory • Implement new security methods to increase cost efficiency	USD 5 million
Total phase 1.4: Corporate and Other Efficiency Improvement		**USD 10 million**

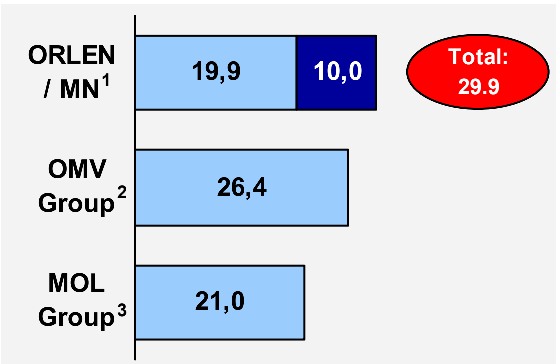
1. Under constant macro scenario

Integration of Mažeikių Nafta is a key step on the way to leadership in the CEE region

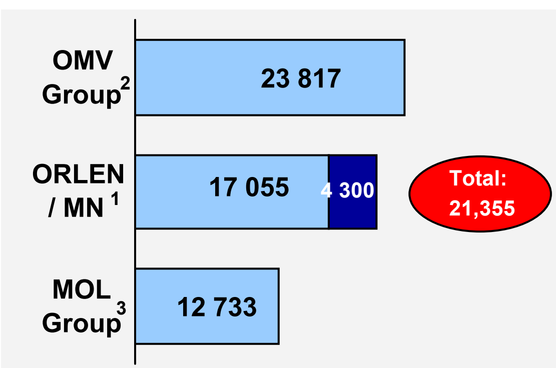
2006 data

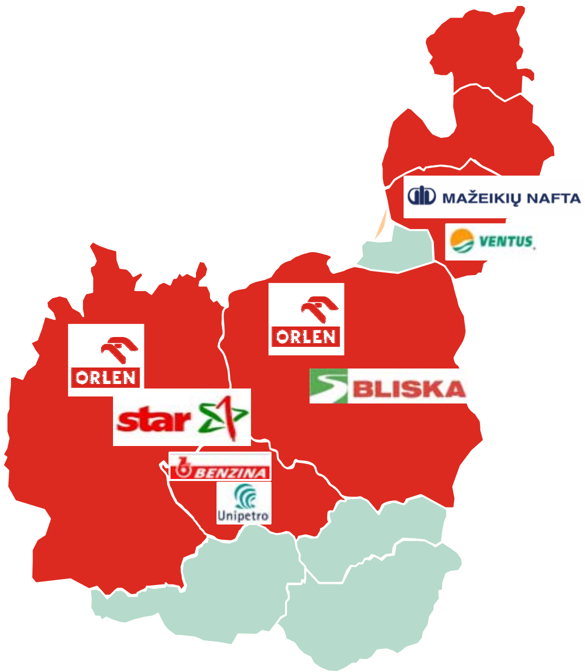
Mažeikių Nafta

Processing capacity (in million tons p.a.)

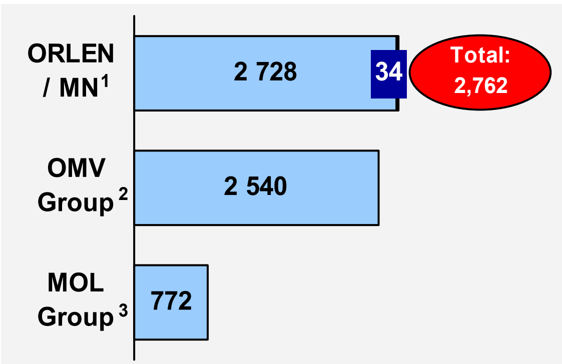


Revenues (in USD million)

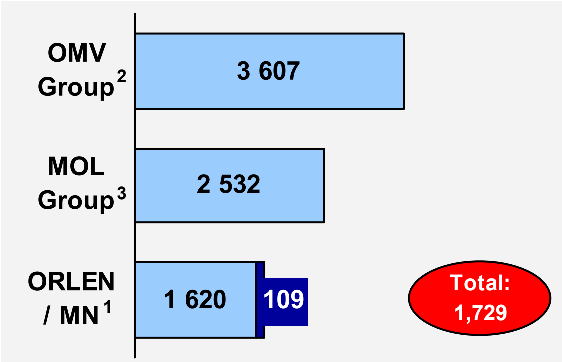




Retail network (Number of stations)



