DOCUMENTS FOR THE ANNUAL GENERAL MEETING

ANNUAL GENERAL MEETING OF
MOL HUNGARIAN OIL AND GAS PLC.

TO BE HELD ON 29 APRIL, 2010

Date of the AGM: 29 April, 2010 11 a.m.

Venue of the AGM: Danubius Thermal & Conference Hotel, Helia

Dear Shareholder,

The Annual General Meeting of the Company was convened by the Board of Directors of MOL Plc. for 29 April 2010, 11 a.m., whose agenda is contained in the announcement published as stipulated in the by-laws. The announcement was published on 29 March 2010 on the homepages of Budapest Stock Exchange and MOL.

Agenda items of the Annual General Meeting:

1. Closing the 2009 business year:

    - Report of the Board of Directors on the 2009 business operation; presentation of the financial statements drawn up in compliance with the Accounting Act (the parent company's financial statements in compliance with the Accounting Act and the generally accepted accounting principles in Hungary and the consolidated financial statements in compliance with International Financial Reporting Standards as adopted by the European Union ("IFRS")); proposal on the use of after tax profit.
    - Auditor's report on the 2009 financial statements presented by the Board of Directors
    - Report of the Supervisory Board on the 2009 financial statements and proposal for the distribution of after tax profit.
    - Decision on the approval of the parent company's 2009 financial statements prepared in accordance with the Accounting Act and the consolidated financial statements prepared in compliance with IFRS, use of after tax profits and amount of dividends.
    - Decision on the approval of the corporate governance declaration.

2. Decision on the waiver to be granted to the executive officers according to Section 30 (5) of the Companies' Act

3. Election of the statutory auditor for the 2010 financial year and determination of its remuneration as well as the material elements of its engagement

4. Authorization of the Board of Directors to acquire treasury shares

5. Dismissal and election of the members of the Board of Directors

6. Dismissal and election of the members of the Supervisory Board

The brochure contains an English language translation of the original proposals and information in accordance with the items on the agenda. The purpose of documents prepared for the General Meeting is to promote a better orientation of the particular items on the agenda and to provide information for the shareholders regarding the questions to be discussed at the General Meeting. Please see the original Announcement for additional information. In case the general meeting does not have a quorum the repeated general meeting shall discuss the same agenda items with the same Resolution proposals.

This document is published in Hungarian and in English. The official text of this document is in Hungarian only.

Technical remarks

Conditions for participation and exercise of voting rights at the general meeting:

Shareholders may participate and vote at the general meeting, if the holder of the share(s) is registered in the Share Register seven (7) business days prior to the date of the general meeting (on April 20, 2010) in the framework of the shareholders' identification. In order to be registered in the Share Register in the course of the shareholders' identification, shareholders must comply with the Articles of Association of the Company and the relevant laws. Upon instruction of the Board of Directors, KELER Zrt. shall close the register of shareholders on 20 April, 2010, and no application for registration shall be accepted until the day following the closing of the general meeting. **The record date of the shareholders' identification shall be April 15, 2010.** The securities account holders shall be responsible for registering the shareholders in the Share Register upon instruction of such shareholders. The securities account holders shall provide information to the shareholders on the deadlines for giving instructions to the securities account holders.

MOL shall not be liable for the performance of or the failure to perform the instructions given to the securities account holder. Shareholders may inspect and obtain information in respect of their registration by phone (+36-1-4836251) or personally at the Share-register Office of KELER Zrt. (address: 1075 Budapest, Asbóth u. 9-11) on any workday between 09.00 a.m. and 03.00 p.m. Closing the Share Register does not restrict the right of the persons registered in the Share Register to transfer their shares following the closing date. Transferring shares prior to the general meeting does not deprive the persons registered in the Share Register of their rights to participate at the general meeting and exercise their rights they are entitled to as shareholders.

The general meeting shall have a quorum if the holders of shares representing more than half of the voting rights are present. When determining the quorum, restrictions specified under Articles 10.1 and 10.2 of the Articles of Association shall be applied so that votes exceeding the 10% limit to which each shareholder is entitled shall be disregarded. Holders of registered ordinary shares shall be entitled to one (1) vote attaching to each „A" series share with a par value of HUF 1,000 (i.e. one thousand forint) each subject to the restrictions specified in the Articles of Association. The "B" series preference share entitles its holder to one (1) vote in addition to the voting preference rights defined in the Articles of Associations.

Shareholders shall be entitled to participate at the general meeting either in person or through a proxy issued or by nominee (hereinafter collectively referred as „nominee") in accordance with the provisions of Act IV of 2006 on Companies and Act CXX of 2001 on the Capital Market.
In case shareholders wish to give a power of attorney in an **official form** ("proxy card") as defined in Article 13.6 of the Articles of Association, they shall submit such request to the Investor Relations Department of MOL Plc by 28 April, 2010 at the latest in writing (mailing address: 1117 Budapest, Október huszonharmadika u. 18.) or e-mail to investorrelations@mol.hu. The request shall contain the exact name and address (mailing or e-mail address) of the shareholder the form (proxy card) should be delivered to.

The power of attorney for the nominee (including the power of attorney issued by a proxy card) shall be prepared in the form of a public document or a private document with full probative force taking into account any international agreement or reciprocity between Republic of Hungary and the country where the document was issued. If the power of attorney is prepared in any language other than Hungarian an official Hungarian translation thereof shall be attached. In case of shareholders other than natural persons, powers of representations of the persons signing the power of attorney or representing the shareholder at the general meeting shall be certified by appropriate documents issued by a public authority or office (e.g. certificate of incorporation) or by a public notary. If the certification of the power of representation is in any language other than Hungarian an official Hungarian translation thereof shall be attached.

The power of attorney (with the exception of the power of attorney issued by a proxy card) shall be deposited at registration prior to the commencement of the general meeting at the latest, in accordance to the Articles of Association. The power of attorney given by a proxy card shall arrive to the address of the Company (1117 Budapest, Október huszonharmadika u. 18.) by April 28, 2010 at the latest.

In case of holders of depository receipts (DRs) issued under a foreign law, The Bank of New York Mellon, as the issuer of such DRs, shall be entitled to exercise rights of representation. Holders of DRs will be entitled to exercise their voting rights by a Letter of Proxy issued in favor of The Bank of New York Mellon as depositary, in accordance with the Articles of Association of MOL, the Deposit Agreement and applicable laws and based on the draft resolutions sent by the Board of Directors of MOL Plc to the DR holders via The Bank of New York Mellon. We request DR holders to obtain information on the detailed rules of procedure at the customer service of the Bank of New York Mellon (101 Barclay Street, 22 West New York, NY 10286, Tel: 1 212 815 5021, Fax: 1 212 571 3050, email: mira.daskal@bnymellon.com).

MOL Investors Relations Department will be pleased to be at your disposal for further information, as well (phone: +361 464 1395, fax: +361 464 1335).

The registration i.e. the certification of the right to participate as shareholder (nominee) will take place at the venue of the general meeting between 8.30 a.m. and 10.30 a.m.

We request our shareholders to kindly report for registration on time. Following the closing of the registration, shareholders and nominees not listed in the attendance list, but registered in the share register, are entitled to participate at the general meeting, however, such shareholders may not exercise their voting rights.

Method of voting

The Board of Directors recommends machine electronic voting to be used at the general meeting, regarding which detailed information shall be provided on the spot. The general meeting shall first decide on the approval of the electronic voting system then elect the keeper of the minutes, the certifiers of the minutes with the official vote counters.

AGENDA ITEM No. 1

Management Discussion and Analysis about the 2009 Business Operation

Highlights of the challenges of 2009 and our responses

In 2009 the oil and petrochemical sectors faced an extremely challenging external environment characterized by weak margins and depressed demand. Thanks to our early answer to the crisis, our well-recognized efficiency leadership and integrated business model we managed to keep our strong financial position.

We were among those companies which reacted immediately following the first signs of the crisis and adjusted our operational activities to cope with the increasingly difficult environment. We implemented a range of cost reduction measures to extend our leadership in efficiency, the benefits of which were reflected in 2009 results.

FY 2009 EBITDA, excluding special items, increased by 11% to HUF 384.9 bn despite the deteriorating diesel crack spreads, petrochemical margins and the 31% lower average hydrocarbon prices. Upstream segment improved by 32%, Gas & Power was extremely strong (up by 54%), more than offsetting weaker Downstream and Petrochemical results.

In 2009, we remained disciplined to our reduced CAPEX plan, and financed it through the operating cash flow, which rose compared to the previous year, proving MOL's strong cash producing ability. Even with the full consolidation of INA, our gearing ratio decreased further at the end of 2009 compared to the end of the previous year, as we managed to preserve our strong balance sheet.

In addition, we created a strong basis for further growth by gaining management control and full consolidation of INA as of 30 June 2009. MOL's Upstream portfolio became more extended, diversified and balanced with practically doubling its SPE 2P reserve base as of the end of 2009 and significantly increasing its production. The operational control over INA since 2009 brought two refineries to MOL's refinery pool, and so total capacity increased to 23.5 mtpa. The five refineries operated under joint supply-chain optimisation on adjacent markets provide outstanding further growth opportunity.

Our main goal for the coming years is to keep our financial stability, improve the efficiency and maximise the value of our existing portfolio. Regarding Upstream business the focus will be on completing high return/early cash generative appraisal and development projects in Syria, CEE, Pakistan, Kurdistan and Russia to increase production levels, contributing significantly to Group-level EBITDA. At the same time, we intend to extend MOL's outstanding efficiency to the whole Upstream portfolio. Finally, we are carrying out extensive and intensifying exploration activity to further increase our reserve base and create the basis for further production growth beyond 2013.

Regarding the Downstream business MOL Group's main goal is to become the premium refinery group in Europe by 2012. The Group is committed to elevate newly consolidated assets to MOL standard with investments targeting product quality and yield improvement. MOL is focusing on joint optimisation of 5 refineries and 2 petrochemical units and is committed to extend its outstanding operational excellence to the whole Group.

Detailed Analysis of 2009 Results

MOL Group's EBITDA from continuing operation, excluding special items, increased by 11% to HUF 384.9 bn in 2009 year-on-year despite the deteriorating diesel crack spreads, petrochemical margins and the 31% lower average hydrocarbon prices. MOL proved its cash production ability during the year, as in spite of this depressed environment MOL could increase its operating cash flow by 18% to HUF 411.2 bn, while its operating cash flow before changes in working capital remained stable at HUF 373.0 bn. In 2009, MOL remained disciplined to its reduced CAPEX plan, which was an early and adequate response to the crisis and managed to preserve its strong balance sheet and stable financial position. The gearing ratio decreased to 33.1% at the end of December 2009 compared to a gearing ratio of 35.9% at the end of December 2008.

MOL Group's operating profit from continuing operation, excluding special items was HUF 170.5 bn in 2009, decreased by 12% y-o-y. The operating profit was significantly decreased by the additional depreciation calculated on the fair value of INA's property, plant and equipment in MOL's financial statement. The bottom line was decreased by a HUF 58.8 bn financial expense and a significant tax expense, therefore net profit for the period, excluding special items, was at HUF 47.2 bn in FY 2009.

Continuing operation

- **Exploration & Production** operating profit, excluding special items, was HUF 134.6 bn in FY 2009. The operating profit, excluding INA amounted to HUF 108.7 bn in FY 2009 representing a 14% erosion vs. FY 2008 excluding the non-recurring profit from the sale of the Szőreg-1 field, as a 31% decrease (in USD-terms) in the average realised hydrocarbon price and lower production volumes more than offset the positive impacts of weakening HUF and lower mining royalties and taxes.
- **Refining & Marketing** operating profit, excluding special items, was HUF 28.0 bn in FY 2009 including INA's operating loss contribution of HUF 19.7 bn for H2 2009. The operating profit, excluding INA, was at HUF 47.7 bn versus HUF 67.8 bn in FY 2008 due to deteriorating external environment, characterized by collapsing diesel crack spreads and narrowed Brent-Ural differential.
- **The Petrochemical** segment operating loss was HUF 15.2 bn in FY 2009 reflecting the deteriorating petchem margins and pressured market demand because of the recession.
- **The Gas and Power** segment's operating profit, excluding special items, increased by 58% to HUF 64.5 bn in FY 2009. FGSZ Natural Gas Transmission Closed Company Limited by Shares was the most important profit contributor (HUF 46.1 bn without asset revaluation), while further gas and power units, including MMBF Ltd., Slovnaft Thermal Power Plant, had growing profit contributions.
- **Net financial expense** of HUF 58.8 bn was recorded in FY 2009 in comparison with a net financial loss of HUF 16.1 bn in FY 2008.
- **Capital expenditure and investments** decreased by HUF 198.2 bn to HUF 380.7 in FY 2009. INA's H2 2009 CAPEX spending was HUF 93.3 bn, while acquisition cost of INA was HUF 227.3 bn in 2008. The acquisition cost of a 10% stake and the work program CAPEX of Pearl paid by treasury shares were HUF 72.6 bn. Without these elements, CAPEX was behind the base figure by HUF 136.8 bn as a result of withheld performances and the investments realized in 2008.

Discontinued operation

- Based on the Gas Master Agreement signed by the Government of the Republic of Croatia and MOL on 30 January 2009 and amended on 16 December 2009, INA exits from the regulated part of the gas value chain. The Gas Storage Company (Podzemno skladište plina d.o.o.) was taken over by a fully state-owned company Plinacro d.o.o. on 30 January 2009, while the Croatian Government agreed to take over the gas trading business till 1 December 2010.
- The gas trading business of INA, which meets the definition of discontinued operation, also contributed a loss of HUF 16.6 bn in H2 2009, from which HUF 14.9 bn has been eliminated in consolidation, since this expected loss had been reflected as a provision in MOL Group's purchase price allocation as of 30 June 2009.

Total operation

- **Net debt position** increased to HUF 926.6 bn, primarily as a consequence of INA's full consolidation, resulting in a 33.1% gearing ratio at the end of December 2009. Excluding the INA full consolidation impact, the net debt of MOL was HUF 672.9 bn at the end of the period.
- **Operating cash-flow** in FY 2009 was HUF 411.2 bn, compared to HUF 347.2 bn in FY 2008. Operating cash flow before movements in working capital decreased by 3% year-on-year.

Key financial data by business segments

NET SALES REVENUES	2008 (HUF mn)	2009 (HUF mn)	2008 (USD mn)[5]	2009 (USD mn)[5]
Exploration and Production	428,780	461,199	2,496	2,280
Refining and Marketing	3,145,634	2,720,839	18,310	13,450
Gas & Power	199,124	513,756	1,159	2,539
Petrochemicals	470,457	388,280	2,738	1,919
Corporate and other	148,703	164,678	866	814
TOTAL NET SALES REVENUES – CONTINUING OPERATION	**4,392,698**	**4,248,752**	**25,569**	**21,002**
Discontinued operation (INA's gas trading business)	-	28,664	-	142
TOTAL NET SALES REVENUES	**4,392,698**	**4,277,416**	**25,569**	**21,144**

NET EXTERNAL SALES REVENUES[1]	2008 (HUF mn)	2009 (HUF mn)	2008 (USD mn)[5]	2009 (USD mn)[5]
Exploration and Production	237,306	273,124	1,381	1,350
Refining and Marketing	2,768,530	2,396,450	16,115	11,846
Gas & Power	145,726	236,166	848	1,168
Petrochemicals	366,090	289,128	2,131	1,429
Corporate and other	17,349	31,168	101	154
TOTAL NET EXTERNAL SALES REVENUES – CONTINUING OPERATION	**3,535,001**	**3,226,036**	**20,576**	**15,947**
Discontinued operation (INA's gas trading business)	-	28,664	-	142
TOTAL NET EXTERNAL SALES REVENUES	**3,535,001**	**3,254,700**	**20,576**	**16,089**

OPERATING PROFIT	2008 (HUF mn)	2009 (HUF mn)	2008 (USD mn)[5]	2009 (USD mn)[5]
Exploration and Production	191,018	126,631	1,112	626
Refining and Marketing	72,450	15,371	422	76
Gas & Power	38,661	61,902	225	306
Petrochemicals	(7,589)	(15,219)	(44)	(75)
Corporate and other	(37,697)	54,386	(220)	269
Inter-segment transfers[2]	(57,619)	5,500	(335)	27
TOTAL OPERATING PROFIT – CONTINUING OPERATION	**199,224**	**248,571**	**1,160**	**1,229**
Discontinued operation (INA's gas trading business)	-	(1,783)	-	(9)
TOTAL OPERATING PROFIT	**199,224**	**246,788**	**1,160**	**1,220**

OPERATING PROFIT EXC. SPEC ITEM [3]	2008 (HUF mn)	2009 (HUF mn)	2008 (USD mn)[5]	2009 (USD mn)[5]
Exploration and Production	125,679	134,644	732	666
Refining and Marketing	67,821	28,047	395	139
Gas & Power	40,226	64,464	234	319
Petrochemicals	(7,589)	(15,219)	(44)	(75)
Corporate and other	(38,334)	(44,393)	(224)	(220)
Inter-segment transfers[2]	6,155	2,938	36	14
TOTAL OPERATING PROFIT EXC. SPEC ITEM – CONTINUING OPERATION	**193,958**	**170,481**	**1,129**	**843**
Discontinued operation (INA's gas trading business)	-	(1,783)	-	(9)
TOTAL OPERATING PROFIT EXC. SPEC ITEM	**193,958**	**168,698**	**1,129**	**834**

EBITDA	2008 (HUF mn)	2009 (HUF mn)	2008 (USD mn)[5]	2009 (USD mn)[5]
Exploration and Production	227,938	206,041	1,327	1,018
Refining and Marketing	147,362	108,968	858	539
Gas & Power	50,164	77,593	292	384
Petrochemicals	12,092	3,089	70	15
Corporate and other	(26,625)	69,613	(155)	344
Inter-segment transfers[2]	(59,799)	2,384	(348)	12
TOTAL EBITDA – CONTINUING OPERATION	**351,132**	**467,688**	**2,044**	**2,312**
Discontinued operation (INA's gas trading business)	-	(1,783)	-	(9)
TOTAL EBITDA	**351,132**	**465,905**	**2,044**	**2,303**

EBITDA EXC. SPEC ITEM [4]	2008 (HUF mn)	2009 (HUF mn)	2008 (USD mn)[5]	2009 (USD mn)[5]
Exploration and Production	162,599	214,054	947	1,058
Refining and Marketing	142,733	116,988	831	578
Gas & Power	50,164	77,593	292	384
Petrochemicals	12,092	3,089	70	15
Corporate and other	(27,262)	(29,166)	(159)	(144)
Inter-segment transfers[2]	5,540	2,384	32	12
TOTAL EBITDA EXC. SPEC ITEM – CONTINUING OPERATION	**345,866**	**384,942**	**2,013**	**1,903**
Discontinued operation (INA's gas trading business)	-	(1,783)	-	(9)
TOTAL EBITDA EXC. SPEC ITEM	**345,866**	**383,159**	**2,013**	**1,894**

[1] Net external sales revenues and operating profit includes the profit arising both from sales to third parties and transfers to the other business segments. Exploration and Production transfers domestically produced crude oil, condensates and LPG to Refining and Marketing and natural gas to the Gas and Power segment. Refining and Marketing transfers chemical feedstock, propylene and isobutane to Petrochemicals and Petrochemicals transfers various by-products to Refining and Marketing. The internal transfer prices used are based on prevailing market prices. The gas transfer price equals the average import price. Divisional figures contain the results of the fully consolidated subsidiaries engaged in the respective divisions.

[2] This line shows the effect on operating profit of the change in the amount of unrealised profit deferred in respect of transfers between segments. Unrealised profits arise where the item transferred is held in inventory by the receiving segment and a third party sale takes place only in a subsequent quarter. For segmental reporting purposes the transferor segment records a profit immediately at the point of transfer. However, at the company level profit is only reported when the related third party sale has taken place. In previous years this unrealised profit effect was not shown separately, but was included in the reported segmental result of the receiving segment. Unrealised profits arise principally in respect of transfers from Exploration & Production to Gas and Power and from Refining & Marketing to Petrochemicals. In 2008 the transfer between Exploration & Production and Gas and Power included the sales of Szőreg-1 gas field with an operating profit of HUF 63.7 bn recognized by Exploration & Production which has been eliminated in consolidation.

[3] Operating profit excluding the combined intersegment impact of the one-off gain on sales of Szőreg-1 gas field and the accumulated depreciation thereof (HUF 65.3 bn and HUF (1.6) bn, respectively) realised in 2008, the paraffin fine (HUF 5.8 bn) recognised in Q3 2008, the repayment by the Slovak Ministry of Finance of the unfounded penalty in Q4 2008 (HUF 4.6 bn), the receivable for subsequent settlement from E.ON in connection with the gas business sale for Q1 and Q2 2009 and Q2 2008 (HUF 14.0 bn, HUF 14.2 bn and HUF 6.4 bn, respectively), a HUF 54.6 bn one-off non-cash revaluation gain, related to consolidating INA into MOL Group for the first time as required by IFRS 3R and the impairment of IES goodwill recognized in Q4 2009 (HUF 4.7 bn).

[4] EBITDA excluding the combined intersegment impact of the one-off gain on sales of Szőreg-1 gas field (HUF 65.3 bn) realised in 2008, the paraffin fine (HUF 5.8 bn) recognised in Q3 2008, the repayment by the Slovak Ministry of Finance of the unfounded penalty in Q4 2008 (HUF 4.6 bn), the receivable for subsequent settlement from E.ON in connection with the gas business sale for Q1 and Q2 2009 and Q2 2008 (HUF 14.0 bn, HUF 14.2 bn and HUF 6.4 bn, respectively), a HUF 54.6 bn one-off non-cash revaluation gain, related to consolidating INA into MOL Group for the first time as required by IFRS 3R.

[5] In converting HUF financial data into USD, the following average NBH rates were used: for FY 2008: 171.8 HUF/USD, for FY 2009: 202.3 HUF/USD.

MOL Group excluding INA Group data

OPERATING PROFIT	2008 (HUF mn)	2009 (HUF mn)	2008 (USD mn)[4]	2009 (USD mn)[4]
Exploration and Production	191,018	108,686	1,112	537
Refining and Marketing	72,450	43,061	422	213
Gas & Power	38,661	61,902	225	306
Petrochemicals	(7,589)	(15,219)	(44)	(75)
Corporate and other	(37,697)	(13,314)	(220)	(66)
Inter-segment transfers[1]	(57,619)	5,500	(335)	27
TOTAL	**199,224**	**190,616**	**1,160**	**942**

OPERATING PROFIT EXC. SPEC ITEM [2]	2008 (HUF mn)	2009 (HUF mn)	2008 (USD mn)[4]	2009 (USD mn)[4]
Exploration and Production	125,679	108,686	732	537
Refining and Marketing	67,821	47,717	395	236
Gas & Power	40,226	64,464	234	319
Petrochemicals	(7,589)	(15,219)	(44)	(75)
Corporate and other	(38,334)	(41,470)	(224)	(205)
Inter-segment transfers[1]	6,155	2,938	36	14
TOTAL	**193,958**	**167,116**	**1,129**	**826**

EBITDA	2008 (HUF mn)	2009 (HUF mn)	2008 (USD mn)[4]	2009 (USD mn)[4]
Exploration and Production	227,938	143,881	1,327	711
Refining and Marketing	147,362	130,949	858	647
Gas & Power	50,164	77,593	292	384
Petrochemicals	12,092	3,089	70	15
Corporate and other	(26,625)	(856)	(155)	(4)
Inter-segment transfers[1]	(57,799)	2,384	(348)	12
TOTAL	**351,132**	**357,040**	**2,044**	**1,765**

EBITDA EXC. SPEC ITEM [3]	2008 (HUF mn)	2009 (HUF mn)	2008 (USD mn)[4]	2009 (USD mn)[4]
Exploration and Production	162,599	143,881	947	711
Refining and Marketing	142,733	130,949	831	647
Gas & Power	50,164	77,593	292	384
Petrochemicals	12,092	3,089	70	15
Corporate and other	(27,262)	(29,012)	(159)	(143)
Inter-segment transfers[1]	5,540	2,384	32	12
TOTAL	**345,866**	**328,884**	**2,013**	**1,626**

[1] This line shows the effect on operating profit of the change in the amount of unrealised profit deferred in respect of transfers between segments. Unrealised profits arise where the item transferred is held in inventory by the receiving segment and a third party sale takes place only in a subsequent quarter. For segmental reporting purposes the transferor segment records a profit immediately at the point of transfer. However, at the company level profit is only reported when the related third party sale has taken place. In previous years this unrealised profit effect was not shown separately, but was included in the reported segmental result of the receiving segment. Unrealised profits arise principally in respect of transfers from Exploration & Production to Gas and Power and from Refining & Marketing to Petrochemicals. In 2008 the transfer between Exploration & Production and Gas and Power included the sales of Szőreg-1 gas field with an operating profit of HUF 63.7 bn recognized by Exploration & Production which has been eliminated in consolidation.

