

Polish Oil and Gas Company (PGNiG SA)
Head Office

Warsaw, October 31st 2017

Current Report No. 90/2017

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Information on the binding offer submitted by PGNiG in Baltic Pipe project's Open Season procedure

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The Management Board of Polskie Górnictwo Naftowe i Gazownictwo SA ('PGNiG', 'Company') reports that on October 27th 2017 the Company, after obtaining the consent resulting from the provisions of the Company's Articles of Association, made an binding offer for capacity reservation in the period from October 1st, 2022 until September 30th, 2037 as a part of Baltic Pipe's Open Season 2017 ('Open Season 2017') procedure used by Energinet and Gaz-System S.A. to identify if there is a market demand for the establishment or enhancement of upstream and transmission infrastructure that allows for transportation of gas from Norway to Poland, through Denmark. The resulting liability is stated at the estimated amount of PLN 8.1 billion.

The final allocation of capacity in Open Season 2017 for PGNiG by the operators of transmission networks i.e. Energinet and Gaz System S.A., will be based on offers submitted by all of the Open Season 2017 participants in Phase 2.

PGNiG's participation in Phase 2 of the Open Season 2017 procedure is an element of building diversified and competitive portfolio of natural gas supplies after 2022, which is one of strategic objectives of "PGNiG Group Strategy for 2017–2022 (extended until 2026)", announced by the Company in Current Report No. 19/2017 of March 13th 2017.

The disclosure of the information concerning terms of the binding offer submitted by the PGNiG was delayed on October 17th 2017 i.e. from the moment of Management Board's decision in the matter, until this day according to Article 17 paragraph 4 of the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) 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.