



Polish Energy Partners

Polish Energy Partners SA
Q1 2008 Performance

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Warsaw



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Business Review



Business Review

- ⊗ Q1YTD 2008 Net Profit of 10.4 mil. equal to 2007; and 4% up excluding FX on balance sheet valuation;
- ⊗ Q1YTD 2008 adjusted EBITDA of PLN 15.9 mil. almost equal to 2007 (PLN 16.0 mil.);
- ⊗ Better performance in Mercury and EC Jeziorna offset impact of production in EC Wizów in 2007
- ⊗ Tytan project agreed and contract with the supplier in place
- ⊗ Turbine contracts for Suwałki & Tychowo secured
- ⊗ Contract with Dalkia and production facilities for biomass pellet project secured

Existing Businesses



Industrial Energy Outsourcing Business

- ☒ Strong Q1 performance at EC Saturn:
 - × Improved Green Energy production and prices for 2008
 - × Saving settlement from 2007 favorable but smaller than settlement from 2006
- ☒ EC Zakrzów below last year due to lack of CO2 sales
- ☒ EC Jeziorna ahead of last year and budget
- ☒ EC Mercury better than last year
- ☒ No progress in sale of EC Wizów by receiver, PEP plans to sell assets to purchaser or 3rd party buyer in 2008



Wind Farm Puck

- ☒ On budget year to date performance at Puck
 - × Cumulatively better wind conditions than in 2007
 - × Better than budgeted wind farm availability

Projects in Development



Industrial Outsourcing Development

- Saturn Management (SM) extension - Project Tytan
 - × Contract with Mondi signed to execute Tytan project to optimize energy costs through the maximalization of green energy production; the final decision as to the final location to be taken by June 15;
 - × Agreement with key supplier Metso Power already in place ; then annex to the Mondi contract will be signed;
 - × All the agreements to be concluded in Q2 2008
 - × Project start up expected in Q4 2009
 - × In case no state subsidies are obtained, Mondi has the right to terminate the agreement reimbursing PEP all the costs



Biomass Fuels Development

- ❑ Second project for Grupa PEP Biomasa Energetyczna concluded
- ❑ Supply agreement for delivery of straw pellets to Dalkia Łódź for years 2009 - 2019:
 - ❑ Amount of straw pellets no lower than 20,000 tons
 - ❑ Deliveries to start in September 2009
 - ❑ Value of the contract PLN 112 million
- ❑ Pellets production facilities purchased:
 - ❑ Modernization process in progress
 - ❑ Building of straw suppliers base continues
 - ❑ First production scheduled for 2008
 - ❑ Sales expected in Q4 2008



Suwałki & Tychowo Wind Farms

Suwałki Wind Farm

- ☒ Contract with the turbine supplier concluded
- ☒ Negotiations with the financing institutions
- ☒ Contractual delivery & installation time - 2nd/3rd quarter of 2009
- ☒ Start of operations - 4th quarter 2009

Tychowo Wind Farm

- ☒ Advanced stage of grid connection process
- ☒ Advanced stage of building permit process
- ☒ Tychowo Transaction will be closed when the building permit has been irrevocably granted and the grid connection secured (expected in 2nd quarter)



2008 Wind Farms Development Plan

- ☒ Good Progress under EPA agreement

Wind Farm A - [10 turbines; max. 24 MW]

- ☒ Grid connection terms received

Wind Farm B - [13 turbines; max. 40 MW] & Wind Farm C - [17 turbines; max. 45 MW]

