

Česká rafinérská



Annual Report 2007



ČESKÁ
RAFINÉRSKÁ

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RAFINÉRSKÁ

ANNUAL REPORT ČESKÁ RAFINÉRSKÁ, a.s. 2007

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Report of the Board of Directors on Company's 2007 Business Activity and Asset Status

For ČESKÁ RAFINÉRSKÁ, a.s. (hereinafter only: "the Company"), this past year was a significant stage on track for further improvement of its competitive strength and the fulfillment of legislation requirements upon the quality of motor fuels. The Company followed its vision of "Being acknowledged by all Shareholders as a centre of excellence and a preferred service provider"¹.

The Company entered 2007 entrusted by its Shareholders with a number of targets and commitments. Some of the most important ones are listed below:

- Maintain the high level of health protection, work safety and environmental protection.
- Demonstrate the required level of availability of facilities in both refineries.
- Accomplish - within the set parameters - the periodic turnaround of the Litvínov refinery.
- Achieve OHSAS 18001 certification and ISO 9001 & ISO 14001 recertification.
- Materialize fixed costs in a more cost-effective manner whilst observing the limits set by Shareholders.
- Complete the "Clean Fuels" investment program, and carry out a revamp of HCU.
- Launch admixing biocomponents as part of the "Biofuel Program".
- Promote stabilizing and incentive factors aimed at Company staff, run an educational program, and initiate the formation of Corporate Volunteering projects.
- Openly communicate and cooperate with neighboring municipalities and companies which the Company shares premises with in Kralupy nad Vltavou and Litvínov, as well as with competent state authorities; abide by the principles of a socially responsible company.

The year-round targets set subsequently by the Board of Directors are herein posted in the form of so-called key indicators.

In the fulfillment of the above goals, the Company achieved - in 2007 - the following accomplishments:

The Company joined the **European Road Safety Charter** and entered into a concrete obligation - to be fulfilled within the period of 2007 through 2009 - to cut the road accident rate, and to run an awareness-raising and incentive campaign. In doing so, the Company is among the first in the country to have responded to the European Commission initiative.

The Company won the Occupational Health and Safety Management System certificate on **OHSAS 18001:1999** specification, and defended both the **ISO 9001:2000** Quality Management System certificate and the **ISO 14001:2004** Environmental Management System certificate.

Starting 1 September, the Company has launched **admixing RPM** (rape oil methyl ester) in diesel – compliant with ČSN EN 590 standard and statutory requirements upon minimum content of biocomponents in motor fuels.

In the course of the planned 39 days, the scheduled **Litvínov refinery turnaround** was duly performed in terms of both content and term scope. However, after completion of turnaround work, the relaunch of motor fuel production was hampered by an operation accident happening at the hydrogen production unit (HPU) run by a supplier within the Litvínov premises.

Concurrently with the Litvínov refinery turnaround, a **revamp of the hydrocracking unit** took place, with the effects of boosted capacity and a higher production of medium distillates.

¹ The context of a "preferred service provider" relates to the fact that – starting from 1st August 2003 - the Company has changed its business model. A company so far providing business activities such as purchases of raw materials and sale of products, became a Company run on a processing fee basis. In the "toll processing" mode, it is the Shareholders/Processors who determine and acquire the raw materials to be processed, who decide on further processing of intermediates and the sale of products.

The Company charges the Shareholders/Processors a "processing fee". All market price risks for both raw materials and finished products rest upon Shareholders/Processors. Regardless of the business model, the Company remains focused on operation safety, staff development, availability/reliability of equipment, and optima operating costs.

As part of a novel initiative referred to as **Česká rafinérská's Volunteer Day**, a staff of 48 volunteered - in four shifts – a shift in altogether 8 charity establishments situated in the Most and Kralupy nad Vltavou regions.

The Company was bestowed the Sustainable Development Award.

In the Kralupy nad Vltavou refinery, the test run of the **FCC Gasoline Selective Hydro-desulphurization unit (SHDS)** was launched, with the guarantee acceptance test completed on 6 November 2007. The Unit provides desulphurization FCC gasoline obtained from distillation cuts containing highly resistant sulphuric compounds.

Key Performance Indicators

Table 1: Fulfillment of key performance indicators in 2007

KPI	Target value	Fulfillment in 2007
Injury rate	1.2	Unaccomplished. TRIR = 3
Fixed costs (outside S/D costs)	1 737 mil. CZK	Accomplished. Actual status: 1 715 mil. CZK.
NHC availability	98 %	Unaccomplished. Actual status: 92,9 %
FCC availability	97 %	Accomplished. Actual status: 99.9 %
VBU availability	96 %	Accomplished. Actual status: 100 %
Number of justified product quality complaints	8	Accomplished. Complaints = 3

In terms of the Total Recordable Injury Rate (TRIR) target, the Company failed to sustain the figures achieved previously. Nonetheless, in area such as health protection, employer health care, and work safety, significant achievements and awards were attained; moreover, the accident rate of the Company's own personnel remains low.

Except for the HC unit, indicators of availability of key facilities were duly met. The number of justified complaints, and the observance of the fixed cost value were, then, the strong points of 2007.

Health Protection, Work Safety, Assets Protection and Environment Protection (HSSE)

Protection of health at work, work safety, asset and environmental protection are long-standing priorities of the Company and the development in this area is in detail described in the *Health and Safety, Asset Protection, Environmental Impact and Quality Report* for 2007.

HSSE performance in 2007, compared with that of previous years had - except for the injury rate mentioned above – improved; moreover, positive trends are apparent in further extraordinary events, particularly in hydrocarbon spills.

Pending the turnaround in the **Litvínov refinery**, an investment program of installation of new low-NOx burners on the furnaces of the northern and southern NRL smoke flue was pursued. Further, the air pre-heating installation project, plus the project of replacement of burners at hydrocracker chambers 5 and 6 were successfully materialized. As part of the HCU revamp, burners were replaced with new-type low-NOx stuff on two current furnaces. As part of the revamp, identical burners were installed even in the newly erected furnace. These projects were partly materialized as a corrective measure to lower the emissions of NOx, and partly as projects aimed at increasing the energy efficiency of the unit and consequently lowering the CO2 emissions.

Throughout 2007, the situation identified in the previous year – increased flaring on the field burner – went on unaltered. The way out of the dilemma lies in boosting the capacity of both the fat gas purification system and of the recontacting system. This investment action has already started.

No registered accident was reported throughout the turnaround or during implementation of major investment projects; given the scope of work performed, such actual status may be viewed as an exceptional accomplishment.

In the Kralupy refinery no case of overrun of the set emission limits was reported in 2007. Pollutant levels are detected using ongoing measurement of emissions of pollutants such as SO₂, NO_x, and CO. Both continuous emissions measurement on FCC unit, and one-shot measurements of other stationary sources - including the recuperation unit - showed compliance with set emission limits.

Compliant with requirements laid down in integrated permissions², the program of Hydrocarbon Emissions Monitoring & Minimizing, using LDAR³ methodology, was implemented in both refineries. Compliance with emission limits in indicators set for discharged waste waters was monitored through authorized sample withdrawals, and the subsequent authorized analysis thereof. In 2007, clarified waters drawn from the refinery's sewage treatment facility were newly discharged - through an independent drain - into the river, outside of the open cooling water channel run by SYNTHOS Kralupy a.s. In Litvínov, polluted waters are purified on a contractual basis with UNIPETROL RPA, s.r.o., operating their own sewage treatment facility.

The efficiency value of Claus units set by legislation was duly met in both refineries. The lower efficiency value of Claus units in Litvínov is attributed to increased choking up of exchangers requiring subsequent cleaning. To improve the situation, a replacement of the most frequently cleaned exchanger for a brand new one was performed in course of the refinery turnaround.

Activities associated with the protection of Company assets are focused mainly on the area of protection of Company premises, buildings and constructions, protection of technical equipment and protection of products.

Most part of the refinery premises, buildings and constructions protection in both locations is ensured through the DORA, a.s. security agency. Selected buildings and construction works are further secured by an electronic safeguarding system.

Technical equipment protection is ensured through physical checks of Company staff, inspection activities of security agencies and, in Kralupy refinery, also through CCTV camera surveillance system.

In both refineries, protection of products is ensured mostly through a CCTV camera surveillance system, which monitors risk points from the motor fuels theft point of view. Especially as a result of the above security measures taken, no motor fuel thefts were reported in both Kralupy and Litvínov locations.

Production activities

In 2007, 6.8 million tons of crude were processed which - as an absolute figure - represents a drop compared to volumes processed in the record year 2006. The decline was caused by the periodic maintenance of the Litvínov refinery, and the delay in the relaunch of motor fuels production in November 2007.

Even in 2007, the reliability of key units was the indicator of the Company's efficiency. The 99.9% availability of FCC Unit was highest since the launch thereof in 2001. The availability of the VisBreaking Unit reached 100%. The 92.9% utilization of Hydro Cracker unit was caused by a delayed start-up due to a delay in completion of an investment project. Compared with the previous year, utilization of main units increased. A reduction of non-scheduled shutdowns contributed to the reliability of units.

In the area of maintenance, an event of major significance in 2007 was the execution of periodic maintenance of the Litvínov refinery, carried out in the scheduled period from 4 September to 12 October 2007, i.e. within 39 days. In course of the turnaround, extensive maintenance jobs including the replacement of catalysts and replacement of some parts of the equipment were carried out.

As part of a systems project implemented in the area of BIC II maintenance, the *Asset Register* and *Spare Parts* modules were put in place; improved was register of repairs and evaluation thereof.

In 2007, motor fuels were produced that match the tough motor fuel quality requirements. Compliant with the tough environmental requirements set forth in EU Directive 98/70/EC, as subsequently amended in Directive 2003/17, the Company has been producing motor fuels with a sulphur content not exceeding 50ppm since late 2004. Concurrently produced was a limited volume of diesel fuel and/or automobile gasoline, meeting the 2009 requirement of a sulphur content not exceeding 10ppm.

Upon the order of Processors, addition of rape oil methylester (RME) to diesel was launched in both refineries on 1 September 2007. Pipeline dispatch was conducted free of RME additive. Over the 4 months of 2007 pending which the Company would act as a statutory obligated party, an amount

² i.e. *International Plant Protection Convention*

³ i.e. *Leak Detection and Repair*

exceeding 10 million liters RME was added, i.e. 2,21 % of the volume dispatched into market circulation.

Product logistics requirements were based on Processors' orders.

Table 2: Crude Processing 2003 – 2007 (in thous. of tons)

	2003	2004	2005	2006	2007
Litvínov refinery	3 786	3 853	4 551	4 584	3 991
Kralupy refinery	2 161	2 174	2 558	2 722	2 801
Total	5 947	6 027	7 109	7 306	6 792

Investments activities, research & development

Completion of the "Clean Fuels" program through launching the *FCC gasoline selective hydrodesulphurization unit* in the Kralupy refinery was the prime investment scheme of 2007. The new unit put in trial operation on 6 November 2007, having - three days later - successfully passed the guarantee acceptance test, provides for the production of automotive gasoline with a sulphur content of up to 10 ppm.

In liaison with the periodic turnaround executed in Litvínov refinery, a revamp of hydrocracker unit (HCU) was carried out, providing for a capacity increase up to 160 tons per hour at a 71.5% conversion. Having reached its operating parameters, the unit is reliable and providing the assumed increased yields of medium distillates.

Other investment projects were likewise focused at improving the reliability of both production and non-production systems, and on the protection of the environment.

Table 3: 2007 Investment Program (by Locality and Project Category (in millions of CZK)

Type of investment expenditure	Litvínov	Kralupy	Both localities	Total
Major projects	817	144	0	961
General improvements	195	32	181	408
Mandatory projects	42	44	50	136
Minor projects	126	9	8	143
Projects requested by Processors	1	19	1	21
Total	1 181	248	240	1 669

Of the total of 58 projects scheduled for completion, completed and handed over for use were 48.

The Company procures the research and development via external suppliers and in 2007 focused at (i) Optimization of already exploited technological processes, (ii) New technological processes (feasibility and consequences of possible future implementation), (iii) Implementation of alternative feeds (bio-components and feeds derived from natural gas or coal), and (iv) New alternative products.

Regarding financial indicators of the research and development see the page 9 of the text part of the Company's 2007 Financial Statement.

Economical Results and Assets Status

For 2007, the Company posted a pre-tax profit of 419 million CZK, i.e. 387 million after tax, on a turnover of 9 353 million CZK. These results come up to the Company Business Plan expectations.

Compared to the previous period, the total Company assets decreased by 1 028 million CZK to the value of 24 364 million CZK. This was especially due to decrease of current assets.

Net book value of long-term assets increased by 235 million CZK to 16 170 million CZK, additions to long-term assets amounted to 2 054 million CZK and the total acquisition value of long-term tangible and intangible assets amounted to 25 662 million CZK.

