Ernst & Young Audyt Polska
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AUDITOR'S STATEMENT

For the General Meeting and the Supervisory Board of PBG S.A. w upadłości układowej (in company voluntary arrangement)

1. We have audited the attached financial statements of PBG S.A. w upadłości układowej (in company voluntary arrangement) (the "Company"), with its registered office at ul. Skórzewska 35, Wysogotowo, Poland, covering the year ended December 31st 2015 and comprising the statement of financial position prepared as at December 31st 2015, statement of profit or loss, statement of comprehensive income, statement of changes in equity, statement of cash flows for the period January 1st–December 31st 2015, as well as the applied accounting policies and other explanatory notes (the "attached financial statements").

2. The Company's Management Board is responsible for fair and clear presentation of the attached financial statements, for their preparation in accordance with mandatory accounting principles (policies), as well as for the correctness of the accounting records. The Management Board and the Supervisory Board of the Company are further obliged to ensure that the attached financial statements and the Directors' Report on the Company's operations comply with the requirements stipulated in the Accountancy Act of September 29th 1994 (consolidated text: Dz.U. of 2013.330, as amended − the "Accountancy Act"). Our responsibility was to audit the attached financial statements and give an opinion on whether the statements comply, in all material respects, with the mandatory accounting principles (policies), and whether they present fairly and clearly, in all material respects, the Company's assets and financial position, as well as its financial performance, and whether the accounting records used as a basis of preparation of the financial statements are correct in all material respects.

3. We audited the attached financial statements in accordance with:

   - Chapter 7 of the Accountancy Act,
   - Polish auditing standards issued by the National Council of Statutory Auditors in Poland.

4. On June 22nd 2012, the decision of the District Court for Poznań-Stare Miasto in Poznań, 11th Commercial Insolvency and Arrangement Division, dated June 13th 2012, declaring the Company to be insolvent in voluntary arrangement, became final. On August 1st 2015, the Company

Management Board entered into a restructuring agreement with the financial creditors. In a vote held during a Creditors' Meeting from August 3rd to August 5th 2015, Company creditors voted in favour of an arrangement. The arrangement was approved by the bankruptcy court's decision of October 8th 2015, but since appeals filed by two creditors were still pending consideration as at the date of this Statement, the arrangement is not final. In Note 2.5.3 to the attached financial statements, the Management Board stated that the Company's present financial position poses a significant threat to its continuing as a going concern, however, considering the Management Board's consistent efforts which, among other things, resulted in reaching an arrangement with creditors and enabled the Company to continue in existence, a decision was made to prepare the attached financial statements on the assumption that the Company will continue as a going concern in the foreseeable future of at least 12 months subsequent to the reporting date.

The attached financial statements have been prepared on the assumption that the Company will continue as a going concern and do not contain any adjustments related to alternative methods of valuation or classification of assets and liabilities that may be necessary to be applied if the Company is unable to continue as a going concern for 12 months subsequent to the balance-sheet date. However, given that the bankruptcy court's decision approving the arrangement has not yet become final and considering the significant uncertainty as to the Company's ability to perform the arrangement, we are not able to determine whether the application of the going concern assumption is justified.

5. On June 12th 2013, the Company's Court Supervisor provided Judge Commissioner with a list of claims valued at PLN 2,776m. On December 9th 2014, Judge Commissioner approved the list of claims, as well as the first, second and third supplementary lists of claims. On July 8th 2015, Judge Commissioner issued a decision approving the fourth supplementary list of claims. As at December 31st 2015, the value of accepted claims included in the approved list of claims and the supplementary lists of claims was PLN 3,148m. As mentioned in Section 4 above, in a vote held from August 3rd to August 5th 2015, the Meeting of the Company's Creditors agreed to the arrangement, which was approved by the bankruptcy court's decision of October 8th 2015, but appeals filed against the decision were still pending consideration as at the date of this Statement. Therefore, the value of accepted claims, as well as amounts presented in the attached financial statements, may be subject to change. Accordingly, we are unable to assess the correctness of the amounts of liabilities and provisions disclosed in the attached financial statements.

6. The Management Board remeasured the provision for the Company's potential liability under the sureties and guarantees it has issued, for its joint and several liability towards subcontractors under contracts performed under consortium agreements, and for its other liabilities which have not been disclosed in the statement of financial position. Following adjustment of the provision to PLN 347m, as described by the Management Board in Note 4.18.2, PLN 7.8m was recognised under other income. As at the date of this Statement, it is impossible to determine to what extent and what proportion of these liabilities will have to be paid by the Company. Therefore, we are unable to provide our opinion as to the correctness of valuation of the PLN 347m provision or the PLN 7.8m income from partial reversal of the provision included in the current period result.