[2] Operating profit excluding the combined intersegment impact of the one-off gain on sales of Szőreg-1 gas field and the accumulated depreciation thereof (HUF 65.3 bn and HUF (1.6) bn, respectively) realised in FY 2008, the paraffin fine (HUF 5.8 bn) recognised in Q3 2008, the repayment by the Slovak Ministry of Finance of the unfounded penalty in Q4 2008 (HUF 4.6 bn), and the receivable for subsequent settlement from E.ON in connection with the gas business sale for Q1 and Q2 2009 and Q2 2008 (HUF 14.0 bn, HUF 14.2 bn and HUF 6.4 bn, respectively) the impairment of IES goodwill recognized in Q4 2009 (HUF 4.7 bn).

[3] EBITDA excluding the combined intersegment impact of the one-off gain on sales of Szőreg-1 gas field (HUF 65.3 bn) realised in FY 2008, the paraffin fine (HUF 5.8 bn) recognised in Q3 2008, the repayment by the Slovak Ministry of Finance of the unfounded penalty in Q4 2008 (HUF 4.6 bn), and the receivable for subsequent settlement from E.ON in connection with the gas business sale for Q1 and Q2 2009 and Q2 2008 (HUF 14.0 bn, HUF 14.2 bn and HUF 6.4 bn, respectively).

[4] In converting HUF financial data into USD, the following average NBH rates were used: for FY 2008: 171.8 HUF/USD, for FY 2009: 202.3 HUF/USD.

Turbulent external environment

A rollercoaster year for the world economy

2009 was a rollercoaster year for the global economy. At the beginning of 2009, the risk of an imminent financial and economic collapse seemed very real. Economic activity, trade and investment were steeply declining, while asset prices were volatile and still on a downward trend. Policymakers worldwide reacted by an extreme loosening of fiscal and monetary policies and many governments de facto guaranteed the financial system. The result was a turnaround in economic activity after the first quarter, and a spectacular recovery in asset prices. Emerging markets led the economic recovery, while (mostly) developed countries burdened with high debt were lagging. Despite the economic upturn, unemployment continued to increase throughout the year in OECD countries, and there is a broad consensus among analysts that the recovery remains fragile as many of the factors behind it are temporary. The extreme monetary loosening has increased inflation risks and may have contributed to incipient new asset price bubbles in some areas, while the unprecedented fiscal deficits raised concerns regarding the long-term sovereign solvency of some economies.

The return of high oil prices

Driven by the improving economic climate and receding fears of a double-dip recession, oil prices nearly doubled throughout 2009 surging from around USD 40/bbl in January to just below USD 80/bbl by the year-end. The price climb was more or less steady and gradual as a combined result of several upward and some strong downward pressures on oil prices. The remarkable discipline of OPEC, the slowly improving global economic outlook from Q2 2009, the uninterrupted oil demand growth in emerging Asia, as well as the return of investors to dollar-denominated commodities created upward pressures on oil prices. On the other hand, the collapse of demand in developed economies and the subsequent surge in inventory levels, as well as the remarkable rise in OPEC's effective spare capacity (exceeding 5 mb/d during most of 2009) acted as a drag on oil prices.

Mixed crack spread environment

The average price of Brent in 2009 was USD 61.7/bbl, 36.6% below the 2008 average level. Ural Med, the most relevant blend in terms of MOL's crude oil purchases, averaged at USD 61.2/bbl, down by 35.4% compared to 2008 (USD 94.8/bbl). Average FOB Rotterdam gasoline and diesel prices declined by 30.8% and 43.6%, respectively. Average USD-denominated crack spreads of FOB Rotterdam gasoline increased by 11.3% to near the 5-year average, while diesel crack spreads dropped by 67.8% in 2009 from the record-high levels of 2008 to well below the historic average. The Brent-Urals spread was historically low and averaged at USD 0.77/bbl in 2009, 74.1% lower than in 2008. The dramatic narrowing of the Brent-Urals spread was the result of the strengthening fuel oil crack spread (due to lower refinery utilization) and of OPEC's production cuts targeting heavy grades similar to Urals. Since Urals result in a higher fuel oil yield, the lower discount on fuel oil led to the decline in the discount of Urals relative to the lighter Brent, while OPEC cuts tightened the supply of comparable heavy grades at the same time.

Local currencies weakened against the USD

The Hungarian Forint (HUF) weakened by about 17.7% against the US Dollar in 2009: the average exchange rate in 2009 was 202.3 HUF/USD against 171.8 HUF/USD in 2008. The HUF also depreciated against the EUR in 2009 by 11.7% (280.6 HUF/EUR in 2009 vs. 251.3 HUF/EUR in 2008). The Croatian Kuna (HRK) weakened slightly by about 1.6% against the EUR (7.3 HRK/EUR in 2009 vs. 7.2 HRK/EUR in 2008) and moderately by 7% against the USD in 2009 (5.3 HRK/USD in 2009 vs. 4.9 HRK/USD in 2008).

Sharp economic contraction in core markets

The annual average inflation rate (annual rate of change in HICP - Harmonised Indices of Consumer Prices) in Hungary dropped to 4.0% in 2009, a 2.0% decrease from 2008. In Slovakia, the average consumer-price inflation dropped to 0.9% in 2009 from the previous year's 3.9%. Annual inflation in Croatia was down to 2.2% in 2009 from the 5.8% level seen in 2008. According to preliminary data of Eurostat, annual real GDP in 2009 contracted by 6.3% in Hungary (against a 0.6% growth in 2008), by 4.7% in Slovakia (compared to a 6.2% increase in 2008) and by 5.8% in Croatia (vs. a 2.4 % rise in 2008). Across the region, demand for motor gasoline decreased marginally by 0.3%, while diesel demand fell slightly by 1.2% in 2009, much less than would have been justified by the magnitude of the economic contraction.

Changes in the regulatory environment

Changes in regulated gas transmission tariffs

The asset proportional profit – projected on the asset base acknowledged by the regulator (RAB) and enforceable for the regulated activity at the Hungarian natural gas transmission – tariff was 6.9% in 2009. As a result of the tariff change in July 2009, the capacity fee decreased by 10% on exit side, while it increased by 19% on entry side on the whole. As new element in the regulation, the capacity fees were differentiated on entry side. The turnover fee decreased by 28% according to the tariff decree as of 1July 2009, which reflects the change of acknowledged gas price.

Minimal impact from changes of the Mining royalty framework in Hungary

The Mining Act, which regulates the mining royalty regime in Hungary, was again amended in 2008, with changes effective from 23 January, 2009. The modified Mining Act of 2008 and the related by-laws introduced the following key elements in 2009:

- decreased base royalty level on crude and gas produced from fields put into operation after 1998 (but before 2008) to 12% from 30%;
- increased escalation factor of the acknowledged cost in the formula determining royalty rate on gas produced from fields put into operation before 1998.

These modifications have limited impact on mining royalty rate paid by MOL as royalty rate on the production from fields listed in agreement between MOL and the Minister of Economy and Transport remains determined according to regulation effective at the end of 2005. The bilateral agreement determines the royalty payable by MOL on Hungarian hydrocarbon production from fields named in the agreement until 2020. Other fields including new discoveries were subject to mining royalty rates regulated by the modified Mining Act of 2008 and the related by-laws. In January, 2009 the European Commission started a formal state aid investigation concerning the agreement between MOL and the Ministry. The aim of the investigation was to ascertain whether the provisions fixing the mining royalty at the level effective at the end of 2005 constituted state aid.

MOL paid 29% of its crude oil and natural gas revenue as mining royalty to the Hungarian State on the crude oil and natural gas produced in Hungary in 2009. In 2009, the average rate of the mining royalty payable on natural gas produced from fields put into production after 1998 and for crude oil production was 12.2% (excluding volumes from enhanced oil recovery which represented 13% of oil production and which is subject to a zero royalty rate in Hungary). The rate of the mining royalty payable on gas produced from fields put into production before 1998 decrease from 71% to 62% due to decreases in oil and gas prices and the impact of increase in the acknowledged cost on rate in the predetermined formula. In 2009, HUF 44.4 bn was paid to the energy price compensation budget from royalties resulting from production from these fields.

Changes in Russia…

With effect from 1 January, 2009 the threshold of the Mineral Extraction Tax was increased from USD 9 /bbl to USD 15 /bbl. The extraction tax and export duty in Russia is dependent upon the average Urals blend listed prices (Rotterdam and Mediterranean markets) and the Russian Rouble/US Dollar exchange rate and are calculated by the formulas set out in the tax legislation. The tax authorities inform the public of the extraction tax rate through official announcements on a monthly basis. Starting from 3rd of December 2008 due to the volatility of the crude oil price the Russian government implemented monthly monitoring period for export duty (contrary to two month period previously used) based upon the average Urals blend listed prices (Rotterdam and Mediterranean markets). The extraction tax rate as of 31 December 2009 was USD 13.0/bbl; with an annual average extraction tax rate of 16.6%, based upon the annual average Urals blend price in 2009. The export duty rate as of 31 December 2009 was USD 39.4/bbl; with an annual average export duty rate of 40.7%, based upon the annual average Urals blend price in 2009.

Furthermore, the corporate income tax rate has been reduced from 24% to 20% from 1 January, 2009 in Russia.

… in Pakistan…

In Pakistan a new Petroleum Rule has been introduced in 2009. The new regulation will be applicable on the new discoveries, for our existing Development and Production Leases the 1997 Policy is still valid. MOL together with partners considered the effects of conversion and in case of exploration blocks applied for the conversion. Under the new regulation the royalty rate is 12.5% on sales and corporate income tax rate is 40% with an implied windfall levy on oil and condensate sales. Under the 1997 rule the royalty rate is 12.5% on wellhead value and corporate income tax rate is 52.5% with no windfall levy applied.

…and in Croatia

As per regulation in 2009, a royalty of 2.6% (in case of certain fields 5 %) was levied on sales value of hydrocarbons. Mining tax law was modified in 2009 with effect from January 2010. As per the new regulation, the basis of royalty is the market value of produced hydrocarbons. Royalty rate for exploitation fields approved by 31 December 2009 is 3.1% in 2010, which increases by 0.5% per year until 2015, and will be fixed at 10% for ten years thereafter. Production-based fee for exploitation fields to be approved after 31 December 2009 amounts to 10% of market value of produced hydrocarbons. Proceeds from cash fees paid upon produced quantities from onshore fields are allocated between local and regional self-governments and state budget. Fees paid upon offshore production represent revenues of state budget.

Sales, Operating Expenses and Operating Profit

The full consolidation of INA commenced as of 30 June 2009, therefore the items of consolidated statement of operations reflects INA's contribution from 1 July 2009. In the first half of 2009 and in the comparative periods MOL's share (47.2% and 25%, respectively) of the net profit of INA Group was included as income from associates. In H2 2009 INA contributed an operating profit of HUF 3.4 bn to the continuing operations of MOL Group. INA Group reported an operating profit from continuing operation of HUF 10.4 bn from which impairment losses and adjustments for provisions (totaling to HUF 16.8 bn) have been eliminated on consolidation since these are reflected in MOL Group's purchase price allocation as required by IFRS 3R. Subsequent to the preliminary purchase price allocation, the additional depreciation calculated on the fair value of INA's property, plant and equipment and also the turnover of inventories recognized at fair market values upon consolidation (as opposed to the carrying amounts reflected in INA Group's separate financial statements) increased operating expenses in the second half of 2009 by HUF 25.7 bn and HUF 16.0 bn, respectively. These amounts are recorded in various captions of the consolidated statement of operations.

Decrease in net sales revenues

In 2009, Group net sales revenues decreased by 9% to HUF 3,226.0 bn, despite INA's H2 contribution of HUF 346.3 bn, primarily reflecting lower commodity price quotations, resulting in lower average sales prices in USD-terms, which was slightly offset by the change in FX rates.

One-off incomes

Other operating income in FY 2009 includes the excess of the MOL's share of INA Group's net assets over the purchase price (HUF 47.7 bn) as well as a HUF 22.9 bn gain on the re-measurement of MOL's 25% investment in INA and its previously held interest in Energopetrol upon fully consolidating both companies as of 30 June 2009, pursuant to the adoption of IFRS 3R (see in Changes in Accounting Policies and Balance Sheet chapters). Additionally, this caption contains a HUF 25.0 bn reversal of payables which has been accrued originally at the time of MOL's gas business sale and the recognition of a further HUF 3.2 bn receivable with respect to the subsequent settlement from E.ON Ruhrgas International AG, since the parties agreed to terminate the risk-sharing mechanism in Q2 2009. Other operating income in 2008 contains HUF 6.4 bn receivable for subsequent settlement from E.ON in connection with the gas business sale, as well as the repayment by the Slovak Ministry of Finance of HUF 4.6 bn from the unfounded penalty paid by Slovnaft in 2005.

Decrease to cost of raw materials

The cost of raw materials and consumables used decreased by 8%, in accordance with the rate of weakening in sales. In 2009, raw material costs decreased by 16%, primarily as a combined effect of the drop in crude oil import prices (HUF 364.8 bn including the effect of FX rate change) and the lower quantity of import crude oil processed (HUF 103.5 bn) as well as the H2 contribution of INA (HUF 226.8 bn) compared to 2008. The cost of goods sold increased by 21% to HUF 521.0 bn, due to the significantly higher value of natural gas sold by MOL (HUF 69.6 bn) to third parties as well as the contribution of INA (HUF 30.0 bn). The value of material-type services used increased by 11% to HUF 169.7 bn.

Other operating expenses

Other operating expenses decreased by 3% year-on-year to HUF 270.2 bn in 2009, mainly as a combined effect of the lower mining royalty (HUF 40.0 bn) and the decreased value of export duty from the Russian operations (HUF 15.1 bn). Consolidation of INA also increased our other operating expenses by HUF 43.1 bn.

Increase in headcount across the Group

Personnel expenses increased by 44% to HUF 200.8 bn, due to INA's H2 contribution of HUF 53.1 bn and the combined effect of annual salary increases (3.7% at the parent company), the higher expenditures at foreign subsidiaries reflecting the FX rate change compared to prior year and the 10.3% increase in average headcount of the Group mainly due to the acquisition of I&C Energo a.s. at the end of June 2008 (HUF 3.7 bn).

Of the production costs incurred in 2009, excluding INA's contribution (HUF 50.0 bn), HUF 5.9 bn is attributable to the increase in the level of finished goods and work in progress compared to the decrease of HUF 59.6 bn in 2008.

Exploration and Production Overview

Mol remained one of the most profitable Upstream players. Significant impetus is given to further growth by acquisitions in 2009

Gaining operative control of INA and the acquisition of a 10% stake in the Pearl project in the Kurdistan region of Iraq significantly changed MOL's Upstream map in 2009. Following the acquisition of further shares in INA in October 2008, MOL has taken operative control and has been fully consolidating INA in its financial statements since July 2009. INA's full consolidation had remarkable effects on MOL's Upstream portfolio - almost doubling reserve base to 665.1 MMboe as at the end of 2009 and increasing its production by two thirds to 142.5 Mboe/day in the fourth quarter of 2009. The enlarged Upstream portfolio has sizeable production in 7 countries and exploration potential in 15 countries.

At the same time we made further steps to maximize the value of our existing resource base through enhanced and improved recovery of our existing producing fields, through originating new projects in territories neighbouring our legacy assets, via strict cost control and efficient operation.

- Highly competitive production unit cost of 5.2 USD/boe was maintained on Group level.
- Intensive field development activities were continued focusing an early cash generation.
- Our widely known strong exploration track record continued further, as we claimed 11 discoveries out of a total 17 exploration wells (including 4 wells by INA, d.d.) tested in 6 countries. New discoveries have added approximately 8.5 MMboe to our SPE 2P reserve base in Hungary. International discoveries are expected to increase our reserve base in the following years after detailed assessment.
- We established new partnerships both in Hungary with RAG from Austria and abroad with Crescent Petroleum and Dana Gas PJSC.

Outlook: key task is to maximize the value of our existing portfolio

The main objective for the coming years will be to maximise the value of our existing portfolio. The focus will be on completing high return/early cash generative appraisal and development projects in Syria, CEE, Pakistan, Kurdistan and Russia to increase production levels, contributing significantly to Group-level EBITDA, growth. At the same time, we intend to extend MOL's outstanding efficiency to the whole Upstream portfolio. Finally, we are carrying out extensive and intensifying exploration activity to further increase our reserve base and create the basis for further production growth beyond 2013.

Strong operating profit contribution maintained in 2009

For 2009 E&P segment operating profit from continuing operation, excluding special items was HUF 134.6 bn including INA's contribution of HUF 26.0 bn in H2 2009. In spite of the changes in industrial environment we managed to maintain Upstream operating profit (excluding INA, and the impact of the Szőreg-1 disposal from 2008) close to the record level reached in 2008. Results decreased only by HUF 17.0 bn to HUF 108.7 bn as lower prices and volumes overcompensated the impacts of tight cost control. Production volumes in general declined by 9% due to natural depletion in Hungary and Russia. Realised average hydrocarbon prices decreased by 31% in USD-terms in 2009 (crude oil and condensate prices were lower by 36% in line with Brent changes, while Hungarian gas prices decreased only by 25% as gas price is based upon previous nine-month average of oil products prices). These changes were partly compensated by the weakened HUF by 18% to the USD.
The impact of lower prices and volumes were reflected in Upstream revenues and expenditures.

- Revenues, excluding INA's contribution and HUF 65.3 bn one-off revenue of Szőreg-1 disposal, decreased by HUF 97.8 bn or 23% to HUF 333.5 bn in 2009 compared to 2008.
- Royalties on Hungarian production at MOL Plc. decreased by HUF 39.0 bn year-on-year to HUF 69.1 bn (out of this amount HUF 44.4 bn was paid to the energy price compensation budget). The mining tax and export duty paid in Russia decreased by HUF 27.5 bn to HUF 29.6 bn.

The combined effect of decreasing tax payments as a consequence of lower prices and volumes, and of increased focus on cost management, Upstream expenditures, excluding INA's contribution, decreased by HUF 80.7 bn or 26% to HUF 224.8 bn.

INA's contribution to operating profit, excluding special items (consolidated from 1 July, 2009) was HUF 26.0 bn, including HUF 27.6 bn additional depreciation calculated on the fair value of INA's property, plant and equipment.

INA consolidation increased daily production

The total hydrocarbon production was 108.0 Mboe/day in 2009, including INA's 29.1 Mboe/day contribution in H2 2009 (the full year production of INA amounted to 56.6 Mboe/day in 2009). Excluding INA's contribution, total hydrocarbon production, averaged at around 78,900 boe/day in 2009, representing a 9% decrease year-on-year. Total crude oil production (excluding INA's contribution of 12.4 Mboe/day) declined by 10%, and gas production (excluding INA's contribution of 16.7 Mboe/day) was 7% lower than the level reached in 2008.

In 2009, the average Hungarian hydrocarbon production was 57.5 Mboe/day, compared to 61.7 Mboe/day in 2008. In 2009, Hungarian gas production volumes declined to 36.0 Mboe/day by 8% compared to 2008 as a consequence of natural depletion. Hungarian crude oil production declined by 5% to 21.5 Mboe/day in 2009 compared to 2008.

Decrease at international production (13%) basically comes from oil production in Russia which decreased by 14.2% to 20.1 Mboe/day. This decrease was determined by decrease at ZMB project (24.6%)

due to increased water content as a result of maturity and capex delays. Pakistani production increased to 1.4 Mboe/day by 16% as a consequence of start-up of the operation of Manzalai central gas processing facility at end of October, 2009.

INA's contribution to daily production by consolidating from 1 July, 2009 was 29.1 Mboe/day (the full year production of INA amounted to 56.6 Mboe/day in 2009). INA's production basically comes from Croatia (24.1 Mboe/day), while the contribution of international assets was 5.0 Mboe/day. Croatian production is mainly from onshore production (16.7 Mboe/day), but offshore gas production is considerable (7.4 Mboe/day) also. International production is mainly in Syria (2.3 Mboe/day), but there is oil production in Angola (1.7 Mboe/day) and in Egypt (1.1 Mboe/day) also.

International production was lower compared to 2008…

International hydrocarbon production (excluding INA's contribution of 29.1 Mboe/day) decreased by 13% year-on-year to 21.5 Mboe/day in 2009. Our share of the crude oil production from the ZMB field reached 15.0 Mboe/day in 2009, a 24.6% decrease compared to the previous year. The decrease in ZMB production is the consequence of natural decline due to the maturing stage of the field and the increased water-cut from production wells. In joint efforts with the partnership operator, we modified the CAPEX program, based upon analysis of well-performing horizontal wells spudded in 2008. These modifications optimized production in 2009. 2009 original work program was to maintain productivity of the ZMB field. After examination of Russian Federal Subsurface Management Agency in July 2009 new additional work program was designed additional to utilise the produced associated gas via the installation of gas turbine driven electric generators.

…production from new developments in Russia and Pakistan could only partly offset fall from ZMB

The Baitugan field (in Russia's Volga-Urals area, with a 100% MOL share) produced 3.0 Mboe/day, increased from 2.2 MBoe/day in 2008 as a result of development efforts. The fields in Matjushkinskaya block (a 3,231 km2 block in Tomsk region, Russia with a 100% MOL share) provided an additional 2.0 Mboe/day average production. Production in the Manzalai and Makori fields in the Tal Block in Pakistan (8.42% MOL share) was around 1.4 Mboe/day (net to MOL), increased by 16 % in 2009.

Intensive field developments in Russia and Pakistan

In the ZMB field, two production wells were drilled and new construction area was prepared for drillings of the next year during 2009. Furthermore, reconstruction of electric power substation was finished and put into operation.

In the Baitugan field, field development activity continued in 2009. The processing and interpretation of 3D seismic acquisition – started in 2008 - was finished. 29 new producing wells, 9 water injectors and 10 water producers have been drilled. The extension and reconstruction of the gathering system and the construction of water injection system was continued. The reconstruction, extension and gas utilisation of central processing system was started.

In the Matjushkinskaya block, construction of surface facilities, gas utilisation and related engineering were completed. In 2009, development activity was focused on the Ledovoye field development: 8 production wells, 1 water producer well were deepened and related surface facilities were constructed. The production increase of the block was 49%.

MOL as the operator in Tal Block, Pakistan completed the Manzalai Central Processing Facility (CPF) and commissioned three production wells at end of October, 2009. The production rate on the Manzalai field reached 220 MMscf gas and 4,600 boe condensate per day. This was further increased in January 2010 after connecting further two wells.

Croatian onshore activities

Croatian onshore field development activities by INA in 2009 were focused mainly on workovers of existing production wells on mature fields with the aim of increasing production level and recovery rate. Implementation of EOR project on Ivanić and Žutica fields was continued.

Croatian offshore activities

Due to intensive development activities in 2009, Croatian offshore gas production increased significantly.

2009 development program on the Ivana contract area (operated by INAgip, a joint venture between INA and the Italian ENI with equal share) included well completion and installation of gathering system on Vesna and Irina offshore gas fields; drilling and completion of six new wells on Annamaria A platform and connecting Annamaria A platform to the Northern Adriatic gathering system - resulting in the start-up of production from Annamaria gas field from November 2009.

Development program for 2009 of the Izabela contract area (operated by EdINA, owned by INA with 30% share and the Italian Edison with 70% share) contained installation of two platforms (Izabela South and North), connecting the two platforms, and connecting the South platform by sea-line to Ivana K platform, and drilling activities on Izabela South. In 2010, multiple production wells will be drilled and a summary pipeline will be built to the existing central Ivana A and Ivana K platforms. Production from the field is expected to commence in H1 2010.

INA's international development activities – focusing on Syrian Hayan Block

In the Syrian Hayan Block (INA has 100% paying share) the construction of the Jihar Oil and Gas Gathering Station (with a capacity of 1,000 scm/day of oil and 670,000 scm/day of gas) was finished in late 2009 resulting in remarkable production increase from the field. The development program in 2009 also contained drilling of 4 production wells and workover of 3 wells. In addition to the oil and gas station, the construction of a Gas Treatment Plant (GTP) including an LPG plant has also been going on in 2009 and will be continued in 2010 with an expected completion by 2011.

In Angola, INA has interest in the offshore oil Block 3, in three production license areas: Block 3/05 and 3/91 operated by Sonangol; and Block 3/85 operated by Total. Work program in 2009 included drilling of one production well, commencement of drilling of two further production wells, and maintenance and inspection program. In 2010, the two wells started in 2009 will be completed, a new gas pipeline will be constructed and platform and production maintenance works will be carried out.

In Egypt in East Yidma Block (Sidi Rahman Development Lease; INA operated), Ras Qattara, West Abu Gharadig and North Bahariya concessions (operated by other companies) several development wells were drilled, and 2010 work program also contains drilling of multiple wells.

Unit OPEX decreased

The 2009 annual average unit OPEX (with exclusion of DD&A, without INA) decreased by 0.6 USD/boe to 5.2 USD/boe compared to 2008. Negative effect of lower production output resulted in an increase of 0.4 USD/boe which was overcompensated by favourable exchange rates of weak local currencies compared to USD (decrease of 1.0 USD/boe) and by the strict cost controls implemented in response to the general unfavourable economic environment (decrease of 0.1 USD/boe).

We carried out intensive exploration activity in Hungary and we continued with our international exploration projects. In 2009 main activities carried out in Pakistan, Kurdistan, Kazakhstan, Cameroon and Russia. From July 1, 2009 after full consolidation of INA, the exploration portfolio was extended by activities in Croatia, Syria, Egypt, Angola and Namibia.

