

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

MOL Hungarian Oil and Gas Public Limited Company

1117 Budapest, Október huszonharmadika u. 18.

2008

Annual Report



Zsolt Hernádi
Chief Executive Officer



József Molnár
Chief Financial Officer

Budapest, March 19, 2009

MOL Hungarian Oil and Gas Public Limited Company

Balance Sheet for the year ending on 31 December 2008

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	1,165,007	541	1,766,645
I.	INTANGIBLE ASSETS	61,838	2	73,363
1.	Capitalised cost of foundation and restructuring	0	0	0
2.	Capitalised research and development cost	744	0	1,114
3.	Property rights	1,962	0	2,246
4.	Intellectual property	11,666	2	12,083
5.	Goodwill	47,466	0	57,920
6.	Advances on intellectual property	0	0	0
7.	Revaluation of intangible assets	0	0	0
II.	PROPERTY, PLANT AND EQUIPMENT	336,196	539	344,267
1.	Land and building and related property rights	198,449	401	201,581
2.	Plant, machinery and vehicles	95,696	520	96,529
3.	Other equipment, fixtures and vehicles	8,871	11	8,817
4.	Livestock	0	0	0
5.	Assets under construction	33,095	(393)	36,787
6.	Advances on assets under construction	85	0	553
7.	Revaluation of property, plant and equipment	0	0	0
III.	NON-CURRENT FINANCIAL INVESTMENTS	766,973	0	1,349,015
1.	Long-term investments	744,791	0	1,060,793
2.	Long-term loans to related parties	21,643	0	287,718
3.	Other long-term investments	432	0	432
4.	Long-term loans to other investments	0	0	0
5.	Other long-term loans	107	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

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HUF million

Code	Description	Previous year	Adjustments for previous years	Current year
B.	CURRENT ASSETS	1,433,207	1,588	793,591
I.	INVENTORIES	163,343	2	125,009
1.	Raw materials and consumables	54,762	(16)	42,326
2.	Unfinished production and semi-finished products	47,551	0	39,096
3.	Grown, fattened and other livestock	0	0	0
4.	Finished products	45,355	0	30,046
5.	Merchandises	15,675	18	13,541
6.	Advances on stocks	0	0	0
II.	RECEIVABLES	988,693	1,588	396,825
1.	Receivables from the supply of goods and services (customers)	79,588	(15)	76,583
2.	Receivables from related parties	309,253	19	177,429
3.	Receivables from other investments	3,272	0	46
4.	Receivables from bills of exchange	0	0	0
5.	Other receivables	539,434	1,584	115,281
6.	Fair valuation difference of receivables	0	0	0
7.	Positive valuation difference of derivative transactions	57,146	0	27,486
III.	SECURITIES	241,852	0	103,590
1.	Investments in related parties	209	0	183
2.	Other investments	360	0	0
3.	Treasury shares	239,263	0	103,407
4.	Debt securities for trading purposes	2,020	0	0
5.	Fair valuation difference of securities	0	0	0
IV.	CASH AND CASH EQUIVALENTS	39,319	(2)	168,167
1.	Cash and cheques	1,218	0	1,063
2.	Bank accounts	38,101	(2)	167,104
C.	PREPAYMENTS	101,854	54	35,079
1.	Accrued income	29,486	56	12,083
2.	Prepaid cost and expenses	72,368	(2)	22,996
3.	Deferred expenses	0	0	0
TOTAL ASSETS		2,700,068	2,183	2,595,315

Budapest, March 19, 2009


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Code	Description	Previous year	Adjustments for previous years	Current year
D.	SHAREHOLDERS' EQUITY	1,602,544	1,004	1,376,897
I.	SHARE CAPITAL	109,675	0	104,519
	Of which: treasury shares at nominal value	9,070	0	8,782
II.	REGISTERED BUT UNPAID CAPITAL (-)	0	0	0
III.	SHARE PREMIUM	222,354	0	223,866
IV.	RETAINED EARNINGS	878,448	0	1,140,817
V.	TIED-UP RESERVE	260,396	0	130,702
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	131,671	1,004	(223,007)
E.	PROVISIONS	112,434	(60)	123,576
1.	Provisions for expected liabilities	112,434	(60)	123,576
2.	Provisions for future expenses	0	0	0
3.	Other provisions	0	0	0
F.	LIABILITIES	940,968	1,193	1,052,439
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	502,129	557	711,442
1.	Long-term loans	0	0	0
2.	Convertible bonds	0	0	0
3.	Liability from bond issue	190,012	0	198,585
4.	Liabilities from capital investment and development loans	0	0	0
5.	Liabilities from other long-term loans	312,089	0	512,455
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	28	557	402

Budapest, March 19, 2009


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Code	Description	Previous year	Adjustments for previous years	Current year
III.	SHORT-TERM LIABILITIES	438,839	636	340,997
1.	Short-term borrowings	3,860	0	0
	Of which: convertible bonds	3,860	0	0
2.	Short-term loans	34,172	0	79,434
3.	Advances from customers	1,111	0	1,572
4.	Liabilities from the supply of goods and services (suppliers)	125,894	552	111,575
5.	Bills of exchange	0	0	0
6.	Short-term liabilities to related parties	99,831	(25)	75,417
7.	Short-term liabilities to other investments	55	0	145
8.	Other short-term liabilities	168,612	109	57,933
9.	Fair valuation difference of liabilities	0	0	0
10.	Negative valuation difference of derivative transactions	5,304	0	14,921
G.	ACCRUALS	44,122	46	42,403
1.	Deferred revenues	12	0	110
2.	Accrued cost and expenses	34,928	(101)	35,168
3.	Other deferred income	9,182	147	7,125
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		2,700,068	2,183	2,595,315

Budapest, March 19, 2009


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MOL Hungarian Oil and Gas Public Limited Company
Income Statement for the year ending on 31 December 2008

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	1,465,896	(7)	1,750,497
02.	Net export sales revenue	375,605	17	472,674
I.	NET SALES REVENUES	1,841,501	10	2,223,171
03.	Changes in own produced inventory	25,411	0	(23,764)
04.	Work performed by the enterprise and capitalised	7,703	0	11,270
II.	CAPITALISED OWN PERFORMANCE	33,114	0	(12,494)
III.	OTHER OPERATING INCOME	17,745	95	82,786
	Of which: reversed impairment	15	0	0
05.	Raw material costs	821,558	44	1,044,399
06.	Value of services used	91,407	445	97,831
07.	Other services	211,039	(1)	224,168
08.	Cost of goods sold	192,069	23	218,229
09.	Value of services sold (intermediated)	9,174	(115)	48,818
IV.	MATERIAL EXPENSES	1,325,247	396	1,633,445
10.	Wages and salaries	34,187	0	35,089
11.	Other personnel expenses	6,607	71	7,474
12.	Tax and contribution	12,213	11	12,383
V.	PERSONNEL EXPENSES	53,007	82	54,946
VI.	DEPRECIATION	55,604	(396)	57,311
VII.	OTHER OPERATING EXPENSES	349,607	32	445,471
	Of which: impairment	20,336	0	106,632
A.	PROFIT OR LOSS FROM OPERATING ACTIVITIES	108,895	(9)	102,290

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MOL Hungarian Oil and Gas Public Limited Company

Income Statement for the year ending on 31 December 2008

Statistical code: 10625790-2320-114-01

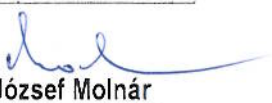
Company registration number: 01-10-041683

HUF million

Code	Description	Previous year	Adjustments for previous years	Current year
13.	Received (due) dividend	67,967	0	65,701
	Of which: received from related parties	67,906	0	65,620
14.	Gain from the sale of investments	44,269	0	6,821
	Of which: received from related parties	0	0	0
15.	Interest and exchange rate gains on financial investments	4,947	0	20,504
	Of which: received from related parties	4,934	0	20,490
16.	Other received (due) interest and interest-type revenues	23,226	0	32,613
	Of which: received from related parties	12,057	0	14,035
17.	Other revenues of financial transactions	78,733	110	251,572
	Of which: fair valuation difference	36,893	0	30,765
VIII.	TOTAL FINANCIAL INCOME	219,142	110	377,211
18.	Exchange rate loss on financial investments	0	0	32
	Of which: to related parties	0	0	0
19.	Interest and interest-type expenses	15,658	0	36,692
	Of which: to related parties	2,375	0	1,888
20.	Impairment on investments, securities, bank deposits	20,075	0	132,460
21.	Other financial expenses	37,539	(1,038)	416,649
	Of which: fair valuation difference	3,411	0	233,872
IX.	TOTAL FINANCIAL EXPENSES	73,272	(1,038)	585,833
B.	FINANCIAL PROFIT OR LOSS	145,870	1,148	(208,622)
C.	ORDINARY BUSINESS PROFIT	254,765	1,139	(106,332)
X.	Extraordinary revenues	1,734	42	11,390
XI.	Extraordinary expenses	689	49	128,065
D.	EXTRAORDINARY PROFIT OR LOSS	1,045	(7)	(116,675)
E.	PROFIT BEFORE TAXATION	255,810	1,132	(223,007)
XII.	Income tax	39,139	128	0
F.	PROFIT AFTER TAXATION	216,671	1,004	(223,007)
22.	Use of retained earnings for dividend	0	0	0
23.	Approved dividend and profit share	85,000	0	0
G.	NET INCOME FOR THE PERIOD	131,671	1,004	(223,007)

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MOL Hungarian Oil and Gas Public Limited Company

1117 Budapest, Október huszonharmadika u. 18.

2008

Supplementary Notes


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Chief Executive Officer


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Chief Financial Officer

Budapest, March 19, 2009

MOL Hungarian Oil and Gas Public Limited Company
Supplementary Notes for the year ending on 31 December 2008

TABLE OF CONTENT

1.	GENERAL INFORMATION.....	12
2.	OWNERSHIP STRUCTURE	15
3.	IMPORTANT ELEMENTS OF MOL PLC'S ACCOUNTING POLICY.....	17
3.1.	Method of bookkeeping, report format	17
3.2.	Method and time schedule for report preparation	17
3.3.	The form of Balance Sheet and the Income Statement.....	17
3.4.	Valuation methods and procedures used in the preparation of annual report	18
3.4.1.	Changes in the Accounting policy	18
3.4.2.	Valuation methods applied	18
3.4.3.	Depreciation policy	23
3.4.4.	Rules for provisions	24
3.4.5.	Classification of errors for previous years.....	25
3.4.6.	Application of paragraph (4) of 4. of the Accounting Law in the Company financial statements for year 2008.....	26
4.	THE TRUE AND FAIR VIEW OF THE COMPANY'S FINANCIAL AND EARNINGS POSITION	27
4.1.	Assets	27
4.1.1.	Changes in the Company's assets.....	27
4.1.2.	Capital structure.....	28
4.1.3.	Revenues.....	29
4.1.4.	Costs, expenditures compared to revenue	29
4.1.5.	Financial indicators	30
4.1.6.	Current and non-current assets ratio	31
4.2.	Financial position.....	31
4.3.	Profitability indicators	32
4.4.	Return and performance indicators.....	32
5.	CASH FLOW STATEMENT	34
6.	INTANGIBLE ASSETS	35
7.	PROPERTY, PLANT AND EQUIPMENT.....	37
8.	DEPRECIATION	39
9.	REVISION OF ESTIMATED USEFUL LIFE OF INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT	40
10.	PROPERTY, PLANT AND EQUIPMENT USED FOR ENVIRONMENTAL PROTECTION	41
11.	RESEARCH AND DEVELOPMENT	42
12.	HAZARDOUS WASTE (NOT AUDITED).....	43

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

13.	INVESTMENTS	45
13.1.	MOL PLC'S SUBSIDIARIES, CLASSIFIED AS LONG-TERM INVESTMENTS	45
13.2.	MOL PLC'S JOINT VENTURE, CLASSIFIED AS LONG-TERM INVESTMENT	49
13.3.	MOL PLC'S ASSOCIATED COMPANIES, CLASSIFIED AS LONG-TERM INVESTMENTS	50
13.4.	SHAREHOLDERS' EQUITY OF MOL PLC'S SUBSIDIARIES AND CERTAIN KEY INVESTMENTS...	51
13.5.	MOL PLC'S OTHER INVESTMENTS, CLASSIFIED AS LONG-TERM INVESTMENTS	53
13.6.	IMPAIRMENT OF LONG-TERM INVESTMENTS AND ITS REVERSAL.....	53
14.	DETAILS OF LONG-TERM LOANS TO RELATED PARTIES	54
15.	IMPAIRMENT ON LONG-TERM LOANS	55
16.	INVENTORIES	56
16.1.	Inventories	56
16.2.	Emission rights	56
17.	NON-CURRENT ASSETS DISPOSABLE WITHIN A YEAR, RECLASSIFIED TO INVENTORIES	57
18.	WRITE-OFF OF INVENTORIES	57
19.	RECEIVABLES.....	58
20.	RECEIVABLES FROM THE SUPPLY OF GOODS AND SERVICES (TRADE RECEIVABLES).....	59
21.	RECEIVABLES FROM RELATED PARTIES.....	59
22.	VALUATION OF RECEIVABLES	60
23.	SHORT-TERM INVESTMENTS	62
23.1.	Investment to be sold, liquidated or wound up, classified as short-term investments	62
23.2.	Impairment and reversal of impairment on short-term investments	63
24.	CHANGES OF TREASURY SHARES IN THE CURRENT YEAR.....	63
25.	CASH AND CASH EQUIVALENTS.....	64
26.	PREPAYMENTS, ACCRUALS.....	64
27.	CHANGES IN EQUITY	66
28.	BREAKDOWN OF THE TIED UP RESERVE	67
29.	PROVISIONS	68
30.	LONG-TERM LIABILITIES	69
31.	BREAKDOWN OF LONG-TERM LIABILITIES TO RELATED PARTIES.....	69
32.	LIABILITIES, WHERE THE REPAYABLE AMOUNT EXCEEDS THE AMOUNT RECEIVED	70
33.	SHORT- TERM LIABILITIES	71
34.	SHORT-TERM LOANS	72
35.	SHORT-TERM CREDITS.....	72
36.	BREAKDOWN OF SHORT-TERM LIABILITIES TO RELATED PARTIES.....	72
37.	NET SALES REVENUES BY MARKET SEGMENTS	73
38.	NET SALES REVENUES BY DIVISIONS	73
39.	IMPORT PURCHASE BY MARKET SEGMENT	74

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

40.	OTHER OPERATING INCOME AND EXPENSES	75
41.	OTHER SERVICES.....	76
42.	DIVIDEND RECEIVED (DUE).....	76
43.	DIVESTED COMPANIES.....	76
44.	OTHER FINANCIAL INCOME AND EXPENSES	77
45.	EXTRAORDINARY REVENUES AND EXPENDITURE	78
46.	GRANT RECEIVED FOR DEVELOPMENT PURPOSES.....	79
47.	REVENUES FROM RELATED PARTIES.....	79
48.	RECONCILIATION OF CORPORATE TAX BASE, SOLIDARITY SURPLUS TAX.....	80
49.	MATERIAL ERRORS OF THE PREVIOUS YEARS AND THEIR IMPACT	82
50.	EMPLOYEES	83
51.	BOARD OF DIRECTORS AND SUPERVISORY BOARD	84
52.	COMMITMENTS AND CONTINGENT LIABILITIES	87
53.	EFFECT OF FAIR VALUATION	91
54.	OFF-BALANCE SHEET GUARANTEES	93
55.	GUARANTEES OF MOL PLC, NOT INCLUDED IN THE BALANCE SHEET	94
56.	MOL PLC'S SECURITIES OFFERED AS SECURITY DEPOSIT ON 31 DECEMBER 2008	94
57.	EVENTS AFTER THE BALANCE SHEET DATE.....	95

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

1. General Information

MOL Hungarian Oil and Gas Public Limited Company (hereinafter referred to as MOL Plc, MOL or the Company) was incorporated on 1 October 1991 as a result of the merger of nine oil and gas companies of Országos Kőolaj- és Gázipari Tröszt (National Oil and Gas Trust, Hungarian abbreviation OKGT) owned by the Hungarian state.

Due to the multi-stage privatisation the state owned part in the Company decreased considerably. On 31 December 2008 the Hungarian State had 1 "B" series share with a preferential vote, from 1 January 2008 through Hungarian State Holding Company (Hungarian abbreviation MNV Zrt.).

The registered office address of the Company is Budapest (1117 Október huszonharmadika u. 18.), Hungary; its internet homepage is www.mol.hu

The Company does not operate any foreign business unit.

The shares of the Company are listed on the Budapest and the Warsaw Stock Exchange. Depositary Receipts (DRs) are listed on the Luxembourg Stock Exchange and are quoted on the International Order Book in London and other over the counter markets in New York, Berlin and Munich.

The core activities of MOL Plc include exploration and production of crude oil, natural gas and gas products, refining, transportation and storage of crude oil, transportation, storage, distribution, retail and wholesale of crude oil products. MOL Plc is the market leader in Hungary in all its core activities.

In 2008, domestic net crude oil production was 743.0 kilotons, and net natural gas production was 2,480 million m³. The exploration and production segment include natural gas and crude oil collection pipelines, connecting the crude oil and natural gas fields with delivery points and the pipeline transportation systems. The refining activities also include the exclusive title to the approximately 848 km long crude oil and 1,356 km long product pipeline.

MOL Plc operates two refineries in Hungary. Duna Refinery – is processing crude oil and its annual nominal crude oil processing capacity was nearly 8.4 million tons in 2008, the actual distillation raw material refining in 2008 was 7.2 million tons. On 1 July 2001 in Tisza Refinery crude oil refining process ceased because of closing down the distilling plant with capacity of 3 million tons. The core activities of the refinery are diesel oil desulphurisation and mixing gasoline. The Duna and Tisza Refineries are connected directly to the crude oil and product pipelines of the Company. MOL Plc also operates a bitumen manufacturing plant in Zalaegerszeg. According to the study of Wood Mackenzie, the acclaimed advisor of industry, Duna Refinery is one of the most efficient European refineries.

The retail activities of refined products are based on filling stations operated under MOL brand name. Apart from motor fuel retail, the filling stations also sell non-fuel goods (food, car care articles, top-up mobile phone cards, motorway stickers, medicines, etc.) and provide other services (automated and manual car wash, etc.). On 31 December 2008, the Company had 357 fuel stations in Hungary, of which 324 were operated by partners (owned by MOL but operated by contractors selected in tenders), and 33 were operated in franchise system (operated with a MOL logo and product range, but not owned by MOL).

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

2008 exploration projects

- In the Tal Block, located in the Northern Western Frontier Province of Pakistan a new (third) discovery of gas and condensate was made by MOL, which has 10% interest in the consortium, as an Operator. The production of Mami Khel-1 well is 1.3 million cum/day (8,898 boe/day) gas and 457 cum/day (2,881 bbl/day) condensate at 228 bar (3,239 psig) flowing wellhead pressure through 56/64" choke.
- Based on the positive results of a joint technical study conducted over the past year, MOL and ExxonMobil subsidiary ExxonMobil Exploration and Production Hungary Limited (ExxonMobil) signed an agreement on 11 April 2008 to start a joint exploration work program in blocks 106 and 107 in the Makó Trough in Hungary. ExxonMobil will fund the whole work program and parties agreed on equal (50-50%) share from the results of the exploration.

The exploration program covers 1,560 km² with wells drilled to depths of approximately 4,300 meters. The comprehensive work program includes drilling and completion of wells using ExxonMobil proprietary technology and expertise. ExxonMobil spudded the first wells in 2008 and conduct well testing and reservoir evaluation studies over two to three years.

On 11 April 2008 MOL joined the ExxonMobil-Falcon agreement on execution of exploration program on the Mako Through mining site. By acquiring 50% of ExxonMobil's interest MOL significantly increased its position in the Mako Trough. Under the terms of the agreement, ExxonMobil began an initial work program this year to test existing wells and/or drill additional wells. Costs in the US\$75 million initial phase will be shared equally (50-50%) by ExxonMobil and MOL.

The goal of the two work programs to be executed on MOL's acreage and on the Falcon-ExxonMobil-MOL Contract Area is to evaluate the potential for commercial production of unconventional gas and liquid hydrocarbons.

- MOL signed a Farm-out Agreement with Oil and Natural Gas Corporation Limited (ONGC) on 8 May, 2008 to acquire 35 % interest in an onshore exploration block in North-West India. This acquisition is in accordance with the Memorandum of Understanding with ONGC signed in January on examining mutual Indian and international exploration-production possibilities and the cooperation in the field of expert exchange. The Block – with area extent of 1,513 km² – is operated by ONGC that holds the remaining 65 % interest following the transaction. Closing of transaction is expected in 2009 after the approval of Ministry.
- The exploration projects started last year provided a discovery of crude oil in Western-Siberian in its Matyushkinskaya block in Russia. MOL's 100% subsidiary drilled a successful exploration well in Southern sector of the Ledovoye block. The Ledovaya-101 well discovered a promising oil potential in 2,650 m depth. The primary well-test resulted in 300 bbl (50 m³) good quality oil in-flow. After necessary technical operation and the final well-testing the production is planned. In the area of the recent discovery MOL has carried out high quality 3D seismic survey as well in the Q1 2008, afterward of detailed analysis and interpretation of the survey's results MOL tends to accelerate its exploration and appraisal activity with further more drilling of new possible prospects.
- MOL has made a new discovery of oil and gas in Fedorovskoye Block located in Northern Western Kazakhstan Region in the Republic of Kazakhstan. MOL Plc has participated in the project trough its subsidiary since 2004 with 27.5% current interest. Exploratory well Rozhkovskaya-U-10 was spud-in during October, 2007 and reached its target depth during April, 2008. During the testing campaign, the well has produced significant volumes of high quality oil, condensate and gas from the primary targets. The result of

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

the test carried out in depths of 4,344 – 4,365 m was 8.24 MMscf/day gas and 1,503 bbl/day oil/condensate production at 2,415 psi flowing wellhead pressure, through 28/64 inch choke.

- MOL signed a Farm-out Agreement with Mari Gas Company Limited (MGCL) on 2 July, 2008 to acquire 40% interest from its 100% owned and operated Karak onshore exploration block in North-West Pakistan. In parallel, MOL has assigned 25% participating interest to MGCL in its 100% owned and operated Block 43B in Oman. The Karak Block is situated in the southern vicinity of Tal block where MOL has been conducting outstanding successful exploration since 1999.
- The acquisition of Tullow's 40% non-operated interest in the Ngosso Permit, offshore Cameroon was successfully completed. MOL signed the Sale and Purchase Agreement with Tullow Cameroon Limited on 5th November 2007. The operator (Addax Petroleum) in respect of the Block chose not to exercise its pre-emption right and the Government of the Republic of Cameroon has given its approval for the Transaction.

The Ngosso Permit is a shallow-water block in the Rio del Rey Basin, in the proximity of existing oil-fields in Nigeria and Cameroon.

Signatories of the financial statements of the Company:

Zsolt Hernádi, CEO, Chairman of the Board of Directors

Address: 1025 Budapest, Zöldkő u. 14/a.

József Molnár, CFO

Address: 3700 Kazincbarcika, Akácfa u. 39.

