The Management Board of Polskie Górnictwo Naftowe i Gazownictwo SA ("PGNiG" or "the Company") hereby publishes draft resolutions to be submitted to the Extraordinary General Shareholders Meeting of PGNiG SA convened for September 30th 2010.

**Resolution No.……**
**by the Extraordinary General Shareholders Meeting of**
**Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna**
**of Warsaw**
**dated ……………………**

**concerning:** consent to the establishment by PGNiG SA of a company under German law, which will operate under the name of "POGC Trading GmbH", with registered office in Munich and with the share capital of EUR 10,000,000.00 (ten million euros), divided into 100 (one hundred) shares with a par value of EUR 100,000.00 (one hundred thousand euros) per share, and subscription, at par value, for 100 (one hundred) shares, with a par value of EUR 100,000.00 (one hundred thousand euros) per share and total par value of EUR 10,000,000.00 (ten million euros), in the newly established company under the name "POGC Trading GmbH", with registered office in Munich, to be paid for in cash.

Acting pursuant to Par. 49.1 of PGNIG SA's Articles of Association and Par. 11.1 of the Rules of Procedure for the General Shareholders Meeting of PGNiG SA, and taking into account the approval issued by the Supervisory Board, by way of its Resolution No. [■] of August [■] 2010, concerning the Management Board's proposal contained in its Resolution No. 442/2010 of August 17th 2010, and considering the provisions of Par. 56.4.5 and Par. 56.6 of PGNIG SA's Articles of Association, the General Shareholders Meeting hereby resolves as follows:

Par. 1

The General Shareholders Meeting hereby issues its consent to the establishment by PGNiG SA of a company under German law, which will operate under the name of "POGC Trading GmbH", with registered office in Munich and with the share capital of EUR 10,000,000.00 (ten million euros), divided into 100 (one hundred) shares with a par value of EUR 100,000.00 (one hundred thousand euros) per share.

Par. 2

The General Shareholders Meeting hereby issues its consent to the subscription, at par value, for 100 (one hundred) shares, with a par value of EUR 100,000.00 (one hundred thousand euros) per share and total par value of EUR 10,000,000.00 (ten million euros), in the newly established company under the name “POGC Trading GmbH”, with registered office in Munich, to be paid for in cash.

Par. 3

This Resolution shall come into effect as of its adoption date.

**Grounds:**

The key factors in assessing the current and projected situation on the Polish and European gas markets from the point of view of PGNiG are as follows:

- Securing natural gas supplies to the Polish market – thanks to the negotiation/execution of key contracts for imports of gaseous fuels by PGNiG the supplies of natural gas to the Polish market have been largely secured. Thus the risk of a mismatch between the supplies of and the demand for natural gas on the Polish market in the forthcoming years has been substantially mitigated. Notably, however, full matching of the supplies with the demand is practically impossible owing to market reasons. It is a natural course of action for gas companies in this respect to seek to match the demand by entering into short-term and spot contracts;
- Diversification of gas supplies to Poland – thanks to the expansion of transborder connections, PGNiG will be able to actively participate in gas trading on international markets;
- The launch of production from the Skarv field in the Norwegian Continental Shelf means that PGNiG will have to manage approx. 0.5 billion cubic metres of gas annually;
- The growth of trading volumes at gas hubs and their increasing integration, coupled with the ever greater role of short-term contracts, under which the price is determined with the use of formulas based on the patterns prevailing on liquid gas markets, create significant opportunities for the development of gas companies.

In view of the foregoing, in order to:

- use the existing assets of the PGNiG Group (i.e. the long-term contracts for the supply of natural gas, underground storage facilities, upstream assets, access to system interconnections) and their flexibility to generate incremental income to the PGNiG Group;
- prepare for the increasing involvement of PGNiG in international upstream projects, as a result of which the Company will need to effectively manage the produced gas on markets outside Poland;
- place on the European markets the potential surplus of natural gas resulting from the attempts to diversify gas supplies and the launch of the LNG terminal;
- develop new competencies in the areas of trading and risk management, which are indispensable to effectively operate on liberalised markets;

- improve PGNiG's position against its European competitors, who are well advanced in their trading activities and are actively gaining experience and building their presence on the international gas and energy markets;

it is vital that trading operations be commenced/ developed within the PGNiG Group as quickly as possible.

