

Polish Oil and Gas Company (PGNiG SA)
Head Office

Warsaw, August 28th 2017

Current Report No. 67/2017

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Amendment of Regasification Agreement

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The Management Board of Polskie Górnictwo Naftowe i Gazownictwo S.A. ("PGNiG", the "Company") announces that on August 28th 2017 PGNiG S.A. and Polskie LNG S.A. („Polish LNG”) signed an amendment to the Regasification Agreement of March 18th 2010 (the „Regasification Agreement”), announced by the Company in Current Report No. 12/2010 of March 18th 2010.

Pursuant to the Amendment, PGNiG reserved an additional 35% of regasification capacity at the President Lech Kaczyński LNG terminal in Świnoujście, for the period January 1st 2018 – January 1st 2035. This means that from 2018 onwards, the Company will be able to import by sea an amount of LNG that, after regasification, will correspond to approximately 5 billion cubic metres of natural gas a year.

The reservation of increased regasification capacity at the LNG terminal will enable the Company to achieve its strategic objectives related to gas supply diversification and national energy security. Pursuant to the Regasification Agreement and the Amendment, PGNiG will be able to receive in Świnoujście LNG under long-term contracts concluded with Qatargas on June 29th 2009 and March 14th 2017, and to optimise the Company’s gas portfolio by concluding medium- and short-term LNG purchase contracts.

The procedure of reserving additional capacity was performed in line with the rules set out in the applicable LNG Terminal Operations Manual. The services will be billed according to the tariff applicable for the duration of the Regasification Agreement, approved by the President of the Energy Regulatory Authority.

The Regasification Agreement was concluded with the conditions for conclusion which are: seeking the corporate approvals by Polish LNG from its authorities and presenting Polish LNG by PGNiG the capacity stipulated in the agreement, according to the LNG Terminal Operations Manual, before the provision of the service.

Legal basis: Article 17.1 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16th 2014 on market abuse and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

