

Convening of the Extraordinary General Shareholders Meeting of PGNiG SA to be held on September 20th 2007

Current Report No. 58/2007 dated August 13th 2007

The Management Board of Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna, registered office in Warsaw, acting pursuant to Art. 399.1 of the Commercial Companies Code and Par. 47.1.1 and Par. 22.1 of the Company's Articles of Association, hereby convenes the Extraordinary General Shareholders Meeting of PGNiG SA in accordance with Art. 402.1 of the Commercial Companies Code. The Meeting shall be held on September 20th 2007, at 12am, at the registered office of Polskie Górnictwo Naftowe i Gazownictwo SA, at ul. Kasprzaka 25, Warsaw, Poland.

Agenda for the Meeting:

- 1) Opening of the Meeting,
- 2) Election of the Chairman of the Meeting,
- 3) Confirmation that the Meeting has been duly convened and has the capacity to adopt resolutions,
- 4) Preparation of the attendance list,
- 5) Adoption of a resolution on amendment of PGNiG S.A.'s Articles of Association.
- 6) Adoption of a resolution on application of capital reserves designated as "Central Restructuring Fund for 2005–2007",
- 7) Adoption of a resolution on changes in the composition of PGNiG S.A.'s Supervisory Board,
- 8) Adoption of a resolution defining the terms and manner of sale of shares in PP-UiH TURGAZ,
- 9) Adoption of a resolution defining the terms and manner of sale of shares in NYSAGAZ,
- 10) Miscellaneous,
- 11) Closing of the Meeting.

Pursuant to Art. 402.2 of the Commercial Companies Code, in view of the planned amendment of the Company's Articles of Association, the Management Board of PGNiG S.A. hereby publishes the existing text of the Articles of Association and the proposed amendments:

1. In Par. 6, points 50) to 71) shall be added, which shall read as follows:

- 50) printing n.e.c.,
- 51) service activities related to printing,
- 52) auxiliary graphic activities,
- 53) services related to installation, repair and maintenance of measuring, controlling, checking, testing and navigating instruments and appliances,
- 54) construction of heating, water, ventilation and gas installations,
- 55) activities of agents involved in the sale of fuels,
- 56) activities of agents involved in the sale of a variety of goods,
- 57) wholesale of hardware, plumbing and heating equipment and supplies,
- 58) other retail sale in non-specialised stores,
- 59) financed lease,
- 60) activities auxiliary to financial intermediation related to insurance and pension funding,
- 61) renting of machinery and equipment,
- 62) data processing,
- 63) data base activities,
- 64) other computer related activities,

- 65) accounting and book-keeping activities,
- 66) advertising,
- 67) call centre activities,
- 68) miscellaneous business activities n.e.c.,
- 69) management of real estate on a fee or contract basis,
- 70) letting of own property,
- 71) other provision of lodging n.e.c.”

Currently:

“Par 6. The Company shall run production, service and trade activity within the following scope:

- 1) production of crude oil,
- 2) production of natural gas,
- 3) service activities connected with exploitation of oil and natural gas fields
- 4) quarrying of sulphur-containing minerals ,
- 5) other mining and quarrying not elsewhere classified
- 6) manufacture of refining and petroleum products
- 7) processing of refining and petroleum products
- 8) service activities in the area of installing, repair and maintenance of machinery for mining, quarrying and construction
- 9) production of electricity
- 10) transmission of electricity
- 11) distribution of electricity
- 12) manufacture of gaseous fuels
- 13) distribution of gaseous fuels through grid systems
- 14) manufacture of heat (steam and hot water)
- 15) distribution of heat (steam and hot water)
- 16) performance of geological and engineering excavations and drillings
- 17) performance of general construction works within the scope of line distribution facilities: pipelines, electric power lines, electric traction lines as well as telecommunications and transmission lines
- 18) performance of central heating and ventilation installations
- 19) performance of gas installations
- 20) maintenance and repair of motor vehicles
- 21) retail sale of fuels
- 22) wholesale sale of solid, liquid and gaseous fuels and related products
- 23) wholesale sale of intermediate products
- 24) other specialized wholesale sale
- 25) hotels and motels, with restaurants
- 26) hotels and motels, without restaurants
- 27) land transport of goods by specialized vehicles
- 28) land transport of goods by universal vehicles
- 29) pipeline transport
- 30) storage and warehousing of goods in other warehouses
- 31) activities of travel agencies
- 32) wire telephony and telegraphy
- 33) mobile telephony
- 34) data transmission and teleinformatics
- 35) radiocommunications
- 36) research and experimental development on engineering
- 37) geological and exploring activity
- 38) activities relating to geodesy and cartography
- 39) letting of own or leased property