(Finance Ministry registration number in the registry of entitled persons for accounting service providers: 128042)

MOL Hungarian Oil and Gas Public Limited Company
Supplementary Notes for the year ending on 31 December 2008

2. Ownership structure

Number and nominal value of shares issued by MOL Plc, categorised by share type:

Owner	Number of shares (pcs.)						Total nominal value (HUF mn)		Share of ownership (%)	
	"A" series shares		"B" series shares		"C" series shares					
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
MNV Zrt.	*	*	1	1	0	0	*	*	*	*
Foreign institutional and private investors	72,125,952	76,134,650	0	0	0	0	72,126	76,135	65.76	72.84
Of which:										
OMV Clearing und Treasury GmbH	22,179,488	*	0	0	0	0	22,179	*	20.22	*
Bayerische Hypo-und Vereinsbank AG.	*	17,007,802	0	0	0	0	*	17,008	*	16.27
Societe Generale	*	4,601,059	0	0	0	0	*	4,601	*	4.40
CEZ MH B.V.	*	7,677,285	0	0	0	0	*	7,677	*	7.35
Oman Oil Budapest Limited	*	7,316,294	0	0	0	0	*	7,316	*	7.00
BNP Paribas Arbitrage S.N.C.	9,105,102	7,600,583	0	0	0	0	9,105	7,601	8.30	7.27
Magnolia Finance Ltd	6,007,479	6,007,479	0	0	0	0	6,007	6,007	5.48	5.75
Domestic institutional and private investors	28,478,951	19,602,469	0	0	0	0	28,479	19,602	25.97	18.76
Of which:										
MFB Invest Zrt.	10,933,000	*	0	0	0	0	10,933	*	9.97	*
OTP Bank Plc	10,072,890	8,857,438	0	0	0	0	10,073	8,857	9.18	8.47
MOL Plc treasury shares	9,070,019	8,781,365	0	0	578	578	9,070	8,782	8.27	8.40
Total	109,674,923	104,518,484	1	1	578	578	109,675	104,519	100.00	100.00

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

MNV Zrt. (Hungarian State Holding Company beforehand ÁPV Zrt.) has one share for preferential voting (this is one series "B" share), to which certain additional rights are connected. (MNV Zrt.'s registered office: 1133 Budapest, Pozsonyi út 56.)

* The owners had 0% or less than 5% interest in the given period.

Data of accentuated investors with ownership above 5%

Name of the Company	Seat	Voting rights (%)	Corrected ownership due to Article of Association (%)
Bayerische Hypo-und Vereinsbank AG.	Kardinal Faulhaber Str. 1, München, Germany 80333	16.3	10.0
OTP Bank Plc	1051 Budapest, Nádor utca 16.	8.5	8.5
CEZ MH B.V.	Veena 340, 3012NJ Rotterdam, Nederland	7.3	7.3
BNP Paribas Arbitrage S.N.C.	8 rue de Sofia, Paris, France, 750018	7.3	7.3
Oman Oil Budapest Limited	Ugland House, Grand Cayman, KYI-1104	7.0	7.0
Magnolia Finance Ltd	22 Grenville Street, St Heiler, Jersey, Channel Islands, JE4 8PX	5.7	5.7

The nominal value of series "A" and "B" shares is HUF 1,000, and of series "C" shares HUF 1,001. Due to the higher nominal value, series "C" shares entitle their holders to 1.001 (one point one thousandth) of votes, in contrast with the right to have one vote for series "A" shares.

Changes in the Company's share capital in 2008

On 16 October 2008 the Court of Registration registered the 5 % capital decrease of MOL, which was decided by the Annual General Meeting held on 23 April 2008. Accordingly, the share capital of MOL decreased from HUF 109,675,502,578 to HUF 104,191,727,578 by cancelling 5,483,775 pieces of registered ordinary shares of the series "A" with a par value of HUF 1,000, owned by the Company.

On the same day the Court of Registration registered the capital increase of MOL, which was made as part of the convertible bond programme approved by the EGM held on 1 September 2003. The share capital of the company increased from HUF 104,191,727,578 to HUF 104,519,063,578.

The approved incentive scheme linked a significant part of the compensation of the members of the Board of Directors and senior managers to the development of the price of MOL shares on the stock exchange. Within the framework of the programme, MOL issued a total of 1,200 convertible bonds with a par value of HUF 10 million each. Bond holders submitted 184 bonds for conversion, therefore 327,336 pieces "A" series, ordinary, dematerialized shares, each with a nominal value of HUF 1,000, with identical right, will be allocated to them.

The convertible bond program has been closed upon this conversion. From 1 January 2009 members of the Board of Directors will get fix remuneration and incentives based on value added method, which was approved by the AGM in 2008.

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

3. Important elements of MOL Plc's Accounting policy

3.1. Method of bookkeeping, report format

Based on *Act C of 2000 on accounting* (hereinafter: Accounting Act) as amended, MOL Plc uses double entry bookkeeping and prepares an annual report with a balance sheet date of 31 December. As required by the Accounting Act the annual report consists of the balance sheet, income statement and supplementary notes including cash flow. At the time of the annual report, the Company also prepares a business report.

Due to the law regulation concerning treasury share purchase the Company compiles interim balance sheet and income statement as of 31 March, 30 June and 31 October.

Based on the option Accounting Act gave, from year 2005 the Company prepares its consolidated annual report pursuant to the International Financial Reporting Standards admitted by EU.

Based on the 155. § (2) of the Accounting Act, the audit of Financial Statements is compulsory for the Company, year-end and interim financial statements are audited.

The fee paid by MOL for the audit of year-end and interim financial statement was HUF 182 million. Furthermore HUF 64 million for tax advisory and HUF 2 million for other non audit type services was paid to the Auditor.

MOL Plc publishes on internet home page the annual report and business report of the parent company, consolidated annual report and business report in common with audit report including audit clause and make them available until publishing financial data for the second business year following the relevant reporting period.

From 1 July 2002 MOL Plc has been using the SAP R/3, an integrated information system for large companies with a modular structure.

The Accounting Services of the Company are provided by Top Finance Kft. from 1 January 2007.

3.2. Method and time schedule for report preparation

The preparation of the report is built on the annual closing process. Business events of the current period are completed, checked and summarised in the framework of annual closing, and the accounting of any corrective adjustment necessary pursuant to the consequences of business events incurred between the balance sheet date and the balance sheet preparation date and to the changes in the market conditions.

In line with the scheduling of processes for closing the year of 2008, the date for preparing the balance sheet of the Company was set for *16 January 2009*.

3.3. The form of Balance Sheet and the Income Statement

Form of balance sheet

In line with Article 20 section (1) of the Accounting Act, MOL Plc compiles a balance sheet linked to the annual report, according to version "A" required by Annex No. 1 to the Accounting Act.

Form of the income statement

MOL Plc compiles its income statement based on the total cost method, according to version "A" included in Annex No. 2 to the Accounting Act.

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

3.4. Valuation methods and procedures used in the preparation of annual report

3.4.1. Changes in the Accounting policy

MOL took advantage of interim rules of the Accounting Act amendments became effective from 1 January 2008, and applied the following changes also during the preparation of the 2007 financial statements.

- The Act modified rules relating to the elimination of deferred income recognized with respect to the accounting for greenhouse gases emission quotas at the Company.
- Concerning the security lending transactions the Company entered to, the Accounting policy was amended with rules relating to the accounting for lending treasury shares.

MOL adopted further changes of the Accounting Act effective from 1 January 2008 in its Accounting Policy.

In the course of 2008 Accounting Policy modification MOL defined further rules on the valuation of receivables with respect to lent treasury shares existing in the amount specified by the lending agreements, disclosed as other short term receivables. Furthermore MOL specified a few preceding rules.

3.4.2. Valuation methods applied

According to the Accounting Act, MOL Plc evaluates assets and liabilities individually.

For *tangible assets*, individual valuation is based on individual and group records. Assets that may be deemed to be identical in terms of type, purpose of use, date of putting into operation, purchase cost or production cost, cost centre and responsible owner consist of a group.

The detailed rules for the method of depreciation and impairment, the reversal of impairment and the depreciation rates applicable to each tangible asset are set out in the Depreciation Policy.

The Company values *the inventories* individually. The valuation of assets booked in groups having the same parameters at average purchase price is also deemed to be individual valuation.

According to the Accounting Act the Company determines the purchase cost of materials, goods purchased, packaging materials owned by the Company and natural gas at weighted average purchase price; at average purchase price for shop stocks of retail services; and at individual purchase prices for packaging materials with a packaging fee. Own produced inventories are valued at average production cost. The accounted mining royalty payable for the quantity of produced natural gas and crude oil is included in the production cost of these inventories. The Company calculates the actual product cost monthly for own produced inventories.

In case of the own produced inventories, the Company applies the preliminary determined price method, in a way that based on the monthly actual calculations, monthly corrects the preliminary determined price. Accordingly the average product cost is equal with the preliminary determined price at the monthly closing.

During the monthly prepared actual product cost calculation the stock value difference is divided for inventory transactions of the relevant month at the monthly closing.

The Company reduces the purchase or production costs of own produced inventories if:

- ◆ do not comply with the requirements applicable to inventories (standards, terms of shipping, professional requirements, etc.) or are damaged. Inventories in the group are continuously written-off to the value of waste or recoverable materials throughout the year. Write-off is always accounted for regardless of the amount of the difference. This type of impairment means a final reduction in inventory value that cannot be reversed later even if such inventories are sold at a price higher than book value.

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

- ◆ the purchase and production cost of inventories is considerably higher than the market price known at the time of preparing the balance sheet (including those that have become unnecessary or are not fit for their purpose). In that case, impairment is accounted for up to the market value known at the time of preparing the balance sheet or the expected sales price. The expected sales price must be reduced by the costs expected to be incurred in order for sale.

The difference between the carrying amount and the value determined as recoverable value is deemed to be significant if impairment related to finished products, merchandise, and inventories managed by the MOL Inventory Management department by individual inventory (or by homogeneous inventory group) reaches at least HUF 100 million. Furthermore, in case of the aggregated difference between the carrying amount and the value determined as recoverable value reaches HUF 300 million for individual inventories' (pieces, homogenous inventory groups), value of them do not reach HUF 100 million, then the individually (by pieces, or by homogenous inventory groups) accounted impairment has to be recorded in descending order until the aggregated value of the relevant individual items (homogenous inventory group) calculated together with impairment will decrease below HUF 300 million.

In case of inventories purchased as raw materials and semi-finished products or hydrocarbon production in progress to be used further on, it is investigated whether their value is recovered in the sale price of the finished products produced in the course of using such items in production. The recoverable amount determined this way is reduced by the costs expected to be incurred in order for sale. If there is no full return, impairment – if significant – is accounted for up to the level of return. It is deemed to be significant if the amount to be accounted for as impairment reaches HUF 100 million. Furthermore, in case of the aggregated difference between the carrying amount and the value determined as recoverable value reaches HUF 300 million for individual inventories' (pieces, homogenous inventory groups), value of them do not reach HUF 100 million, then the individually (by pieces, or by homogenous inventory groups) accounted impairment has to be recorded in descending order until the aggregated value of the relevant individual items (homogenous inventory group) calculated together with impairment will decrease below HUF 300 million.

Company does not apply reversal of inventories as a rule, but impairment may be reversed if the amount of reversal by individual inventories or by homogenous inventory group reaches HUF 100 million or the value of accounted impairment based on individual evaluation, in order to give a true and fair view.

The Company does not recognize impairment reversal for industrial, construction industrial and other work in progress on products and services, mediated services and packaging materials, considering their amount is not significant.

The Company records emission rights (CO₂ quotes) as commodities.

Purchase price of emission rights are as follows:

- Rights received from the Hungarian State free of charge recorded on market price valid on day of crediting in the Trade register.
- Emission rights purchased from other parties are recorded at cost including the broker fee.

Valuation of emission rights is made individually. Emission quotes are booked by groups using FIFO method. Impairment shall be recorded when carrying value of emission rights is permanently and considerably higher than the value calculated based on market price at the balance sheet preparation date (at the MNB's official exchange rate at the end of the year). Accounted impairment is deemed significant if reaches HUF 100 million. Reversal of impairment shall be recorded - if the reason of its accounting does not exist – until the market price but not more than the booked value of impairment.

Foreign currency put into the foreign currency petty cash, *foreign exchange* transferred to the foreign exchange account, *receivables*, *non-current financial instruments*, *securities and liabilities* denominated in foreign currency are converted to HUF at the official FX exchange rate published by the National Bank of Hungary (MNB) for the date of receipt or for the date of settlement.

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

The Company converts foreign currency purchased against HUF, received to the FX account, to the selected MNB exchange rate on settlement date, pursuant to the fair valuation of financial instruments.

In the confines of year-end foreign exchange revaluation, that is set out in Article 60 section (2) of the Accounting Act the Company revaluates its assets and liabilities, linked directly to investments and property rights and denominated in foreign currency and foreign exchange – irrespective of their amount – except for FX liabilities, not covered by FX assets and the assets included in fair valuation, so determines the significance limit at HUF 0.

The Company recognises exchange rate differences realised during the year and not realised at the end of the year on FX loans and FX liabilities, not covered by FX assets that relates to investments as part of the value of the investment.

The Company applies the principle of fair valuation on *financial instruments* for trading purposes and derivatives for hedging and trading (non-hedging) purposes in order to harmonise its practice with regulations of the European Community. The Act allows for applying fair valuation to financial instruments available for sale, but the Company does not make use of this opportunity. The Company applies fair valuation only to those financial instruments and financial liabilities and/or transactions in case of which the fair value can be reliably determined. Fair valuation is concluded during the interim and annual closings, based on information available on the balance sheet cut-off date.

All transaction of a clearing type or closing with the delivery of a financial instrument, derivative transactions for non-hedging as well as hedging purposes are valued at fair value.

The fair value is determined on the basis of the following (the list also represents the order in case there is more than one way to determine the fair value of a given instrument):

- stock exchange quote, in case of a sufficiently active market;
- over-the-counter market price, which reliably indicates the partner's evaluation (mark-to-market value) or arm's length agreements or supported by previous transactions and offers at the time of evaluation. The market value equals to the discounted net present value of the expected cash flows based on the yield curves. If such a value is available, it provides a better estimate of fair value than spot prices, because it takes into account the market's objective forecasts for the future;
- value calculated based on the market price of the components of the financial instrument;
- the value calculated by valuation procedures generally used in money market evaluations (e.g. discounted present value of cash flows), using external premises, based on the market values on the balance sheet cut-off date.

Non-current Investments are valued individually, based on a weighted average price.

The Company accounts for impairment on the balance sheet cut-off date, if:

- for investments listed in the stock exchange and other capital markets – in the case of a sufficiently active market – the quoted prices drop significantly below the average book price for the long run (impairment to the average quote price valid at the balance sheet preparation date),
- for investments not listed in the stock exchange, the value of the Company's equity share in the investment decreases significantly below the book value in the long-term (impairment is account for up to the amount of equity for the investment).

The Company worked out a new method concerning revaluation of goodwill at the end of the year related to investments into subsidiaries or joint ventures, loans given to them and acquisitions. If the shareholders' equity for MOL investments is lower than the business value of investment corrected with the book value of the given loans, the realizable value of investment will be determined.

Impairment will be recognized if:

- the realizable value is lower than the book value of investment corrected with goodwill and increased by the loan given to the related party, and

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

- if future business expectations or strategic factors concerning the investment do not support the return of investment.

If impairment is accounted, the order is as follows:

- first the positive goodwill, after that the
- the investment, and if the impairment is above these aggregate amounts,
- the amount of the given loan will be impaired

In case the Company is liquidated or wound up the difference between the book value and the amount expected to be recovered is accounted for as impairment.

If the stock exchange price or proportionate equity of the Company does not reflect the fair market price of the given company, MOL Plc determines the market value that serves as the basis of the comparison in individual valuation, based on the information available (analytical studies, plans for the future).

For unquoted investments, if the price paid on acquisition is higher than the equity share in the investment, MOL Plc analyses the Company's operating efficiency, the trend of its profitability and the durability of this trend to determine the amount of impairment loss to be accounted for.

The Company values *long-term credit securities* based on weighted average price.

It accounts for impairment on the balance sheet cut-off date for stock exchange securities if the stock exchange price less interest decreases significantly below the average book price in the long-term. The reduction is deemed to be a reduction in the long-term if it exists for a period exceeding one year and is not expected to recover within one year. The Company performs the impairment to the average stock exchange price valid at the balance sheet preparation date, less interest, irrespective of the amount.

The Company accounts for impairment on over-the-counter securities if the issuer's (debtor's) evaluation deteriorates in the long-term, i.e. for over one year. In connection with that the Company investigates the over-the-counter price less interest, the market value, the long-term trend of the market value as well as the issuer's (debtor's) market position, i.e. whether the issuer is expected to pay the nominal value plus accumulated interest on maturity, at redemption, or what proportion of this amount the issuer will pay. In that case, the amount of impairment to be accounted for is the difference between the book value and the market price determined as above, if the difference is significant.

For *securities with maturity within or in one year*, the over the counter price is used for evaluation at the balance sheet date. MOL Plc performs evaluation based on the expected recovery of the nominal value plus accumulated interest. If recovery of the nominal value plus interest becomes uncertain, it accounts for the difference between the book value and the amount expected to be recovered as impairment.

In respect of investments and securities, the amount of impairment to be accounted for is deemed to be significant if it reaches HUF 50 million. If the impairment to be accounted for reaches 50 % of the book value, it must be accounted for regardless of the amount.

If the circumstances that give rise to impairment cease to exist in whole or in part – if this trend is not expected to reverse within one year – the impairment accounted for will be reversed in the framework of qualification on the balance sheet date if the change is significant. Reversal may take place up to the original purchase price but may not be more than the nominal value. The changes deemed to be significant if it reaches HUF 50 million or the accounted value of impairment.

It is also possible to reverse the market-based impairment of investments accounted for before 1 January 2001.

Treasury shares are valued at the weighted average price determined by groups. The group includes similar type of treasury shares by depositories. Within that separate group is composed of lent treasury shares by transactions at the time of registration, when the lending term expires.

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

The Company will account for impairment at the time of valuing treasury shares at the end of the year if the weighted average stock exchange share price during 90 stock exchange days prior to the balance sheet preparation date is lower than the book value.

During the year-end valuation the difference between the book value and the value of borrowing agreement recognised as deferred expenditure at the time of the lend have to be taken into account in the book value of treasury shares received back from lend and registered in separate group.

The amount of impairment shall be determined according to the difference between the average book value of treasury shares and the weighted average stock exchange price during 90 days prior to the balance sheet preparation date, if it reaches HUF 50 million.

The Company does not recognize impairment for treasury shares if the stock exchange price is higher than the average book value at the time of balance sheet preparation.

Reversal for treasury shares shall be recorded if the weighted average stock exchange share price during 90 stock exchange days prior to the balance sheet preparation date is higher than the book value. Reversal may take place up to the amount of recorded impairment.

The Company does not account reversal if the stock exchange share price known at the balance sheet preparation date is lower than the average book value.

The Company nets the interest liability calculated for *repurchased convertible bonds* against the interest receivable on convertible bonds included among securities.

Based on the individual rating of *customers* and *debtors*, MOL Plc accounts for impairment on receivables outstanding on the balance sheet date that are not settled by the date of preparing the balance sheet, if the book value of the receivable is significantly exceeds the amount expected to be recovered from the receivable. Rating is made based on the information available at the time of preparing the balance sheet in the course of which the Company estimates expected percentage of collection of receivables. The rating shall set out in the criteria that serve as the basis for determining the percentage of expected collection. The difference shall be significant if it reaches 20% of the value of the receivable for a customer or a debtor. If the amount of the difference exceeds HUF 1 million, impairment is always accounted for.

Major criteria for debtor rating:

- bankruptcy or liquidation proceedings have been launched against the debtor,
- foreclosure proceedings have been launched against the debtor,
- the due date of the receivable from the debtor has been passed,
- written statement or information issued by a bankruptcy commissioner or liquidator,
- collection of the receivable is not likely due to the debtor's financial position (e.g. indebtedness, bad solvency, etc.).

If the amount expected to be recovered out of the receivable based on the rating of the customer or debtor on the balance sheet date considerably exceeds the book value of the receivable (criteria for write-off are not in place or are in place only in part) the Company will reverse all or a part of the impairment accounted for earlier. The book value of the receivables following the reversal may not exceed the book value of the original receivable that is not yet settled. The amount will be deemed to be significant if it exceeds HUF 100,000 or the accounted value of impairment.

During valuation of inter-company loans - financing operation of related party - the Company proceeds according to the rules applied for investment assessment.

Receivables due to lent treasury shares are valued individually having respect for related accruals or deferrals.

The Company will account for impairment at the time of valuing receivables due to lent treasury shares at the end of the year if the calculated value of treasury shares - based on weighted average stock exchange share price during 90 stock exchange days prior to the balance sheet preparation date - is lower than the aggregate amount of receivables and related accruals or deferrals.

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

The amount of impairment shall be determined according to the difference between the aggregate value of receivables and related accruals or deferrals and the lent treasury share's weighted average stock exchange price during 90 days prior to the balance sheet preparation date, if it reaches HUF 50 million.

The Company does not recognize impairment for receivables due to lent treasury shares if the lent treasury share's stock exchange price is higher than the aggregate value of receivables and related accruals or deferrals at the time of balance sheet preparation.

Reversal for receivables due to treasury shares shall be recorded if the lent treasury share's weighted average stock exchange price during 90 stock exchange days prior to the balance sheet preparation date is higher than the aggregate book value of receivables and related accruals or deferrals. The Company does not account reversal if the lent treasury share's stock exchange share price known at the balance sheet preparation date is lower than the aggregate value of receivables and related accruals or deferrals.

Reversal may take place up to the amount of recorded impairment.

MNB official rate is used for the HUF translation of new foreign exchange following the exchange of foreign exchanges on account. The difference between the book value of old and the initial book value of new foreign exchange is recognised as other financial expense or income. The Company applies the above mentioned procedure in case of transfers between foreign exchange and foreign currency accounts and between accounts with same foreign exchange.

In case of exchange of liabilities denominated in foreign exchange, the new liability is converted into HUF by using MNB official FX rate applicable on the settlement date of the agreement of the new liability. In case of loan exchange transactions, when only the foreign exchange in which the loan is denominated is modified, the new FX loan is converted into HUF by using MNB official FX rate applicable on the date of agreement.

For assets denominated in foreign currency or foreign exchange, both impairment and its reversal shall be determined in foreign exchange. The amount of impairment determined is converted to HUF at the book exchange rate of the given asset. The amount determined as reversal is converted to HUF at the weighted average exchange rate of the impairments reduced by any reversal. Impairment and reversal are accounted for before the year-end total foreign exchange revaluation.

3.4.3. Depreciation policy

MOL Plc interprets depreciation in accordance with the regulations of the Accounting Act, with the following additions:

In respect of property, plant and equipment, MOL Plc usually applies a linear depreciation based on the gross value; with the exception of assets that may be allocated only to one mine (excluding the rights of property value linked to these assets) catalyst and provision for estimated future cost of field abandonment of oil and gas production facilities following the termination of production booked as tangible asset, for which a depreciation method of unit of production is used, that is based on the carrying value.