Strongest acreage position in Hungary and Croatia. Significant in other countries with exploration successes in the year

As at 31 December 2009, the MOL Group had 32 exploration licenses covering more than 37,215 square kilometres in Hungary keeping his dominant playership in the country. In addition, through its subsidiaries the MOL Group participates in the exploration of numerous international exploration blocks located in 13 countries. The Group also has the right to explore hydrocarbons in nine onshore blocks, covering a total area of approximately 70,174 square kilometres and in three offshore blocks with a total area of 37,840 square kilometres in Croatia.

Continued strong exploration track record

Our strong Group level exploration track record, already observed in the preceding year, continued further in 2009 as we claimed 11 discoveries out of a total 17 exploration wells tested in 6 countries, leading to a solid 65% success rate at the drill-bit. In Pakistan, we drilled 3 exploration wells in 2009, one of them is a commercial discovery. In Kazakhstan and Kurdistan we drilled 1-1 exploration well, both of them resulted in discoveries. INA drilled 3 exploration wells in Egypt, 2 of them resulted in discoveries and in Croatia 1 exploration well was drilled without any discovery.

Our conventional exploration activity in Central Europe reached an outstanding 75% success rate in 2009. In Hungary, out of the 8 exploration wells tested in 2009, 4 wells were classified as gas producers, 2 wells as oil producers adding approximately 8.5 million boe to our SPE 2P reserve base. Two wells were qualified as dry. There were 3 wells in drilling or testing phase in Hungary at the close of this report.

New partnerships in conventional exploration

In order to maximize the skill base and operating focus, as well as to share risks and costs, in 2009 we continued our strategy realization via establishing new partnerships with Ascent Hungary and Rohöl AG (in Lovászi-Petišovci and Paleogen-North exploration projects).

Significant activities in unconventional exploration

From the end of 2007, MOL has developed a multi-element unconventional exploration portfolio by ensuring its presence in all Hungarian unconventional basins. In 2008-2009 an extensive work program was completed in the Makó basin in partnership with ExxonMobil and TXM by drilling 3 and testing 2 exploration wells. The tests were technically successful, but the results have not justified the preliminary expectations yet. On the basis of the results, in February 2010 ExxonMobil and MOL decided to withdraw from the Makó-East project. In Makó-West area, there are no operational activities planned for 2010, decision about further activities is expected later this year.

In the Békés basin MOL drilled one well on its own exploration license in 2009, which has reached the initial targets, proved existing of the unconventional play and the presence of gas. The project will be continued in 2010 after the decision is made on the future steps.
In the Derecske basin MOL has launched an exploration program by drilling two wells, which both proved the presence of hydrocarbons in tight reservoirs and already producing gas from unconventional reservoirs Based on the positive results MOL continues the exploration program (in 2009 preparation and 2010 drilling of 2 wells) in this promising basin without involving another partner.

Promising INA-MOL joint exploration projects at the border

In recent years INA's conventional Croatian onshore exploration activities have focused on evaluation of less risky prospects located near producing areas in the Pannonian basin. Furthermore, the Drava and Mura basins' unconventional gas potential are also being evaluated. 2009 work program included drilling of first exploratory well in the Novi Gradac – Potony license area, and 3D seismic acquisition and well test in the Zalata – Podravska Slatina license area (both in cooperation with MOL) at the Croatian-Hungarian border.

Adriatic offshore exploration

Exploration activity was continued on offshore Ivana Block, Croatia in partnership with ENI in 2009, including drilling of one exploration well (resulting in non-commercial discovery), G&G studies and investigation of thin-layer-type reservoirs (Ivana and Ika fields), to explore further gas potential.

Further exploration success in Pakistan

In Pakistan, a commercial discovery from the Maramzai-1 drilling in the Tal Block was announced on 14 October 2009. The production capacity of the well is 38.3 MMscf gas and 1,434 bbl condensate per day. The well is scheduled to be connected to the Manzalai CPF in Q3 2010. In the same block, the Makori-West-1 exploration well failed to substantiate further upside for that field and was written off.
In the Margala and Margala North exploration blocks (70% MOL share) we finished the 2D seismic campaign to create a basis for drilling.

Confirmed resource presence in Kazakhstan and in Russia

We are the operating shareholder (27.5%) of the Fedorovsky exploration block in Kazakhstan. The Rozhkovsky U-12 drilling was finished in June 2009 and was successfully tested in October-November. During testing, it produced 1,321 boe condensate and 5.4 MMCF gas per day. The appraisal will be continued in 2010 with drilling of another appraisal well and geological interpretation.

In Russia, 2 exploration wells started in 2009. The Kvartovaya-11 well in the Matjushkinskaya Block was completed in 2009. In the Surgut-7 Block the first exploration well (Ayskaya-1) was drilled in 2008, resulting in oil indications from several layers. In 2009 the second exploratory well (Atayskaya-2) was completed, which gave oil from the Jurassic horizon. Further tests are scheduled for 2010.

Progress in our exploration projects in Kurdistan (Northern Iraq); Oman, Cameroon, India and Yemen

In the Kurdistan Region of Iraq MOL is the operator of Block Akri-Bijeel with a working interest of 80% and has a 20% non-operated working interest in Block Shaikan. In the Shaikan Block the Shaikan-1 exploration well has been deepened and successfully tested in 2009. An accelerated appraisal programme will be launched in 2010. In the Akri-Bijeel Block the Bijeel-1 exploration drilling started end of December. The first tests have been successful. The well has produced 3,200 bbl/d oil and 0.9 MMcf/d (~150 boe/d) of gas.

In Oman, (75% MOL share) we performed G&G studies and entered into the second exploration phase in 2009. The work commitment of this phase contains G&G studies and 300 km new 2D seismic acquisition and one optional well. The 2D acquisition will be carried out in 2010.

In Cameroon, MOL has 40% non-operated interest in the Ngosso Block. In 2009 3D seismic acquisition was performed, its processing and interpretation is expected to be completed in 2010.

In India, MOL farmed into Block HF-ONN-2001/1, operated by ONGC. The 35% working interest in the Himalayan Foothills was approved by the Indian Government in July 2009. The block is in the second phase of exploration, and the drilling of an exploratory well (Kasauli-1) is expected to commence in 2010. 2010 work program also contains seismic re-evaluation.

In Yemen Block 48, as the license expired in January 2010, MOL decided to exit the block and started termination of the project.

INA's International exploration activities – focusing on committed programs in 2009

In the Syrian Aphamia Block (INA has 100% share) new 3D seismic acquisition, processing and interpretation of the acquired data was carried out in 2009.

In the Angolan 3/05 concession an appraisal well was drilled in 2009 (with a total depth of 3,431 m). Primary objective zones were perforated and successfully tested. In 2010, in the second extension phase of the exploration license, one exploration well will be drilled.

In Egypt, geological studies were performed and two exploratory wells were drilled in 2009 on the East Yidma Concession. Rizk-1 well proved oil accumulation and was successfully tested, based on which INA declared commercial discovery. The other well did not reach planned depth, but hydrocarbon saturation was identified and tested in two reservoirs.

In the Namibian Zaris Block and the Iranian Moghan-2 Block, reprocessing of 2D seismic data was performed in 2009. Based on the results, INA started to prepare for termination of the Namibian project at the expiry of the license in 2010; while an innovative exploration program has been prepared for Moghan Block.

Significant acquisition in Kurdistan Region of Iraq - Pearl

In May 2009, MOL acquired a 10% stake in Pearl Petroleum Company Limited (Pearl Ltd) from Crescent Petroleum and Dana Gas PJSC. Pearl Ltd was set up to appraise, develop and produce two giant, multi TCF gas-condensate fields (Khor Mor and Chemchemal) in the Kurdistan Region of Iraq. Chemchemal field is in exploration phase, while Khor Mor field is under development and produces and supplies gas to local power plants. Local industrial needs have to be primarily satisfied by the project, but in future, substantial excess quantities are expected to be available for export. The project is equity consolidated, which disallows recognition of hydrocarbon production share in MOL Group production volumes, but reserves as equity reserves still will add to Group reserves in the future.

Stable MOL SEC reserves

According to our reserve review, (excluding INA d.d.'s reserves, but including MMBF Zrt's reserves) in line with SEC guidelines, total gross proved developed and undeveloped reserves of the MOL Group at 31 December, 2009 were 153.3 MMboe, consisting of 12.6

bcm (82.6 MMboe) of natural gas (including condensate and gas liquids) and 9.6 million tonnes (70.7 MMboe) of crude oil.

In Hungary, annual production in 2009 reduced our gross proved reserves by 23.6 MMboe. New Hungarian discoveries and field extensions increased MOL's gross proved reserves by 3.0 MMboe, while the revision of reserves increased the gross proved reserves by 8.0 MMboe.

Internationally, reserve revisions resulted in an increase in gross proved reserves of 18.2 MMboe.

In accordance with SEC guidelines, as at 31 December 2009, MOL's share of gross proved reserves of the ZMB field was 25.0 MMbbls. The Baitugan field had 12.7 MMbbls of proved reserves. Proved reserves of the Matjushkinskaya block were 4.8 MMbbls where revision due to Ledovoye field appraisal added reserves of 2.6 MMbbls in 2009.

The Manzalai and Makori fields in the Tal Block (Pakistan, 8.42% MOL share) had 12.8 MMboe of proved gas and condensate reserves pertaining to our share according to the SEC reserve evaluation as of 31 December, 2009. Revision added 13.0 MMboe in 2009 as Manzalai CPF was constructed and long-term gas sale was secured.

SPE 2P reserves doubled year-on-year due to INA consolidation

In parallel to the reserves presentation of proved reserves under SEC guidelines, MOL publishes P1 and P2 reserves according to SPE guidelines. In the opinion of the Company, SPE guidelines provide a more realistic framework for reserves presentation. MOL's 2009 year-end SPE gross proved reserves are 447.0 MMboe, including 245.3 MMboe of INA d.d.'s reserves and 3.7 MMboe MMBF Zrt's reserves. SPE P1+P2 figures are at 665.1 MMboe (including 325.1 MMboe of INA d.d.'s reserves and 3.7 MMboe MMBF Zrt's reserves), which presents an increase of 132.5 MMboe compared to the previous year mainly due to full consolidation of INA, d.d.

Refining and Marketing Overview

Quick and adequate response to the economic crisis

MOL Group adopted a disciplined and effective approach to cost consciousness thus gave successfully answers to the main challenges of 2009. The company focused on cash generation performance in all activities. While inventory levels and operation unit costs have been lowered, strict control procedures have safeguarded credit performance. As part of the quick and adequate response to the economic crisis, MOL decided to cut its original CAPEX plan for this year, resulting in focused investments and revaluation of projects on MOL Group level. The large scale hydrocrack conversion project in Duna Refinery has been rescheduled to an early revisit in 2010. However the review of the technical scope and timing of the project will be carried out in the light of new synergies in the larger group.

Solid base for organic growth in an enlarged Group…

The operational control over INA since 2009 brought two refineries to MOL's refinery pool, which total capacity increased to 23.5 mtpa. The five refineries operated under joint supply-chain optimisation on adjacent markets provide outstanding further growth opportunity. The high complexity Duna and Bratislava are well-known for their exceptional profitability and outstanding operational excellence and represents our track record of cutting edge asset development. Although the new refineries have lower complexity and efficiency levels, MOL is committed to improve the efficiency level of the new portfolio elements to its surpassing standard level. The coastal Rijeka refinery provides direct connection to the Mediterranean region and gives the opportunity for the Group to procure and sell crude oil and oil products by cargo, while the landlocked Sisak refinery is located in the vicinity of the main Croatian consumer market.

...by leverage synergies of 5 refineries and 2 petchem units

The extended portfolio also allows MOL to leverage all the development and operational synergies among the refineries and petrochemical units. MOL can optimize its asset developments on a higher level and can exploit the advantages of the joint stocking and scheduling of its units, the feedstock and product transfers among the refineries and harmonized logistics and commercial activity.
In order to implement the maximum exploitation of the operational opportunities and harmonizing the investment decisions a cutting-edge planning tool, Seven Sites Linear Programming Model was introduced in 2009. Extended Group level risk management, intensive knowledge transfer and sharing also have been commenced.

Market driven investment programme continued

With disciplined, more focused CAPEX management MOL Group continued its key asset development programs despite the tight economic environment in 2009. INA Modernization Programme Phase I. targeting compliance with EU motor fuel quality requirements. New units in Sisak Refinery have already come on stream both to produce Euro V motor gasoline and to reduce emission to local environment. New units in Rijeka are in-construction to process Euro V motor fuels in 2010 and to comply with local environmental legislation.
IES Modernization programme continued with adding new hydrotreater capacities to serve local markets with Euro V gasoils.
MOL and Slovnaft refineries completed the planned diesel production revamps and capacities have been lifted to serve long term market dieselisation trends.
Slovnaft heavy-fuel-to-electricity upgrade project gained momentum. The increased capacity of the local power plant will satisfy the electricity and heat demand of the refinery thus providing value creating captive market for all Slovnaft processed heavy residue fuels.

Outlook: become the premium refinery Group, with…

Our vision is to become the premium refinery group in Europe. On the track for this the completion of INA Modernization Programme Phase I. and the continuation of integration will be the key elements of 2010.

…focused developments...

The most important part of the remaining investments of the Phase I. programme is the Mild Hydrocracker unit in Rijeka, with the expected completion by mid-2010. With the completion of these investments Rijeka will be able to produce its full diesel and gasoline products in Euro V quality, while Sisak will produce gasoline solely and diesel partially in line with Euro V quality standards. With the EU standard motor fuel pool, the Group both will be able to serve local markets and harmonise its regional sales activity on more efficient level. Continued focus will be given to the market driven planning of Phase II. to elevate conversion level and competitiveness of the refineries on mid-term.

…and extension of our outstanding operational excellence to Group level

Efficiency improvement actions will be continued at all locations supported by extensive knowledge transfer and harmonized operation across all business segments through the whole value chain. We also keep focus on unit costs of our activities, asset maximization of production, distribution and commercial chains, and will exploit crossborder synergies available by the organic growth of the previous years.

Extremely tight external environment, but…

The external conditions in 2009 were significantly different from 2008. Diesel crack spread was extremely strong (USD 217/t) in 2008, while it was extremely low (USD 68/t on average) in 2009 which affected the result mostly (middle distillate yield is 45%). Motor gasoline crack spread improved slightly from USD 104/t to USD 116/t, while naphtha increased from USD 25/t to USD 50/t in 2009 vs. 2008. In addition, the Brent-Ural differential narrowed to USD 0.8/bbl in 2009 versus USD 3.0/bbl in 2008.

…Downstream business was still profitable

Despite of the tight and deteriorated external environment the R&M segment operating profit, excluding special items, was HUF 28.0 bn in 2009. Excluding INA's consolidation impact of operating loss of HUF 19.7 bn in H2 2009, the Downstream EBIT amounted to HUF 47.7 bn for 2009, representing a 30% decrease year-on-year. CCS-based operating loss, excluding INA's contribution was HUF 2.4 bn, mainly due to external factors and a 2% volume decline, which was only partly offset by the positive impact of the weaker HUF vs. the USD as well as the internal efficiency improvement (rigorous cost control and efficient customer management system).

INA fuelled the 9% throughput increase

In 2009, we processed 16.6 Mt of crude oil, compared to 15.0 Mt in the previous year, an increase of 11%, supported by the half year contribution of INA production. Refinery throughput grew by 9% year-on-year to 19.7 Mt in 2009 with 2.4 Mt INA contributions.

Lower refinery utilisation due to moderate market demand and Group level optimization

As a result of the optimisation of sales, inventory level with stringent cash flow focus the refinery throughput, excluding INA's 2.4 Mt contribution, decreased by 5% to 17.3 Mt in 2009 compared to 2008. Other feedstock processing, excluding INA, decreased by 4% compared to the previous year mainly due to a decrease of 0.2 Gasoil purchase as a result of optimization. Processing at the Duna and Slovnaft refineries decreased by 5% on uninterrupted Russian crude supply, while the throughput of IES improved by 2%.

Strict inventory control

Closing inventory volumes, excluding INA, decreased by approximately 330 kt during 2009 vs. 2008 as a result of effective cash management.

Regional demand growth was above expectations

Motor fuel demand in the Central-Eastern Europe region declined by about 1%, which is significantly better than expected at the start of the economic crisis. Gasoline demand stagnated, while diesel consumption suffered a minor drop of 1.2% in 2009 year-on-year. There were considerable differences in the demand pictures of individual countries. The largest drop in demand occurred in Slovenia and Slovakia, while demand in Poland even increased.

Sales increase fuelled by acquisition of INA

Despite the recession, group level sales volume, excluding INA's 2.2 Mt contribution, fell by only 2% year-on-year to 15.2 Mt in 2009. The decrease was caused by the lower H1 2009 volumes compared to H1 2008, while H2 2009 sales were stable year-on-year. Even diesel sales, which is the most exposed to recession (transportation) eroded by only 3.3%, while motor gasoline sales slightly decreased by 0.3%, excluding INA's consolidation impact, in H2 2009 year-on-year.

Leading position in our home markets maintained

We were successfully maintaining our market position on the domestic and on the most important and closest export markets. Moreover, with the consolidation of INA we have strengthened our regional position on all fields of Downstream activity. Our market share in CEE has increased to 19% from 17% with the contribution of INA in H2 2009 to Group sales.

Sales in Hungary: remained stable, increased slightly even during the crisis

Our total Hungarian sales remained stable in 2009. Both gasoline and diesel sales increased by 1.8% and 0.9% respectively, while our other product sales decreased by 5% compared to 2008.

Stable market coverage in Hungary

MOL successfully maintained its favourable market position in Hungary. Diesel refinery coverage increased slightly from 85% to 86% in 2009 as a result of increased sales quantity in international oil companies (IOC) and end-user segments. Refinery coverage of gasoline slightly increased from 84% to 85% in 2009.

Shrinking fuel demand in Slovakia but Slovakian market coverage successfully maintained

Total refined product sales in Slovakia decreased by 12.2%, driven by lower motor fuel sales (down by 10.6%) as a result of fuel tourism to neighbouring countries in 2009 year-on-year.
The diesel market decreased sharply by 12% in Slovakia and motor gasoline consumption by 9% year-on-year. The introduction of the Euro this year and depreciation of the national currencies in the surrounding countries strengthened the fuel tourism to outside of Slovakia.

Slovnaft maintained its strong market share position of gasoline (2008: 67% vs. 2009: 66%) and of diesel (2008: 65% vs. 2009: 66%) during 2009. It successfully benefited from improved commercial policy targetting end-user segments, especially agriculture.

Increased bitumen consumption

The bitumen market increased slightly in Hungary partly due to works of M6 highway. On the other hand the Slovakian market declined. Market share on both Hungarian and Slovakian market declined by 4% and 2% respectively to 73% and 54%. It was the result of stronger competition driven by higher level of bitumen crack spreads this year.

LPG market share: stable in Hungary but lower in Slovakia

Refinery coverage of LPG in Hungary was 77% slightly higher than in 2008 benefiting from MOL's better position in wholesale compared to competitors. Retail market share decreased slightly in Hungary due to declined small bulk consumption in industry, the segment in which MOL has stronger position, as an impact of the crisis.
In Slovakia MOL optimised market share with prices in order to achieve profit maximum; the market share declined slightly from 28% to 26%.

Petchem feedstock volume was down 2.3%

The total transferred volumes to the Petrochemical segment decreased by 58 kt to 2,488 kt in 2009. Of this, naphtha amounted to 1,822 kt and chemical gasoil volumes of 52 kt (1,888 kt and 60 kt, respectively, in 2008). In 2009, our Petrochemical segment supplied 671 kt of by-products to our Refining and Marketing segment for further processing.

Retail

Retail strategy successfully pursued

In 2009, Retail Divison reached its strategic target and operates more than 1600 filling stations across 11 countries in the region, providing a strong captive market for Refining in the refinery supply radius. After successful integration of Tifon, a fuel retail and wholesale company in Croatia and the IES retail network in Italy in the recent years, MOL gained operational control over INA, the leader of Croatian retail fuel market. As a result of the full consolidation of INA and Energopetrol as of 30 June 2009, the number of filling stations increased by 488 and 42 respectively in 2009. Furthermore, we increased our Austrian network with 19 filling station during the year. In addition to expanding the number of retail filling stations, MOL Group focuses on customer satisfaction and on improving its filling stations in order to increase revenue per site and network efficiency.

New RVI providing success

MOL's 'Retail Visual Identity' (RVI) has been renewed and introduced at newly-built, refurbished, re-branded filling stations. The new design combines the traditional MOL visual elements with a dynamic refreshing image to reflect the company's strategy and to support MOL Group brand awareness. A regional partnership was created between the MOL Group and Marché International to provide a premium gastro offering at motorway locations in 2008. In 2009 4 additional Marché restaurants were opened at newly-built high-way stations in Hungary and from 2009 onwards Marché also operates restaurants in Croatia at Tifon filling stations.

Retail sales up 32%

Aggregate retail sales volumes (incl. LPG and lubricant volumes) increased by 32% to 3.1 Mt in 2009. The main driver of the growth was INA's H2 2009 contribution of 675 kt. Retail fuel sales volumes, excluding INA, increased by 3% to 2,383 kt in 2009 due to the further expansion in Serbia, Austria and in Croatia by Tifon.

Hungarian retail volumes increased despite recession

In Hungary our retail fuel sales volumes increased by 4% year-on-year in 2009 in spite of the economic downturn and the competitive environment. Gasoline sales remained stable, while diesel and LPG sales increased by 7% and 6%, respectively. The retail market was still characterised by strong price competition both in fuel and non-fuel sector. Our retail fuel market share, according to MÁSZ (Hungarian Petroleum Association), increased to 36.5% in 2009 from 35.7% in 2008. The ratio of fleet card sales to our total fuel sales remained stable in 2009 vs. 2008. Our shop sales revenues remained stable in 2009 year-on-year as the increasing sales of tobacco (14%) and pharmacy (5%) products almost offset the decrease in mobile up-loads, lower highway-ticket sales, lower food and non food revenues.

After a decreasing demand in Slovakia sales volumes started to recover in 2009 Q3

In Slovakia, total retail fuel sales volume fell by 8% in 2009 year-on-year, mainly as a result of decreased domestic demand. This was influenced significantly by the strong EUR, which shifted the fuel demand to the neighbouring countries, mainly towards Hungary, Czech Republic and Poland, mostly in H1 2009. Diesel sales showed a 7% decrease year-on-year, while gasoline sales decreased by 10%. LPG sales fell by 3%. Average throughput per site fell by 8% in 2009, as a result of overall decrease in fuel sales. The fuel card sales were affected the most by the unfavourable economic conditions and they fell significantly compared to 2008. Our retail fuel market share was 36.5% in 2009 in Slovakia vs 38.1% in 2008.

Romanian retail volumes decreased by 5% on lower demand

In Romania, total retail fuel sales volume decreased by approximately 5% in 2009 year-on-year, mainly as a result of the lower domestic demand. The fleet card sales volume was the most affected by the economic downturn and fell by over 10% in 2009 year-on-year, which in line with the decrease of the Romanian fleet card market. On the other hand, the ratio of premium fuel sales in the total fuel volume sold increased in 2009 vs. 2008. The shop sales in RON-terms had recorded a slight decrease in 2009. In 2009 MOL Romania market share remained stable at approximately 11%.

Croatia increased by 30% excluding INA

In Croatia, retail sales volumes increased by 679 kt in 2009 year-on-year including INA's contribution of 646 kt in H2 2009. Croatian retail sales volumes, excluding INA, which practically means Tifon's performance increased by 30% to 141 kt in 2009 year-on-year.

By executing our strategy to expand our network, fuel sales in Serbia increased by 40% to 100 million litres in 2009.

On track with the strategy realization: over 1600 petrol stations

The group operated 1,658 filling stations as of 31 December 2009, including 365 in our main market of Hungary, 480 in Croatia, 209 in Slovakia, 224 in Italy, 126 in Romania, 108 in Bosnia and Herzegovina, 66 in Austria, 33 in Serbia, 28 in the Czech Republic, 18 in Slovenia and 1 in Montenegro.

Petrochemicals Overview

Despite of the significant losses we preserved our cash producing ability and we secured stable supply to our polymer customers

The crisis starting from the financial sector in the year 2008 that became fully expanded in the real sector during 2009 produced the worst results of the last two decades in the petrochemical industry. The profitability of polymer products dropped dramatically and consequently Petrochemical Segment's operating profit was in the red. Despite of the significant losses we preserved our cash producing ability and due to our integrated operation we were in position to supply and keep our polymer customers without reducing our polymer capacities.

Focus on cost management and energy efficiency improvement

The external economic environment compels us to maintain austerity in cost management while focussing first of all on the continuous improvement of operating efficiency, maintaining and ensuring secure operations, enhancing the energy efficiency of our systems of process technology in view of the substantial rise of energy prices and on identifying and immediately implementing any remaining opportunities presented by our technological systems besides considering the environmental aspects in full.

