

INDEPENDENT AUDITORS' REPORT ON REVIEW OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE 6 MONTHS PERIOD ENDED JUNE 30, 2006

To the Supervisory Board of Polish Energy Partners S.A.:

1. We have reviewed the attached consolidated financial statements for the half year ended 30 June 2006 of Polish Energy Partners (the "Group") of which Polish Energy Partners S.A. ("Company" or "Parent Company") is parent company with its registered office located in Warsaw, at ul. Wiertnicza 169, containing:
 - the interim consolidated balance sheet as at 30 June 2006 with total assets amounting to 388,472 thousand zlotys,
 - the interim consolidated profit and loss account for the period from 1 January 2006 to 30 June 2006 with a net loss amounting to 3,640 thousand zlotys,
 - the interim consolidated statement of changes in shareholders' equity for the period from 1 January 2006 to 30 June 2006 with a net decrease in shareholders' equity amounting to 11,630 thousand zlotys,
 - the interim consolidated cash flow statement for the period from 1 January 2006 to 30 June 2006 with a net cash outflow amounting to 8,047 thousand zlotys and
 - the additional notes and explanations to the consolidated financial statement, ("enclosed interim consolidated financial statements").
2. The truth and fairness¹ of the enclosed consolidated financial statements prepared with the provisions of International Financial Reporting Standards which apply to the interim financial reporting, which were approved by the European Union ("IAS 34") and the proper maintenance of the accounting records are the responsibility of the Parent Company's Management Board. Our responsibility was to issue a report based on the review of these financial statements.
3. We conducted our review of the consolidated financial statements in accordance with the regulations being in force in Poland and the auditing standards issued by the National Chamber of Auditors ("Standards"). The Standards require from us planning and conducting the review in a manner to obtain reasonable assurance that the financial statements does not contain any material errors. We conducted our review mainly by analyzing financial data, review of documentation and information received from the management and personnel of the company. The scope and method of the review of financial statements are significantly different from the audit methodology which is the basis for an audit opinion about the true, fairness and clarity of the financial statements. The review provides less assurance than audit. We did not perform the audit of the enclosed interim consolidated financial statements so we do not issue an audit opinion.

¹ Translation of the following expression in Polish: "*rzetelność, prawidłowość i jasność*"

4. As it is presented in the Note 41 of to the additional notes and explanations to the enclosed interim consolidated financial statements during 2006 the financial situation of one of the Group's major customers deteriorated. When assessing the risk of further cooperation with that client, the Parent Company's Management Board made impairment write-downs against fixed assets directly engaged in the production of energy for that client and against receivables from that client, and created a provision for the potential costs of discontinuation of production for that client. Total amount of the provision and impairment write-downs against the above assets resulted in the decrease of the net result for the first half year of 2006 by 12,878 thousand zlotys. As at June 30, 2006 the remaining net book value of tangible fixed assets in the amount of 1,000 thousand zlotys reflects in the Parent Company Management's opinion the expected market value of these assets expressed in the net selling prices less selling costs. The provision for the potential costs of discontinuation of production in the amount of 1,062 thousand zlotys is to the best knowledge of the Parent Company Management's an estimate of potential losses related to this issue. As at the date of this report we were not able to verify the appropriateness of these estimates.

5. Except for potential consequences of the issues, which are presented in section 4 above the review we conducted does not indicate any needs for material changes in the enclosed interim consolidated financial statements to present the true, fair and clear view in all material aspects of the financial and material situation of the Group as at June 30, 2006 and its financial result for the period of 6 months ended June 30, 2006 in accordance with IAS 34.

Certified Auditor
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on behalf of
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Warsaw, 10 August 2006