

Report
of 16 May 2008
on Activities of the Supervisory Board of NG2 S.A.
and Assessment of its Work
for the Period from 1 January 2007 to 31 December 2007

Pursuant to the provisions of the Commercial Companies Code and the Articles of Association of NG2 S.A., the Supervisory Board hereby submits to the General Meeting of Shareholders its report on activities with evaluation of its work for the period from 1 January 2007 to 31 December 2007.

2007 was the third financial year during which the Supervisory Board of NG2 S.A. proceeded.

Until 1 January 2007 to 20 June 2007, the following five members served on the Supervisory Board:

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|----------------------------------|--------------------------------|
| - Henryk Chojnacki | Chairman of Supervisory Board; |
| - Martyna Kinga Kupiecka-Gomułka | Member of Supervisory Board; |
| - Włodzimierz Olszewski | Member of Supervisory Board; |
| - Marek Wiza | Member of Supervisory Board; |
| - Andrzej Zydorowicz | Member of Supervisory Board. |

The Ordinary General Meeting held on 20 June 2007 adopted resolution of the number of members of the Supervisory Board for the next term setting of 5 persons. Mr. Andrzej Zydorowicz was not appointed to Supervisory Board for the next term.

Until 20 June 2007 to 31 December 2007, the following five members served on the Supervisory Board:

- | | |
|----------------------------------|--------------------------------|
| - Henryk Chojnacki | Chairman of Supervisory Board; |
| - Martyna Kinga Kupiecka-Gomułka | Member of Supervisory Board; |
| - Włodzimierz Olszewski | Member of Supervisory Board; |
| - Marek Wiza | Member of Supervisory Board; |
| - Paweł Tamborski | Member of Supervisory Board |

The Extraordinary General Meeting held on 11 January 2008 removed Mr. Włodzimierz Olszewski from the office of Member of the Supervisory Board. The vacancy on the Supervisory Board was filled by appointment of Mr. Rafał Chwast to serve as its Member.

During the reporting period, the Supervisory Board exercised permanent supervision over operations of NG2 S.A., in all areas of its business. The supervisory and control functions mostly entailed analysing the current business and financial performance of the Company and its periodical financial statements, as well as reading periodical submissions from the Management Board of the Company regarding its ongoing and planned operations.

During 2007, the Supervisory Board held two meetings in the registered office of the Company and two meeting through telecommunication lines and adopted five resolutions during all meetings. Its meetings concerned the following issues:

- Analysis and supervision of the Company's operations;
 - Analysis of trade and marketing activities pursued by the Company;
 - Acceptance of the financial statements of NG2 S.A. Management Board's report on business activities of the Company in 2006;
 - Acceptance of the consolidated financial statements of the NG2 Group and the Management Board's report on business activities of the Group in 2006;
 - Acceptance of the Supervisory Board's report regarding the results of evaluation of the financial statements and the Management Board's proposal as to the division of profit;
 - Acceptance of changes in the organizational structure of the company;
 - Acceptance regulation of organizational with NG2 S.A's organization design;
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- Financial security of the Company and its financial liquidity;
 - Risk policy and key areas of threats;
 - Selection of statutory auditor to audit financial statements of the Company and the Management Board's report for 2008 and for 2009;
 - Recommendations as to draft resolutions put forward to the Extraordinary and Ordinary GMs

The activity of the Supervisory Board was not limited to formal meetings only. The Members of the Supervisory Board supported the Management Board of the Company by attending a number of working meetings and consultations.

The Supervisory Board proceeded in compliance with the Good Practices of WSE-Listed Companies and the principles of corporate governance, and exercised permanent supervision over operations of the Company and the work of the Management Board.

The Supervisory Board believes that their fulfilment was in conformity with all formal and legal requirements and its work contributed to the increase of the Company's worth and inspired shareholders' confidence.

Chairman of Supervisory Board

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(Henryk Chojnacki)