Likewise, based on the international experience, the spin-off of trading operations is a necessary stage in the development of any energy company engaged in large-scale commercial activities. It is so as the trading operations give energy companies direct access to liquid markets and exchanges, and thus enable them to assume an active role in trading in gaseous fuels and/or energy.

The development of the trading operations by the PGNiG Group will make it possible to create an additional source of earnings, develop competence in the areas of trading and risk management, and establish a presence on the European gas market.

The trading operations at the PGNiG Group will be based on two key organisational structures: the Optimisation Centre at the PGNiG SA's Head Office, and a dedicated Germany-based trading company – POGC Trading. The Optimisation Centre at the PGNiG SA's Head Office will be responsible for making strategic decisions as regards the portfolio of assets and the acceptable risk level for POGC Trading. The dedicated company, German-based POGC Trading, will conduct trading activities on the physical and financial markets and will sell gas to the end customers in Germany.

The choice of Germany as the location for POGC Trading was based on the following considerations:

- access to one of the largest gas markets in Europe;
- ample opportunities for market penetration to build a significant retail sales portfolio;
- existence of direct gas interconnections with Poland and prospects for the construction of new ones, which should make it possible to use the gas from the PGNiG's portfolio used on the domestic market;
- access to a broad group of professionals in gas trade.

A number of operational benefits may be derived if the trading operations are spun off to a separate company with a direct presence on the German market, including:

- the possibility of responding quickly to the European gas market movements;
- better access to highly qualified professionals;
- mitigation of risk and increased control over the trading activities.

A strategic objective for POGC Trading will be to commercially optimise the use of selected PGNiG's assets. In the first phase of its development (that is until 2014/2015), POGC Trading will focus on competence building while maintaining a low risk profile, and will operate mainly in the gas trading sector of the German market. The operations will involve primarily trading in the gas produced from the Skarv field, optimisation of selected parts of PGNiG's long-term contracts, activities on the German wholesale gas market (acquisition and sale of gas to end customers – large companies), and optimisation of the use of selected assets of the Group (e.g. the available capacity of the underground storage facilities).

The internal organisation of POGC Trading will be based on three main divisions: Front Office, Middle Office and Back Office, backed by support and risk control functions. The company will operate in accordance with guidelines strictly defined by the PGNiG's Head Office. Risk control will be managed independently at POGC Trading and at the Head Office. At the Head Office, asset optimisation and risk management departments will be developed, and a Risk and Optimisation Committee will be created, responsible for strategic decision making.

**Resolution No.……**
**by the Extraordinary General Shareholders Meeting of**
**Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna**
**of Warsaw**
**dated ……………………**

**concerning:** approval of acquisition of new shares in Zakład Remontowy Urządzeń Gazowniczych Sp. z o.o. of Pogórska Wola.

Acting pursuant to Par. 56.6 of PGNIG SA's Articles of Association and taking into account the Supervisory Board's approval (Resolution No. [■] of [■] 2010) of the Management Board's proposal No. [■]/2010 of [■] 2010, the Extraordinary General Shareholders Meeting hereby resolves as follows:

Par. 1

The Extraordinary General Shareholders Meeting hereby approves the acquisition by PGNiG SA of 4,944 (four thousand, nine hundred and forty-four) new shares with a total net value of PLN 4,944,000.00 (four million, nine hundred and forty-four thousand) in the increased share capital of Zakład Remontowy Urządzeń Gazowniczych Sp. z o.o. of Pogórska Wola by way of a non-cash contribution in the form of a perpetual usufruct right to real estate in Pogórska Wola, Skrzyszów commune (land register No. 2266/13, 2266/18,2266/20 and 2266/21), with a total area of 29,213 m$^2$, together with the legal title to buildings and structures, entered into the Land and Mortgage Register maintained by the District Court in Tarnów, VI Land and Mortgage Registry Division, under No. TR1T/00037744/1.