Current assets decreased by 1 881 million CZK to the value of 7 347 million CZK, mainly due to decrease of short-term financial assets caused by the decrease of Processing Fee prepayments paid to the Company by Processors. Other assets increased by 617 million CZK to the value of 847 million CZK.

Shareholders equity increased by 253 million CZK to the value of 17 031 million CZK corresponding to the Company's after-tax profit and the impact of dividends paid in the amount of 133.484 million CZK.

Liabilities decreased by 1 280 million CZK to the value of 7 334 million CZK. As of 31 December 2007, the Company did not have any unsettled bank loans or overdrafts.

Throughout the whole period of 2007, the Company disposed of sufficient amount of financial resources allowing it to fulfill all of its monetary obligations.

The key financial metrics - compared with the previous five-year period - is shown in the table below:

Table 4: Turnover, net profit and investments - 2002 - 2007 (in millions of CZK)

	2002**	2003	2004	2005	2006	2007
Turnover	40 719	32 756	8 915	9 293	9 256	9 353
Net profit after tax	-736	332	18	257	268	387
Operating fixed costs	1 879	1 956	2 066	1 761	1 706	2 271
Investments***	1 181	833	928	484	1 435	1 669

* *unconsolidated data*

** *data are not fully comparable to the period of 2003 - 2007 due to conversion to the "processing mode" as of 1 August 2003.*

*** *Cash Flow basis*

Internal Audit and Risk Assessment

Internal Audit and Risk Assessment rank among important activities of the Company. Close ties were maintained with personnel, Company management, the Internal Audit Committee, the Board of Directors, Supervisory Board, Processors and Shareholders. Since 2007, internal audits are conducted by the Business Assurance (BA) section - in collaboration with duly trained internal auditors.

The Internal Audit Plan covers audits of all prime and support processes and sets annual priorities on the basis of regular risk assessment reviews. Internal audits focus on the control of activities, i.e. whether these are performed in compliance with set rules, on reviews of the fulfillment of corrective measures adopted in previous audits, on a scrutiny or risk registers of respective sections - including a review of efficiency of determined checks, and of the efficiency of corrective measures adopted in the past.

Except for the scheduled internal and external audits, i.e. a total of 4 Processors' audits and/or Lloyd Register, unscheduled audits were conducted in 2007, namely upon the request of Company management and of the Internal Audit Commission.

Compliant with the Plan, contractor audits were focused on areas such as environmental protection, quality control, work safety & health protection, and pre-qualification audits.

Human Resources and Education, Labour-Law Relations

Throughout 2007, the Company personnel situation was consolidated, with staff turnover being longitudinally on a fairly low level. As priorities, retaining of quality staff and acquisition of graduates from Technical and Chemical universities, are seen. In the system of staff efficiency evaluation and target setting, a link has been firmly established between effectiveness evaluation and salary adjustment of each employee.

In terms of personnel strategy, year 2007 was marked by a continuing optimization of the number and composition of labor force. Concurrently, emphasis was put on the development of human resources. As for the number of staff, the direction is outlined in the Strategic Plan, as are broken down the annual plans of HR figures.

Table 5: Number of employees 2003 - 2007

	2003	2004	2005	2006	2007
Litvínov refinery	449	426	420	413	412
Kralupy refinery	286	272	265	272	271
Total	735	698	685	685	683

Education and training would proceed - in 2007 - compliant with training programs and development projects launched by the Company, including the provision of distance learning taking place at the detached study facilities in Most, and pursued in cooperation with the Chemical University (VŠCHT) in Prague. In 2007, the average amount of study hours per employee equaled 28.42 – including e-learning. Total expenditures incurred on education were close to 4 million CZK, i.e. 5 705 CZK per company employee.

Communication, External Relations and Social Responsibility

The Company complied with the terms of a Socially Responsible Company (SRC) standard and was awarded the said title on the basis of a transparent evaluation of its external contribution for the benefit of the community, and of its cooperation with the non-profit sector. Having been awarded the standard, the Company ranks among Czech industrial firms marked by a systems approach towards the needs of the public, and are transparent in subscribing thereto.

Communication with the public, media and local authorities was focused on clarification of the effects of industrial activities, and in particular flaring, upon the living environment.

In pursuit of the Corporate Social Responsibility (CSR) principle, the Company put in place an extensive program of cooperation with towns and municipalities located in the vicinity of the two refineries. Considerable financial amounts were donated to those-in-need, or to charity projects, as well as to the nation-wide BESIP foundation focusing on carrying out blank campaigns and specific actions aimed at enhancing road safety. It is within this context that the Company joined the European Road Safety Charter, and entered into a concrete commitment to be fulfilled within the period of 2007 through 2009.

The Company presented itself to university students as well as on a number of social, sports and/or cultural events hosted in both regions.

The activities of the Company in this area are dealt with separately in the *Report on Corporate Social Responsibility of Česká rafinérská in 2007* – including quantification as per Responsible Company Standard methodology.

Organizational Structure

The Company operated in the whole year 2007 only in the Czech Republic and had no organizational unit abroad. The Company owned no share in other legal entities.

The basic organizational structure of the Company did not change substantially in course of the year regarding the number of divisions. For the sake of rationalization some activities were transferred between divisions and interdivisional organizational changes were introduced.

Changes in Composition of Shareholders and Company Bodies

On 31 August 2007, ConocoPhillips Central and Eastern Europe Holdings B.V. sold 150 600 shares of the Company (16.11 % interest in the Company) to Eni International B.V.

On 30 November 2007, ConocoPhillips Central and Eastern Europe Holdings B.V. sold remaining part of the Company shares, i.e. 2 101 shares (0.225 % interest in the Company) to UNIPETROL, a.s. and ceased to be a Shareholder of the Company.

In course of 2007 several changes in the composition of the Company bodies took place, which are described in the text part of the Company's 2007 Financial Statement (page 2).

Events Occurred after the Year-End

The changes in the composition of the Board of Directors and the Supervisory Board which occurred between 1 January 2008 and the finalization of this report are described in the text part of the Company's 2007 Financial Statement (page 23).

No other substantial events occurred after the year-end.

Assessment and the Expected Development in the Next Period

Even in 2007, the Company was run in the processing mode, and fulfilled the requirements of its owners. Through persistent work and systems measures, it made provisions for a future high utilization of its capacity, and for the provision of a wide portfolio of high-quality products.

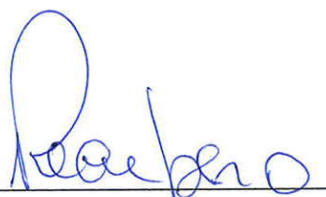
Compliant with legislation requirements, admixing of biocomponents in motor fuels was launched in 2007. Concurrently, investments were materialized necessary for sulfur-free⁴ automotive fuels to be produced within the full production volume of automobile gasoline and diesel from late 2007 on and in the course of 2008.

The Company aims at a long-term pursuit of excellence in areas such as work safety and environment protection, high availability of key production units, and the fulfillment of all quality requirements of its Processors. The Company openly communicates with both the community and state administration authorities, and consistently builds an image of a credible and reliable partner.

In Litvínov on 14 April 2008



Ing. Ivan Souček
Chairman of the Board of Directors
ČESKÁ RAFINÉRSKÁ, a.s.



Salvatore Recupero
Vice-chairman of the Board of Directors
ČESKÁ RAFINÉRSKÁ, a.s.

⁴ i.e. with a sulphur content of up to 10 ppm, mandatorily required by EU starting 1 January 2009

Report of the Supervisory Board of ČESKÁ RAFINÉRSKÁ, a.s. for the Ordinary General Meeting of the Company 30 April 2008

Report of the Supervisory Board of ČESKÁ RAFINÉRSKÁ, a.s. on the Company's regular financial statements for 2007, the proposal for the distribution of the profit and the examination of the Report on the relationships between the controlling and controlled person and on the relationships between the controlled person and other persons controlled by the same controlling person for 2007.


PricewaterhouseCoopers Audit, s.r.o. audited the regular financial statements for 2007 and expressed an auditor's statement of no reservations. In view of the auditor's statement, the Supervisory Board states that the regular financial statements reflects truly, in all material aspects, the assets, liabilities, equity and financial standing of Česká rafinérská, a.s. as at 31 December 2007 and its results for 2007 in accordance with the accounting act and relevant regulations of the Czech Republic.

The Supervisory Board also states that it did not discover any material misstatements in the submitted annual financial statements as at 31 December 2007 or in other documents that the Company's Board of Directors submitted to the Supervisory Board for discussion in 2007 that would suggest that the accounting records were not maintained properly in accordance with reality and legal regulations.

The Supervisory Board recommends the Ordinary General Meeting approves the financial statements for 2007 and also approve the proposal of the Board of Directors for the distribution of the 2007 profit.

The Supervisory Board has examined the Report on relationships between the controlling and controlled person and on relationships between the controlled person and other persons controlled by the same controlling person for 2007 as prepared by the Company's Board of Directors and submitted to the Supervisory Board. The Supervisory Board has no comments concerning the submitted report.

Given in Kralupy nad Vltavou, dated 22 April 2008



JUDr. Zdeněk Černý
Chairman of the Supervisory Board
ČESKÁ RAFINÉRSKÁ, a.s.

ENGLISH TRANSLATION

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ČESKÁ RAFINÉRSKÁ, A.S.

Report on the Annual Report

We have audited the annual report of ČESKÁ RAFINÉRSKÁ, a.s. ("the Company") for consistency with the financial statements for the year ended 31 December 2007 which are included in this Annual Report on pages 12 - 42. The Board of Directors is responsible for the accuracy of the annual report. Our responsibility is to express an opinion on the consistency of the annual report and the financial statements based on our audit.

We conducted our audit in accordance with the International Standards on Auditing and the related application guidance of the Chamber of Auditors of the Czech Republic. Those standards require that the auditor plan and perform the audit to obtain reasonable assurance about whether the information included in the annual report describing matters that are also presented in the financial statements is, in all material respects, consistent with the relevant financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the information included in the annual report of the Company for the year ended 31 December 2007 is consistent, in all material respects, with the financial statements referred to above.

Report on review of the Report on Relations

In addition we have also reviewed the accompanying report on relations between the Company and its controlling party and between the Company and the other persons controlled by the same controlling party for the year ended 31 December 2007 (the "Report"). The completeness and accuracy of the Report is the responsibility of the Board of Directors of the Company. Our responsibility is to review the accuracy of information included in the Report.

PricewaterhouseCoopers Audit, s.r.o., registered seat Kateřinská 40/466, 120 00 Prague 2, Czech Republic, Identification Number: 40765521, registered with the Commercial Register kept by the Municipal Court in Prague, Section C, Insert 3637, and in the Register of Audit Companies with the Chamber of Auditors of the Czech Republic under Licence No 021.

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Shareholders of ČESKÁ RAFINÉRSKÁ, a.s.
Independent auditor's report

Report on review of the Report on Relations (continued)

We conducted our review in accordance with the International Standard on Review Engagements 2400 and related application guidance of the Chamber of Auditors of the Czech Republic for review of the report on relations. These standards require that we plan and perform the review to obtain moderate assurance as to whether the Report is free of material misstatement. A review is limited primarily to inquiries of Company personnel, analytical procedures and examination, on a test basis, of factual accuracy of data. A review therefore provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Report has not been properly prepared, in all material respects, in accordance with the requirements of Article 66a of the Commercial Code.

22 April 2008

PricewaterhouseCoopers Audit, s.r.o.

PricewaterhouseCoopers Audit, s.r.o.
Represented by Partner



Petr Šobotník
Auditor, Licence No. 113

Translation note

This version of our report is a translation from the original, which was prepared in Czech language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

ČESKÁ RAFINÉRSKÁ, a.s.

**INDEPENDENT AUDITORS REPORT
AND FINANCIAL STATEMENTS**

31 DECEMBER 2007

Translation note

This version of the accompanying documents is a translation from the original, which was prepared in Czech. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ČESKÁ RAFINÉRSKÁ, A.S.

We have audited the accompanying financial statements of ČESKÁ RAFINÉRSKÁ, a.s. ("the Company"), which comprise the balance sheet as at 31 December 2007, the income statement, statement of changes in equity and cash flow statement for the year then ended and notes, including a summary of significant accounting policies ("the financial statements"). Details of the Company are disclosed in note 1 to these financial statements.

Board of Directors' Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with Czech accounting legislation. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Act on Auditors of the Czech Republic, International Standards on Auditing and the related application guidance of the Chamber of Auditors of the Czech Republic. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

PricewaterhouseCoopers Audit, s.r.o., registered seat Kateřinská 40/466, 120 00 Prague 2, Czech Republic, Identification Number: 40765521, registered with the Commercial Register kept by the Municipal Court in Prague, Section C, Insert 3637, and in the Register of Audit Companies with the Chamber of Auditors of the Czech Republic under Licence No 021.

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Shareholders of ČESKÁ RAFINÉRSKÁ, a.s.
Independent auditor's report

Auditor's Responsibility (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

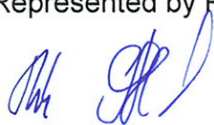
Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2007, its financial performance and its cash flows for the year then ended in accordance with Czech accounting legislation.