PB gas containers and the reinforced concrete big modular road surface plates – with value less than HUF 100,000 – are booked in group, and depreciated by linear depreciation in case of PB gas containers during 5 years and in case of reinforced concrete elements during 10 years.

Selection criteria for technical-economic useful life and for depreciation rates are defined in the regulation issued on the Group level, which includes the technical-economic useful life with adequate depreciation rate by the group of assets. Deviation from the depreciation rates defined in the regulation is allowed based on individual valuation, in case of different usage characteristics, based on written technical qualification.

The economical useful life of assets are as follows: 10-50 years for buildings, 4-12.5 years for refinery equipments, 7-25 years for gas and oil transporting and storing equipments, 5-25 years for filling stations and their equipments and 3-10 years for other equipments.

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

Depreciation is accounted for in the SAP R/3 system on daily basis at the end of each month.

No further depreciation may be recognised if the carrying value of the asset has already reached its residual value.

The residual value is not nil if it is clearly decided at the time of acquiring the asset that the asset's useful life for the Company will not reach 75% of the asset's technical-economical useful life and the residual value expected to be significant at the end of its useful life. The residual value may be determined in respect of individual asset or asset groups required to undertake the core activities, representing a significant value at company level. The residual value is subject to yearly revision, modification should be made if the expectations significantly differ from previous expectations.

The Company will change the depreciation for assets if there was a substantial change (if the individual asset's useful life changes by at least +/- 2 years but the amount of annual depreciation for an individual asset changes minimum HUF 1 million) in the circumstances taken into account in determining the depreciation to be accounted for every year (gross value, useful life, proper use). The annual review of economical useful life is made by the Company for intangible assets with carrying value reach HUF 10 million net, and for tangible assets with gross value reach HUF 50 million and carrying value reach HUF 10 million.

The effect of the revision on the balance sheet and income statement for the financial year 2008 is disclosed in Note 9.

The Company does not recognise planned depreciation for those assets, which value does not decrease all through their use.

The assets should be divided into main parts in the accounting records, if the technical useful life of the main parts differs from the useful life of the assets determined by the Company, and the depreciation should be applied for each main part. The definition of main part (component) is the smallest identifiable unit, that has a different useful life compared to that of other components and it has a significant value compared to the whole value of the asset.

MOL Plc accounts for impairment if intellectual rights and titles can be enforced only in a limited manner or not at all within the expected depreciation period, if the intellectual product and the Property, Plant and Equipment are missing, damaged or destroyed, or if the market value of intangible goods and Property, Plant and Equipment is significantly lower than their carrying value for the long term. If the market value of an individual asset cannot be determined, the Company will create the smallest asset group for which market evaluation is applicable.

For an individual asset or asset groups where individual market evaluation is not possible or does not reflect the real value in use of the asset or asset group, the comparative basis for impairment and reversal purposes will be determined by cash flow calculation based on profit-generating ability. The Company has created the asset groups in its Accounting policy for determining the profit generating ability.

Impairment based on market valuation will be reversed if the reasons for impairment do not exist any more or exist only in part. The Company will account for reversals only in connection with the end-of-year valuation of assets.

In the Accounting policy, the significant amounts of impairment and reversal purposes were separately determined for each asset group.

3.4.4. Rules for provisions

MOL Plc recognises provisions for contingent liabilities against profit before taxation.

Provisions for contingent liabilities

The Company makes provisions for liabilities that may be expected due to severance payment and early retirement in case that it has an accepted plan for redundancies applicable to the coming years, which is

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

elaborated in detail and has a significant financial impact furthermore if decisions related to redundancy are documented in details.

MOL Plc makes provisions for retirement bonuses granted to employees. The amount of provision is determined considering actuarial calculation and specific financial assumptions.

MOL Plc recognises provision to cover liabilities from loyalty bonus of employees who work for the Company for a long time.

Provision is recognised for guarantees and securities granted by the Company if there is a probability of more than 50% that a part or all of the guarantee or security amounts will be drawn. When determining this probability, it takes into account the financial and liquidity position of the company benefiting from the guarantee or surety, its willingness to pay in the normal course of business with MOL Plc as well as any information obtained about its operation. The amount of provision is determined based on the possible draw downs weighted by probabilities.

The Company makes provisions to cover liabilities arisen from wholesale customer complaints if the amount is significant and if it is probable at the time of the balance sheet preparation that the quantity and quality of customer's complaint will be accepted, recognised by the Company.

The Company recognises provisions against profit before tax or tangible assets for future liabilities related to environmental protection and future liabilities on abandoning production on hydrocarbon production fields (provisions for field abandonment). The amount of the provision is the discounted present value of the future liabilities expected to be incurred.

If the environmental damages relate to the production process the provision is recognised against profit before taxation. If the liability relates directly to the future removal of the assets, restoration of the original conditions, the provision is capitalised in the value of related oil and gas producing assets taking into consideration the expected return on future production process pursuant to the accounting principle of comparability.

The Company capitalises in the value of Property, Plant and Equipment (according to the regulations stipulated in sections 3.4.6) that amount of provision which is expected to incur in relation with the damage caused by the construction and removal of oil and gas producing assets as the mining activity is ceased according to the Mining Act.

Provision is recognized when actual emission rights received free of charge, owned by the Company exceed the emission of the Company. The amount of provision is assessed based on not covered emission and market price at balance sheet date.

Provision is recognised for liabilities expected to arise in connection with ongoing litigations, for the expected amount (based on a proportion determined subject to the litigation value and the expected outcome of the litigation) if at the time of preparing the balance sheet, it is probable that the Company will incur a financial liability on closing the legal dispute.

The Company recognises provisions for the value of unused points in the point-collection schemes operated with other companies (Regular Customer and Multipont).

3.4.5. Classification of errors for previous years

MOL Plc determines the limits of significant errors at HUF 0. This means that it accounts for the effect of all errors concerning previous years regardless of its limit and positive or negative sign as adjustments of previous years, so they do not affect the profit or loss of current period. The errors identified concerning profit and shareholder's equity of previous years are shown in the middle column of the balance sheet and income statement, as adjustment to previous years.

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

The combined extent of an error concerning profit and shareholder's equity substantially influencing the true and fair view of the Company is the lower of at least 20% of the shareholders' equity of the year preceding the current reporting year or change with correct sign exceeding 2% of total balance sheet amount of the same year.

3.4.6. Application of paragraph (4) of 4. of the Accounting Law in the Company financial statements for year 2008

In the course of the preparation of the 2005 annual financial statements, the Company departed from § 41.(1) of the accounting law based on its allowance described in § 4.(4) to give a true and fair view of the equity and financial position of MOL Plc as at 31 December 2005 and of the results of its operations for the year then ended. Consequently, in order to appropriately match the expenditure with the related revenue, provision for field abandonment in the amount of HUF 50,076 million had been recognised as an increase of property plant and equipment, instead of charging the amount directly to income before taxation. This treatment is consistent with that adopted in the financial statements of the Company prepared in accordance with International Financial Reporting Standards.

As a result of the departure from the accounting law regarding the field abandonment as at 31 December 2008 the property plant and equipment is presented with a higher value of HUF 26,181 million. The Company made a capital reserve in the amount of HUF 26,181 million corresponding to the capitalised field abandonment provision included in the net balance of property, plant and equipment as of 31 December 2008 in order to fund the future liabilities.

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

4. The true and fair view of the Company's financial and earnings position (the values in the formulas of calculated indicators are shown in HUF million)

This chapter presents the Company's asset, financial and income position, as well as return and performance indicators, the sales revenue.

4.1. Assets

4.1.1. Changes in the Company's assets

Description	2007	2008	Breakdown (%)		Change (%)
			2007	2008	
Non-current assets	1,165,007	1,766,645	43.15	68.07	51.64
Current assets	1,433,207	793,591	53.08	30.58	(44.63)
Accruals and prepayments	101,854	35,079	3.77	1.35	(65.56)
Total	2,700,068	2,595,315	100.00	100.00	(3.88)

The Company's assets decreased slightly despite the fact that non-current assets increased significantly as a result of acquisitions.

Within non-current assets, long term financial investments changed considerably (HUF 582.0 billion), which was fuelled by the INA share purchase (HUF 227.8 billion) and the increase of long term loans given to subsidiaries (HUF 266.1 billion). This later one includes the loans given to FGSZ Zrt (HUF 133.3 billion), the subsidiaries of the international exploration portfolio (HUF 77.7 billion), Tifon (HUF 24.4 billion), TVK (HUF 8.3 billion) and IES subsidiary (HUF 10.9 billion). The change of long term interest in subsidiaries was primarily caused by the revaluation of the investments (HUF +47.3 billion) and the capital increase (HUF +48.9 billion).

The decrease of the current assets moderated the increasing effects of the long term investments. Working capital decline was supported by the change in debtors (HUF 591.9 billion) and short term securities (HUF 138.3 billion). Change in debtors reflects the effect of the treasury share purchase (the book value of the lent MOL shares was lower by HUF 337.7 billion compared to 2007). Beside the receivables from related parties and short term loans also went down by HUF 28.8 billion and HUF 97.0 billion respectively. Lower value of securities was primarily caused by the value loss of re-acquired MOL shares, which was influenced by the drastically falling share prices associated with the financial crisis, starting from October. Further current asset decrease was caused by the lower level of inventories (by HUF 38.3 billion) as a result of the lower historical cost of raw material and finished products, due to the sharp drop of crude oil prices.

Among the change in the prepayments, the most considerable item was the decrease of the accrued difference between the book value and the contract value of MOL shares lent as a consequence of the shares being re-acquired and withdrawn. Beside that, prepayments was also influenced by the difference between the revenue accrual resulted from the subsequent settlement in connection with the gas business sale in 2006 (in 2007 it was HUF 26.9 billion, while in 2008 it was only HUF 6.4 billion).

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

4.1.2. Capital structure

Capital structure of the Company

Description	2007	2008	Breakdown (%)		Change (%)
			2007	2008	
Shareholders' equity	1,602,544	1,376,897	59.35	53.05	(14.08)
Provisions	112,434	123,576	4.16	4.76	9.91
Liabilities	940,968	1,052,439	34.85	40.55	11.85
Accruals	44,122	42,403	1.64	1.64	(3.90)
Total	2,700,068	2,595,315	100.00	100.00	(3.88)

The 2008 capital structure rearranged beside the 3.88 % decrease in the total shareholder's equity and liabilities. The portion of shareholder's equity decreased because of the loss realised in 2008. The unfavourable changes of net income were caused on one hand by the loss generated by the disadvantageous changes in FX rates and stock market prices, and on the other hand by the extraordinary expenditure due to the capital decrease (treasury share cancellation).

Increase of liabilities counterbalanced the lack of funds caused by the fall of shareholder's equity, and this ensured the financial conditions required for the realisation of the 2008 acquisitions – mainly the INA acquisition. Among the liabilities, the growth of long term liabilities – considering the effect of repayments – was HUF 200.4 billion. This increase was moderated by the lower value of short term liabilities compared to 2007. Change in short term liabilities was influenced by the decrease of liabilities towards shareholders, the short term loans received from subsidiaries and the liabilities from supply of goods and services. The effect of these factors was moderated by the increase of short term loans.

A change of provision shows basically the difference in long-term part of provisions for field abandonment. As a result of the review the amount recognized in 2008 was higher by HUF 12.8 billion.

Internal structure of shareholders' equity

Description	2007	2008	Breakdown (%)		Change (%)
			2007	2008	
Share capital	109,675	104,519	6.84	7.59	(4.70)
Share premium	222,354	223,866	13.87	16.26	0.68
Retained earnings	878,448	1,140,817	54.82	82.86	29.87
Tied-up reserve	260,396	130,702	16.25	9.49	(49.81)
Fair valuation reserve	0	0	0.00	0.00	n.a.
Net income	131,671	(223,007)	8.22	(16.20)	(269.37)
Total	1,602,544	1,376,897	100.00	100.00	(14.08)

The decrease within shareholders' equity reflects the impact of 2008 net income (see the explanations above for the details).

The change of the share capital reflects the 5 % capital reduction, which was approved by the Annual General Meeting and was registered by the Registry Court.

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

4.1.3. Revenues

<i>Description</i>	<i>2007</i>	<i>2008</i>	<i>Breakdown (%)</i>		
			<i>2007</i>	<i>2008</i>	<i>Change (%)</i>
Net domestic sales revenues	1,465,896	1,750,497	79.60	78.74	19.41
Export net sales revenues	375,605	472,674	20.40	21.26	25.84
Total net sales revenues	1,841,501	2,223,171	100.00	100.00	20.73

The net sales revenue increased significantly in 2008 compared to the previous year. The sales revenue from crude oil products (wholesale and retail) and its related services, which make up 88.7 % of MOL Plc's sales revenue went up by 16.4 % year-on-year.

From the revenue of crude oil product sales (including HC products, but also the sale of LPG and purchased HC products), domestic revenues increased by 14.4 % compared to last year, due to the increase of crude oil product prices. The 28.1 % growth of the export revenue from crude oil product sale was mainly due to the increase of sales volumes (by 4.6 %) and the higher crude oil product quoted prices.

The increase of 53 % in the revenue realised on natural gas sale was influenced by the higher sales prices (by 48.5 %) and sales volumes (by 3.2 %).

4.1.4. Costs, expenditures compared to revenue

<i>Description</i>	<i>2007</i>	<i>2008</i>	<i>Breakdown (%)</i>		<i>Change (%)</i>
			<i>2007</i>	<i>2008</i>	
Net sales revenues total	1,841,501	2,223,171	100.00	100.00	20.73
Raw material costs	821,558	1,044,399	44.61	46.98	27.12
Value of services used	91,407	97,831	4.96	4.40	7.03
Other services	211,039	224,168	11.46	10.08	6.22
Cost of goods sold	192,069	218,229	10.43	9.82	13.62
Value of services sold (intermediated)	9,174	48,818	0.50	2.20	432.13
MATERIAL TYPE EXPENSES	1,325,247	1,633,445	71.97	73.47	23.26
Payroll expenses	34,187	35,089	1.86	1.58	2.64
Other personnel-type expenses	6,607	7,474	0.36	0.34	13.12
Tax and contributions	12,213	12,383	0.66	0.56	1.39
PERSONNEL TYPE EXPENSES	53,007	54,946	2.88	2.47	3.66
DEPRECIATION	55,604	57,311	3.02	2.58	3.07
OTHER OPERATING EXPENSES	349,607	445,471	18.98	20.04	27.42
TOTAL COSTS AND EXPENSES	1,783,465	2,191,173	96.85	98.56	22.86

Comparing the cost and expenditures to net sales revenues shows an increase of 1.71 percentage points compared to 2007, although total cost and expenditures increased by 22.86 %. The small increase of the ratio was influenced by the sales revenue that went up by 20.73 % compared to 2007. This reflects that a major part of the cost growth appeared at those costs, which change can be seen in the world market price change of the final

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

product. (The strong economy fall back in Q4 had only a minor effect on the company's annual costs and net sales revenue. The profit decline was mainly caused by the changes in own produced inventories in 2008)

Increase of material type expenditures (HUF 308.2 billion) was primarily caused by the change of material cost (HUF 222.8 billion) as a result of the higher costs of purchased production materials (within this basically the crude oil purchase price) and its related other production materials. (The effect of high crude oil and product prices on costs and net sales revenue in Q1-3 2008 had not been compensated by the sharp fall of crude oil prices in Q4). The cost of goods sold also went up by HUF 26.2 billion, mainly as a result of the higher purchase value of naphtha and BIO ESZ 95 motor gasoline. The costs of services went up year-on-year as a consequence of railway transportation (in line with the higher transported volume) and the higher costs of financial, economic and legal expenses. As a result of stock price and regulation changes, mining royalty increased the value of other services by HUF 11.7 billion compared to 2007.

Personal type expenditures went up slightly by 3.7 %, in a smaller extent than the realised salary raise (7.4 %). The cost increasing effect of the salary raise was considerably moderated by decrease of allowances above the salary (cafeteria) (by HUF 1.6 billion) compared to the previous year.

Changes of amortisation and depreciation basically reflect the crude oil and natural gas fields and pipelines amortisation increase due to changes in commercially recoverable hydrocarbon reserves, but this growth was moderated by the amortisation decreasing effect of revision of the field abandonment provision capitalisation (HUF 1.6 billion) in 2008.

Other expenditures were higher by HUF 95.9 billion compared to 2007. The main reason for the growth was the increased impairment recorded on lent treasury shares (by HUF 71.8 billion) and the higher excise duty liability related to the increased sales (HUF 15.8 billion).

4.1.5. Financial indicators

Equity ratio

$\frac{\text{Shareholders' equity}}{\text{Total shareholders' equity and liability}} * 100$	
2007	2008
$\frac{1,602,544}{2,700,068} = 59.35 \%$	$\frac{1,376,897}{2,595,315} = 53.05 \%$

The indicator decreased because of the fall of shareholders' equity within the total shareholder's equity and liability. The change within the shareholder's equity reflects the effect of the negative net income in 2008. The unfavourable change of net income was caused on one hand by the loss generated by the disadvantageous changes in FX rates and stock market prices, and on the other hand by the extraordinary expense due to the capital decrease (treasury share cancellation).

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

4.1.6. Current and non-current assets ratio

$$\frac{\text{Current assets} + \text{Accruals and prepayments}}{\text{Non-current assets}} * 100$$

2007	2008
$\frac{1,535,061}{1,165,007} = 131.76 \%$	$\frac{828,670}{1,766,645} = 46.91 \%$

The change in the indicator is mainly due to the decline of current assets and the increase of long term investments. Current assets decreased basically as a result of receivables, especially other receivables (HUF 424.2 billion) due to the redemption of the lent treasury shares. Beside this, the value of treasury shares went down considerably (HUF 135.9 billion), which reflected the impairment of the backer-acquired "A" series MOL shares. Lower value of inventories (by HUF 38.3 billion) also had a negative impact on the value of current assets and this change was caused by the lower historical cost of raw material and finished products, due to the sharp fall of crude oil prices.

Increase of non-current assets was fuelled by the above mentioned INA transaction and the change of long term investment in subsidiaries (revaluation of interests and capital increase) and the increase of long term loans given to subsidiaries.

4.2. Financial position

Acid liquidity ratio

$$\frac{\text{Cash and cash equivalents} + \text{Receivables} + \text{Securities}}{\text{Short-term liabilities} + \text{Deferred cost and expenses}}$$

2007	2008
$\frac{1,269,864}{473,767} = 2.68$	$\frac{668,582}{376,165} = 1.78$

The liquidity ratio of the Company decreased compared to the previous year, but still exceeds the level 1.0 significantly. The total amount of the cash and cash equivalents, receivables and securities decreased considerably by 47.4 % year-on-year as a result of the above mentioned factors (redemption and withdrawal of lent treasury shares, impairment of repurchased MOL shares). The changes were partly moderated by the increase of cash and cash equivalents. The short term liabilities and deferred cost and expenses went down by 20.6 %, primarily as a result of the lower value of liabilities towards the shareholders.

Indicator in 2007 did not include receivables concerning the MOL shares lent in order to ensure comparability with 2006.

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

Debtors days

Adjusted average receivable from customers

1 day sales revenue

$$\begin{array}{cc} \text{2007} & \text{2008} \\ \frac{134,705}{5,045} = 26.70 & \frac{156,565}{6,074} = 25.78 \end{array}$$

Debtors days decreased slightly over the period, because the increase of the 1 day sales revenue exceeded the increase in the average value of the receivables. Change of sales revenue (20.7 % increase) was basically caused by the increase of crude oil product sales prices, sales volumes and natural gas sales prices. The increase of debtors' chronological average was influenced by the higher sales prices and volumes of crude oil products.

4.3. Profitability indicators

Asset efficiency

$$\frac{\text{Profit before tax + interests and interests-type expenses}}{\text{Average Asset}} * 100$$

$$\begin{array}{cc} \text{2007} & \text{2008} \\ \frac{271,468}{2,353,263} = 11.54\% & \frac{(186,315)}{2,952,050} = (6.31)\% \end{array}$$

The negative amount of the indicator in 2008 is basically caused by the negative net income of the year (HUF 223 billion), meanwhile the average asset increased by 25.4 % concerning the acquisitions realised at the end of last year (IES, Tifon) and in 2008 (INA share purchase and exploration projects).

4.4. Return and performance indicators

Return on Assets

$$\frac{\text{Profit after tax}}{\text{Total assets}} * 100$$

$$\begin{array}{cc} \text{2007} & \text{2008} \\ \frac{216,671}{2,700,068} = 8.02 \% & \frac{(223,007)}{2,595,315} = (8.59) \% \end{array}$$

The negative value of the indicator was a consequence of the loss after taxation, influenced by the loss realised on financial operations and the extraordinary expenditure due to capital decrease.

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

ROACE (Return on Average Capital Employed)

$$\frac{\text{Operating profit after tax}}{\text{Average capital employed}} * 100$$

2007	2008
$\frac{87,116}{832,191} = 10.47 \%$	$\frac{81,832}{903,526} = 9.06 \%$

ROACE decreased by 1.41 per cent point due to the fact that the operating profit after taxation was lower by 6.1 %, while the average capital employed increased by 8.6 % compared to the previous year. The shortfall in operating profit was determined by the world economic and financial crisis started from October 2008 and this had a negative effect primarily through the changes of inventory values and impairment.

Average capital employed increase was generated by the growth of intangible assets (Tifon and IES acquisition in 2007) and the decrease of other short term liabilities.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) ratio

$$\frac{\text{EBITDA}}{\text{Net sales revenue}} * 100$$

2007	2008
$\frac{164,499}{1,841,501} = 8.93 \%$	$\frac{159,601}{2,223,171} = 7.18 \%$

EBITDA ratio decreased in 2008 as a result of the HUF 4.9 billion (3.0 %) fall in EBITDA, but at the same time, net sales revenue was higher by 381.7 billion (20.7 %). The reason for the decline was basically the negative effect of changes in own produced inventories (HUF 49.2 billion), which decreased the operating profit. Beside that the cost portion of sales revenue went up slightly.

Indebtedness

$$\frac{\text{Long-term credits and loans, liabilities from the issue of bonds + Short-term credits and loans + Interest received from related parties - Securities - Cash and cash equivalents}}{\text{Long-term credits and loans, liabilities from the issue of bonds + Short-term credits and loans + Interest received from related parties - Securities - Cash and cash equivalents + Shareholders' equity}} * 100$$

2007	2008
$\frac{306,127}{1,908,671} = 16.04 \%$	$\frac{553,683}{1,930,580} = 28.68 \%$

Gearing ratio went up significantly as a result of the higher value of liabilities. Increase of long term loans was HUF 200.4 billion in total, which was caused by the INA acquisition. The indicator was further impacted by the decrease of shareholder's equity and securities, and the increase of cash and cash equivalents.

Ratios presented in the annual report of 2007 did not contain the amount of borrowings received from related parties.