Par. 2

This Resolution shall become effective as of its date.

**Grounds:**

ZRUG Sp. z o.o. of Pogórska Wola was established on August 14th 1998. The company's share capital was PLN 4,300,000 and was divided into 4,300 shares. PGNiG SA acquired all 4,300 shares in the company and fully paid them up with a non-cash contribution in the form of a PGNiG SA Branch – Zakład Remontowy Urządzeń Gazowniczych of Pogórska Wola.

On the date of establishment of ZRUG Sp. z o.o. of Pogórska Wola the real estate comprising land plots No. 2266/13, 2266/18, 2266/20 and 2266/21 with a total area of 29,213 m$^2$ located in Pogórska Wola, was not contributed to the company as it did not have contribution capacity.

Initially, ZRUG Sp. z o.o. of Pogórska Wola leased the real estate from the Regional Transmission Branch in Tarnów operating within the structure of PGNiG SA. Then, after the real estate was transferred by PGNiG SA for use to OGP GAZ-SYSTEM SA under an Operating Lease Agreement, ZRUG Sp. z o.o. of Pogórska Wola leased the real estate from OGP GAZ-SYSTEM SA. In 2008, the real estate (land register No. 2266/13, 2266/18, 2266/20 and 2266/21) located in Pogórska Wola and the buildings and structures situated on the estate were excluded from the Lease Agreement concluded between GAZ-SYSTEM SA and PGNiG SA.

The real estate has the contribution capacity. PGNiG SA is the holder of a perpetual usufruct right to the properties in Pogórska Wola referred to in the motion as well as the legal title to the buildings and structures situated thereon.

The amount of increase in the share capital of ZRUG Sp. z o.o. of Pogórska Wola by way of a non-cash contribution in the form of real estate (i.e. perpetual usufruct right to land and legal title to the overground structures) would be equal to the value of the real estate determined based on a property appraisal report.

According to the property appraisal report prepared as at February 4th 2010, the market value of the real estate referred to in this motion, together with the overground structures, is PLN 4,944,000.00 (four million, nine hundred and forty-four thousand).

**Resolution No.……**
**by the Extraordinary General Shareholders Meeting of**
**Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna**
**of Warsaw**
**dated ……………………**

**concerning:** approval of acquisition by PGNiG SA of all shares in a new company Operator Systemu Magazynowania Sp. z o.o. of Warsaw.

Acting pursuant to Par. 56.6 of PGNIG SA's Articles of Association and taking into account the Supervisory Board's approval (Resolution No. [■] of [■] 2010) of the Management Board's proposal No. [■]/2010 of [■] 2010, the Extraordinary General Shareholders Meeting hereby resolves as follows:

Par. 1

The Extraordinary General Shareholders Meeting hereby approves the acquisition by PGNiG SA of 20,000 (twenty thousand) shares with a par value of PLN 50.00 (fifty złoty) per share, with a total par value of PLN 1,000,000.00 (one million złoty), in a new company named Operator Systemu Magazynowania Sp. z o.o. of Warsaw, at a price equal to the par value of the shares. The shares will be fully paid up in cash.

Par. 2

This Resolution shall become effective as of its date.

**Grounds:**

PGNiG SA currently has the status of a vertically integrated enterprise within the meaning of Art. 3.12a) of the Polish Energy Law of April 10th 1997 (Dz.U. of 2006, No. 89, item 625, as amended) ("the Energy Law"), operates in the power sector and its business involves production, storage and sales of gas fuels.

Art. 15 of Directive 2009/73/EC of the European Parliament and of the Council, dated July 13th 2009, concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC (Official Journal of the European Union L.09.211.94) ("the Directive 2009/73") imposes an obligation on vertically integrated enterprises of legal unbundling storage system operators ("SSO").