- ☒ Change in local spatial plan approved

- ☒ 3 new sites added by PEP development resources



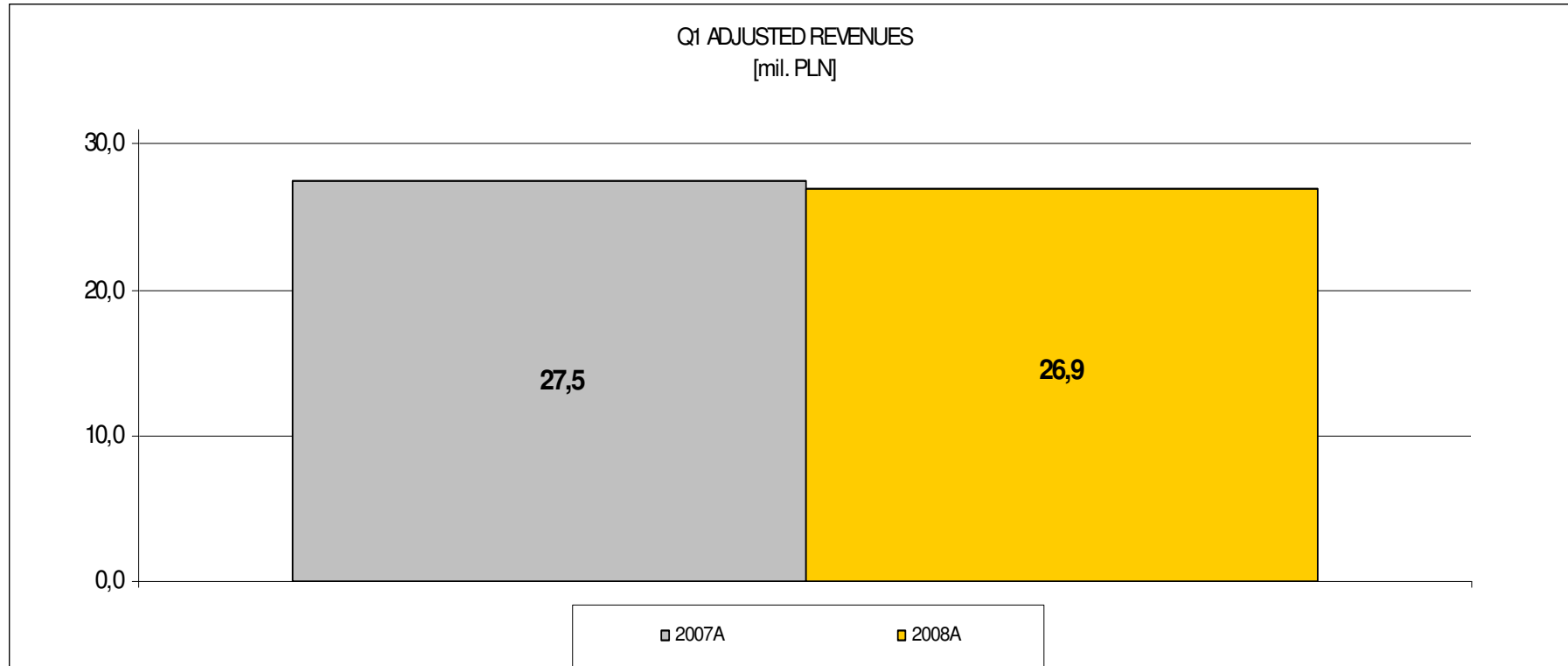
Financing Plan

- ☒ Wind Development expenses to be financed from own funds
- ☒ Equity contribution to Wind Farms to be financed in line with the announced strategy maximizing value for the shareholders through:
 - × Partial sale of stakes in selected of the Wind Farms
 - × Possible equity issue Q4-2008/Q1 2009 depending on timing in the development
- ☒ Equity contribution to Tytan and Biomass Business to be financed from own sources, though equity issue not excluded depending on the scope of Biomass Business development

