

Polish Oil and Gas Company (PGNiG SA)
Head Office

Warsaw, December 15th 2006

Current Report No. 86/2006

Acquisition of Land Situated at ul. Kasprzaka 25, Warsaw Current Report No. 86/2006 of December 15th, 2006 The Management Board of Polskie Górnictwo Naftowe i Gazownictwo S.A. ("PGNiG") hereby reports that on December 15th, 2006 it was informed that on December 7th 2006 the decision of the President of Warsaw, concerning acquisition, as of December 5th 1990, by force of law, for the period of 99 years, by Przedsiębiorstwo Państwowe Polskie Górnictwo Naftowe i Gazownictwo of Warsaw, whose legal successor is PGNiG, of perpetual usufruct rights to developed land owned by the City of Warsaw, situated at ul. Kasprzaka 25 in Warsaw, entered into the Land and Mortgage Register under No. KW WA4M/00227834/7, comprising plot No. 7 with an area of 1.3883 ha and plot No. 8 with an area of 13.6934 ha (joint area of 15.0817 ha) in geodetic district 6-04-07, and property rights to the buildings, structures and other items located on the land, became final. The total market value of the property has been estimated by a property appraiser at PLN 262,523,852. The acquisition of the land and buildings was gratuitous, however, for the perpetual usufruct of the land the Company will pay an annual fee equal to 1.5% of the land's value. The above decision is final.