

Letter from the Chairman of the Supervisory Board

Dear Ladies and Gentlemen,

In the previous year, the Supervisory Board was closely monitoring all aspects of PGNiG SA's operations, while getting actively involved – in communication with the Management Board – in seeking solutions that would best serve the Company's interests.

There can be no doubt that the year 2007 brought with it some breakthrough developments for PGNiG SA and its Group, as well as a broader Polish power sector. July 1st 2007 saw full deregulation of the Polish electricity and gas markets, which forced the PGNiG Group to undertake a profound organisational change – a demanding exercise, which was nevertheless successfully accomplished.

At the same time, the Company continued to implement projects focused on diversifying gas supplies and ensuring Poland's energy security, while enhancing the Company value and reinforcing its foothold on the global markets. Aware of their importance for the Company and the risk they entail, the Supervisory Board is watching those efforts with close attention.

The activity of the Group's exploration and production subsidiaries offers great promise for the future. Throughout 2007, they managed to secure a number of new contracts, thereby solidifying their position in the fully competitive global markets.

PGNiG SA's impressive financial performance and the uptrend in its key profitability ratios is another source of satisfaction. In 2007, the Company stayed firmly on the value growth path, which fills us with optimism as regards its development prospects and the feasibility of continued execution of the ongoing modernisation and investment projects.

The Supervisory Board take an optimistic view on the employee relations going forward. It was largely due to the staff's commitment that the challenging transformations undertaken in 2007 within the

PGNiG Group were a success. I strongly believe that the dialogue with the employees will continue. I also believe that this year will be at least as successful for the Company as the previous one, allowing it to deliver profits satisfactory to the shareholders, while giving grounds for contentment to all employees of the PGNiG Group.



Stanisław Rychlicki
Chairman of the Supervisory Board
PGNiG SA

Warszawa, April 2008



Supervisory Boards

Mr Stanisław Rychlicki

Chairman of the Supervisory Board

Graduate of the Faculty of Geology and Exploration at the AGH University of Science and Technology of Kraków. He has been following his career path with the Faculty of Drilling, Oil and Gas, where he currently serves as the Head of the Chair of Oil Engineering and Deputy Dean of the Faculty of Drilling, Oil and Gas. In 1980–1986, Mr Rychlicki was a professor at the University of Science and Technology in Algiers, Algeria.

Mr Marcin Moryń

Deputy Chairman of the Supervisory Board

Legal counsel, graduate of the Law and Administration Faculty at the University of Łódź. Since May 2006, Mr Moryń has been an acting director of the Department for Monitoring of Privatisation Commitments at the Ministry of State Treasury. In 2001–2006, he was Head of the Legal Department of the Ministry of State Treasury.

Mr Grzegorz Banaszek

Member of the Supervisory Board

Graduate of the Faculty of Organisation and Management at the University of Warsaw, and of the Warsaw School of Economics. Mr Banaszek is in charge of capital-market-related aspects of the Group's operations. He has cooperated with numerous financial institutions. Currently he serves as Organisation and Management Adviser to the President of the Management Board at Totalizator Sportowy Sp. z o.o.

Ms Agnieszka Chmielarz

Member of the Supervisory Board

Graduate of the Faculty of Chemistry at the Academy of Technology and Agriculture in Bydgoszcz. She has worked for PGNiG for many years. Currently, she works at the Trade Department of the Bydgoszcz Gas Plant.

Mr Mieczysław Kawecki

Member of the Supervisory Board

Graduated of the AGH University of Science and Technology of Kraków. He has worked in the oil E&P industry since 1976. Initially, he worked at the Oil and Gas Mining Plant in Sanok, and currently he serves as manager at the Underground Gas Storage Facility in Strachocina. Mr Kawecki is Grade I Mining Engineer.

Mr Hubert Konarski

Member of the Supervisory Board

Graduate of Faculty of Law at the University of Warsaw. In 1999–2001, he worked for PGNiG as a lawyer and negotiator responsible for domestic and international contracts. Since 2002, he has served as managing director at a gas and oil consultancy. He has authored a number of trade publications, chiefly on international contracts in the oil and gas sector.

Mr Mieczysław Puławski

Member of the Supervisory Board

Professor at the Warsaw School of Economics and School of Commerce and Law of Warsaw. Graduate of the Faculty of Foreign Trade at the former Central School of Planning and Statistics (now Warsaw School of Economics). In 1977–1978, he studied at the Faculty of Social and Political Sciences at the University of Basel. He also served as adviser to the President of the National Bank of Poland and the Minister of Finance.

Ms Jolanta Siergiej

Member of the Supervisory Board

Graduate of the Szczecin University of Technology. She was member of the supervisory boards of Geofizyka Kraków (1998–2000), and Poszukiwania Naf-towe Diament (2001–2002) – both PGNiG's subsidiaries. Ms Siergiej is Grade III Mining Director. In 1995, she was appointed Chief Accountant of the PGNiG Branch in Zielona Góra.

Ms Joanna Stuglik

Member of the Supervisory Board

Graduate of the Faculty of Economics at the Cracow University of Economics. She earned a doctoral degree in economic sciences, specialising in strategic management and finance. Ms Stuglik has authored a number of publications on finance, particularly devoted to correlation between corporate budgets and strategic goals.

As at June 19th 2008.