- 40) management of residential real estate
- 41) management of non-residential real estate
- 42) buying and selling of own or leased real estate
- 43) activities of libraries other than public libraries
- 44) archives activities
- 45) museum activities
- 46) technical research and analyses
- 47) lease of particular constituents of property serving for transmission of power and gas
- 48) other financial intermediation
- 49) management activities of holding companies

2. Par. 23.3 shall be amended to read as follows:

„3. After the end of each quarterly period and by the end of the next month following the given quarter, the Company’s Management Board shall prepare and submit to the minister competent for the State Treasury’s affairs and to the minister competent for economy, an economic and financial analysis of the Company and the distribution system operators, in the format defined by the minister competent for the State Treasury’s affairs.”

Currently:

“Par. 23.3

After the end of each quarter the Company’s Management Board shall prepare and submit to the minister responsible for matters concerning the State Treasury and the minister responsible for the economy, by the end of the month immediately following the calculation period, an economic and financial analysis of the Company and the distributing companies referred to in § 66 of these Statutes, separated on the basis of a programme of the Council of Ministers in a form determined by the minister responsible for matters concerning the State Treasury, in the form of current report in the understanding of the Law on Public Trading.”

3. In Par. 33.1.4) the word “Company” shall be substituted with the word “Group”.

Currently:

“Par. 33.1.4)

assessing of the consolidated financial statement both concerning the compliance with accounting books and documents as well as with the facts, examining the Management Board’s consolidated report on the Company’s activity and submitting to the General Meeting of Shareholders a report of the results of these activities,”

4. The words “distribution company” used in Par. 33.3 12-14, whether in the singular or plural form, shall be substituted with the words “distribution system operator” in the singular or plural form, as appropriate.

Currently:

“Par.33.3 12-14

12) approval of the manner of exercising the voting right by the PGNiG representative at the general shareholders meetings of the distribution companies with respect to matters concerning approval of such companies’ financial plans,

- 13) approval of the manner of exercising the voting right by a representative of PGNiG S.A. at the general shareholders meetings of distribution companies with respect to matters concerning approval of such companies' long-term strategic business plans,
- 14) approval of the manner of exercising the voting right by a representative of PGNiG S.A. at the general shareholders meetings of distribution companies with respect to matters concerning:
 - a) amendments to a company's statutes or articles of association,
 - b) increase or reduction of a company's share capital,
 - c) merger, transformation or division of a company,
 - d) sale of a company shares,
 - e) sale and lease of a company's enterprise or an organized part thereof and establishing limited rights in property thereon,
 - f) dissolution and liquidation of a company.

5. In Par. 56.1, after the word "is", the expression "in particular" shall be added.

Currently:

"Par. 56.1

The following shall constitute the subject of an ordinary General Meeting of Shareholders:

- 1) reviewing and approving the financial statement for the previous financial year and the Management Board report on the Company's activity,
- 2) acknowledging the fulfillment of duties by members of the Company's authorities,
- 3) adopting resolutions on the allocation of profits or coverage of losses,
- 4) adopting resolutions on the fixing of the dividend payment date or on the payment thereof in installments."

