

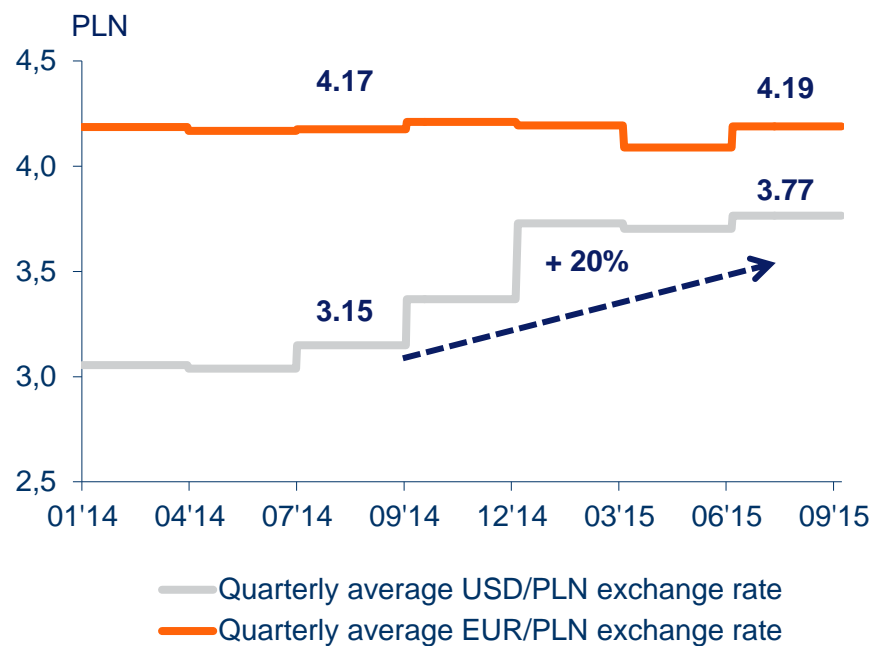


PGNiG Group
Q1-Q3 and Q3 2015 Results

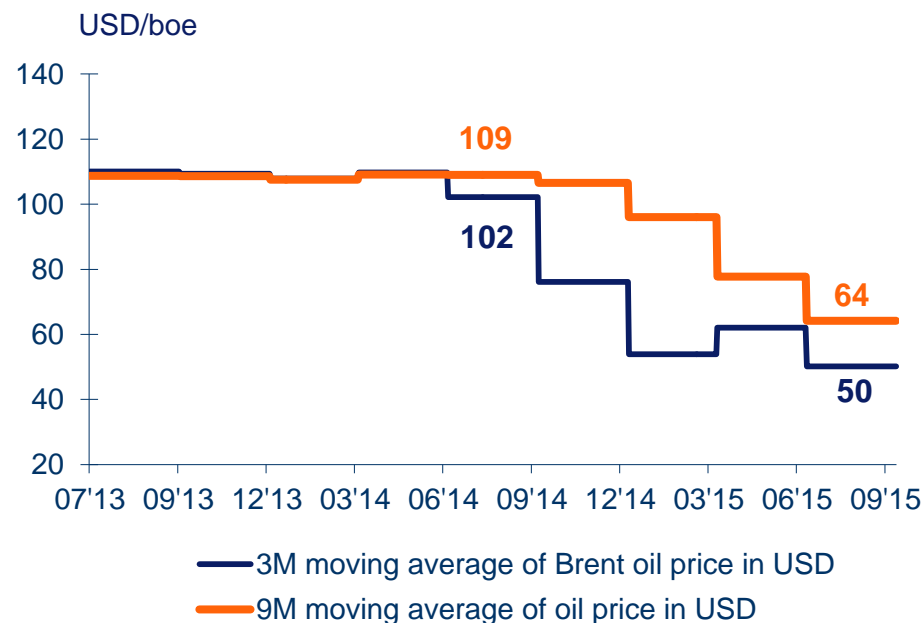
November 6th 2015

Performance drivers

Stronger USD and stable EUR against PLN yoy



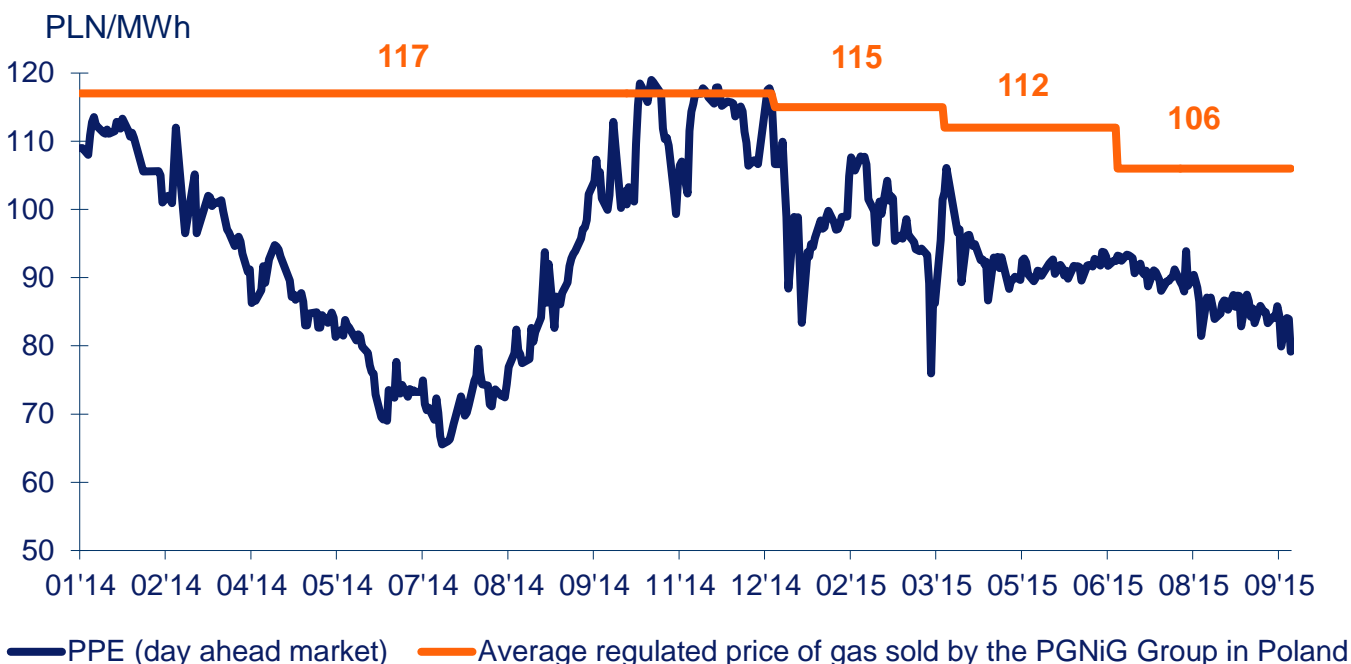
In Q3 2015, nine-month average crude oil price in USD down 41% y/y in Q3 2015 and down 18% q/q



Performance drivers

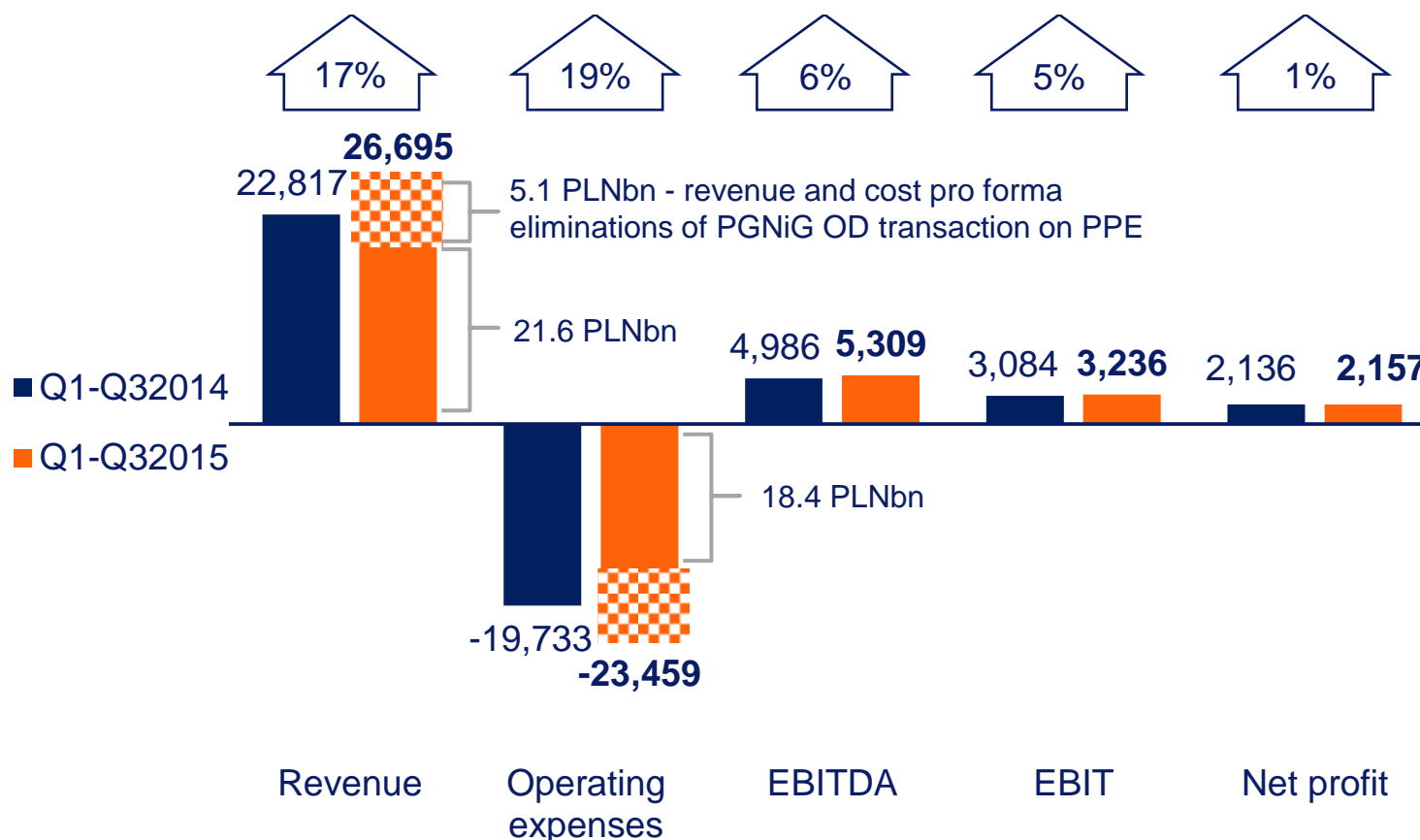
Marked tariff reductions over the past periods. In Q3 2015 – 9% lower year-on-year average regulated price.

