

Modern and efficient oil production and refining processes

In our principal business activities, we focus on three areas:

- hydrocarbon exploration and production,
- crude oil refining, and
- trading in petroleum products.

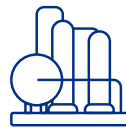
To improve our trading efficiency, we are constantly optimising our refining and logistics processes.

OUR OPERATIONS ARE DIVIDED INTO TWO SEGMENTS:



EXPLOTRATION AND PRODUCTION

acquisition and production of crude oil and natural gas, and the related auxiliary, transport and servicing activities,

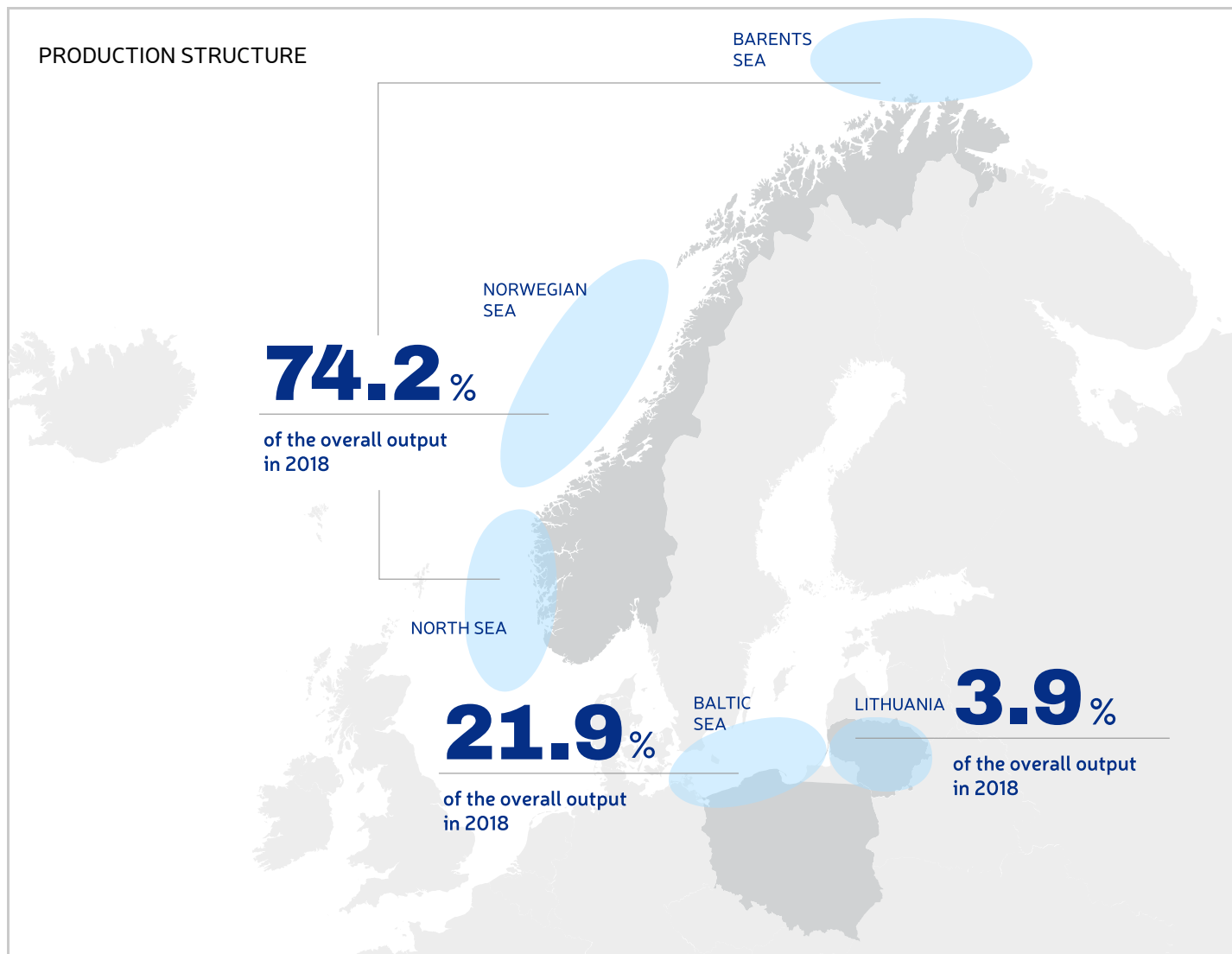


REFINING AND MARKETING

petroleum processing and manufacture of refined petroleum products, wholesale and retail sale of petroleum products, and the related auxiliary, transport and servicing activities.

Exploration and production

We are the only company engaged in hydrocarbon production in Poland's Exclusive Economic Zone of the Baltic Sea. As regards our foreign operations, we produce hydrocarbons on the Norwegian Continental Shelf and in Lithuania.



4.5 kboepd

LOTOS Group's average daily output in Poland in 2018

22% of the segment's total volume

15.2 kboepd

LOTOS Group's average daily output in Norway in 2018

74% of the segment's total volume

0.79 kboepd

LOTOS Group's average daily output in Lithuania

4% of the segment's total volume

10.8 million tonnes

Gdańsk refinery's refining throughput in 2018

the highest throughput in the refinery's history

20.4 kboepd

LOTOS Group's average daily output in 2018

89.8 mboe

LOTOS Group's total oil and gas reserves as at the end of 2018

including 78% crude oil and 22% natural gas

EXPLORATION & PRODUCTION SEGMENT

Poland

Baltic Sea



Reserves 2P
49.6 mboe



Production
4.5 kboepd

Lithuania

Onshore



Reserves 2P
2.9 mboe



Production
0.8 kboepd

Norway

Norwegian Continental Shelf



Reserves 2P
37.3 mboe



Production
15.2 kboepd

Exploration & Production segment



Reserves 2P
89.8 mboe



Production
20.4 kboepd

Crude processing

Our refinery is among the most advanced and youngest in Europe, and boasts a throughput capacity of approximately 10.5 million tonnes of oil per year. In 2018, we broke our own record by processing as much as 10.8 million tonnes of crude oil, mainly Urals (73.1%). Our oil refining products are sold in Poland and abroad, through wholesale and retail channels (the latter being our own service station chain).

The LOTOS Group's trading activities in 2018 were carried out by Grupa LOTOS and its subsidiaries: LOTOS Paliwa, LOTOS Oil, LOTOS Asfalt, and LOTOS-Air BP.

10.8 MT – Gdańsk refinery's refining throughput in 2018 – the highest throughput in the refinery's history, achieved through maximum production capacity utilisation.

Our operations are highly efficient – the new technologies we use in our production processes enable us to obtain up to 95% of pure fuel from one barrel of oil. The waste generated in the refining process (5% of an oil barrel) is used to produce bitumen, which we sell to our trading partners.