

Polish Oil and Gas Company (PGNiG SA)  
Head Office

Warsaw, December 8th 2009

### **Current Report No. 98/2009**

Agreement between PGNiG S.A. and Zakłady Chemiczne Police S.A.

Current Report No. 98/2009 dated December 8th, 2009

The Management Board of Polskie Górnictwo Naftowe i Gazownictwo S.A. ("PGNiG") reports that on December 8th 2009 PGNiG and Zakłady Chemiczne Police S.A. ("ZCh Police") signed an agreement on the terms of debt repayment.

In accordance with the agreement, ZCh Police agreed to repay the debt plus interest accrued at the statutory rate by June 30th 2010. In addition, amounts due in respect of current invoices for gaseous fuel, starting from November 2009, will be paid by ZCh Police by January 31st 2010. By January 31st 2010, PGNiG will also receive a copy of the approved Restructuring Plan for ZCh Police.

The debt referred to above is secured with:

- 1) a pledge over a set of movables making up the equipment of the Nitrogen Plant – Ammonia Division, comprising an economic unit and a part of the Pledgor's business,
- 2) a pledge over a set of movables making up the equipment of the Nitrogen Plant – Ammonia Storage and Distribution Division, comprising an economic unit and a part of the Pledgor's business,
- 3) ceiling mortgage (hipoteka kaucyjna) for up to PLN 80,000,000.00 over real estate on which Nitrogen Plant – Ammonia Division and Nitrogen Plant – Ammonia Storage and Distribution Division are located.

The agreement is subject to a condition precedent that by December 18th 2009 PGNiG and ZCh Police enter into a comprehensive agreement on the sale of gaseous fuel, in the amount of 310 million cubic metres annually, for a period of 12 months starting on December 20th 2009.

(see Current Report No. 95/2009 of November 18th 2009)