



Polish Oil and Gas Company (PGNiG SA)  
Head Office

Warsaw, July 28th 2011

**Decision of the Management Board of PGNiG SA to submit a request  
to the EGM of PGNiG SA to be held on August 10th 2011 for withdrawal of the  
agenda item concerning acquisition of shares in PGNiG SPV 2 SA**

Current Report No. 109/2011

The Management Board of Polskie Górnictwo Naftowe i Gazownictwo SA ("PGNiG") hereby reports that, at its meeting held on July 27th 2011, it adopted a resolution to submit a request to the Extraordinary General Shareholders Meeting of PGNiG to be held on August 10th 2011 for withdrawal of item 11 from the Extraordinary General Shareholders Meeting's agenda.

Thus, the Management Board of PGNiG resolved to request withdrawal of the proposal to approve the acquisition by PGNiG SA of 1,000 ordinary shares, with a total par value of PLN 100,000 (one hundred thousand), in a newly established company under the name PGNiG SPV 2 SA of Warsaw, for a price equal to the par value of the shares to be fully paid in cash, which had been submitted to the General Shareholders Meeting of PGNiG convened for August 10th 2011.

The adoption of a resolution to that effect is provided for under item 11 of the agenda of the General Shareholders Meeting of PGNiG to be held on August 10th 2011 (see Current Report No. 99/2011 of July 12th 2011).

**Grounds:**

SPV 2 SA was to be used to acquire power generation assets in cooperation with a Financial Investor. The recommended option to carry out the transaction was a warrant-based financial instrument. As a rule, being a financial instrument, a warrant is available to joint-stock companies only.

However, as the execution concept for this transaction has changed, the incorporation of a joint-stock company is no longer necessary at this stage. Accordingly, there is no reason to adopt the resolution under item 11 of the agenda of the Extraordinary General Shareholders Meeting convened for August 10th 2011.