Price in the chart is calculated on the combined tariff sales of PGNiG SA and PGNiG OD to customers in Poland. PPE transactions, impact of the discount policy and sales of gas directly from the fields are not taken into account.



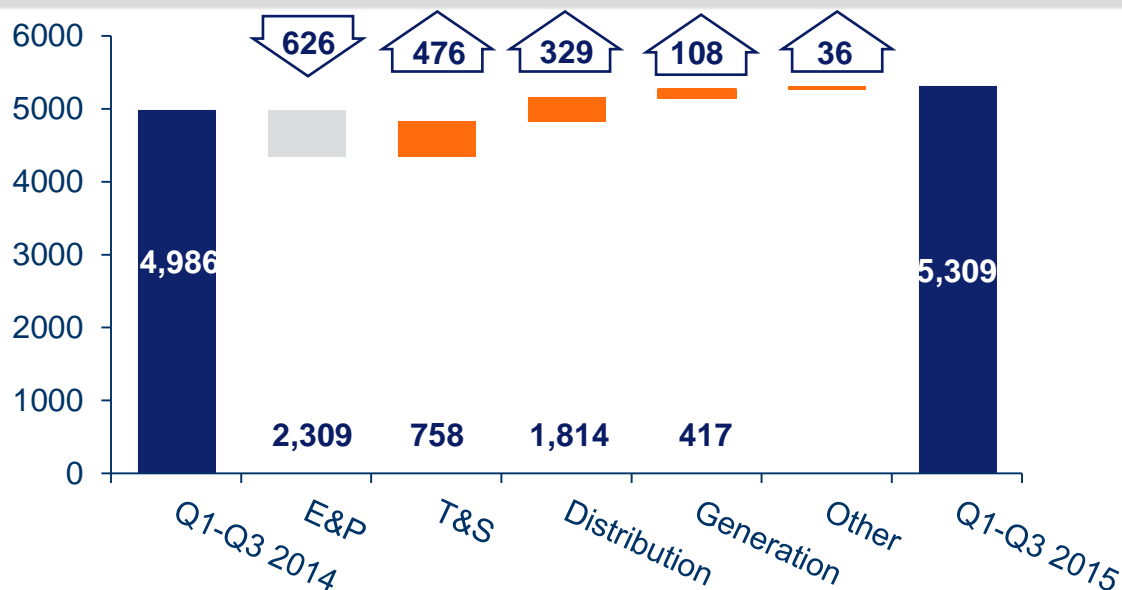
The largest volumes of gas were traded on the PPE and other gas exchanges under contracts with maturities of a quarter, season (summer/winter) and calendar year, with the spot market playing a complementary role in gas trading.

PGNiG Group's Q1-Q3 2015 EBITDA up despite steep falls in oil prices

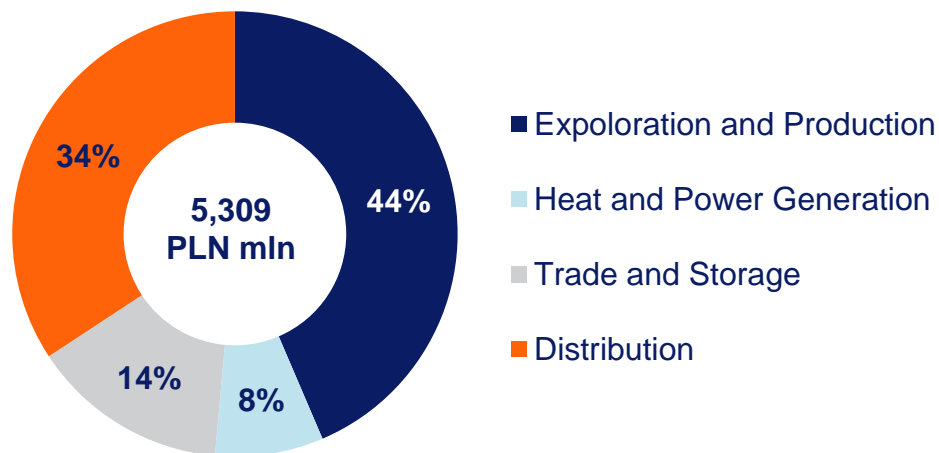


**Considering the pro forma eliminations,
costs decreased at higher pace (7%) than revenues (5%)**

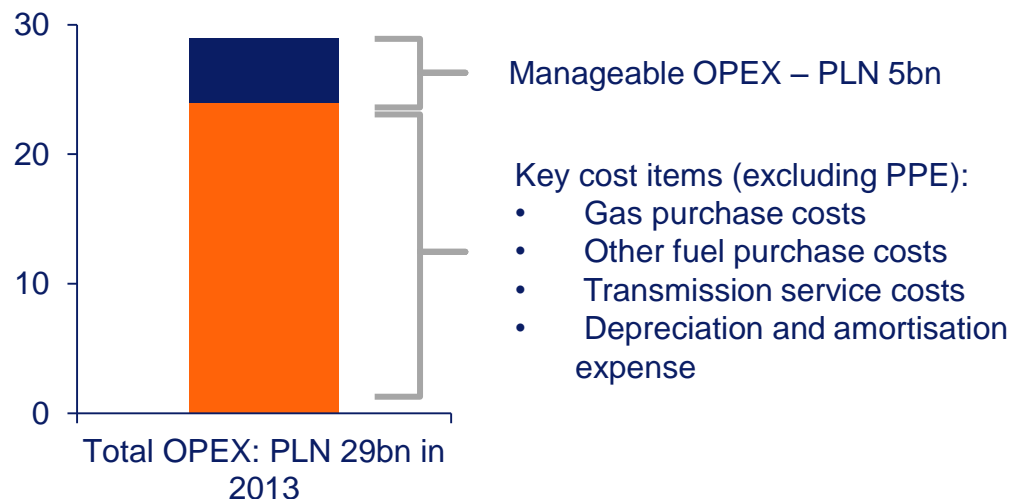
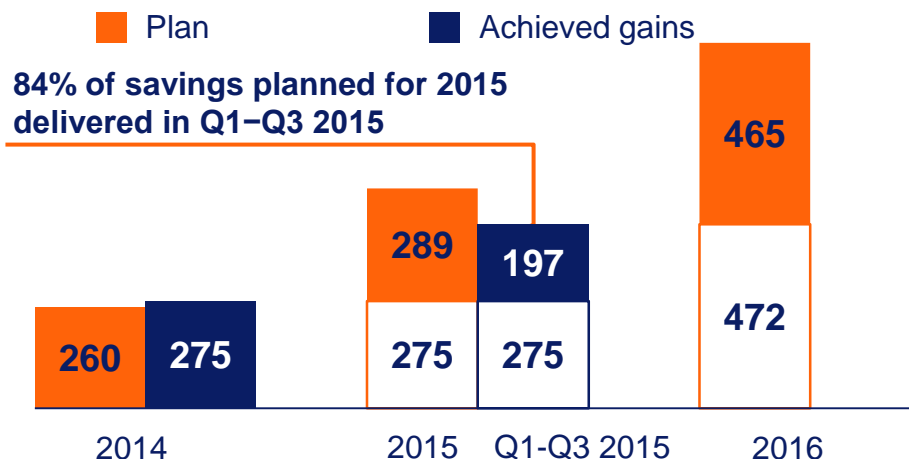
Higher EBITDA in Q1-Q3 2015 across all segments except Exploration and Production