3 March 2008

PricewaterhouseCoopers Audit, s.r.o.

PricewaterhouseCoopers Audit, s.r.o.
Represented by Partner



Petr Šobotník
Auditor, Licence No. 113

Translation note

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Company name: ČESKÁ RAFINÉRSKÁ, a.s.
Identification number: 62741772
Legal form: Joint-stock company
Primary business: Refining of crude oil
Balance sheet date: 31 December 2007
Date of preparation of the financial statements: 3 March 2008

BALANCE SHEET
(in CZK thousands)

		Current year			Prior year 2006
		Gross	Provisions	Net	Net
	TOTAL ASSETS	35,242,041	(10,877,664)	24,364,377	25,392,408
A.	STOCK SUBSCRIPTION RECEIVABLE				
B.	FIXED ASSETS	26,316,153	(10,145,769)	16,170,384	15,935,108
B. I.	Intangible assets	1,154,404	(915,832)	238,572	524,971
B. I. 1	Research and development	64,829	(53,438)	11,391	20,934
2	Software	719,146	(633,931)	85,215	80,577
3	Royalties	367,988	(228,463)	139,525	59,364
4	Other intangible fixed assets	15	-	15	296,101
5	Intangible assets in the course of construction	2,426	-	2,426	67,995
B. II.	Tangible assets	24,507,659	(9,229,937)	15,277,722	14,756,047
1	Constructions/ Buildings	4,935,146	(811,922)	4,123,224	3,764,478
2	Equipment	16,679,775	(7,335,540)	9,344,235	9,188,513
3	Other tangible fixed assets	168,679	(67,026)	101,653	107,222
4	Tangible assets in the course of construction	1,226,332	-	1,226,332	776,390
5	Advances paid for tangible fixed assets	228,415	-	228,415	580,960
6	Adjustment to acquired fixed assets	1,269,312	(1,015,449)	253,863	338,484
B. III.	Long-term investments	654,090	-	654,090	654,090
1	Other financial investments	654,090	-	654,090	654,090
C.	CURRENT ASSETS	8,079,153	(731,895)	7,347,258	9,227,989
C. I.	Inventories	1,456,488	(264,957)	1,191,531	1,126,061
C. I. 1	Raw materials	1,266,002	(264,012)	1,001,990	939,676
2	Finished goods	190,486	(945)	189,541	164,129
3	Prepayments for inventory	-	-	-	22,256
C. III.	Short-term receivables	6,401,800	(466,938)	5,934,862	5,855,436
C. III. 1	Trade receivables	1,090,078	(466,938)	623,140	496,051
2	Taxes and state subsidies receivable	26,303	-	26,303	8,085
3	Short-term prepayments	21,169	-	21,169	-
4	Other receivables	5,264,250	-	5,264,250	5,351,300
C. IV.	Financial assets	220,865	-	220,865	2,246,492
C. IV. 1	Cash in hand	1,271	-	1,271	1,286
2	Cash at bank	12,494	-	12,494	1,148,026
3	Short-term investments	207,100	-	207,100	1,097,180
D.	OTHER ASSETS - TEMPORARY ACCOUNTS OF ASSETS	846,735	-	846,735	229,311
D. I.	Accruals and deferrals	846,735	-	846,735	229,311
D. I. 1	Prepaid expenses	375,630	-	375,630	200,377
2	Accrued revenue	471,105	-	471,105	28,934

		Current year 2007	Prior year 2006
	TOTAL EQUITY & LIABILITIES	24,364,377	25,392,408
A.	EQUITY	17,030,564	16,777,184
A. I.	Share capital	9,348,240	9,348,240
A. I. 1	Share capital	9,348,240	9,348,240
A. II.	Reserve funds and other reserves	489,698	476,306
A. II. 1	Statutory reserve fund	489,698	476,306
A. III.	Retained earnings	6,805,762	6,684,802
III. 1	Retained profits	6,805,762	6,684,802
A. IV.	Profit for the current period	386,864	267,836
B.	LIABILITIES	7,333,813	8,615,224
B. I.	Provisions	413,246	520,638
I. 1	Tax-deductible provisions	233,013	444,325
2	Other provisions	180,233	76,313
B. II.	Long-term liabilities	562,651	565,356
II. 1	Other liabilities	284,010	318,340
2	Deferred tax liability	278,641	247,016
B. III.	Short-term liabilities	6,357,916	7,529,230
B. III. 1	Trade payables	830,372	737,044
2	Liabilities to employees	21,478	21,961
3	Liabilities for social security and health insurance	15,021	14,284
4	Taxes and state subsidies payable	5,267,316	5,649,503
5	Short-term advanced payable	302	899,469
6	Anticipated liability	185,898	120,863
7	Other payables	37,529	86,106
B. IV.	Bank loans and overdrafts	-	-
1	Short-term bank loans and overdrafts	-	-
C.	OTHER LIABILITIES - TEMPORARY ACCOUNTS OF LIABILITIES	-	-

Company name: ČESKÁ RAFINÉRSKÁ, a.s.

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007
(in thousands CZK)

		Current year	Prior year 2006
I.	Sales of goods	402,128	283,494
A.	Cost of goods sold	374,189	278,952
+	Gross margin	27,939	4,542
II.	Sales of production	8,950,684	8,973,690
II. 1	Sales of own products and services	8,950,684	8,972,074
2	Activation	-	1,616
B.	Cost of sales	6,874,161	6,772,030
B. 1	Raw materials and consumables	3,003,586	3,028,870
B. 2	Services	3,870,575	3,743,160
+	Added value	2,104,462	2,206,202
C.	Personnel expenses	540,439	496,410
C. 1	Wages and salaries	384,004	353,974
C. 2	Emoluments of board members	3,856	3,456
C. 3	Social security costs	134,635	122,789
C. 4	Other social costs	17,944	16,191
D.	Taxes and charges	4,311	4,707
E.	Depreciation of long-term assets	1,091,275	1,066,051
III.	Sale of long-term assets and raw materials	30,430	31,918
III. 1	Sale of long-term assets	16,624	21,981
2	Sale of raw materials	13,806	9,937
F.	Net book value of long-term assets and raw materials sold	184,667	61,656
F. 1	Net book value of long-term assets sold	184,667	59,786
F. 2	Net book value of raw materials sold		1,870
G.	Increase/(decrease) in operating provisions	(32,130)	218,417
IV.	Other operating income	270,834	1,349,711
H.	Other operating charges	224,351	1,391,582
*	Operating result	392,813	349,008
VIII.	Income from short-term investments	28,281	19,178
X.	Interest income	16,582	24,201
N.	Interest expense	13,568	9,695
XI.	Other financial income	21,371	23,632
O.	Other financial expense	26,527	25,018
*	Financial result	26,139	32,298
Q.	Tax on profit or loss on ordinary activities	32,088	113,470
Q. 1	- paid	462	-
Q. 2	- deferred	31,626	113,470
**	Profit or loss on ordinary activities after taxation	386,864	267,836
XIII.	Extraordinary income	-	-
R.	Extraordinary charges	-	-
*	Profit (loss) on extraordinary items after taxation	-	-
***	Net profit (loss) for the financial period	386,864	267,836
	Profit or loss before taxation	418,952	381,306

Company name: ČESKÁ RAFINÉRSKÁ, a.s.

STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

(in thousands CZK)

	Share capital	Revaluation reserve	Retained earnings	Profit for the current period	Total
At 1 January 2006	9,348,240	463,456	6,684,802	256,998	16,753,496
Distribution of profit/loss		12,850		(12,850)	-
Dividend Approved				(244,148)	(244,148)
Net profit/loss for 2006				267,836	267,836
At 31 December 2006	9,348,240	476,306	6,684,802	267,836	16,777,184
Distribution of profit/loss		13,392	160,961	(174,353)	-
Dividend Approved			(40,001)	(93,483)	(133,484)
Net profit/loss for 2007				386,864	386,864
At 31 December 2007	9,348,240	489,698	6,805,762	386,864	17,030,564

CASH FLOW STATEMENT
FOR YEAR ENDED 31 DECEMBER 2007
(in thousands CZK)

		Current year	Prior year 2006
	Cash flows from operating activities		
Z.	Net profit/(loss) from ordinary activities before tax	418,952	381,306
A. 1.	Adjustments for non cash movements	1,224,174	1,309,130
A. 1. 1.	Depreciation of fixed assets and receivables	1,175,896	1,150,672
A. 1. 2.	Change in allowances	(9,359)	49,441
A. 1. 3.	Change in provisions	(107,392)	84,355
A. 1. 4.	(Profit) / loss from disposals of fixed assets	168,043	37,805
A. 1. 5.	Net interest expense (income)	(3,014)	(14,506)
A. 1. 6.	Other non cash movements	-	1,363
A *	Net cash flow from ordinary activities before tax, changes in working capital, paid interests and extraordinary items	1,643,126	1,690,436
A. 2.	Working capital changes	(1,892,962)	658,562
A. 2. 1.	(Increase)/decrease in inventories	(98,416)	(38,400)
A. 2. 2.	(Increase)/decrease in receivables	(92,238)	34,726
A. 2. 3.	(Increase)/decrease in other receivables and prepayments	(660,044)	(163,144)
A. 2. 4.	Increase/(decrease) in payables	173,802	(402,807)
A. 2. 5.	Increase/(decrease) in payables, bank loans and accruals	(1,216,066)	1,228,187
A **	Net cash flow from ordinary activities before tax, paid interests and extraordinary items	(249,836)	2,348,998
A. 3.	Interest received	16,582	24,201
A. 4.	Interest paid	(13,568)	(65)
A. 5.	Tax paid	(462)	-
A ***	Net cash flow from ordinary activities	(247,284)	2,373,134
	Cash flows from investing activities		
B. 1.	Acquisition of fixed assets	(1,668,860)	(1,435,499)
B. 2.	Proceeds from sale of fixed assets	24,001	14,574
B. 3.	Interest received	-	-
B ***	Net cash flow from investing activities	(1,644,859)	(1,420,925)
	Cash flows from financing activities		
C. 1.	Change in long and short-term liabilities and loans	-	-
C. 2.	Changes in equity	(133,484)	(244,148)
C ***	Net cash flow from financing activities	(133,484)	(244,148)
F.	Net increase/(decrease) in cash and cash equivalents	(2,025,627)	708,061
P.	Cash and cash equivalents at the beginning of the year	2,246,492	1,538,431
R.	Cash and cash equivalents at the end of the year	220,865	2,246,492

1. GENERAL INFORMATION

ČESKÁ RAFINÉRSKÁ, a.s., (the “Company”) is a joint-stock company that was incorporated on 28 April 1995 and has its registered office in Litvínov, Záluží 2, Czech Republic. The identification number of the Company is 62741772. The Company’s main business activity comprises the refining of crude oil into finished products and petrochemical feedstock.

Shareholders of the Company who hold a 10 % or greater interest in the Company’s share capital are as follows:

UNIPETROL, a.s.	51.221 %
Eni International B.V.	32.445 %
Shell Overseas Investments B.V.	16.335 %

On 31 August 2007, ConocoPhillips Central and Eastern Europe Holdings B.V. sold 150,600 shares of the Company (16.11 % interest in the Company) to Eni International B.V.

On 30 November 2007, ConocoPhillips Central and Eastern Europe Holdings B.V. sold remaining part of the Company shares, i.e. 2,101 shares (0.225 % interest in the Company) to UNIPETROL, a.s. and ceased to be a Shareholder of the Company.

The Company is a part of the consolidated group of Unipetrol. Since 31 May 2005, Unipetrol has become a part of the consolidated group of PKN Orlen.

Since 1 September 2007, the Company has become a part of the consolidated ENI Group.

Decision-making processes within the Company are further specified in the Articles of Incorporation.

Based on the Processing Agreement concluded between the Company and the subsidiaries its shareholders (the “Processors”) on 23 January 2003, the Company started operating as a processing refinery from 1 August 2003. Most of the current commercial activities of the Company are performed with the Processors, which became Company’s main customers. In connection with the shares sale in 2007 the adequate proportion of utilization rights was transferred from the Processor ConocoPhillips CR Refining s.r.o. to the Processor Agip Česká republika, s.r.o. and UNIPETROL RPA, s.r.o.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2007

1. GENERAL INFORMATION (continued)

The members of the statutory and supervisory bodies as at 31 December 2007 were as follows:

Board of Directors		Member since
Chairman	Ivan Souček	15 October 2002
Vice chairman	Salvatore Recupero	17 October 2007
Member	Jacek Smyczynski	26 May 2007
Member	Miroslav Kornalík	14 December 2005
Member	Wojciech Ostrowski	4 August 2007
Member	Robert Arthur Chalmers	16 September 2006

Effective from 16 October 2007, Mr Terry Lee Long resigned from the post of vice chairman and member of the Board of Directors. Effective from 17 October 2007, Mr Salvatore Recupero was appointed as member of the Board of Directors and effective from 26 October 2007 as vice chairman of the Board of Directors. Effective from 30 December 2007, Mr Oscar Magnoni resigned from the post of member of the Board of Directors. These changes were not recorded in the Commercial Register at the date of the financial statements.