MOL Hungarian Oil and Gas Public Limited Company
Supplementary Notes for the year ending on 31 December 2008

5. Cash Flow Statement

	HUF million	
<i>Description</i>	2007	2008
Profit before taxation	255,810	(223,007)
Dividend received	(67,967)	(65,701)
Research expenses	9,032	8,889
Exchange rate difference	(8,193)	(780)
Fair valuation difference	(36,130)	199,472
Treasury share withdrawal	0	117,243
Non repayable transfer and receipt of assets	292	(236)
Adjusted profit before taxation	152,844	35,880
Depreciation and impairment	62,128	57,923
Write off and reversal	37,787	238,796
Provisions made and used, net	10,597	3,597
Gain or loss of the sale of non-current assets	(16,603)	42,267
Change of liabilities to suppliers	34,728	(20,764)
Change of other short-term liabilities	(8,040)	(12,893)
Change of accruals	11,584	(1,766)
Change of trade receivables	(33,895)	31,506
Change of current assets (excluding trade receivables and cash)	(623,627)	162,566
Change of prepayments	(24,181)	51,243
Change of reserves	0	0
Corporate tax paid, payable	(33,656)	(22,870)
Dividend paid, payable	(49,963)	(84,706)
Operating cash flow	(480,297)	480,779
Purchase of non-current assets	(56,965)	(64,775)
Purchase of non-current financial investments	(190,804)	(514,393)
Sale of non-current assets	511	2,625
Sale of non-current financial investments, capital withdrawal	(7,523)	(27,215)
Cash and cash equivalents transferred permanently	(204)	(105)
Research expenses	(9,032)	(8,889)
Dividend received	67,967	65,701
Investment cash flow	(196,050)	(547,051)
Withdrawal of bonds and debt securities	0	(2,020)
Long-term loans received	555,680	1,100,176
Non repayable cash received	12	16
Repayment of bonds and debt securities	0	0
Repayment of long-term credits and loans	(192,426)	(900,908)
Change of short-term credits and loans	11,700	(2,144)
Financing cash flow	374,966	195,120
Change of cash	(301,381)	128,848

MOL Hungarian Oil and Gas Public Limited Company
Supplementary Notes for the year ending on 31 December 2008

6. Intangible assets

Gross book value

HUF million

Movements	Capitalised research and development cost	Property rights	Intellectual property	Goodwill	Total intangible assets
Opening balance 01.01.2007	311	1,655	38,938	2,102	43,006
Increase due to purchases	563	676	3,638	0	4,877
Increase due to reclassification	0	746	377	0	1,123
Other increase*	0	0	2	45,364	45,366
Decrease due to scrapping, damages or shortages	(18)	(2)	(2,390)	0	(2,410)
Decrease due to reclassification	(112)	0	(849)	0	(961)
Closing balance 31.12.2007	744	3,075	39,716	47,466	91,001
Increase due to purchases	851	585	3,290	0	4,726
Increase due to reclassification	0	338	603	0	941
Other increase**	0	0	0	10,454	10,454
Decrease due to sales	0	0	(2)	0	(2)
Decrease due to scrapping, damages or shortages	(5)	(26)	(1,155)	0	(1,186)
Decrease due to reclassification	(476)	0	(337)	0	(813)
Closing balance 31.12.2008	1,114	3,972	42,115	57,920	105,121

*Goodwill recognized due to the purchase of Italiana Energia e Servizi S.p.A. and Tifon d.o.o.

** Goodwill recognized due to I&C Energo a.s acquisition and goodwill adjustment in connection with the purchase of Italiana Energia e Servizi S.p.A. (HUF 9,215 million) and Tifon d.o.o. (HUF 206 million)

MOL Hungarian Oil and Gas Public Limited Company
Supplementary Notes for the year ending on 31 December 2008

Depreciation

HUF million

Movements	Capitalised research and development cost	Property rights	Intellectual property	Goodwill	Total intangible assets
Opening balance 01.01.2007	18	488	27,401	0	27,907
<i>of which: depreciation</i>	18	488	27,079	0	27,585
<i>impairment</i>	0	0	322	0	322
Increase of depreciation	0	486	3,088	0	3,574
Increase of impairment based on market valuation	0	55	0	0	55
Increase of impairment	0	0	1	0	1
Increase due to reclassification	0	86	0	0	86
Other increase	0	0	37	0	37
Decrease due to scrapping, damages or shortages	(18)	(2)	(2,390)	0	(2,410)
Decrease due to reclassification	0	0	(86)	0	(86)
Other decrease	0	0	(1)	0	(1)
Closing balance 31.12.2007	0	1,113	28,050	0	29,163
<i>of which: depreciation</i>	0	1,058	27,728	0	28,786
<i>impairment</i>	0	55	322	0	377
Increase of depreciation	0	639	3,094	0	3,733
Increase of impairment	5	0	35	0	40
Other increase	0	0	10	0	10
Decrease due to sale	0	0	(2)	0	(2)
Decrease due to scrapping, damages or shortages	(5)	(26)	(1,155)	0	(1,186)
Closing balance 31.12.2008	0	1,726	30,032	0	31,758
<i>of which: depreciation</i>	0	1,671	29,723	0	31,394
<i>impairment</i>	0	55	309	0	364
Net book value as of 31 December 2007	744	1,962	11,666	47,466	61,838
Net book value as of 31 December 2008	1,114	2,246	12,083	57,920	73,363

MOL Hungarian Oil and Gas Public Limited Company
Supplementary Notes for the year ending on 31 December 2008

7. Property, plant and equipment

Gross book value

HUF million

Movements	Land and building and related property rights	Plant, machinery and vehicles	Other equipment, fixtures and vehicles	Assets under construction and related advances	Total property, plant and equipment
Opening balance 01.01.2007	411,279	324,432	39,188	39,932	814,831
Increase due to capital expenditure	0	0	0	49,160	49,160
Capitalisation	30,814	18,829	3,601	(53,244)	0
Increase due to reclassification	55	293	128	51	527
Other increase	14	1	10	49	74
Decrease due to sales	(568)	(363)	(103)	(204)	(1,238)
Decrease due to scrapping, damages and shortages	(668)	(1,394)	(1,485)	(2,240)	(5,787)
Decrease due to contribution in kind or transfers free of charge	(22)	(4)	(79)	(71)	(176)
Decrease due to reclassification	(5,673)	(2,309)	(23)	(88)	(8,093)
Other decrease	(2,179)*	(74)	(2)	(155)	(2,410)
Closing balance 31.12.2007	433,052	339,411	41,235	33,190	846,888
Increase due to capital expenditure	0	0	0	55,521	55,521
Capitalisation	17,538	26,675	3,404	(47,617)	0
Increase due to reclassification	12,425	1,899	428	0	14,752
Other increase	9,571*	12	19	98	9,700
Decrease due to sales**	(7,055)	(310)	(105)	0	(7,470)
Decrease due to scrapping, damages and shortages	(506)	(5,115)	(970)	(502)	(7,093)
Decrease due to contribution in kind or transfers free of charge***	(5,689)	(1,734)	(48)	(2,709)	(10,180)
Decrease due to reclassification	(276)	(278)	(2)	(128)	(684)
Other decrease	(62)	(12)	0	(209)	(283)
Closing balance 31.12.2008	458,998	360,548	43,961	37,644	901,151

Items marked with * contains field abandonment provision capitalised in the value of mining properties. See section 3.4.6.

** The gross book value of land, building and machineries sold to MMBF Zrt. was HUF 6,524 million.

*** In kind contribution given to FGSZ Földgázszállító Zrt. and Dunai Gőzfejlesztő Kft. with the amount of HUF 10,135 million.

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

Depreciation

HUF million

Movements	Land and building and related property rights	Plant, machinery and vehicles	Other equipment, fixtures and vehicles	Assets under construction and related advances	Total property, plant and equipment
Opening balance 01.01.2007	211,678	221,915	30,464	18	464,075
<i>of which: depreciation</i>	196,779	220,790	30,401	0	447,970
<i>impairment</i>	14,899	1,125	63	18	16,105
Increase of depreciation	23,463	25,104	3,463	0	52,030
Increase of impairment based on market valuation	4,431*	87	6	0	4,524
Increase of impairment due to scrapping, damages and shortages	256	124	43	2,240	2,663
Increase due to reclassification	20	124	53	0	197
Other increase	20	5	9	0	34
Reversal of impairment	(577)	0	0	(5)	(582)
Decrease due to sales	(327)	(332)	(90)	(3)	(752)
Decrease due to scrapping, damages and shortages	(668)	(1,394)	(1,485)	(2,240)	(5,787)
Decrease due to contributions in kind and transfers free of charge	(5)	(4)	(79)	0	(88)
Decrease due to reclassification	(3,663)	(1,796)	(18)	0	(5,477)
Other decrease	(25)	(118)	(2)	0	(145)
Closing balance 31.12.2007	234,603	243,715	32,364	10	510,692
<i>of which: depreciation</i>	219,292	242,507	32,296	0	494,095
<i>Impairment</i>	15,311	1,208	68	10	16,597
Increase of depreciation	24,324	25,660	3,594	0	53,578
Increase of impairment based on market valuation	1,410*	139	3	294	1,846
Increase of impairment due to scrapping, damages and shortages	86	205	16	502	809
Increase due to reclassification	8,207	1,874	276	0	10,357
Other increase	52	47	15	0	114
Reversal of impairment	(2,082)	0	0	0	(2,082)
Decrease due to sales	(5,015)	(231)	(98)	0	(5,344)
Decrease due to scrapping, damages and shortages	(506)	(5,115)	(970)	(502)	(7,093)
Decrease due to contributions in kind and transfers free of charge**	(3,337)	(1,694)	(48)	0	(5,079)
Decrease due to reclassification	(132)	(267)	(1)	0	(400)
Other decrease	(193)	(314)	(7)		(514)
Closing balance 31.12.2008	257,417	264,019	35,144	304	556,884
<i>of which: depreciation</i>	239,369	262,690	35,074	0	537,133
<i>Impairment</i>	18,048	1,329	70	304	19,751

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

Movements	Land and building and related property rights	Plant, machinery and vehicles	Other equipment, fixtures and vehicles	Assets under construction and related advances	Total property, plant and equipment
Net book value as of 31 December 2007	198,449	95,696	8,871	33,180	336,196
Net book value as of 31 December 2008	201,581	96,529	8,817	37,340	344,267

Items marked with * contains impairment of field abandonment provision capitalised in the value of mining properties. See section 3.4.6.

**Derecognized depreciation of assets given as in kind contribution to FGSZ Földgázzszállító Zrt. and Dunai Gőzfejlesztő Kft. was HUF 5,040 million.

8. Depreciation

Depreciation

HUF million

Description	Straight-line		Unit of production		Lump sum		Total amount	
	2007	2008	2007	2008	2007	2008	2007	2008
Capitalised research and development costs	0	0	0	0	0	0	0	0
Property rights	478	631	0	0	8	8	486	639
Intellectual property	3,087	3,093	0	0	1	1	3,088	3,094
Intangible assets	3,565	3,724	0	0	9	9	3,574	3,733
Land and building and related property rights	10,298	10,818	13,165	13,506	0	0	23,463	24,324
Plant, machinery and vehicles	22,952	23,441	2,142	2,212	10	7	25,104	25,660
Other equipment, fixtures and vehicles	3,165	3,273	0	0	298	321	3,463	3,594
Property, plant and equipment	36,415	37,532	15,307	15,718	308	328	52,030	53,578
Total	39,980	41,256	15,307	15,718	317	337	55,604	57,311

MOL Hungarian Oil and Gas Public Limited Company
Supplementary Notes for the year ending on 31 December 2008

Extraordinary depreciation, impairment and reversal

HUF million

Description	Impairment based on market valuation		Impairment due to scrapping, damages and shortages		Reversal of impairment		Total	
	2007	2008	2007	2008	2007	2008	2007	2008
Capitalised research and development costs	0	0	0	5	0	0	0	5
Property rights	55	0	0	0	0	0	55	0
Intellectual property	0	0	1	35	0	0	1	35
Goodwill	0	0	0	0	0	0	0	0
Intangible assets	55	0	1	40	0	0	56	40
Land and building and related property rights	4,431	1,410	256	86	577	2,082	4,110	(586)
Plant, machinery and vehicles	87	139	124	205	0	0	211	344
Other equipment, fixtures and vehicles	6	3	43	16	0	0	49	19
Assets under construction	0	294	2,240	502	5	0	2,235	796
Property, plant and equipment	4,524	1,846	2,663	809	582	2,082	6,605	573
Total	4,579	1,846	2,664	849	582	2,082	6,661	613

9. Revision of estimated useful life of intangible assets and property, plant and equipment

HUF million

Description	Gross book value	Depreciation of 2008		Profit and loss effect	Effect on non-current assets' value
		Without revision	As a result of the revision		
Property rights	881	176	121	55	55
Intellectual property	15,558	1,181	876	305	305
Intangible assets	16,439	1,357	997	360	360
Land and building and related property rights	2,766	168	140	28	28
Plant, machinery and vehicles	5,553	352	336	16	16
Other equipment, fixtures and vehicles	1,173	68	29	39	39
Property, plant and equipment	9,492	588	505	83	83
Total	25,931	1,945	1,502	443	443

(See: Depreciation policy, Section 3.4.3., remarks about the annual review of economical useful life.)

MOL Hungarian Oil and Gas Public Limited Company
Supplementary Notes for the year ending on 31 December 2008

10. Property, plant and equipment used for environmental protection

Gross book value					HUF million
<i>Movements</i>	Land and building and related property rights	Plant, machinery and vehicles	Other equipment, fixtures and vehicles	Assets under construction and related advances	<i>Total property, plant and equipment</i>
<i>Opening balance 01.01.2007</i>	16,495	3,805	985	344	21,629
Increase due to capital expenditure	0	0	0	2,685	2,685
Capitalisation	77	213	0	(290)	0
Increase due to reclassification	0	0	0	249	249
Decrease due to scrapping, damages and shortages	(9)	(5)	0	0	(14)
Decrease due to reclassification	0	0	0	(1,528)	(1,528)
<i>Closing balance 31.12.2007</i>	16,563	4,013	985	1,460	23,021
Increase due to capital expenditure	0	0	0	760	760
Capitalisation	488	728	0	(1,216)	0
Increase due to reclassification	6	17	0	282	305
Decrease due to scrapping, damages and shortages	(28)	(17)	0	0	(45)
Decrease due to reclassification	0	0	0	(713)	(713)
<i>Closing balance 31.12.2008</i>	17,029	4,741	985	573	23,328

Depreciation					HUF million
<i>Movements</i>	Land and building and related property rights	Plant, machinery and vehicles	Other equipment, fixtures and vehicles	Assets under construction and related advances	<i>Total property, plant and equipment</i>
<i>Opening balance 01.01.2007</i>	4,777	2,036	691	0	7,504
Increase of depreciation	843	426	72	0	1,341
Increase of impairment due to scrapping, damages and shortages	1	1	0	0	2
Decrease due to scrapping, damages and shortages	(9)	(5)	0	0	(14)
<i>Closing balance 31.12.2007</i>	5,612	2,458	763	0	8,833
Increase of depreciation	851	445	55	0	1,351
Increase of impairment based on market valuation	0	0	0	294	294
Increase of impairment due to scrapping, damages and shortages	11	0	0	0	11
Increase due to reclassification	0	3	0	0	3
Decrease due to scrapping, damages and shortages	(28)	(17)	0	0	(45)

MOL Hungarian Oil and Gas Public Limited Company
Supplementary Notes for the year ending on 31 December 2008

Decrease due to reclassification	(10)	(4)	0	0	(14)
<i>Closing balance 31.12.2008</i>	6,436	2,885	818	294	10,433

<i>Net book value as of 31 December 2007</i>	10,951	1,555	222	1,460	14,188
<i>Net book value as of 31 December 2008</i>	10,593	1,856	167	279	12,895

11. Research and development

HUF million

<i>Research and development areas</i>	<i>2007</i>			<i>2008</i>		
	<i>Expenditure in current year</i>	<i>Of the expenditure</i>		<i>Expenditure in current year</i>	<i>Of the expenditure</i>	
		<i>capitalised</i>	<i>accounted as cost</i>		<i>capitalised</i>	<i>accounted as cost</i>
Domestic CH exploration	7,471	0	7,471	7,259	0	7,259
Foreign CH exploration	1,230	0	1,230	1,123	0	1,123
Technology and asset development	693	490	203	1,017	797	220
Product development	117	0	117	270	10	260
Environmental protection	4	0	4	27	6	21
Other (studies)	80	73	7	44	38	6
<i>Total</i>	9,595	563	9,032	9,740	851	8,889

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

12. Hazardous waste (not audited)

Rounded to tons

<i>EWC category</i>	<i>Title of hazardous waste group</i>	<i>Adjusted opening quantity*</i>	<i>Increase in current year</i>	<i>Decrease in current year</i>	<i>Closing quantity</i>
501	Waste originating from crude oil refining (sludge, acidic resin, bitumen, coke, paraffin pressed earth)	456	3,533	3,135	854
606	Wastes from the manufacture, formulation, supply and use (MSFU) of sulphur chemicals, sulphur chemical processes and desulphurisation processes	3	57	60	0
613	Wastes from inorganic chemical processes not otherwise specified	0	1	1	0
701	Wastes from the MFSU of basic organic chemicals	0	171	171	0
706	Wastes from the MFSU of fats, grease, soaps, detergents, disinfectants and cosmetics	0	1	1	0
707	Wastes from the MFSU of fine chemicals and chemical products not otherwise specified	0	44	44	0
803	Wastes from the MFSU of printing inks	0	1	1	0
1010	Wastes from casting of non-ferrous pieces	0	13	13	0
1301	Waste hydraulic oils	0	1	1	0
1302	Waste engine, gear and lubricating oil (spent oil)	1,260	7,915	7,097	2,078
1303	Waste insulating and heat transmission oils	0	448	448	0
1305	Waste from oil and water separators (sludge from oil separators)	361	10,026	9,919	468
1307	Wastes of liquid fuels	11	117	119	9
1308	Oil wastes not otherwise specified	0	149	128	21
1501	Packaging waste	4	102	105	1
1502	Absorbents, filter materials, wiping cloths and protective clothing	29	113	98	44
1601	End-of-life vehicles form different means of transport (including off-road machinery) and wastes from dismantling of end-of-life vehicles and vehicle maintenance	0	13	13	0
1602	Wastes from electrical and electronic equipment	0	1	1	0
1603	Organic waste containing dangerous substances	0	10	10	0
1605	Gases in pressure containers and discarded chemicals	0	148	148	0
1606	Batteries and accumulators	0	4	4	0
1607	Wastes from transport and storage tanks and from barrel cleaning	10	2,917	2,891	36
1608	Spent catalysts	0	140	140	0
1610	Aqueous liquid wastes destined for off-site treatment	0	4,032	4,032	0
1701	Concrete, bricks, tiles and ceramics	10	1,505	815	700
1702	Wood, glass and plastic	0	5	5	0
1703	Bituminous mixtures, coal tar and tarred products	0	4	4	0

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

<i>EWC category</i>	<i>Title of hazardous waste group</i>	<i>Adjusted opening quantity*</i>	<i>Increase in current year</i>	<i>Decrease in current year</i>	<i>Closing quantity</i>
1704	Metals (contaminated with spent oil)	0	46	46	0
1705	Soil, stones and dredging spoil (contaminated with spent oil)	51	40,773	40,764	60
1706	Insulation materials and asbestos-containing construction materials	1	390	388	3
1709	Other construction and demolition waste	0	8	8	0
1901	Wastes from incineration or pyrolysis of waste	0	1,973	1,973	0
1908	Wastes from waste water treatment plants not otherwise specified	6	1,977	1,973	10
1913	Wastes from soil and groundwater remediation	0	5	5	0
2001	Separately collected waste (battery, dry battery, electronic waste)	0	40	40	0

* Adjusted opening quantity equals to the opening quantity reported to environmental authority.

The classification of hazardous waste and assignment of individual waste types and categories to codes are regulated in compliance with EU norms. There is no record keeping in amount in connection with the quantity of hazardous waste materials.