Segments' contribution to Group EBITDA



Efficiency Improvement Programme – 2016 target raised to PLN 0.94bn

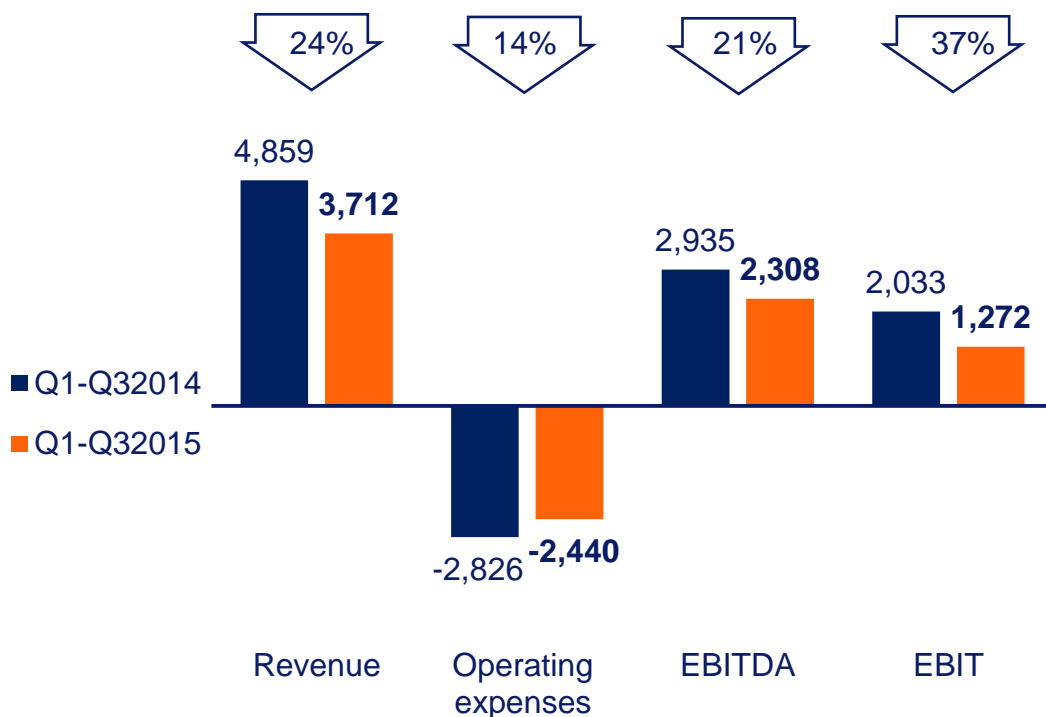


- Setting efficiency improvement targets for PGNiG Group segments and companies
- Defining the scope and timing of efficiency improvement measures
- Delivery by the end of 2016

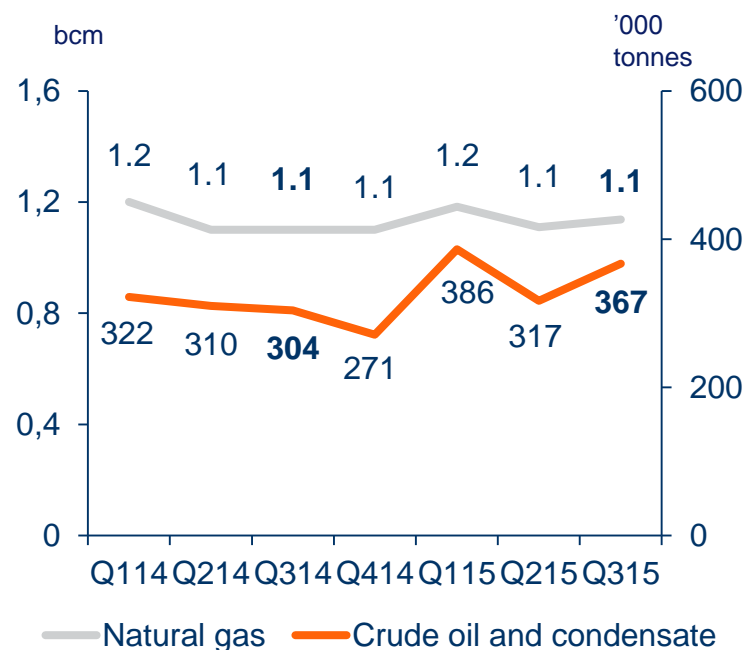
The Programme aims to permanently reduce the manageable cost base across core PGNiG Group segments by over PLN 0.9bn
(upward revision of the previous target by PLN 151m)

Material impact of lower crude prices on E&P performance in Q1-Q3 2015

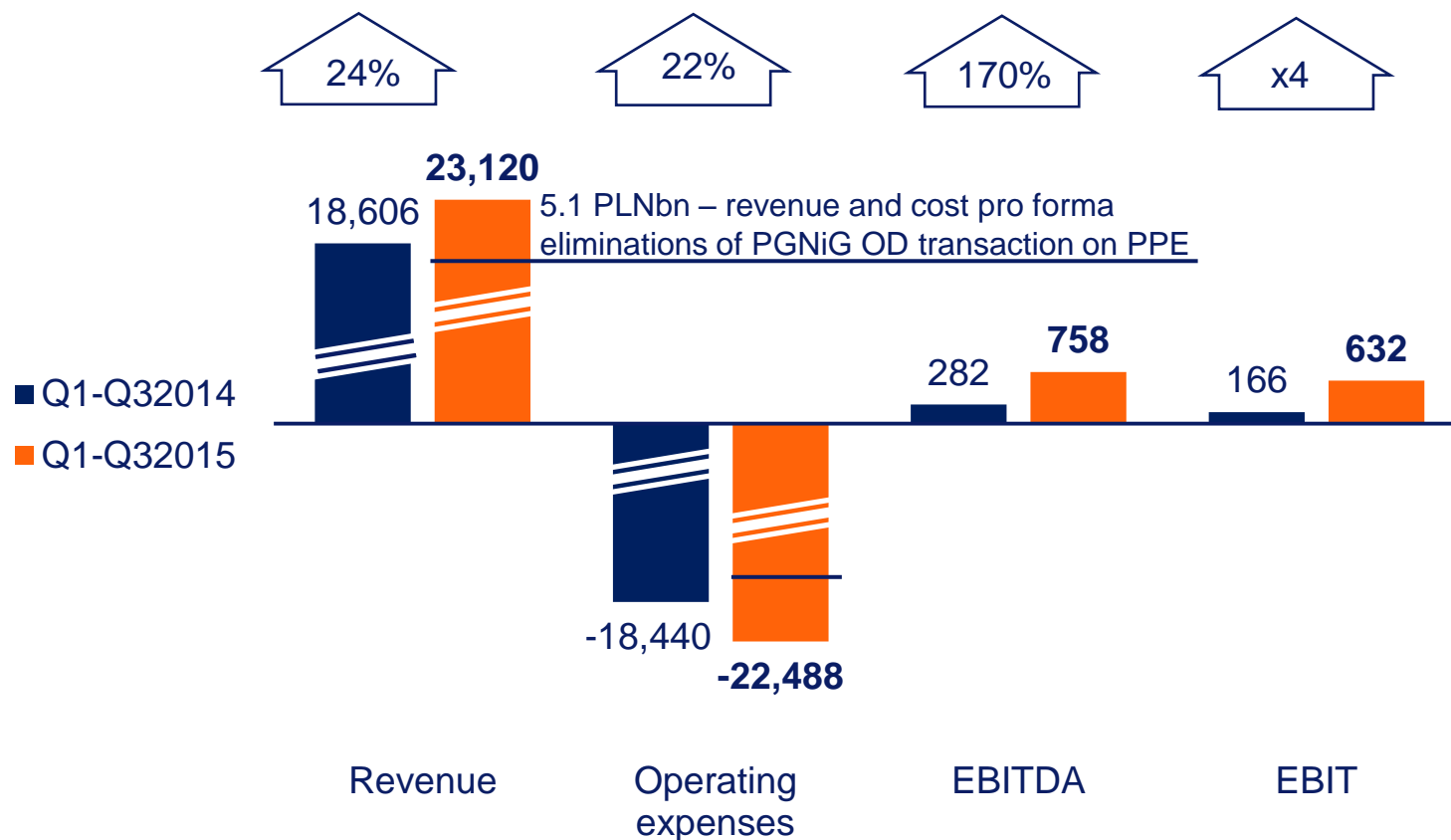
Crude sales down PLN 633m y/y in Q1-Q3 2015, with a 39% price reduction translating into a PLN 859m decline in revenue, partially offset by PLN 227m of additional revenue from higher sales volumes (up 155,000 tonnes)