In order to fulfil the obligation of legal unbundling of an SSO from PGNiG SA as a vertically integrated enterprise, the Company's Management Board resolved to establish a new special purpose vehicle wholly-owned by PGNiG SA – Operator Systemu Magazynowania Sp. z o.o. The new subsidiary's business is to comprise tasks conferred on an SSO with respect to three storage facilities (within the meaning of Art. 3.10 of the Energy Law), owned by PGNiG SA, i.e. the Mogilno Underground Gas Storage Cavern, the Wierzchowice Underground Gas Storage Facility and the Husów Underground Gas Storage Facility.

Operator Systemu Magazynowania Sp. z o.o. will perform the duties of an operator under an agreement on the exercise of duties of an SSO concluded between Operator Systemu Magazynowania Sp. z o.o. and PGNiG SA as the owner of the facilities. The operator agreement will be a service agreement, whereby the SSO will charge a fee for operator services provided to PGNiG SA. The fee will be calculated on a "cost plus" basis, i.e. SSO's own costs plus a reasonable margin, which is to ensure profitability of the SSO's activities.

It is assumed that customers interested in obtaining access to the storage infrastructure under the third-party access principle will enter into agreements on the provision of gas fuels storage services only with the SSO, which will subcontract the entire scope of such services to PGNiG SA.

In connection with the nature of its business, the SSO will request the President of URE to grant a license for the provision of gas fuel storage services at the storage facilities in accordance with the Energy Law. Licenses for no-tank storage of gas fuels (governed by the Polish Geological and Mining Law) are to be held by PGNiG SA.

Both the SSO and PGNiG SA will apply a tariff for the provision of gas fuels storage services. The SSO's tariff will be calculated based exclusively on the planned costs arising from subcontracting the storage service to PGNiG SA. Therefore, it is assumed that amounts provided for in both tariffs will be equal.

In addition, employees of the existing Storage System Operator, which is a PGNiG SA Branch, will be transferred to Operator Systemu Magazynowania Sp. z o.o. and will be responsible for the performance of the duties conferred on the SSO.

**Resolution No.……**
**by the Extraordinary General Shareholders Meeting of**
**Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna**
**of Warsaw**
**dated ……………………**

**concerning:** approval of acquisition by PGNiG SA of 150,000 new shares in PGNiG Energia SA, with the total value of PLN 15,000,000.00

Acting pursuant to Par. 56.6 of the Articles of Association of PGNIG SA, and taking into account the positive opinion issued by the Supervisory Board in Resolution No. [■]/2010 of [■] 2010 concerning the Management Board's proposal contained in Resolution No. [■] of [■] 2010, the Extraordinary General Shareholders Meeting hereby resolves as follows:

Par. 1

The Extraordinary General Shareholders Meeting hereby approves the acquisition by PGNiG SA of 10,000 (ten thousand) Series B registered shares with the total value of PLN 1,000,000.00 (one million złoty) in the increased share capital of PGNiG Energia SA of Warsaw.

Par. 2

The Extraordinary General Shareholders Meeting hereby approves the acquisition by PGNiG SA of 140,000 (one hundred and forty thousand) Series B registered shares with the total value of PLN 14,000,000.00 (fourteen million złoty) in the increased share capital of PGNiG Energia SA of Warsaw, provided that the share capital increase at PGNiG Energia SA will be effected subsequent to the execution by PGNiG Energia SA of the "SPV operating agreement".

Par. 3

This resolution shall come into effect as of its adoption date.

**Grounds:**

PGNiG Energia SA was established on December 7th 2009 in Warsaw. Its share capital amounts to PLN 5,000,000 and is divided into 50,000 Series A ordinary registered shares with a par value of PLN 100 per share. The share capital was fully covered with cash. PGNiG SA holds all the 50,000 shares in PGNiG Energia SA of Warsaw.

Currently, the share capital of PGNiG Energia SA is PLN 5,000,000; subsequent to the increase, it will amount to PLN 20,000,000.