7. The Company holds, directly or indirectly, 50.0001% of shares in RAFAKO S.A. The value of the interest in RAFAKO S.A. was reduced by PLN 137m relative to December 31st 2014. The current value of the shares, disclosed at PLN 414m, has been estimated based on an independent expert's valuation report, taking into account an additional control premium of 15% of the value in use of RAFAKO S.A. At the same time, the market value of RAFAKO S.A. shares quoted on the Warsaw Stock Exchange was markedly lower and amounted to approximately PLN 336m as at December 31st 2015. In our opinion, considering the market value of RAFAKO S.A. and based on our analyses, the recognised value of the investment in RAFAKO S.A. reported at PLN 414m is substantially above the investment's fair value, mainly due to the additional control premium calculated on the basis of the value in use. While performing our procedures, we were not able to determine the correct amount of the impairment loss on the investment.

8. In 2015, the Company reclassified buildings and structures to investment property and recognised a PLN 27.2m impairment loss to adjust the assets to their fair value. Given the reservation expressed in the auditor's statement as at December 31st 2014, concerning failure to recognise the effects of measurement of property, plant and equipment based on fair values determined through independent valuation, we are not able to provide an opinion as to the correctness of the Company's financial information as at December 2014 or as to what portion of the impairment loss should be charged to profit or loss for the year ended December 31st 2015. The fair values of investment property as at December 31st 2015 disclosed in the attached financial statements are based on an independent appraiser's valuations.

9. In the financial statements as at December 31st 20014, the Company disclosed loans advanced to related entities, BATHINEX Sp. z o.o. and BROKAM Sp. z o.o., with a total value of about PLN 28m, as well as shares in BROKAM Sp. z o.o., with a value of about PLN 12m. The above companies are not conducting operating activities. In 2015 the Company recognised a PLN 34m impairment loss on the assets based on an offer it received for the purchase of deposits owned by BATHINEX. Considering the limitations to the scope of audit set out in the auditor's statement as at December 31st 2014, related to the auditor's inability to express an opinion on the amount of the impairment loss on these investments, we are not able to provide an opinion on the correctness of the Company's financial information as at December 31st 2014 or the impairment loss recognised in the statement of profit or loss for the year ended December 31st 2014. As at December 31st 2015, the investments were disclosed in the attached financial statements at the value of the deposit purchase offer received by the Company.

10. The Company holds investment certificates in the Dialog Plus Closed-End Investment Fund incorporated under the laws of Ukraine, disclosed in the attached financial statements under non-current loans and valued at approximately PLN 38m. The investment certificates have been acquired to finance the operations of Energopol Ukraina, a subsidiary. In July 2013, the Company signed a conditional agreement obliging it to sell these assets, pursuant to which the investment certificates will be transferred on the basis of a separate agreement once the Company has received payment of the agreed selling price, no later however than by December 24th 2015. Under an annex to the agreement signed on December 7th 2015, the final purchase date was extended until no later than December 31st 2016. The Company has not provided us with any documentation that would

confirm the buyer's ability to finance the purchase of the certificates. Given the above and the uncertain political and economic situation in Ukraine, we are not able to provide an opinion on the correctness of the valuation or the amount of an impairment loss, if any, on this investment.

11. In Note 4.21 to the attached financial statements, the Company's Management Board noted that on April 2nd 2014 the Company received a notice from PGNiG S.A. of rescission of the contract for construction of the Wierzchowice Underground Gas Storage Facility of November 19th 2008. The employer demanded that the contract consortium pay liquidated damages of PLN 133m. The Company, as the consortium leader, has taken the stance that the notice is ineffective and the demand for liquidated damages unjustified, citing numerous arguments supporting its stance. Accordingly, the Company Management Board resolved not to recognise a provision for potential additional liabilities towards PGNiG S.A. Furthermore, the Company calculated an amount due from PGNiG for works performed since the last billed construction phase, totalling approximately PLN 12m. Given material uncertainties as to the outcome of the dispute, we are not able to provide an opinion on the final value of settlements related to this investment.

12. In Note 4.21, the Management Board presented information on the contract for the construction of the LNG Terminal in Świnoujście, performed by the Company in a consortium. The Management Board stated that following the change of legal regulations during the course of the contract the scheduled completion date had been exceeded. Under Annex 2 of September 2015 to the contract for delivery of the working design, construction and commissioning of the liquefied natural gas regasification terminal in Świnoujście of July 15th 2010, the project is scheduled for completion in May 2016. However, as at the date of this Statement the Company has not updated the cost budget for the contract.

    Given material uncertainties related to the final settlement of the contract, in particular with respect to contractual penalties, which we cannot determine reliably, we are unable to provide an opinion on the final value of settlements under this project. In addition, given that the contract budget has not been updated, we are unable to provide an opinion on the items of the statement of financial position and the statement of profit or loss related to the performance of that contract.

13. Considering the significance of identified issues and their potential impact on the financial result for the period January 1st−December 31st 2015 and on the Company's assets and financial position as at December 31st 2015, we are not able to provide an opinion on the attached financial statements. Therefore, we are not issuing an audit opinion on the attached financial statements.

    13. In light of the facts presented above, we have decided that reviewing the Directors' Report on the Company's operations in the period January 1st−December 31st 2015 would be irrelevant.

For
Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp. k.
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Lead Auditor
[signature]
Robert Klimacki
Qualified Auditor Reg. No. 90055

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Warsaw, March 21st 2016