



Polish Oil and Gas Company (PGNiG SA)
Head Office

Warsaw, April 20th 2011

**Amendments to draft resolutions for the Annual General Shareholders Meeting
of PGNiG SA to be held on April 20th 2011**

Current report no. 55/2011

The Management Board of Polskie Górnictwo Naftowe i Gazownictwo SA ("PGNiG", the "Company") hereby reports that following changes to the form of payment of the 2010 dividend to shareholder State Treasury, and to the date of payment of the 2010 dividend (see Current Report No. 54/2011 of April 20th 2011), amendments have been made to the draft resolution for the Annual General Shareholders Meeting of PGNiG concerning distribution of profit for the financial year 2010, appropriation of retained earnings and determination of the dividend record and dividend payment dates, along with a statement of reasons, published in Current Reports No. 43/2011 of March 22nd 2011 and No. 49/2011 of April 14th 2011.

Amendments have been made also to the draft resolution for the Annual General Shareholders Meeting of PGNiG concerning determination of assets to be distributed as non-cash dividend and the manner of measuring the assets' value, along with enclosures no. 1 and no. 2 and with a statement of reasons, published in Current Reports No. 43/2011 of March 22nd 2011.

There was:

**Resolution No.
of the Annual General Shareholders Meeting
of Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna
of Warsaw
dated April 20th 2011**

concerning: distribution of profit for the financial year 2010, allocation of retained earnings, and on setting the dividend record date and the dividend payment date

Par. 1

Acting on the basis of Art. 395.2.2 of the Commercial Companies Code and Par. 56.1.3 of the Company's Articles of Association, the Annual General Shareholders Meeting of PGNiG SA hereby resolves to:

1. distribute the net profit for the financial year 2010, of PLN 1,702,121,400.97, in the following manner:
 - a. PLN 1,275,649,600.09 will be allocated to the Company's statutory reserve funds,
 - b. PLN 354,000,000.00 will be allocated to payment of dividend (PLN 0.06 per share),
 - c. PLN 9,053,000.00 will increase the Company's Social Benefits Fund,
 - d. PLN 58,418,800.88 will be allocated to bonuses for employees,
 - e. PLN 5,000,000.00 will increase the capital reserve designated as "Central Restructuring Fund".
2. allocate retained earnings of PLN 76,539,761.61 to the Company's statutory reserve funds.

Par. 2

Acting on the basis of Art. 348.3 of the Commercial Companies Code and Par. 63.4 of the Company's Articles of Association, the Annual General Shareholders Meeting of PGNiG SA hereby resolves to:

1. set the dividend record date as July 20th 2011,
2. set the dividend payment date as August 10th 2011.

Par. 3

The resolution shall take effect as of its adoption date.

There is:

Resolution No.
of the Annual General Shareholders Meeting
of Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna
of Warsaw
dated April 20th 2011

concerning: distribution of profit for the financial year 2010, allocation of retained earnings, and on setting the dividend record date and the dividend payment date

Par. 1

Acting on the basis of Art. 395.2.2 of the Commercial Companies Code and Par. 56.1.3 of the Company's Articles of Association, the Annual General Shareholders Meeting of PGNiG SA hereby resolves to:

1. distribute the net profit for the financial year 2010, of PLN 1,702,121,400.97, in the following manner:
 - a. PLN 1,275,649,600.09 will be allocated to the Company's statutory reserve funds,
 - b. PLN 354,000,000.00 will be allocated to payment of dividend (PLN 0.06 per share),
 - c. PLN 9,053,000.00 will increase the Company's Social Benefits Fund;
 - d. PLN 58,418,800.88 will be allocated to bonuses for employees;
 - e. PLN 5,000,000.00 will increase the capital reserve designated as "Central Restructuring Fund".
2. allocate retained earnings of PLN 76,539,761.61 to the Company's statutory reserve funds.
3. The portion of the dividend due to the State Treasury, amounting to no more than PLN 30,104,400.49 gross (taxes included) to payment of non-cash dividend; the assets to transfer as dividend and the valuation method will be defined in a separate resolution of the General Shareholders Meeting adopted pursuant to Par. 63.7 of the Company's Articles of Association. The difference between the total amount of the dividend due to the State Treasury, to be set forth on the dividend record date, and the amount of the non-cash dividend to be set forth by the General Meeting of Shareholders of the PGNiG shall be paid as a cash dividend.