Gas output stable and crude output up year on year in Q3 2015

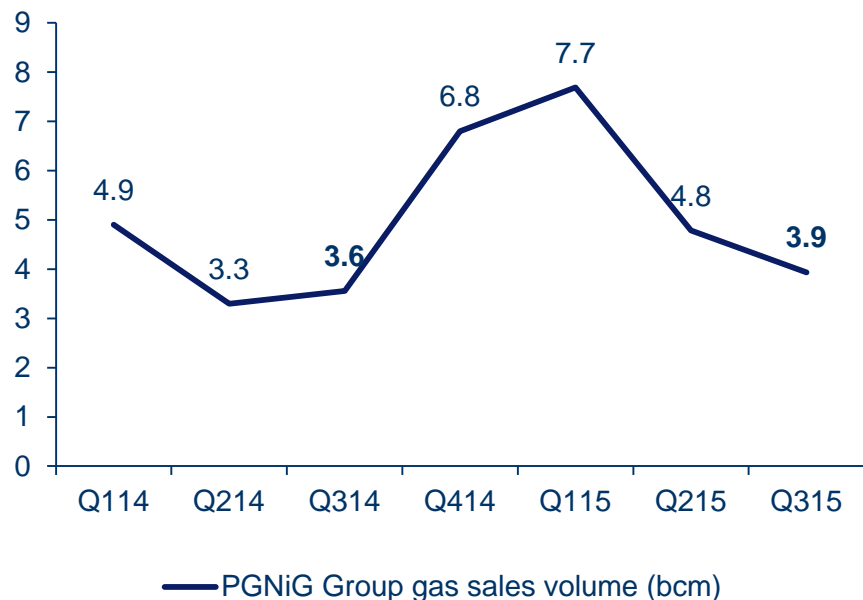


Significantly higher EBITDA in the Trade and Storage segment in Q1-Q3 2015 y/y

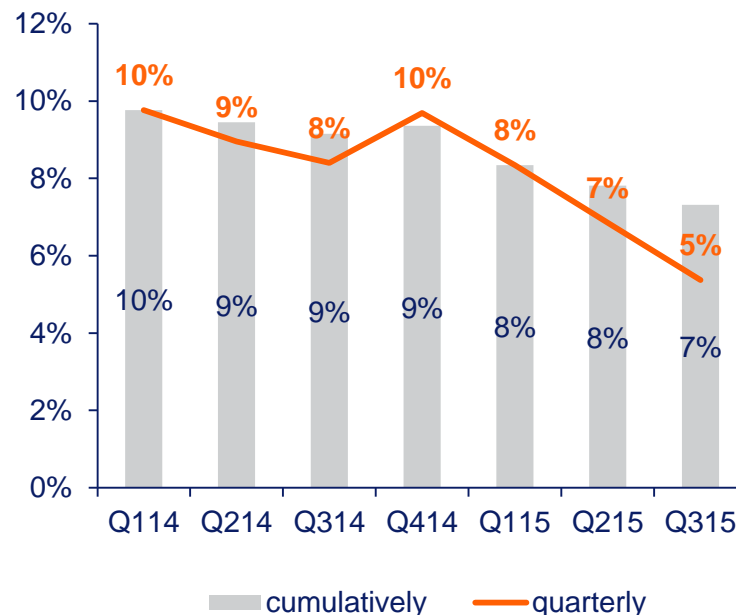


Segment – Trade and Storage (2)

PGNiG Group gas sales volumes up 0.3 bcm in Q3 2015, with volumes of gas sold by PGNiG SA on the Polish power Exchange up 0.2 bcm

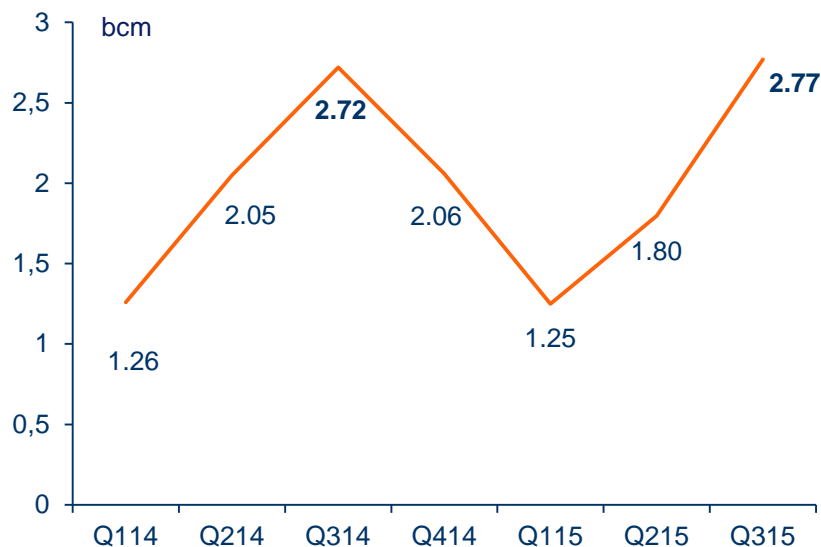


Q3 2015: positive average margin on (E) gas fuel posted by PGNiG SA and PGNiG OD +5% , with a negative operating margin -3%. Cumulatively +7% and 0%.

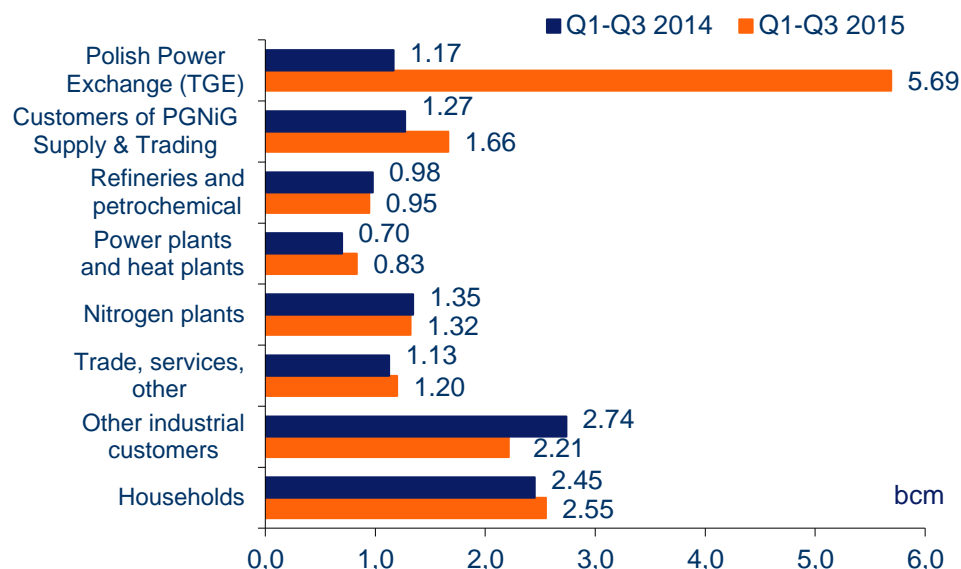


Segment – Trade and Storage (3)