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

13. Investments

13.1. MOL Plc's subsidiaries, classified as long-term investments

HUF million

ID	Name of the Company	2007				2008			
		Share %	Gross book value	Accumulated impairment and reversal	Net book value	Share %	Gross book value	Accumulated impairment and reversal	Net book value
1.	Slovnafit a.s. Bratislava, V. Hrdlo, 82017.	98.41	275,619	0	275,619	98.41	321,312	0	321,312
2.	TVK Plc Tiszaújváros, Gyári út Ipartelep	86.79	120,263	0	120,263	86.79	120,263	0	120,263
3.	Italiana Energia e Servizi S.p.A. Italy, Genova, Via di Sottoripa 1/A	100.00	89,670	0	89,670	100.00	84,116	0	84,116
4.	FGSZ Földgázszállító Zrt. Siófok, Tanácsház u. 5.	100.00	65,964	0	65,964	100.00	83,589	0	83,589
5.	MOL Romania PP Srl. Bucharest, I.4.th Champineu s.	100.00	27,041	0	27,041	100.00	25,422	0	25,422
6.	MMBF Zrt. Budapest Budafoki út 79.	62.00	3,000	0	3,000	72.50	18,608	0	18,608
7.	Intermol d.o.o. Beograd, Hadzi Milentijeva 33.	100.00	12,681	1,432	11,249	100.00	14,898	3,712	11,186
8.	I&C Energo a.s.* Trebic, Prazská 684/49, Czech Republic	-	-	-	-	99.00	6,592	0	6,592
9.	Roth Heizöle GmbH. Graz, Hötzendorf Str. 160.	74.99	5,700	0	5,700	74.99	5,958	0	5,958
10.	MOL Slovenija d.o.o. Lendva, Partizan u. 61.	100.00	4,174	5	4,169	100.00	4,362	5	4,357
11.	TIFON d.o.o. Zagreb, Marticeva 75.	100.00	3,580	0	3,580	100.00	3,718	0	3,718
12.	Kalegran Ltd Nicosia, Florinis st. 11. Cyprus	99.99	3	0	3	99.99	6,429	2,794	3,635
13.	USI Ltd Nicosia, Florinis st. 11. Cyprus	100.00	769	0	769	100.00	3,530	0	3,530
14.	Petrolszolg Kft. Százhalombatta, Olajmunkás út 2.	100.00	5,126	1,426	3,700	100.00	5,126	1,646	3,480
15.	Dunai Gőzfejlesztő Kft. Százhalombatta, Olajmunkás út 2.	100.00	1	0	1	100.00	2,604	0	2,604
16.	MOL-LUB Kft. Almásfűző, Fő út 21.	100.00	2,603	0	2,603	100.00	2,603	0	2,603
17.	Geofizikai Szolgáltató Kft. Budapest, Szántóföld u. 7-9.	100.00	1,890	0	1,890	100.00	1,890	0	1,890
18.	MOL CIS Ltd Nicosia, Dervis-Flo.st C.Th.6.	99.99	1,873	0	1,873	99.99	1,702	0	1,702
19.	Terméktároló Zrt.	74.07	1,200	0	1,200	74.07	1,200	0	1,200

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

ID	Name of the Company	2007				2008			
		Share %	Gross book value	Accumulated impairment and reversal	Net book value	Share %	Gross book value	Accumulated impairment and reversal	Net book value
	Budapest, Andor u. 47-49.								
20.	Geoinform Kft. Szolnok, Körösi út 43.	100.00	1,125	0	1,125	100.00	1,125	0	1,125
21.	MOLTRADE Mineralimpex Zrt. Budapest, Benczúr u. 13.	100.00	840	0	840	100.00	840	0	840
22.	MOL Trans Kft. Budapest, Petróleumkikötő u. 5-7.	100.00	619	0	619	100.00	619	0	619
23.	MOL Pakistan Ltd Amsterdam, Herengrac. 548.	100.00	447	0	447	100.00	487	0	487
24.	FER Tűzoltóság és Szolgáltató Kft.** Százhalombatta, Olajmunkás u.2.	-	-	-	-	82.00	343	0	343
25.	MOL Austria GmbH. Vienna, Gartenbaupromenad. 2.	100.00	143	0	143	100.00	149	0	149
26.	MOL-RUSS OOO. 115054 Moscow, Kosmodamianskaya nab., d. 52. str. 3.	100.00	46	0	46	100.00	125	0	125
27.	MK Mineralkontor GmbH. München, Otto Strasse 5.	100.00	222	112	110	100.00	226	112	114
28.	MOL Reinsurance Ltd Nicosia, A.Makarias III.Avenue	99.00	77	0	77	99.00	84	0	84
29.	BHM Oil Invest Ltd (Qatar) Nicosia, Dervis-Flo.st.C.Th.6.	99.99	91	11	80	99.99	83	11	72
30.	MOL Energiakereskedő Kft. Budapest, Október huszonharmadika u. 18.	100.00	50	0	50	100.00	50	0	50
31.	HEXAN Kft. Százhalombatta, lpartelep hrsz:2704/1	100.00	25	0	25	100.00	25	0	25
32.	MOL North Atrica Ltd Cyprus, Nicosia	100.00	11	0	11	100.00	24	0	24
33.	Alfagas Kft. Záhony, Vasút u. 2.	60.00	186	163	23	60.00	186	163	23
34.	E.M.S Management Ltd Nicosia, Dervis-Flo.st.C.Th.6.	99.99	14	0	14	99.99	15	0	15
35.	Platounko Investments Ltd Cyprus, Nicosia	99.99	3	0	3	99.99	9	0	9
36.	Hermész Mérnöki Kft. Szolnok, Ady Endre út 26.	98.18	5	0	5	98.18	5	0	5
37.	Ménrót Kft. Szolnok, Ady Endre út 26.	98.18	5	0	5	98.18	5	0	5
38.	MH Oil and Gas BV Amsterdam, Herengracht 548.	100.00	5	0	5	100.00	5	0	5
39.	MK Oil and Gas BV Amsterdam, Herengracht 548.	100.00	5	0	5	100.00	5	0	5
40.	Bravoum Investments Ltd Nicosia, Florinis st.11. Cyprus	99.99	3	0	3	99.99	5	0	5

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

ID	Name of the Company	2007				2008			
		Share %	Gross book value	Accumulated impairment and reversal	Net book value	Share %	Gross book value	Accumulated impairment and reversal	Net book value
41.	Greentrade Ltd Nicosia, Florinis st.11. Cyprus	100.00	1	0	1	100.00	1	0	1
42.	MOL Yemen Ltd Limassol, Nic.Penta.Cent.908.	99.99	19,845	19,845	0	99.99	20,681	20,685	0
43.	MOL Central Asia B.V. (MOL Syria Ltd) Amsterdam, P.O. box 990.	100.00	5,084	5,084	0	100.00	5,084	5,084	0
44.	SHM Seven Ltd Nicosia, Dervis-Flo.st.C.Th.6.	99.99	3,157	3,157	0	99.99	3,157	3,157	0
45.	Lamorak Enterprises Ltd Nicosia, Dervis-Flo.st. C.Th.6.	99.99	2,549	2,445	104	99.99	2,549	2,549	0
46.	Hawasina GmbH 600 Zug, Bahnhofstr.21. Switzerland	100.00	1,483	661	822	100.00	1,483	1,483	0
47.	MOL Agram d.o.o.*** Zagreb, Boskovicava 23/a.II.	100.00	1,141	963	178	100.00	1,141	1,141	0
48.	UBA Services Ltd Nicosia, Dervis-Flo.st.C.Th.6.	99.99	383	383	0	99.99	383	383	0
49.	MOL Caspian Ltd Limassol, Nic.Penta.Cent.908.	99.99	12	12	0	99.99	12	12	0
50.	Pyrogol Ltd Cyprus, Nicosia	99.99	3	0	3	99.99	8	8	0
51.	Pronodar Ltd Cyprus, Nicosia	99.99	3	0	3	99.99	8	8	0
52.	BMN Investment Ltd Cyprus, Nicosia	100.00	3	0	3	100.00	7	7	0
53.	RUSI Services Ltd Cyprus, Nicosia	99.99	0	0	0	99.99	0	0	0
	Total		658,743	35,699	623,044		752,855	42,960	709,895

The equity participation and voting rights are the same in all companies contained in the table except Alfagas Zrt., where the 60% equity participation provides 50 % voting rights to MOL Plc, TVK Plc, where 86.79 % direct participation in the Company provides 94.85 % votes due to 8.02% equity participation of Slovnaft a.s., as well as MOL Reinsurance Ltd, where the 99 % direct equity participation of the Company provides 100% votes based on the 1 % participation of SHM Seven Ltd.

* New acquisition in 2008: I&C Energo a.s.

MOL and CEZ has entered into a share purchase agreement of I&C Energo a.s. The Company is the leading engineering and supplier organisation providing services in particular in the field of instrumentation and control systems, information systems for industry and electric systems including provision of system integration and engineering support in the Czech Republik. The Company is also engaged in design of electric power producing buildings, design for LV and HV electricity grids, consulting in power production and quality control areas, implementing power consumption audits, etc.

Long-term investments not fully consolidated: MOL Agram d.o.o., Alfagas Kft., Ménrót Kft., Hexán Kft., MH Oil and Gas BV., Platounko Investments Ltd, Bravoum Investments Ltd, BMN Investments Ltd., FER Tűzoltóság és Szolgáltató Kft., MOL North Africa.

** FER Tűzvédelmi Szolgáltató Egyesülés transformed from union into Ltd concerning 31 October 2008 and consequently reported within former investments.

*** MOL Agram d.o.o. is under liquidation.

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

Core activities of subsidiaries: 1. Slovnaft a.s.: crude oil refining, oil product transportation, storage, retail and wholesale, 2. TVK Plc: petrochemical, 3. Italiana Energia e Servizi S.p.A.: crude oil refining, wholesale and retail trade, 4. FGSZ Földgázszállító Zrt.: natural gas transmission, 5. MOL Romania PP Srl.: fuel and lubricant retail, 6. MMBF Zrt.: natural gas storage, transportation, crude oil and natural gas production, 7. Intermol d.o.o.: fuel retail, 8. I&C Energo a.s.: control system and industrial management design, implementation and maintenance, system integration and engineering consultancy, 9. Roth Heizöle GmbH.: trading of oil products, 10. MOL Slovenija d.o.o.: trade of crude oil products, 11. Tifon d.o.o.: retail and wholesale, storage, transportation, 12. Kalegran Ltd.: crude oil and natural gas production and exploration, 13. USI Ltd.: exploration and production of oil and natural gas, 14. Petrolszolg Kft.: maintenance services, 15. Dunai Gőzfejlesztő Kft.: steam and hot water supply, electricity production, 16. MOL-LUB Kft.: production and trade of lubricants, 17. Geofizikai Szolgáltató Kft.: geophysical surveying and data processing, 18. MOL CIS Ltd.: exploration and production of oil and natural gas reserves abroad, 19. Terméktároló Zrt.: storage of strategic inventories, 20. Geoinform Kft.: Hydrocarbon drilling exploration, geophysical services, 21. MOLTRADE Mineralimpex Zrt.: trade of energy products, 22. MOL Trans Kft.: transportation of crude oil product, 23. MOL Pakistan Ltd.: exploration and production of oil and natural gas reserves abroad, 24. FER Tűzoltóság és Szolgáltató Kft.: not categorised other professional, scientific and technical activities, 25. MOL Austria GmbH.: wholesale of lubricants and crude oil derivatives, 26. MOL RUSS Ltd.: management services, 27. Mineralkontor GmbH.: trade of raw materials and crude oil products, 28. MOL Reinsurance Ltd.: reinsurance, 29. BHM Oil Invest Ltd.: trading of oil products, 30. MOL Energiakereskedő Kft.: natural gas wholesale, 31. HEXAN Kft.: refinery, fabrication of other organic chemical feedstock and wrapping, 32. North-Africa Ltd.: exploration and production of oil and natural gas reserves abroad (sleeping company), 33. Alfagas Kft.: export and import of crude oil, natural gas and chemicals, 34. EMS Management Services Ltd.: management services, 35. Platounko Investments Ltd.: crude oil and natural gas production and exploration, 36. Hermész Mérnöki Kft.: business and other management consultation, 37. Ménrót Kft.: natural gas production, 38. MH Oil and Gas BV.: exploration, operation is temporarily abandoned, 39. MK Oil and Gas BV.: exploration, operation is temporarily abandoned, 40. Bravoum Investments Ltd.: crude oil and natural gas production and exploration, 41. Greentrade Ltd.: crude oil and natural production and exploration, 42. MOL Yemen Ltd.: exploration of oil and natural gas reserves abroad, 43. MOL Central Asian B.V.: exploration and production of oil and natural gas reserves abroad, 44. SHM Seven.: exploration and production of oil and natural gas reserves abroad, 45. Lamorak Enterprises Ltd.: exploration and production of oil and natural gas reserves abroad, 46. Hawasina GmbH.: exploration and production of oil and natural gas reserves abroad, 47. MOL Agram d.o.o.: trade of crude oil products, 48. UBA Services Ltd.: management services, 49. MOL Caspian Ltd.: crude oil and gas exploration and production, 50. Pyrogol Ltd.: crude oil and natural gas production and exploration, 51. Pronodar Ltd.: crude oil and natural gas production and exploration, 52. BMN Investment Ltd.: crude oil and natural gas production and exploration, 53. RUSI Services Ltd.: exploration and production of oil and natural gas reserves

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

13.2. MOL Plc's joint venture, classified as long-term investment

HUF million

ID	Name of company	2007				2008			
		Share %	Gross book value	Accumulated impairment and reversal	Net book value	Share %	Gross book value	Accumulated impairment and reversal	Net book value
1	CM European Power International B.V.* Weena 340, 3012NJ, Rotterdam	-	-	-	-	50.00	1,099	0	1,099
2.	SEP Company Kft.** 1117 Bp, Október huszonharmadika u, 18,	50	15	15	0	50.00	140	87	53
	Total		15	15	0		1,239	87	1,152

* In line with the joint venture agreement between MOL and CEZ signed on 20 December 2007, on 18 July 2008 the incorporation of the MOL-CEZ Joint Venture has been finished. CM European Power International B.V. established with initial capital of EUR 8.3 million will focus on gas-fired power generation and related gas infrastructure in 4 countries of Central and South-eastern Europe, including Slovakia, Hungary, Croatia and Slovenia. In the new company founders have an equal 50% equity interest, equal voting rights and similar split of operational decision making.

** Aim of the SEP Company Kft. is to increase transport of natural gas, to determine possibility and method of creation underground gas storages. Core activity: business consultancy.

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

13.3. MOL Plc's associated companies, classified as long-term investments

HUF million

ID	Name of the Company	2007				2008			
		Share %	Gross book value	Accumulated impairment and reversal	Net book value	Share %	Gross book value	Accumulated impairment and reversal	Net book value
1.	INA d.d.* Zágráb, Avenija Veceslova 10.	25.00	116,673	0	116,673	47.15	344,444	0	344,444
2.	ENERGOPETROL d.d. Sarajevo, Marsala Tita Street 36	33.50	4,597	0	4,597	33.50	4,823	0	4,823
3.	Rossi Biofuel Zrt. Komárom, Kőolaj u. 2.	25.00	350	0	350	25.00	350	0	350
4.	MESSER-MOL GAZ Kft. Budapest, Váci u. 17.	25.00	87	1	86	25.00	87	1	86
5.	TURBO Team Kft. Beregdaróc, 4934.	25.00	37	0	37	25.00	37	0	37
6.	NABUCCO Gas Pipeline Wien, Floridsdorfer Hauptstraße 1.	20.00	2	0	2	20.00	2	0	2
7.	CEGE Közép-európai Geotermikus Energia Termelő Zrt. ** 1117 Budapest, Október huszonharmadika u. 18	0.00	0	0	0	33.33	2	0	2
8.	TOP Finance Kft. Bp. 1039 Batthyány u. 45.	26.00	1	0	1	26.00	1	0	1
9.	Tűzoltó Műszaki és Mentő Kft. Tiszaújváros, Tűzoltó u. 1.	30.00	1	0	1	30.00	1	0	1
	Total		121,748	1	121,747		349,747	1	349,746

In TURBO Team Kft. the 25 % equity share provides 25 % + 1 vote to MOL Plc.

MOL acquired 25 % plus one share in Rossi Biofuel Zrt. from Rossi Beteiligungs Ltd via a capital increase issued at nominal value after the approval on 19 April 2007. MOL participation in Rossi Biofuel Zrt. is 25 % plus one share and in addition MOL has a call option to acquire a further 24 % shareholding.

* Ownership of MOL via a successful voluntary public offer in INA has increased to 47.15%. Total of 2,215,537 shares have been sold to MOL during the public offer for a price of HRK 2,800 per share.

** On July 30, 2008 MOL signed the Articles of Association with Enex hf. (Iceland) and Green Rock Energy International Pty. Ltd (Australia) for the establishment of CEGE Central European Geothermal Energy Production Private Company Limited by Shares. The aim of the new company is exploration, production and sales of geothermal energy, the construction of geothermal power plants and technologies for directly supplying thermal heat. The three founders have an equal one third share in the HUF 6 million share equity of CEGE. (See also Notes No. 57)

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

13.4. Shareholders' equity of MOL Plc's subsidiaries and certain key investments

Unaudited data for informational purposes

HUF million

ID	Name of the Company	Shareholders' equity	Share capital	Reserves	Net income for 2008
	Subsidiaries				
1.	Slovnaft a.s.*	401,065	181,296	207,039	12,730
2.	TVK Plc	148,541	24,534	124,153	(146)
3.	FGSZ Földgázszállító Zrt.	126,567	18,823	91,797	15,947
4.	MOL CIS Ltd	43,890	22	32,529	11,339
5.	MOL Romania PP Srl.	30,927	16,009	17,759	(2,841)
6.	Italiana Energia e Servizi S.p.A.*	24,868	6,619	42,244	(23,995)
7.	MMBF Zrt.	15,457	22,395	(442)	(6,496)
8.	Intermol d.o.o.	11,408	14,675	(1,393)	(1,874)
9.	MOL Slovenija d.o.o.	4,492	4,357	(50)	185
10.	MOL Reinsurance Ltd	4,478	431	2,419	1,628
11.	Geofizikai Szolgáltató Kft.	4,073	1,890	1,341	842
12.	I&C Energo a.s.	4,066	1,491	2,153	422
13.	Petrolszolg Kft.	3,676	989	2,584	103
14.	Kalegran Ltd	3,634	6	6,697	(3,069)
15.	MOL Energiakereskedő Kft.	3,186	50	545	2,591
16.	MOLTRADE-Mineralimpex Zrt.	3,111	1,627	1,388	96
17.	Terméktároló Zrt.	3,083	1,620	20	1,443
18.	Dunai Gőzfejlesztő Kft.	2,638	2,604	0	34
19.	MOL Agram d.o.o.***	2,492	8,662	(7,376)	1,206
20.	MOL-LUB Kft.	2,457	2,603	(458)	312
21.	Geoinform Kft.	2,017	1,125	610	282
22.	USI Ltd	1,103	4	2,225	(1,126)
23.	MOL Pakistan Ltd	1,017	112	1,402	(497)
24.	E.M.S Management Ltd	850	4	860	(14)
25.	Roth Heizöle GmbH.	767	9	54	704
26.	MOL Trans Kft.	586	619	(10)	(23)
27.	MOL Austria GmbH	480	96	20	364
28.	FER Tűzoltóság és Szolgáltató**	418	290	128	0
29.	MOL-RUSS ooo.	155	125	(2)	32
30.	BHM Oil Invest Ltd	136	36	272	(172)
31.	MK Mineralkontor GmbH.	93	14	0	79
32.	Alfagas Kft.	80	10	32	38
33.	Hermész Kft.	45	5	37	3
34.	Hexán Kft.	29	7	10	12
35.	Ménrót Kft.	6	6	0	0
36.	MOL North-Africa Ltd	4	3	3	(2)

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

ID	Name of the Company	Shareholders' equity	Share capital	Reserves	Net income for 2008
37.	Platouko Investments Ltd	4	2	4	(2)
38.	MH Oil and Gas BV	4	5	11	(12)
39.	BMN Investment Ltd	3	4	1	(2)
40.	Bravoum Investments Ltd	(1)	0	1	(2)
41.	MK Oil and Gas BV	(8)	5	(9)	(4)
42.	UBA Services Ltd	(32)	244	(249)	(27)
43.	MOL Yemen Ltd	(118)	552	(308)	(362)
44.	Balatongáz Kft.	(361)	50	(421)	10
45.	MOL Central Asia B.V.	(765)	1,845	(2,598)	(12)
46.	Hawasina GmbH.	(976)	246	643	(1,865)
47.	Lamorak Enterprises Ltd	(1,127)	873	(769)	(1,231)
48.	TIFON d.o.o.	(1,168)	279	(48)	(1,399)
49.	RUSI Services Ltd	(1,394)	45	9	(1,448)
50.	Pyrogol Ltd	(1,516)	2	2	(1,520)
51.	SHM Seven Ltd	(3,015)	479	(1,107)	(2,387)
52.	Greentrade Ltd	(6,296)	1	(1,383)	(4,914)
53.	Pronodar Ltd	(7,028)	1	8	(7,037)
54.	MOL Caspian Ltd	(8,439)	(8)	(7,036)	(1,395)
	Related parties				
55.	INA d.d.*	431,649	323,010	148,046	(39,407)
56.	ENERGOPETROL d.d. Sarajevo	500	3,114	(1,681)	(933)
57.	ROSSI Biofuel Zrt.	342	350	-92	84
	Joint ventures				
58.	CM European Power International B.V.	1,102	1,099	0	3

* Minority interest is presented under reserves.

** Items of 31 October 2008

*** Items of 31 December 2006

Companies having registered seat in Hungary are presented according to Hungarian Accounting Act and companies with registered seat in abroad are presented according to IFRS.

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

13.5. MOL Plc's other investments, classified as long-term investments

HUF million

ID	Name of the Company	2007				2008			
		Share %	Gross book value	Accumulated impairment and reversal	Net book value	Share %	Gross book value	Accumulated impairment and reversal	Net book value
1.	Budapesti Értéktőzsde Zrt. Budapest Andrássy út 93.	2.18	431	0	431	2.18	431	0	431
2.	II, Nemzetközi Gazdaság Fejlesztő Közhasznú Társ, Budapest, Lajos u, 160-162,	11.49	1	0	1	11.49	1	0	1
	Total		432	0	432		432	0	432

The equity share and voting rights are identical in the case of the given companies.

13.6. Impairment of long-term investments and its reversal

HUF million

Description	Subsidiaries	Associated companies	Joint venture companies	Other investments	Total
Closing gross balance of 2007	658,743	121,748	15	432	780,938
Closing gross balance of 2008	752,855	349,747	1,239	432	1,104,273
Opening impairment balance of 2007	32,356	1	0	0	32,357
Increase of impairment	4,284	0	15	0	4,299
Reversal of impairment	(941)	0	0	0	(941)
Closing impairment balance of 2007	35,699	1	15	0	35,715
Increase of impairment*	6,813	0	0	0	6,813
Increase of impairment due to reclassification **	448	0	72	0	520
Decrease of impairment due to decrease of investment	0	0	0	0	0
Reversal of impairment due to reclassification	0	0	0	0	0
Reversal of impairment	0	0	0	0	0
Decrease of reversal of impairment due to decrease of investment	0	0	0	0	0
Closing impairment balance of 2008	42,960	1	87	0	43,048

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

<i>Closing net balance of 2007</i>	623,044	121,747	0	432	745,223
<i>Closing net balance of 2008</i>	709,895	349,746	1,152	432	1,061,225

* Concerning 31 December 2008 impairment was recorded for the following investments in subsidiaries: Intermol d.o.o. HUF 2,280 million, MOL Yemen HUF 392 million, Hawasina GmbH HUF 822 million, Kalegran Ltd HUF 2,794 million, Petrolszolg Kft. HUF 220 million, BMN Investment Ltd HUF 7 million, Pronodar Ltd HUF 8 million, Lamorak Enterprises. Ltd HUF 104 million, Pyrogol Ltd HUF 8 million, MOL Agram d.o.o. HUF 178 million.

** Impairment due to reclassification was recorded for the following investments not registered until 31 December 2007: for MOL Yemen HUF 448 million and for SEP Company Kft. HUF 72 million was recognized due to registration in 2008.

14. Details of long-term loans to related parties

	HUF million	
<i>Long-term loans</i>	<i>2007</i>	<i>2008</i>
<i>HUF loans to related parties</i>	0	141,652
Loans disbursed in RUB	0	73,495
Loans disbursed in EUR	15,671	50,788
Loans disbursed in USD	0	16,260
Loans disbursed in NOK	0	5,523
Loans disbursed in PLN	5,972	0
<i>FX loans to related parties</i>	21,643	146,066
<i>Total long-term loans to related parties</i>	21,643	287,718

In year 2007 and 2008 Company granted loans solely to subsidiaries.

Short-term loans were reclassified into long-term loans pursuant to contract amendments. Affected companies were as follows: MOL Pakistan Ltd, SHM Seven Ltd, MOL Caspian Ltd, E.M.S Management Ltd, Greentrade Ltd, TIFON d.o.o., MOLTRADE-Mineralimpex Kereskedelmi Zrt., FGSZ Zrt.

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

15. Impairment on long-term loans

HUF million

<i>Description</i>	<i>Long-term loans to related parties</i>	<i>Long-term loans to other investments</i>	<i>Other long-term loans</i>	<i>Total</i>
<i>Gross book value as of 31 December 2007</i>	22,436	0	608	23,044
<i>Gross book value as of 31 December 2008</i>	311,047	0	72	311,119
<i>Opening balance of impairment 2007</i>	0	0	501	501
<i>Increase of impairment*</i>	793	0	0	793
<i>Decrease of impairment</i>	0	0	0	0
<i>Closing balance of impairment 2007</i>	793	0	501	1,294
<i>Increase of impairment**</i>	22,536	0	0	22,536
<i>Decrease of impairment</i>	0	0	(501)	(501)
<i>Closing balance of impairment 2008</i>	23,329	0	0	23,329
<i>Net book value as of 31 December 2007</i>	21,643	0	107	21,750
<i>Net book value as of 31 December 2008</i>	287,718	0	72	287,790

* In 2007 Impairment was recognised for loan given to Intermol d.o.o.