2008 Q1 and 2008 Q1 Performance



2008 Q1 Performance - Adjusted Revenues*

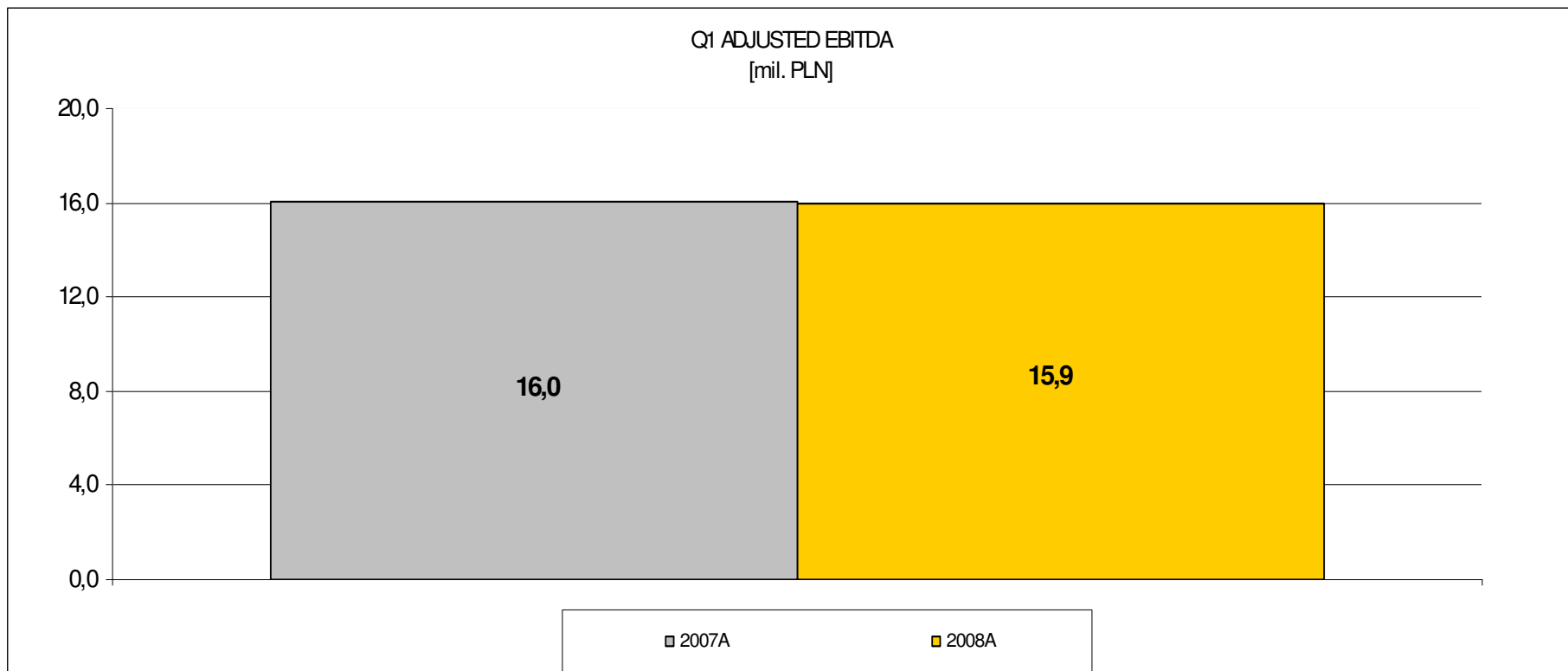


- ⊗ Better production in EC Jeziorna i Mercury
- ⊗ No EC Wizów production in 2008
- ⊗ No revenues from CO2 in 2008 at the level of 2007

* reclassification of interest from leased assets from financial income



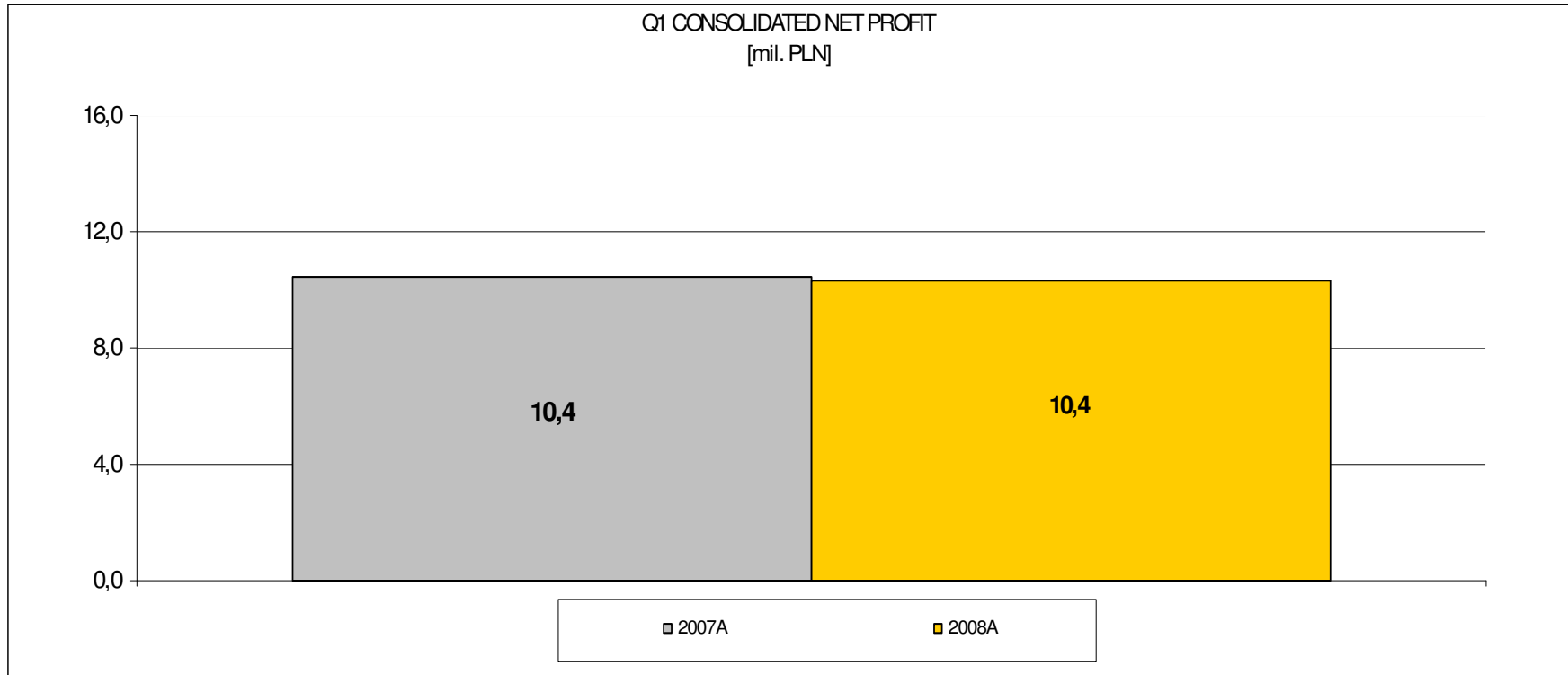
2008 Q1 Performance - Adjusted EBITDA *



Impact of revenues



2008 Q1 Performance - Net Profit



- ⊗ Positive impact of EBITDA
- ⊗ Positive FX but lower than in 2007

Summary



Summary

- × Financial Performance equal to 2007 but ahead of budget with 2008 Underlying (F/X eliminated) Profit 4% up on 2007
- × Agreements for new projects: Tytan and Biomass Pellets signed
- × Turbine delivery contract in place
- × Good progress in wind development