EBITDA (in USD million)



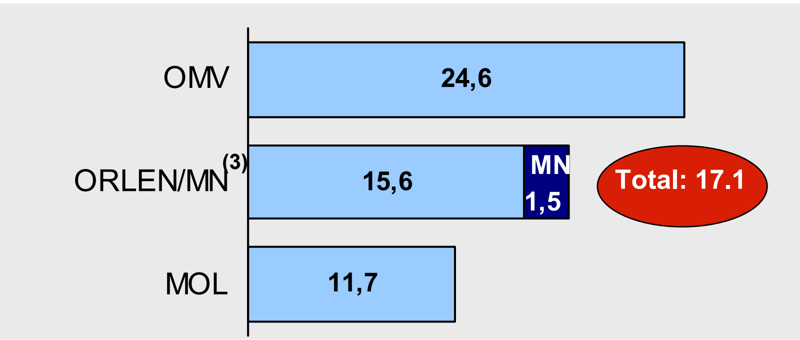
1. Assumes 100% of Unipetrol and 100% of Mažeikių Nafta
2. OMV and Petrom
3. MOL / SLOVNAFT and INA

Source: Companies' 4q'06 financial statements

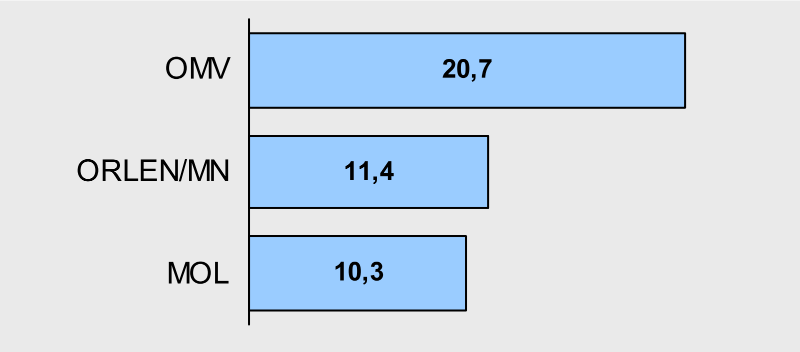
Acquisition of Mažeikių Nafta strengthens the asset base, competitive position and financial standing of PKN ORLEN in the region

Enlarged PKN ORLEN Group aims at equalising its value with the main regional competitors

Asset value (USD billion)(1)(2)



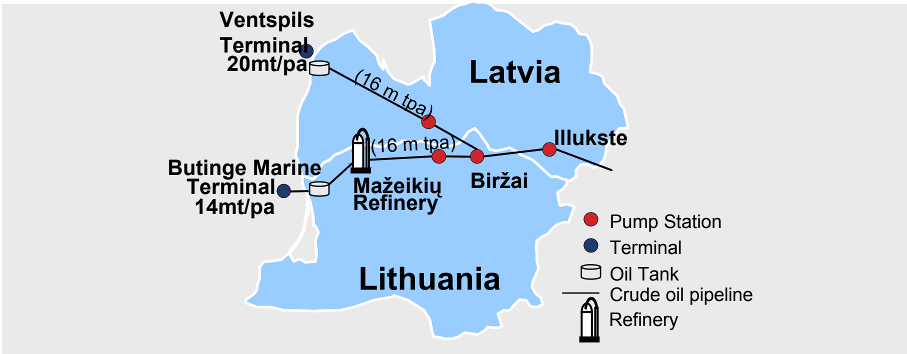
Enterprise Value (USD billion)(1)(5)



Business Overview

- Large scale, highly complex refinery
  - Maximum throughput capacity of ca 10 million tonnes of crude oil p.a.(4)
  - Nelson Complexity Index of 9(4)
  - Only oil refiner in the Baltic States
  - Large export activities to Western Europe, Baltic Region and the USA
  - Owns and operates the Lithuanian crude oil and refined product pipeline system
  - Owns and operates Lithuania's export-import oil terminal on the Baltic Sea coast
  - Marketing presence through 34 retail stations in Lithuania