Supervisory Board		Member since
Chairman	Ladislav Varhaník	22 June 2006
Vice chairman	Martin Jaroš	14 December 2006
Member	Jacek Staník	6 May 2006
Member	Zdeněk Černý	4 August 2007
Member	Andrea Moretti	15 December 2006
Member	Jan Klimeš	29 April 2002
Member	Ilona Pokorná	29 April 2002
Member	Jaroslav Stránský	15 June 2005

Effective from 18 December 2007, Mr Josef Gros resigned from the post of member of the Supervisory Board. This change was not recorded in the Commercial Register at the date of the financial statements.

The Company operates the two largest oil refineries, located in Kralupy nad Vltavou and Litvínov, in the Czech Republic. The Litvínov refinery has the capacity to process 5 million tonnes of crude oil per year; the Kralupy refinery has the capacity to process 3 million tonnes of crude oil per year.

The Company is divided into five divisions: Finance, Technical, General Affairs, Planning and Development, and CEO.

2. BASIS OF THE PREPARATION OF THE FINANCIAL STATEMENTS

The Financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in the Czech Republic for the years 2007 and 2006.

The financial statements have been prepared under the historical cost convention, except as disclosed below.

Comparable data for the year 2006 were taken from previous audited financial statements.

3. ACCOUNTING POLICIES

The valuation principles applied by the Company for preparation of the financial statements for the years 2007 and 2006 are as follows:

a) Intangible fixed assets

Intangible fixed assets are recorded at cost, which includes costs incurred in bringing the assets to their present location and condition. All research costs are expensed. Development costs are capitalised as intangible assets and recorded at the lower of costs or the value of future economic benefits if the value of future economic benefits can be reasonably estimated. All other development costs are expensed as incurred.

Intangible fixed assets with unit costs exceeding CZK 60 thousand and with a useful life of over 1 year are amortised applying the straight-line basis over their estimated useful life. The useful lives of assets were set as follows:

	Years
Research and development	2 – 6
Software	2 – 5
Royalties	3 – 10

Intangible fixed assets with unit cost of less than CZK 60 thousand are expensed upon acquisition.

A provision for impairment is established whenever the carrying value of an asset is greater than its estimated recoverable amount.

3. ACCOUNTING POLICIES (continued)

b) Tangible fixed assets

Tangible fixed assets with unit cost of more than CZK 40 thousand are recorded at acquisition cost, which includes freight, customs duties and other related costs. Interest costs incurred in connection with construction of tangible fixed assets are not capitalised. The costs of property enhancements are capitalised. Repairs and maintenance expenditures are expensed as incurred. Tangible fixed assets with unit cost of less than CZK 40 thousand are expensed when purchased.

A provision for impairment is established whenever the carrying value of an asset is greater than its estimated recoverable amount.

In accordance with the Act on Reserves, the Company creates a reserve for major repairs of tangible fixed assets, which the Company's management expects to incur in future accounting periods (Note 13). The value of the reserve is based on the total estimated costs of major repairs of tangible fixed assets.

A valuation adjustment to acquired property was recognised in 1995 as the difference between the value of property in accordance with valuation done for the purposes of contributing those assets to the Company and the net book value of the property as recorded in the accounting records of the contributing entities (Note 5).

Depreciation

Tangible fixed assets are depreciated applying the straight-line basis over their estimated useful lives which are as follows:

	Years
Buildings and constructions	50
Plant, machinery and equipment	4 - 25
Motor vehicles	6 - 11
Furniture and fittings	4 - 8
Other tangible fixed assets	4 - 30
Valuation adjustment to acquired property	15

3. ACCOUNTING POLICIES (continued)

b) Tangible fixed assets (continued)

In 2005, the Company performed analysis of its depreciation plan for individual depreciation groups. Based on this analysis, from 2006, the useful lives of significant portion of fixed assets were set closer to the upper limit of the above intervals. Also the depreciation formula was adjusted accordingly. Assets with changed useful lives are depreciated applying the straight-line basis over the ratio of actual net book value and remaining useful life of the asset. In case of significant property enhancement, the remaining useful life of the asset is reviewed.

In 2006, the Company completed modernisation of a production unit in cost of CZK 374,518 thousand, which is operated solely on behalf of two Processors: UNIPETROL RPA, s.r.o. and Agip Česká republika, s.r.o. Operation of this asset is governed by the special agreement concluded for the period of 10 years. The useful life of this asset was estimated for 10 years.

c) Long-term financial assets

Long-term financial assets consist of held-to-maturity long-term loans.

d) Inventories

Inventories are stated at the lower of cost or net realisable amount. Cost includes appropriate overheads incurred to bring inventory to its present state and location (mainly transport, customs duty, etc.). The weighted average cost method is applied for all disposals.

Value of spare parts is adjusted by a provision based on their expected utilisation and the estimate of the remaining useful life of the related assets.

A provision for spare parts is created on the basis of a detailed analysis of the expected utilisation at year-end and remaining useful life.

3. ACCOUNTING POLICIES (continued)

e) Receivables

Receivables are stated at their nominal value. The valuation of doubtful receivables is adjusted through a provision for the doubtful amount to their net realisable value.

A provision for doubtful receivables is created on the basis of a detailed analysis of the collectibility of doubtful receivables at year-end.

f) Short-term financial assets

Short-term financial assets consist of cash equivalents, cash in hand and in the bank, and held-to-maturity debt securities falling due within one year.

g) Share capital

The Share capital of the Company is recorded at the amount recorded in the Commercial Register maintained by the Regional Court.

In accordance with the Commercial Code and the articles of association, the Company must create a statutory reserve fund from profit. In the first year in which a profit is generated, a joint-stock company is obliged to allocate 20 % of profit after tax (however, not more than 10 % of share capital) to the statutory reserve fund. In subsequent years, the Company allocates 5 % of the profit after tax, until the value of the reserve fund from profit reaches 20 % of the share capital. This fund can only be used to offset losses.

h) Liabilities

Long-term liabilities and current liabilities are recorded at their nominal values. Short- and long-term loans are recorded at their nominal values. Any portion of a long-term loan due within one year of the balance sheet date is recorded as a short-term loan.

i) Financial leases

The Company accounts for leased assets by expensing the lease payments and capitalising the residual value of those assets at the time of the contract expiration and exercising of the purchase option. Lease payments paid in advance are recorded as prepaid expenses and amortised over the lease term.

Amounts payable in future periods but not yet due are disclosed in the notes but not recognised in the balance sheet.

3. ACCOUNTING POLICIES (continued)

j) Provisions

Provisions are recognised when the Company has a present obligation, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. The Company recognises tax deductible provisions relating to future repairs of property, plant and equipment.

k) Foreign currency translation

Transactions denominated in a foreign currency are translated and recorded at the Czech National Bank rate of exchange rate ruling on the date of the transaction.

All monetary assets and liabilities denominated in foreign currencies have been translated at the year-end exchange rate published by the Czech National Bank.

All foreign exchange gains and losses are recognised in the profit and loss account.

l) Revenues and expenses recognition

Revenues and expenses are recognised on an accrual basis.

A processing fee is charged to individual Processors based on the Processing Agreement.

Sales are recognised when goods are shipped and title passes to the customer or upon the performance of services. Sales are shown net of discounts and Value Added Tax.

m) Extraordinary items and changes in accounting policies

Extraordinary gains and losses represent one-off effects of events outside the scope of the Company's activities and the effects of changes in accounting policies.

n) Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Deferred tax assets are recognised if it is probable that sufficient future taxable profit will be available against which the assets can be utilised.

3. ACCOUNTING POLICIES (continued)

o) Related parties

The Company's related parties are considered to be the following:

- shareholders, of which the Company is a subsidiary or an associate, directly or indirectly, and subsidiaries and associates of these shareholders;
- members of the Company's statutory and supervisory bodies and management and parties close to such members, including the subsidiaries and associates of the members and their close parties;
- companies with the same management member.

Material transactions and outstanding balances with related parties are disclosed in Note 21.

p) Pension plan

In 2007, the Company provided a contribution to the Employee Pension Scheme according to Act 42/1994 and its amendment no. 170/1999 Coll. Regular contributions are made to the state budget to fund the national pension plan.

q) Subsequent events

The effects of events that occurred between the balance sheet date and the date of preparation of the financial statements are recognised in the financial statements in the case that these events provide further evidence of conditions that existed at the balance sheet date.

Where significant events occur subsequent to the balance sheet date but prior to the preparation of the financial statements, and such events are indicative of conditions that arose subsequent to the balance sheet date, the effects of these events are disclosed but not recognised in the financial statements.

4. INTANGIBLE FIXED ASSETSCost

(CZK'000)	1 January 2007	Additions	Disposals	Transfers	31 December 2007
Research and development	62,020	2,809	-	-	64,829
Software	703,194	29,790	(29,365)	15,527	719,146
Royalties	266,422	26,573	-	74,993	367,988
Other intangible fixed assets	296,101	22,678	(318,764)	-	15
Intangible assets in the course of construction	67,995	1,307	-	(66,876)	2,426
Total	1,395,732	83,157	(348,129)	23,644	1,154,404

Accumulated depreciation and provisions

(CZK'000)	1 January 2007	Depreciation		Provisions	31 December 2007
		charge	Disposals		
Research and development	(41,086)	(12,352)	-	-	(53,438)
Software	(622,617)	(39,584)	29,365	(1,095)	(633,931)
Royalties	(207,058)	(20,053)	-	(1,352)	(228,463)
Total	(870,761)	(71,989)	29,365	(2,447)	(915,832)
Net book value	524,971				238,572

4. INTANGIBLE FIXED ASSETS (continued)Cost

(CZK'000)	1 January 2006	Additions	Disposals	Transfers	31 December 2006
Research and development	51,408	3,680	-	6,932	62,020
Software	651,230	34,342	(72)	17,694	703,194
Royalties	257,933	4,016	-	4,473	266,422
Other intangible fixed assets	-	1,645,542	(1,349,441)	-	296,101
Intangible assets in the course of construction	56,250	23,002	-	(11,257)	67,995
Total	1,016,821	1,710,582	(1,349,513)	17,842	1,395,732

Accumulated depreciation

(CZK'000)	1 January 2006	Depreciation charge	Disposals	31 December 2006
Research and development	(32,063)	(9,023)	-	(41,086)
Software	(568,530)	(54,158)	71	(622,617)
Royalties	(185,682)	(21,376)	-	(207,058)
Total	(786,275)	(84,557)	71	(870,761)
Net book value	230,546			524,971

Research and development costs represent external studies, which are amortised over their estimated useful lives. Management also expects these projects to be technically viable and commercially profitable.

Royalties represent mainly licences acquired for technological processes and knowhow utilized by the Company.

Other intangible assets represent greenhouse emissions allowances. According to the Government Decree of 20 July 2005 about the National Allocation Plan of the Czech Republic for years 2005 – 2007, the Company, as an operator of the equipment producing CO₂ emissions, was allocated 1,100,247 pcs of greenhouse emissions allowances per year.

In 2006, the Company was assigned of 2,200,494 pcs of greenhouse emissions allowances for the trading period 2005 and 2006. To cover the production of greenhouse gases in 2005, the Company used 802,742 pcs of emission allowances in 2006 and 909,819 pcs for the production of greenhouse gases in 2006. In 2006, the Company sold 80,951 pcs of emission allowances.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2007

4. INTANGIBLE FIXED ASSETS (continued)

In 2007, the Company was assigned of 1,100,247 pcs of allowances for the period 2007. 904,327 pcs were used for emissions produced in 2007. 574,082 pcs of allowances were sold in 2007.

As at 31 December 2007 the Company owns remaining 28,820 pcs of allowances which are not transferable to the next trading period. The Company assumes that these allowances will be sold by 30 April, 2008.

