



**Draft Resolutions for the Extraordinary General Shareholders Meeting of PGNiG S.A.
to Be Held on December 11th 2008**

Current Report No. 94/2008, November 20th 2008

The Management Board of Polskie Górnictwo Naftowe i Gazownictwo S.A. ("PGNiG", the "Company") hereby publishes the draft resolutions to be presented at the Extraordinary General Shareholders Meeting of PGNiG S.A. convened for December 11th 2008:

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

concerning: use of the capital reserve designated as Central Restructuring Fund for one-off payments (redundancy payments) to the former employees of ZUN Naftomet Sp. z o.o. of Krosno and Geovita Sp. z o.o. of Warsaw

Acting pursuant to Par. 56.3.9 of the Company's Articles of Association and based on the positive opinion of PGNiG's Supervisory Board, contained in Resolution No. ... of ..., the Extraordinary General Shareholders Meeting of PGNiG hereby resolves as follows:

Par. 1

The General Shareholders Meeting of PGNiG resolves to use funds from the capital reserve designated as "Central Restructuring Fund for 2005-2007" (in the amount of PLN 1,310,000, representing a portion of the capital reserve designated as Central Restructuring Fund) for one-off payments (redundancy payments) to the employees covered by the 2008 Employment Restructuring Plan, including:

- 1) payments totalling PLN 600,000 to 15 former employees of ZUN Naftomet Sp. z o.o. of Krosno,
- 2) payments totalling PLN 710,000 to 13 former employees of Geovita Sp. z o.o. Warsaw.

Par. 2

This Resolution shall become effective as of its adoption date.

Grounds:

In accordance with Resolution No. 1 of PGNiG's Extraordinary General Shareholders Meeting of July 21st 2005 on the creation of the capital reserve "Central Restructuring Fund", Resolution No. 2 of PGNiG's Extraordinary General Shareholders Meeting of December 13th 2008 concerning extension of the term of existence of the Company's capital reserve "Central Restructuring Fund for 2005–2007" until December 31st 2008, and the Rules of the Central Restructuring Fund, the funds in the Central Restructuring Fund are allocated e.g. to support restructuring efforts through financing of redundancy payments to former employees of entities covered by the PGNiG Group Employment Restructuring Plan which experience



severe financial difficulties. The current value of the Central Restructuring Fund is PLN 6,720,000.

Given the above, the Central Restructuring Fund Committee (established by virtue of Resolution No. 519/2008 of the Management Board of PGNiG S.A. of September 16th 2008) received a request from the Management Board of ZUN Naftomet Sp. z o.o. of Krosno and a request from Geovita Sp. z o.o. of Warsaw, prepared in liaison with the companies' trade unions, for funds to finance one-off payments (redundancy payments) to the employees made redundant.

At a meeting held on October 7th 2008, the Central Restructuring Fund Committee considered the requests submitted by ZUN Naftomet Sp. z o.o. and Geovita Sp. z o.o. of Warsaw. Having reviewed the documentation provided by the companies, including the statements by the companies' employees, the Committee granted the requests and obligated the Restructuring and Social Dialogue Department to prepare a relevant application to PGNiG's Management Board in order to commence the procedure to make the funds available.

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

concerning: the Programme for Streamlining of Employment and Redundancy Payments to the Employees of the PGNiG Group for 2009–2011 (phase III), together with the appendices.

Acting pursuant to Par. 56.3.9 of the Company's Articles of Association and based on the positive opinion of PGNiG's Supervisory Board, contained in Resolution No. ... of ..., the Extraordinary General Shareholders Meeting of PGNiG hereby resolves as follows:

Par. 1

The General Shareholders Meeting of PGNiG resolves to adopt the Programme for Streamlining of Employment and Redundancy Payments to the Employees of the PGNiG Group for 2009–2011 (phase III), together with the appendices.

Par. 2

This Resolution shall become effective as of its adoption date.

Grounds:

The PGNiG Group operates an employment restructuring programme. Since 2000, the programme has been conducted based on uniform regulations having the status equivalent to that of a collective labour agreement. The programme is designated as the Employment Restructuring Programme.



Since 2003, the Group has been implementing phase II of the Employment Restructuring Programme. In 2005, significant modifications were introduced in order to ensure compliance with new Polish regulations and EU directives, and to take into account the changes in the business environment and internal structure of the Company and the Group. The new version of the Programme was introduced in July 2005 with effect from January 1st 2005, and was effective until December 31st 2007.

Given that the "Programme for Streamlining of Employment and Redundancy Payments to the Employees of the PGNiG Group (phase III)" for the following years was not agreed following a negotiation process in Q4 2007, on October 25th 2007 an Annex was signed to the Employment Restructuring Programme (phase II) whereby the existing Programme was extended until December 31st 2008. In 2008, the Group companies covered by the Programme have continued the restructuring measures with respect to the employment numbers and structure in accordance with the provisions of the Annex to the Employment Restructuring Programme (phase II).

As at October 28th 2008, the negotiations with the trade unions concerning the provisions of the "Programme for Streamlining of Employment and Redundancy Payments to the Employees of the PGNiG Group (phase III)" were practically completed.

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

concerning: extension of the term of existence of the Company's capital reserve designated as Central Restructuring Fund.

Acting pursuant to Par. 56.3.9 of the Company's Articles of Association and based on the positive opinion of PGNiG's Supervisory Board, contained in Resolution No. ... of ..., the Extraordinary General Shareholders Meeting of PGNiG hereby resolves as follows:

Par. 1

The General Shareholders Meeting of PGNiG resolves to extend of the term of existence of the Company's capital reserve "Central Restructuring Fund for 2005–2007" until December 31st 2011.

Par. 2

This Resolution shall become effective as of its adoption date.

Grounds:

The Company's capital reserve designated as Central Restructuring Fund was established in 2005 as part of the modifications to phase II of the Programme. The Central Restructuring Fund was created with a view to supporting the restructuring efforts at the PGNiG Group



through the financing of individual redundancy payments to former employees of the Group companies which experience severe financial difficulties or are subject to recovery, bankruptcy or liquidation proceedings. The Fund has been used in accordance with its original purpose and has served the companies of the PGNiG Group.

Under the resolution of the Extraordinary General Shareholders Meeting of PGNiG S.A. of July 21st 2005, an amount PLN 12m was contributed to the Fund. Under Resolution No. 22 of the Annual General Shareholders Meeting of PGNiG S.A. of June 27th 2006, the Fund received additional PLN 8m from distribution of PGNiG S.A.'s profit.

In July 2005–June 2008, the Extraordinary General Shareholders Meeting of PGNiG S.A. adopted five resolutions concerning the allocation of funds from the capital reserve “Central Restructuring Fund for 2005–2007” to finance one-off redundancy payments to employees. The payments totalled PLN 13,280,000. As at the date hereof, the balance of the Fund is PLN 6,720,000.

Since the Central Restructuring Fund still has a large balance and does not require additional contributions, it is proposed that the term of existence of the Company's capital reserve designated as “Central Restructuring Fund for 2005–2007” should be extended until December 31st 2011.

The Fund will be used in the same manner as it was used so far, i.e. mainly for the benefit of former employees of subsidiary companies of PGNiG S.A. covered by the “Programme for Streamlining of Employment and Redundancy Payments to the Employees of the PGNiG Group for 2009–2011 (phase III)” which experience financial difficulties (as defined in the Programme). The funds from the Central Restructuring Fund are applied to finance “redundancy-related benefits” (severance pays and compensations) in accordance with the terms and conditions of the Programme (phase III).