European polyolefin demand decreased, however in last quarter it slightly recovered

Regarding the European polyolefin demand, the year of 2009 was characterized by the long lasting effect of financial crisis started in 2008 which had double effect on polyolefin markets. The polymer producers faced not only significant decrease in polymer demand but the indirect impact of the credit limitations of their customers. On yearly basis the European polyolefin demand decreased further compared to 2008, however in Q4 2009, the demand slightly recovered compared to previous quarter and it was higher than in the same period of 2008. The negative impact of recession on demand and sales was most significant in case of automotive and construction segments while the demand in consumer goods and consumer packaging segments showed slight increase in second half of the year. At the end of the year, the demand was supported by the change in price expectations and some converters increased their purchases depending on their financing constraints.

We have amended our sales strategy to exploit our favourable geographic location in CEE

Exploiting our favourable geographic location we have amended our sales strategy, at the field of logistics product development and tight costumer relations, giving bigger focus on the Central- and Eastern European region. Therefore we have closed our sales office in the United Kingdom and Russia. We are able to maintain our market presence in the above-mentioned countries via other sales channel. In order to enhance the selling towards middle- and smaller size companies we opened two new selling points, besides the already existing two, in 2009.

3% increase in polymer sales volumes despite of the recession

Despite of the recession, the total polymer sales volume increased by 35 kt (3%) in 2009 year-on-year. While the automotive and construction segments suffered the most significant drop in volume (-13% and -15% respectively), boosted sales to agricultural segment increased by 35%, demand in consumer goods and consumer packaging segments showed slight increase. Sales of olefin products decreased by 20% in 2009 vs. 2008.

HUF 15.2 bn operating loss for 2009

The Petrochemical segment reported an operating loss of HUF 15.2 bn for the FY 2009 down by HUF 7.6 bn year-on-year, reflecting the considerable drop in the integrated petrochemical margin, and the higher energy prices. Adopting the challenges, the strict cost control measures and the implementation of efficiency improvement actions were in the focus during the year including stringent working capital management

25% lower integrated petrochemical margin

The integrated petrochemical margin declined significantly by 25% to EUR 304/t in 2009 year-on-year. Both the naphtha prices and the polymer prices increased during 2009 compared to December 2008. However, the average naphtha prices decreased by 32% in USD-terms, and the average polymer price declined by 26-28% in EUR-terms in 2009 year-on-year. The USD strengthened by 5% against the EUR in 2009 compared to the previous year, which had a negative impact on the margin.

Slight decrease in production volumes

The available olefin production capacity was lower as a consequence of the maintenance shut-downs of Olefin-1 plant in TVK. In addition, we needed to decrease the utilization of our olefin production capacity as the ethylene demand of our biggest customer, BorsodChem, dropped by 31% year-on-year. Consequently, not only the sales of ethylene, but the sales of the other olefin products declined as well, decreasing our gross margin in 2009 year-on-year.

Supply contract with Synthos to increase capacity utilisation of our olefin plants in 2010

In order to partially compensate the reduced capacity utilisation of our olefin production, in the 4th quarter of 2009 we concluded a contract with Synthos, one of the largest chemical companies in Poland for the supply of crude C4 fraction during 2010-2012. In this way we are in position to increase the sales of the by-products of the olefin plant and to improve the capacity utilisation of the olefin plants at the same time.

Gas and Power Segment Overview

The operating profit of the Gas and Power segment increased by 60% to HUF 61.9 bn in 2009 year-on-year. FGSZ Natural Gas Transmission Closed Company Limited by Shares was the most important profit contributor (HUF 46.1 bn without asset revaluation), while the significant profit realization of the two determinant subsidiaries MMBF Ltd., Slovnaft Thermal Power Plant also contributed to the favourable result of the segment in 2009.

FGSZ Natural Gas Transmission Ltd.

Main 2009 goals were met: infrastructure development projects on the way

FGSZ Natural Gas Transmission Closed Company Limited by Shares completed the development of the import capacity expansion project in Q2 2009, thus the gas transmission from the Ukraine can be doubled (up by 30 Mm^3/day) in the future. Furthermore the strategic underground gas storage facility was connected to the main nod of the transmission system. These developments give an opportunity to fulfil future domestic demand and enable us to enjoy a more pro-active role in future natural gas transmission businesses.

The Hungarian section of the 109 km long Szeged-Arad gas pipeline was completed, and it will ensure the transmission between Hungary and Romania by end of Q2, 2010. Initial capacity of the pipeline is 1.75 bcm, to be extended in the future to 4.4 bcm.

FGSZ Natural Gas Transmission Closed Company Limited by Shares and Plinacro, the operator of the Croatian Transmission System, concluded a Joint Development Agreement in March 2009, with the main goal of the completion of the interconnection between the Hungarian and Croatian transmission systems. The design phase of Városföld-Slobodnica gas pipeline was finished. The implementation of the 210 km long inter-connecting pipeline with 6.5 bcm capacity was launched in 2009 September.

FGSZ continued the progress on NETS

FGSZ Natural Gas Transmission Closed Company Limited by Shares stresses the vital importance of regional joint initiatives, such as the NETS project, which, first proposed in December, 2007, is a major initiative aimed at achieving greater interconnectivity between the various national gas TSOs spanning Central and South-East Europe for improved security of supply.

With harmony of the regional coorporation FGSZ Natural Gas Transmission Closed Company Limited by Shares started negotiation with Eustream (Sk) and Geoplin Plinovodi (Slo) to develop new interconnections towards Slovakia and Slovenia in order to improve the security of supply and transmission possibilities in the region.

Independent Transmission system Operator

Due to change in European Union gas market regulation, in 2010 the complete unbundling of natural gas transmission activities shall be implemented from the vertically integrated parent company in Hungary as well, which process has already started in Q4 2009.

Outlook for 2010

The main task for 2010 is to continue the development of the Croatian interconnector and focus on the cost efficient operation to provide stable cash flow the the Group.

Outstanding operating profit contribution

Operating profit for FGSZ Natural Gas Transmission Closed Company Limited by Shares was HUF 40.2 bn in 2009, HUF 9.7 bn (32%) higher year-on-year. Revenues increased as a result of the tariff change impact and the increasing capacity bookings. Additionally, energy costs decreased improving the profit further.

Domestic transmission revenue +12%

Revenue from domestic transmission grew by HUF 7.4 bn (12%) to HUF 66.2 bn in 2009 year-on-year. Capacity fee revenue increased by HUF 7.9 bn due to the positive impact of the tariff change, and the surplus capacity bookings. Despite the decrease of the turnover fee valid as of July 1 2009 the FY 2009 average turnover fee is higher year-on-year, which resulted HUF 0.2 bn revenue growth in 2009 in spite of the decrease of transmitted natural gas volume. Natural gas sales volume decreased by 14%, at the same time the injected volumes into underground storages increased by 68%.

Slightly lower transit revenue despite of 27% lower transmitted volume due to gas crisis

Revenue from transit natural gas transmission was HUF 16,1 bn in 2009, unchanged vs. 2008. Transmitted volume decreased significantly (by 27%) in 2009 year-on-year due to the gas crisis of January. The main reason behind the revenue decrease was the volume shortfall, which was considerably compensated by the weakening HUF against the USD.

Operating cost decreased on lower energy costs

Operating costs were HUF 2.4 bn (5%) lower in 2009 year-on-year, mainly due to the HUF 5.2 bn decrease in energy costs. This decrease is a result of the significant drop in natural gas used for operational purpose (mostly to drive compressors), down 38% year-on-year. Due to volume decline the deviation of the pressure increase fee resulted cost decrease as well. Extraordinary costs have incurred already in 2009 due to the development of future operation in compliance with the EU Directive.

MMBF Ltd.

Strategic and commercial storage

We have started to rebuild our gas storage business through the establishment of MMBF Ltd. (72.5% subsidiary of MOL). MMBF Ltd. was set up to develop the underground gas storage with a strategic mobile capacity of 1.2 bcm and 0.7 bcm commercial capacity through an active reservoir, Szőreg-1.

The development, implemented by MOL Plc, is proceeding according to schedule. Total CAPEX spent, without the acquisition of mining rights (HUF 67.0 bn), was HUF 80.9 bn by the year end, of which HUF 23.9 bn was spent in 2009. The development of strategic storage and filling up 1.2 bcm strategic storage was completed in December 2009. The strategic storage facility, in line with legal provisions, has a daily withdrawal peak capacity of 20 mcm over a period of 45 days for strategic (security) activities. Commercial storage with 700 mcm mobile capacity will be available from Q2 2010 and it will have an additional 5 mcm/day peak capacity.

In addition to storage activity, MMBF Ltd. has sold the oil, condensate and gas production of Szőreg-1 field with profit. Operating profit of MMBF Ltd. was HUF 8.7 bn in 2009. Through the strategic and commercial storage facilities MMBF Ltd. is expected to provide stable EUR-based return and profit contribution from 2010.

Power

JV with CEZ – entry into the electricity market

MOL, together with its strategic partner – CEZ, the Czech Energy Company - will implement three major investments – as the first remarkable projects of this joint venture – in the Duna and Bratislava refineries: two combined cycle gas turbine (CCGT) technologies each with an installed capacity of 830-860 MW which will result in a 58% net electrical efficiency (compared to an average 36% efficiency of gas power plants in Hungary in 2007) and thirdly, the revamp of the existing thermal power plant (TPP) in the Bratislava refinery. The amount of energy produced will be able to create sufficient steam and energy sources for the Duna and Bratislava refineries. It also enables MOL to enter and gain a significant share of the very attractive energy market.

The preparatory works for the two 830 MW CCGT power plants' developments are proceeding according to the agreed schedule. The revamp of the TPP in Bratislava is in process, the complete Flue Gas Desulfurisation unit work will be implemented by the end of 2011. The capacity increase of the power plant will satisfy the full electricity need of the refinery and also provide more heat.

Thermal Power Plant in Slovnaft Refinery (contributed to CMEPS s.r.o. as of 1 April 2009) achieved an outstanding operating profit of HUF 4.0 bn in 2009 due to cost efficient operation, profit from ancillary services for a customer outside MOL Group and profitability on sold commodities. CMEPS s.r.o. was contributed to MOL-CEZ joint venture as of 30 November 2009. Although CMEPS s.r.o. is 50% owned by MOL Group after the contribution, due to the requirements of IFRS the company and its operating profit will remain fully consolidated in MOL Group.

Corporate and Other Segment Overview

Operating loss (excluding one-off items and INA) decreased

The Corporate and other segment operating loss, excluding one-off items (a fine of HUF 5.8 bn imposed by the European Commission in association with paraffin trading in 2008, HUF 6.4 bn and HUF 28.2 bn subsequent settlements from E.On in connection with the gas business sale in 2008 and in 2009 and HUF 70.6 bn one-off non-cash revaluation gain related to consolidating INA into MOL Group for the first time) represented a 16% increase, and amounted to HUF 44.4 bn loss in 2009, mainly as a result of INA's H2 2009 loss contribution of HUF 7.6 bn. Despite the higher inflation the loss excluding INA decreased by HUF 1.5 bn compared to 2008 also reflecting the effect of the cost efficiency measures.

Financial results

Increase in net financial expense

A net financial expense of HUF 58.8 bn was recorded in 2009 (compared to a net financial loss of HUF 16.1 bn in 2008). Interest payable was HUF 23.3 bn in 2009 (HUF 37.8 bn in 2008) while interest received amounted to HUF 10.5 bn in 2009 (HUF 19.2 bn in 2008). In 2009 a net foreign exchange loss of HUF 3.2 bn was recognised, compared to the loss of HUF 19.8 bn in 2008. The fair valuation difference on the conversion option embedded in the capital security issued in the monetization of treasury shares by Magnolia Finance Ltd. was HUF 19.7 bn increase of liability (compared with a gain of HUF 64.6 bn in 2008). The fair value of the conversion option liability has decreased to nil as at 31 December 2008, since the market of the underlying convertible instrument had temporarily became inactive and also reflected the stressed share prices. The current period valuation reflects the increasing MOL share price and the general revival of the market of convertible instruments. In addition, a loss of HUF 3.7 bn has been incurred on the fair valuation of the call option on MOL shares owned by CEZ.

Loss from associates

INA contributed a loss of HUF 3.5 bn

Loss from associates included INA's H1 2009 contribution of HUF 3.5 bn loss compared to HUF 25.5 bn in 2008 (both figures include MOL's additional 22.2% shareholding since Q4 2008). From 30 June 2009, INA is fully consolidated by MOL Group. Loss from associates also contains MOL's 10% share from the operations of Pearl Petroleum Company (an income of HUF 1.2 bn).

Profit before Taxation

As a result of the above-mentioned items, the Group's profit before taxation in 2009 was HUF 188.1 bn, compared to HUF 158.0 bn in 2008.

Taxation

Income tax expense was higher

Income tax expense increased by HUF 63.4 bn from the comparative period to HUF 80.1 bn in 2009, primarily as a result of the positive statutory tax base of MOL Plc, compared to its tax loss in 2008 and the introduction of an additional 8% surtax on energy suppliers ('Robin Hood tax'). The subsequent impact of MOL share transactions and certain options attached to shares held by third parties is treated differently for IFRS and tax purposes and resulted in a HUF 11.4 bn increase in our tax expense. The current income tax expense was the result of the contribution from MOL Plc. of HUF 46.3 bn (16% corporate income tax, 4% solidarity surplus tax, 8% 'Robin Hood tax' and 2% local trade tax), IES S.r.l of HUF 2.1 bn (36.9% corporate tax rate) and FGSZ Natural Gas Transmission Closed Company Limited by Shares of HUF 3.7 bn.

Cash-flow

Consolidated Cash-flow	2009 (HUF mn)	2008 (HUF mn)
Net cash provided by operating activities	411,170	347,203
of which movements in working capital	67,196	24,898
Net cash used in investing activities	(272,448)	(474,792)
Net cash provided by/(used in) financing activities	(169,713)	209,070
Net increase/(decrease) in cash and cash equivalents	(30,991)	81,481

Operating cash-flow increased by 18%

Operating cash inflow in 2009 was HUF 411.2 bn, compared to HUF 347.2 bn in 2008. Operating cash flow before movements in working capital decreased by 3%. The change in the working capital position increased funds by HUF 67.2 bn, as a result of an increase in trade payables and other payables (of HUF 36.9 bn, and HUF 11.9 bn respectively) and a decrease in inventories, trade receivables and other current assets (of HUF 13.4 bn, HUF 4.8 bn and HUF 0.2 bn respectively). Income taxes paid amounted to HUF 29.0 bn, due to a cash outflow from the income taxes of MOL Plc. and Slovnaft.

Cash used in investing activities decreased by 43%

Net cash used in investing activities was HUF 272.4 bn in 2009, compared to net cash used of HUF 474.8 bn in 2008. The cash outflow of the current period reflects the CAPEX mainly on expansion of the Hungarian import pipeline capacity, the post-closing price adjustment from the sale of MOL Földgázellátó Zrt. to E.ON Ruhrgas International AG., consideration paid by INA for the acquisition of a Hungarian drilling service provider (Drilltrans Kft.), consideration of acquiring the remaining non-controlling interest of Roth Group and effect of partial disposal of MOL Energiakereskedő Zrt. The comparative figure for 2008 contains the combined effect of the CAPEX, consideration paid for 22.16% of INA, the purchase price adjustment paid for IES, the consideration paid for I&C Energo and the post-closing price adjustment from the sale of MOL Földgázellátó Zrt. to E.ON Ruhrgas International AG.

Net financing cash outflows from repayment loans

Net financing cash outflow was HUF 169.7 bn, primarily as a result of the net repayment of long-term and short-term debt.

Funding overview

The financial position and ability to generate operational of corporates came into the front due to the turbulent financial environment and economic slowdown.

MOL kept its strong financial position in the lean year

MOL's key target for 2009, to keep its strong financial position, was successfully persuaded as a result of MOL's fast and adequate answer on the first signs of the financial crisis. MOL remained disciplined to its reduced CAPEX plan during the year, initiated several cost reduction measures and further increased its well-accepted efficiency.

New credit facilities

MOL Plc. signed a EUR 450 mn forward start revolving facility agreement on 12 November 2009 the amount of which was increased by EUR 75 mn to EUR 525 mn on 29 December 2009. The EUR 525 mn facility will be available for the Company from 1 October 2010. In addition, MOL signed an 8 year, EUR 200 million loan agreement with EBRD (European Bank for Reconstruction and Development) on 17 June 2009 to finance the completion of the strategic and commercial gas storage facility developing from Szőreg-1 reservoir. Furthermore in December, 2009, a 3 year, HUF 30 bn bilateral loan was raised by FGSZ Zrt for general corporate purposes.

Sufficient external funding

MOL Group has sufficient external funding for its operations and investments. The further pillars of the existing funding are the EUR 1.5 bn syndicated multi-currency revolving loan facility signed in October 2007, the EUR 825 mn and the 700 mn syndicated multi-currency revolving loan facility and the EUR 750 mn 10 year Eurobonds issued in September 2005 raised by MOL and USD 1 bn syndicated multi-currency revolving loan facility signed by INA in April 2007. The proceeds of the facilities can be used for general corporate purposes.

51% EUR-denominated debt

MOL Group's total debt increased from HUF 911.5 bn at year-end 2008 to HUF 1,111.1 bn at 31 December 2009, primary as a result of the contribution of INA (HUF 270.7 bn), new draw-down of long term borrowings and the moderate weakening of HUF vs. EUR and USD. The currency composition of total debt was 51.2% EUR, 44.4% USD, 4.4% HUF and other currency as of 31 December 2009. Our net debt amounted to HUF 926.6 bn at the end of 2009. Net debt, excluding INA's full consolidation impact was HUF 672.9 bn at the end of 2009, slightly decreased from HUF 689.4 bn at the end of 2008.

Our gearing ratio decreased

Our gearing ratio (net debt to the sum of net debt and total equity) was 33.1% at 31 December 2009 compared to 35.9% at the end of 2008, which reflects the strong capitalization of MOL Group.

Integrated Risk management

The recent turbulent environment underlined the necessity of an effective and comprehensive risk management

The effect of the world economic crisis has had a substantial influence on MOL's operating environment as well as on its short term financial challenges that foster more scrutiny on covenant management. It is an accentuated aim for Risk Management to deal with these external circumstances in order to support the stable financial position of MOL. Therefore it is a necessity to have an effective and comprehensive risk management as a prerequisite tool of good corporate governance. Besides the turmoil there are several other requirements for a proper risk management at a company, for example IFRS requirements introduced in 2007 on disclosing information on financial risks and their management, rating agency focus on implementations of effective Enterprise Risk Management (ERM) frameworks and the heightened scrutiny on corporate governance practices by investors. MOL's Risk Management carries out its tasks on group-level and integrates the subsidiaries, incl. INA in its processes.

MOL has a multi-pillar approach towards its integrated risk management system:

Enterprise Risk Management

Incorporation of the broadest variety of risks into one long-term, comprehensive and dynamic system is arranged by **Enterprise Risk Management (ERM).** integrates financial, market and operational risks along with a wide range of strategic risks. The most important role of ERM is not just to provide information on the most decisive risks that MOL faces, but to enable top management and the Board of Directors to make more educated decisions on investments, taking into additional consideration, the risk profile of each project.
The main role of the Financial Risk Management (FRM) as part of the ERM is to handle short-term, market related risks. Commodity price, foreign exchange and interest rate risks are measured by using a complex model based on the Monte Carlo simulation of Value at Risk, which additionally takes into account portfolio effects, and are managed, if necessary, with risk mitigation tools such as swaps, forwards and options.

Insurance Management

The transference of excess operational risk is carried out by **Insurance Management (IM)** through the purchase of insurance, an important risk mitigation tool used to cover the most relevant operational exposures.

Business Continuity Management

Business Continuity Management (BCM) is the process of preparing for unexpected operational events. Proper Business Contingency Plans (BCP), Crisis Management (CM) processes and other risk control programs, such as regular engineering reviews, are crucial for business where operational risk exposure is significant as a result of the chemical and physical processes underlying most of the operations, such as MOL.

The existence of an integrated risk management function enables MOL to exploit the synergies between the above detailed four pillars of risk management.

Capital expenditure program

CAPITAL EXPENDITURES	2008 (HUF mn)	2009 (HUF mn)
Exploration and Production	73,568	186,585
Refining and Marketing*	119,385	107,889
Gas and Power	129,884	62,970
Petrochemicals	10,227	16,681
Corporate and other	245,837	6,613
TOTAL	**578,901**	**380,738**

** Including Refining & Marketing, Retail and Lubricants segments*

Organic CAPEX in line with strict plan

Our Group capital expenditures (CAPEX) decreased by HUF 198.2 bn to HUF 380.7 in FY 2009. INA's H2 2009 CAPEX spending was HUF 93.3 bn, while acquisition cost of INA was HUF 227.3 bn in 2008. The acquisition cost of a 10% stake and the work program CAPEX of Pearl paid by treasury shares were HUF 72.6 bn. Without these elements, CAPEX was behind the base figure by HUF 136.8 bn as a result of withheld performances and the investments realized in 2008.

Exploration & Production CAPEX up due to Pearl project

Upstream CAPEX and investment, excluding INA's contribution of HUF 56.6bn in H2 2009, reached HUF 129.9 bn in 2009. There is significant increase due to acquisition of a 10% stake in Pearl Petroleum Company (license owner of Khor Mor and Chemchemal gas-condensate fields in the Kurdistan Region of Iraq) in May 2009. Treasury shares in HUF 72.6 bn were utilised for settlement of acquisition and partial work program capex of Pearl. MOL dedicated HUF 23.2 bn (equal to 18%) to organic exploration, with an expenditure of HUF 8.1 bn in Hungary for conventional exploration, HUF 2.6 bn in Hungary for unconventional exploration, HUF 3.3 bn in Kurdistan, HUF 3.2 bn in Pakistan, HUF 2.6 bn in Cameroon, and HUF 3.4 bn in other regions. The total development expenditure was HUF 31.7 bn (equal to 24%), of which HUF 10.7 bn was spent in Hungary, while in Russia HUF 18.2 bn was invested with focus on Baitex (HUF 8.5 bn) and Matjushkinskaya (HUF 8.3 bn), and further development in ZMB (HUF 1.3 bn). In Pakistan, our share in the development cost of the Manzalai field was HUF 1.0 bn. Work program capex in Pearl was HUF 1.8 bn. Further HUF 2.5 bn (equal to 1.9%) was spent on upgrading the assets of our seismic and well-logging service subsidiaries in order to provide support for our activities, on maintenance-type projects, and on capitalized financing costs.

Refining & Marketing CAPEX down by 13%

Refining and Marketing CAPEX was HUF 107.9 bn in 2009, down from HUF 119.4 bn in 2008, despite INA's H2 2009 contribution (HUF 34.9 bn). The significant decrease reflects the stringent CAPEX control across the Group. This segment consists of the following businesses:

- **Refining and Wholesale** expenditures were HUF 95.7 bn in 2009 versus HUF 92.6 bn in 2008. INA Group's contribution to the CAPEX was HUF 34.9 bn in H2 2009. In 2009, Slovnaft spent HUF 13.1 bn on investment projects. The CAPEX of Duna Refinery and the subsidiaries of MOL Plc. was HUF 28.5 bn. IES spent HUF 17.1 bn in 2009 on environmental project (Product Quality Development).
- **Retail CAPEX** was HUF 12.0 bn in 2009 including INA performances with HUF 1.2 bn in H2 2009. HUF 3.1 bn was

spent on network development in Hungary, HUF 0.9 bn in Romania, HUF 1.8 bn at MOL Austria, HUF 1.9 bn in Bosnia and HUF 1.3 bn in Serbia. Retail CAPEX was lower than the basis by HUF 14.4 bn in 2009.

- **Lubricant CAPEX** decreased by 50% year-on-year due to the cancelled investments attributable the economic environment.

Gas and Power CAPEX down by HUF 66.9 bn

Total CAPEX of the **Gas and Power segment** was HUF 63.0 bn in 2009, representing a 51.5% decrease year-on-year.

CAPEX of FGSZ Natural Gas Transmission Closed Company Limited by Shares was HUF 31.7 bn in 2009, lower than the basis by HUF 42.1 bn due to the fulfilment of strategically important projects (import capacity expansion: HUF 62.2 bn, Pilisvörösvár – Százhalombatta gas pipeline construction: HUF 2.3 bn) in 2008. Key projects in 2009 were Croatian and Romanian transit with total CAPEX of HUF 24.9 bn. Further HUF 2.3 bn was spent on network development, securing the safe and long-term operation of the domestic system.

MMBF Ltd. spent HUF 23.9 bn on the development of the storage facility in 2009. The company developed the underground gas storage with a strategic mobile capacity of 1.2 bcm and 0.7 bcm commercial capacity.

In the **Power** segment HUF 1.0 bn was spent on preparatory works and technical studies in connection with combined cycle gas turbine power plants (each with 830MW capacity). For TPP modernization and capacity increase (to 160 MW) HUF 4.8 bn was spent.

Petrochemicals segment CAPEX up HUF 6.5 bn

Petrochemical CAPEX increased by 63% to HUF 16.7 bn year-on-year, fuelled mainly by the key projects of Slovnaft (ECO Vision and SPC development), which focused on the efficiency improvement of production on Steam Cracker and improvement of operating reliability.

