



**Draft Resolutions of the Extraordinary General Shareholders Meeting
of PGNiG S.A. convened for September 11th 2008**

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

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

concerning: approval and determination of terms and conditions of a no-bid sale of a non-current asset in the form of the section of the Włocławek-Gdynia high pressure gas pipeline (DN 500, MOP 8.4 Mpa) with the length of 1.6 km, located in the town of Tczew, along with the related infrastructure

Par. 1

Acting pursuant to Par. 27.4 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. No. 27, item 177, as amended), the Extraordinary General Shareholders Meeting of PGNiG S.A. hereby resolves:

to approve a no-bid sale of a non-current asset in the form of the section of the Włocławek-Gdynia high pressure gas pipeline (DN 500, MOP 8.4 Mpa) with the length of 1.6 km, located in the town of Tczew, along with the related infrastructure, to Operator Gazociągów Przesyłowych Gaz-System S.A., on the terms and conditions set forth in Art. 19 of the Polish Commercialisation and Privatisation Act of August 30th 1996 (Dz.U. of 2002, No. 171, item 1397, as amended).

The selling price of the said non-current asset may not be lower than PLN 1,918,947.00, which is its current market value, as determined by an expert appraiser.

Par. 2

This Resolution shall become effective as of its adoption date.

Grounds:

The subject of the draft resolution is a non-current asset in the form of the section of the Włocławek-Gdynia high pressure gas pipeline (DN 500, MOP 8.4 Mpa) with the length of 1.6 km, located in the town of Tczew, along with the related infrastructure. The gas pipeline in question is no longer required in conducting business operations by PGNiG S.A. since the



Company ceased to provide transmission services as of July 1st 2005 to comply with the EU Gas Directive.

In accordance with Par. 27.4 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, the Company may sell non-current assets without the need to carry out a tender procedure if the buyer is a state-stock company of material importance to public order or safety, referred to in regulations issued pursuant to Art. 8.2 of the Act on Special Rights Vested in the State Treasury and How These Rights Should Be Exercised in Companies of Material Importance to Public Order or Safety, dated June 3rd 2005 (Dz.U. No. 132, item 1108 and No. 267, item 2258), the sale transaction is conducted on the terms and conditions set forth in a General Shareholders Meeting resolution, the assets to be sold comprise technological structures of a gas transmission system, and the selling price of the non-current assets is not lower than their current market value, as determined by expert appraisers.

Operator Gazociągów Przesyłowych GAZ-SYSTEM S.A. owns the transmission segment to which the Tczew town section of the Włocławek-Gdynia gas pipeline is to be connected.

For the needs of the sale transaction the market value of the gas pipeline in question was set at PLN 1,918,947.00. For the purpose of negotiation of the sale agreement, it was assumed that the selling price of the assets may not be lower than their estimated market value.

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

concerning: approval of subscription for new shares in NYSAGAZ Sp. z o.o. in exchange for a cash contribution

Acting pursuant to Par. 56.6 of the Company's Articles of Association and taking into consideration the opinion of the Supervisory Board as expressed in Resolution No. of concerning the Management Board's motion in Resolution No. of, the Extraordinary General Shareholders Meeting resolves as follows:

Par. 1

The Extraordinary General Shareholders Meeting hereby approves the subscription by PGNiG S.A. for 15,810 (fifteen thousand, eight hundred and ten) new shares in the increased share capital of NYSAGAZ Sp. z o.o., in exchange for a cash contribution of PLN 1,581,000.00 (one million, five hundred and eighty-one thousand złoty).

Par. 2.

This Resolution shall become effective as of its adoption date.



Grounds:

Until 2007, NYSAGAZ had implemented four projects involving the use of natural gas in the production of heat. Given the scale of the investment projects in which the company is currently involved, it is unable to reach a positive sales result. The revenue generated (PLN 1.3 million in 2007) does not allow the company to break even. An analysis performed shows that the break-even point will be achieved with sales of over PLN 1.7 million. In 2009–2012, the company's Management Board intends to implement ten new investments projects with the total value amounting to PLN 9.6 million.

The company has presented a scenario for its development based on the implementation of successive capex projects, first to be financed with additional contributions to equity by the shareholders, and then – after the break-even point is achieved – additionally with bank investment loans.

