



Polish Oil and Gas Company (PGNiG SA)  
Head Office

Warsaw, December 3rd 2013

**Draft Resolutions for the  
Extraordinary General Meeting of PGNiG SA convened for January 8th 2014**

Current Report No. 189/2013

The Management Board of Polskie Górnictwo Naftowe i Gazownictwo SA ("PGNiG" or the "Company") is publishing draft resolutions to be submitted to the Extraordinary General Meeting of PGNiG convened for January 8th 2014.

**Resolution No. \_\_\_\_**  
**of the Extraordinary General Meeting of**  
**Polskie Górnictwo Naftowe i Gazownictwo SA**  
**dated January 8th 2014**

concerning adoption of the agenda of the Extraordinary General Meeting of PGNiG SA

Section 1

The Extraordinary General Meeting of PGNiG SA resolves to adopt the following agenda:

1. Opening of the Meeting,
2. Appointment of the Chair of the Meeting,
3. Preparation of the attendance list,
4. Confirmation that the Meeting has been duly convened and has the capacity to adopt Resolutions,
5. Approval of the agenda,
6. Adoption of a resolution to approve the sale of rights to real property located at ul. F. Chopina 11/13 in Zielona Góra, Poland,
7. Adoption of a resolution to approve a reduction of the sale price of rights to real property located in Zamysłowo, commune of Stęszew, Poland,
8. Closing of the Meeting.

Section 2

This Resolution shall be effective as of its date.

**Resolution No. \_\_\_\_**  
**of the Extraordinary General Meeting of**  
**Polskie Górnictwo Naftowe i Gazownictwo SA**  
**dated January 8th 2014**

concerning approval of the sale of rights to real property located at ul. F. Chopina 11/13 in Zielona Góra

Acting pursuant to Art. 56.3.3 of the Company's Articles of Association, the General Meeting of Polskie Górnictwo Naftowe i Gazownictwo SA resolves to approve:

the sale of perpetual usufruct right to land located at ul. F. Chopina 11/13 in Zielona Góra, entered in the land register as land plots No. 109/11 and 324 with a total area of 1,163 m<sup>2</sup>, together with the ownership title to the building and facilities located within its boundaries, for which the District Court in Zielona Góra maintains Land and Mortgage Register No. ZG1E/00052082/3, for a price (VAT exclusive) at least equal to its current market value of PLN 7,871,000.00, plus the estimated cost of the process.

This Resolution has been carried by ..... approving votes and shall take effect as of its date.

**GROUND**

The real property located at ul. F. Chopina 11/13 in Zielona Góra comprises perpetual usufruct right to land entered in the land register as land plots No. 324 and 109/11 with a total area of 1,163 m<sup>2</sup>, and the ownership title to the office building with a floor area of 6,585.40 m<sup>2</sup> situated on that land.

In the local zoning plan the real property is marked with the 1U symbol – land designated for non-arduous services, excluding retail facilities with more than 2,000 m<sup>2</sup> of retail space.

The land is owned by the Zielona Góra municipality and is held by PGNiG SA under perpetual usufruct right until December 5th 2089. The nine-storey office building located on the land is owned by PGNiG SA and is in poor technical condition. The

necessary maintenance work includes immediate replacement of all internal systems, improvement of the building's thermal efficiency and completion of the unfinished window replacement. Moreover, to ensure that the building meets the new fire safety requirements the Chief Officer of the National Fire Service in Zielona Góra, under the Decision of July 22nd 2005, ordered the management of the previous owner to adjust the building's technical systems and structure to prevent smoke accumulation in horizontal evacuation routes, install fire hydrants with semi-rigid hoses and fixed firefighting systems, provide for additional water supply in reservoirs with a total capacity of 100 m<sup>3</sup>, and equip the building with a sound alarm system making it possible to transmit warning sounds and voice messages. The wear of the building before the repair works was assessed as significant.

In February 2013, an appraisal report was prepared for the property to determine its market value, which the expert appraiser put at PLN 7,871,000.00.

The asking price for the real property will be based on its market value increased by the cost of the process, comprising in particular the cost of the appraisal report and publication of the auction notice.

The net carrying amount of property, plant and equipment comprising the real property according a tax appraisal (CIT) as at June 30th 2013 was PLN 7,772,764.65.