Corporate & Other segment CAPEX down by 40% excluding acquisitions

Capital expenditures of the **Corporate and Other segment** was HUF 6.6 bn in 2009 versus HUF 245.8 bn in 2008, which contained significant acquisition spending (main projects were INA with HUF 227.3 bn and I&C Energo with HUF 7.6 bn). In 2009 we spent HUF 4.1 bn on the further development of our Group information system and HUF 1.0 bn on property maintenance. INA's H2 2009 contribution was HUF 0.6 bn.

Outlook on strategic horizon

MOL is well positioned to generate superior returns

As a result of our last year's strategy that equipped the Group for the tougher climate, MOL has established a strong position for the upturn period. During 2009, MOL successfully kept its stable financial position and strong balance sheet thanks to our early answer to the crisis, our well-recognised efficiency leadership and integrated business model. In addition, we created a strong basis for further growth by gaining management control and full consolidation of INA as of 30 June 2009.

Main tasks ahead

MOL Group's main goal for the coming years is to keep its financial stability, improve the efficiency and maximise the value of its existing portfolio with enlarged group.

Signs of slow recovery

After a difficult economic environment in late 2008 and well into 2009 given economic woes coupled with a broader financial crisis, signs of a slow recovery are already visible. MOL expects slightly increasing oil prices for the coming years reaching 90 USD/bbl level till 2012. MOL is expecting improving diesel crack spreads and weakening gasoline crack spreads in line with the economic recovery (140 USD/t and 60 USD/t in 2012 respectively) and slightly strengthening HUF versus USD.

EBITDA ambition for 2012: USD 4.1 bn

Based on the above mentioned macro assumptions MOL Group's EBITDA ambition is USD 4.1 bn for 2012 on its existing asset portfolio. MOL is committed to keep its strong financial position and finance fully its CAPEX from the operating cash flow of the Group during the period of 2010-12. MOL Group dedicated USD 6.2 bn total CAPEX for the normal operation for 2010-12. MOL continuously monitors the macro environment and is ready to grab further growth projects depending on its cash flow generation.

Upstream: strong development, intensifying exploration

The main objective for the coming years will be to maximise the value of our existing portfolio, which is a solid basis for further growth with sizeable production in 7 countries and exploration potential in 15 countries. The focus will be on completing high return/early cash generative appraisal and development projects in Syria, CEE, Pakistan, Kurdistan and Russia to increase production levels, contributing significantly to Group-level EBITDA, growth. At the same time, we intend to extend MOL's outstanding efficiency to the whole Upstream portfolio. Finally, we are carrying out extensive and intensifying exploration activity to further increase our reserve base and create the basis for further production growth beyond 2013.

Downstream: become the premium refinery group in Europe by 2012

Regarding the Downstream business MOL Group's main goal is to become the premium refinery group in Europe by 2012. The Group is committed to elevate newly consolidated assets to MOL standard with investments targeting product quality and yield improvement. MOL is focusing on joint optimisation of 5 refineries and 2 petrochemical units and is committed to extend its outstanding operational excellence to the whole group.

Increase efficiency

In addition, we will focus to extend our well-recognised efficiency to the whole group. We target to reach USD 210 mn annual EBITDA improvement from 2012 versus 2009. Larger part is coming from harmonising the operation of 5 refineries and 2 petrochemical units under one integrated supply chain management system. In the Upstream segment decreasing the operating expenditures to the MOL level is the key focus.

MOL Hungarian Oil and Gas Public Limited Company
Balance Sheet for the year ending on 31 December 2009

Statistical code:10625790-2320-114-01
Company registration number: 01-10-041683

HUF million

Code	Description	Previous year	Adjustments for previous years	Current year
A.	**NON-CURRENT ASSETS**	**1,766,645**	**(1,193)**	**1,972,693**
I.	**INTANGIBLE ASSETS**	**73,363**	**(21)**	**72,431**
1.	Capitalised cost of foundation and restructuring	0	0	0
2.	Capitalised research and development cost	1,114	0	1,437
3.	Property rights	2,246	0	2,059
4.	Intellectual property	12,083	(21)	11,868
5.	Goodwill	57,920	0	57,067
6.	Advances on intellectual property	0	0	0
7.	Revaluation of intangible assets	0	0	0
II.	**PROPERTY, PLANT AND EQUIPMENT**	**344,267**	**(1,174)**	**320,834**
1.	Land and building and related property rights	201,581	(535)	185,034
2.	Plant, machinery and vehicles	96,529	(584)	91,233
3.	Other equipment, fixtures and vehicles	8,817	32	6,800
4.	Livestock	0	0	0
5.	Assets under construction	36,787	(87)	37,693
6.	Advances on assets under construction	553	0	74
7.	Revaluation of property, plant and equipment	0	0	0
III.	**NON-CURRENT FINANCIAL INVESTMENTS**	**1,349,015**	**2**	**1,579,428**
1.	Long-term investments	1,060,793	2	1,090,286
2.	Long-term loans to related parties	287,718	0	366,150
3.	Other long-term investments	432	0	110,215
4.	Long-term loans to other investments	0	0	12,705
5.	Other long-term loans	72	0	72
6.	Long-term debt securities	0	0	0
7.	Revaluation of financial investments	0	0	0
8.	Fair valuation difference of financial investments	0	0	0

MOL Hungarian Oil and Gas Public Limited Company
Balance Sheet for the year ending on 31 December 2009

Statistical code:10625790-2320-114-01
Company registration number: 01-10-041683

HUF million

Code	Description	Previous year	Adjustments for previous years	Current year
B.	**CURRENT ASSETS**	**793,591**	**(353)**	**739,363**
I.	**INVENTORIES**	**125,009**	**133**	**114,025**
1.	Raw materials and consumables	42,326	(15)	39,878
2.	Unfinished production and semi-finished products	39,096	1	31,887
3.	Grown, fattened and other livestock	0	0	0
4.	Finished products	30,046	0	33,504
5.	Merchandises	13,541	147	8,752
6.	Advances on stocks	0	0	4
II.	**RECEIVABLES**	**396,825**	**(486)**	**406,935**
1.	Receivables from the supply of goods and services (customers)	76,583	132	82,307
2.	Receivables from related parties	177,429	427	216,159
3.	Receivables from other investments	46	0	0
4.	Receivables from bills of exchange	0	0	0
5.	Other receivables	115,281	(1,045)	54,951
6.	Fair valuation difference of receivables	0	0	0
7.	Positive valuation difference of derivative transactions	27,486	0	53,518
III.	**SECURITIES**	**103,590**	**0**	**122,498**
1.	Investments in related parties	183	0	220
2.	Other investments	0	0	0
3.	Treasury shares	103,407	0	122,278
4.	Debt securities for trading purposes	0	0	0
5.	Fair valuation difference of securities	0	0	0
IV.	**CASH AND CASH EQUIVALENTS**	**168,167**	**0**	**95,905**
1.	Cash and cheques	1,063	0	1,150
2.	Bank accounts	167,104	0	94,755
C.	**PREPAYMENTS**	**35,079**	**1,049**	**26,185**
1.	Accrued income	12,083	2	4,996
2.	Prepaid cost and expenses	22,996	1,047	21,189
3.	Deferred expenses	0	0	0
TOTAL ASSETS		**2,595,315**	**(497)**	**2,738,241**

MOL Hungarian Oil and Gas Public Limited Company

Balance Sheet for the year ending on 31 December 2009

Statistical code:10625790-2320-114-01
Company registration number: 01-10-041683

HUF million

Code	*Description*	*Previous year*	*Adjustments for previous years*	*Current year*
D.	**SHAREHOLDERS' EQUITY**	**1,376,897**	**(1,548)**	**1,628,365**
I.	SHARE CAPITAL	104,519	0	104,519
	Of which: treasury shares at nominal value	8,782	0	7,435
II.	REGISTERED BUT UNPAID CAPITAL (-)	0	0	0
III.	SHARE PREMIUM	223,866	0	223,866
IV.	RETAINED EARNINGS	1,140,817	0	908,910
V.	TIED-UP RESERVE	130,702	0	138,054
VI.	VALUATION RESERVE	0	0	0
1.	Revaluation adjustment reserve	0	0	0
2.	Fair valuation reserve	0	0	0
VII.	NET INCOME FOR THE PERIOD	(223,007)	(1,548)	253,016
E.	**PROVISIONS**	**123,576**	**(20)**	**131,802**
1.	Provisions for expected liabilities	123,576	(20)	131,802
2.	Provisions for future expenses	0	0	0
3.	Other provisions	0	0	0
F.	**LIABILITIES**	**1,052,439**	**650**	**962,191**
I.	**SUBORDINATED LIABILITIES**	**0**	**0**	**0**
1.	Subordinated liabilities to related parties	0	0	0
2.	Subordinated liabilities to other investment	0	0	0
3.	Subordinated liabilities to third parties	0	0	0
II.	**LONG-TERM LIABILITIES**	**711,442**	**(4)**	**581,996**
1.	Long-term loans	0	0	0
2.	Convertible bonds	0	0	0
3.	Liability from bond issue	198,585	0	203,130
4.	Liabilities from capital investment and development loans	0	0	0
5.	Liabilities from other long-term loans	512,455	0	378,577
6.	Long-term liabilities to related parties	0	0	0
7.	Long-term liabilities to other investments	0	0	0
8.	Other long-term liabilities	402	(4)	289

MOL Hungarian Oil and Gas Public Limited Company
Balance Sheet for the year ending on 31 December 2009

Statistical code:10625790-2320-114-01
Company registration number: 01-10-041683

HUF million

Code	Description	Previous year	Adjustments for previous years	Current year
III.	**SHORT-TERM LIABILITIES**	**340,997**	**654**	**380,195**
1.	Short-term borrowings	0	0	0
	Of which: convertible bonds	0	0	0
2.	Short-term loans	79,434	0	98,149
3.	Advances from customers	1,572	(5)	1,141
4.	Liabilities from the supply of goods and services (suppliers)	111,575	254	104,806
5.	Bills of exchange	0	0	0
6.	Short-term liabilities to related parties	75,417	341	102,623
7.	Short-term liabilities to other investments	145	0	3
8.	Other short-term liabilities	57,933	64	67,816
9.	Fair valuation difference of liabilities	0	0	0
10.	Negative valuation difference of derivative transactions	14,921	0	5,657
G.	**ACCRUALS**	**42,403**	**421**	**15,883**
1.	Deferred revenues	110	0	93
2.	Accrued cost and expenses	35,168	5	8,344
3.	Other deferred income	7,125	416	7,446
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**2,595,315**	**(497)**	**2,738,241**

MOL Hungarian Oil and Gas Public Limited Company

Income Statement for the year ending on 31 December 2009

Statistical code:10625790-2320-114-01
Company registration number: 01-10-041683

HUF million

Code	Description	Previous year	Adjustments for previous years	Current year
01.	Net domestic sales revenue	1,750,497	81	1,501,656
02.	Net export sales revenue	472,674	205	354,645
I.	**NET SALES REVENUES**	**2,223,171**	**286**	**1,856,301**
03.	Changes in own produced inventory	(23,764)	1	(3,751)
04.	Work performed by the enterprise and capitalised	11,270	0	9,056
II.	**CAPITALISED OWN PERFORMANCE**	**(12,494)**	**1**	**5,305**
III.	**OTHER OPERATING INCOME**	**82,786**	**12,502**	**119,417**
	Of which: reversed impairment	0	0	6,283
05.	Raw material costs	1,044,399	308	737,351
06.	Value of services used	97,831	163	88,151
07.	Other services	224,168	(49)	192,687
08.	Cost of goods sold	218,229	1	243,961
09.	Value of services sold (intermediated)	48,818	(45)	36,526
IV.	**MATERIAL EXPENSES**	**1,633,445**	**378**	**1,298,676**
10.	Wages and salaries	35,089	26	35,959
11.	Other personnel expenses	7,474	163	6,550
12.	Tax and contribution	12,383	29	12,263
V.	**PERSONNEL EXPENSES**	**54,946**	**218**	**54,772**
VI.	**DEPRECIATION**	**57,311**	**737**	**57,055**
VII.	**OTHER OPERATING EXPENSES**	**445,471**	**1,533**	**384,263**
	Of which: impairment	106,632	0	12,973
A.	**PROFIT OR LOSS FROM OPERATING ACTIVITIES**	**102,290**	**9,923**	**186,257**

Statistical code:10625790-2320-114-01
Company registration number: 01-10-041683

HUF million

Code	Description	Previous year	Adjustments for previous years	Current year
13.	Received (due) dividend	65,701	0	51,237
	Of which: received from related parties	65,620	0	51,188
14.	Gain from the sale of investments	6,821	0	28,156
	Of which: received from related parties	0	0	0
15.	Interest and exchange rate gains on financial investments	20,504	0	46,479
	Of which: received from related parties	20,490	0	46,472
16.	Other received (due) interest and interest-type revenues	32,613	0	12,710
	Of which: received from related parties	14,035	0	3,831
17.	Other revenues of financial transactions	251,572	(9)	193,101
	Of which: fair valuation difference	30,765	0	118,807
VIII.	**TOTAL FINANCIAL INCOME**	**377,211**	**(9)**	**331,683**
18.	Exchange rate loss on financial investments	32	0	841
	Of which: to related parties	0	0	0
19.	Interest and interest-type expenses	36,692	0	20,055
	Of which: to related parties	1,888	0	1,904
20.	Impairment on investments, securities, bank deposits	132,460	0	33,373
21.	Other financial expenses	416,649	11,390	192,780
	Of which: fair valuation difference	233,872	0	29,516
IX.	**TOTAL FINANCIAL EXPENSES**	**585,833**	**11,390**	**247,049**
B.	**FINANCIAL PROFIT OR LOSS**	**(208,622)**	**(11,399)**	**84,634**
C.	**ORDINARY BUSINESS PROFIT**	**(106,332)**	**(1,476)**	**270,891**
X.	Extraordinary revenues	11,390	2	11,099
XI.	Extraordinary expenses	128,065	146	9,211
D.	**EXTRAORDINARY PROFIT OR LOSS**	**(116,675)**	**(144)**	**1,888**
E.	**PROFIT BEFORE TAXATION**	**(223,007)**	**(1,620)**	**272,779**
XII.	Income tax	0	(72)	19,763
F.	**PROFIT AFTER TAXATION**	**(223,007)**	**(1,548)**	**253,016**
22.	Use of retained earnings for dividend	0	0	0
23.	Approved dividend and profit share	0	0	0
G.	**NET INCOME FOR THE PERIOD**	**(223,007)**	**(1,548)**	**253,016**

MOL Hungarian Oil and Gas Public Limited Company and Subsidiaries

Consolidated balance sheet as of 31 December 2009 prepared in accordance with International Financial Reporting Standards

	Notes	2009	2008 restated
ASSETS		HUF million	HUF million
Non-current assets			
Intangible assets	4	425,337	191,402
Property, plant and equipment, net	5	2,541,653	1,417,199
Investments in associated companies	10	59,830	338,984
Available-for-sale investments	11	18,614	842
Deferred tax assets	30	36,855	56,223
Other non-current assets	12	47,512	23,249
Total non-current assets		**3,129,801**	**2,027,899**
Current assets			
Inventories	13	328,010	222,781
Trade receivables, net	14	410,668	327,484
Other current assets	15	116,635	81,378
Prepaid taxes		22,104	34,797
Cash and cash equivalents	16, 37	184,594	222,074
Assets classified as held for sale	31	37,587	-
Total current assets		**1,099,598**	**888,514**
TOTAL ASSETS		**4,229,399**	**2,916,413**
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	17	79,202	72,812
Reserves	18	1,119,492	898,751
Profit for the year attributable to equity holders of the parent		115,796	141,418
Equity attributable to equity holders of the parent		**1,314,490**	**1,112,981**
Non-controlling interests		558,605	118,419
Total equity		**1,873,095**	**1,231,400**
Non-current liabilities			
Long-term debt, net of current portion	19	829,111	728,735
Provisions	20	282,693	146,543
Deferred tax liabilities	30	133,236	56,206
Other non-current liabilities	21	38,745	12,032
Total non-current liabilities		**1,283,785**	**943,516**
Current liabilities			
Trade and other payables	22	745,315	549,412
Current tax payable		2,784	2,934
Provisions	20	32,865	6,436
Short-term debt	23	178,457	80,918
Current portion of long-term debt	19	103,577	101,797
Liabilities classified as held for sale	31	9,521	-
Total current liabilities		**1,072,519**	**741,497**
TOTAL EQUITY AND LIABILITIES		**4,229,399**	**2,916,413**

	Notes	2009	2008 restated
		HUF million	HUF million
Net revenue	24	3,226,036	3,535,001
Other operating income	25	138,424	19,751
Total operating income		**3,364,460**	**3,554,752**
Raw materials and consumables used		2,513,444	2,745,501
Personnel expenses	26	200,827	139,745
Depreciation, depletion, amortisation and impairment		219,117	151,908
Other operating expenses	27	270,216	279,969
Change in inventories of finished goods and work in progress		(55,837)	59,617
Work performed by the enterprise and capitalized		(31,878)	(21,212)
Total operating expenses		**3,115,889**	**3,355,528**
Operating profit		**248,571**	**199,224**
Financial income	28	16,388	114,742
Of which: Fair valuation difference of conversion option	28	-	64,550
Financial expense	28	75,172	130,818
Of which: Fair valuation difference of conversion option	28	19,698	-
Financial expense, net	**28**	**58,784**	**16,076**
Income from associates		(1,664)	(25,190)
Profit before tax		**188,123**	**157,958**
Income tax expense	30	80,131	16,734
Profit (loss) for the year from continuing operation		**107,992**	**141,224**
Profit (loss) for the year from discontinued operation		**(3,342)**	**-**
Profit for the year		**104,650**	**141,224**
Attributable to:			
Equity holders of the parent		115,796	141,418
Non-controlling interests		(11,146)	(194)
Basic earnings per share Attributable to ordinary equity holders of the parent (HUF)	32	**1,357**	**1,604**
Diluted earnings per share Attributable to ordinary equity holders of the parent (HUF)	32	**1,357**	**815**

Proposal to Item 1 of the Agenda

The auditor's report on the 2009 financial statements presented by the Board of Directors

Our shareholders are requested to note that the Auditor's Reports form integral parts of the Annual Report and Consolidated Annual Report for 2009 of MOL Plc. and the information set out in these reports should be considered in conjunction with the financial statements indicated in said reports (Balance-sheet and Profit and Loss Statement) and with the supplementary notes, not present in the General Meeting materials. For a better understanding of MOL Plc.'s and MOL Group's consolidated financial position as of 31 December 2009 and the results of its operations for the year then ended, the accompanying balance sheets and statements of operations should be read in conjunction with the supplement (notes) to the financial statements.

Independent Auditors' Report

on the annual financial statements presented to the shareholders' meeting for approval

To the Shareholders of MOL Hungarian Oil and Gas Plc.

1.) We have audited the accompanying 2009 annual financial statements of MOL Hungarian Oil and Gas Plc. ("the Company"), which comprises the balance sheet as at 31 December 2009 - showing a balance sheet total of HUF 2,738,241 million and a profit for the year of HUF 253,016 million -, the related profit and loss account for the year then ended and the summary of significant accounting policies and other explanatory notes.

2.) We issued an unqualified opinion on the Company's annual financial statements as at 31 December 2008 on 19 March 2009.

Management's Responsibility for the Financial Statements

3.) Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Hungarian Accounting Law and generally accepted accounting principles in Hungary. 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

4.) Our responsibility is to express an opinion on these financial statements based on the audit and to assess whether the business report is consistent with the financial statements. We conducted our audit in accordance with Hungarian National Auditing Standards and with applicable laws and regulations in Hungary. 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.

5.) 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 the 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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. Our work regarding the business report is restricted to assessing whether the business report is consistent with the financial statements and does not include reviewing other information originated from non-audited financial records.

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

Opinion

7.) We have audited the elements of and disclosures in the annual financial statements, along with underlying records and supporting documentation, of MOL Hungarian Oil and Gas

Plc. in accordance with Hungarian National Auditing Standards and have gained sufficient and appropriate evidence that the annual financial statements have been prepared in accordance with the Hungarian Accounting Law and with generally accepted accounting principles in Hungary. In our opinion the annual financial statements give a true and fair view of the equity and financial position of MOL Hungarian Oil and Gas Plc. as at 31 December 2009 and of the results of its operations for the year then ended. The business report corresponds to the disclosures in the financial statements.

8.) Without qualifying our opinion, we draw the attention to Note 3.4.6 in the supplementary notes to the financial statements describing that the Company departed from § 41. (1) of the 2000. C. accounting law based on its allowance described in § 4. (4) in order to harmonize field abandonment provisioning with the international industry practice.

9.) Without further qualifying our opinion, we draw attention to the fact that this independent auditor’s report has been issued for consideration by the forthcoming shareholders’ meeting for decision making purposes and, as such, does not reflect the impact, if any, of the resolutions to be adopted at that meeting. Accordingly, the accompanying annual financial statements and this independent auditor’s report are not suitable, nor should be used, for statutory reporting and disclosure purposes.

Budapest, 25 March 2010

(The original Hungarian language version has been signed.)

Ernst & Young Kft.
Registration No.: 001165

Judit Szilágyi
Registered Auditor
Chamber membership No.: 001368

Independent Auditors' Report

To the Shareholders of MOL Hungarian Oil and Gas Plc.

1.) We have audited the accompanying 2009 consolidated annual financial statements of MOL Hungarian Oil and Gas Plc. ("the Company"), which comprises the consolidated balance sheet as at 31 December 2009 - showing a balance sheet total of HUF 4,229,399 million and a profit for the year of HUF 104,650 million -, the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated cash flow statement for the year then ended and the summary of significant accounting policies and other explanatory notes.

2.) We issued an unqualified opinion on the Company's consolidated annual financial statements prepared in accordance with the International Financial Reporting Standards as adopted by EU as at 31 December 2008 on 19 March 2009.

Management's Responsibility for the Consolidated Financial Statements

3.) Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the International Financial Reporting Standards as adopted by EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated 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

4.) Our responsibility is to express an opinion on these consolidated financial statements based on the audit and to assess whether the consolidated business report is consistent with the consolidated financial statements. We conducted our audit in accordance with Hungarian National and International Auditing Standards and with applicable laws and regulations in Hungary. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

5.) An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our work regarding the consolidated business report is restricted to assessing whether the consolidated business report is consistent with the consolidated financial statements and does not include reviewing other information originated from non-audited financial records.

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

Opinion

7.) We have audited the elements of and disclosures in the consolidated annual financial statements, along with underlying records and supporting documentation, of MOL Hungarian Oil and Gas Plc. in accordance with Hungarian National and International Auditing Standards and have gained sufficient and appropriate evidence that the consolidated annual financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by EU. In our opinion the consolidated annual financial statements give a true and fair view of the equity and financial position of MOL Hungarian Oil and Gas Plc. as at 31 December 2009 and of the results of its operations for the year then ended. The consolidated business report is consistent with the disclosures in the consolidated financial statements.

Budapest, 25 March 2010

	Judit Szilágyi
Ernst & Young Kft.	Registered Auditor
Registration No. 001165	Chamber membership No.: 001368

Proposal to Item 1 of the Agenda

Report of the Supervisory Board on the 2009 financial statements and the proposal for the distribution of profit after taxation

The Supervisory Board performed its duties in full accordance with its statutory obligations, held 4 meetings during the year, regular agenda points of the meetings include the quarterly report of the Board of Directors on Company's operations and the reports of Internal Audit, Corporate Security and Audit Committee. In addition, the Supervisory Board reviewed the proposals for the Annual General Meeting. The report of the Supervisory Board has been prepared pursuant to the report of the Board of Directors, the opinion of the auditors, the scheduled regular midyear reviews and the work of the Audit Committee. In its meetings during 2009, the Supervisory Board dealt in detail with the business situation of the MOL Group, the strategic development of the Group and its Divisions as well as respectively paid highlighted attention to the treatment of the economic crisis by the company. The Supervisory Board regularly got information about the decisions of the Board of Directors and issues concerning the Company.

MOL is the leading integrated oil and gas company in Central and Eastern Europe, the market leader in Hungary, and with the parent company's net sales of HUF 1,856.3 billion and the Group's net sales of HUF 3,226.0 billion according to the International Financial Reporting Standards (IFRS), the largest company in Hungary. MOL is a decisive Company in the region with its USD 10 billion market capitalisation. In 2009, the weighted average stock exchange price of MOL shares was HUF 12,595. MOL's share price increased considerably from the HUF 9.870 closing price of the last year to HUF 17.000 by the end of 2009, significantly outperforming its peer group.

The Company's 2009 financial statements - in accordance with Accounting Law - provide a true and fair picture of its economic activities and were audited by Ernst & Young Kft. The accounting methods applied in developing the financial reports are supported by the report of the Audit Committee, comply with the provisions of the Accounting Act and are consistent with the accounting policies of the Company. All figures in the balance sheet are supported by analytical registration. Assessment and payment of tax obligations were implemented as prescribed by law.