Par. 2

Acting on the basis of Art. 348.3 of the Commercial Companies Code and Par. 63.4 of the Company's Articles of Association, the Annual General Shareholders Meeting of PGNiG SA hereby resolves to:

1. set the dividend record date as July 20th 2011,

2. set the dividend payment date as October 6th 2011.

Par. 3

The resolution shall take effect as of its adoption date.

Statement of reasons for the amended draft resolution:

The amendments pertain to the dividend payment section of the statement of reasons, with the other sections remaining unchanged.

There was:

Re. 2) Dividend payment

It is proposed to allocate PLN 354,000,000 (PLN 0.06 per share) for dividend payment.

Due to the on-going process of employee shares distribution, the final amount of dividend to the State Treasury and to other shareholders will be determined on the dividend record date.

There is:

Re. 2) Dividend payment

It is proposed to allocate PLN 354,000,000 (PLN 0.06 per share) for dividend payment.

In the case of the State Treasury, in accordance with Par. 63 of the Company's Articles of Association, the dividend will be paid in non-cash form, namely in the form of physical transmission assets, including assets currently leased to OGP GAZ-SYSTEM SA. Currently, the Company is selecting non-current assets whose legal status is clear or can be cleared in time in order to make the payment. Moreover, the assets are selected taking into account their localisation so that they constitute coherent components of the transmission system.

Due to the on-going process of employee shares distribution, the final amount of dividend to the State Treasury and to other shareholders will be determined on the dividend record date.

There was:

Resolution No.

**of the Annual General Shareholders Meeting
of Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna
of Warsaw
dated April 20th 2011**

concerning: determination of assets to be distributed as non-cash dividend and the manner of measuring the assets' value.

Par. 1

Acting pursuant to Par. 56.3.3, in conjunction with Par. 63.7 of the Company's Articles of Association, the Annual General Shareholders Meeting of PGNiG SA hereby resolves as follows:

1. The dividend due to the State Treasury shall be collected by this shareholder in the form of non-monetary dividend, in an amount not higher than PLN 253,237,549.48, and in the form of monetary dividend, in an amount corresponding to the number of shares held by the shareholder.

The amount of the monetary payment shall be determined as the difference between the total amount of dividend due to the State Treasury under the shares it holds and the defined amount of non-monetary dividend.

The dividend shall be collected in the form of:

- a) sub-elements of the transmission system (assets) and rights to the expenditure made by PGNiG SA on tangible assets under construction connected with the sub-elements of the transmission system entered in the accounting records of PGNiG SA, described in detail in Appendix No. 1 to this Resolution;

- and the balance shall be paid out in cash if:

- the aggregate value of the assets and rights referred to in Sections 1a) and 1b) above is less than the total dividend due to shareholder State Treasury, determined as at the dividend record date,
- PGNiG SA is not able to make dispositions of any of the assets on the date when dividend is actually distributed.

2. The value of the assets and rights to expenditure described in detail in Appendix No. 1, making up the non-cash dividend, has been determined in the following manner:

- a) the value of the sub-elements of the transmission system, referred to in Section 1a) and defined in Appendix No. 1 hereto, has been computed according to the formula provided for in Appendix No. 3 to the Operating Lease Agreement executed on July 6th 2005 between PGNiG SA and Operator Gazociągów Przesyłowych GAZ-SYSTEM SA. The formula for the computation has been presented in Appendix No. 2 hereto;
- b) the value of the rights to capital expenditure made by PGNiG SA on tangible assets under construction connected with the sub-elements of the transmission system, referred to in Section 1a) hereof, shall be computed according to the

formula provided for in Section 1.4 of Appendix No. 4 to the Operating Lease Agreement executed on July 6th 2005 between PGNiG S.A. and Operator Gazociągów Przesyłowych GAZ-SYSTEM SA. This formula is presented in Appendix No. 2 to this Resolution.