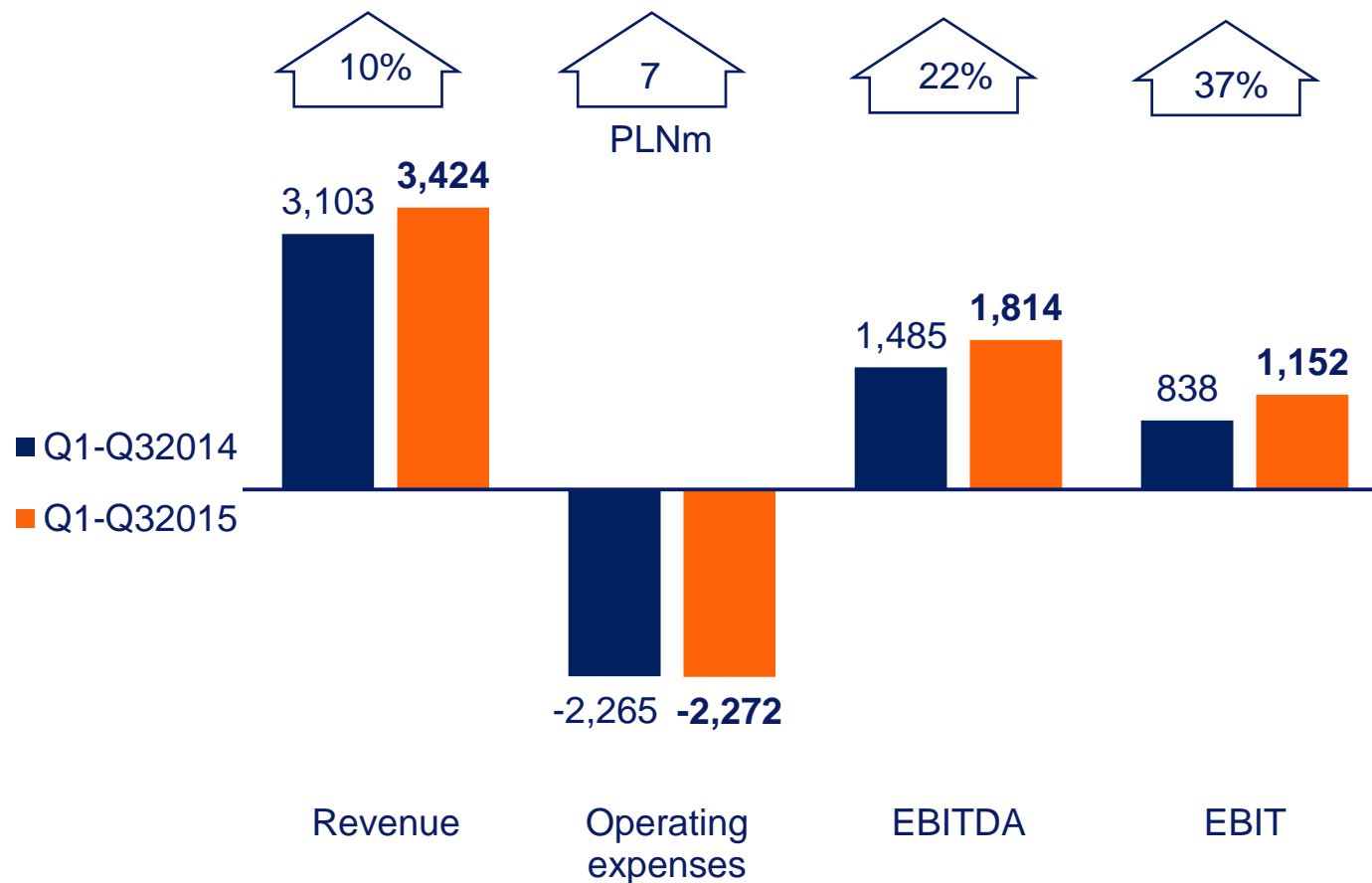
Volumes of gas injection increased in Q3 2015 compared with 2014 due to lower gas purchase cost y/y and q/q



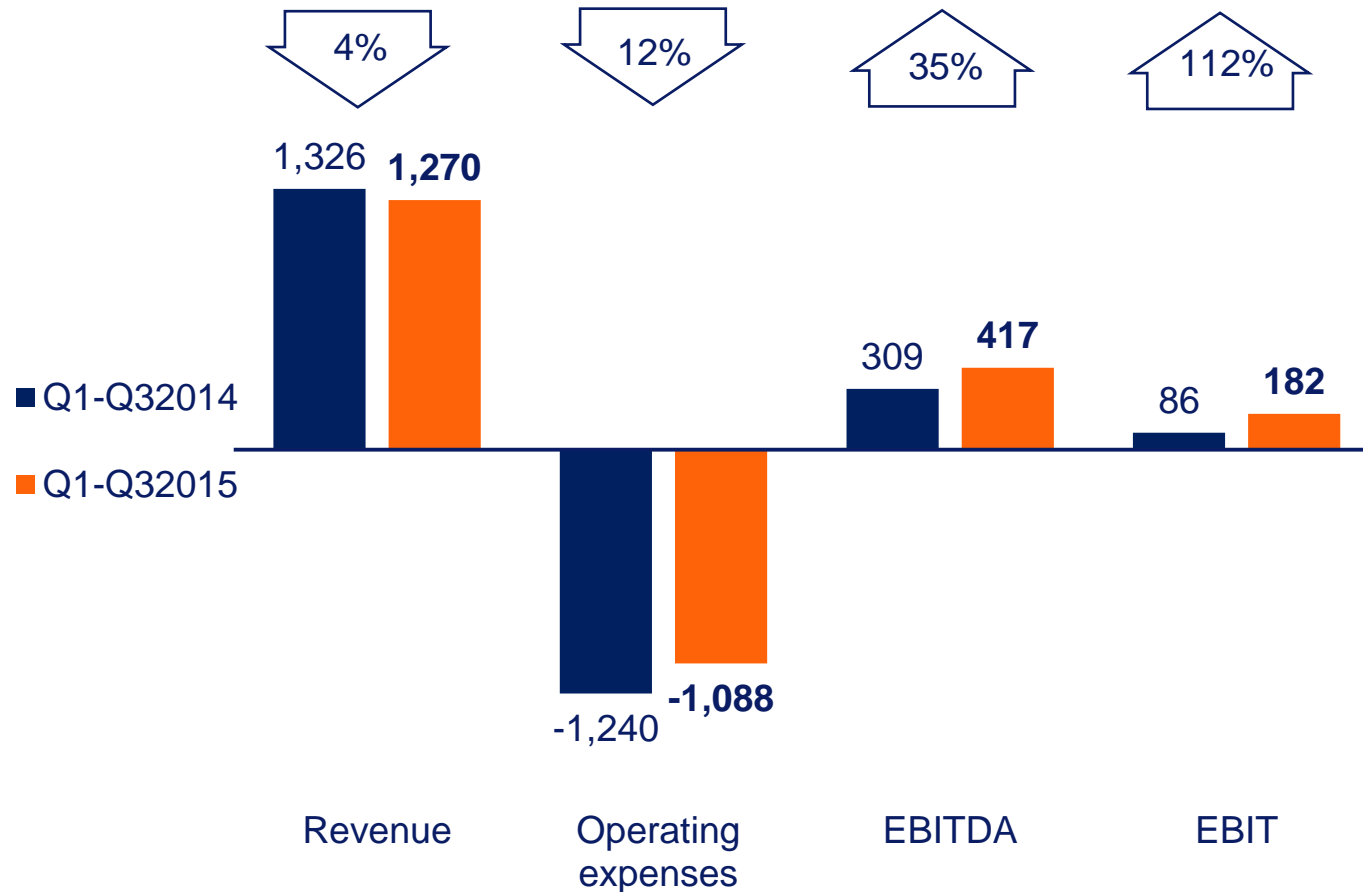
PGNiG Group (PGNiG SA, PGNiG Obrót Detaliczny, PST) – gas sales volumes by customer group



Sound performance in Q1-Q3 delivered by a stable segment Distribution



Generation – performance improved on lower cost of fuel in Q1-Q3



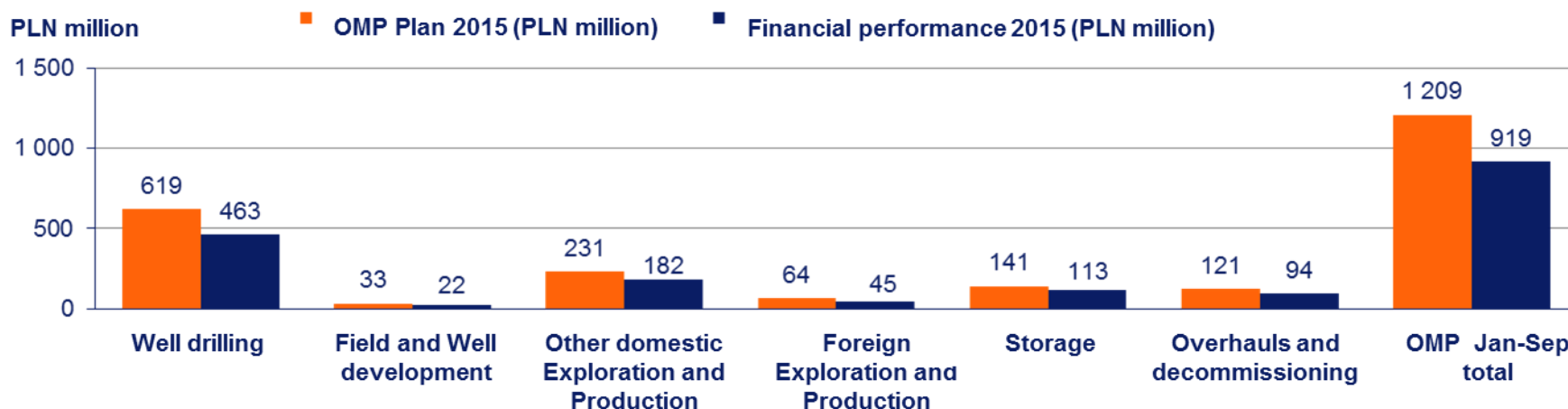
Operating expenses down after eliminating cost of gas sold

(PLNm)	Q1-Q3 2014	Q1-Q3 2015	Δ%
Raw materials and consumables used	(1,791)	(1,579)	(12%)
Employee benefits expense	(2,004)	(1,806)	(10%)
Services	(2,025)	(1,861)	(8%)
Other income and expenses	(1,267)	(866)	(32%)
Work performed by the entity and capitalised	667	641	(4%)
Depreciation and amortisation expense	(1,902)	(2,073)	9%
Operating expenses (excl. cost of gas sold)	(8,321)	(7,544)	(9%)
Cost of gas sold	(11,411)	(15,915)	39%
Total operating expenses	(19,732)	(23,459)	19%