5. TANGIBLE FIXED ASSETSCost

(CZK'000)	1 January 2007	Additions	Disposals	Transfers	31 December 2007
Constructions	4,468,828	318,425	(6,201)	154,094	4,935,146
Machinery and equipment	15,704,427	766,860	(72,507)	280,995	16,679,775
Artworks and collections	1,090	-	-	-	1,090
Other tangibles fixed assets	167,572	26	(9)	-	167,589
Tangible assets in the course of construction	776,390	55,196	-	394,746	1,226,332
Advances for tangible fixed assets	580,960	500,934		(853,479)	228,415
Adjustment to acquired property	1,269,312	-	-	-	1,269,312
Total	22,968,579	1,641,441	(78,717)	(23,644)	24,507,659

Accumulated depreciation and provisions

(CZK'000)	1 January 2007	Depreciation charge	Disposals	Provisions	31 December 2007
Constructions	(704,350)	(113,641)	4,260	1,809	(811,922)
Machinery and equipment	(6,515,914)	(876,542)	48,825	8,091	(7,335,540)
Other tangibles fixed assets	(61,440)	(5,586)	-	-	(67,026)
Adjustment to acquired property	(930,828)	(84,621)	-	-	(1,015,449)
Total	(8,212,532)	(1,080,390)	53,085	9,900	(9,229,937)
Net book value	14,756,047				15,227,722

5. TANGIBLE FIXED ASSETS (continued)Cost

(CZK'000)	1 January 2006	Additions	Disposals	Transfers	31 December 2006
Constructions	4,324,061	93,229	(2,333)	53,871	4,468,828
Machinery and equipment	15,299,964	367,318	(98,438)	135,583	15,704,427
Artworks and collections	1,090	-	-	-	1,090
Other tangibles fixed assets	167,595	3	(26)	-	167,572
Tangible assets in the course of construction	379,746	579,051	-	(182,407)	776,390
Advances for tangible fixed assets	8,897	596,952	-	(24,889)	580,960
Adjustment to acquired property	1,269,312	-	-	-	1,269,312
Total	21,450,665	1,636,553	(100,797)	(17,842)	22,968,579

Accumulated depreciation and provisions

(CZK'000)	1 January 2006	Depreciation charge	Disposals	Provisions	31 December 2006
Constructions	(600,683)	(101,226)	776	(3,217)	(704,350)
Machinery and equipment	(5,723,664)	(864,756)	88,015	(15,509)	(6,515,914)
Other tangibles fixed assets	(55,855)	(5,585)	-	-	(61,440)
Adjustment to acquired property	(846,208)	(84,620)	-	-	(930,828)
Total	(7,226,410)	(1,056,187)	88,791	(18,726)	(8,212,532)
Net book value	14,224,255				14,756,047

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2007

5. TANGIBLE FIXED ASSETS (continued)

The valuation adjustment of CZK 1,269,312 thousand to acquired property was recognised in 1995 as the difference between the value of property in accordance with the valuation done for the purposes of contributing those assets to the Company and the net book value of the property as recorded in the accounting records of the contributing entities (Note 3b). The amount is depreciated on a straight-line basis over 15 years.

In 2005, a lease agreement for the isomerisation unit expired. The agreement including amendments was concluded in 1994 – 1998. The total lease amount was CZK 585,703 thousand and was fully repaid in 2001. The unit was according to the Czech Accounting Standards capitalised at its acquisition cost of CZK 8 thousand. The estimated useful economic life of the unit is 30 years from concluding of agreement.

6. LONG-TERM FINANCIAL ASSETS

Summary of changes in other long-term financial assets:

(CZK'000)	As at			As at	
	31 December 2006	Additions	Revaluation	31 December	2007
Other long-term financial assets	654,090	-	-	654,090	

Other long-term financial assets represent a commodity loan of 110 thousand tonnes of crude oil to the Processors. The commodity loan was provided for the entire period during which the Company operates in the processing refinery mode in accordance with the processing agreement signed between the Company and the Processors on 31 July 2003. This loan represents the filling of the IKL pipeline. The loan bears an interest rate of 2.818% p.a. and is to be repaid in 2023 in a single instalment. The loan was valued using market prices of crude oil as at 1 August 2003.

7. INVENTORIES

(CZK'000)	31 December 2007	31 December 2006
Raw material	1,266,002	1,163,187
Finished goods	190,486	172,629
Advances paid for inventories	-	22,256
Total inventories	1,456,488	1,358,072
Provision	(264,957)	(232,011)
Net book value	1,191,531	1,126,061

Raw material represents mainly spare parts as at 31 December 2007 amounting to CZK 1,238,085 thousand (31 December 2006: CZK 1,138,691 thousand).

8. RECEIVABLES

(CZK'000)	31 December 2007	31 December 2006
Long-term receivables	-	209,674
Adjustment to long-term receivables	-	(209,674)
Long-term receivables net	-	-
Short-term trade receivables	1,090,078	788,166
- receivables overdue more than 360 days	262,083	261,785
State tax receivables	26,303	8,085
Advances paid	21,169	-
Other receivables	5,264,250	5,351,300
Total receivables	6,401,800	6,147,551
Provision for doubtful receivables	(466,938)	(292,115)
Net receivables	5,934,862	5,855,436

As at 31 December 2006, the Company recorded a long-term trade receivable that was supposed to be gradually settled by 2010. Due to uncertainty of the collectibility of this receivable, the Company established a provision in the full amount of the long-term receivable. In 2007, the receivable was reclassified to short-term receivables due to bankruptcy proceedings on the debtor.

All trade receivables more than 90 days overdue, not covered by a provision, are secured by deposits, bills of exchange or insurance.

Other receivables include mainly a receivable from the Processors on grounds of excise tax.

The Company has receivables from related parties (Note 21).

9. PROVISIONS

Provisions reflect a temporary diminution in the value of assets (Notes 4, 5, 7 and 8).

Changes in the provision accounts were as follows (CZK'000):

Provisions	Inventories	Receivables - tax allowed	Receivables - other	Tangible and intangible fixed assets	Total
Balance at 1 January 2006	199,840	87,771	415,474	-	703,085
Charge for the year	36,530	1,186	15	18,726	56,457
Written off during the year	(4,359)	(1,455)	(1,202)	-	(7,016)
Balance at 31 December 2006	232,011	87,502	414,287	18,726	752,526
Charge for the year	42,399	352,235	-	11,273	405,907
Written off during the year	(9,453)	-	(387,086)	(18,726)	(415,265)
Balance at 31 December 2007	264,957	439,737	27,201	11,273	743,168

The tax-allowed provisions are created in compliance with the Czech Act on Reserves.

10. FINANCIAL ASSETS

Short-term securities and shares represent short-term bank promissory notes held to maturity. Their nominal value as at 31 December 2007 is CZK 207,100 thousand (31 December 2006: CZK 1,097,180 thousand).

The Company has bank accounts, which allow the Company to maintain an overdraft facility. Such overdrafts are classified as short-term bank loans in the accompanying balance sheet (Note 15).

11. OTHER ASSETS

Prepaid expenses include mainly prepaid rent and remaining value of catalysts in use based on their technological parameters and number of hours they have been used in operation. Prepaid expenses are expensed in the income statement in the period when the relevant service is provided or material used.

Accrued revenues include mainly estimated items created for final Processing Fee settlement, and are accounted for to revenues in the period in which the relevant service is provided.

12. EQUITY

Share capital of the Company comprises 934,824 registered shares fully subscribed and paid for, with a nominal value of CZK 10 thousand.

The shareholder structure is described in Note 1.

The net profit for 2005 totalling CZK 256,998 thousand was approved and allocated by the General Meeting of Shareholders held on 14 December 2006.

The net profit for 2006 totalling CZK 267,836 thousand was approved and allocated by the General Meeting of Shareholders held on 27 April 2007.

13. RESERVES

The movements in the reserve accounts were as follows (CZK'000):

Reserves	Tax allowed	Other
Balance as at 1 January 2006	405,383	30,901
Change for the year	114,275	57,753
Used in the year	(75,333)	(12,341)
Balance as at 31 December 2006	444,325	76,313
Change in the year	196,419	173,666
Used in the year	(407,731)	(69,746)
Balance as at 31 December 2007	233,013	180,233

The tax allowed reserve for the purpose of repairs of tangible fixed assets was created in 2007 and 2006.

Other reserves represented mainly reserves for the purpose of repairs of tangible fixed assets created beyond the terms of the Act on Reserves in 2007 and 2006.

14. LIABILITIES

As at 31 December 2007, the Company recognized a long-term liability in the amount of CZK 284,010 thousand (31 December 2006: CZK 318,340 thousand). This liability represents a loan received from a related party (Note 21).

As at 31 December 2007 and 2006, the Company had no overdue short-term liabilities.

Payables to related parties are shown in Note 21.

14. LIABILITIES (continued)

Trade payables and other liabilities with the exception of excise tax payable to financial authorities were not secured by any of the Company's assets. The excise tax payables are secured by bank guarantees with a value of CZK 100,000 thousand.

15. BANK LOANS AND OTHER BORROWINGS

At 31 December 2007, the Company did not have any bank loan.

The interest expense relating to bank loans and short-term overdrafts for 2007 was CZK 161 thousand (2006: CZK 65 thousand).

Interest expense for the year 2007 in the amount of CZK 13,407 thousand relates to long-term liability (Note 21).

16. TAXATION

The calculation of 2007 and 2006 income tax is as follows (CZK'000):

	2007	2006
Profit/loss before tax	418,952	381,306
Non-taxable income*	(485,858)	(4,789)
Non-tax deductible expenses	307,394	196,770
Difference between accounting and tax depreciation	(16,534)	(22,112)
Tax base (loss)	223,954	551,175
Utilised tax loss (portion of 2001 and 2002)	(223,954)	(551,175)
Taxable income	-	-
Income tax rate	24%	24%
Current tax due	-	-

*) The amount in 2007 includes income from the release of non-tax deductible provision to receivable of CZK 352,235 thousand. The provision became fully deductible for tax purposes following the registration of the receivable into bankruptcy procedure (Note 8).

The calculation of the 2007 income tax is based on the preliminary income tax calculation.

According to Income Tax Act, the Company may carry forward tax losses generated in 2001 and 2002 for up to seven years. The remaining tax loss carried forward from 2001 and 2002 amounted to CZK 99,358 thousand as at 31 December 2007.

16. TAXATION (continued)

The Company has calculated deferred tax as follows (CZK'000):

Deferred tax	2007			2006		
	Base	Tax rate *)	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Difference between accounting and tax net book value of fixed assets	(172,419)	21 %	-	(36,208)		
	(339,362)	20 %	-	(67,873)		
	(1,977,669)	19 %	-	(375,757)	-	(593,270)
Other differences:						
Provision to inventories	264,012	19 %	50,162	-	53,643	-
Provision to finished goods	945	19 %	180	-	2,040	-
Provision to receivables	27,201	19 %	5,168	-	99,429	-
Provision to tangible fixed assets	11,273	21 %	2,367	-	4,494	-
Adjustment to acquired fixed assets	(84,621)	21 %	-	(17,770)		
	(84,621)	20 %	-	(16,924)		
	(84,621)	19 %	-	(16,078)	-	(81,236)
10% reinvestment tax relief	370,900	21 %	77,889	-		
	282,578	20 %	56,516	-	165,234	-
Social and health expenses payable in the following year	12,363	21 %	2,596	-	1,513	-
Reserves	162,320	20 %	32,464	-	18,315	-
	17,913	21 %	3,762	-		
Unused tax losses	99,358	21 %	20,865	-	82,822	-
Total			251,969	(530,610)	427,490	(674,506)
Net				(278,641)		(247,016)

*) Tax rates stated above are in accordance with the valid tax rate enacted for the period of expected realization of deferred tax.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2007

17. LEASING

As of 31 December 2007, the Company had no outstanding lease contracts.

Assets that are being used by the Company under finance leases as at 31 December 2006 are as follows (CZK'000):

Description	Instalments related to the whole rent period	Financial leases payments as at 31 December		Payments due in following years as at 31 December 2006	
		2006	2005	Due within 1 year	Due after 1 year
Cars	11,026	9,493	6,736	1,533	-

18. COMMITMENTS AND CONTINGENCIES

The Company has a long-term (15 year) transport contract with Mero ČR a.s., effective since 1 January 1996, which stipulates a minimum annual throughput of crude oil through the IKL and Družba pipelines. Required minima were fulfilled in 2007 and 2006.

As at 31 December 2007 and 2006, the Company had not issued any guarantees.

19. REVENUE ANALYSIS

Revenue from ordinary activities has been generated as follows (CZK'000):

	2007	2006
	Domestic	Domestic
Sale of services	8,950,684	8,972,074
Sale of goods	402,128	283,494
Total revenues	9,352,812	9,255,568

Due to the conversion to a processing refinery on 1 August 2003, the Company's main customers are only the Processors.

20. EMPLOYEE ANALYSIS

The analysis of payroll expenses (CZK'000):

	2007		2006	
	Employees Total	Out of which management	Employees Total	Out of which management
Average number of staff	687	25	688	26
Wages/salaries	384,004	53,877	353,974	49,181
Social insurance	134,635	19,287	122,789	17,137
Social expenses	17,944	478	16,191	437
Total personnel expenses	536,583	73,642	492,954	66,755

In 2007, the members and former members of the statutory and supervisory boards received bonuses and other remuneration totalling CZK 3,856 thousand (2006: CZK 3,456 thousand).

21. RELATED PARTY TRANSACTIONS

No loans, guarantees or other benefits were granted to members of statutory bodies in 2007 and 2006, and they do not hold any shares of the Company.

Trade receivables and payables from these transactions arose under the same terms and conditions as with unrelated parties.

