

Convening of the Extraordinary General Shareholders Meeting of PGNiG S.A., to be Held on March 31st 2008

Current Report No. 15/2008 of February 14th 2008

The Management Board of Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna of Warsaw, acting pursuant to Art. 399.1 of the Commercial Companies Code and Par. 22.1 and Par. 47.1.1 of the Company's Articles of Association, hereby convenes an Extraordinary General Shareholders Meeting of PGNiG S.A. in accordance with the procedure set forth in Art. 402.1 of the Commercial Companies Code. The Meeting shall be held on March 31st 2008, at 12.00 noon, at the registered office of Polskie Górnictwo Naftowe i Gazownictwo S.A., at ul. Kasprzaka 25, Warsaw, Poland.

Agenda for the Meeting:

- 1) Opening of the Meeting,
- 2) Election of the Chairperson of the Meeting,
- 3) Confirmation that the Meeting has been duly convened and has the capacity to adopt resolutions,
- 4) Drawing up a list of attendees,
- 5) Adoption of the resolution on appointing a candidate designated by the employees of PGNiG S.A. as member of the Company's Supervisory Board, pursuant to Par. 39 of its Articles of Association, for the term of office ending April 29th 2008,
- 6) Closing of the Meeting.

Furthermore, the Management Board of the Company announces that, pursuant to Art. 9 of the Act on Trading in Financial Instruments, dated July 29th 2005 (Dz.U. No. 183, item 1538, as amended), the General Shareholders Meeting may only be attended by those shareholders who submit with the Company, not later than a week prior to the date of the General Shareholders Meeting, deposit certificates issued in their names by the entity keeping the securities account to which the shares are credited.

The original deposit certificates should be submitted at the Company's registered office in Warsaw, at ul. Kasprzaka 25, the SCADA building, 2nd floor, Room 216 (Biuro Spółki), between 9am and 4pm, by March 22nd 2008. Pursuant to Art. 407.1 of the Commercial Companies Code, a list of shareholders entitled to participate in the Extraordinary General Shareholders Meeting of PGNiG SA will be available for inspection at the same place and time.

The deposit certificates which are to be submitted with the Company prior to the General Shareholders Meeting must be issued in accordance with Art. 10 of the Act on Trading in Financial Instruments, dated July 29th 2005 (Dz.U. No. 183, item 1538, as amended). Any deposit certificate made or issued in breach of Art. 10.1.1-3, 10.1.6, 10.1.8, 10.1.10, 10.1.12 or 10.2 is null and void.

Shareholders may participate in the General Shareholders Meeting in person or by proxy. The powers of proxy must be granted in writing on pain of nullity.

Representatives of legal persons will be required to show an original or notarised copy of an excerpt from a relevant register (issued within the last three months) or, where the register does not state that they are authorised to represent those legal persons, a written power of proxy (an original or notarised copy) along with an original or notarised copy of an excerpt from a relevant register, valid as at the day on which the power of proxy was granted. Shareholders and proxies should also carry their identity documents.

In order to ensure smooth proceedings of the General Shareholders Meeting of PGNiG S.A., the Company's Management Board requests all participants to kindly arrive at the venue of the Meeting approx. 30 minutes before its scheduled opening time.

Grounds:

In connection with the resignation of Mr Mirosław Szkałuba from the position of Member of the Supervisory Board of PGNiG S.A. (appointed as a representative elected by the employees) submitted on February 7th 2008 and the serious considerations of legal nature which arose in the course of the meeting of the Supervisory Board of the Company on February 14th 2008 (mentioned in the letter of Mr Piotr Szwarc, Deputy Chairman of the Supervisory Board of PGNiG S.A.) concerning effectiveness of the decisions adopted by the Supervisory Board (curtailing the employee rights by the lack of the representation as provided under the Act on Commercialisation and Privatisation of State-Owned Enterprises); and given the need to secure effective activity of the Supervisory Board (including effective resolution of the pending contest for positions of Members of the Management Board) and the need to eliminate all legal risks related to effectiveness of the decisions taken by the Supervisory Board, the Management Board of PGNiG S.A., acting pursuant to Par. 22.1 and Par. 47.1.1 of the Company's Articles of Association, resolves to convene the Extraordinary General Shareholders Meeting, to be held on March 31st 2008, to fill the vacant post on the Supervisory Board.

In his letter addressed to the Minister of Treasury (for the attention of the Minister of Economy and the Management Board of PGNiG S.A.), Piotr Szwarc, Deputy Chairman of the Supervisory Board of PGNiG S.A., wrote:

Submission of an effective resignation from his position by Mirosław Szkałuba, Member of the Supervisory Board of PGNiG S.A. appointed as a representative elected by the employees, gives rise to very serious legal considerations whether the Supervisory Board whose composition is not complete (not compliant with Art. 14 of the Act on Commercialisation and Privatisation of State-Owned Enterprises) may effectively adopt resolutions.

In accordance with the aforementioned Art. 14 of the Act on Commercialisation and Privatisation of State-Owned Enterprises, considering the specified composition of the Supervisory Board of PGNiG S.A. which in the present term of office should be composed of nine members, the Supervisory Board should include three members elected by the employees. Following the resignation of one of the members elected by the employees, the General Shareholders Meeting of PGNiG S.A. is required to fill the vacant post on the Supervisory Board, pursuant to Par. 39 of the Company's Articles of Association.

At present, adoption of resolutions by the Supervisory Board whose composition is not complete, as it is not compliant with the absolutely binding provisions of law, is exposed to a risk of being ineffective and invalid. Considering the fact that at present the Supervisory Board of PGNiG S.A. should undertake activities and adopt resolutions concerning the process of recruiting the President and Members of the Management Board of the Company (including the opening of candidates' applications and scheduling interviews with the candidates) and, subsequently, resolutions concerning changes in the Management Board, it is necessary to immediately fill the vacant post on the Supervisory Board of PGNiG S.A. pursuant to the procedure provided for in Par. 39 of the Articles of Association of PGNiG SA, i.e. "In the case of removal, resignation or death of a Supervisory Board member appointed from amongst the candidates elected by the employees, a new person shall be appointed who has obtained the second largest number of votes in the last election. If there is no such

opportunity, an additional election shall be carried out and the provisions of Par. 27.3 and 4 and Par. 37.4 shall apply respectively.”

The problem may be resolved by adoption of an appropriate resolution by the General Shareholders Meeting, which in my opinion should be convened as soon as possible.

The need to solve the above problem has been confirmed by developments in other companies in which the State Treasury holds interests. In the above cases the competent courts questioned effectiveness and validity of resolutions adopted by supervisory boards whose composition was not compliant with the provisions of the Commercialisation and Privatisation Act.”

Considering the above, the Management Board of PGNiG S.A. in performance of its obligations under Par. 39 of the Company's Articles of Association resolved to convene the Extraordinary General Shareholders Meeting of PGNiG S.A. with the agenda specified above.