Execution of the PGNiG Oil Mining Plan (OMP) in 9M 2015



OMP actual financial performance for 9M 2015 (PGNiG SA)



Wells drilled in 9M 2015 by type

Type	No. of wells				
	target		actual		completed drilling
	number	meters	number	meters	
E – exploration wells	12	22,910	9	19,463.0	9
T – test wells	4	12,720	3	10,393.0	2
A – appraisal wells	11	16,290	7	10,852.0	6
total E+T+A	27	51,920	19	40,708.0	17
P – production wells	17	38,130	14	32,635.5	12
TOTAL DRILLED	44	90,050	33	73,343.5	29

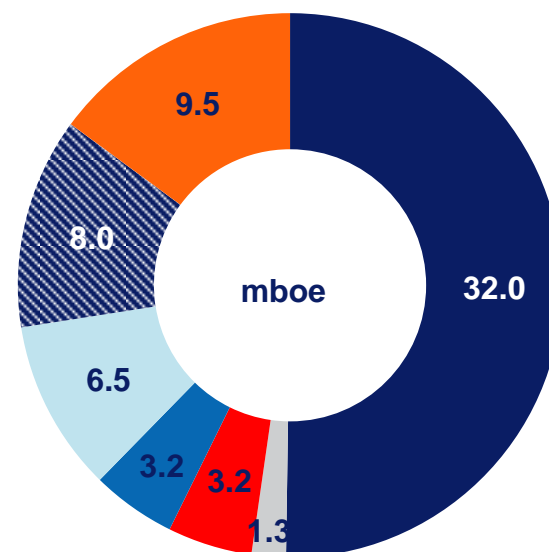
In the first nine months of 2015, drilling operations continued on 33 wells, which is approximately 75% of the target defined in the OMP.

The metres drilled in 9M 2015 account for some 81.45% of the full-year target.

Discovered hydrocarbon resources to be documented in 2016 (Poland)

mboe	Discoveries to be documented	Potential resources
Kramarzówka	32.0	(50-100)
Opalino	9.5	
Siedlecza	8.0	
Pniewy	6.5	
Niebieszczany	3.2	(30-320)
Dukla	3.2	
Przeworsk	1.3	
	63.7	

Resources discovered in 2015 to be documented in 2016



- Kramarzówka
- Niebieszczany
- Pniewy
- Opalino
- Przeworsk
- Dukla
- Siedlecza

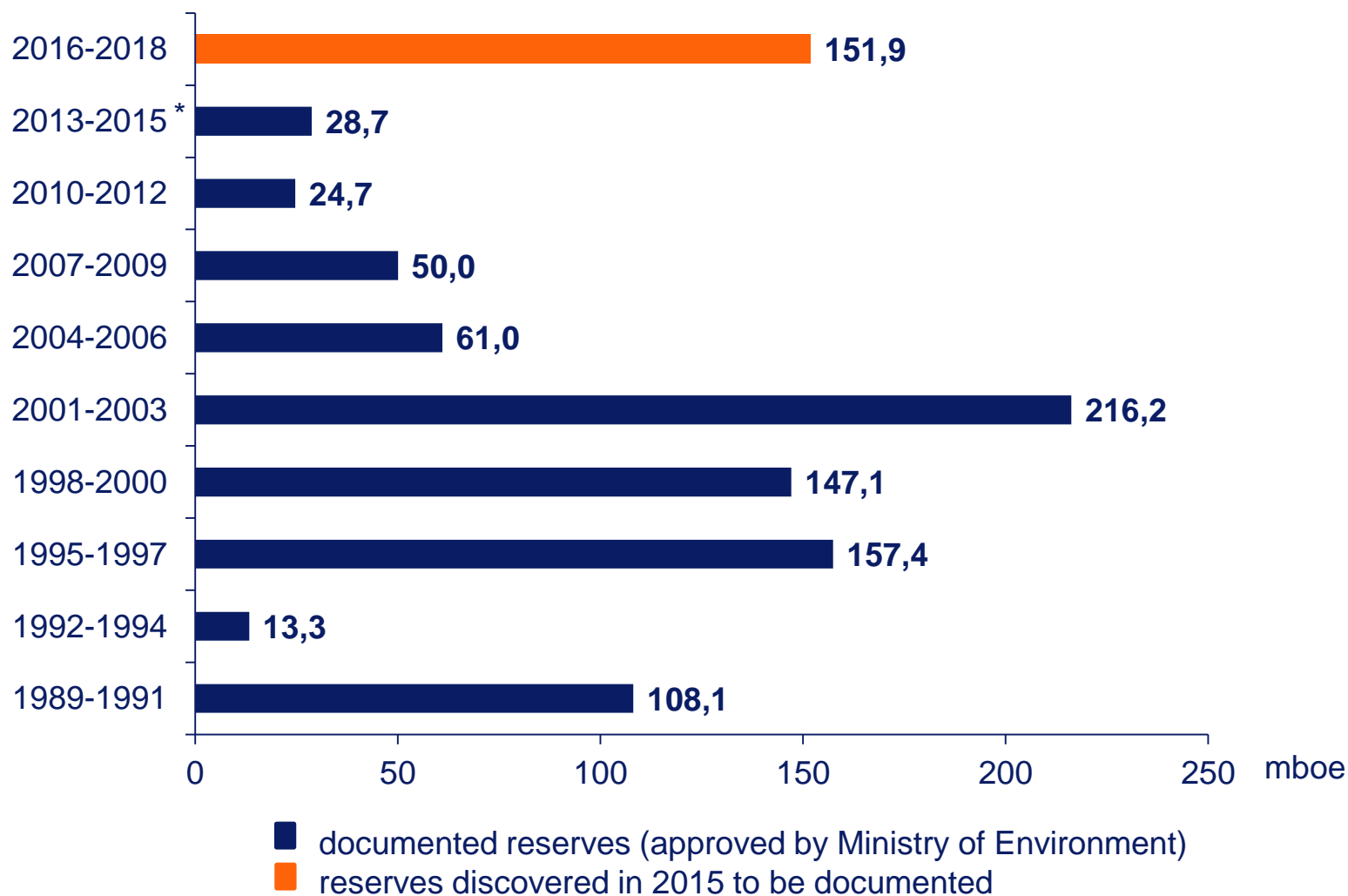
Discovered hydrocarbon resources to be documented in 2017 (Poland)

mboe	Discoveries to be documented	Potential resources
Miłosław	7.0	
Chodakówka	4.5	(10-20)
Parzęczewo	3.5	
Ośno	2.3	
Jadowniki	1.6	
Połażejewo	1.3	
Przybysław	1.3	
Wtórek	1.3	
Pisarowce	0.7	
Poraż	0.7	
	24.2	