Location of Mažeikių Nafta

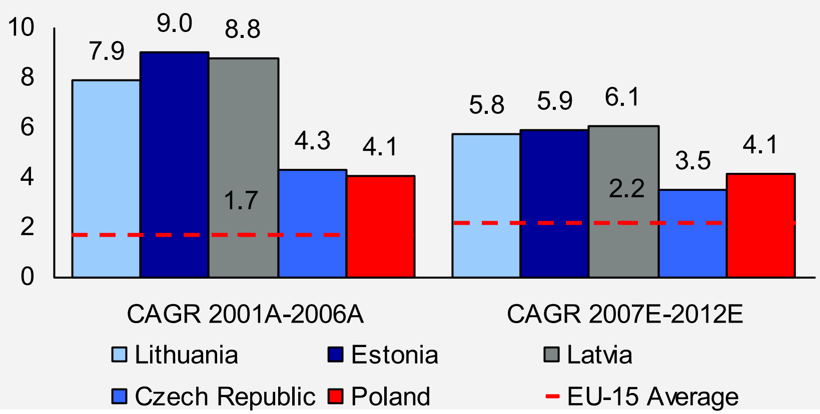


1. Companies' quarterly IFRS reports after Q1'07
2. FX Rate - spot 31-03-2007: EUR/USD: 1,3335, PLN/USD: 0.3453, HUF/USD: 0.005418
3. Assumes 100% of Mažeikių Nafta – data in USD as reported in the quarterly Q1'07 Mažeikių Nafta financial statement
4. Refers to the status prior to the fire
5. EV calculated as market cap plus debt, minus total cash and marketable securities at the end of Q1'07 (for PKN ORLEN debt and cash dedicated to the transaction). Market capitalization based on the stock price and exchange rates as at 29.04.2007

Mažeikių Nafta focus on high growth markets

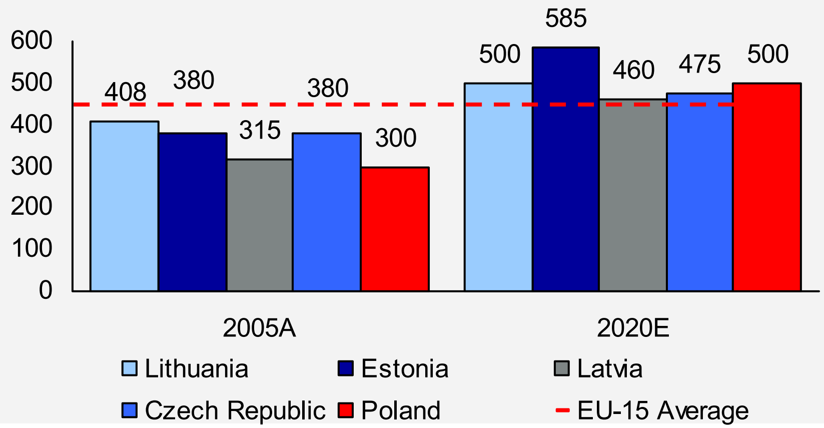
Real GDP growth (1)

GDP growth in %

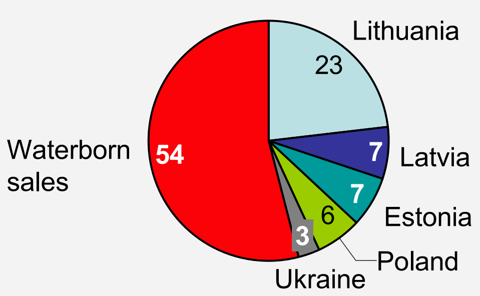


Vehicle ownership growth (2)

Vehicles / 1000 popn



2006 Mažeikių Nafta sales by country
%, total 8 million tons



Attractive markets

- Positive influence of European Union integration
- Historical and expected economic growth
- Generally stable business and legal environment

