

Dear Sir,

In response to your enquiry of April 14th 2014, in which you raise doubts regarding a resolution of the upcoming Extraordinary General Meeting, please find attached our explanation of the issue.

Pursuant to the amended Energy Law of July 26th 2013, gas trading companies which import gas from abroad or produce it domestically are under a statutory requirement to sell a defined volume of high-methane gas delivered to the transmission system in a given year through the power exchange or regulated market. The requirement, effective as of September 11th 2013, will be implemented in three phases (exchange sale requirement thresholds):

- In the period September 11th–December 31st 2013, the exchange sale requirement covered at least 30% of high-methane gas delivered to the transmission system;
- As of January 1st 2014, the exchange sale requirement has increased to at least 40% of high-methane gas delivered to the transmission system;
- As of January 1st 2015, the exchange sale requirement will cover at least 55% of high-methane gas delivered to the transmission system.

For this reason, the PGNiG Group undertook a comprehensive analysis of its ability to meet the exchange sale requirement, in terms of business, legal and tax considerations.

Based on the analysis, it was decided that the Group's retail trading segment must be adapted to the new legal regulations so as to ensure the fulfilment of the exchange sale requirement.

As an entity obliged to comply with the exchange sale requirement, PGNiG S.A. will offer its gas for sale at the power exchange. However, given insufficient demand, the newly established company PGNiG Obrót Detaliczny will be one of entities purchasing high-methane gas for end users at the exchange market. PGNiG Obrót Detaliczny is wholly-owned by PGNiG, which is intended to protect the interests of PGNiG shareholders.

PGNiG had informed all its stakeholders of the adopted legal and organisational strategy for meeting the exchange sale requirement thresholds for natural gas. A number of legal opinions have been prepared for PGNiG concerning the organisational changes proposed to be introduced to meet that requirement.

The adopted strategy is compliant with the provisions of the Energy Law.

Stamp and illegible signature: Vice-President of the Management Board, Andrzej Parafianowicz

Stamp and illegible signature: Vice-President of the Management Board, Jerzy Kurella

Stamp and illegible signature: Head of the Retail Trading Department, Tomasz Bukowski