Resources discovered in 2015 to be documented in 2017



Growth of oil & gas resources in Poland





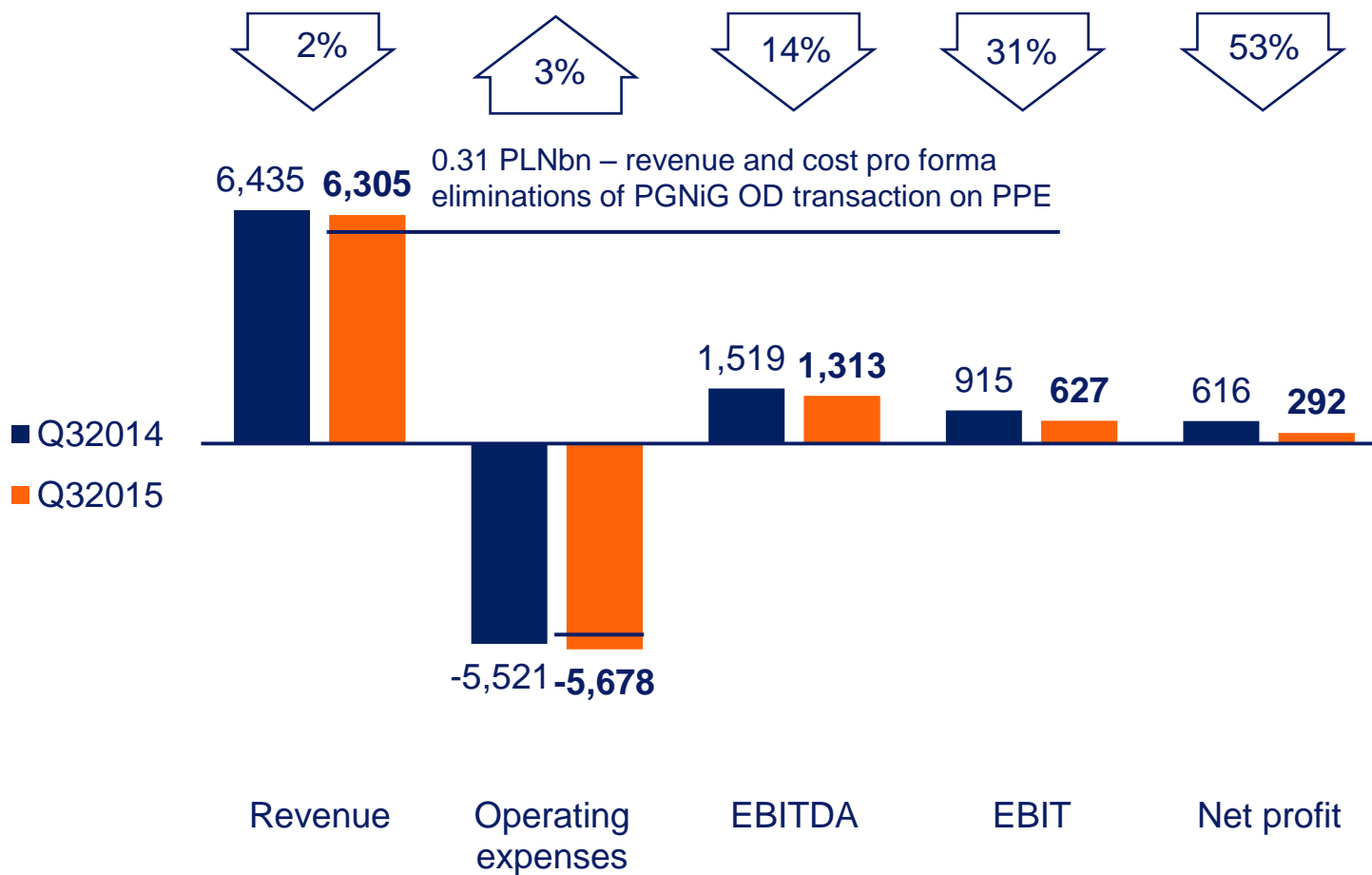
PGNiG

Polish Oil & Gas Company

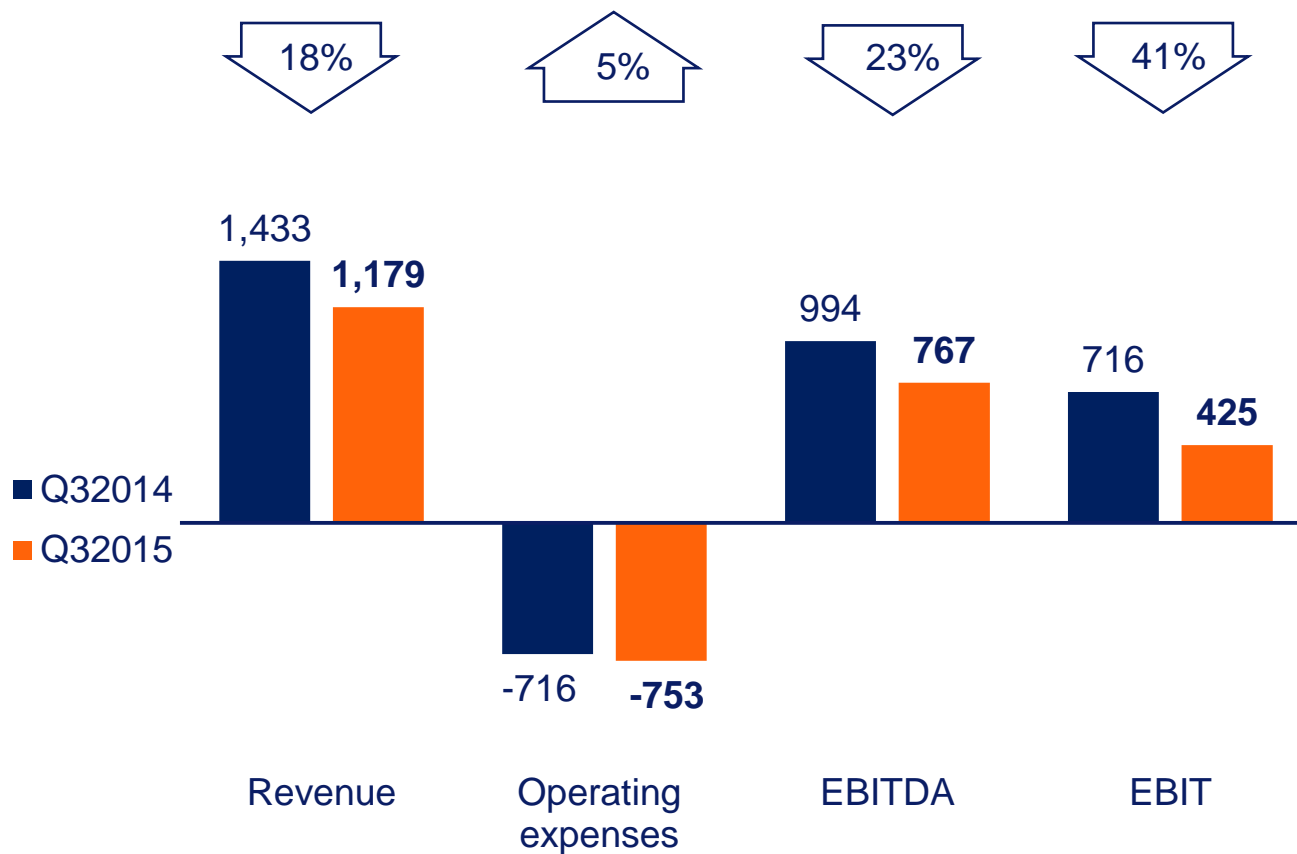
Q3 2015 Results



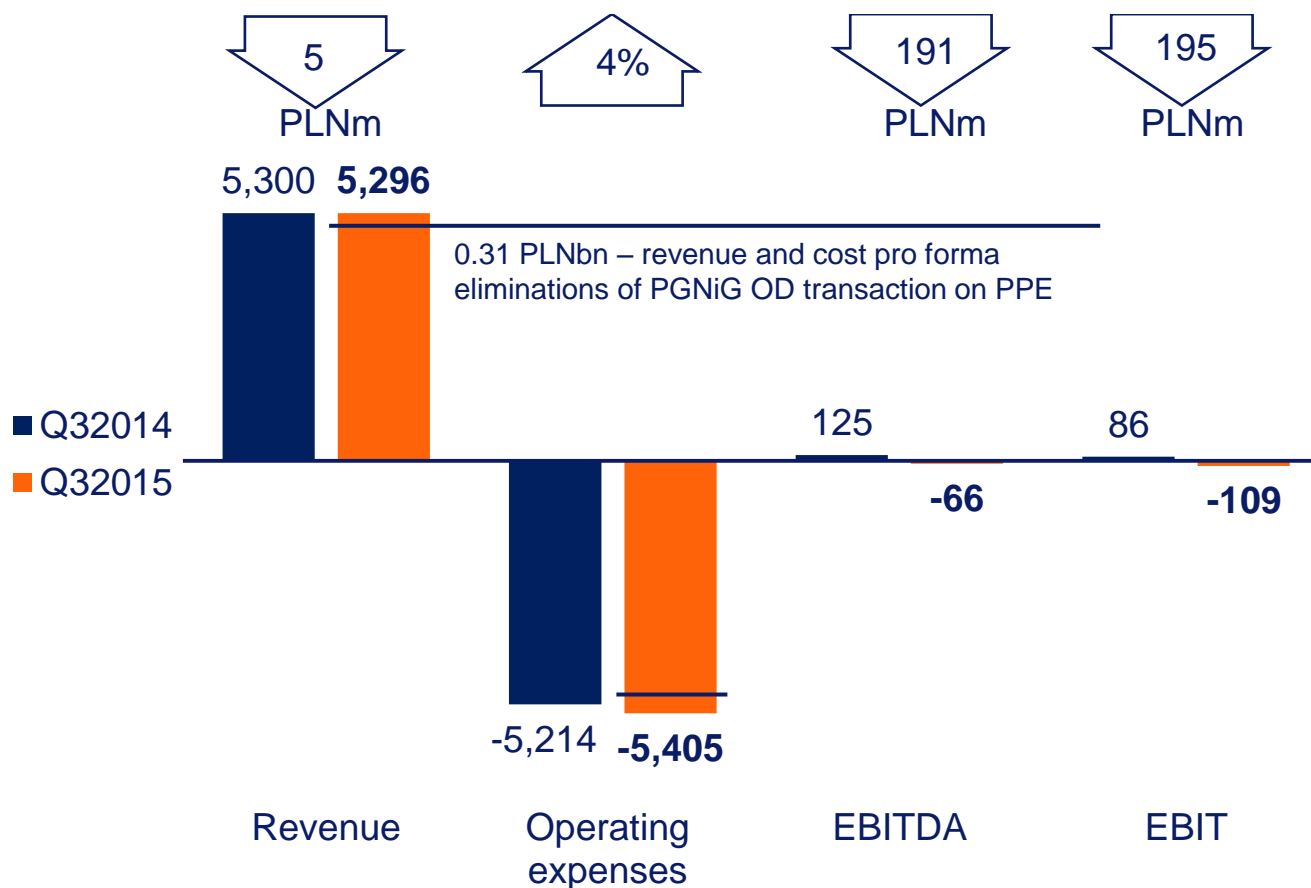
Well-performing 3Q with minor impact of one-off items