The share capital increase will be effected through the issue of new Series B shares. The funds raised through the share capital increase will be used in whole to finance the acquisition by PGNiG Energia SA of 50% of shares in Elektrociepłownia Stalowa Wola SA (the "SPV"), which is currently wholly-owned by Elektrownia Stalowa Wola SA.

In the proposal submitted to the General Shareholders Meeting, the Management Board of PGNiG Energia SA is requesting a share capital increase by the total amount of PLN 14,000,000, however an analysis of documents, e.g. of the "execution agreement", shows that PGNiG Energia SA will need a total amount of PLN 15,000,000 for the execution of the "Construction of the Gas and Steam Unit in Stalowa Wola" project.

In line with the provisions of Sections 2.2 and 2.5 of the "Execution Agreement", the project implementation schedule envisages two share capital increases at Elektrociepłownia Stalowa Wola SA addressed to PGNiG Energia SA:

- the first share capital increase of PLN 1,000,000,
- the second share capital increase of PLN 14,000,000.

Therefore, it is proposed to increase the share capital of PGNiG Energia SA by the total amount of 15,000,000, which guarantees financing of the "Construction of the Gas and Steam Unit in Stalowa Wola" project (in line with the signed "execution agreement").

The "Execution Agreement" envisages that the share capital of EC Stalowa Wola SA (the "SPV") will be increased twice, up to the total amount of PLN 30,000,000.

PGNiG Energia SA will acquire 50% of shares in EC Stalowa Wola SA (the "SPV") as part of the share capital increase at this company.

Once relevant corporate approvals and the approval of the concentration involving the Tauron Group and the PGNiG Group by the President of the Office of Competition and Consumer Protection have been obtained, PGNiG Energia SA should acquire the newly issued shares in EC Stalowa Wola SA with a view to arriving at the target shareholder structure for this company as defined by the project partners (50% ESW SA and 50% PGNiG Energia SA).

Subsequent to the second increase, the share capital of Elektrociepłownia Stalowa Wola SA (the "SPV") will amount to PLN 30,000,000.

Concurrently with the acquisition by PGNiG Energia SA of shares issued as part of the First Share Capital Increase, amendments will be made to the Articles of Association of Elektrociepłownia Stalowa Wola SA whereunder PGNiG Energia SA will obtain the right to co-decide about the way the company operates, including the right to delegate a management board member and supervisory board members.

The share capital increase will be effected once the President of the Office of Competition and Consumer Protection has approved the concentration involving the PGNiG Group. In the opinion of the Management Board of PGNiG Energia SA, this approval is planned to be obtained soon (as at the date of this proposal the Company has not obtained the approval of the concentration involving the Tauron Group and the PGNiG Group by the President of the Office of Competition and Consumer Protection).

**Resolution No.……**
**by the Extraordinary General Shareholders Meeting of**
**Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna**
**of Warsaw**
**dated ……………………**

**concerning:** terms and manner of disposal of shares in IZOSTAL SA.

Par. 1

Acting pursuant to Par. 27.1 of the Regulation of the Council of Ministers on the Manner and Procedure for the Organisation of a Tender 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 having considered the proposal of the Management Board submitted pursuant to Resolution No. [■], dated [■], and the favourable opinion of the Supervisory Board contained in Resolution No. [■], dated [■], the Extraordinary General Shareholders Meeting hereby approves the disposal of shares in IZOSTAL SA in accordance with the procedure and on the terms defined below:

a. If the shares are floated on the regulated market managed by the Warsaw Stock Exchange SA on or before December 31st 2010:
   - the shares shall be disposed of without announcing a public tender, by placing a sell order at a brokerage house,
   - the terms and conditions: on market terms;
b. If the shares are not floated on the regulated market managed by the Warsaw Stock Exchange SA on or before December 31st 2010:
   - the shares may be disposed of without announcing a public tender, in accordance with the procedure set forth in Art. 4181 of the Commercial Companies Code, i.e. by way of a mandatory buyout of the shares from PGNiG SA by a shareholder holding at least 95% of all the shares in IZOSTAL SA – i.e. STALPROFIL SA or if the resolution on mandatory buyout of shares from PGNiG SA is not adopted – the shares shall be acquired by IZOSTAL SA with a view to retiring them,
   - the terms and conditions: pursuant to Art. 4181.6 of the Commercial Companies Code the buyout price will be equal to the value of the company's net assets, as disclosed in the financial statements for the preceding financial year, less the amount earmarked for distribution among the shareholders, divided by the number of shares.