Par. 2

The Annual General Shareholders Meeting of PGNiG SA hereby approves the disposal of tangible assets, including property and perpetual usufruct right, with a value in excess of the PLN equivalent of EUR 1,000,000, specified in Appendices No. 1 to this Resolution, which are to be transferred as non-cash dividend.

Par. 3

The Resolution shall take effect as of its adoption date.

There is:

Resolution No.
of the Annual General Shareholders Meeting
of Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna
of Warsaw
dated April 20th 2011

concerning: determination of assets to be distributed as non-cash dividend and the manner of measuring the assets' value.

Par. 1

Acting pursuant to Par. 56.3.3, in conjunction with Par. 63.7 of the Company's Articles of Association, the Annual General Shareholders Meeting of PGNiG SA hereby resolves as follows:

1. The dividend due to the State Treasury shall be collected by this shareholder in the form of non-monetary dividend, in an amount not higher than PLN 30,104,400.49 gross (including VAT), and in the form of monetary dividend, in an amount corresponding to the number of shares held by the shareholder.

The amount of the monetary payment shall be determined as the difference between the total amount of dividend due to the State Treasury under the shares it holds and the defined amount of non-monetary dividend.

The dividend shall be collected in the form of:

- a) sub-elements of the transmission system (assets) entered in the accounting records of PGNiG SA, described in detail in Appendix No. 1 to this Resolution;
- and the balance shall be paid out in cash if:

- PGNiG SA is not able to make dispositions of any of the assets on the date when dividend is actually distributed.
2. The value of the assets described in detail in Appendix No. 1, making up the non-cash dividend, has been determined in the following manner:
 - a) the value of the sub-elements of the transmission system, referred to in Section 1a) and defined in Appendix No. 1 hereto, has been computed according to the formula provided for in Appendix No. 3 to the Operating Lease Agreement executed on July 6th 2005 between PGNiG SA and Operator Gazociągów Przesyłowych GAZ-SYSTEM SA. The formula for the computation has been presented in Appendix No. 2 hereto.

Par. 2

The Annual General Shareholders Meeting of PGNiG SA hereby approves the disposal of tangible assets, including property and perpetual usufruct right, with a value in excess of the PLN equivalent of EUR 1,000,000, specified in Appendices No. 1 to this Resolution, which are to be transferred as non-cash dividend.

Par. 3

The Resolution shall take effect as of its adoption date.

Statement of reasons for the amended draft resolution

There was:

On March 17th 2011, the Management Board of PGNiG SA adopted Resolution No. [■] concerning a request to the Annual General Shareholders Meeting of PGNiG SA, to adopt a Resolution concerning determination of assets to be distributed as non-cash dividend and the manner of measuring the assets' value.

On [■] 2011, the Supervisory Board of PGNiG SA adopted Resolution No. [■] concerning an opinion on the aforementioned Management Board's request to the General Shareholders Meeting of PGNiG SA.

Acting in line with the provisions of Par. 63.6 to 63.8 of the Articles of Association of PGNiG SA, which provide that the dividend due to the State Treasury from PGNiG SA's profit for 2010 can be dividend in-kind, in this case will be distributed as non-cash dividend in the form of transmission assets covered by the Operating Lease Agreement with Operator Gazociągów Przesyłowych Gaz-System SA and in the form of investments in progress related to subsystems of the transmission system, bearing in mind that the State Treasury will increase the share capital of Gaz-System SA through a non-cash contribution in the form of the transmission assets received as non-cash dividend, I request that the draft Resolution of the Annual General Shareholders

Meeting of PGNiG convened for April 20th 2011 be included as agenda item entitled "Adoption of a resolution on determination of assets to be distributed as non-cash dividend and the manner of measuring the assets' value".