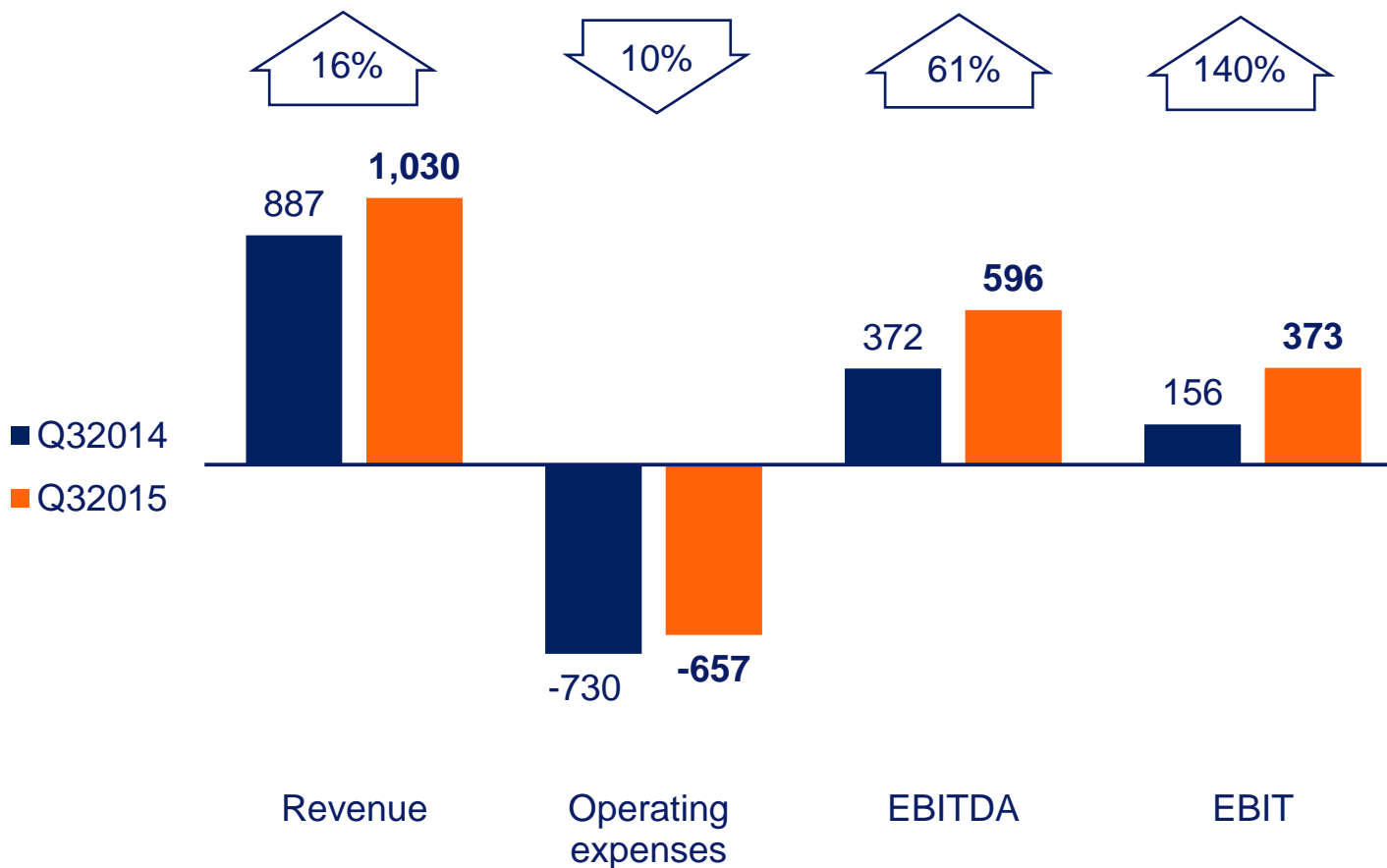
Material impact of lower crude prices on E&P performance in Q3 2015



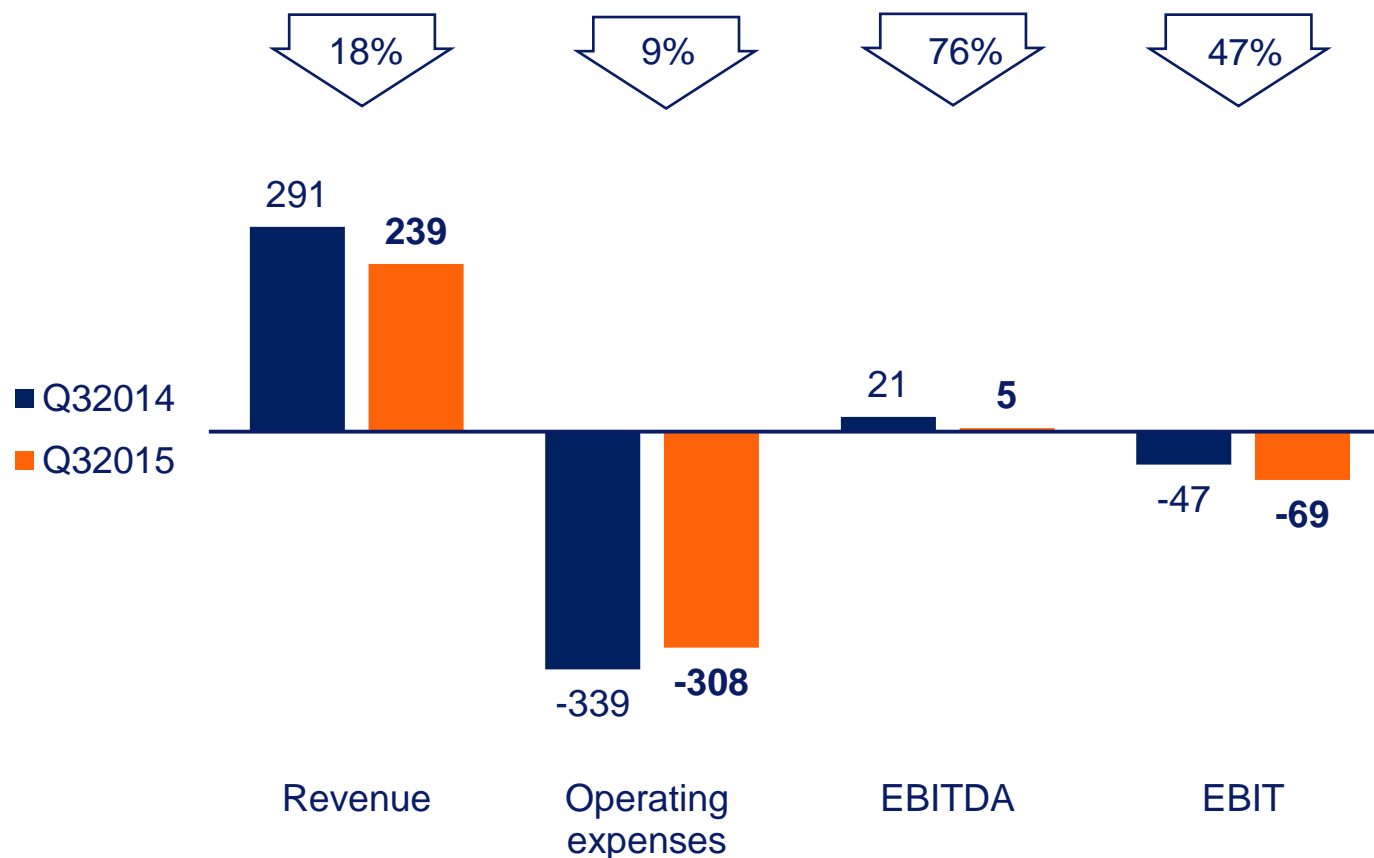
Lower year-on-year EBITDA in the Trade and Storage segment in Q3 2015



Sound performance in Q3 delivered by a stable segment Distribution



Generation – stable performance in the weakest quarter in the seasonal cycle



Effective operating cost management in Q3 2015 (services, employee benefits, materials)



(PLNm)	Q32014	Q32015	Δ%
Raw materials and consumables used	(552)	(481)	(13%)
Employee benefits expense	(631)	(525)	(17%)
Services	(625)	(584)	(7%)
Other income and expenses	(189)	(320)	69%
Work performed by the entity and capitalised	292	206	(29%)
Depreciation and amortisation expense	(604)	(686)	14%
Operating expenses (excl. cost of gas sold)	(2,309)	(2,389)	3%
Cost of gas sold	(3,211)	(3,289)	2%
Total operating expenses	(5,521)	(5,678)	3%