

## **INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE 6 MONTHS PERIOD ENDED JUNE 30, 2005**

### **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 2005 of Polish Energy Partners (the "Group") with its registered office located in Warsaw, at ul. Wiertnicza 169, containing:
  - the consolidated balance sheet as at 30 June 2005 with total assets amounting to 354,114 thousand zlotys (three hundred and fifty four million one hundred and fourteen thousand zlotys),
  - the consolidated profit and loss account for the period from 1 January 2005 to 30 June 2005 with a net profit amounting to 6,941 thousand zlotys (six million nine hundred and forty one thousand zlotys),
  - the consolidated statement of changes in shareholders' equity for the period from 1 January 2005 to 30 June 2005 with a net increase in shareholders' equity amounting to 7,639 thousand zlotys (seven million six hundred thirty nine thousand zlotys),
  - the consolidated cash flow statement for the period from 1 January 2005 to 30 June 2005 with a net cash inflow amounting to 15,620 thousand zlotys (fifteen million six hundred and twenty thousand zlotys) and
  - the additional notes and explanations.
2. The truth and fairness<sup>1</sup> of the attached consolidated financial statements and the proper maintenance of the accounting records are the responsibility of the holding company's Management Board. Our responsibility was to review the attached consolidated financial statements and 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. The auditing 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. Due to the above we are not able to issue an audit opinion about the enclosed financial statements.

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

4. The consolidated financial statements for the prior financial year ended 31 December 2004 were subject to our audit and on 24 February 2005 we issued an opinion on these consolidated financial statements with emphasis of matter relating to the impairment write-downs of the assets of parent company and provisions for assets due from one of the main customers of the parent company. Release of these provisions and the reversal of the write downs had the impact on the consolidated profit before tax in 2004 amounting to 10,785 thousand zlotys.
5. The review we conducted does not indicate any needs for material changes in the enclosed 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, 2005 and its financial result for the period of 6 months ended June 30, 2005 in accordance with International Financial Reporting Standards and in particular with International Accounting Standard No. 34 "Interim Financial Reporting" and all the International Accounting Standards, International Financial Reporting Standards and the interpretations released in form of decrees by the European Commission.

Certified Auditor  
No 9894/7366

on behalf of  
Ernst & Young Audit Sp. z o.o.,  
ul. Emilii Plater 53, 00-113  
Warszawa  
Ident. no. 130

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*Artur Żwak*

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*Krzysztof Kucharski*  
*Certified Auditor No90030/6852*

Warsaw, 12 August 2005