** In 2008 impairment increase was recognized for loans given to Intermol d.o.o., Havasina GmbH., Lamorak Enterprises Ltd SHM Seven Ltd, MOL Caspian Ltd, RUSI Services Ltd, Pronodar Ltd and Pyrogol Ltd. Furthermore impairment recognised in previous years belonging to loans given to MOL Caspian Ltd and SHM Seven Ltd was reclassified as a result of amendment of loan agreements.

MOL Hungarian Oil and Gas Public Limited Company
Supplementary Notes for the year ending on 31 December 2008

16. Inventories

16.1. Inventories

HUF million

<i>Description</i>	<i>2007</i>	<i>2008</i>
Materials	54,762	42,326
Of which: purchased crude oil	29,516	18,190
Unfinished production and semi-finished products	47,551	39,096
Finished products	45,355	30,046
Commodities	15,675	13,541
Advances on stocks	0	0
Total	163,343	125,009

16.2. Emission rights

HUF million

<i>Description</i>	<i>Quantity (unit)</i>	<i>Value in HUF million</i>
Closing balance of emission rights received free of charge 31.12.2007	1,778,282	9
Return in 2008	(1,696,821)	(9)
Emission rights sold	(67,344)	0
Emission rights cancelled	(14,117)	0
Closing balance 31.12.2008*	0	0

* The Hungarian State has not issued emission permit rights free of charge during the trading period valid between 1 January 2008 and 31 December 2012.

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

17. Non-current assets disposable within a year, reclassified to inventories

HUF million

<i>Non-current assets in 2007</i>	<i>Gross book value</i>	<i>Accumulated depreciation</i>	<i>Accumulated impairment</i>	<i>Reversal of impairment</i>	<i>Net book value</i>
Land and building and related property rights	12,814	8,297	160	0	4,357
Plant, machinery and vehicles	1,917	1,774	6	0	137
Total reclassification in 2007	14,731	10,071	166	0	4,494

HUF million

<i>Non-current assets in 2008</i>	<i>Gross book value</i>	<i>Accumulated depreciation</i>	<i>Accumulated impairment</i>	<i>Reversal of impairment</i>	<i>Net book value</i>
Land and building and related property rights	436	106	160	0	170
Plant, machinery and vehicles	33	8	6	0	19
Total reclassification in 2008	469	114	166	0	189

The Company reclassifies those property, plant and equipment to commodities, of which the original intention of use has changed (disposable within a year).

18. Write-off of inventories

HUF million

<i>Description</i>	<i>Materials</i>	<i>Unfinished production and semi-finished products</i>	<i>Finished products</i>	<i>Commodities</i>	<i>Advances on stocks</i>	<i>Total inventories</i>
Opening balance of 2007	5	0	0	7,427	0	7,432
Increase of write-off*	0	0	0	529	0	529
Decrease of write-off**	0	0	0	(6,961)	0	(6,961)
Closing balance of 2007	5	0	0	995	0	1,000
Increase of write-off***	0	0	1,380	0	0	1,380
Decrease of write-off	(1)	0	0	(995)	0	(996)
Closing balance of 2008	4	0	1,380	0	0	1,384

*Write-off of inventories includes write-off relating to emission rights.

**The write-off decreased due to the amount of write-off (HUF 6,817 million) related to decrease of emission rights.

*** Increase of write-off was caused by decrease of market prices.

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

19. Receivables

HUF million

<i>Description of receivables</i>	<i>2007.</i>	<i>Correction</i>	<i>2007 Corrected</i>	<i>2008.</i>
Receivables from supply of goods and services (trade receivables)	79,588	0	79,588	76,583
Receivables from related parties	309,253	0	309,253	177,429
Receivables from other investments	3,272	0	3,272	46
Receivables from bill of exchange	0	0	0	0
Other receivables	539,434	(93,825)	445,609	115,281
Book value of lent MOL shares	426,568	0	426,568	88,874
Tax to be refunded	2,807	0	2,807	21,502
Receivables from joint operation	0	0	0	1,309
Receivables related to financial investments	10,781	0	10,781	1,236
Receivables purchased and received	2,725	0	2,725	856
VAT charged by foreign supplier	521	0	521	667
Advance payment for services	376	0	376	325
Receivables from employees	129	0	129	122
Value of option*	93,825	(93,825)	0	0
Receivable from MOL Földgázellátó Zrt. selling price modification	836	0	836	0
Settlements with Magyar Szénhidrogén Készletező szövetség	457	0	457	0
Other other receivables	409	0	409	390
Valuation difference of receivables	0	0	0	0
Positive valuation difference of derivatives	57,146	93,825	150,971	27,486
<i>Of which: Book value of derivatives</i>	<i>0</i>	<i>93,825</i>	<i>93,825</i>	<i>185,937</i>
<i>Valuation difference of derivatives</i>	<i>57,146</i>	<i>0</i>	<i>57,146</i>	<i>(158,451)</i>
Total:	988,693	0	988,693	396,825

* Value of option for MOL shares were reported in 2007 within the other receivables. The item was reclassified into positive valuation difference of derivatives in 2008.

MOL Hungarian Oil and Gas Public Limited Company
Supplementary Notes for the year ending on 31 December 2008

20. Receivables from the supply of goods and services (trade receivables)

HUF million

<i>Description of receivables</i>	<i>2007</i>	<i>2008</i>
Domestic receivables	71,215	72,553
<i>Of which: write off and reversal</i>	<i>(1,366)</i>	<i>(1,126)</i>
Foreign receivables	8,373	4,030
<i>Of which: write off and reversal</i>	<i>(15)</i>	<i>(7)</i>
Total receivables from the supply of goods and services	79,588	76,583

21. Receivables from related parties

HUF million

<i>Description of receivables</i>	<i>2007</i>	<i>2008</i>
Receivables from subsidiaries	308,499	174,093
Receivables from short-term lending of cash and cash equivalent*	216,594	119,599
Receivables from the supply of goods and services	76,669	47,851
Purchased receivables	15,236	6,643
Receivables from joint ventures	465	3,051
Receivables from the supply of goods and services	465	3,036
Receivables from short-term lending of cash and cash equivalent	0	15
Receivables from associated companies	289	285
Receivables from the supply of goods and services	289	285
Total	309,253	177,429

* Explanation for decrease of short-term loans is presented in Note 14.

MOL Hungarian Oil and Gas Public Limited Company
Supplementary Notes for the year ending on 31 December 2008

22. Valuation of receivables

Historical cost

HUF million

Description	Trade receivables	Receivables from related parties	Receivables from other investments	Receivables from bills of exchange	Other receivables	Derivative transactions	Total receivables
Closing balance as of 31.12.2007	80,970	322,114	3,272	0	552,800	57,146	1,016,302
Of which: receivables impaired	1,918	19,408	0	0	250,816	0	272,142
Closing balance as of 31.12.2008	77,706	187,158	46	0	200,772	27,486	493,168
Of which: receivables impaired	1,552	10,182	0	0	175,181	0	186,915

Impairment

HUF million

Description	Trade receivables	Receivables from related parties	Receivables from other investments	Receivables from bills of exchange	Other receivables	Derivative transactions	Total receivables
Opening balance as of 01.01.2007	1,919	9,703	0	0	612	0	12,234
Impairment recognised in the current period	545	5,400	0	0	13,030*	0	18,975
Decrease due to financial settlement	(138)	(1,985)	0	0	(17)	0	(2,140)
Decrease due to written-off receivables	(165)	0	0	0	(256)	0	(421)
Decrease due to sale of receivables	(70)	0	0	0	0	0	(70)
Closing balance as of 31.12.2007	2,091	13,118	0	0	13,369	0	28,578
Impairment recognised in the current period	363	4,221	0	0	85,409*	0	94,054
Decrease due to financial settlement	(89)	(14)	0	0	(7)	0	(110)
Decrease due to written-off receivables	-308	0	0	0	(4)	0	(312)
Decrease due to sale of receivables	(224)	0	0	0	(256)	0	(480)
Decrease due to other decrease of receivables	0	(7,339)	0	0	(13,017)	0	(24,417)
Closing balance as of 31.12.2008	1,833	9,986	0	0	85,494	0	97,313

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

*From which impairment was recognised with the amount of HUF 12,496 million in 2007 and HUF 84,306 million in 2008 in connection with share lending transactions.

Reversal of impairment

HUF million

<i>Description</i>	<i>Trade receivables</i>	<i>Receivables from related parties</i>	<i>Receivables from other investments</i>	<i>Receivables from bills of exchange</i>	<i>Other receivables</i>	<i>Derivative transactions</i>	<i>Total receivables</i>
<i>Closing balance as of 31.12.2007</i>	709	257	0	0	3	0	969
<i>Reversal of impairment in the period</i>	1	0	0	0	0	0	1
<i>Closing balance as of 31.12.2008</i>	710	257	0	0	3	0	970

<i>Net income for the period ended 31.12.2007</i>	79,588	309,253	3,272	0	539,434	57,146	988,693
<i>Net income for the period ended 31.12.2008</i>	76,583	177,429	46	0	115,281	27,486	396,825

MOL Hungarian Oil and Gas Public Limited Company
Supplementary Notes for the year ending on 31 December 2008

23. Short-term investments

23.1. Investment to be sold, liquidated or wound up, classified as short-term investments

HUF million

ID	Name of the Company	2007				2008			
		Share %	Gross book value	Accumulated impairment and revesal	Net book value	Share %	Gross book value	Accumulated impairment and revesal	Net book value
1.	Balatongáz Kft. Balatonakali, Kossuth L u.17.	77.22	505	505	0	77.22	505	505	0
2.	Egerfém Kft.* Egerszalók, 081/4 Hrsz: 3394	51.88	25	0	25	-	-	-	-
Total divested subsidiaries			530	505	25		505	505	0
1.	Villas Hungária Kft. Zalaegerszeg, Zrínyi u. 6.	38.00	183	5	178	38.00	183	6	177
2.	Algynvest Kft. Algyő, Szeged-Algyő Ipartelep	35.00	83	83	0	35.00	83	83	0
3.	IN-ER Erőmű Kft. Nagykanizsa, Erzsébet tér 22.	30.00	6	0	6	30.00	6	0	6
4.	MAG Kft. Szolnok, Ady u. 26.	25.00	1	1	0	25.00	1	1	0
Total divested associates			273	89	184		273	90	183
Divested investments of related parties			803	594	209		778	595	183
1.	AKA Holding Zrt.* Budaörs, Gyár út 2.	1.50	360	0	360	-	-	-	-
Divested other investments			360	0	360		0	0	0
Total divested investments			1,163	594	569		778	595	183

* Investments in Egerfém Kft. and AKA Holding were sold.

The equity share and voting rights are identical in case of all companies included in the table.

MOL Hungarian Oil and Gas Public Limited Company
Supplementary Notes for the year ending on 31 December 2008

23.2. Impairment and reversal of impairment on short-term investments

<i>Description</i>	HUF million				
	<i>Subsidiaries</i>	<i>Joint ventures</i>	<i>Associate companies</i>	<i>Other investments</i>	<i>Total</i>
<i>Gross closing balance of 2007</i>	530	0	273	360	1,163
<i>Gross closing balance of 2008</i>	505	0	273	0	778
<i>Opening impairment balance of 2007</i>	505	0	42	0	547
Reverse of impairment due to reclassification	0	0	47	0	47
<i>Closing impairment balance of 2007</i>	505	0	89	0	594
Increase of impairment	0	0	1	0	1
<i>Closing impairment balance of 2008</i>	505	0	90	0	595
<i>Closing net balance of 2007</i>	25	0	184	360	569
<i>Closing net balance of 2008</i>	0	0	183	0	183

24. Changes of treasury shares in the current year

<i>Description</i>	<i>Number of shares (pcs)</i>	<i>Book value of shares (HUF million)</i>
Opening balance of treasury shares	9,070,597	239,263
Sale of treasury shares	(16,451,325)	(422,855)
Impairment of treasury shares*	0	(125,646)
Treasury shares withdrawal	(5,483,775)	(122,727)
Decreases	(21,935,100)	(671,228)
Get back lent treasury shares	11,729,729	265,883
Purchase of treasury shares	9,916,717	254,559
Impairment elimination	0	14,930
Increases	21,646,446	535,372
Closing total of treasury shares	8,781,943	103,407

* MOL Plc recognized impairment for "A" treasury shares as of 31 December 2008 based on the difference between book value (HUF 26,083.28 per piece) and weighted average stock exchange share price during 90 stock exchange days prior to the balance sheet preparation date (HUF 11,775 per piece).

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

25. Cash and cash equivalents

HUF million

<i>Description</i>	<i>2007</i>	<i>2008</i>
Cash at filling stations	907	929
Other cash in hand, cheques	311	134
Cash in hand, cheques	1,218	1,063
Short-term deposits denominated in HUF and FX	273	143,615
Settlement bank accounts, deposit accounts of sites	10,219	18,719
Bank accounts denominated in FX	25,949	4,335
Other bank accounts	1,660	435
Bank accounts	38,101	167,104
CASH AND CASH EQUIVALENTS	39,319	168,167

26. Prepayments, accruals

Details of prepayments

HUF million

<i>Description</i>	<i>2007</i>	<i>2008</i>
Accrued subsequent price adjustment related to the sale of MOL Földgázellátó Zrt.	26,855	6,400
Interest received	2,134	5,222
Other deferred income	497	461
Accrued income	29,486	12,083
Mining royalty*	15,454	13,247
Deferred loss on MOL shares lent **	52,787	4,862
Prepaid rent and lease fee	1,738	2,640
Transaction cost due to sale of MOL shares***	1,449	1,338
Issue of long-term zero coupon bonds	647	589
Wages and salaries, severance pay and related taxes	35	8
Other prepayments	258	312
Prepaid costs and expenses	72,368	22,996
Total	101,854	35,079

* On 22 December 2005 the Company signed an agreement with the Ministry of Economy and Transport on the extension of production licences for 12 mining sites until 2010, and on the setting of fix and declining mining royalty rate for the period of the extension and the following 10 years afterwards in consideration for a one-off payment of HUF 20 billion. The one-off payment is recognised as cost proportionally to oil and gas production subject to mining royalty during the 15-years period defined by the contract.

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

** In 2007, MOL Plc signed an agreement to lend 8,757,362 "A" series MOL shares to OTP Bank Plc and 10,933,000 shares to MFB Invest Zrt. The difference between the book value and the contract value was deferred. Majority of shares were repurchased and withdrawn in 2008.

*** On 13 March 2006 MOL signed a share purchase agreement to sell 6,007,479 Series "A" Ordinary Shares of MOL held in treasury to Magnolia Finance Limited ("Magnolia"). Magnolia announced the sale of up to EUR 610 million of perpetual exchangeable capital securities (the "Capital Securities"), exchangeable into the Series "A" Ordinary Shares of MOL in the predetermined exchange period, to international financial investors. MOL has also, concurrently with the sale, entered into a swap agreement in principle with Magnolia that gives MOL a call option to buy back all or some of the Series "A" Ordinary Shares of MOL, in certain limited circumstances. Transaction cost related to dealings is recorded proportionally until the closing date (2016).

Details of accruals

Description	HUF million	
	2007	2008
Deferred revenues	12	110
Deferred revenues	12	110
Accrued consideration regarding MOL Földgázellátó Zrt.	25,000	25,000
Accrued personnel expenses	3,785	3,942
Interest payable to financial institutions	598	3,411
Interest payable to non-financial institutions	2,891	1,967
Accrued fee to Strategic Inventory Storage (MSZKSZ)	1,047	18
Accrued expenses of long-term incentive programmes	959	0
Other accrued costs and expenses	648	830
Accrued costs and expenses	34,928	35,168
Negative goodwill related to acquisition *	8,389	6,367
Book value of assets received free of charge, found as a surplus, or received as a gift or legacy	666	585
Other	127	173
Other deferred income	9,182	7,125
Total	44,122	42,403

* On 27-28 February 2007 the Company purchased TVK shares representing 42.25 % of TVK' s share capital. Following the transaction MOL achieved qualified majority in TVK. Negative goodwill related to the transaction was accounted with the amount of HUF 10,086 million, which will be released during the next 5 years.

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

27. Changes in equity

HUF million

<i>Description</i>	<i>Share capital</i>	<i>Share premium</i>	<i>Retained earnings</i>	<i>Tied-up reserve</i>	<i>Fair valuation reserve</i>	<i>Net income</i>	<i>Shareholders' equity</i>
Balance as of 01.01.2007	109,330	220,759	622,754	269,860	0	245,367	1,468,070
Increase due to convertible bonds	345	1,595	0	0	0	0	1,940
Transfer of net income for previous year	0	0	245,367	0	0	(245,367)	0
Profit adjustments to previous years	0	0	863	0	0	0	863
2007 profit after tax	0	0	0	0	0	216,671	216,671
Dividend payable	0	0	0	0	0	(85,000)	(85,000)
Change of tied-up reserve	0	0	9,464	(9,464)	0	0	0
Balance as of 31.12.2007	109,675	222,354	878,448	260,396	0	131,671	1,602,544
Increase due to convertible bonds*	327	1,512	0	0	0	0	1,839
Share capital reduction**	(5,483)	0	0	0	0	0	(5,483)
Transfer of net income of previous year	0	0	131,671	0	0	(131,671)	0
Profit adjustments to previous years	0	0	1,004	0	0	0	1,004
2008 profit after tax	0	0	0	0	0	(223,007)	(223,007)
Dividend payable	0	0	0	0	0	0	0
Change of tied-up reserve	0	0	129,694	(129,694)	0	0	0
Balance as of 31.12.2008	104,519	223,866	1,140,817	130,702	0	(223,007)	1,376,897

*MOL Plc issued 327,336 shares to participants of the convertible bond programme (share based incentive scheme for members of the Board of Directors and top managers) in exchange for the 184 bonds, presented by them, at an issue price of HUF 5,621.

** The AGM approved the decrease of the share capital by withdrawal of 5,483,775 pieces registered ordinary treasury shares of the series "A", with par value of HUF 1,000.

MOL Hungarian Oil and Gas Public Limited Company
Supplementary Notes for the year ending on 31 December 2008

28. Breakdown of the tied up reserve

<i>Description</i>	HUF million		
	<i>2007</i>	<i>2008</i>	<i>Change</i>
Repurchase value of treasury shares	239,263	103,407	(135,856)
Research and development, not written off yet	744	1,114	370
Other tied-up reserves*	20,389	26,181	5,792
<i>Total tied-up items</i>	260,396	130,702	(129,694)

* The Company tied up capital reserve in an amount corresponding to the capitalised field abandonment provision included in the net balance of property, plant and equipment. (Further details are presented in section 3.4.6.)

MOL Hungarian Oil and Gas Public Limited Company
Supplementary Notes for the year ending on 31 December 2008

29. Provisions

Provisions for contingent liabilities

HUF million

Description	2007					2008				
	Opening balance	Use of provisions	Provision recognised against profit	Provision capitalised against fixed assets*	Closing balance	Use of provisions	Provision recognised against profit	Provision capitalised against fixed assets*	Closing balance	
Provisions for field abandonment	83,828	2,946	3,101	(2,176)	81,807	1,845	5,031	9,377	94,370	
Provisions for environmental liabilities**	15,231	2,502	2,639	-	15,368	2,799	1,053	-	13,622	
Provision for performed but not charged subcontractor's services***	0	0	8,997	-	8,997	568	397	-	8,826	
Provisions for retirement liabilities	2,144	333	702	-	2,513	157	518	-	2,874	
Provision for loyalty bonus	0	0	1,813	-	1,813	472	434	-	1,775	
Provisions for the unused points on loyalty and multipoint cards	705	210	220	-	715	216	237	-	736	
Provision for Emission rights****	0	0	0	-	0	0	514	-	514	
Provisions for redundancy and early retirement	1,399	856	61	-	604	189	22	-	437	
Provisions for litigation	170	50	39	-	159	41	20	-	138	
Of which: litigation against related party	80	0	0	-	80	0	0	-	80	
Other provisions*****	537	79	0	-	458	115	(59)	-	284	
Total provisions for contingent liabilities	104,014	6,976	17,572	(2,176)	112,434	6,402	8,167	9,377	123,576	

* See section 3.4.6.

** The environmental expenses recognised were HUF 2,726 million in 2007, and HUF 2,501 million in 2008.

*** MOL Plc recognized provision for contingent liabilities arisen from general contracting activity of the Company concerning subcontractors' services performed but not charged during the reporting period.

**** The Hungarian State has not issued emission permit rights free of charge during the trading period valid between 1 January 2008 and 31 December 2012. The Company, while determined the amount of provision, calculated with the quantities determined for specific facilities in the Government Resolution No. 2156/2008. (XI.5.), submitted to European Commission for approval.

***** Provision recognised as expense in 2008, it was self revision.

MOL Hungarian Oil and Gas Public Limited Company
Supplementary Notes for the year ending on 31 December 2008

30. Long-term liabilities

Details of long-term liabilities by maturity

HUF million

<i>Balance sheet item 2007</i>	<i>Within a year</i>	<i>Long-term</i>		
		<i>Between 1 and 5 years</i>	<i>Over 5 years</i>	<i>Total</i>
Convertible bonds	3,860	0	0	0
Liabilities from bond issue	0	0	190,012	190,012
Other long-term credits	34,172	312,089	0	312,089
Long-term liabilities to related parties	10,726	0	0	0
Other long-term liabilities	0	28	0	28
Total	48,758	312,117	190,012	502,129

HUF million

<i>Balance sheet item 2008</i>	<i>Within a year</i>	<i>Long-term</i>		
		<i>Between 1 and 5 years</i>	<i>Over 5 years</i>	<i>Total</i>
Convertible bonds	0	0	0	0
Liabilities from bond issue	0	0	198,585	198,585
Other long-term credits	79,434	512,455	0	512,455
Long-term liabilities to related parties	191	0	0	0
Other long-term liabilities	0	402	0	402
Total	79,625	512,857	198,585	711,442

Liabilities secured with a mortgage or similar rights

The Company does not have any liabilities secured with a mortgage or similar rights.

31. Breakdown of long-term liabilities to related parties

MOL Plc did not have long-term liabilities to related parties (long-term credit or liability to suppliers) in 2007 and 2008.

MOL Hungarian Oil and Gas Public Limited Company
Supplementary Notes for the year ending on 31 December 2008

32. Liabilities, where the repayable amount exceeds the amount received

HUF million

<i>Description</i>	<i>Amount received EUR</i>	<i>Amount repayable</i>		<i>Maturity</i>
		EUR	HUF million	
Long-term liabilities from bond issue	746,707,500	750,000,000	198,585	05.10.2015

The Company signed the agreements related to EUR 750 million fixed rate Eurobond notes on 30 September 2005. The notes will pay an annual coupon of 3.875% and are in the denomination of EUR 50,000 each. The notes were offered as part of a private placement and are listed on the Luxembourg Stock Exchange.

The amount of the liability in the balance sheet as of 2007 was HUF 190,012 million, the difference is due to revaluation in 2008.