For the MOL Group a total of 137 companies were fully, and a further 17 companies were partially consolidated, using the equity method. Last year the ownership structure changed: at the end of 2009, compared to the end of last year the shareholding of foreign institutional investors increased from 24.1% to 25.7%, while the ownership of domestic institutional and private investors decreased from 10.3% to 8.4%. According to the received request for the registration of the shares and the published shareholders notifications the Company had seven shareholders that held more than 5% voting rights on the 31st December 2009. The Company held 7.1% treasury shares at the end of December 2009.

MOL respectively paid highlighted attention to the treatment of the significantly changed external environment, the impacts of the global economic and financial crisis with initiatives of additional efficiency improvement and cost cutting arrangements. MOL was among those companies, which reacted immediately following the first sign of the crisis. The Company cut back its CAPEX budget from the previous HUF 350 bn to HUF 220 bn and during 2009, MOL remained disciplined to its reduced CAPEX plan, and financed it through the operating cash flow, which rose compared to the previous year. Thanks to our early answer to the crisis, our well-recognized efficiency leadership and integrated business model we managed to keep our strong balance sheet and stable financial position.

Significant milestone have been achived in the area of the strategy accomplishment in 2009. MOL and Government of Croatia have signed the Shareholder's Agreement on the operation of INA, whereby from the 30th of June 2009 INA has been fully consolidated in MOL Group's report. MOL's Upstream portfolio became more extended, diversified and balanced with practically doubling its SPE 2P reserve base as of the end of 2009 and significantly increasing its production. With the newly consolidated assets in the downstream segment MOL's refinery pool widened with two refineries, and so total capacity increased to 23.5 mtpa. The five refineries operated under joint supply-chain optimisation on adjacent markets provide outstanding further growth opportunity.

On the 1st of October 2009 Hungary's latest strategic gas storage - with 1.2 billion cubic meter capacity and a total cost of HUF 150 billion - was handed over located at the gas filed in Szőreg. In order to further improve security of supply, projects aimed the interconnection of natural gas transmission system of countries in Central and Eastern Europe are underway.

The Company's main goal for the coming years is to maximize the value of its extended portfolio by harmonizing the operation and exploiting the synergies. The Company's key tasks are the significant development of INA's businesses, elevate its profitability and efficiency to our standards and enhance its market position in Croatia, South Eastern Europe and in the Adriatic region by leveraging its knowledge and expertise.

During 2009 MOL could not just preserve its strong balance sheet and stable financial position, but created a strong basis for further organic growth. In addition, the Group is highly committed to maintain its strong financial background for the next years.

The Supervisory Board endorses the recommendation of the Board of Directors not to pay dividend in 2010 connected to the year ended 31 December 2009 and the total net income shall be booked as retained earnings. The Supervisory Board proposes that the General Meeting approves the audited financial statements of MOL Plc for 2009, with a balance-sheet total of HUF 2,738 billion, net income for the period of HUF 253 billion, and tie-up reserve of HUF 138 billion and the audited consolidated financial statements of the MOL Group for 2009, with a balance sheet total of HUF 4,229 billion and profit attributable to equity holders of HUF 116 billion.

Budapest, 31st March, 2010

For and on behalf of the Supervisory Board and Audit Committee of MOL Plc:

Dr. Mihály Kupa
Chairman of the Supervisory Board

Proposal to Item 1 of the Agenda

Decision on the approval of the 2009 consolidated financial statements prepared in compliance with IFRS and the parent company financial statements prepared in accordance with the Hungarian Accounting Act, the use of the after tax profits and the amount of dividend.

Proposed resolution on the financial statements

The Board of Directors proposes to the Annual General Meeting to approve the consolidated financial statements of MOL Group prepared based on chapter 10 of the Hungarian Accounting Act, in accordance with IFRS and the related auditor's report with total assets of HUF 4,229 bn and profit attributable to equity holders of HUF 116 bn.

The Board of Directors proposes to the Annual General Meeting to approve the annual report of MOL Plc. prepared in accordance with Hungarian Accounting Act and the related auditors' report with total assets of HUF 2,738 bn, net income for the period of HUF 253 bn and tied-up reserve of HUF 138 bn.

Proposal to Item 1 of the Agenda

Decision on amount of dividend after 2009

MOL stated in July 2007, that it intends to increase the dividend payout ratio towards 40% of the normalised earnings (excluding special items) from 2008 in line with industry practice, depending on investment opportunities.

From 2003 MOL continuously increased the dividend level from HUF 6 bn paid after the 2003 financial year to HUF 85 bn paid after the 2007 results, while several smaller M&A transactions have been successfully closed during the same period. This level was in line with the 40% payout ratio target. MOL paid no dividend after the financial year of 2008 as in 2008 in line with the MOL's strategy, MOL acquired further 22.16% stake in the Croatian INA for EUR 873 million via voluntary public offer and became the largest shareholder of INA. This transaction was the largest and the most important in MOL's history, which provides excellent growth potential for the coming years. After the transaction closing MOL's gearing ratio was 35.9% at the end of 2008, while the net debt/EBITDA ratio was below 2.

The main goal of the company is to keep its financial flexibility even in the turbulent financial environment assuring the efficient operation in the global recession and exploiting joint organic growth potential of MOL and INA. The Board of Directors decided on significant OPEX and CAPEX decrease in January 2009, reducing CAPEX budget by 35% to HUF 220 bn. Despite weak external environment through 2009 (weak refinery margins, volatile exchange rates and lower crude oil prices) MOL managed to fully finance its CAPEX from its operating cash flow and maintained its CAPEX within the strict limits set at the beginning of 2009.

Unfortunately INA was not prepared for the financial crisis, despite remaining in the red on the net income level, INA increased further its CAPEX and overshoot its original CAPEX plan and reached almost HRK 4.5bn. As a result INA's net debt increased from HRK 6.6 bn as of the end of 2008 to HRK 8.2bn and it had additional HRK 1.78 bn taxes and contribution liabilities and HRK 4.28 bn accounts payable as of the end of 2009. Unfortunately it was already too late, when MOL took over operational control of INA by the middle of 2009 as at that time practically all the CAPEX were committed and INA had approximately HRK 2 bn taxes and contribution liabilities.

The top priority of the Group is to stabilize the financial position of INA and find the best way to settle its tax and other overdue liabilities. MOL already gave several loans last year to INA to settle part of the overdue tax liabilities and pay wages. To stabilize INA's financial position additional significant contributions are required from the shareholders of INA.

Even after full consolidation of INA, MOL Group managed to keep its strong and stable financial position on group level, keeping the Net Debt to EBITDA level below 2 and decreasing the gearing ration to 33%.

Our main goal for the coming years is to keep our financial stability, improve the efficiency and maximise the value of our existing portfolio. Regarding Upstream business the focus will be on completing high return/early cash generative appraisal and development projects in Syria, CEE, Pakistan, Kurdistan and Russia to increase production levels, contributing significantly to Group-level EBITDA, growth. At the same time, we intend to extend MOL's outstanding efficiency to the whole Upstream portfolio. Finally, we are carrying out extensive and intensifying exploration activity to further increase our reserve base and create the basis for further production growth beyond 2013.

Regarding the downstream business MOL Group's main goal is to become the premium refinery group in Europe by 2012. The Group is committed to elevate newly consolidated assets to MOL standard with investments targeting product quality and yield improvement. MOL is focusing on joint optimisation of 5 refineries and 2 petrochemical units and is committed to extend its outstanding operational excellence to the whole group.

In order to keep MOL's conservative balance sheet approach and to exploit its organic growth potentials, the Board of Directors recommends to the shareholders to pay no dividend in 2010 connected to the year ended at 31 December 2009 and the total net income shall be booked as retained earnings. Meanwhile the Board of Directors maintains its long term dividend policy, so it intends to pay out 40% of the normalised earnings (excluding special items) as dividend, depending on investment opportunities.

Proposed resolution

The Board of Directors recommends to the Annual General Meeting to pay no dividend in 2010 connected to the year ended 31 December 2009 and the total net income shall be booked as retained earnings.

Proposal to Item 1 of the Agenda

Decision on the approval of the Corporate Governance Declaration

Budapest Stock Exchange published its corporate governance recommendations ("Recommendations") in 2004. In the same year, MOL voluntarily submitted its declaration on the compliance with the Recommendations among first issuers. From 2005 MOL is obliged to submit its declaration on the Recommendations. The Board of Directors approved the declaration in both years. Pursuant to the new Company Act from 1 July 2006 the declaration needs to be approved by general meeting, MOL however playing a pioneer role approved already in 2006 by its annual general meeting the declaration to be submitted to the Budapest Stock Exchange.

In 2007, Budapest Stock Exchange issued new Corporate Governance Recommendations ("CGR"). According to the CGR, companies listed on the stock exchange are required to express their views on their corporate governance practices in two ways. In the first part of the statement they have to give account of the corporate governance practices applied by their company in the given business year, including their corporate governance policy, and a description of any unusual circumstances.

In the second part of the statement, in accordance with the "comply or explain" principle, they have to indicate their compliance with those recommendations included in specified sections of the CGR ("R" - recommendation) and whether they apply the different suggestions formulated in the CGR ("S" - suggestion). If the issuer does not apply the recommendation or applies it in a different manner, an explanation of what the discrepancies are and the reasons for the said discrepancies should be provided ("comply or explain" principle). In the case of suggestions, companies shall only indicate whether they apply the given guideline or not; there is no need for a specific explanation. The size of the declaration increased significantly. Until 2007, issuers had to make declaration consisting of 22 questions, from that year 140 questions had to be responded.

In 2009 the Recommendations did not change, the first part is a description about corporate governance practices, the questions are the same as last year as well.

The Corporate Governance Guidelines of the Budapest Stock Exchange are available on: www.bse.hu

Proposed resolution

The Board of Directors upon the approval of the Supervisory Board agrees to propose the Annual General Meeintg the approval of the Corporate Governance Report, based on the Corporate Governance Recommendations of the Budapest Stock Exchange, as follows:

DECLARATION
MOL Group Corporate Governance Report in accordance with

Budapest Stock Exchange Corporate Governance Recommendations

MOL has always been committed to implementing the highest standards of corporate governance structures and practices. This is not only with regard to national expectations but also with reference to the continually evolving and improving standards of good governance on an international level. As a result MOL is geared towards shareholders' interests and keeps strengthening the economic, environmental and social performance in contributing to sustainable development and achieving long-term corporate sustainability, whilst taking into account the interests of a broader group of stakeholders inevitably necessary to enhance the generation of exceptional value for MOL's shareholders and people.

Among other things, the voluntary approval of the declaration on the Budapest Stock Exchange Corporate Governance Recommendations by the Annual General Meeting in 2006, before the official deadline, served as testament to the Company's commitment to corporate governance. In addition, MOL made a declaration concerning the application of the corporate governance recommendations of the Warsaw Stock Exchange prior to the admission of its shares to the Warsaw Stock Exchange in December 2004. The Company submits its declaration on this topic to both stock exchanges each year.

MOL's corporate governance practice meets the requirements of the regulations of the Budapest Stock Exchange, the directives of the Hungarian Financial Supervisory Authority and the relevant regulations of the Capital Market Act. MOL also subjects its policies to regular review to ensure that they take account of continually evolving international best practice in this area. MOL's Corporate Governance Code containing the main corporate governance principles of the Company has been adopted in 2006 and has been updated in 2010. This Code summarises its approach to shareholders' rights, main governing bodies, remuneration and ethical issues. The Corporate Governance Code has been published on the homepage of the Company.

In 2010 SAM Research AG, the analyst of Dow Jones Sustainability Index (DJSI) and Benchmarking report, awarded MOL's efforts towards sustainable development (environment, social and corporate governance practice) and MOL has become eligible for inclusion in Sustainability Yearbook 2010 (bronze class). MOL was also awarded as "Sector Mover - the company with the biggest proportional improvement" in its sustainability performance compared with last year. MOL is in the top 15% of the sector. SAM Research AG is a Zurich based Investment Group specialized for Sustainability Investment.

Board of Directors

MOL's Board of Directors acts as the highest governance body of the Company and as such has collective responsibility for all corporate operations.

The Board's key activities are focused on achieving increasing shareholder value with considerations onto other stakeholders' interest; improving efficiency and profitability and ensuring transparency in corporate activities and sustainable operation. It also aims to ensure appropriate risk management, environmental protection and conditions for safety at work.

Given that MOL and its subsidiaries effectively operate as a single unit, the Board is also responsible for enforcing its aims and policies and for promoting the MOL culture throughout the entire Group.

The principles, policies and goals take account of the Board's specific and unique relationship with MOL's shareholders, the executive management and the Company. The composition of the Board reflects this with the majority (eight of eleven members) made up of non-executive directors. At present, 7 members of the Board of Directors qualify as independent on the basis of its own set of criteria (based on NYSE and EU recommendations) and the declaration of directors.

The members of the Board of Directors and their independence status (professional CVs of the members are available on corporate homepage):

Zsolt Hernádi, Chairman-CEO	non-independent
Dr. Sándor Csányi, Vice Chairman	independent
László Akar	independent
Mulham Al-Jarf	independent
Dr. Miklós Dobák	independent
Dr. Gábor Horváth	independent
Miklós Kamarás	non-independent

Dr. Ernő Kemenes	independent
József Molnár	non-independent
György Mosonyi	non-independent
Iain Paterson	independent

As well as the member of the Board of Directors appointed by the Hungarian Energy Office:

dr. Gyula Dávid*	independent

* Pursuant to the 2 § of the Act LXV of 2008 his office has been abolished by the day of 31st May, 2009.

Operation of the Board of Directors

The Board acts and makes resolutions as a collective body.

The Board adopted a set of rules (Charter) to govern its own activities when the company was founded in 1991; these rules are regularly updated to ensure continued adherence to best practice standards.

The Board Charter covers:

- scope of the authority and responsibilities of the Board,
- scope of the committees operated by the Board,
- provision of information to the Board,
- main responsibilities of the Chairman and the Vice Chairman,
- order and preparation of Board meetings and the permanent items of the agenda, and
- decision-making mechanism and the manner in which the implementation of resolutions is monitored.

Members of the Board have signed a declaration on conflict of interest and they have reported their position as director in the Board to their employer or principal as regards other key management positions.

The Board of Directors prepares a formal evaluation of its own performance (the Committees evaluate their performance as well) and it reviews continuously its activity.

Report of the Board of Directors on its 2009 activities

In 2009, the Board of Directors held 8 meetings with an average attendance rate of 90% (6 ordinary and 2 extraordinary meetings). Alongside regular agenda items, such as reports by the Committees' chairmen on the activities pursued since the last Board meeting, or an overview of capital market developments, the Board of Directors also individually evaluates the performance of each of the company's business units.

The Board of Directors respectively paid highlighted attention to the treatment of the significantly changed external environment, the impacts of the global economic and financial crisis. In 2009, MOL remained disciplined to its reduced CAPEX plan, and financed it through the operating cash flow, which rose compared to the previous year. Thanks to our early answer to the crisis, our well-recognized efficiency leadership and integrated business model we managed to keep our strong balance sheet and stable financial position.

The Company's key task for the coming years is to maximize the value of its extended portfolio by harmonizing the operation and exploiting the synergies.

Committees of the Board of Directors

The Board operates committees to increase the efficiency of the Board's operations, and to provide the appropriate professional background for decision making. These Committees have the right to approve preliminary resolutions concerning issues specified in the Decision-making and Authorities List, which sets out the division of authority and responsibility between the Board and the executive management.

- The responsibilities of the Committees are determined by the Board of Directors.
- The Chairman of the Board of Directors may also request the Committees to perform certain tasks.

The members and chairs of the Committees are elected by the Board of Directors. The majority of the committee members is non-executive and independent.

The Board allocates responsibilities to the various Committees as follows:

Corporate Governance and Remuneration Committee:

Members and dates of appointment (professional backgrounds of members are available on company homepage):

- Dr. Sándor Csányi – Chairman, 17 November 2000
- Zsolt Hernádi, 8 September 2000
- Dr. Gábor Horváth, 8 September 2000
- Miklós Kamarás, 25 October 2002
- Mulham Al-Jarf, 23 April 2008

Responsibilities:

- analysis and evaluation of the activities of the Board of Directors,
- issues related to Board membership,
- promoting the relationship between shareholders and the Board,
- procedural, regulatory and ethical issues,
- reviewing corporate processes, procedures, organisational solutions and compensation systems and making recommendations on the introduction of best practice standards.

Finance and Risk Management Committee:

Members and dates of appointment (professional backgrounds of members are available on company homepage):

- Dr. Miklós Dobák – Chairman, 25 October 2002
- László Akar, 25 October 2002
- Dr. Ernő Kemenes, 25 October 2002
- Iain Paterson, 8 September 2000

Responsibilities:

- review of financial and related reports,
- monitoring the efficiency of the internal audit system,
- review of planning, scope and results of the audit,
- ensuring the independence and objectivity of the external auditor.

Sustainable Development Committee:

Members and dates of appointment (professional backgrounds of members are available on company homepage):

- György Mosonyi – Chairman, 29 June 2006
- Dr. Ernő Kemenes, 29 June 2006
- Iain Paterson, 29 June 2006

Responsibilities:

- control of the operation under long-term economic, environmental and social aspects,
- evaluation of objectives and results regarding sustainable development,
- supervision of the non-financial (sustainability) chapter and the audit process of the annual report,
- accountability for sustainability performance of business divisions and subsidiaries.

Report of the Corporate Governance and Remuneration Committee on its 2009 activities

In 2009, the Corporate Governance and Remuneration Committee held 6 meetings with a 93% average attendance rate. In addition to the issues of corporate governance, remuneration and the composition of the management, the Committee discussed a number of key strategic and results-related topics prior to their presentation to the Board of Directors for discussion.

Report of the Finance and Risk Management Committee on its 2009 activities

In 2009, the Finance and Risk Management Committee held 5 meetings with a 90% average attendance rate. In addition to the regular items on the agenda, including the audit of all public financial reports, providing assistance with the auditor's work and the regular monitoring of internal audit, the Committee reviewed the major risk factors of the Company, considering the changed international financial position and the status reports on risk management actions attached to these factors. The Committee provides for duties of Slovnaft a.s Audit Committee.

Report of the Sustainable Development Committee on its 2009 activities

In 2009, the Sustainable Development Committee held 3 meetings with a 100% attendance rate. The Committee evaluated the accomplishment of the actions in 2009, formed opinion on Sustainable Development Report and decided on 2010 directions and targets. The Committee considered with highlighted attention the achieved results of the Dow Jones Sustainability Evaluation and reports of business units.

Relationship between the Board and the Executive Management

The governance of the MOL Group is carried out in line with standardised corporate governance principles and practice, and, within its framework, the Board of Directors will meet its liabilities for the integrated corporate governance by defining the responsibilities and accountabilities of the Executive Board, established by the Board and securing the corporate operative activities, operating and organisational procedures, as well as standardised system for target-setting, reporting and audit (performance control system and business control system).

A consistent document prescribes the distribution of decision-making authorities between the Board of Directors and the company's organisations, defining the key control points required for efficiently developing and operating MOL Group processes.

Control and management of MOL Group will be implemented through business and functional organisations. The Executive Board (hereinafter "EB") will be responsible for harmonising their activities.

The EB is a forum for decision preparation and its role is to provide a direct link between the Board of Directors and the Company's staff and at the same time canalize the matters submitted to the full Board. The EB renders preliminary opinions and advises the Board members on certain proposals submitted to the full Board, the EB is also responsible for the oversight of the execution of the Board's resolutions.

On the EB meetings each member has an obligation to express their opinion, on the basis of which final decision is made by the Chairman-CEO. In case of a difference of opinion between the Chairman-CEO, GCEO or GCFO, the decision shall be made by the Board of Directors.

The Executive Board (EB) operates as an intermediary between the Board of Directors and the above management levels. Its members are:

Zsolt Hernádi	Chairman-CEO (C-CEO)
György Mosonyi	Group Chief Executive Officer (GCEO)
József Molnár	Group Chief Financial Officer (GCFO)
Zoltán Áldott	Executive Vice President, Exploration and Production
Ferenc Horváth	Executive Vice President, Refining and Marketing
József Simola	Executive Vice President, Corporate Centre

In 2009, the Executive Board held 44 meetings and discussed 9 issues on a meeting on average.

Incentives provided for Board of Directors

To ensure uniformity and transparency, in addition to fixed remuneration, MOL operates an incentive scheme for directors, which supports commitment of the participants and by taking the Company's profitability into consideration can ensure that the interests of the participants in the compensation program can coincide with those of the shareholders.

The basis of the effective incentive scheme for directors was approved by the Annual General Meeting (AGM) on 23rd April 2009.

Elements of the incentive scheme:

- **Profit sharing incentive system (based on value added methodology)**
  The annual incentive of the Board Members will be determined according to an economic value added methodology. The Economic Value Added will recognize performance as a result on top of the cost of capital invested.
  The incentive will consist of two parts: an absolute part (recognizing the performance only of the given year) and an incremental part (recognizing the performance of the given year compared to the average of the previous years).
  Thus this methodology will reward the Board Members for increasing shareholder value on long-term and as a sustainable improvement.

  The new incentive system applies to non-executive and executive Board members as well.

- **Fixed remuneration:** In addition to the Profit sharing incentive as of 1st January 2009, directors are provided with the following fixed net remuneration, following each AGM:

Directors	25,000 EUR/year
Chairmen of the Committees	31,250 EUR/year

Other benefits

Directors who are not Hungarian citizens and do not have a permanent address in Hungary are provided with gross 1,500 EUR for each Board meeting (maximum 15 times) they travel to Hungary for.

Incentive system for the top management

The incentive system for the top management from 2009 included the following elements:

1. Incentive (bonus)

The maximum bonus amount is 40-100% of the annual base salary, paid in cash on the basis of the evaluation following the AGM. The elements of the incentive system include:

- Identification and evaluation of corporate and Group level key financial indicators (e.g. ROACE, operating cash-flow, lost time injury frequency, CAPEX efficiency, unit production, processing, operating, logistics costs, etc.).
- Identification and evaluation of particular individual targets related to the responsibilities of the particular manager in the given year.

2. Relative performance incentive

The basis of the relative incentive is 10% of the annual base wage, and is determined on the basis of rank of manager-specific performance ratings.

3. Complex long term managerial incentive system

The complex long term managerial system which changes and supplements the previous, solely stock option based system, has been implemented uniformly in the Company (Group) as of 1st January 2010.

Purpose of the new incentive system is the implementation of a new incentive system for MOL Group managers which corresponds to the incentive system of the members of the Board of Directors of MOL Plc. and keeps MOL Group management’s long term interest in the increase of the MOL stock price.

Two incentives employed parallell in the new system from year 2010:

50% Incentive based on option + 50% Profit-sharing incentive

Year 2009 is a transition period of time, when managers could decide between the previous incentive based on option and the new complex incentive system. As of 2010 the long term incentive should be determined for all entitled managers according to the rules of the new system.

Main characteristics of the two incentives:

1) Incentive stock option

Purpose of the incentive: to create the interest in the increase of MOL stock price. The incentive stock option is a material incentive disbursed in cash, calculated based on call options concerning MOL shares; it is determined as a gross benefit. Cycle time: 5 year periods starting annually.

The new system identifies the previous one. There was a modification only regarding the length of the waiting and redemption period: while in the old system a 2 year long redemption period followed the 3 year long waiting period, in the new system the option can be called after 2 year waiting period.

2) Profit sharing incentive

The Profit-sharing incentive incites the long-term, sustainable increase of profitability, based on the value added methodology, thus ensuring that the interest of the participants of the incentive system corresponds with that of shareholders of MOL Plc .
The Profit-sharing incentive is a cash-paid annual net bonus calculated on the basis of the increase of the value added. (Value added: recognises a profit performance generated on top of the cost of capital invested). Since the base of the determination of one unit of the profit-sharing incentive for the given year is the audited financial statement for the given year approved by the AGM (MOL Plc.), the incentive should be disbursed following the AGM (MOL Plc.) summoned to close the given year .

Other Fringe Benefits

These include company cars (also used for private purposes), life insurance, accident insurance, travel insurance, liability insurance, and an annual medical check up.

Supervisory Board

The Supervisory Board is responsible for monitoring and supervising the Board of Directors on behalf of the shareholders. In accordance with MOL's Articles of Association, the maximum number of members is nine (present membership is nine). In accordance with Company Law, three members of the MOL Supervisory Board are elected employee representatives with the other six appointed by the shareholders.

The members of the Supervisory Board and their independence status:

Dr. Mihály Kupa, Chairman	independent
Lajos Benedek	non-independent (employee representative)
John I. Charody	independent
Dr. Attila Chikán, Deputy Chairman	independent
Slavomír Hatina	independent
Attila Juhász	non-independent (employee representative)
Sándor Lámfalussy Prof	independent
József Kohán*	non-independent (employee representative)
István Vásárhelyi	independent

*Before József Kohán, until 30 April 2009 János Major was the member of the Supervisory Board with non-independent (employee representative) status.

As well as the member of the Supervisory Board appointed by the Hungarian Energy Office:

István Gergely*	independent

*Pursuant to the 2 § of the Act LXV of 2008 his office has been abolished by the day of 31st May, 2009.

The chairman of the Supervisory Board will be the permanent invitee to the meetings of the Board of Directors and the Finance and Risk Management Committee.

