

Polish Oil and Gas Company (PGNiG SA)
Head Office

Warsaw, December 29th 2010

Current Report No. 96/2010

Annex to the Execution Agreement for the Preparation and Execution of the Project Involving the Construction of a CCGT Unit in Stalowa Wola

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The Management Board of Polskie Górnictwo Naftowe i Gazownictwo SA ("PGNiG", "the Company") hereby reports that on December 29th 2010 an Annex to the Execution Agreement of the Project "Construction of a CCGT Unit in Stalowa Wola" ("the Agreement") was executed by and between PGNiG, PGNiG Energia SA of Warsaw ("PGNiG Energia"), TAURON Polska Energia SA of Katowice ("Tauron"), and Elektrownia Stalowa Wola SA of Stalowa Wola ("ESW") (hereinafter jointly referred to as "the Parties"). The Company reported the conclusion of the Agreement in Current Report No. 22/2010 of May 7th 2010.

The Execution Agreement was signed on May 7th 2010 for the period until the conclusion of the SPV Operating Agreement, but in any case not longer than until December 31st 2010. The Annex extends the term of the Agreement from December 31st 2010 to March 31st 2011 with an option to extend it further - in particularly justified circumstances - up until June 30th 2011 by way of appropriate annexes to the Agreement.

The Annex to the Agreement will expire if the Parties do not obtain the required approvals of their respective corporate bodies within one month from its execution.

The need to extend the Agreement was due to the protracted negotiations concerning the SPV (Special Purpose Vehicle) Operating Agreement, which will specify in detail the terms of cooperation between all the Parties to the project.

The Parties have indicated their willingness to continue the work carried out under the Agreement and to execute the SPV Operating Agreement as soon as reasonably practicable - which confirms that the extension of the Agreement was purposeful and necessary.

The Parties are now engaged in intensive and duly careful work with the objective of attaining in all the necessary formal and legal, content-related, economic and business areas such results that will ensure the drafting and executing of a fully reasonable SPV Operating Agreement that would meet all the required conditions and could be effectively implemented.