

Polish Oil and Gas Company (PGNiG SA)
Head Office

Warsaw, December 29th 2010

Current Report No. 97/2010

Execution of Agreements Between PGNiG SA and Operator Gazociągów Przesyłowych GAZ-SYSTEM SA
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The Management Board of Polskie Górnictwo Naftowe i Gazownictwo SA ("PGNiG", "the Company") hereby reports that on December 29th 2010 two agreements were signed for the provision of high-methane and nitrogen-rich gas transmission services, including:- Gas Transmission Agreement No. 2010/UP/0013/E, and- Nitrogen-Rich Gas Transmission Agreement No. 2010/UP/0008/L (the "Agreements").

The parties to both Agreements are PGNiG and Operator Gazociągów Przesyłowych GAZ-SYSTEM SA of Warsaw ("Gaz-System").

Agreement No. 2010/UP/0013/E covers the provision of high-methane gas transmission services and stipulates the terms and conditions of supply of the gas fuel to and its collection from the transmission system

Agreement No. 2010/UP/0008/L covers the provision of nitrogen-rich gas transmission services and stipulates the terms and conditions of supply of the gas fuel to and its collection from the transmission system.

The Agreements will be effective from January 1st 2011 until December 31st 2014. The transmission of gas will commence on January 1st 2011.

The settlement period will be a gas month running from 10pm on the last day of the month immediately preceding the current month until 10pm on the last day of the current month. The Agreements do not contain any specific terms or conditions which would differ from standard terms and conditions used in similar agreements. The Agreements provide for no contractual penalties.

The estimated value of Agreement No. 2010/UP/0013/E is approximately PLN 5,635bn, which exceeds 10% of PGNiG's equity. Therefore, it is a significant agreement within the meaning of the Regulation of the Minister of Finance's Regulation on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated February 19th 2009.

The estimated value of Agreement No. 2010/UP/0008/L is approximately PLN 329m.

The estimated aggregate value of the two Agreements over their entire term is approximately PLN 5.96bn (VAT-exclusive). It has been estimated based on the gas transmission tariff as currently in effect, as well as the in-house projections of the transmission tariff in the following years.

The estimated aggregate value of the agreements executed between PGNiG and its subsidiaries with Gaz-System and its subsidiaries over the past twelve months (including the Agreements discussed above) is approximately PLN 19.5bn. The agreement of the highest value is the agreement of March 18th 2010 between PGNiG and Polskie LNG SA of Świnoujście, whose value is estimated at approximately PLN 13.11bn. The Company reported the conclusion of that agreement in Current Report No. 12/2010 of March 18th 2010. Polskie LNG SA is a wholly-owned subsidiary of Gaz-System.

See also:- Current Report No. 12/2010 of March 18th 2010 – Regasification Services Contract with Polskie LNG SA (a wholly-owned subsidiary of OGP GAZ-SYSTEM SA)- Current Report No. 76/2007 of October 1st 2007 – Previous Gas Transmission Agreement with OGP GAZ-SYSTEM SA