Given its current expenditure on ongoing projects, the company is unable to reach the break-even point and has been repeatedly reporting net losses. In order to achieve the break-even point, the company has to increase its revenue by about 50% compared with 2007. The new projects, to be implemented not earlier than in 2009, require arrangement of financing. In 2009–2012, the company's Management Board intends to implement ten new projects requiring total expenditure of PLN 9.6 million. The additional contributions to equity by the company's shareholders guarantee safe implementation of the development strategy consisting in the implementation of several new projects and quick achievement of the break-even point. Having reached the break-even point, the company will improve its credit standing and will be able to obtain investment loans. Given the company's potential to implement new projects, PGNiG S.A.'s decision to participate in the increase of the share capital of NYSAGAZ Sp. z o.o. by subscribing for 15,810 new shares in exchange for a cash contribution of PLN 1,581 thousand should be perceived as well-grounded.

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

concerning: grant of annual bonus for 2007 to Mr Krzysztof Głogowski, President of the Management Board of PGNiG S.A.

Acting on the basis of Arts. 10.1 and 10.2 of the Act on Remuneration of Persons Managing Certain Legal Entities of March 3rd 2000 (Dz. U. of 2000, No. 26, item 306, as amended) :

Par. 1

The Extraordinary General Shareholders Meeting of Polskie Górnictwo Naftowe i Gazownictwo S.A. has decided to grant to Mr Krzysztof Głogowski an annual bonus for 2007 in the amount of PLN 50,784.48.



Par. 2

This resolution becomes effective on the date of its adoption.

Grounds:

Mr Krzysztof Głogowski held the position of President of the Management Board of Polskie Górnictwo Naftowe i Gazownictwo S.A. in the period from October 1st 2006 to March 12th 2008, and performed his duties with due diligence. His responsibilities included managing all the Company's affairs which required involvement of the President of the Management Board, as well as supervision over and coordination of the Company's operations. At the PGNiG Management Board's motion of May 27th 2008, by virtue of resolution of June 26th 2008, the General Shareholders Meeting granted a discharge for the performance of duties to Mr Krzysztof Głogowski.

In the period when Mr Krzysztof Głogowski was President of the Management Board, PGNiG S.A. generated sales revenue of 15.2bn, which represented an increase of 25% relative to 2006. Furthermore, in 2007 PGNiG S.A.'s net profit stood at PLN 2,154.9m and was by 97% higher than in 2006.

In 2007, the Company conducted activities aimed at achieving compliance with the requirements of the Energy Law, implementing Directive 2003/55/EC of the European Parliament and of the Council (Gas Directive). PGNiG S.A. and the Gas Companies worked on adjusting the organisational structures to the provisions of the Gas Directive, which requires a legal separation of gas distribution and trading and unbundling of Distribution System Operators (DSO). Distribution System Operators with their own network assets have functioned within the PGNiG Group since July 1st 2007, while gas trading was integrated within PGNiG S.A. This way PGNiG S.A. timely achieved compliance with the statutory requirement of separation of the distribution and trading functions, thus opening the way for the development of a competitive gas market in Poland.

In 2007 PGNiG S.A. gained access to oil and gas fields located outside Poland, by acquiring a 12% interest in production licences for the Skarv, Snadd and Idun fields located on the Norwegian Continental Shelf. This transaction allowed PGNiG S.A. to increase its hydrocarbon reserves by obtaining access to the fields on the Norwegian Continental Shelf.

Furthermore, during Mr Krzysztof Głogowski's Presidency the Company became involved in projects allowing it to diversify its sources of supply. The Company prepared itself for the Skanled and Baltic Pipe projects, which will enable it to import gas from Norway. Moreover, PGNiG S.A. established a new company for the needs of the LNG regasification terminal construction project; the terminal will enable PGNiG S.A. to import natural gas in liquid form avoiding the traditional supply routes and independently of the international gas pipeline infrastructure. Under Mr. Krzysztof Głogowski's leadership, PGNiG S.A. also implemented a number of projects domestically, including – to mention just a few – projects aimed at boosting domestic production and projects concerning the extension of the underground gas storage facilities.