POLAND - Country Profile

WPC Regional Meeting, Portoroz, April 2003

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Polish National WPC Committee

Status: Republic
Area: 312,700 km²
Border to border distances:
650 km north-south
690 km east-west
Administrative system: 16 provinces
Capital: Warsaw (Warszawa) - 1.6 million inhabitants
Official language: Polish
Currency: zloty (PLN); 1 US$ = 4.06 PLN (April 2003)
1 € = 4.36 PLN (April 2003)

Population: 38.7 million, including 62% in urban areas
Poles represent 98.7% of the total population
Poland

- GDP: (2002) 769.4 billions PLN (in current prices)
- GDP per capita: 19 909.84 PLN
- GDP growth: 2002/2001 1.3 %
- Unemployment rate: 18.7 Jan.2003
- Inflation rate: 2002/2001 - 1.9 %
- Average monthly salary for 2002 - 2133 PLN

Energy market

Total energy consumption 3019.6 PJ

- Solid fuels 25.8%
- Gasous fuels 14.2%
- Electricity 14.3%
- Other 20.8%
- Liquid fuels 25.0%
### Map of Polish oil infrastructure

The map illustrates the distribution of oil infrastructure in Poland, including refineries, crude oil pipelines, and product pipelines. It also highlights sea terminals.

### Consumption of liquid fuels in Poland, between 1998-2002

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<tbody>
<tr>
<td>Petrol</td>
<td>5,213</td>
<td>5,408</td>
<td>5,464</td>
<td>5,527</td>
<td>5,034</td>
<td>4,711</td>
<td>4,420</td>
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<tr>
<td>Diesel Oil</td>
<td>5,845</td>
<td>5,504</td>
<td>5,567</td>
<td>5,787</td>
<td>5,163</td>
<td>4,842</td>
<td>4,870</td>
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<tr>
<td>Light heating oil</td>
<td>742</td>
<td>1,326</td>
<td>1,651</td>
<td>1,631</td>
<td>2,272</td>
<td>2,873</td>
<td>2,620</td>
</tr>
<tr>
<td>TOTAL</td>
<td>11,800</td>
<td>12,238</td>
<td>12,682</td>
<td>12,945</td>
<td>12,469</td>
<td>12,426</td>
<td>11,910</td>
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</table>
Domestic consumption of liquid fuels in Poland between 1996-2002

Petrol station networks in Poland - the position as on 30.06.2002
Breakdown of Eurosuper gasoline prices (at pumps) at the end of February 2003 (in €/1000 litres) compared to the average European price.

Breakdown of diesel oil prices (at pumps) at the end of February 2003 (in €/1000 litres) compared to the average European price.
**Present ownership structure of Polish oil sector**

**Privatisation projects being in realization**

**Privatisation of Gdansk Refinery S.A.:**
- The second bid opened in 2000
- Exclusiveness for the Rotch Energy Limited. Period of exclusiveness has been extended twice.
- Admission of PKN ORLEN S.A. to the privatisation process of Gdansk Refinery S.A.
- Common offer of Rotch and PKN Orlen for buying 75% shares of Gdansk Refinery - December 2002.
- Decision of Ministry of Treasury expected.

Foreseen closure of transaction - until the end of 2003.
Privatisation projects being in realization

Privatisation of the Naftobazy Ltd.:

• Invitation to negotiations - October 2002 - addressed to the companies specialized in fuels storage,

• Due diligence process of the Company by investors - completed.

• Biding offers expected up to the end of March.

Conclusion of the buying from 51% to 65 % shares of the Company until the end of 2003.

Quality of motor fuels

• Adaptation of European Standards: EN 228:1999, EN 590:1999

• Mandatory quality of fuels introduced from 1January 2003 corresponding with Directive 98/70/EEC,

• Monitoring system to be introduced as from 1January 2004
### Mandatory oil stocks

#### Adaptation of the law
- general obligation of stocking the oil by all of producers and importers
- adaptation of the fuel categories: petrol, diesel and fuel oils.

Poland declared reaching the level of the mandatory oil stocks for not less than 45 days in the moment of accession and 90 days until 2008

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### Present level of reserves

Reserves stocked by refineries at the end of 2002 are equal to the amounts for 36 days of domestic fuel consumption, that together with state reserves for 14 days corresponds to 50 days of domestic consumption security.