The real property does not generate any income and its maintenance costs for 2012, as recorded in the SAP system, amounted to PLN 722,900.00, including tax (PLN 131,200.00), materials and consumables used (PLN 161,800.00), depreciation (PLN 276,200.00), etc.

The sale of perpetual usufruct right to the real property in Zielona Góra is exempt from VAT under Par. 13.1.11 of the Regulation of the Minister of Finance on the implementation of certain provisions of the Act on Value Added Tax, dated April 4th 2011 (Dz.U. No. 73, item 392, as amended). The sale of the office building located on the land is exempt from VAT under Art. 43.1.10 of the Act on Value Added Tax of March 11th 2004 (Dz.U. of 2011, No. 177, item 1054).

Following approval of the sale by PGNiG SA's governing bodies, the Zielona Góra Branch will sell the real property in an oral auction process in accordance with the Regulation of the Council of Ministers on the manner and procedure for holding auctions for sale of non-current assets by a company established as a result of commercialisation, dated February 13th 2007 (Dz.U. of 2007, No. 27, item 177, as amended) and the "Procedures to Be Followed in the Management of Non-Current Assets at PGNiG SA". The auction will be announced through the website of the Ministry of the State Treasury.

**Resolution No. \_\_\_\_**  
**of the Extraordinary General Meeting of**  
**Polskie Górnictwo Naftowe i Gazownictwo SA**  
**dated January 8th 2014**

concerning approval of a reduction of the sale price of rights to real property located in Zamysławo, commune of Stęszew

Acting pursuant to Art. 19.3 in conjunction with Art. 19.2 of the Act on Commercialisation and Privatisation of August 30th 1996 (Dz.U. of 2013, item 216, as amended), the General Meeting of Polskie Górnictwo Naftowe i Gazownictwo SA resolves to approve:

the sale of perpetual usufruct right to land located in Zamysławo, the commune of Stęszew, entered in the land register as land plot No. 22 with an area of 5,841 m<sup>2</sup>, together with the ownership title to the buildings, structures and facilities located within its boundaries, for which the District Court in Grodzisk Wielkopolski maintains Land and Mortgage Register No. PO1S/00039038/3, for a price at least equal to 2/3 of the asking price in the previous auction, i.e. at least PLN 205,280.00 (VAT exclusive).

This Resolution has been carried by ..... approving votes and shall take effect as of its date.

**GROUND**

The real property comprises a complex of buildings and structures of the decommissioned Stęszew gas collection facility. It consists of perpetual usufruct right to land located in Zamysławo, the commune of Stęszew, entered in the land register as land plot No. 22 with an area of 5,841 m<sup>2</sup> and the ownership title to buildings and structures situated on the land.

In its Request No. DPN.2200-46UW.6.12 of July 27th 2012, the Zielona Góra Branch asked for the PGNiG Management Board's approval of the sale of the real property. Acting pursuant to Art. 22.2.9 and Art. 21.5 of the Company's Articles of Association, by virtue of Resolution No. 733/2012 of October 22nd 2012, the PGNiG Management Board decided to sell the real property in Zamysławo, the commune of Stęszew, for a price at least equal to its current market value of PLN 297,800.00.

On February 6th 2013, the first auction for the sale of the real property was held. The asking price of PLN 307,920.00 was determined based on the value indicated in an appraisal report, increased by the cost of the appraisal and publication of the relevant notice in the press. As no bid bond was paid within the specified deadline and no bidder appeared on the date of the auction, the Auction Committee unanimously decided to terminate the auction process.

Following the receipt of an update addendum confirming the current value of the real property, another auction for the sale of the real property in Zamysłowo was held on June 26th 2013. Again no bid was submitted, and therefore the Auction Committee proposed that a request be sent to PGNiG SA's governing bodies for approval of a reduction of the sale price.

Following approval of the reduction by PGNiG SA's governing bodies, the Zielona Góra Branch will commence the real property sale process in accordance with the Regulation of the Council of Ministers on the manner and procedure for holding auctions for sale of non-current assets by a company established as a result of commercialisation, dated February 13th 2007 U. of 2007, No. 27, item 177, as amended) and the "Procedures to Be Followed in the Management of Non-Current Assets at PGNiG SA". The auction will be announced through the website of the Ministry of the State Treasury.

Legal basis: Par. 38.1.3 of the Minister of Finance's Regulation on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated February 19th 2009 (Dz. U. No. 33, item 259).