1. Source: EIU
2. Source: Wood MacKenzie

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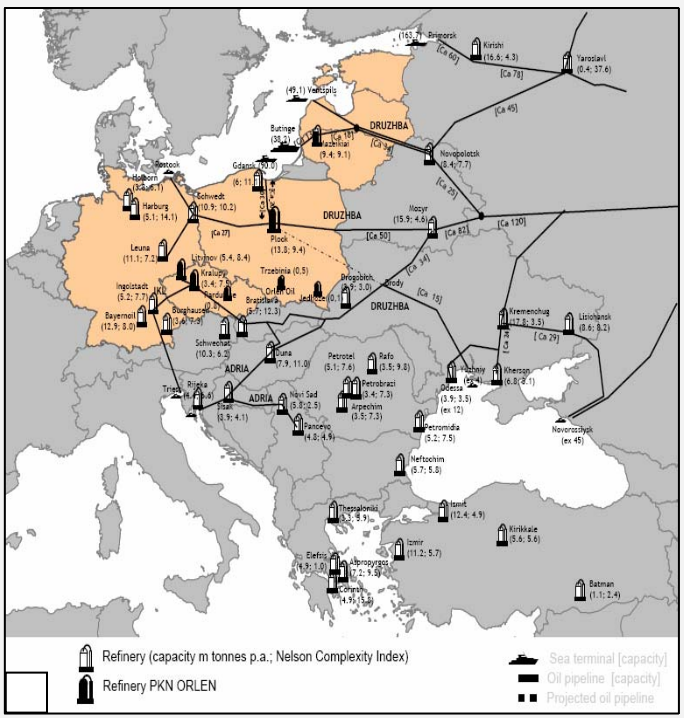
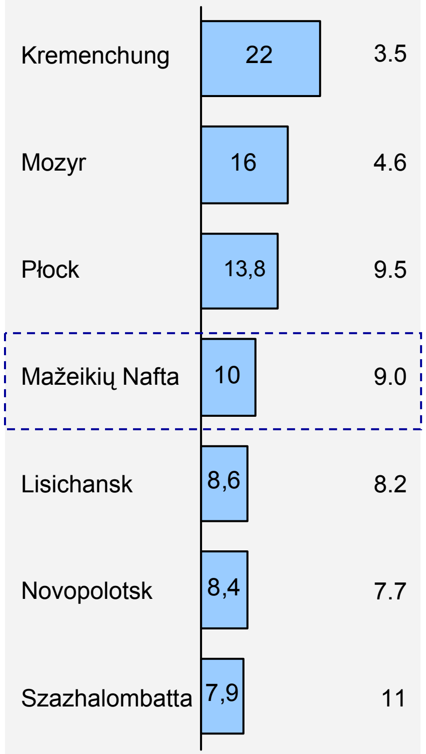
Mažeikių Nafta is the only refinery in Baltic states and one of the largest most sophisticated refineries in the CEE region

Geographical overview of refineries in CEE



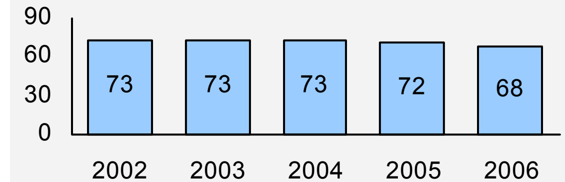
Major refineries in CEE[1]

Refining capacity in million tons p.a. Nelson complexity

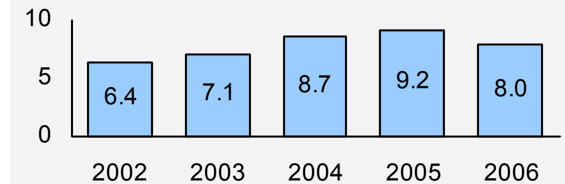


Mažeikių Nafta refinery overview

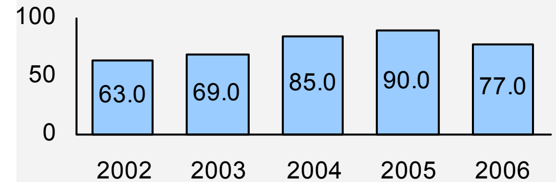
Conversion ratio %



Crude processed, in million tons p.a.