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

33. Short- term liabilities

HUF million

<i>Description</i>	<i>2007</i>	<i>Correction</i>	<i>2007 corrected</i>	<i>2008</i>
Short-term borrowings	3,860	0	3,860	0
<i>Of which: convertible bonds</i>	3,860	0	3,860	0
Short-term loans	34,172	0	34,172	79,434
Advances from customers	1,111	0	1,111	1,572
Liabilities from the supply of goods and services (suppliers)	125,894	0	125,894	111,575
Bills of exchange	0	0	0	0
Short-term liabilities to related parties	99,831	0	99,831	75,417
Short-term liabilities to other investments	55	0	55	145
Other short-term liabilities	168,612	(25,708)	142,904	57,933
Tax and contribution liabilities	40,817	0	40,817	43,072
<i>Of which: VAT liability</i>	16,732	0	16,732	20,926
<i>Excise duty</i>	12,103	0	12,103	14,776
Fine to be paid*	0	0	0	6,275
Liabilities from filling station cards and services	539	0	539	1,992
Price difference of acquisition	6,662	0	6,662	1,897
Liabilities to the social security system	1,323	0	1,323	1,115
Settlements with Magyar Szénhidrogén Készletező Szövetség	0	0	0	1,039
Liabilities from joint operation	0	0	0	752
Liabilities to shareholders	85,366	0	85,366	649
<i>Of which: dividend payable</i>	85,098	0	85,098	392
Option historical cost**	25,708	(25,708)	0	0
Ruhrgas discount***	7,192	0	7,192	0
Other short-term liabilities	1,005	0	1,005	1,142
Valuation difference of liabilities	0	0	0	0
Negative valuation difference of derivatives	5,304	25,708	31,012	14,921
<i>Of which: Historical value of derivatives</i>	0	25,708	25,708	19,312
<i>Valuation difference of derivatives</i>	5,304	0	5,304	(4,391)
Total	438,839	0	438,839	340,997

* See Note 40.

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

** Historical value of the option related to MOL shares were recognized within other short-term liabilities in 2007. The item was carried forward into negative valuation difference of derivatives in 2008.

*** MOL Plc received gas discount for deposited amount of natural gas according to the contract concluded between MOL and Ruhrgas AG. in 1998. MOL in connection with the sale of MOL Földgázellátó Zrt. conveyed the contract to E.ON Földgáz Trade Zrt. The contract was financially settled in 2008.

34. Short-term loans

	HUF million	
<i>Description</i>	<i>2007</i>	<i>2008</i>
Convertible bond liability due within a year	3,860	0
Total short-term loans	3,860	0

See Note 51.

35. Short-term credits

	HUF million	
<i>Description</i>	<i>2007</i>	<i>2008</i>
Long-term loans repayable within a year	34,172	79,434
Total short-term credits	34,172	79,434

36. Breakdown of short-term liabilities to related parties

	HUF million	
<i>Description</i>	<i>2007</i>	<i>2008</i>
Liabilities to subsidiaries	98,599	72,006
Suppliers	39,721	30,822
Short-term credits	47,165	34,966
Other liabilities	11,713	6,218
Liabilities to associated companies	1,232	3,411
Suppliers	1,232	3,411
Total	99,831	75,417

The Company did not have short-term liability to joint ventures in 2007 and 2008.

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

37. Net sales revenues by market segments

HUF million

Market segment, region	2007			2008		
	Product	Service	Total	Product	Service	Total
European Union	307,258	1,728	308,986	346,265	2,062	348,327
Of which: Austria	94,030	41	94,071	105,963	38	106,001
Slovakia	87,235	782	88,017	70,395	1,073	71,468
Romania	21,983	161	22,144	31,803	226	32,029
Central-Eastern Europe	55,054	231	55,285	110,283	170	110,453
Of which: Croatia	27,867	223	28,090	67,970	156	68,126
Other Europe	2,457	0	2,457	4,747	1	4,748
Outside Europe*	8,422	455	8,877	8,559	587	9,146
Export total	373,191	2,414	375,605	469,854	2,820	472,674
Total domestic	1,420,914	44,982	1,465,896	1,665,399	85,098	1,750,497
Total	1,794,105	47,396	1,841,501	2,135,253	87,918	2,223,171

*The outside Europe segment contained the sale of PB products, fuels, heating and fuel oils, lubricants and other crude oil industry products.

38. Net sales revenues by divisions

HUF million

Description	Refining & Marketing	Retail services	Exploration & Production	Gas and Energy	Corporate and other*	Total
Net domestic sales revenues	1,425,009	75,380	195,186	117	54,805	1,750,497
Net export sales revenues	470,466	7	815	341	1,045	472,674
Net sales revenues	1,895,475	75,387	196,001	458	55,850	2,223,171

*Services provided for subsidiaries by the Company.

MOL Hungarian Oil and Gas Public Limited Company
Supplementary Notes for the year ending on 31 December 2008

39. Import purchase by market segment

HUF million

<i>Market segment, region</i>	<i>2007</i>			<i>2008</i>		
	<i>Product</i>	<i>Service</i>	<i>Total</i>	<i>Product</i>	<i>Service</i>	<i>Total</i>
European Union	732,424	16,973	749,397	501,867	35,916	537,783
<i>of which: UK</i>	550,953	1,024	551,977	273,449	3,085	276,534
<i>Cyprus</i>	112,790	3,980	116,770	128,347	6,293	134,640
<i>Germany</i>	28,041	3,767	31,808	25,020	7,633	32,653
<i>Slovakia</i>	23,965	986	24,951	51,331	1,887	53,218
<i>Austria</i>	6,642	3,302	9,944	10,438	3,926	14,364
Other Europe	64,140	1,023	65,163	453,798	1,014	454,812
<i>of which: Switzerland</i>	64,140	1,011	65,151	453,798	997	454,795
Central-Eastern Europe	8,728	1,598	10,326	10,401	1,028	11,429
<i>of which: Croatia</i>	8,432	683	9,115	8,233	235	8,468
Outside Europe	20,771	1,342	22,113	23,170	1,420	24,590
<i>of which: USA</i>	11,317	1,229	12,546	10,819	1,271	12,090
<i>Kazakhstan</i>	8,856	10	8,866	10,784	59	10,843
Total Import	826,063	20,936	846,999	989,236	39,378	1,028,614

The table does not contain the performed but non invoiced deliveries.

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

40. Other operating income and expenses

HUF million

<i>Other operating income</i>	<i>2007</i>	<i>2008</i>
Selling price of Mining Right*	0	64,839
Provision used	6,976	6,402
<i>Of which: Release of environmental provision</i>	<i>2,502</i>	<i>2,799</i>
<i>Release of field abandonment provision</i>	<i>2,946</i>	<i>1,845</i>
Revenues from the sale of intangibles and property, plant and equipment	511	2,625
Reversal of impairment of tangible assets	582	2,082
Write off negative goodwill arisen from acquisitions	1,697	2,023
Surplus inventory	1,474	1,989
Received penalty, fine, default penalty and compensation	592	1,154
Reversal of write-off of receivables, derecognition of write-off due to financial settlements	2,155	512
Reversal of deferred income concerning emission rights	2,276	9
Other	1,482	1,151
Total other operative income	17,745	82,786

* Strategic and commercial gas storage mining rights sold to MMBF Zrt.

HUF million

<i>Other operating expenses</i>	<i>2007</i>	<i>2008</i>
Excise duty	274,210	290,057
Impairment*	20,336	106,632
Fee to the Magyar Szénhidrogén Készletező Szövetség	13,872	12,104
Tax and duties paid to Government	10,056	11,431
Provisions made	17,572	8,226
Fines, penalties and self-revision penalty**	391	6,106
Extraordinary depreciation and impairment***	7,243	2,695
Depreciation, scrapping and shortage of stocks	1,535	2,205
Cost of intangible assets and property, plant and equipment sold	486	2,126
Grants and benefits	907	876
Use of emission rights	1,747	9
Other	1,252	3,004
Other operative expenses	349,607	445,471

* Including the impairment recognized for lent MOL shares of HUF 84,306 million.

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

** The sum in 2008 contains the paraffin fine imposed by the European Commission with the amount of EUR 23.7 million.

*** The amount of impairment contains impairment of field abandonment provision capitalised in the value of land and buildings. See section 3.4.6.

41. Other services

HUF million

<i>Description</i>	<i>2007</i>	<i>2008</i>
Other tax and tax-type payments recognised as an expense	203,974	219,059
<i>Of which: Excise duty</i>	<i>106,414</i>	<i>109,700</i>
<i>Mining royalty</i>	<i>97,128</i>	<i>108,801</i>
Insurance fees	3,175	2,705
Authority charges, duties	1,125	1,301
Bank expenses*	2,450	832
Environmental levy	313	271
Other	2	0
Total other services	211,039	224,168

*The high amount of bank expenses was due to a one off contracting fee of a multicurrency revolving credit of EUR 2.1 billion. The loan agreement was signed on 2 October 2007.

42. Dividend received (due)

HUF million

<i>Description</i>	<i>2007</i>	<i>2008</i>
Dividend received (due) from subsidiaries	66,779	63,958
Dividend received (due) from associated companies	1,127	1,662
Received (due) dividend from related parties	67,906	65,620
Received (due) dividend from other investments	61	81
Other received (due) dividend	61	81
Total received (due) dividend	67,967	65,701

43. Divested companies

HUF million

<i>Name of the Company</i>	<i>Date of divestment</i>	<i>Book value</i>	<i>Revenue recorded</i>	<i>Effect on profit</i>
AKA Holding Zrt.	24.06.2008.	360	501	141
Egerfém Kft.	03.07.2008.	13	28	15
	15.09.2008.	12	28	16
Total divested companies in 2008		385	557	172

MOL Hungarian Oil and Gas Public Limited Company
Supplementary Notes for the year ending on 31 December 2008

44. Other financial income and expenses

HUF million

<i>Other financial income</i>	<i>2007</i>	<i>2008</i>
FX gain on monetary assets and liabilities denominated in foreign exchange	40,781	188,114
<i>Of which: Realised FX gain of other receivables denominated in foreign</i>	<i>5,516</i>	<i>61,136</i>
<i>Realised FX gain of loans and borrowings denominated in foreign exchange</i>	<i>5,018</i>	<i>42,465</i>
<i>Realised FX gain of trade payables denominated in foreign exchange</i>	<i>12,564</i>	<i>25,223</i>
<i>Realised FX gain of other payables denominated in foreign exchange</i>	<i>1,573</i>	<i>24,986</i>
<i>Realised FX gain of trade receivables denominated in foreign exchange</i>	<i>5,135</i>	<i>20,703</i>
<i>Unrealised FX gain at year-end valuation</i>	<i>8,050</i>	<i>2,629</i>
FX gain realised on sold treasury shares*	0	31,119
Gain on non-hedge-type derivative transactions	36,893	30,765
Loss given due to joint operation	885	276
Other, not specified financial income	174	1,298
Total other financial income	78,733	251,572

* The share purchase agreement as part of MOL-CEZ strategic alliance was financially closed and settled on 23 January 2008. MOL sold 7,677,285 pieces of „A” series MOL shares to CEZ (7 % ownership) at HUF 30,000 per share. MOL has an American call option for the shares with a strike price of HUF 20,000 per share which can be exercised within 3 years. MOL paid an upfront fee (difference between the strike price and purchase price) and an annual option fee (HUF 1,600 per share) to CEZ.

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

	HUF million	
<i>Other financial expenses</i>	<i>2007</i>	<i>2008</i>
Loss on non-hedge-type derivative transactions	3,411	233,872
FX loss on monetary assets and liabilities denominated in foreign exchange	32,314	150,178
<i>Of which: FX loss on credits and loans denominated in foreign currency</i>	<i>4,376</i>	<i>58,189</i>
<i>FX loss on suppliers denominated in foreign currency</i>	<i>7,256</i>	<i>40,672</i>
<i>FX loss on other receivables denominated in foreign currency</i>	<i>6,886</i>	<i>32,402</i>
<i>FX loss on trade receivables denominated in foreign currency</i>	<i>6,850</i>	<i>14,237</i>
<i>FX loss on other payables denominated in foreign currency</i>	<i>2,139</i>	<i>2,009</i>
FX loss realised on sold treasury shares	0	26,288
Take over loss due to joint operation	1,801	5,679
Other, not specified financial expense	13	632
Total other financial expenses	37,539	416,649

Financial profit with the amount of HUF 10,273 million was realised at the closing of the transaction in December concerning the agreement concluded with the Oman Oil Company S.A.O.C in March 2008.

45. Extraordinary revenues and expenditure

	HUF million	
<i>Extraordinary revenues</i>	<i>2007</i>	<i>2008</i>
Face value of treasury shares repurchased and withdrawn*	0	5,483
In kind contribution value determined by the Article of Association**	0	5,229
Extraordinary revenues from assets received free of charge	59	307
Grant received	12	16
Extraordinary revenues from terminated investments	1,651	0
Other extraordinary revenues	12	355
Total extraordinary revenues	1,734	11,390

	HUF million	
<i>Extraordinary expenses</i>	<i>2007</i>	<i>2008</i>
Carrying value of treasury shares repurchased and withdrawn*	0	122,727
Carrying value of in kind contribution**	0	5,095
Carrying value of assets given free of charge	165	111
Final transfer of cash and cash equivalents	204	105
Non-deductible VAT of assets given free of charge	19	24
Receivable remittal, takeover of debt	2	3
Extraordinary expenses from terminated investments	299	0
Total extraordinary expenses	689	128,065

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

* See Notes 24 and 27.

** The Company transferred assets to FGSZ Földgázszállító Zrt. and Dunai Gőzfejlesztő Kft. as in kind contribution.

46. Grant received for development purposes

HUF million

<i>Title of subsidy</i>	<i>2007</i>			<i>2008</i>		
	<i>Amount received</i>	<i>Amount used</i>	<i>Available amount</i>	<i>Amount received</i>	<i>Amount used</i>	<i>Available amount</i>
Development of new generation bio-fuel (primarily bio-diesel)	0	80*	0	85	85	0
Waste cracking pilot plant development	0	0	0	6	1	5
Grant received from World Bank Group (research, environment friendly geothermal project financing)	587	587	0	0	0	0

* Amount used from the budget received in 2006.

47. Revenues from related parties

HUF million

<i>Description</i>	<i>2007</i>	<i>2008</i>
Net revenues from related parties	551,755	701,399
Net revenues from subsidiaries	481,379	594,215
Net revenues from associated companies	9,916	43,928
Net revenues from joint ventures	0	9,620
Net revenues from other investments	60,460	53,636
Other revenues from related parties	4,368	69,680
Other revenues from subsidiaries*	4,268	69,681
Other revenues from joint ventures	0	1
Other revenue from other investments	100	0

* The increase of other revenues from subsidiaries caused by the mining rights sold to MMBF Zrt. in amount of HUF 64,839 million.

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

48. Reconciliation of corporate tax base, solidarity surplus tax

HUF million

<i>Description</i>	<i>2007</i>	<i>2008</i>
Profit before taxation	255,810	(223,007)
Temporary tax base adjustments		
Tax base adjustment of impairment	17,250	104,452
Tax base adjustment of depreciation	(839)	1,965
Tax base adjustment of impairment and reversal based on market valuation	3,997	(235)
Tax base adjustment of provisions made and used	7,496	(10,812)
Other tax base adjustments		
Tax base adjustment of tax penalty	27	5,910
Not realised FX difference due to not covered derivative transaction and long-term liabilities	(12,358)	1,753
Tax base adjustments of non-repayable grants and benefits given	1,338	1,200
Accounted costs and expenses not relating to business activities	488	905
Other tax base adjustment	(792)	157
Non-repayable grants received as revenue	(57)	(53)
100% of research and development costs	(594)	(1,212)
Tax base adjustment of the sale, contribution in kind, destruction or shortage of intangible assets and property, plant and equipment	(223)	(1,442)
Impairment loss regarding controlled foreign investments	6,251	0
50% of received royalty revenues	(424)	0
Interest in connection with related parties	(2,427)	0
100% of local tax recognised as an expense	(8,739)	0
Dividend received	(67,967)	(65,701)
Tax base	198,237	(186,120)

Summary of tax base adjustments

HUF million

<i>Description</i>	<i>2007</i>	<i>2008</i>	<i>Change</i>
Items increasing the tax base	112,664	191,304	78,640
Items reducing the tax base	(170,237)	(154,417)	15,820
Change of tax base	(57,573)	36,887	94,460

MOL Hungarian Oil and Gas Public Limited Company
Supplementary Notes for the year ending on 31 December 2008

Solidarity surplus tax

HUF million

Description		2007	2008
1.	Profit before tax	255,810	(223,007)
2.	Reduction items	71,609	67,308
	Dividend received	67,967	65,701
	Received subsidy and allowance, assets received free of charge, assumed liability	3,048	394
	Direct cost of basic research and research and development	594	1,213
3.	Increasing items	1,336	1,271
	Tax paid in abroad	41	155
	Given subsidy and allowances, assets given free of charge, assumed liability	1,295	1,116
4.	Tax base	185,537	(289,044)
5.	Surplus tax	7,421	0

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

49. Material errors of the previous years and their impact

HUF million

Balance Sheet	Original amounts of previous year	Adjustments of current year						Adjusted amounts of previous year
		For years						
		2003	2004	2005	2006	2007	Total	
NON-CURRENT ASSETS	1,165,007	0	11	11	172	347	541	1,165,548
Intangible assets	61,838	0	12	(2)	(3)	(5)	2	61,840
Property, plant and equipment	336,196	0	(1)	13	175	352	539	336,735
Non-current financial assets	766,973	0	0	0	0	0	0	766,973
CURRENT ASSETS	1,433,207	0	1	1	(135)	1,721	1,588	1,434,795
Inventories	163,343	0	0	1	9	(8)	2	163,345
Receivables	988,693	0	1	0	(144)	1,731	1,588	990,281
Securities	241,852	0	0	0	0	0	0	241,852
Cash and cash equivalents	39,319	0	0	0	0	(2)	(2)	39,317
PREPAYMENTS	101,854	0	0	0	0	54	54	101,908
TOTAL ASSETS	2,700,068	0	12	12	37	2,122	2,183	2,702,251
SHAREHOLDERS' EQUITY	1,602,544	(8)	(3)	(7)	(80)	1,102	1,004	1,603,548
Share capital	109,675	0	0	0	0	0	0	109,675
Share premium	222,354	0	0	0	0	0	0	222,354
Retained Earnings	878,448	0	0	0	0	0	0	878,448
Tied-up reserve	260,396	0	0	0	0	0	0	260,396
Fair valuation reserve	0	0	0	0	0	0	0	0
Net income for the period	131,671	(8)	(3)	(7)	(80)	1,102	1,004	132,675
PROVISIONS	112,434	0	0	0	(60)	0	(60)	112,374
LIABILITIES	940,968	8	15	5	5	1,160	1,193	942,161
Long-term liabilities	502,129	0	9	(1)	(3)	552	557	502,686
Short-term liabilities	438,839	8	6	6	8	608	636	439,475
ACCRUALS	44,122	0	0	14	172	(140)	46	44,168
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	2,700,068	0	12	12	37	2,122	2,183	2,702,251

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

HUF million

Income Statement	Adjustments of current year					Total
	For years					
	2003	2004	2005	2006	2007	
Net sales revenue	0	0	0	(2)	12	10
Capitalised own performance	0	0	0	0	0	0
Other operating income	0	0	0	0	95	95
Material-type expenses	2	3	3	(5)	393	396
Personal-type expenses	6	0	0	0	76	82
Depreciation	0	1	0	10	(407)	(396)
Other expenditures	0	0	0	94	(62)	32
PROFIT OR LOSS OF OPERATING ACTIVITIES	(8)	(4)	(3)	(101)	107	(9)
FINANCIAL PROFIT OR LOSS	0	1	(2)	1	1,148	1,148
ORDINARY BUSINESS PROFIT	(8)	(3)	(5)	(100)	1,255	1,139
EXTRAORDINARY PROFIT OR LOSS	0	0	(2)	16	(21)	(7)
PROFIT BEFORE TAX	(8)	(3)	(7)	(84)	1,234	1,132
Income tax	0	0	0	(4)	132	128
PROFIT AFTER TAX	(8)	(3)	(7)	(80)	1,102	1,004
Use of retained earnings for dividend	0	0	0	0	0	0
Approved dividend and profit share	0	0	0	0	0	0
NET INCOME FOR THE PERIOD	(8)	(3)	(7)	(80)	1,102	1,004

50. Employees

HUF million

<i>Staff categories</i>	<i>2007</i>			<i>2008</i>		
	<i>Average statistical staff (persons)</i>	<i>Wages and salaries (HUF million)</i>	<i>Personnel type expenses (HUF million)</i>	<i>Average statistical staff (persons)</i>	<i>Wages and salaries (HUF million)</i>	<i>Personnel type expenses (HUF million)</i>
Full-time employees	5,306	33,032	5,629	5,384	33,776	7,008
- blue-collar	2,577	10,025	2,219	2,575	10,588	2,452
- white-collar	2,729	23,007	3,410	2,809	23,188	4,556
Other	43	1,155	978	58	1,313	466
Total	5,349	34,187	6,607	5,442	35,089	7,474

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

51. Board of Directors and Supervisory Board

Remuneration paid to members of Board of Directors and Supervisory Board

HUF million

<i>Description</i>	<i>2007</i>			<i>2008</i>		
	<i>Board of Directors</i>	<i>Supervisory Board</i>	<i>Total</i>	<i>Board of Directors</i>	<i>Supervisory Board</i>	<i>Total</i>
Interest on bonds	65	0	65	29	0	29
Honorarium	150	88	238	115	76	191
Compensation for interest on bonds	37	0	37	16	0	16
Bond programme compensation	0	0	0	323	0	323
<i>Total remuneration in the year</i>	252	88	340	483	76	559

The table only includes remuneration to non-executive members of the Board of Directors. The executive members employed by MOL Plc do not receive any additional remuneration for their participation in the Board.

Fix remuneration to non-executive Board members (net 25,000 or 41,500 EUR/head/year) paid after the Annual General meeting. (In case the position of the Chairman is not occupied by non-executive director, it is the non-executive Vice Chairman who is entitled for this payment.)

Board members who are not Hungarian citizens and do not have permanent address in Hungary are provided with 1,500 EUR on each Board meeting (maximum 15 times per year) when travelling to Hungary. Directors who are Chairmen of the committees are provided with 1,000 EUR per months.

Long-term incentive scheme (General incentive scheme)

Incentive scheme based on share options - introduced in 2006 - ensures the interest of MOL Group management in the long-term MOL share stock price increase. Option incentive is a cash payment incentive calculated annually based on call the value of call options on MOL shares

- Covers a 5 (3+2) years periods starting annually,
- Its rate is defined by the quantity of units specified by MOL management grades
- Value of units is defined annually (1 unit = 100 MOL share in 2006, 2007 and 2008, respectively).

Exercise of options is not available until the end of the third year (waiting period). The exercise period lasts from 1 January of the fourth year until 31 December of the fifth year. Number of shares multiplied by the price increase (difference between the initial exercise price and the price at the time of redemption) determines the value payable upon notification submitted during the exercise period.

