Correct answer is:

C) Sinus rhythm with blocked atrial extrasystole, followed by several escape atrial beats.

Blocked atrial extrasystole can be clearly observed in leads V1, V3 and in inferior leads II, III, aVF as a sharpening of the T wave.

P waves of 4th and 5th PQRST complexes are slightly different than previous P waves. So they can be considered as right atrial escape beats.