Capacity utilisation in %

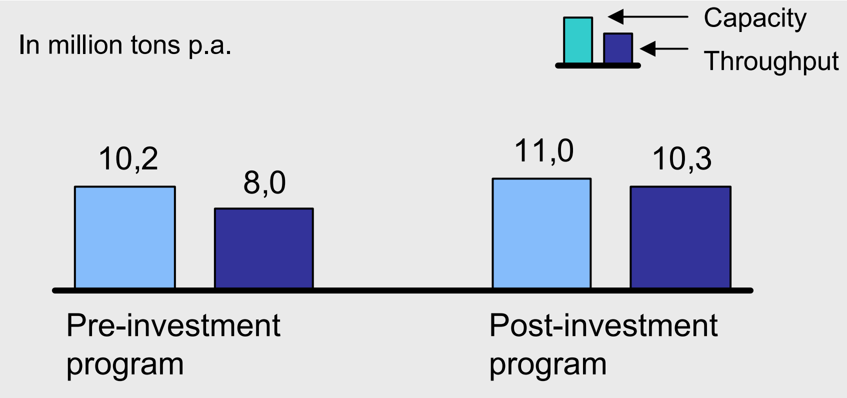


1. Excluding Russia and Germany

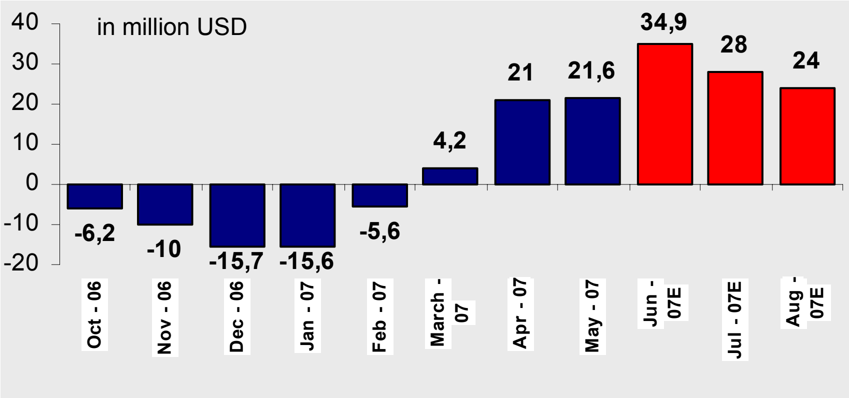
Source: 2006 OGJ Worldwide Refinery Survey

