

Polish Oil and Gas Company (PGNiG SA)
Head Office

Warsaw, December 17th 2015

Current Report No. 97/2015

Warsaw, December 17th 2015

President of URE's decision on Wholesale Tariff of PGNiG SA, Retail Tariff of PGNiG Obrót Detaliczny and PSG Distribution Tariff

Current Report No. 97/2015

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 17th 2015, of the new PGNiG Gas Fuel Supply Tariff No. 9/2016 ("Wholesale Tariff"), the new PGNiG Obrót Detaliczny Gas Fuel Trading Tariff No. 2 ("Retail Tariff") and extension of the term of the Polska Spółka Gazownictwa Tariff No. 3 for Gas Fuel Distribution Services and LNG Regasification Services ("Distribution Tariff").

Wholesale Tariff

Due to the persistently low prices of crude oil and low prices of natural gas across wholesale markets in north-western Europe, PGNiG's total cost of gas fell below the cost assumed for in the calculation of the existing Wholesale Tariff.

Therefore, the average trading price of gas fuel has been reduced by 6.6% for high-methane gas and by 6.1% for nitrogen-rich gas.

The Wholesale Tariff will remain valid until March 31st 2016.

Retail Tariff

Amended Retail Tariff No. 2 provides for the following changes in gas fuel prices relative to the previous Tariff of PGNiG Obrót Detaliczny:

- for high-methane gas (group E) – reduction by 3.3%,
- for nitrogen-rich gas (group Lw) – reduction by 2.8%,
- for nitrogen-rich gas (group Ls) – reduction by 2.1%,

Subscription fees for retail customers, excluding "12T" tariff groups, have been reduced by 10%. Subscription fees for other customers remain unchanged.

The Retail Tariff will remain valid until March 31st 2016. Distribution Tariff As the term of Distribution Tariff No. 3 has been extended, rates of distribution and regasification service charges remain unchanged.

The term of Distribution Tariff has been extended until June 30th 2016.

For detailed information on the approved tariffs, see www.ure.gov.pl and Biuletyn Branżowy URE – Paliwa gazowe (the URE official gazette – Gaseous fuels) No. 86/2015 and 88/2015 of December 17th 2015.