Regular agenda points of the Supervisory Board include the quarterly report of the Board of Directors on company's operations and the reports of Internal Audit and Corporate Security. In addition, the Supervisory Board reviews the proposals for the Annual General Meeting. The Supervisory Board reviews its annual activity during the year.

In 2009 the Supervisory Board held 4 meetings with an 84% attendance rate.

Remuneration of the members of the Supervisory Board

The General Meeting held on April 27, 2005 approved a new remuneration scheme for the Supervisory Board. Under the new scheme, the members of the Supervisory Board receive remuneration of EUR 3,000/month, while the Chairman of the Supervisory Board receives remuneration of EUR 4,000/month. In addition to this monthly fee, the Chairman of the Supervisory Board is entitled to receive EUR 1,500 for participation in each Board of Directors or Board Committee meeting, up to 15 times per annum.

Audit Committee

In 2006, the general meeting appointed the Audit Committee comprised of independent members of the Supervisory Board. The Audit Committee strengthens the independent control over the financial and accounting policy of the Company. The independent Audit Committee's responsibilities include the following activities:

- providing opinion on the report as prescribed by the Accounting Act,
- auditor proposal and remuneration,
- preparation of the agreement with the auditor,
- monitoring the compliance of the conflict of interest rules and professional requirements applicable to the auditor, co-operation with the auditor, and proposal to the Board of Directors or General Meeting on necessary measures to be taken, if necessary,
- evaluation of the operation of the financial reporting system, proposal on necessary measures to be taken, and
- providing assistance to the operation of the Supervisory Board for the sake of supervision of the financial reporting system.

Members of the Audit Committee and dates of appointment (professional backgrounds of members are available on company homepage):

- John I. Charody, 27 April, 2006
- Dr. Attila Chikán 27 April, 2006
- Dr. Mihály Kupa 27 April, 2006

and in case of long-term incapacitation of any of the permanent members, Sándor Lámfalussy Prof.

Report of the Audit Committee on its 2009 activities

In 2009, the Audit Committee held 5 meetings with an 85% average attendance rate. In addition to the regular items on the agenda, including the audit of all public financial reports, providing assistance with the auditor's work and the regular monitoring of Internal Audit, the Committee reviewed the major risk factors of the Company, considering the changed international financial position and the status reports on risk management actions attached to these factors. The Committee continuously monitored the Company's financial position in particular with regard to the impacts caused by the crisis. The Committee reviewed the materials of the Annual General Meeting (i.e. financial reports, statements of the Auditor).

Integrated corporate risk management function

MOL Group can state that it has a developed risk management function as an integral part of its corporate governance structure. This was confirmed by SAM Research AG in its 2009 and previously in 2008 benchmarking report for Dow Jones Sustainability Index that ranked MOL's risk management as best in class with a 96% performance, 36 percentage points above the sector's average emphasizing MOL's well-defined responsibility for risk and crisis management, our extensive risk definitions, the applications of risk mapping, quantification, stress testing and sensitivity analysis for all financial and non-financial risks and our well-defined risk response strategy.

Multi-pillar system for managing a broad variety of risks

Incorporation of the broadest variety of risks into one long-term, comprehensive and dynamic system is arranged by **Enterprise Risk Management (ERM)** on group level. ERM integrates financial, market and operational risks along with a wide range of strategic and reputation risks. Following identification, different classes of risks are quantified using a unified methodology. The time horizon of the model emphasises long term view (according to strategic horizons): up to 10 years and even beyond, when analysing the variability of net present values. The ERM process identifies the most significant risks to the performance of the company (both on divisional and on group levels) and calls for a decision to be made regarding which risks should be retained and which should be mitigated and how. Some of the risks are managed centrally, while some are dealt with the divisions, overseen by nominated risk owners. Risk Management regularly controls the realization of these risk mitigation actions – in a form of quarterly required reports from the risk owners.
The main role of Financial Risk Management (FRM) as part of the ERM is to handle short-term, market related risks. Commodity price, FX and interest rate risks are measured by using a complex model based on the Monte Carlo simulation (which takes into account portfolio effects as well) and are managed – if necessary - with risk mitigation tools (such as swaps, forwards and options). This function concentrates on a 12-month time horizon. Reports on compliance with limits linked to strategic and financial objectives of the Group are compiled for the senior management on a monthly basis whereby mitigation action plans are proposed on an ad-hoc basis when required.

Transferring of excess operational risks is done by **Insurance Management (IM)**. It means purchase of insurance, which is an important risk mitigation tool used to cover the most relevant operational exposures. The major insurance types are: Property Damage, Business Interruption, Liability, and Control of Well Insurance. Due to the peculiarity of the insurance business major tasks of this function are set around a yearly cycle (i.e. annual renewal of most insurance programs). Since insurance is managed through a joint program for the whole group (including MOL, INA, Slovnaft, TVK, IES and Slovnaft Petrochemicals), MOL Group is able to exploit considerable synergy effects.

Business Continuity Management (BCM) is the process of preparing for unexpected operational events. Proper Business Contingency Plans (BCP), Crisis Management (CM) processes and other risk control programs (like regular engineering reviews) are crucial in such a business like MOL Group’s where operational risk exposure is significant as a result of the chemical and physical processes underlying most of the operations. The quality of both BCP and CM is often measured in financial terms when dealing with insurance agencies during policy placements and regular renewals.

External auditors

The MOL Group was audited by Ernst & Young in both 2009 and 2008, excluding the operating company of the Fedorovsky Block in Kazakhstan and Energopetrol in both years and I&C Energo in 2008 (these entities were audited by PricewaterhouseCoopers, Deloitte and TPA Horwath Notia Audit s.r.o., respectively). INA Group, in which MOL gained management control in June, 2009 was audited by Deloitte in 2009 and 2008. INA Group has been treated as an associate and consolidated using the equity method prior to 30 June 2009 and has been fully consolidated afterwards.

Within the framework of the audit contract, Ernst & Young performs an audit of statutory financial statements, including interim financial statements of MOL Plc. prepared in accordance with Law C of 2000 on Accounting and the consolidated annual financial statements prepared in accordance with International Financial Reporting Standards (IFRS). Audits of the above mentioned financial statements are carried out in accordance with the Hungarian National Standards on Auditing, the International Standards on Auditing (ISA), the provisions of Accounting Law and other relevant regulations. The auditors ensure the continuity of the audit by scheduling regular on-site reviews during the year, participating in the meetings of MOL’s governing bodies and through other forms of consultation. The auditors also review the stock exchange reports issued quarterly; however they do not perform an audit of or issue any opinion on such reports.

Ernst & Young also provided other services to MOL Plc. Summary of the fees paid to the auditors in 2009 and 2008 are as follows (HUF mn):

	2009	**2008**
Audit fee for MOL plc (including audit fee for interim financial statements)	156	182
Audit fee for subsidiaries	425	422
Other non-audit services	10	7
Tax advisory services	40	90
Total	**631**	**701**

The Board of Directors does not believe that non-audit services provided by Ernst & Young compromised their independence as auditors.

Relationship with the shareholders, insider trading

The Board is aware of its commitment to represent and promote shareholders' interests, and recognises that it is fully accountable for the performance and activities of the MOL Group. To help ensure that the Company can meet shareholders' expectations in all areas, the Board continually analyses and evaluates developments, both in the broader external environment as well as at an operational level.

Formal channels of communication with shareholders include the Annual Report and Accounts and the quarterly results reports, as well as other public announcements made through the Budapest Stock Exchange (primary exchange) and the Warsaw Stock Exchange. Regular and extraordinary announcements are published on PSZÁF (Hungarian Financial Supervisory Authority) publication site and on MOL's homepage. In addition, presentations on the business, its performance and strategy are given to shareholders at the Annual General Meeting and extraordinary General Meetings. Roadshow visits are also made to various cities in the UK, the US and Continental Europe where meetings are held with representatives of the investment community, including MOL shareholders and holders of MOL's Global Depository Receipts. Furthermore, investors are able to raise questions or make proposals at any time during the year, including the Company's General Meeting. Investor feedbacks are regularly reported to the Board of Directors.

In 2009 MOL participated in 10 roadshows and investor conferences (3 US and 7 European) having over 180 meetings with potential and existing shareholders.

MOL has an Investor Relations department which is responsible for the organisation of the above activities as well as for the day-to-day management of MOL's relationship with its shareholders (contact details are provided in the "Shareholder Information" section at the end of this report). Extensive information is also made available on MOL's website (www.mol.hu), which has a dedicated section for shareholders and the financial community.

MOL Group is committed to the fair marketing of publicly-traded securities. Insider dealing in securities is regarded as a criminal offence in most of the countries in which we carry out business. Therefore, we require not only full compliance with relevant laws, but also the avoidance of even the appearance of insider securities trading and consultancy.

MOL Group employees:
• should not buy or sell shares in MOL Group or any other company while in possession of insider information.
• should not disclose insider information to anyone outside the company, without prior approval.
• should be careful, even with other MOL Group employees, should disclose insider information to a co-worker when they have permission to do so and if it is necessary to do their job.
• should protect insider information from accidental disclosure.

Exercise of shareholders' rights, general meeting participation

Voting rights on the general meeting can be exercised based on the voting rights attached to shares held by the shareholders. Each "A" Series share entitles its holder to one vote. The actual voting power depends on how many shares are registered by the shareholders participating in the general meeting.

A condition of participation and voting at the general meeting for shareholders is that the holder of the share(s) shall be registered in the Share Register. The depositary shall be responsible for registering the shareholders in the Share Register pursuant to the instructions of such shareholders in line with the conditions set by the general meeting invitation. According to Article 8.6 of Articles of Associations: „Each shareholder – at the shareholder's identification related to the closing of the share registry prior to the next general meeting –, shall declare whether he, or he and any other shareholder belonging to the same shareholder group as specified in Articles 10.1.1 and 10.1.2 holds at least 2% of the Company's shares, together with the shares regarding which he asks for registration." If the conditions described in the previous sentence are met, the shareholder requesting registration is obliged to declare the composition of the shareholder group taking into account Article 10.1.1 and 10.1.2.

Further, the shareholder shall, for the request of the Board of Directors, immediately identify the ultimate beneficial owner with respect to the shares owned by such shareholder. In case the shareholder fails to comply with the above request or in case there is a reasonable ground to assume that a shareholder made false representation to the Board of Directors, the shareholder's voting right shall be suspended and shall be prevented from exercising it until full compliance with said requirements.

According to Article 10.1.1 of Articles of Associations: „No shareholder or shareholder group (as defined below) may exercise more than 10% of the voting rights with the exception of the organization(s) acting at the Company's request as depository or custodian for the Company's shares or securities representing the Company's shares (the latter shall be exempted only insofar as the ultimate person or persons exercising the shareholder's rights represented by the shares and securities deposited with them do not fall within the limitations specified here below).”

In accordance with the Company Act the shareholders have the right to participate, to request information and to make remarks and proposals at the General Meeting. Shareholders are entitled to vote, if they hold shares with voting rights. The shareholders having at least five per cent of the voting rights may request the Board of Directors to add an item to the agenda. The shareholders having at least one per cent of the voting rights may request the Board of Directors to add supplements to the agenda of the General Meeting. The conditions to participate in the general meeting are published in the invitation to the general meeting. Invitations to the general meeting are published on company homepage. The ordinary general meeting is usually held in late April, in line with the current regulation.

The ordinary general meeting, based on the proposal of Board of Directors approved by the Supervisory Board, shall have the authority to determine profit distribution, i.e. the amount of the profit after taxation to be reinvested into the Company and the amount to be paid out as dividends. Based upon the decision of the general meeting, dividend can be paid in a non-cash form as well.

The starting date for the payment of dividends shall be defined by the Board of Directors in such way as to ensure a period of at least 10 working days between the first publication date of such announcement and the initial date of dividend distribution. Only those shareholders are entitled to receive dividend, who are registered in the share register of the Company on the basis of shareholders identification executed on the date published by the Board of Directors in the announcement on the dividend payment. Such date relevant to the dividend payment determined by the Board of Directors may deviate from the date of general meeting deciding on the payment of dividend.

Corporate Governance Declaration on Compliance with the Corporate Governance Recommendations

As part of the Corporate Governance Report, by completing the following tables, the company declares to what extent it applied in its own practice of corporate governance the recommendations and suggestions formulated in the different points of the Corporate Governance Recommendations published by the Budapest Stock Exchange Ltd.
By reviewing the tables, market participants may receive information on the extent to which the corporate governance practice of different companies meets certain requirements included in the CGR, and may easily compare the practices of the different companies.

Level of compliance with the Recommendations

The company should indicate whether it applies the relevant recommendation or not, and in the case of a negative answer, it should provide the reasons for not applying the given recommendation.

R 1.1.1 The Managing Body ensured that shareholders received access to information in time to enable them to exercise their rights.

<u>Yes (Complies)</u> No (Please explain)

R 1.1.2 The company applies the "one share - one vote" principle.

Yes (Complies) <u>No (Please explain)</u>

“B” series share is a voting preference share held by Hungarian State Holding Company. Par value of “A” series shares is HUF 1,000, while the par value of “C” series shares is HUF 1,001, but the rights attached to these shares, taking into account the different par value, are identical. Currently all “C” series shares are held by MOL.

According to the Articles of Associations, no shareholder or shareholder group may exercise more than 10% of the voting rights with the exception of the organization(s) acting at the Company’s request as depository or custodian for the Company’s shares or securities representing the Company’s shares. This voting limitation was approved by a general meeting held in 1995 and since that time all of our investors purchased shares knowing this limitation.

R 1.2.8 The company ensures that shareholders must meet the same requirements in order to attend at the general meeting.

<u>Yes (Complies)</u> No (Please explain)

R 1.2.9 Items on the general meeting agenda only include subjects which are correctly detailed and summarized clearly and unambiguously.

<u>Yes (Complies)</u> No (Please explain)

The proposals included the suggestions of the Supervisory Board and a detailed explanation of the effects of the decision.

Yes (Complies) <u>No (Please explain)</u>

The proposals included the explanation of the effects of the decision. Though the Supervisory Board analyses all proposals, which fall within the exclusive scope of authority of the Company’s General Meeting, it submits written report only on the proposal on the annual report and the distribution of the profit after taxation.

R 1.2.10 Shareholders' comments on and supplements to the items on the agenda were published at least two days prior to the general meeting.

<u>Yes (Complies)</u> No (Please explain)

In 2009, there were no shareholders’ comments on the items on the agenda before the AGM.

R 1.3.8 Comments on the items of the agenda were made available to shareholders simultaneously with registration at the latest.

<u>Yes (Complies)</u> No (Please explain)

Written comments made on the items on the agenda were published two working days prior to the general meeting.

Yes (Complies) No (Please explain)

In 2009, there were no shareholders' comments on the items on the agenda before the AGM.

R 1.3.10 The election and dismissal of executives took place individually and by separate resolutions.

Yes (Complies) No (Please explain)

R 2.1.1 The responsibilities of the Managing Body include those laid out in 2.1.1.

Yes (Complies) No (Please explain)

R 2.3.1 The Managing Body held meetings regularly, at times designated in advance.

Yes (Complies) No (Please explain)

The Supervisory Board held meetings regularly, at times designated in advance.

Yes (Complies) No (Please explain)

The rules of procedure of the Managing Body provide for unscheduled meetings and decision-making through electronic communications channels.

Yes (Complies) No (Please explain)

The rules of procedure of the Supervisory Board provide for unscheduled meetings and decision-making through electronic communications channels.

Yes (Complies) No (Please explain)

R 2.5.1 The Management Board of the company has a sufficient number of independent members to ensure the impartiality of the board.

Yes (Complies) No (Please explain)

R 2.5.4 At regular intervals (in connection with the CG Report) the Managing Body requested a confirmation of their independent status from those members considered independent.

Yes (Complies) No (Please explain)

R 2.5.5 At regular intervals (in connection with the CG Report) the Supervisory Board requested a confirmation of their independent status from those members considered independent.

Yes (Complies) No (Please explain)

R 2.5.7 The company disclosed on its website the guidelines on the independence of the Managing Body and the Supervisory Board, as well as the criteria applied for assessing independence.

Yes (Complies) No (Please explain)

R 2.6.1 Members of the Managing Body informed the Managing Body (Supervisory Board/Audit Committee) if they (or any other person in a close relationship to them) had a significant personal stake in a transaction of the company (or the company's subsidiary).

Yes (Complies) No (Please explain)

R 2.6.2 Transactions between board and executive management members (and persons in close relationship to them) and the company (or its subsidiary) were conducted according to general rules of practice of the company, but with stricter transparency rules in place.

Yes (Complies) No (Please explain)

Transactions which according to 2.6.2, fell outside the normal course of the company's business, and their terms and conditions were approved by the Supervisory Board (Audit Committee).

Yes (Complies) No (Please explain)

According to MOL's practice, these transactions are approved by the Board of Directors, with the simultaneous notification to the chairman of the Supervisory Board (who is the chairman of the Audit Committee as well).

R 2.6.3 Board members informed the Supervisory Board/Audit Committee if they received an offer of Board membership or an offer of an executive management position in a company which is not part of the company group.

Yes (Complies) <u>No (Please explain)</u>

Board members declare at the time of their appointment, if they have Board membership or an executive management position in a company which is not part of the company group. According to the charter of the Board of Directors, a member of the Board of Directors informs the Board of Directors, if he/she receives an offer of Board membership or an offer of an executive management position in a company which is not part of the company group. Chairman of the Supervisory Board participates in Board meetings as permanent invitee.

R 2.6.4 The Managing Body established its guidelines on information flow within the company and the handling of insider information, and monitored compliance with those guidelines.

<u>Yes (Complies)</u> No (Please explain)

The Managing Body established its guidelines regarding insiders' trading in securities and monitored compliance with those guidelines.

<u>Yes (Complies)</u> No (Please explain)

R 2.7.1 The Managing Body formulated remuneration guidelines regarding the evaluation and remuneration of the work of the Managing Body, the Supervisory Board and the executive management.

<u>Yes (Complies)</u> No (Please explain)

The Supervisory Board formed an opinion on the remuneration guidelines.

<u>Yes (Complies)</u> No (Please explain)

The guidelines regarding the remuneration for the Managing Body and the Supervisory Board and the changes in those guidelines were approved by the general meeting, as a separate item on the agenda.

<u>Yes (Complies)</u> No (Please explain)

R 2.7.2 The Managing Body prepared an evaluation of the work it carried out in the given business year.

<u>Yes (Complies)</u> No (Please explain)

The Supervisory Board prepared an evaluation of the work it carried out in the given business year.

<u>Yes (Complies)</u> No (Please explain)

R 2.7.3 It is the responsibility of the Managing Body to monitor the performance of and determine the remuneration for the executive management.

<u>Yes (Complies)</u> No (Please explain)

The frameworks of benefits due to members of the executive management that do not represent normal practice, and the changes in those benefits were approved by the general meeting as a separate agenda item.

<u>Yes (Complies)</u> No (Please explain)

R 2.7.4 The structure of share-incentive schemes were approved by the general meeting.

<u>Yes (Complies)</u> No (Please explain)

Prior to the decision by the general meeting on share-incentive schemes, shareholders received detailed information (at least according to those contained in 2.7.4).

<u>Yes (Complies)</u> No (Please explain)

R 2.7.7 The Remuneration Statement was prepared by the company and submitted to the general meeting.

Yes (Complies) No (Please explain)

The company provides detailed information on the remuneration principles of the Board of Directors, Supervisory Board and management in the corporate governance chapter of the annual report.

The Remuneration Statement includes information about the remuneration of individual members of the Managing Body, the Supervisory Board, and the executive management.

Yes (Complies) No (Please explain)

The company provides detailed information on the remuneration principles of the Board of Directors, Supervisory Board and management in the corporate governance chapter of the annual report. It also publishes the cumulated sum of key management compensation as part of the annual financial statements.

R 2.8.1 The Managing Body or the committee operated by it is responsible for monitoring and controlling the company's entire risk management.

Yes (Complies) No (Please explain)

The Managing Body requests information on the efficiency of risk management procedures at regular intervals.

Yes (Complies) No (Please explain)

The Managing Body took the necessary steps to identify the major risk areas.

Yes (Complies) No (Please explain)

R 2.8.3 The Managing Body formulated the principles regarding the system of internal controls.

Yes (Complies) No (Please explain)

The system of internal controls established by the executive management guarantees the management of risks affecting the activities of the company, and the achievement of the company's performance and profit targets.

Yes (Complies) No (Please explain)

R 2.8.4 When developing the system of internal controls, the Managing Body took into consideration the viewpoints included in 2.8.4

Yes (Complies) No (Please explain)

R 2.8.5 It is the duty and responsibility of the executive management to develop and maintain the system of internal controls.

Yes (Complies) No (Please explain)

R 2.8.6 The company created an independent Internal Audit function which reports to the Audit Committee.

Yes (Complies) No (Please explain)

The Internal Audit reported at least once to the Audit Committee on the operation of risk management, internal control mechanisms and corporate governance functions.

Yes (Complies) No (Please explain)

R 2.8.7 The internal audit activity is carried out by the Internal Audit function based on authorisation from the Audit Committee.

Yes (Complies) No (Please explain)

The Internal Audit reports to the Financial and Risk Management Committee, with the simultaneous notification to the Audit Committee. The Audit Committee carries out works set in the Company Act.

As an organisation, the Internal Audit function is independent from the executive management.

Yes (Complies) No (Please explain)

R 2.8.8 The Internal Audit schedule was approved by the Managing Body (Supervisory Board) based on the recommendation of the Audit Committee.

Yes (Complies) No (Please explain)

R 2.8.9 The Managing Body prepared its report for shareholders on the operation of internal controls.

Yes (Complies) No (Please explain)

The Managing Body developed its procedures regarding the receipt, processing of reports on the operation of internal controls, and the preparation of its own report.

Yes (Complies) No (Please explain)

R 2.8.11 The Managing Body identified the most important deficiencies or flow in the system of internal controls, and reviewed and re-evaluated the relevant activities.

Yes (Complies) No (Please explain)

R 2.9.2 The Managing Body, the Supervisory Board and the Audit Committee were notified in all cases when an assignment given to the auditor may have resulted in significant additional expense, caused a conflict of interest, or affected normal business practices significantly in any other way.

Yes (Complies) No (Please explain)

R 2.9.3 The Managing Body informed the Supervisory Board of any assignment given to the external auditor or an external advisor in connection with any event which held significant bearing on the operations of the company.

Yes (Complies) No (Please explain)

The Managing Body pre-determined in a resolution what circumstances constitute "significant bearing".

Yes (Complies) No (Please explain)

R 3.1.6 On its website, the company disclosed duties delegated to the Audit Committee, the Nomination Committee and the Remuneration Committee, as well as the committees' targets, rules of procedure, composition (indicating the name, brief biography and the date of appointment of members).

Yes (Complies) No (Please explain)

R 3.2.1 The Audit Committee monitored the efficiency of risk management, the operation of internal controls, and the activity of the Internal Audit.

Yes (Complies) No (Please explain)

R 3.2.3 The Audit Committee received accurate and detailed information on the work schedule of the Internal Auditor and the independent auditor, and received the auditor's report on problems discovered during the audit.

Yes (Complies) No (Please explain)

R 3.2.4 The Audit Committee requested the new candidate for the position of auditor to submit the disclosure statement according to 3.2.4

Yes (Complies) No (Please explain)

R 3.3.1 There is a Nomination Committee operating at the company.

Yes (Complies) No (Please explain)

The Corporate Governance and Remuneration Committee manages issues related to the composition of the Board of Directors and the Supervisory Board. Therefore at the following questions on Nomination Committee, MOL makes declaration on the Corporate Governance and Remuneration Committee.

R 3.3.2 The Nomination Committee provided for the preparation of personnel changes.

Yes (Complies) No (Please explain)

The Nomination Committee reviewed the procedures regarding the election and appointment of members of the executive management.

Yes (Complies) No (Please explain)

The Nomination Committee evaluated the activity of board and executive management members.

Yes (Complies) No (Please explain)

The Nomination Committee examined all the proposals regarding the nomination of board members which were submitted by shareholders or the Managing Body.

Yes (Complies) No (Please explain)

R 3.4.1 There is a Remuneration Committee operating at the company.

Yes (Complies) No (Please explain)

The works of the Remuneration Committee are carried out by the Corporate Governance and Remuneration Committee. Therefore at the following questions on Remuneration Committee, MOL makes declaration on the Corporate Governance and Remuneration Committee.

R 3.4.2 The Remuneration Committee made a proposal for the system of remuneration for the boards and the executive management (individual levels and the structure of remuneration), and carries out its monitoring.

Yes (Complies) No (Please explain)

R 3.4.3 The remuneration of the executive management was approved by the Managing Body based on the recommendation of the Remuneration Committee.

Yes (Complies) No (Please explain)

The remuneration of the Managing Body was approved by the general meeting based on the recommendation of the Remuneration Committee.

Yes (Complies) No (Please explain)

The Remuneration Committee also monitored the share option, cost reimbursement and other benefits in the remuneration system.

Yes (Complies) No (Please explain)

R 3.4.4 The Remuneration Committee made proposals regarding remuneration guidelines and the remuneration of individual persons.