Related party receivables (CZK'000):

Related party	31 December 2007	31 December 2006
UNIPETROL, a.s.	325	1,643
Agip Česká republika, s.r.o.	2,264,930	1,227,068
CHEMOPETROL, a.s.*	-	111,091
UNIPETROL DOPRAVA, s.r.o.	41	43
ConocoPhillips Czech Republic s.r.o.**	-	792,925
SYNTHOS Kralupy a.s.***	-	1,765
ConocoPhillips CR Refining s.r.o.	1,110	-
Shell Czech Republic a.s.	958,157	890,643
Výzkumný ústav anorganické chemie, a.s.	125	45
UNIPETROL RPA, s.r.o.*	2,824,112	-
UNIPETROL RAFINÉRIE a.s.*	-	2,994,745
Total	6,048,800	6,019,968

*) On 1 August 2007, there was a merger of CHEMOPETROL, a.s., UNIPETROL RAFINÉRIE a.s. and UNIPETROL RPA s.r.o. into a single legal entity named UNIPETROL RPA, s.r.o.

**) Now LUKOIL Czech Republic s.r.o. No longer party related to the Company.

***) Formerly KAČUK, a.s. Not a related party since 19 July 2007.

21. RELATED PARTY TRANSACTIONS (continued)

Related party payables (CZK'000):

Related party	31 December 2007	31 December 2006
CHEMOPETROL, a.s.	-	102,738
UNIPETROL DOPRAVA, s.r.o.	100,181	106,673
HC Litvínov, a.s.*	32	2
Agip Česká republika, s.r.o.	27,677	7,820
ConocoPhillips Czech Republic s.r.o.**	-	2,046
SYNTHOS Kralupy a.s.	-	104,479
Shell Czech Republic a.s.	17,016	3,506
UNIPETROL, a.s.	22,725	20,868
SPOLANA a.s.	251	282
CELIO a.s.	45	1,089
Výzkumný ústav anorganické chemie, a.s	405	1,089
PARAMO, a.s.	186	52
UNIPETROL RPA, s.r.o.	163,536	-
Polski Koncern Naftowy ORLEN S.A.	-	93
UNIPETROL RAFINÉRIE a.s.	-	24,444
Total	332,054	375,181

*) Formerly HC CHEMOPETROL, a.s.

**) Now LUKOIL Czech Republic s.r.o. No longer party related to the Company.

Loans provided to related parties (CZK'000):

On 31 July 2003, the Company provided a long-term commodity loan in amount of CZK 654,090 thousand to Processors (Note 6).

Loans received from related parties (CZK'000):

Related party	31 December 2007	31 December 2006
Long-term part		
UNIPETROL RPA, s.r.o.	237,622	266,345
Agip Česká republika, s.r.o.	46,388	51,995
Short-term part		
UNIPETROL RPA, s.r.o.	31,335	71,976
Agip Česká republika, s.r.o.	6,117	14,052

The long-term loan from UNIPETROL RPA, s.r.o. and Agip Česká republika, s.r.o. represents a loan for the modernisation of production unit with cost of CZK 374,518 thousand (Note 3b) and cost of first catalyst fill of this equipment in the amount of CZK 29,850 thousand.

21. RELATED PARTY TRANSACTIONS (continued)

The loan instalments started from the moment the equipment was transferred from Assets in the Course of Construction to Property, Plant and Equipment. Loan instalments are netted off with the receivable from processing fee arising to the Processors from depreciation charge of this production unit and the catalyst consumption. The loan bears an interest rate floating on the basis of 1 M PRIBOR + margin 0.75 % p.a.

Income and expenses resulting from transactions between related parties executed in 2007 amounted to (CZK'000):

Related party	Income / Sales	Expenses / Purchases
AGIP Česká republika, s.r.o.	1,957,189	119,632
ConocoPhillips Czech Republic s.r.o.*	565,554	7,051
CELIO a.s.	4	2,526
K-PROTOS, a.s.	-	2,426
Výzkumný ústav anorganické chemie, a.s.	438	3,458
HC Litvínov, a.s.	-	30
SYNTHOS Kralupy a.s.	9,945	345,212
UNIPETROL RAFINÉRIE a.s.	2,984,853	69,096
UNIPETROL RPA, s.r.o.	1,961,752	555,182
CHEMOPETROL, a.s.	59,845	749,175
PARAMO, a.s.	7	2,333
ConocoPhillips CR Refining s.r.o.	391,016	18,636
Shell Czech Republic a.s.	1,427,097	73,922
SPOLANA a.s.	-	3,227
UNIPETROL, a.s.	1,660	20,029
UNIPETROL DOPRAVA, s.r.o.	242	752,721
Total	9,359,602	2,724,656

*) Now LUKOIL Czech Republic s.r.o. No longer party related to the Company.

Company's sales of products and services to related parties in 2006 amounted to CZK 9,230,909 thousand .

In 2006 purchases of goods and services from related parties amounted to CZK 2,972,457 thousand.

Transactions were concluded on the arm's-length basis. Trade receivables and payables from these transactions arose under the same terms and conditions as with third parties.

As at 31 December 2007, based on Processing Agreement, the Company holds 94 thousand tonnes of crude oil, 108 thousand tonnes of semi-finished goods and 128 thousand tonnes of finished refinery goods for the Processors.

22. RESEARCH AND DEVELOPMENT COSTS

Research and development activities are not carried out by the Company on its own, but all results of such activities are acquired from external sources (Note 4).

23. EXTRAORDINARY INCOME AND EXPENSES

The Company did not assigned any extraordinary expenses and revenues in 2007 or 2006.

24. SUBSEQUENT EVENTS

On 19 February 2008, Mr. Ladislav Varhaník resigned from the post of Chairman of the Supervisory Board. On the same date, effective from 20 February 2008, the Supervisory Board elected its new Chairman, Mr. Zdeněk Černý.

On 26 February 2008, the General Meeting of the Company appointed Mr Giorgio Cervi member of the Board of Directors and Mrs Ingrid Levá and Mr Karel Surma members of the Supervisory Board. All the appointments were made effective from 27 February 2008.


No other events have occurred subsequent to year-end that would have a significant impact on the financial statements as at 31 December 2007.

25. CASH FLOW STATEMENT

The cash flow statement was prepared using the indirect method.

Statutory approvals

These financial statements have been approved for submission to the General Meeting of shareholders by the Company's Board of Directors.

Prepared on:	Signature of Company's statutory body	Signature of Company's statutory body	Person responsible for accounting (name, signature)
3 March 2008	 Ivan Souček Chairman of the Board of Directors	 Salvatore Recupero Vice-chairman of the Board of Directors	 Mojmír Zenáhlík Controller

ČESKÁ RAFINÉRSKÁ, a.s.
with its registered seat in Litvínov, Záluží 2, Post Code 436 70
Identification No. 62741772
incorporated in the Commercial Register of the Regional Court in Ústí nad Labem,
Section B, Insert No. 696

**REPORT ON THE RELATIONS
BETWEEN THE CONTROLLED ENTITY AND OTHER ENTITIES
CONTROLLED BY THE SAME CONTROLLING ENTITY
FOR THE YEAR ENDED 31. DECEMBER 2007
("THE REPORT")**

ČESKÁ RAFINÉRSKÁ, a.s., company with its registered seat in Litvínov, Záluží 2, Post Code 436 70, Identification No. 62741772 (“the Company“) is part of a business consortium with UNIPETROL, a.s. acting as the controlling person, seated at Klimentská 10, 110 05 Praha 1, Identification No. 61672190. Since 31 May 2005, UNIPETROL, a.s. is part of a business consortium with Polski Koncern Naftowy ORLEN S.A., acting as the ultimate controlling entity, seated at ul. Chemików 7, 09-411 Plock, Poland. Patterns of the business consortiums are set out in Attachments hereto.

During accounting period 2007, the following relationships between the Company and its related parties took place:

Part I

Contracts concluded between the Company and its related parties in 2007 and fulfillments (considerations) rendered (received) by the Company in 2007 under these contracts.

Notes:

- a) Contracts referred to in the Report are categorized as purchases, sales and others.
- b) Transactions denominated in foreign currency are translated to CZK using the CNB rate of exchange on the date of the transaction.
- c) Within the said period, relationships proceeded based on terms and conditions common in trading business, prices were contractually agreed as usual market prices. From the contracts entered into, the Company suffered no (pecuniary) loss whatsoever.

1. THE CONTROLLING PARTY

UNIPETROL, a.s.

Relationship towards the Company: Direct controlling entity.

Purchases:

Under a contract entered into in the past period, the Company purchased - as a service – the insurance for members of the Company Board of Directors and Supervisory Board. For the said service, the Company provided a consideration in the amount of CZK 672 thousand.

Further, the Company purchased IT services and consultancy services (as per the Provider’s scope of business), for which it provided consideration of CZK 373 thousand.

Further, the Company provided consideration of CZK 96 thousand related to Supervisory Board members travel expenses from 2006.

Sales:

In 2007, the Company entered to contracts based on which it received a consideration of CZK 1,660 thousand. These contracts relate to recharge of expenses incurred on review and audit of financial results of the Company reported in the format as specified by the controlling party and on the preparation of the financial statements.

Other contractual relationships:

Under the contracts on creation of easement to use the land by the Company, a consideration of CZK 18,889 thousand was provided by the Company.

In the previous period, the Company entered into two contracts, namely the Amended and Restated Shareholders' Agreement and the Cash Flow & Security Agreement. In 2007, no fulfillment was rendered or consideration received under those.

2. OTHER RELATED PARTIES CONTROLLED BY UNIPETROL, a.s.

CHEMOPETROL, a.s. until 31 July 2007

Relationship towards the Company: Entity directly controlled by UNIPETROL, a.s.

Purchases:***Utilities:***

Under the contracts concluded in the previous and current period, the Company purchased utilities for which it provided a consideration of CZK 624,143 thousand. These transactions include the purchase and distribution of electricity and steam, purchase of clear and pure water, and condensate. Prices were based on preliminary price calculations.

Material and products:

During the current period, the Company entered into contracts for the purchase of foaming agents. The provided consideration was CZK 220 thousand.

Further, within the previous period, the Company had entered into contracts for the purchase of nitrogen, carbon dioxide, air, propylene, ethanol, soda and ammonia water. The total provided consideration was CZK 22,145 thousand. Prices were contracted on the usual market level taking into consideration both their historical values and other relevant information.

Services:

Over the said period, the Company has entered into contracts for below mentioned services. The Company provided consideration in the amount of CZK 102,667 thousand.

Consideration paid for services rendered based on contracts concluded in the previous period were:

Fulfillments	Consideration (in thousand CZK)
Roads and assets administration	6,088
Use of pipe bridges	6,294
Nitrogen compression	20,126
Waste water treatment	46,356
Other Services ¹	23,803
Total	102,607

Sales:

Utilities:

Under contract entered into in the previous period, the Company sold circulating condensate and returned heat, for which it received consideration in the amount of CZK 56,604 thousand. The price was derived from agreed-on price calculations.

Services:

Under contracts concluded in the previous period, the Company sold services for which it received a consideration in the amount of CZK 164 thousand. The price was fixed through agreement. These services entailed rental of nonresidential premises and laboratory analyses.

Other:

The Company created accrual for price settlement regarding utility purchases in the amount of CZK 3,077 thousand.

HC Litvínov, a.s.²

Relationship towards the Company: Entity directly controlled by UNIPETROL RPA, s.r.o.

Purchases:

Under contract concluded within the given period, the Company purchased - as part of the system of staff bonuses – sports club season tickets for its employees, for which consideration was provided in the amount of CZK 30 thousand.

¹ such as guard, fencing, firefighting services, use of Fire-Fighters Emergency Team, communication, IT, and monitoring

² formerly HC CHEMOPETROL, a.s.

UNIPETROL DOPRAVA, a.s.

Relationship towards the Company: Entity directly controlled by UNIPETROL RPA, s.r.o.

Purchases:

Under contract on goods transportation, which was entered into in the previous period, the Company received consideration of CZK 752,721 thousand.

Sales:

Based on a contract for passing on heat supplies and re-invoicing of payments made for the heat supplies and a contract for rental of nonresidential premises, the Company received consideration in the amount of CZK 186 thousand.

Other:

The Company received consideration in the amount of CZK 56 thousand, representing the amount re-invoiced for rail-tank rental.

VÝZKUMNÝ ÚSTAV ANORGANICKÉ CHEMIE, a.s.

Relationship towards the Company: Entity directly controlled by UNIPETROL, a.s.

Purchases:

Under contract entered into in the previous period, the Company purchased chemical analysis and expert opinion services for the amount of CZK 3,458 thousand.

Sales:

As payment for Services rendered in the form of laboratory analyses and laboratory equipment rental, the Company received - over the said period – a consideration equaling CZK 438 thousand.

CELIO a.s.

Relationship towards the Company: Entity directly controlled by UNIPETROL RPA, s.r.o.

Purchases:

Under contract entered into in the said period, the Company paid consideration in the amount of CZK 2,525 CZK for waste storage services.

Sales:

As payment for Services rendered in the form of laboratory analyses, the Company received - over the said period - a consideration equaling CZK 4 thousand.