Convertible bond programme

Based on the long-term management incentive scheme for senior management and non-executive members of the Board of Directors (hereinafter: Bond Programme) approved on 1 September 2003, out of the total number of 1,200 convertible bonds issued at a nominal value of HUF 10 million, 184 bonds were converted in the converting period of 2008, as a result 327,336 shares were allocated to eligible directors. The conversion was realised on 16 October 2008 with the conversion rate of 1,779 'A' series MOL shares specified in the rules of conversion. The convertible bond program was closed on 8 October 2008 and the Company withdrew the repurchased bonds.

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

Changes of the bonds in 2008:

<i>Date</i>	<i>Bond transaction</i>	<i>Number</i>	<i>Value (HUF million)</i>
MOL Plc's liabilities from convertible bonds on 31 December 2007		386	3,860
	<i>Of which: Bonds held by managers</i>	184	1,840
	<i>Of which: Bonds repurchased by MOL (pool)</i>	202	2,020
Bond movements in 2008			
16.10.2008	Bond – share conversion	184	1,840
08.10.2008	Bond – bought back (pool)	202	2,020
MOL Plc's liabilities from convertible bonds on 31 December 2008		0	0

Movements of bonds issued

Movements of bonds issued	Number of bonds
Bonds converted in 2004	220
Bonds converted in 2005	206
Bonds converted in 2006	194
Bonds converted in 2007	194
Bonds converted in 2008	184
Bonds withdrawn	202
Grand total	1,200

Shares held by the members of the Board of Directors and Supervisory Board

<i>Description</i>	<i>Number of shares held</i>	
	<i>2007</i>	<i>2008</i>
Board of Directors	413,798	466,441
Supervisory Board	891	891
Total	414,689	467,332

The number of shares held by the Board of Directors has increased as a result of shares allocated under the convertible bond programme.

Loans given to the members of the Board of Directors and Supervisory Board

MOL Plc did not provide any loans, advances or guaranties to its responsible executive officers in 2007 and 2008 and has no pension liabilities to its former responsible executive officers either.

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

Transactions with officers and management of the Company

Mr. Csányi, deputy chairman of the Board of Directors is also the Chairman-CEO of OTP Bank Plc, MOL Plc and some of its subsidiaries have contractual relationship with the members of OTP Group, including having bank accounts and deposits, using credit card and brokerage services and obtaining loan financing. No transactions out of the usual conduct of business have been concluded with OTP. All of these transactions are on an arm's-length basis.

A close family member of Mr. Kamarás, member of the Board of Directors, has direct control over Roff-Petrol Bt, an operator of four fuel stations.

Mr. Major, member of the Supervisory Board was director of Fókusz Kom Kht., a non-profit organization founded by the trade unions, which received a loan from MOL Plc amounting to HUF 330 million in 2004. The closing amount of the loan was HUF 270 million as of 31 December 2007. In 2007 there was energy supply service provided by MOL Plc to Fókusz Kom Kht. amounting to HUF 125 million. As at 29 October 2007 Fókusz Kom Kht. was sold to an independent third party and prior directors were recalled. The Brother of Mr. Major, member of the Supervisory Board is the managing director of CSÚCS 94 Kft, which has provided maintenance services to Petroszolg Kft. amounting to HUF 20 and HUF 168 million during 2008 and 2007, respectively. In 2008 and 2007 there was rental service provided by MOL Plc to CSÚCS 94 Kft. amounting to HUF 1 and HUF 4 million, respectively.

Mr. Hatina, member of the Supervisory Board has an indirect interest of a Slovakian company Granitol a.s. through Slovintegra a.s. The Group has sold polyethylene to this company in 2008 and 2007 amounted to HUF 193 million and HUF 4,484 million respectively, carried out on usual commercial terms and market prices. Additionally, Mr. Hatina has an indirect interest of a Slovakian company Real-H.M. s.r.o. through BAITEC Group a.s. The Group has sold goods to this company in amount of HUF 5,170 million and HUF 3,929 million carried out on usual commercial terms and market prices during 2008 and 2007, respectively.

The brother of Mr. Ferenc Horváth, managing director of Refining and Marketing is the CEO at Vértés Volán Zrt., which company (in compliance with regulations on public procurement) regularly purchases fuel from the Group. The value of transactions (which are carried out on usual commercial terms and market prices) was HUF 2,057 and HUF 1,777 million during 2008 and 2007 respectively.

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

52. Commitments and contingent liabilities

Capital and contractual commitments

The total value of capital commitments as of 31 December 2008 was HUF 24,151 million, of which HUF 15,356 million expected to incur in 2009, HUF 8,753 million in 2010, HUF 42 million in 2011. Capital commitments relate to obligations to purchase tangible and intangible assets, of which HUF 21,557 million relates to the following three projects:

- Improvement of diesel production (Major facilities are as follows: build hydrocrack unit; and hydration plant-3 , AV plant transformation, capacity increase in coke unit)
- Purchase catalyst for the Duna refinery
- Project to adapt authority's regulation and technical safety requirements

Operating lease liabilities are as follows

<i>Description</i>	HUF million	
	<i>31 December 2007</i>	<i>31 December 2008</i>
Liabilities due within one year	152	111
Liabilities due within 2-5 years	157	80
Liabilities due over 5 years	0	0
Total	309	191

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

Authority proceedings and litigation

Among those procedures which started in the last few years and which might have significant impact on the business conduct or financial position of MOL Group, a constitutional law related complaint issued by MOL has been finished. The Company applied to the Hungarian Constitutional Court in December 2001 to declare unconstitutional the regulation of the Economic Ministry and the relevant provisions of the related Government decision on the setting of the reselling gas price for year 2000. The Company also requested the Hungarian Constitutional Court to state that those provisions of the relevant legal regulations shall not be applicable in the civil law suit rejecting MOL's claim for damages. The Hungarian Constitutional Court dismissed the motion of the Company with its resolution issued on 27 January 2009.

The litigation initiated by the minority owners holding an approximate 23% ownership interest in Balatongáz Kft. against MOL as the majority owner of Balatongáz Kft. to determine that MOL purchased their ownership interests for a total purchase price of HUF 83 million and for damages of HUF 3 billion is still pending. The court passed an interim ruling, on 31 August 2006, by which the court created the purchase agreements of ownership interests between MOL and the plaintiff minority owners with the conditions stipulated in MOL's bid dated as of 7 May 2001. MOL filed an appeal against this interim ruling. On 13 March 2007, the Table Court set aside the interim ruling, stating that the court failed to investigate the changes in the financial condition of Balatongáz Kft. since MOL's bid. The Metropolitan Court has decided to hear jointly every claim of the plaintiffs and called for an expert in the procedure on its hearing on 8 February 2008. The expert's opinion has been completed in February 2009. Next hearing was set for May 2009.

The Commission had started an investigation in April 2005, based upon the alleged cartel activity of paraffin producers and traders in Europe. The investigation affected some 10 major paraffin producers and traders throughout Europe. The decision was adopted in October 2008 and stated that the companies harmonized their commercial activities on the European (European Economic Area) paraffin market and participated in a continuous cartel infringement. In case of MOL the amount of fine was EUR 23,700,000 which was already paid by our Company.

There are six pending legal proceedings initiated by OMV Treasury and Clearing GmbH ("OMV") against MOL. The first proceeding was initiated on the Budapest Court of Justice in order to nullify certain provisions of the Articles of Association of MOL. In particular, OMV stated that the veto rights attached to the "B" share held by the Hungarian State breach the requirements of Act XXVI of 2007 on golden shares and Act IV of 2006 (Corporate Law), therefore the AGM should have transformed this preferential share to ordinary series "A" share. Furthermore, OMV stated that it is discriminatory to waive certain entities (Magyar Nemzeti Vagyonkezelő Zrt. and its legal successors) from the 10% voting limitation imposed by the Articles of Association and challenged that the AGM failed to delete the relevant paragraphs thereof. In addition, OMV stated that the resolution approved by the same AGM which limited the number of members of Board of Directors recallable at any one time to 3 members is contradictory to the Hungarian Corporate Act.

Based on these, OMV requests the legal authorities to oblige MOL's AGM to take the necessary measures to correct these contradictions. MOL stated that the 30-day non-extendable time period available for OMV, as a shareholder present at the Annual General Meeting to initiate any procedure against the resolutions of the AGM referred to above has already elapsed, and that OMV has no other legal basis to proceed against these resolutions. The court of first instance accepted MOL's above arguments and dismissed OMV's claim. The plaintiff has filed an appeal against the part of the judgement considering the resolution of the AGM which limited the number of members of Board of Directors recallable at any one time to 3 members. Other parts of the judgement not affected by the appeal (considering the "B" shares and the 10% voting limitation) have become final and binding. The court of second instance has set aside the appealed part of the judgement and referred the case back to the first instance court.

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

OMV has filed its second claim with the Budapest Court of Justice in order to nullify the resolutions passed at the Annual General Meeting held on 23 April 2008. The first hearing was held on 21 January 2009 and the next hearing was set for 23 September 2009.

OMV as plaintiff has lodged its subsequent claim against MOL in order to qualify as "treasury share" the shares which are in the ownership of 2-6th degree defendants of the proceeding (Magnolia Finance Limited, BNP Paribas S.A., ING BANK N.V., CEZ MH B.V. and BNP Paribas Arbitrage S.N.C.) and to oblige MOL for the payment of HUF 996.050.880 and HUF 6.028.828.424,16 as dividend difference considering the paid dividend in years 2007 and 2008. OMV alleges in its statement of claim that according to its point of view the co-defendants have been acting as shareholders on their own name but for the benefit of MOL since acquisition of MOL shares, therefore the MOL shares held by them shall be considered as treasury shares of MOL according to the applicable rules of the Hungarian Company Act (including the prohibition on dividend payment after treasury shares).

The first hearing was planned to be held on 29 January 2009 but due to improper service of the court notice to one of the defendants the first hearing was scheduled to 13 October 2009.

The fourth legal proceeding was initiated by OMV on the Budapest Court of Justice in order to qualify as treasury shares the shares which are in the ownership of OTP Plc and MFB Invest Zrt. and determine the contracts concluded with these companies null and void. The first hearing was held on 25 February 2009 and the next hearing was set for 15 September 2009.

Two further legal proceedings have been initiated by OMV against MOL on the Municipal Court of Budapest, acting as Court of Registration. The first proceeding was filed in order to determine the provisions of the Articles of Association of MOL considering the "B" shares and the 10% voting limitation unlawful. The second motion of OMV was filed with the same court in order to appoint an auditor in accordance with the rejected request of OMV submitted to the Annual General Meeting held on 23 April 2008. The first instance decision of the court has rejected OMV's request to appoint an auditor.

The Hungarian Financial Supervisory Authority (PSZÁF) imposed a fine of 48 million HUF for MOL with its resolution issued on 11 December 2007. PSZÁF stated in its resolution that MOL has infringed the legal regulations restricting internal dealing. MOL has filed a claim for the invalidation of the PSZÁF's decision and the suspension of its enforcement at the Budapest Court of Justice. The court dismissed MOL's claim concerning the suspension of the enforcement with its resolution issued 30 January 2008 and the fine was paid by MOL. The court has accepted MOL's claim at first instance with its judgement issued on 31 October 2008.

The aggregate value of lawsuits in which the Company is a defendant is HUF 4,938 million, for which HUF 138 million provisions have been recognised. The total value of lawsuits filed by the Company is HUF 1,338 million.

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

Environmental liabilities

MOL's operations are subject to the risk of liability arising from environmental damage or pollution and the cost of any associated remedial work. MOL is currently responsible for significant remediation of past environmental damage relating to its operations. Accordingly, MOL has established a provision of HUF 13,622 million for the estimated cost as at 31 December 2008 for probable and quantifiable costs of rectifying past environmental damage. Although the management believes that these provisions are sufficient to satisfy such requirements to the extent that the related costs are reasonably estimable, future regulatory developments or differences between known environmental conditions and actual conditions could cause a revaluation of these estimates.

Furthermore, the technology applied in oil and gas exploration and development activities by MOL's Hungarian predecessor before 1976 (being the year when the act on environmental protection and hazardous waste has become effective) may give rise to future remediation of drilling mud produced. This waste material has been treated and disposed of in line with environmental regulations ruling at that time, however, subsequent changes in legal definitions may result in further re-location and remediation requirements. The existence of such obligation, and consequently the potential expenditure associated with it is dependent on the extent, volume and composition of drilling mud left behind at the numerous production sites, which cannot be estimated currently, but is not expected to exceed HUF 3-5 billion.

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

53. Effect of fair valuation

Fair valuation differences in assets and liabilities subject to fair valuation

HUF million

<i>Description</i>	2007 Closing balance	Changes of historical value	P & L impacts		Effect on sharehold ers' equity	2008 Closing balance
			Financial income	Financial expenses		
Option for MOL share	57,146	91,183	0	215,367	93,825	26,787
FX transactions	0	87	241	0	0	328
Commodity transactions	0	0	371	0	0	371
<i>Non-hedge derivative transactions</i>	57,146	91,270	612	215,367	93,825	27,486
Positive valuation difference of derivative transactions	57,146	91,270	612	215,367	93,825	27,486
Liability from Swap Agreement	5,304	(6,182)	24,830	0	25,708	0
Fair valuation difference of other long-term liabilities	5,304	(6,182)	24,830	0	25,708	0
Option for MOL share	0	0	0	14,796	0	14,796
Commodity transactions	0	0	0	125	0	125
<i>Non-hedge derivative transactions</i>	0	0	0	14,921	0	14,921
Negative valuation difference of derivative transactions	5,304	(6,182)	24,830	14,921	25,708	14,921

The evaluation of derivatives is provided by third party (main bank).

Financial instruments subject to fair valuation

HUF million

<i>Description</i>	<i>Purchase value</i>	<i>Valuation difference</i>	<i>Fair value</i>
Option for MOL shares	185,850	(159,063)	26,787
FX transactions	87	241	328
Commodity transaction	0	371	371
<i>Non-hedge derivative transactions</i>	185,937	(158,451)	27,486
Positive valuation difference of derivative transactions	185,937	(158,451)	27,486
Liabilities from Swap Agreement	19,312	(19,312)	0
Other long-term liabilities	19,312	(19,312)	0
Option for MOL share	0	14,796	14,796
Commodity transactions	0	125	125
<i>Non-hedge derivative transactions</i>	0	14,921	14,921
Negative valuation difference of derivative transactions	19,312	(4,391)	14,921

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

Open derivatives on the balance sheet date

HUF million

<i>Description</i>	<i>Subject of transaction</i>	<i>Transaction value /volume</i>	<i>Maturity date</i>	<i>Results settled in the current year</i>	<i>Result not settled *</i>	<i>Total effect on profit</i>	<i>Expected effect on Cash flow</i>
Option for MOL shares Tranche A**	Call option to MOL shares	7,552,874 pc.	18.06.2009	0	(115,814)	(115,814)	(47,435)
Option for MOL shares Tranche B**	Call and put option to MOL shares	1,404,217 pc.	18.03.2009	(5,860)	(18,149)	(24,009)	(28,473)
Option for MOL shares***	Call option to MOL shares	7,677,285 pc.	23.01.2011	0	(90,339)	(90,339)	0
Liability from Swap Agreement ****			2016	0	24,830	24,830	0
FX transactions	Exchange rate hedging	12,343,000 USD	22.01.2009-22.07.2009	0	241	241	241
Commodity transactions	Commodity risk hedge	-	January 2009 – October 2009	0	(172)	(172)	(172)
Non-hedge derivative transactions		-	-	(5,860)	(199,403)	(205,263)	(75,495)
Total derivative transactions		-	-	(5,860)	(199,403)	(205,263)	(75,495)

* The column shows the changes of fair valuation differences.

** BNP Paribas SA ("BNP") and MOL signed agreements on 13 December 2006 regarding Series "A" Ordinary Shares of MOL currently held by BNP. According to these agreements, expiration date for MOL call option rights was extended until 18 June 2009 concerning Tranche A. Purchase and sale price for option regarding the 7,552,874 shares (Tranche A) is USD 33.4226 per share. On 14 March 2008, MOL signed agreements with ING Bank N.V. ("ING N.V.") regarding 1,404,217 MOL Series "A" Ordinary shares ("Shares") purchased by ING N.V. from BNP Paribas S.A. ("BNP"), Tranche B, based on which MOL received an American call option for the Shares from ING N.V. and ING N.V. received a European put option for the Shares from MOL. The maturity for both options is one year and the exercise price is USD 107.9059 per share. Simultaneously, the American call option granted by BNP to MOL and the European put option granted by MOL to BNP in respect of the same number of MOL shares terminated. Underlying agreement was concluded on 23 December 2005 (regarding Tranche A) and on 10 April 2006 (regarding Tranche B). Expected cash flow impact presented in the table above compounds with foreign currency value payable based on option price converted into HUF at the balance sheet date.

*** The share purchase agreement as part of MOL-CEZ strategic alliance was financially closed and settled on 23 January 2008. MOL sold 7,677,285 pieces of „A” series MOL shares to CEZ. MOL has an American call option for the shares with a strike price of HUF 20,000 per share which can be exercised within 3 years.

**** On 13 March 2006, MOL signed a share purchase agreement to sell 6,007,479 Series "A" Ordinary Shares to Magnolia Finance Limited ("Magnolia"). Magnolia announced the sale of up to EUR 610 million of perpetual exchangeable capital securities, exchangeable into the Series "A" Ordinary Shares of MOL during the exchange period to international financial investors. MOL, concurrently with the sale of ordinary shares, entered into a swap agreement in principle with Magnolia that gave MOL a call option to buy back the Series "A" Ordinary Shares of MOL. Expected cash flow present value impact revealed in the table above compounds with fair value of liability at the balance sheet date.

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

Derivative transactions closed in the current year

HUF million

Description	Subject of transaction	Transaction value /volume	Results settled financially in the current year	Result not settled financially	Total effect on profit	Expected effect on Cash flow
FX transactions	Exchange rate hedging	-	(176)	0	(176)	(176)
Commodity transactions	Commodity risk hedge	-	2,332	0	2,332	2,332
Non-hedge derivative transactions		-	2,156	0	2,156	2,156
Total derivative transactions		-	2,156	0	2,156	2,156

Profit effect of derivative transactions in the current year

HUF million

Description	Results settled in the current year	Result not settled	Total profit effect
Open derivative transactions	0	(199,403)	(199,403)
Closed derivative transactions	3,704	0	3,704
Total	(3,704)	(199,403)	(203,107)
Of which: Other financial income			30,765
Other financial expense			(233,872)

54. Off-balance sheet guarantees

Type of liability	Amount	Currency	Starting date	Maturity date	Company
Commitment against Bank	14,595,000	EUR	23.12.2008	07.03.2009	Italiana Energia e Servizi S.p.A.
Unconditional guarantee	41,429,524	HUF	09.05.2007	22.02.2009	Egerfém Kft.
Unconditional guarantee	-		31.03.2008	15.04.2009	MOL Energiakereskedő Kft.
Comfort letter	216,225	EUR	11.02.2002	-	MOL Romania PP Srl.

Note: If the amounts or maturity dates are not indicated, the guarantee is not specified in terms of an amount or maturity.

MOL Hungarian Oil and Gas Public Limited Company

Supplementary Notes for the year ending on 31 December 2008

55. Guarantees of MOL Plc, not included in the balance sheet

<i>Type of liability</i>	<i>Amount</i>	<i>Currency</i>	<i>Starting date</i>	<i>Maturity date</i>	<i>Company</i>
Parent company guarantee	49,000,000	USD	05.11.2007	05.11.2012 or when Pronodar pays the purchase price	Pronodar Ltd
Parent company guarantee	24,866,573	EUR	15.12.2008	27.01.2009	Italiana Energia e Servizi S.p.A.
Parent company guarantee	19,000,000	EUR	01.01.2008	28.02.2009	Italiana Energia e Servizi S.p.A.
Parent company guarantee	6,000,000	USD	06.11.2007	06.05.2009	Kalegran Ltd
Parent company guarantee	5,000,000	USD	06.11.2007	31.12.2032 or until the contract ceases	Kalegran Ltd
Parent company guarantee	2,585,284.5	EUR	05.02.2008	31.12.2008 or until IES pays his liabilities	Italiana Energia e Servizi S.p.A.
Parent company guarantee	1,000,000 5,632,882	USD RON	14.05.2007	-	MOL Romania PP Srl.
Parent company guarantee	1,500,000	EUR	17.01.2008	31.07.2010 or until contractual liabilities ceases	Intermol d.o.o.
Parent company guarantee	1,000,000	USD	06.11.2007	31.12.2032 or until the contract ceases	Kalegran Ltd
Parent company guarantee	1,000,000	USD	06.11.2007	06.11.2010	Kalegran Ltd
Parent company guarantee	700,000	EUR	06.11.2008	31.01.2009	MOL Energiakereskedő Kft.
Parent company guarantee	500,000	USD	15.09.2000	-	MOL Romania PP Srl.
Parent company guarantee	-	-	18.12.2001	-	MOL Reinsurance Ltd
Parent company guarantee	-	CZK*	08.02.2006	-	Slovnaft Ceska Republika s.r.o.
Parent company guarantee	-	CZK*	08.02.2006	-	Slovnaft Ceska Republika s.r.o.

Note: If the amounts or maturity dates are not indicated, the guarantee is not specified in terms of an amount or maturity.

* Foreign currency is not determined in the guarantee but parent company concluded Individual Bilateral Loan Agreement denominated in CZK with the bank.

56. MOL Plc's securities offered as security deposit on 31 December 2008

On 31 December 2008, MOL Plc did not have any shares placed as a security deposit.

57. Events after the Balance Sheet date

Increase of participation

On 29 January 2009 MOL Plc had increased its 33 1/3 % stake to 50 % in the geothermal energy company, CEGE Zrt. MOL and Green Rock Energy International Pty. Ltd have each acquired one half of Enex's one third interest in CEGE Zrt. at the nominal book value, resulting in both MOL and Green Rock having an equal 50% interest. The company has HUF 6 million registered capital.

Agreement of the Government of Croatia and MOL Plc

On 30 January 2009 MOL and the Republic of Croatia represented by the Government of Croatia ("Government") signed the Amendment to the Shareholders' Agreement and a Gas Master Agreement, a frame contract for the separation and sale of gas storage and trading activities of INA together with agreements on long-term gas supply to the Croatian market and on royalty of hydrocarbon production.

The parties have agreed to amend the Shareholders' Agreement to reflect the new ownership structure of INA in the corporate governance of the company following the MOL voluntary public offer in October 2008. Pursuant to that MOL will take the responsibility for the operation of INA allowing for the full consolidation of INA into MOL's financial statements after closing the transaction.

The Shareholders Agreement and thereby the Amendment was concluded and is in force for indefinite period of time, until both parties continue to hold at least 25 % + 1 share ownership in INA.

The Amendment to the Shareholders' Agreement is subject to the completion of competition office proceeding. Upon obtaining competition office approval, the shareholders' meeting can be called expectedly in the first half of 2009 to elect the new Supervisory Board of INA.

The Gas Master Agreement is a framework contract for the future of the gas business of INA that regulates for a long term the rate of royalty affecting considerable the profitability of hydrocarbon production and prising of gas sold. At the same time the Agreement provides control for the Government over the gas supply and storage activities, which are crucial from security of supply perspective.