Yes (Complies) No (Please explain)

The Remuneration Committee reviewed the terms and conditions of contracts concluded with the members of the executive management.

Yes (Complies) No (Please explain)

The Remuneration Committee ascertained whether the company fulfilled its disclosure obligations regarding remuneration issues.

Yes (Complies) No (Please explain)

R 3.4.7 The majority of the members of the Remuneration Committee are independent.

Yes (Complies) No (Please explain)

R 3.5.1 The Managing Body disclosed its reasons for combining the Remuneration and Nomination Committees.

Yes (Complies) No (Please explain)

Since 2003, MOL's corporate governance practice has been rated by several international corporate governance rating and advisory firm. None of the rating firms have commented the combination of the remuneration and nomination committee functions.

R 3.5.2 The Managing Body carried out the duties of the Remuneration and Nomination Committees and disclosed its reasons for doing so.

Yes (Complies) <u>No (Please explain)</u>

The duties of the Remuneration and Nomination Committees were carried out by the Corporate Governance and Remuneration Committee.

R 4.1.1 In its disclosure guidelines, the Managing Body established those principles and procedures which ensure that all relevant information about the operations of the company and circumstances influencing its share price are disclosed and made available accurately, in a timely fashion and in full.

<u>Yes (Complies)</u> No (Please explain)

R 4.1.2 The company ensured in its disclosure activities that all shareholders and market participants were treated equally.

<u>Yes (Complies)</u> No (Please explain)

R 4.1.3 The company's disclosure guidelines include the procedures governing electronic, on-line disclosure.

<u>Yes (Complies)</u> No (Please explain)

The company develops its website taking into consideration disclosure guidelines and the provision of information to investors.

<u>Yes (Complies)</u> No (Please explain)

R 4.1.4 The Managing Body assessed the efficiency of disclosure processes.

<u>Yes (Complies)</u> No (Please explain)

R 4.1.5 The company published its corporate events calendar on its website.

<u>Yes (Complies)</u> No (Please explain)

R 4.1.6 In the annual report and on the website of the company, the public was informed about the company's corporate strategy, its main business activities, business ethics and its policies regarding other stakeholders.

<u>Yes (Complies)</u> No (Please explain)

R 4.1.8 In the annual report the Managing Body disclosed the character and size of any other assignments given by the company or its subsidiaries to the auditing firm responsible for auditing the financial statements.

<u>Yes (Complies)</u> No (Please explain)

R 4.1.9 In the annual report and on the website the company discloses information on the professional career of the members of the Managing Body, the Supervisory Board and the executive management.

<u>Yes (Complies)</u> No (Please explain)

R 4.1.10 The company provided information on the internal organisation and operation of the Managing Body and the Supervisory Board and on the criteria considered when evaluating the work of the Managing Body, the executive management and the individual members thereof.

<u>Yes (Complies)</u> No (Please explain)

The company provided information on the internal organisation and operation of the Managing Body and the Supervisory Board and on the criteria considered when evaluating the work of the Managing Body, the executive management. However, there was no information on the criteria considered when evaluating individual members.

R 4.1.11 In the annual report and in the Remuneration Statement on the company's website, the company informed the public about the applied remuneration guidelines, including the remuneration and fees provided for members of the Managing Body, the Supervisory Board and the executive management.

Yes (Complies) | <u>No (Please explain)</u>

The company provides detailed information on the remuneration principles of the Board of Directors, Supervisory Board and management in the corporate governance chapter of the annual report. It also publishes the cumulated sum of key management compensation as part of the annual financial statements.

R 4.1.12 The Managing Body disclosed its risk management guidelines, including the system of internal controls, the applied risk management principles and basic rules, as well as information about major risks.

<u>Yes (Complies)</u> | No (Please explain)

R 4.1.13 In order to provide market participants with information, the company publishes its report on corporate governance at the same time that it publishes its annual report.

<u>Yes (Complies)</u> | No (Please explain)

R 4.1.14 The company discloses its guidelines governing insiders' trading in the company's securities on its website.

<u>Yes (Complies)</u> | No (Please explain)

The company published in the annual report and on its website ownership in the company's securities held by the members of the Managing Body, the Supervisory Board and the executive management, as well as any interests held in share-incentive schemes.

<u>Yes (Complies)</u> | No (Please explain)

R 4.1.15 In the annual report and on its website, the company disclosed any relationship between members of the Managing Body and the executive management with a third party, which might have an influence on the operations of the company.

<u>Yes (Complies)</u> | No (Please explain)

Level of compliance with the Suggestions

The company should indicate whether the relevant suggestion of the CGR is applied or not (Yes / No)

S 1.1.3 The company has an investor relations department.

<u>Yes</u> No

S 1.2.1 The company published on its website the summary document regarding the conducting of the general meeting and the exercise of shareholders' rights to vote (including voting via proxy)

<u>Yes</u> No

S 1.2.2 The company's articles of association are available on the company's website.

<u>Yes</u> No

S 1.2.3 The company disclosed on its website information according to 1.2.3 (on the record date of corporate events).

<u>Yes</u> No

S 1.2.4 Information and documents according to 1.2.4 regarding general meetings (invitations, proposals, draft resolutions, resolutions, minutes) were published on the company's website.

<u>Yes</u> No

S 1.2.5 The general meeting of the company was held in a way that ensured the greatest possible shareholder participation.

<u>Yes</u> No

S 1.2.6 Additions to the agenda were published within 5 days of receipt, in the same manner as the publication of the original invitation for the general meeting.

<u>Yes</u> No

In 2009, there were no shareholders' comments on the items on the agenda before the AGM.

S 1.2.7 The voting procedure applied by the company ensured unambiguous, clear and fast decision making by shareholders.

<u>Yes</u> No

S 1.2.11 At the shareholders' request, the company also provided information on the general meeting electronically.

<u>Yes</u> No

S 1.3.1 The identity of the chairman of the general meeting was approved by the company's general meeting prior to the discussion of the items on the agenda.

<u>Yes</u> No

S 1.3.2 The Managing Body and the Supervisory Board were represented at the general meeting.

<u>Yes</u> No

S 1.3.3 The company's articles of association render possible that at the initiation of the chairman of the Managing Body or the shareholders of the company, a third party be invited to the company's general meeting and be granted the right of participation in the discussion of the relevant items on the agenda.

Yes <u>No</u>

S 1.3.4 The company did not prevent shareholders attending the general meeting from exercising their rights to request information, make comments and proposals, and did not set any pre-requisites to do so.

<u>Yes</u> No

The company has not made any further requirements above those set by the law.

S 1.3.5 The company published on its website within three days its answers to those questions which it was unable to answer satisfactorily at the general meeting. Where the company declined to give an answer it published its reasons for doing so.

<u>Yes</u> No

The company answered the questions related to the items of the agenda during the general meeting.

S 1.3.6 The chairman of the general meeting and the company ensured that in answering the questions raised at the general meeting, national laws and regulations of the Stock Exchange pertaining to disclosure were complied with.

<u>Yes</u> No

S 1.3.7 The company published a press release and held a press conference on the decisions passed at the general meeting.

<u>Yes</u> No

S 1.3.11 The company's general meeting decided on the different amendments of the articles of association in separate resolutions.

<u>Yes</u> No

S 1.3.12 The minutes of the general meeting containing the resolutions, the presentation of draft resolutions, as well as the most important questions and answers regarding the draft resolutions were published by the company within 30 days of the general meeting.

Yes <u>No</u>

S 1.4.1 The dividend was paid within 10 days to those shareholders who had provided all the necessary information and documentation.

Yes <u>No</u>

The dividend was paid on the starting day of dividend payment to those shareholders who had provided all the necessary information and documentation. Following this date, dividend is paid monthly to those shareholders providing the necessary documentation.

S 1.4.2 The company disclosed its policy regarding anti-takeover devices.

Yes <u>No</u>

S 2.1.2 The rules of procedure define the composition of the Managing Body and all procedures and protocols for the preparation and holding of meetings, the drafting of resolutions and other related matters.

<u>Yes</u> No

S 2.2.1 The rules of procedure and the work schedule of the Supervisory Board gives a detailed description of its operation and duties, as well as procedures and processes which the Supervisory Board followed.

<u>Yes</u> No

S 2.3.2 Board members had access to the proposals of a given meeting at least five days prior to the board meeting.

<u>Yes</u> No

S 2.3.3 The rules of procedure regulate the regular or occasional participation at board meetings of persons who are not members of the boards.

<u>Yes</u> No

S 2.4.1 The election of the members of the Managing Body took place in a transparent way, information on candidates was made public at least five days prior to the general meeting.

Yes No

S 2.4.2 The composition of boards and the number of members complies with the principles specified in 2.4.2

Yes No

S 2.4.3 Newly elected, non-executive board members were able to familiarize themselves with the structure and operations of the company, as well as their duties as board members through a tailored induction programme.

Yes No

S 2.5.2 The separation of the responsibilities of the Chairman of the Managing Body from those of the Chief Executive Officer has been outlined in the basic documents of the company.

Yes No

S 2.5.3 The company has published a statement about the means it uses to ensure that the Managing Body gives an objective assessment of the executive management's work where the functions of Chairman and CEO are combined.

Yes No

[*However, the operation of the management is assessed by the Corporate Governance and Remuneration Committee. The chairman and the majority of committee members are independent.*]

S 2.5.6 The company's Supervisory Board has no member who held a position in the Managing Body or the executive management of the company in the three years prior to his nomination.

Yes No

S 2.7.5 The development of the remuneration system of the Managing Body, the Supervisory Board and the executive management serves the strategic interests of the company and thereby those of the shareholders.

Yes No

S 2.7.6 In the case of members of the Supervisory Board, the company applies a fixed amount of remuneration and does not apply a remuneration component related to the share price.

Yes No

S 2.8.2 The Managing Body developed its risk management policy and regulations with the cooperation of those executives who are responsible for the design, maintenance and control of risk management procedures and their integration into the company's daily operations.

Yes No

S 2.8.10 When evaluating the system of internal controls, the Managing Body took into consideration the aspects mentioned in 2.8.10

Yes No

S 2.8.12 The company's auditor assessed and evaluated the company's risk management systems and the risk management activity of the executive management, and submitted its report on the matter to the Audit Committee.

Yes No

The company's auditor receives regular information on the risk management system and the risk management operations, and it can follow and monitor these activities. During the audit process the audit reviews and analyses the risk management system and the efficiency of the risk management operations for its own purposes, but it does no issue a report on such audits to any external party (e.g. Audit Committee).

S 2.9.1 The rules of procedure of the Managing Body, the Supervisory Board and the committees cover the procedure to be followed when employing an external advisor.

Yes No

S 2.9.4 The Managing Body may invite the company's auditor to participate in those meetings where it debates general meeting agenda items.

<u>Yes</u> No

S 2.9.5 The company's Internal Audit function co-operated with the auditor in order to help it successfully carry out the audit.

<u>Yes</u> No

S 3.1.2 The chairmen of the Audit Committee, Nomination Committee, Remuneration Committee (and any other committees operating at the company) regularly inform the Managing Body about the meetings of the committee, and the committees prepared at least one report for the Managing Body and the Supervisory Board in the given business year.

<u>Yes</u> No

S 3.1.4 The company's committees are made up of members who have the capabilities, professional expertise and experience required to perform their duties.

<u>Yes</u> No

S 3.1.5 The rules of procedure of committees operating at the company include those aspects detailed in 3.1.5

<u>Yes</u> No

S 3.2.2 The members of the Audit Committee were fully informed about the accounting, financial and operational peculiarities of the company.

<u>Yes</u> No

S 3.3.3 The Nomination Committee prepared at least one evaluation for the chairman of the Managing Body on the operation of the Managing Body and the work and suitability of the members of the Managing Body.

Yes <u>No</u>

There was an evaluation on the operation of the Board of Directors and some (but not each) individual members in 2009.

S 3.3.4 The majority of the members of the Nomination Committee are independent.

<u>Yes</u> No

S 3.3.5 The rules of procedure of the Nomination Committee includes those details contained in 3.3.5

Yes <u>No</u>

S 3.4.5 The Remuneration Committee prepared the Remuneration Statement.

Yes <u>No</u>

The company provides detailed information on the remuneration principles of the Board of Directors, Supervisory Board and management in the corporate governance chapter of the annual report. It also publishes the cumulated sum of key management compensation as part of the annual financial statements.

S 3.4.6 The Remuneration Committee exclusively consists of non-executive members of the Managing Body.

Yes <u>No</u>

S 4.1.4 The disclosure guidelines of the company at least extend to those details contained in 4.1.4

Yes <u>No</u>

The Managing Body informed shareholders in the annual report on the findings of the investigation into the efficiency of disclosure procedures.

Yes <u>No</u>

S 4.1.7 The company's financial reports followed IFRS guidelines.

<u>Yes</u> No

S 4.1.16 The company also prepares and releases its disclosures in English.

<u>Yes</u> No

AGENDA ITEM NO. 2

Decision on the waiver to be granted to the executive officers according to Section 30 (5) of the Companies' Act

In compliance with Section 30 (5) of the Companies' Act, Article 12.12 of the Articles of Association sets forth that the annual general meeting shall put on its agenda each year the evaluation of the work of the Board of Directors performed in the previous business year and pass a resolution on the waiver (discharge) that may be granted to the Board of Directors.

Based on the above, we propose that the general meeting approve the work of the Board of Directors performed in the 2009 business year and provide waiver for the Board of Directors under Section 30 (5) of the Companies' Act.

Proposed resolution

The Board of Directors proposes that the Annual General Meeting – under Article 12.12 of the Articles of Association - approve the work of Board of Directors performed in the 2009 business year and grant waiver to the Board of Directors under Section 30 (5) of the Companies' Act.

AGENDA ITEM NO. 3

Election of the auditor for the 2010 financial year and determination of its remuneration as well as the material elements of its engagement

The Audit Committee of the Company, after evaluating Ernst & Young in respect of its 2009 performance and its binding offer for the 2010 audit tasks, proposes further cooperation with Ernst & Young in 2010.

Proposed resolution

The Audit Committee proposes to the Annual General Meeting the election of Ernst & Young Könyvvizsgáló Kft. (1132 Budapest, Váci út 20.), namely Judit Szilágyi (registration number: MKVK-001368), substituted in case of hindrance by István Havas (registration number: MKVK-003395), to be the independent auditor of MOL Plc. for the year 2010, until the AGM closing the year but latest 30 April 2011. The Audit Committee proposes the audit fee for MOL Plc. for 2010 to be HUF 77.81 million plus VAT.

In addition to the abovementioned, the material elements of the contract with the auditor are as follows:

- <u>Scope:</u>

  Audit of the statutory financial statements of MOL Plc. prepared for the year 2010 in accordance with Law C of 2000 on accounting and the audit of the consolidated financial statements of MOL Group prepared for the year 2010 in accordance with the International Financial Reporting Standards (IFRS).

- <u>Billing and settlement:</u>

  In 12 equal monthly installments, invoices are submitted by the 5th day of the following month and MOL Plc. is obliged to settle them in 30 days.

- <u>Term of the contract:</u>

  From 29 April 2010 until the Annual General Meeting closing the year 2010 but latest 30 April 2011.

- In any other questions the general terms and conditions relating to audit agreements of Ernst & Young Könyvvizsgáló Kft. shall apply.

AGENDA ITEM NO. 4

Authorization of the Board of Directors to acquire treasury shares

Background, evaluation of the current situation

The authorisation granted by the Annual General Meeting of MOL Plc on 23 April 2009 for the Board of Directors to purchase treasure shares shall expire at the end of October 2010. The Board of Directors asks for a new authorisation from the General Meeting to purchase treasury shares from the General Meeting to October 2011.

The Board of Directors of MOL would like to maintain the authorisation for further share purchases in order:

- to use treasury shares as acquisition currency like in the case of Slovnaft and Pearl, like share swap with the Croatian Government to increase stake in INA, or
- to be able to exercise call options, or
- to protect shareholders from possible share overhang, similarly to the APV transaction made in 2005, MOL should be able to purchase a larger block of shares, or
- to maintain flexibility for further shareholder structure optimisation and share cancellation.

Proposed resolution

The Board of Directors proposes the Annual General Meeting to authorise the Board of Directors of the Company to acquire treasury shares – simultaneously setting aside the resolution No 8 of the April 23 2009 AGM – pursuant to the following terms and conditions:

- Purpose of acquiring the treasury shares may be any of the following:
  - supporting the achievement of the strategic goals of MOL, particularly use of treasury shares as consideration in acquisition transactions, or
  - operation of share-based incentive schemes, or
  - adding a new potential measure to optimize the capital structure through the repurchase of outstanding share capital (eventually, if justified by later cancellation of shares re-purchased), or
  - facilitating the implementation of potentially attractive share-based or hybrid financing instruments.
- Mode of acquisition of treasury shares: with or without consideration, either on the stock exchange or through public offer or on the OTC market if not prohibited by legal regulations.
- The authorisation empowers the Board of Directors to acquire any shares of the Company with any par value.
- The amount (number) of shares that can be acquired: the total amount of nominal value of treasury shares owned by the Company at any time may not exceed 25 % of the actual share capital of the Company.
- The period of validity of the authorisation: from the resolution made on the Annual General Meeting for an 18 months period.

If the acquisition of the treasury shares is in return for a consideration, the minimum amount can be paid in return for one piece of share is HUF 1, while the maximum amount is the highest amount of the effective stock exchange price level of the day of the transaction, or of the volume weighted average stock exchange prices of 90 trading days before the date of the transaction or of the volume-weighted average stock exchange price of 90 trading days before the date of signing the agreement for acquiring the treasury shares (particularly purchase agreement, call option agreement or other collateral agreement).

AGENDA ITEM NO. 5

Dismissal and election of the members of the Board of Directors

Three members of the Board of Directors - Mr. László Akar, Mr. Miklós Kamarás and Mr. Ernő Kemenes dr.- notified in writing the Board of Directors about their resignation from their positions as members of the Board of Directors effective as from the closing of Annual General Meeting to be held on 29 April, 2010.

Based on the above, we propose that the Annual General Meeting elects Mr. Zsigmond Járai, Mr. László Parragh dr. and Mr. Martin Roman dr. to be member of the Board of Directors of MOL Plc. from the closing of Annual General Meeting to be held on April 29 2010 to April 28 2015 *(every CV can be found after the Proposed resolutions)*.

Proposed resolution
The Board of Directors proposes that the Annual General Meeting elect Mr. Zsigmond Járai to be member of the Board of Directors of MOL Plc. from the closing of AGM to be held on April 29 2010 to April 28 2015.

Proposed resolution
The Board of Directors proposes that the Annual General Meeting elect Mr. László Parragh dr. to be member of the Board of Directors of MOL Plc. from the closing of AGM to be held on April 29 2010 to April 28 2015.

Proposed resolution
The Board of Directors proposes that the Annual General Meeting elect Mr. Martin Roman dr. to be member of the Board of Directors of MOL Plc. from the closing of AGM to be held on April 29 2010 to April 28 2015.

CURRICULUM VITAE

Name:	**Zsigmond JÁRAI** (59)
Nationality:	Hungarian
Education:	University of Economics, Budapest

Professional Career:

2007-	**CIG Pannonia Life Insurance Ltd.** founder, chairman of the supervisory board
2001 - 2007	**National Bank of Hungary** Governor
1998 - 2000	**Ministry of Finance, Hungary** Minister of Finance
1996 - 1998	**Budapest Stock Exchange** Chairman
1995 - 1998	**ABN AMRO (Magyar) Bank Rt. *(former* Magyar Hitel Bank Rt.)** Chief Executive Officer then Chairman & CEO
1993 - 1995	**Samuel Montagu Financial Consultant and Securities Co., Budapest, Hungary** Managing Director
1990 - 1992	**James Capel & Co., London, England** Director for East-Europe
1989 - 1990	**Ministry of Finance, Hungary** Deputy Minister of Finance & Director of State Bank Supervision
1987 - 1989	**Budapest Bank Rt., Hungary** Head of Department, Deputy CEO
1979 - 1986	**State Development Bank, Hungary** Official in charge of investment, internal auditor, head of economic section
1977 - 1978	**Ministry of Water-Supplies, Mongolia** Consultant
1976 - 1977	**State Development Bank, Hungary** Official in charge of investment

CURRICULUM VITAE

Name:	**Dr. László Parragh** (48)
Nationality:	Hungarian

EDUCATION AND TRAINING:

1983-1988	Janus Pannonius University, Faculty of Law, Pécs, Hungary
1986-87	Summer University, Bayreuth, Germany
1983	Russian language studies, Odesa, Ukraine
1982-1983	Teacher Training College, Faculty of Arts, History and Russian language and literature, Pécs, Hungary

MOST IMPORTANT ASSIGNMENTS:

2009 July -	President Economic and Social Council of the Republic of Hungary
2009-	President of KA-VOSZ Garantiqa Credit Guarantee Co.
2009-	Associate Professor at the West Hungary University
2009-	Associate Professor at the Budapest Economic College
2005 - 2008	Member of the ICC Executive Board, Committee on Policy and Commissions
2003 -	Vice President of Győr-Sopron-Ebenfurt Austrian-Hungarian Railway Corporation (GYSEV Zrt.)
2002 -	Member of the Board of Directors of Győr-Sopron-Ebenfurt Austrian-Hungarian Railway Corporation (GYSEV Zrt.)
2003 -	President of the Board of Supervision of KA-VOSZ Financial Services Trading Plc.
2002 - 2003	President of KA-VOSZ Financial Services Trading Plc.
2002 -	Member of the Board of Directors of Eximbank Hungary Pte. Ltd.
2002 -	Member of the Board of Directors of Hungarian Export Credit Insurance Pte Ltd. (MEHIB Zrt.)
2001 -	Member of Social Council Senate of Budapest Business School
2000 -	President of the Hungarian Chamber of Commerce and Industry
1998 - 2002	Member of the Advisory Committee for Economic Affairs of the Prime Minister
1994 - 2000	Vice President of the Confederation of Hungarian Employers and Industrialists
1993 -	Member of the Presidium of the Confederation of Hungarian Employers and Industrialists
1989 -	Parragh Trading and Holding Plc. - President

CURRICULUM VITAE

Name:	**Dr. Martin ROMAN** (41)
Nationality:	Czech
Education:	*Charles University, Prague, Faculty of Law* Karl-Ruprechtsuniversität Heidelberg HSG St. Gallen
Professional Career:	
02 / 2004	**Chairman of the Board and CEO of ČEZ, a. s.**
2000 – 2004	**Chairman and CEO of ŠKODA HOLDING a.s.** Successful financial and business restructuring of this Czech mechanical engineering company.
1994 – 1999	**Chief Executive of Janka Radotín a.s.,** Chairman of the Board after the entry of a strategic partner - LENNOX, a US company in 1998.
1993	**Sales Director of Wolf Bergstrasse ČR s.r.o.** In one year the market share of the company was increased from 1% to the market leader. Responsible for the development of the sales team and logistics in the company.

AGENDA ITEM NO. 6

Dismissal and election of the members of the Supervisory Board

The Supervisory Board membership of Mr. István Vásárhelyi expires on 27 April, 2010.

We propose that the Annual General Meeting elect Mr. István Töröcskei to be member of the Supervisory Board of MOL Plc. from the closing of Annual General Meeting to be held on April 29 2010 to April 28 2015 *(CV can be found after the Proposed resolution)*.

Proposed resolution

The Board of Directors proposes that the Annual General Meeting elect Mr. István Töröcskei to be member of the Supervisory Board of MOL Plc. from the closing of Annual General Meeting to be held on April 29 2010 to April 28 2015.

CURRICULUM VITAE

István Töröcskei (61)

Scope of activities

Year	*Status*	*Company*
2007 -	Advisor	T and T Ltd.
1997-2007	CEO, Advisor	Equilor Investment Ltd.
1995-1997	Advisor,	T and T Ltd.
	Chairman	Interbanka, in Prague (CEO)
1992-1994	CEO, Chairman	Hungarian Credit Bank Ltd.
1995-1996	Chariman of the Board	Interbanka A.S. in Prague
1991-1992	Chairman	Kulturbank Ltd.
1989-1991	Managing Director	Hungarian Credit Bank Ltd.
1982-1989	Foreign Exchange Dep. Manager	National Bank of Hungary
1977-1982	Foreign Exchange Dealer	HIB, London
1974-1977	Arbitrage Department	National Bank of Hungary
1973-1974	Training Term	National Bank of Hungary

Qualifications

Year	*Certificate of Qualification*	*Institution*
1982	International Banker's Course at Midland Bank, International Training Centre, London	
1969-1973	graduated at the	MKKE University, financial specialisation
1966-1968	high school graduation	Petőfi Sándor Grammar School
1964-1966	Budapesti Piarista Grammar School	

Other activities

- Member of the Board Pannergy Ltd.
- CEO of Pro Aurum Ltd.
- Chairman of Supervisory Board of Gresco Ltd, (Four Season Hotel, Budapest)
- Chairman of Supervisory Board of Hír TV Ltd.
- Chairman of Supervisory Board Gödöllői Tangazdaság Ltd.

Social organisations

- Hungarian Atlantic Council
- Páneurópai Council
- Baross Council
- Széll Kálmán Council
- Hermina Council