

Polish Oil and Gas Company (PGNiG SA)
Head Office

Warsaw, December 30th 2014

Current Report No. 129/2014

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Fulfilment of conditions precedent under the Conditional Agreement between PGNiG Upstream International AS and Total E&P Norge AS

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The Management Board of Polskie Górnictwo Naftowe i Gazownictwo SA ("PGNiG") announces that it has been notified of the fulfilment on December 30th 2014 of all the conditions precedent under the Conditional Agreement of September 29th 2014 on the purchase of interests in an asset portfolio comprising four fields on the Norwegian Continental Shelf, executed between PGNiG Upstream International AS of Sandnes, Norway, and Total E&P Norge AS, reported by PGNiG in Current Report No. 110/2014 of October 27th 2014.

The purchase price (NOK 1,950m), a significant portion of which was covered with cash flows generated in the period between the agreed acquisition date and the date of actual settlement, was also settled. Given the achieved sales targets of hydrocarbons produced from the acquired fields in 2014, reduced costs and capital expenditure, as well as favourable foreign exchange rates, the ultimate cash payment will amount to approximately NOK 843m (approximately PLN 400m at the exchange rate as of December 30th 2014), which accounts for 43% of the purchase price.

The transaction's settlement date is December 30th 2014.

See also: Current Report No. 110/2014 of October 27th 2014.