6. In Par. 65, sub-paragraph 6 shall be added, which shall read as follows:

„6. Whenever in these Articles of Association a reference is made to the value of non-current assets, including property, perpetual usufruct rights or interests in property, such value shall be determined in accordance with the provisions of the Act on the Commercialisation and Privatisation of State-Owned Enterprises dated August 30th 1996 (Dz.U. of 2002, No. 171, item 1397, as amended) and secondary legislation thereto”.

Currently:

"Par. 65

1. For reasons stipulated in the provisions of law the Company shall be dissolved.
2. The liquidators shall be the members of the Company's Management Board, unless a resolution of the General Meeting of Shareholders stipulates otherwise.
3. Assets remaining after the creditors have been satisfied or secured shall be taken up by the shareholders.
4. Each time these Articles of Association refer to the given amount expressed in EURO and there are no statutory provisions to the contrary, it shall mean the equivalent of this amount in Polish zloty calculated on the basis of the average exchange rate of domestic currency to EURO announced by the National Bank of Poland on the date preceding the adoption of a resolution by the Company's relevant authority authorized to consent to the carrying out of the action in connection with which the equivalent is calculated,
5. Whenever the Company Articles of Association refer to the value of the object of a transaction conducted by the Company, such value shall comprise VAT and excise tax if, pursuant to separate regulations, such a transaction is subject to VAT and excise tax."

7. In Par. 66, sub-paragraph 1 shall be amended to read as follows:

„1. Within the meaning of these Articles of Association, a distribution system operator is PGNiG S.A.'s subsidiary being an energy company involved in the distribution of gaseous fuels, responsible for network traffic in the gas distribution system, ongoing and long-term security of the system's operation, as well as operation, maintenance, repair and necessary extension of the distribution network, including interconnections with other gas systems.”

Currently:

“Par. 66.1

In the meaning of these Articles of Association a distribution company is a company running distribution and delivering natural gas through grids to its consumers and trading in gas, separated from the structures of Polskie Górnictwo Naftowe i Gazownictwo S.A. on the basis of the “Programme of the Restructuring and Privatization of the Gas Sector” adopted by the Council of Ministers on 13 August 2002 (point 25 of the Protocol No. 33/2002 of the arrangements made at the meeting of the Council of Ministers).”

Furthermore, the Management Board of the Company hereby announces that, pursuant to Article 9 of the Act on Trading in Financial Instruments of 29 July 2005 (Dz.U. No. 183, item 1538), the Shareholders Meeting may be attended by those shareholders who submit to the Company, not later than a week prior to the date of the Shareholders Meeting, a written deposit certificate issued in the name of the holder by the entity maintaining the securities account.

The 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 on business days, by 12 September 2007. Pursuant to Article 407.1 of the Commercial Companies Code, the list of shareholders entitled to participate in the Annual General Shareholders Meeting of PGNiG SA will be available for inspection at the same place and time.

The deposit certificate to be submitted to the Company prior to the Annual Shareholders Meeting must be issued in accordance with Article 10 of the Act on Trading in Financial Instruments of 29 July 2005 (Dz.U. No. 183, item 1538). Any deposit certificate compiled or issued in breach of Article 10, Clause 1, sub-clauses 1-3, 6, 8, 10-12 or Clause 2 of the said Article shall be null and void.

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

Proxies of legal persons should have an excerpt from the relevant register (either original or a copy certified by a notary public), not older than three months, and if their authorisation to represent the legal person is not evident from the register, they should have written powers of proxy (either original or a copy certified by a notary public) and a copy of an excerpt from the relevant register (either original or a copy certified by a notary public) valid as at the date of issue of the power-of-attorney.

Shareholders and proxies should have an identity document.

In order to ensure smooth proceedings of the Annual Shareholders Meeting of PGNiG SA, the Company's Management Board requests the shareholders to kindly arrive at the venue of the Meeting approx. 30 minutes before the scheduled opening time.