Mažeikių Nafta refining volumes and margins

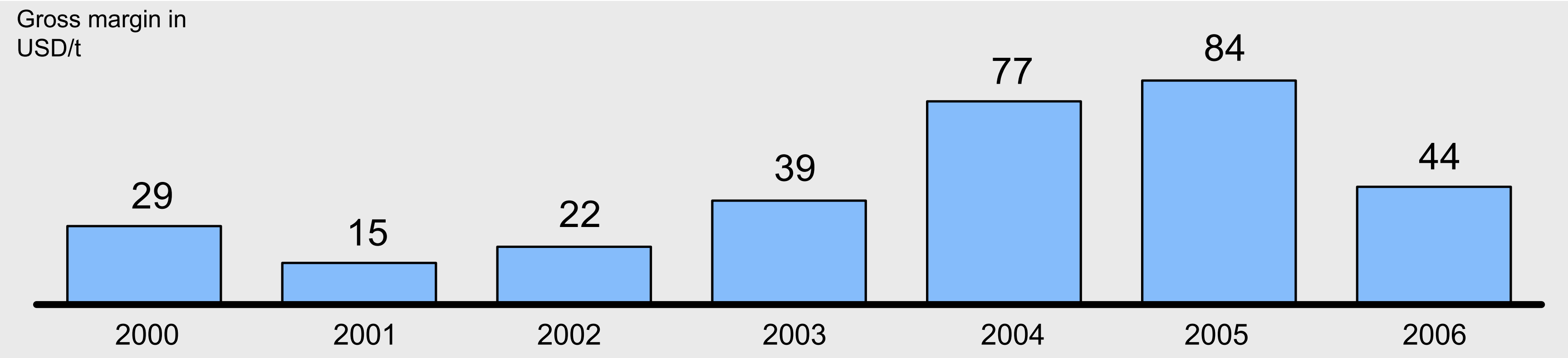
Refining capacity and throughput



Variable Margin Evolution after fire

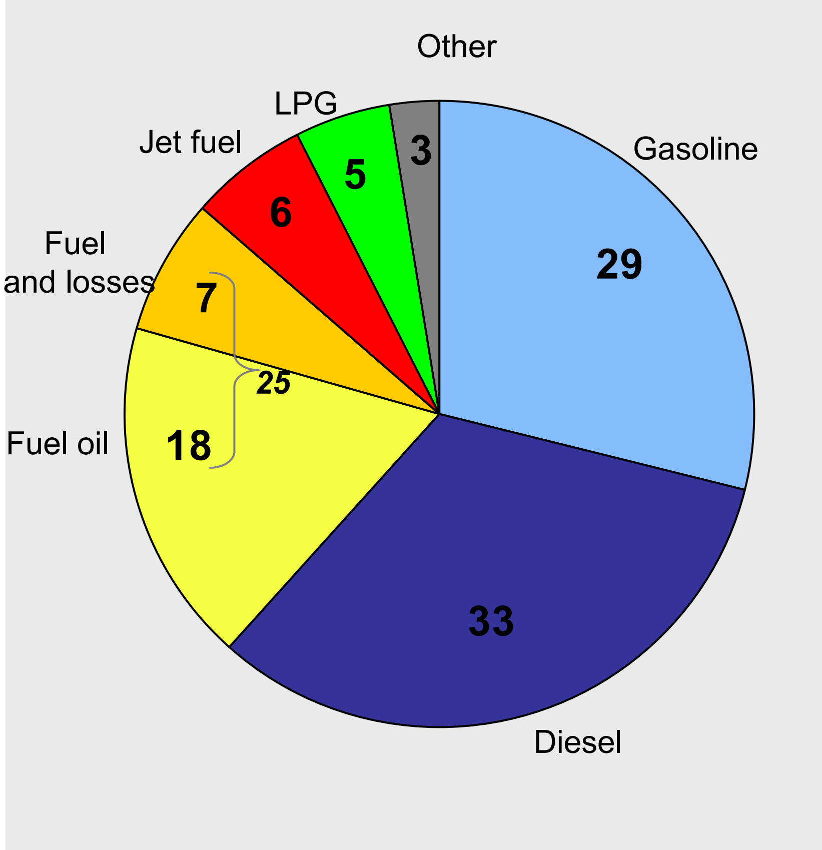


Refinery margin

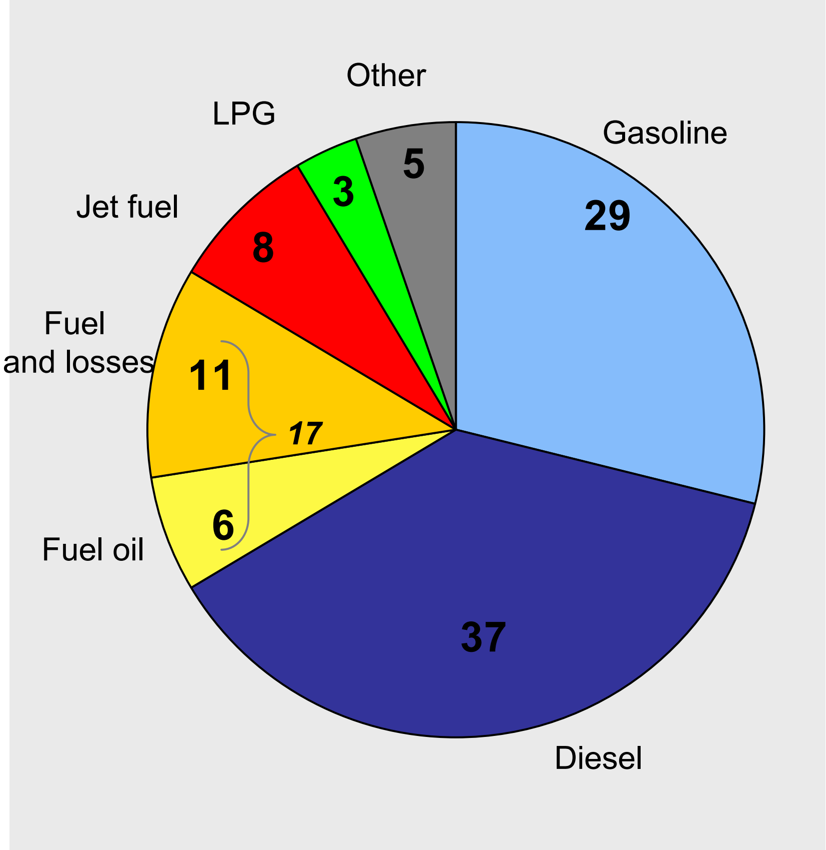


Mažeikių Nafta product yield
significant improvement following investment

Product yield pre-investment (2006)



Product yield post-investment (2012)



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