

**Draft Resolutions for the Extraordinary General Shareholders  
Meeting of PGNiG S.A. convened for May 21st 2009**

Current Report No. 50/2009

The Management Board of Polskie Górnictwo Naftowe i Gazownictwo S.A. ("PGNiG") hereby publishes the draft resolutions to be presented to the Extraordinary General Shareholders Meeting of PGNiG S.A. convened for May 21st 2009:

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

**concerning:** approval for the disposal of shares in Agencja Rozwoju Pomorza S.A. in accordance with the procedure and on the terms and conditions provided for in Art. 418<sup>1</sup> of the Polish Commercial Companies Code

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 the 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), and taking into account the motion 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 grants its approval for the disposal of shares in Agencja Rozwoju Pomorza S.A. in accordance with the procedure and on the terms and conditions provided for in Art. 418<sup>1</sup> of the Commercial Companies Code, namely:

- a) the procedure – the shares may be disposed of without announcing a public tender, in accordance with the procedure set forth in Art. 418<sup>1</sup> of the Commercial Companies Code, i.e. by way of a compulsory buyout of shares from PGNiG S.A. by a shareholder holding no less than 95% of shares in the share capital of Agencja Rozwoju Pomorza S.A. – Samorząd Województwa Pomorskiego (local government of the Gdańsk province),
- b) the terms and conditions – the terms and conditions of the buyout of shares are set forth in Art. 418<sup>1.6</sup> of the Commercial Companies Code; the buyout price will be equal to the value of net assets disclosed in the financial statements for the preceding financial year, less the amount earmarked for distribution to shareholders, divided by the number of shares.

Par. 2

This Resolution shall become effective as of its adoption date.

## **Grounds:**

### Key Information on Agencja Rozwoju Pomorza S.A.

Polskie Górnictwo Naftowe i Gazownictwo S.A. (then operating under the name PGNiG PP Pomorski Okręgowy Zakład Gazownictwa of Gdańsk) was the founder of Agencja Rozwoju Pomorza S.A. of Gdańsk (former name: Agencja Rozwoju Pomorza Gdańskiego S.A.). The company was registered at the District Court of Gdańsk on June 9th 1992, and commenced its business activity on June 30th 1992. The purpose for establishing the company was implementation of regional programmes aimed at stimulating economic growth of the Gdańsk region. At that time, PGNiG acquired 10 shares in the company's share capital, with a par value of PLN 100m per share.

Currently, the share capital of Agencja Rozwoju Pomorza S.A. is PLN 15,640,000 and is divided into 1,564 shares with a par value of PLN 10,000 per share. PGNiG S.A. holds 10 Series A registered shares conferring a 1:5 voting preference, pre-emptive rights to new issue shares and dividend rights. All such rights expire upon the transfer of the title to the shares to a third party.

PGNiG S.A.'s holds 0.64% of Agencja Rozwoju Pomorza S.A.'s share capital, and 0.94% of the total vote at the company's General Shareholders Meeting. As at December 31st 2008, the net book value of the shares recorded in PGNiG S.A.'s accounting books was **PLN 0.00** (the company shares were fully covered by valuation allowances).

### Economic and Financial Standing of Agencja Rozwoju Pomorza S.A.

In 2006–2008, the company's sales revenue grew from PLN 8,217.3 thousand to PLN 11,106.2 thousand. In each year of that period, operating expenses were higher than sales revenue, and remained in the range of PLN 8,740.8 thousand–PLN 11,804.6 thousand. The company also posted loss on sales – in 2008 it recorded a loss of PLN (698.3 thousand). The company's net profit/ (loss) for the past three financial years was also negative. Net loss for 2006–2008 was PLN (3,395.6 thousand), PLN (1,616.7 thousand) and PLN (362.5 thousand), respectively.

As at the end of 2008, the main item of assets were non-current assets of PLN 22,890.9 thousand, including buildings and premises of PLN 13,202.2 thousand, and non-current investments (shares in other companies) of PLN 7,467.0 thousand. As at the end of 2008, current assets stood at PLN 5,406.8 thousand, of which cash accounted for PLN 4,421.4 thousand.

Although the business activities pursued by Agencja Rozwoju Pomorza S.A. are not profitable, the company maintains its financial liquidity at a safe level. The cash accumulated in the previous years exceeds the amount of current liabilities three-fold. As at the end of 2008, equity stood at PLN 20,273.7 thousand and the share capital amounted to PLN 15,640.0 thousand.

For economic and financial highlights of Agencja Rozwoju Pomorza S.A. for 2006–2008, see the Appendix.

## Grounds for the motion concerning the sale of shares in Agencja Rozwoju Pomorza S.A.

Pursuant to “The PGNiG Group’s Strategy until 2015” (adopted by PGNiG S.A.’s Management Board by virtue of Resolution No. 632 of November 13th 2008, and approved by the Supervisory Board by virtue of Resolution No. 75/V/08 of November 27th 2008), Agencja Rozwoju Pomorza S.A. was included in the group of companies classified as “other companies”. The companies of that group are intended for either sale or dissolution and liquidation.

In the past three financial years, Agencja Rozwoju Pomorza S.A. recorded net loss on operations. However, even if the company were to generate profit, its shareholders would not receive dividend in the next few years as it is not allowed under Par. 16.3 of the company’s articles of association, reading as follows: “The company’s profit for the financial years 2001–2015 shall be applied towards the activities specified in the articles of association”.