SYNTHOS Kralupy a.s.³

Relationship towards the Company: Entity directly controlled by UNIPETROL, a.s. until 19 July 2007, then directly controlled by Polish entity FIRMA CHEMICZNA “DWORY” S.A. with registered office at Oswiecim, Poland, the company out of PKN ORLEN S.A. consortium.

Purchases:

Utilities:

Under contracts entered into in the previous period, the Company purchased utilities, (i.e. electric power, natural gas, technical gases, steam, high pressure boiler-feed water, and water) for which consideration totaled CZK 321,501 thousand. Prices were derived from agreed-on price calculations. Furthermore, in 2007, the Company received credit notes for 2006 price settlement in total amount of CZK 6,887 thousand.

Services:

Within the said period, the Company concluded contracts, under which services were purchased. The consideration for the services rendered totaled CZK 7,342 thousand. Prices were fixed by agreement. Involved were services such as the provision of shared infrastructure, plot-related services, rental of nonresidential premises and related services, communication and postal services, IŘS⁴ Energis support, and lab services.

Under contracts concluded in the previous period, the Company purchased services for which it provided consideration totaling CZK 22,108 thousand. Prices were fixed by agreement. Involved were services such as waste water discharge into open sewerage, underground water protection monitoring, asset protection, administrative building safety guarding, camera system handling and firefighting services.

To relevant orders, the Company purchased various services in the amount totaling CZK 1,148 thousand.

Sales:

Utilities:

Under contracts entered into in the previous period, the Company sold utilities, for which it received consideration of CZK 6,846 thousand. Prices were derived from agreed-on price calculations. Involved were high-quality FCC condensate and steam condensate.

Services:

Under contracts concluded in the previous period, the Company rendered services for which it received consideration totaling CZK 2,498 thousand. Prices were fixed by agreement. Involved were services: waste water treatment, lease of a specialty firefighting truck, distribution of firefighting water, storage, unloading and pumping of imported n-pentane, lifting and loading of railcar containers, and processing waters pumped from hydro-geological underground water protection wells.

³ formerly KAUČUK, a.s.

⁴ i.e. Integrated Management System (IMS)

Other contractual relationships:

Under the Contract on the provision of mutual services entered into in the previous period, the Company purchased services for which it provided consideration in the amount of CZK 600 thousand. Conversely, the Company provided services for which consideration totaling CZK 600 thousand was received. It entailed central degasification system services.

K – PROTOS, a.s.

Relationship towards the Company: Entity directly controlled by KAUČUK, a.s. (SYNTHOS Kralupy, a.s., respectively); out of the UNIPETROL Business Consortium since 19 July, 2007.

Purchases:

Under the contracts entered into in the said period, the Company purchased spare parts and repair and maintenance of equipment services, for which consideration was made equaling CZK 2,426 thousand.

PARAMO, a.s.

Relationship towards the Company: Entity directly controlled by UNIPETROL, a.s.

Purchases:

Under contract entered into in the said period, the Company purchased oil and lubricants for which consideration was made equaling CZK 2,329 thousand. To relevant orders, the Company purchased services in the amount totaling CZK 4 thousand. Involved were laboratory analysis.

Sales:

As payment for Services rendered in the form of laboratory analyses, the Company received - over the said period - consideration equaling CZK 7 thousand.

Other contractual relationships:

Within the given period, the Company entered into a tripartite agreement on the transportation of crude oil via Družba and Adria pipelines. The third party, and Provider of the service, is TRANSPETROL, a.s. company, Bratislava, Slovak Republic. Based on this contract, there was no fulfillment/consideration between Company and PARAMO, a.s.

UNIPETROL RAFINÉRIE a.s. until 31 July 2007

Relationship towards the Company: Entity directly controlled by UNIPETROL, a.s.

Purchases:

In connection with the Processing Agreement concluded between the Company and Processors, the Company purchased products and feedstock for which consideration was made in the amount of CZK 60,917 thousand. The prices are based on formulas using international price quotations of crude oil and oil products.

Sales:

Products and feedstock:

On the basis of Processing Agreement, the Company sold products and feedstock, for which it received consideration in the amount of CZK 51,568 thousand. Prices were derived from agreed-on price calculations.

Services:

Under contracts entered into in the previous period, the Company rendered services for which it obtained consideration in the amount of CZK 2,933,253 thousand. Prices were derived from agreed-on price calculations. Involved were services as listed below:

Fulfillments	Considerations (in thousand CZK)
Processing fee	2,007,774
Processing fee – Chamber 11	61,930
Other handling/processing services	861,089
First filling of IKL pipeline loan interest	5,460
Total	2,933,253

The Company entered into a Contract on shuttle transportation service in the previous period for which it obtained consideration totaling CZK 32 thousand.

Other contractual relationships:

In the previous period, the Company entered into a Long-term Credit Agreement, whose purpose was financing of the project: “Revitalisation of Chamber 11 and D distiller, UNITS 3611, 3411”. Based on this contract, the Company received CZK 338,321 thousand in consideration, while paying loan interest in the amount of CZK 8,156 thousand.

UNIPETROL RPA, s.r.o.

Since 1 August 2007 the successional Company of CHEMOPETROL, a.s. and UNIPETROL RAFINÉRIE a.s.

Relationship towards the Company: Entity directly controlled by UNIPETROL a.s.

Purchases:

Utilities:

Under the contracts concluded in the previous and current period, the Company purchased utilities for which it provided a consideration of CZK 339,072 thousand. These transactions include the purchase and distribution of electricity and steam, purchase of clear and pure water, and condensate. Prices were based on preliminary price calculations.

Material and products:

During the current period, the Company entered into contracts for the purchase of foaming agents. The provided consideration was CZK 127 thousand.

Further, within the previous period, the Company had entered into contracts for the purchase of nitrogen, carbon dioxide, air, propylene, soda and ammonia water. The total provided consideration was CZK 14,652 thousand. Prices were contracted on the usual market level taking into consideration both their historical values and other relevant information.

In connection with the Processing Agreement concluded between the Company and Processors, the Company purchased products and feedstock for which consideration was made in the amount of CZK 145,885 thousand. The prices are based on formulas using international price quotations of crude oil and oil products.

Services:

Over the said period, the Company has entered into contracts for below mentioned services.

Fulfillments	Consideration (in thousand CZK)
Roads and assets administration	4,349
Use of pipe bridges	4,507
Nitrogen compression	9,235
Waste water treatment	37,700
Other Services ⁵	19,040
Total	74,831

Other:

⁵ such as guard, fencing, firefighting services, use of Fire-Fighters Emergency Team, communication, IT, and monitoring

Based on Cash Flow & Security Agreement concluded in the previous period the Company rendered CZK 23 thousand consideration. This involves interest income on pre-payments.

The Company created accruals for debit notes in total amount of CZK 14,296 thousand and credit notes in total amount of CZK 39,703 thousand for 2007 services and utilities price settlement. Furthermore, the Company rendered CZK 5,999 thousand for 2006 price settlement.

Sales:

Utilities:

Under contract entered into in the previous period, the Company sold circulating condensate and returned heat, for which it received consideration in the amount of CZK 19,285 thousand. The price was derived from agreed-on price calculations.

Products and feedstock:

On the basis of Processing Agreement, the Company sold products and feedstock, for which it received consideration in the amount of CZK 154,445 thousand. Prices were derived from agreed-on price calculations.

Services:

Under contracts entered the Company sold services, for which it received consideration in the amount of CZK 434 thousand. Prices were fixed by agreement. Involved were services such as rental of nonresidential premises and laboratory analyses.

Processing services:

Under contracts entered the Company sold services, for which it received consideration in the amount of CZK 1,776,371 thousand. Prices were derived from agreed-on price calculations. Involved were services as listed below:

Fulfillments	Considerations (in thousand CZK)
Processing fee	1,235,211
Processing fee – Chamber 11	14,166
Other handling/processing services	523,051
First filling of IKL pipeline loan interest	3,943
Total	1,776,371

Other contractual relationships:

In the previous period, the Company entered into a Long-term Credit Agreement, whose purpose was financing of the project: “Revitalisation of Chamber 11 and D distiller, UNITS 3611, 3411”. Based on this contract, the Company paid a loan interest in the amount of CZK 3,061 thousand.

In the previous period, the Company entered into tripartite contracts on processing crude leftovers into hydrogen and hydrogen sulfide. In each case, the third party is a different

subject. In the said contracts, the Company only acts as an administrator, and does not provide, nor obtain, any fulfillment or consideration whatsoever.

3. COMPANY DIRECTLY CONTROLLED UNIPETROL, a.s. AND OTHER RELATED PARTIES

POLSKI KONCERN NAFTOWY ORLEN S.A.

Relationship towards the Company: Direct controlling entity

Within the said period, the Company neither provided, nor obtained, any fulfillment or consideration whatsoever.

SPOLANA a.s.

Relationship towards the Company: Entity directly controlled by ANWIL S.A.
(PKN ORLEN S.A. consolidation group member)

Purchases:

Within the said period, the Company entered into a contract for purchase of sodium lye. Based on this contract, consideration was made in the amount of CZK 3,227 thousand.

Part II

Other legal acts made for the benefit of related parties

Within the said period, no other legal acts were made for the benefit of related parties that would involve the Company.

Part III

Other measures adopted or implemented for the benefit of, or at instigation of, related parties

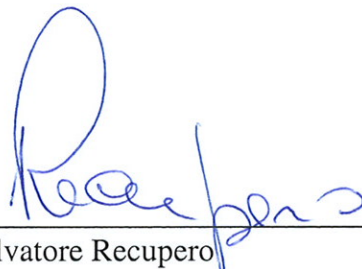
Within the said period, no measures whatsoever were adopted nor implemented for the benefit of, or at instigation of, related parties.

Litvínov, on 27 March 2008

in the name and on behalf of
the Board of Directors of ČESKÁ RAFINÉRSKÁ, a.s.