Par. 2

This Resolution shall become effective as of its date.

Polskie Górnictwo Naftowe i Gazownictwo SA

**Grounds:**

In line with "The PGNiG Group's Strategy until 2015" (adopted by PGNiG SA's Management Board by Resolution No. 632 of November 13th 2008, and approved by the Supervisory Board by Resolution No. 75/V/08 of November 27th 2008), IZOSTAL SA is included in the group of companies classified as "other companies". The companies of that group are intended to be sold, or dissolved and liquidated.

Since 2002, IZOSTAL SA has consistently posted a net profit, however through to 2008 the profit was fully allocated to cover prior years' losses. By a decision of the general shareholders meeting, the entire net profit for 2009 was retained at the company and contributed to its reserve funds. The decision was made in connection with the capex programme carried out by the management board of IZOSTAL SA.

In view of the above and given the fact that PGNiG holds only a fraction of IZOSTAL SA's share capital and of the total vote at the company's general shareholders meeting, it is unlikely that the investment will generate any return in the form of dividend in the coming years. Therefore, there is no economic rationale for maintaining an equity interest in the company any further.

On July 13th 2010, PGNiG SA received a letter from STALPROFIL SA in which the company announced its intention to introduce the shares of IZOSTAL SA to public trading. Floatation of the company shares on the Warsaw Stock Exchange was scheduled for autumn 2010. The introduction of IZOSTAL SA shares to stock-exchange trading will allow for the sale of the shares at their market value, through a brokerage house.

An alternative solution is to dispose of the shares held by PGNiG SA in accordance with the procedure provided for in Art. 4181 of the Commercial Companies Code, which stipulates that a shareholder holding no more than 5% of the share capital may demand that the agenda of the next general shareholders meeting includes the adoption of a resolution concerning a mandatory buyout of the shareholder's shares by up to five shareholders representing in aggregate no less than 95% of the share capital and individually no less than 5% of the share capital. The buyout price of the shares will be equal to the value of the company's net assets, as disclosed in the financial statements for the preceding financial year, less the amount earmarked for distribution among the shareholders, divided by the number of shares. Thus, the shares held by PGNiG SA would be purchased by STALPROFIL SA or, if the general shareholders meeting failed to adopt a relevant resolution, by the company itself, which would purchase the shares with a view to retiring them.

The Management Board of PGNiG SA hereby moves for approval of the disposal of IZOSTAL SA shares through the regulated market managed by the Warsaw Stock Exchange SA subsequent to their admission to stock-exchange trading, based on a conviction that the disposal of shares in this manner (i.e. at the market price) will be more beneficial than executing this transaction on the terms provided for in Art. 4181.6 of the Commercial Companies Code, which requires the disposal of shares at their book value.

If the shares of IZOSTAL SA are not introduced to trading on the regulated market of the Warsaw Stock Exchange SA on or before December 31st 2010, they shall be disposed of according to the procedure determined in Art. 4181 of the Commercial Companies Code, which provides for a mandatory buyout of shares from PGNiG SA by a shareholder representing no less than 95% of the share capital of IZOSTAL SA, i.e. by STALPROFIL SA or, if the general shareholders meeting fails to adopt a relevant resolution, by the company itself, which will purchase the shares with a view to retiring them.

The share capital of IZOSTAL SA amounts to PLN 41,488,000 and is divided into 20,744,000 bearer shares with a par value of PLN 2.00 per share. PGNiG SA is a holder of 680,000 shares with a total par value of PLN 1,360,000, representing 3.28% of the company's share capital.

The net book value of the shares as recognised in PGNiG SA's accounting books is PLN 0.00 (impairment loss was recognised for the company shares).