

Polish Oil and Gas Company (PGNiG SA)
Head Office

Warsaw, December 16th 2016

Current Report No. 119/2016

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President of URE's decision on PGNiG's Tariff For The Largest Customers

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The Management Board of Polskie Górnictwo Naftowe i Gazownictwo SA ("PGNiG") has been notified of the approval, by way of the President of the Energy Regulatory Office's ("President of URE") decision of December ...th 2016, of the new PGNiG Gas Fuel Supply Tariff No. 13/2016 - Tariff For The Largest Customers ("Tariff").

Due to the higher prices of crude oil and natural gas across wholesale markets in north-western Europe for the first quarter of 2017, PGNiG's total cost of gas grew beyond the cost assumed for the calculation of the existing Tariff.

Therefore, the average trading price of gas fuel increased by 12.2% for high-methane gas and by 13.4% for nitrogen-rich gas.

Moreover, due to introduction of new paragraph 62b article 1 of Energy Law Act which enters into force on January 1st, 2017 and dismisses the obligation to submit tariffs for, among others, selling gas fuel in virtual points, the new Tariff does not contain provisions relating virtual point.

The Tariff will remain valid until March 31st 2017.

For detailed information on the approved tariff, see www.ure.gov.pl and Biuletyn Branżowy URE.