Therefore, the main objective of the company’s management board is not to commit all the company’s efforts to generating net profit, but to deliver the company’s mission, consisting in the promotion of economic activity and supporting the development of small and middle-sized companies in the Gdańsk Province.

Given that PGNiG S.A. holds only a fraction of Agencja Rozwoju Pomorza S.A.’s share capital and of the total vote at the company’s General Shareholders Meeting, PGNiG S.A. is unable to exercise any influence on the course of actions taken by the company’s management board. In addition, PGNiG S.A. has no representative on the company’s five-member supervisory board. Therefore, there is no economic rationale for maintaining an equity interest in the company any further. The company offers no return on the capital employed by PGNiG S.A.

The solution is the disposal of the shares held by PGNiG S.A. in accordance with the procedure provided for in Art. 418<sup>1</sup> of the Commercial Companies Code, which stipulates that a shareholder holding up to 5% of the share capital may demand that the agenda of the next general shareholders meeting includes an item on the adoption of a resolution concerning the compulsory 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 net assets disclosed in the financial statements for the preceding financial year, less the amount earmarked for distribution to shareholders, divided by the number of shares. Thus, the shares held by PGNiG S.A. would be purchased by the local government of the Gdańsk Province or, in the event of non-adoption of the relevant resolution by the General Shareholders Meeting, by a company which would acquire the shares with a view to their retirement.

## Appendix 1

### Economic and Financial Highlights of Agencja Rozwoju Pomorza S.A. of Gdańsk for 2006–2008

Key information (as at December 31st 2008)	
Total number of shares	1,564.00
Total number of shares held by PGNiG S.A.	10.00
<b>PGNiG S.A.'s share in the total vote at the company's Annual General Shareholders Meeting</b>	<b>0.64%</b>
Share capital	15,640,000.00
PGNiG S.A.'s equity interest	100,000.00
<b>PGNiG S.A.'s share in the share capital</b>	<b>0.64%</b>
Cost of acquiring the shares	100,000.00
Par value per share	10,000.00
Price per share	10,000.00
<b>Book value per share</b>	<b>12,962.76</b>

	2006	2007	% change	2008	% change
<b>Balance-sheet</b>					
Non-current assets	25,750,089.47	24,934,141.45	96.83%	22,890,905.32	91.81%
Current assets	2,466,206.36	3,506,287.49	142.17%	5,406,847.93	154.20%
Inventories	141,152.26	78,156.67	55.37%	46,888.71	59.99%
Current receivables	1,314,122.47	603,319.38	45.91%	824,248.60	136.62%
Current investments	1,004,911.01	2,586,082.22	257.34%	4,421,463.35	170.97%
<b>Balance-sheet total</b>	<b>28,216,295.83</b>	<b>28,440,428.94</b>	<b>100.79%</b>	<b>28,297,753.25</b>	<b>99.50%</b>
Equity	19,672,970.76	20,636,266.29	104.90%	20,273,749.59	98.24%
Non-current liabilities	5,018,638.97	5,396,577.69	107.53%	5,085,088.41	94.23%
Current liabilities	1,930,683.58	1,133,948.65	58.73%	1,536,173.50	135.47%
<b>Income statement</b>					
Sales revenue	8,217,297.66	9,113,452.58	110.91%	11,106,232.67	121.87%
Operating expenses	8,740,850.54	9,996,675.06	114.37%	11,804,600.87	118.09%
<b>Profit/(Loss) on sales</b>	<b>-523,552.88</b>	<b>-883,222.48</b>	<b>168.70%</b>	<b>-698,368.20</b>	<b>79.07%</b>
Other operating income	953,592.45	176,547.87	18.51%	73,664.68	41.73%
Other operating expenses	959,388.45	196,272.94	20.46%	226,245.60	115.27%
<b>Profit/(Loss) on operations</b>	<b>-529,348.88</b>	<b>-902,947.55</b>	<b>170.58%</b>	<b>-850,949.12</b>	<b>94.24%</b>
Financial income	1,296,448.92	98,596.60	7.61%	1,334,315.06	1353.31%
Financial expenses	5,233,589.47	557,486.92	10.65%	521,953.55	93.63%
<b>Pre-tax profit/(loss) before extraordinary items</b>	<b>-4,466,489.43</b>	<b>-1,361,837.87</b>	<b>30.49%</b>	<b>-38,587.61</b>	<b>2.83%</b>
Extraordinary gains					
Extraordinary losses					
<b>Pre-tax profit/(loss)</b>	<b>-4,466,489.43</b>	<b>-1,361,837.87</b>	<b>30.49%</b>	<b>-38,587.61</b>	<b>2.83%</b>
<b>Net profit/(loss)</b>	<b>-3,395,590.47</b>	<b>-1,616,704.47</b>	<b>47.61%</b>	<b>-362,516.70</b>	<b>22.42%</b>

**Ratio analysis**

	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Profitability ratios</b>			
Gross margin			
Return on assets			
Return on equity			
<b>Liquidity ratios</b>			
Current ratio	1.28	3.09	3.52
Quick ratio	1.20	3.02	3.49
Cash ratio	0.52	2.28	2.88
<b>Other ratios</b>			
Total debt ratio	24.63%	22.96%	23.40%
Equity/Non-current assets	76.40%	82.76%	88.57%
Long-term capital/Non-current assets	95.89%	104.41%	110.78%