The proposed manner of the valuation of the dividend assets is based on the formula provided for in Appendix No. 3 to the Operating Lease Agreement concluded on July 6th 2005 between PGNiG SA and Operator Gazociągów Przesyłowych Gaz-System SA. It is the Management Board's opinion that the formula reflects the market conditions as it has been agreed upon between two mutually independent entities. It was further confirmed in the process of distribution of non-cash dividend for 2009. To confirm the above, an independent expert will perform a valuation by April 15th 2011, to confirm the computed market value of the assets to be distributed as non-cash dividend.

Given that the above request requires a resolution of the Annual General Shareholders Meeting of PGNiG SA, the Management Board motions for adopting a resolution concerning the determination of assets to be distributed as non-cash dividend and the manner of measuring the value of those assets.

The Management Board of PGNiG SA explains that in connection with the ongoing process of delivering, free of charge, the Company shares to inheritors of eligible employees, the final amount of dividend to the State Treasury and to other shareholders will be determined on the dividend record date, i.e. July 20th 2010.

Enclosures:

1. assets carried in the books of PGNiG SA,
2. formula for calculation of the value of sub-systems of the transmission system.

There is:

On April 20th 2011, the Management Board of PGNiG SA adopted Resolution No. [■] concerning a request to the Annual General Shareholders Meeting of PGNiG SA, to adopt a Resolution concerning determination of assets to be distributed as non-cash dividend and the manner of measuring the assets' value.

On April 20th 2011, the Supervisory Board of PGNiG SA adopted Resolution No. [■] concerning an opinion on the aforementioned Management Board's request to the General Shareholders Meeting of PGNiG SA.

Acting in line with the provisions of Par. 63.6 to 63.8 of the Articles of Association of PGNiG SA, which provide that the dividend due to the State Treasury from PGNiG SA's profit for 2010 can be also dividend in-kind, in this case will be distributed as non-cash dividend in the form of transmission assets covered by the Operating lease agreement with Operator Gazociągów Przesyłowych Gaz-System SA, bearing in mind

that the State Treasury will increase the share capital of Gaz-System SA through a non-cash contribution in the form of the transmission assets received as non-cash dividend, I request that the draft Resolution of the Annual General Shareholders Meeting of PGNiG convened for April 20th 2011 be included as agenda item entitled "Adoption of a resolution on determination of assets to be distributed as non-cash dividend and the manner of measuring the assets' value".

The proposed manner of the valuation of the dividend assets is based on the formula provided for in Appendix No. 3 to the Operating Lease Agreement concluded on July 6th 2005 between PGNiG SA and Operator Gazociągów Przesyłowych Gaz-System SA. It is the Management Board's opinion that the formula reflects the market conditions as it has been agreed upon between two mutually independent entities.

It was further confirmed in the process of distribution of non-cash dividend for 2009. To confirm the above, an independent expert will perform a valuation by April 19th 2011, to confirm the computed market value of the assets to be distributed as non-cash dividend.

Given that the above request requires a resolution of the Annual General Shareholders Meeting of PGNiG SA, the Management Board motions for adopting a resolution concerning the determination of assets to be distributed as non-cash dividend and the manner of measuring the value of those assets.

The Management Board of PGNiG SA explains that in connection with the ongoing process of delivering, free of charge, the Company shares to inheritors of eligible employees, the final amount of dividend to the State Treasury and to other shareholders will be determined on the dividend record date, i.e. July 20th 2010.

Enclosures:

1. assets carried in the books of PGNiG SA,
2. formula for calculation of the value of sub-systems of the transmission system.

Updated enclosures no. 1 and no. 2 are the attachments to this report.

Other information published in Current Report No. 43/2011 of March 22nd 2011 remains unchanged.