

Polish Oil and Gas Company (PGNiG SA)  
Head Office

Warsaw, June 21st 2017

### **Current Report No. 52/2017**

Warsaw, June 21st 2017

Execution of Individual Contracts with Grupa Azoty S.A.

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Further to Current Report No. 31/2016, the Management Board of Polskie Górnictwo Naftowe i Gazownictwo S.A. ("PGNiG") announces that on June 21st 2017 PGNiG and companies of Grupa Azoty Group entered into bilateral contracts ("Individual Contracts") to the framework agreement for gas fuel supply dated April 13th 2016.

The Individual Contracts provide for supplies of gas fuel from October 1st 2018 to September 30th 2020, with an option to extend the period until September 30th 2022.

Thanks to the execution of the Individual Contracts, PGNiG will continue as a strategic supplier of gas fuel to five companies of the Grupa Azoty Group, ie. Grupa Azoty S.A. based in Tarnow, Grupa Azoty Zakłady Azotowe „Puławy” S.A., Grupa Azoty Zakłady Chemiczne „Police” S.A., Grupa Azoty Zakłady Azotowe Kędzierzyn S.A. and Grupa Azoty Kopalnie i Zakłady Chemiczne Siarki „Siarkopol” S.A.

The total value of the Individual Contracts over their four-year term is estimated at approximately PLN 7bn. The pricing formula used in the Individual Contracts was based on market gas price indices.

The execution of the Individual Contracts involved shortening of the term of the existing Individual Contracts, executed on April 13th 2016 between the Grupa Azoty Group companies and PGNiG, to September 30th 2018.