Ivan Souček
Chairman of the Board of Directors



Salvatore Recupero
Vice chairman of the Board of
Directors

UNIPETROL BUSINESS CONSORTIUM - CONTROLLED COMPANIES in 2007
1. 1. - 31. 12. 2007

Companies controlled direct participation indirect participation	Seat of company	Ident. No.	The controlling party	Capital interest % corporate stock		Changes throughout 2007
				1.1.2007	31.12.2007	
BENZINA, s.r.o.	Praha	60193328	UNIPETROL, a.s.	100,00	100,00	1 May 2007 - change of the legal form from joint stock company to limited liability company
ČESKÁ RAFINÉRSKÁ, a.s.	Litvínov	62741772	UNIPETROL, a.s.	51,00	51,22	
PARAMO, a.s.	Pardubice	48173355	UNIPETROL, a.s.	73,52	88,03	
CHEMOPETROL, a.s. (ceased to exists on 1.8.2007)	Litvínov	25003887	UNIPETROL, a.s.	100,00	0,00	Successional company since 1 August 2007 - UNIPETROL RPA, s.r.o.
UNIPETROL RAFINÉRIE a.s. (ceased to exist on 1.8.2007)	Litvínov	25025139	UNIPETROL, a.s.	100,00	0,00	Successional company since 1 August 2007 - UNIPETROL RPA, s.r.o.
UNIPETROL RPA, s.r.o. (until 27 April 2007 Steen Estates s.r.o.)	Litvínov	27597075	UNIPETROL, a.s.	100,00	100,00	
UNIPETROL SERVICES, s.r.o. (until 15 March 2007 Meliba Estates s.r.o.)	Litvínov	27608051	UNIPETROL, a.s.	100,00	100,00	
KAUČUK, a.s. (SYNTHOS Kralupy a.s. since 2 November 2007)	Kralupy nad Vltavou	25053272	UNIPETROL, a.s.	100,00	0,00	19 July 2007 - the company sold outside the UNIPETROL Group
Butadien Kralupy a.s. (incorporated on 27 April 2007)	Kralupy nad Vltavou	27893995	UNIPETROL, a.s.	00,00	51,00	From 27 April 2007 to 19 July 2007 Kaučuk, a.s. was the controlling entity (100%)
Výzkumný ústav anorganické chemie, a.s.	Ústí nad Labem	62243136	UNIPETROL, a.s.	100,00	100,00	
UNIPETROL TRADE a.s.	Praha	25056433	UNIPETROL, a.s.	100,00	100,00	
UNIPETROL RAFINÉRIE, s.r.o. (until 8 August 2007 Garo Estates s.r.o.)	Litvínov	27885429	UNIPETROL, a.s.	00,00	100,00	The company is controlled since 7 June 2007.
BENZINA Trade a.s. v likvidaci	Praha	26135710	BENZINA, s.r.o.	100,00	100,00	
PETROTRANS, s.r.o.	Praha	25123041	BENZINA, s.r.o. UNIPETROL, a.s.	100,00 0,00	99,40 0,60	1 May 2007 - change of the legal form from joint stock company to limited liability company
MOGUL SLOVAKIA, s.r.o.	Hradište pod Vrátnom	36222992	PARAMO, a.s.	100,00	100,00	
HC CHEMOPETROL, a.s.	Litvínov	64048098	UNIPETROL RPA, s.r.o.	70,95	70,95	Change of the firm name to HC Litvínov, a.s. since 4 January 2008
CHEMICKÁ SERVISNÍ, a.s.	Litvínov	25492110	UNIPETROL RPA, s.r.o.	100,00	100,00	
POLYMER INSTITUTE BRNO, spol. s r.o.	Brno	60711990	UNIPETROL RPA, s.r.o. UNIPETROL, a.s.	100,00 0,00	99,00 1,00	
UNIPETROL DOPRAVA, s.r.o.	Litvínov	64049701	UNIPETROL RPA, s.r.o. UNIPETROL, a.s.	100,00 0,00	99,88 0,12	1 May 2007 - change of the legal form from joint stock company to limited liability company
CELIO a.s.	Litvínov 7	48289922	UNIPETROL RPA, s.r.o. UNIPETROL, a.s.	40,53 10,53	40,53 10,53	
UNIRAF SLOVENSKO s.r.o.	Bratislava	35777087	UNIPETROL RPA, s.r.o. UNIPETROL, a.s.	100,00 0,00	86,96 13,04	
K-PROTOS, a.s.	Kralupy nad Vltavou	25617214	KAUČUK, a.s.	100,00	0,00	The company was controlled until 19 July 2007, since then the company is out of the UNIPETROL Group
ALACHEM VERWALTUNGS GmbH	Langen/Hessen, Německo		UNIPETROL TRADE a.s.	100,00	100,00	
UNIPETROL DEUTSCHLAND GmbH	Langen/Hessen, Německo		ALACHEM VERWALTUN	100,00	100,00	
ALIAPHARM GmbH FRANKFURT	Frankfurt/Main, Německo		ALACHEM VERWALTUN	100,00	100,00	
UNIPETROL CHEMICALS IBERICA S.A.	Barcelona, Španělsko		UNIPETROL TRADE a.s.	100,00	100,00	
CHEMAPOL (SCHWEIZ) AG	Basel, Švýcarsko		UNIPETROL TRADE a.s.	100,00	100,00	
UNIPETROL AUSTRIA HmbH	Vídeň, Rakousko		UNIPETROL TRADE a.s.	100,00	100,00	
UNIPETROL FRANCE S.A.	Pafíž, Francie		UNIPETROL TRADE a.s.	96,72	100,00	
UNIPETROL ITALIA S.r.l.	Milano, Itálie		UNIPETROL TRADE a.s.	90,00	100,00	
UNIPETROL (UK) LIMITED	Kingston upon Thames, V.Británie		UNIPETROL TRADE a.s.	100,00	100,00	
DP MOGUL UKRAJINA	Kijev, Ukrajina		UNIPETROL TRADE a.s.	100,00	100,00	
MOGUL, d.o.o.	Velenje, Slovinsko		UNIPETROL TRADE a.s.	100,00	100,00	
UNIPETROL POLSKA Sp. z o.o.	Lódž, Polsko		UNIPETROL TRADE a.s.	100,00	0,00	The company ceased to exist by deletion from the company register as of 30.1.2007

PKN ORLEN S.A. BUSINESS CONSORTIUM - CONTROLLED COMPANIES IN 2007

1 January 2007 - 31 December 2007

Companies controlled by PKN S.A. Companies directly controlled by PKN ORLEN S.A. Companies indirectly controlled by PKN ORLEN S.A.	Seat of Company	Share of PKN ORLEN in directly and indirectly controlled companies % of corporate stock held		Note
		1.1.2007	31.12.2007	
UNIPETROL, a.s.	Praha	62,99	62,99	See separate list of companies controlled by UNIPETROL, a.s.
ORLEN Deutschland AG	Elmshorn	100,00	100,00	
ORLEN Budonafit Sp. z o.o.	Kraków	100,00	100,00	
ORLEN Automatyka Sp. z o.o.	Płock	52,42	52,42	
ORLEN Asfalt Sp. z o.o.	Płock	82,46	82,46	17,54 % Rafineria Trzebinia S.A.
Inowrocławskie Kopalnie Soli "SOLINO" S.A.	Inowrocław	70,54	70,54	
B.H.T. Dromech S.A. Warszawa w upadłości	Warszawa	81,14	00,00	in bankruptcy proceedings until 30 June 2007
ORLEN Gaz Sp. z o.o.	Płock	100,00	100,00	
ORLEN Petrogaz Wrocław Sp. z o.o. w likwidacji	Wrocław	100,00	100,00	in liquidation since 10 December 2007
ORLEN KoTrans Sp. z o.o.	Płock	99,85	99,85	
Orlen Laboratorium Sp. z o.o.	Płock	94,94	94,94	
ORLEN Medica Sp. z o.o.	Płock	100,00	100,00	
Sanatorium Uzdrowskie "Krystynka" Sp. z o.o.	Ciechocinek	98,54	98,54	
ORLEN Morena Sp. z o.o.	Gdańsk	100,00	100,00	
ORLEN Ochrona Sp. z o.o.	Płock	100,00	100,00	
ORLEN OIL Sp. z o.o.	Kraków	51,69	51,69	43,84 % Rafineria Trzebinia S.A. and 4,47% Rafineria nafty Jedlicze
Petro-Oil Pomorskie Centrum Sprzedaży Sp. z o.o.	Gdańsk	100,00	100,00	
Platinum Oil Sp. z o.o. (until 19 December 2007 under the name Petro-Oil Lubelskie Centrum Sprzedaży)	Lublin	00,00	100,00	
Petro-Oil Lubelskie Centrum Sprzedaży Sp. z o.o. (since 19 December 2007 change of the name)	Lublin	24,00	00,00	merged with Platinum Oil Mazowsze Sp. z o.o. (succession)
Platinum Oil Mazowsze Sp. z o.o. (ceased to exist on 19.12.2007)	Józefów	100,00	00,00	merged with Petro-Oil Lubelskie Centrum Sprzedaży Sp. z o.o.
ORLEN OIL ČESKO, s.r.o.	Brno	100,00	100,00	
ORLEN PetroCentrum Sp. z o.o.	Płock	100,00	100,00	
ORLEN PetroProfit Sp. z o.o.	Niemce	100,00	100,00	
Petro-Ukraina LTD Lwów w likwidacji	Lwów	80,00	80,00	
ORLEN PetroTank Sp. z o.o.	Widulka	90,00	90,00	
ORLEN PetroZachód Sp. z o.o.	Poznań	100,00	100,00	
ORLEN Powiernik Sp. z o.o.	Płock	100,00	100,00	
ORLEN Projekt S.A.	Płock	51,00	51,00	
ORLEN Transport Kędzierzyn-Koźle Sp. z o.o.	Kędzierzyn-Koźle	94,29	94,29	
ORLEN Transport Kraków Sp. z o.o. w upadłości	Kraków	98,41	98,41	
ORLEN Transport Nowa Sól Sp. z o.o.	Nowa Sól	96,80	96,80	
ORLEN Transport Olsztyn Sp. z o.o.	Olsztyn	94,89	94,89	
ORLEN Transport Płock Sp. z o.o.	Płock	97,55	97,55	
ORLEN Transport Słupsk Sp. z o.o.	Słupsk	97,06	97,06	
ORLEN Transport Szczecin Sp. z o.o.	Szczecin	99,56	99,56	
ORLEN Wir Sp. z o.o.	Płock	51,00	51,00	
Petrolot Sp. z o.o.	Warszawa	51,00	51,00	
Petromor Sp. z o.o.	Gdańsk	51,31	0,00	The company was controlled until 2 October 2007
Petrotel Sp. z o.o.	Płock	75,00	75,00	
RAFINERIA NAFTY JEDLICZE S.A.	Jedlicze	75,00	75,00	
„RAF-BIT” Sp. z o.o.	Jedlicze	100,00	100,00	
„RAF-ENERGIA” Sp. z o.o.	Jedlicze	100,00	100,00	
„RAF-KOLTRANS” Sp. z o.o.	Jedlicze	100,00	100,00	
„RAF-Służba Ratownicza” Sp. z o.o.	Jedlicze	100,00	100,00	
„RAF-REMAT” Sp. z o.o.	Jedlicze	96,12	0,00	The company was controlled until 12 December 2007
„RAF-EKOLOGIA” Sp. z o.o.	Jedlicze	92,74	92,75	
Konsorcjum Olejów Przetworzonych "ORGANIZACJA ODZYSKU" S.A.	Jedlicze	81,00	81,00	8 % Rafineria Trzebinia S.A.
"RAN-PETROMEX" Sp. z o.o.	Opole	51,00	0,00	The company was controlled until 17 May 2007
"RAN-WATT" Sp. z o.o. w likwidacji	Toruń	51,00	51,00	
RAFINERIA TRZEBINIA S.A.	Trzebinia	77,15	77,15	
Fabryka Parafin NaftoWax sp. z o.o.	Trzebinia	100,00	100,00	
Energomedia sp. z o.o.	Trzebinia	100,00	100,00	
Euronafit Trzebinia sp. z o.o.	Trzebinia	99,99	99,99	
Zakładowa Straż Pożarna Sp. z o.o.	Trzebinia	99,98	100,00	
EkoNaft Sp. z o.o.	Trzebinia	99,00	99,00	
ORLEN OIL Sp. z o.o.	Kraków	43,84	43,84	51,69% PKN ORLEN S.A. and 4,47% Rafin. Nafty Jedlicze
ORLEN Asfalt Sp. z o.o.	Płock	17,54	17,54	82,46 % PKN ORLEN S.A.
Konsorcjum Olejów Przetworzonych "ORGANIZACJA ODZYSKU" S.A.	Jedlicze	8,00	8,00	81% Rafineria Nafty Jedlicze
Ship - Service S.A.	Warszawa	60,86	60,86	
Ship Service Agro Sp. z o.o.	Szczecin	100,00	100,00	
WISŁA Płock S.A.	Płock	100,00	0,00	Transferred to Płock municipal town on 20 December 2007
ORLEN Centrum Serwisowe Sp. z o.o.	Opole	96,65	96,37	
ANWIL S.A.	Wrocław	84,49	84,79	
Przedsiębiorstwo Rolne AGRO-AZOTY II Włodawek Sp. z o.o. w Łące	Czaplinek	100,00	100,00	
Przedsiębiorstwo Inwestycyjno - Remontowe REMWIL Sp. z o.o.	Włodawek	99,98	99,98	
Przedsiębiorstwo Produkcyjno-Handlowo-Usługowe PRO-LAB Sp. z o.o.	Włodawek	99,20	99,20	
SPOLANA a.s.	Neratovice	81,78	82,30	13,4 % PKN ORLEN S.A.
Przedsiębiorstwo Usług Specjalistycznych i Projektowych CHEMEKO Sp. z o.o.	Włodawek	55,93	55,93	
ORLEN EKO Sp. z o.o.	Płock	100,00	100,00	
ORLEN Administracja Sp. z o.o.	Płock	100,00	100,00	
ORLEN Upstream Sp. z o.o.	Warszawa	100,00	100,00	
ORLEN Prewencja Sp. z o.o.	Płock	100,00	100,00	
ORLEN Księgowość Sp. z o.o.	Płock	100,00	100,00	
Etylobenzen Płock Sp. z o.o. w likwidacji	Płock	51,00	100,00	in liquidation since 7 July 2007
ORLEN HOLDING MALTA Limited	Sliema, Malta	99,50	99,50	

Companies controlled by PKN S.A. (continued)	Seat of Company	Share of PKN ORLEN		Note
		in directly and indirectly controlled companies		
		% of corporate stock held		
Companies directly controlled by PKN ORLEN S.A. Companies indirectly controlled by PKN ORLEN S.A.		1.1.2007	31.12.2007	
ORLEN Insurance Ltd	Sliema, Malta	100,00	100,00	
AB MAZEIKIU NAFTA	Juodeikiai	84,20	90,019	
UAB Juodeikiu Nafta w likwidacji	Juodeikiai	100,00	100,00	
UAB Uotas w likwidacji	Mazeikiai	100,00	100,00	
AB Ventus Nafta	Vilnius	98,59	98,59	
UAB Mazeikiu Nafta Trading House	Vilnius	100,00	100,00	
ORLEN Finance AB	Sztokholm	00,00	100,00	The Company is controlled since 15 June 2007
SPOLANA a.s.	Neratovice	13,4	13,4	82,30 % ANWIL S.A.
Basell Orlen Polyolefins Sp. z o.o.	Plock	50,00	50,00	50 % Basell Europe Holding B.V.
Basell Orlen Polyolefins Sp. z o.o. Sprzedaż Sp. z o.o.	Plock	100,00	100,00	
Plocki Park Przemysłowo-Technologiczny S.A.	Plock	50,00	50,00	50 % owned by Plock municipal town
Centrum Koncepcjalizacji Technologii Sp. z o.o.	Plock	100,00	100,00	
Centrum Edukacji Sp. z o.o.	Plock	69,43	69,43	

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