

# Polskie Górnictwo Naftowe i Gazownictwo SA

PGNiG Group 2018 Results

March 14th 2019



Exploration and Production

Trade and Storage

Distribution

Generation

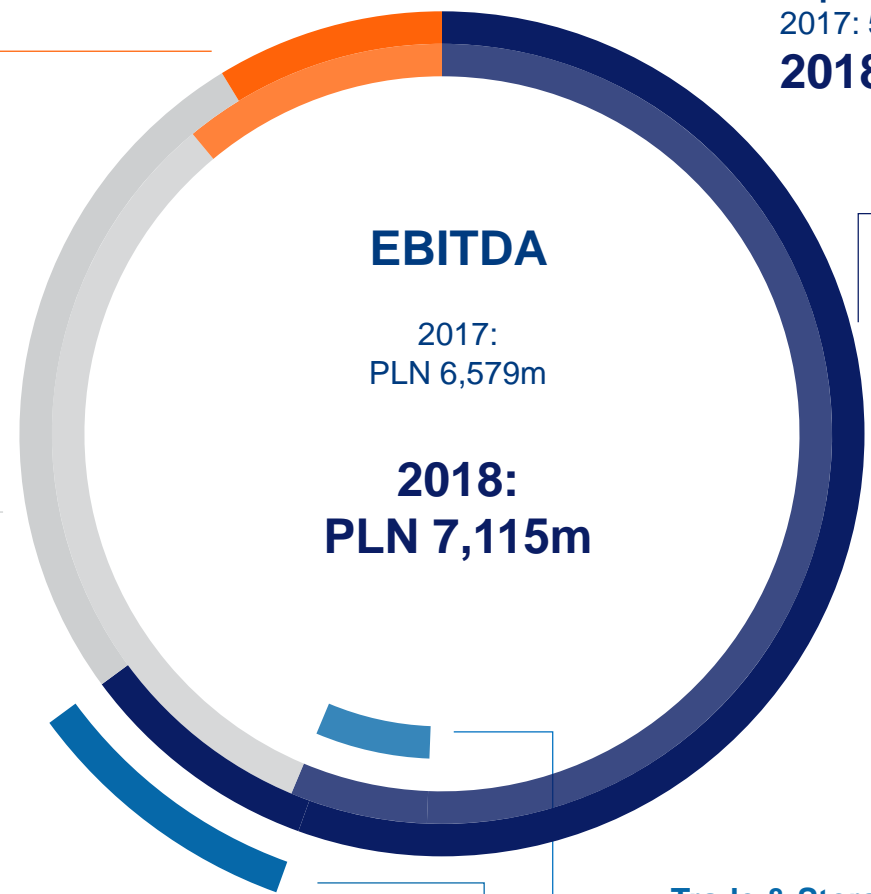
# Segments' contribution to EBITDA

**Generation**  
2017: 13%  
**2018: 11%**

**Distribution**  
2017: 38%  
**2018: 34%**

**Exploration & Production**  
2017: 59%  
**2018: 71%**

**Trade & Storage**  
2017: -7%  
**2018: -12%**



Contribution of other „segments and eliminations” to EBITDA in 2018: -4%; in 2017: -3%

# Exploration and Production

Yearly average price of Brent crude yoy  
205 / **PLN 257/bbl**

**+25%** ▲

Yearly arithmetic average POLPX DAMg price yoy  
80 / **PLN 103/MWh**

**+30%** ▲

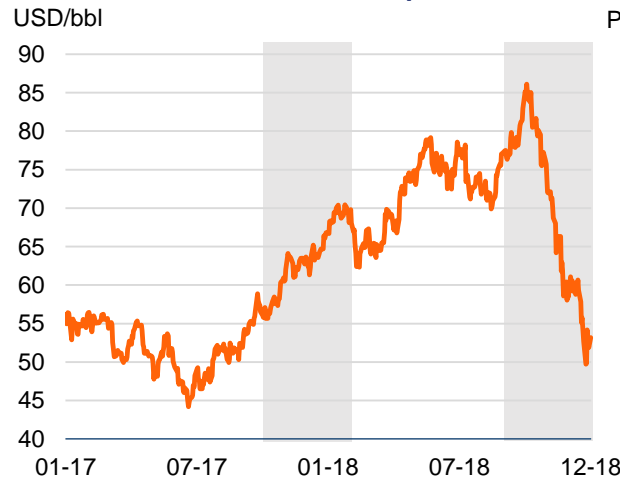
Crude oil production in 2018 yoy  
1,257 / **1,345 thousand tonnes**

**+7%** ▲

Gas production in 2018 yoy  
4.54 / **4.55 bcm**

**0%**

Brent crude oil price



Price on the POLPX Day-Ahead Market



(PLNm)

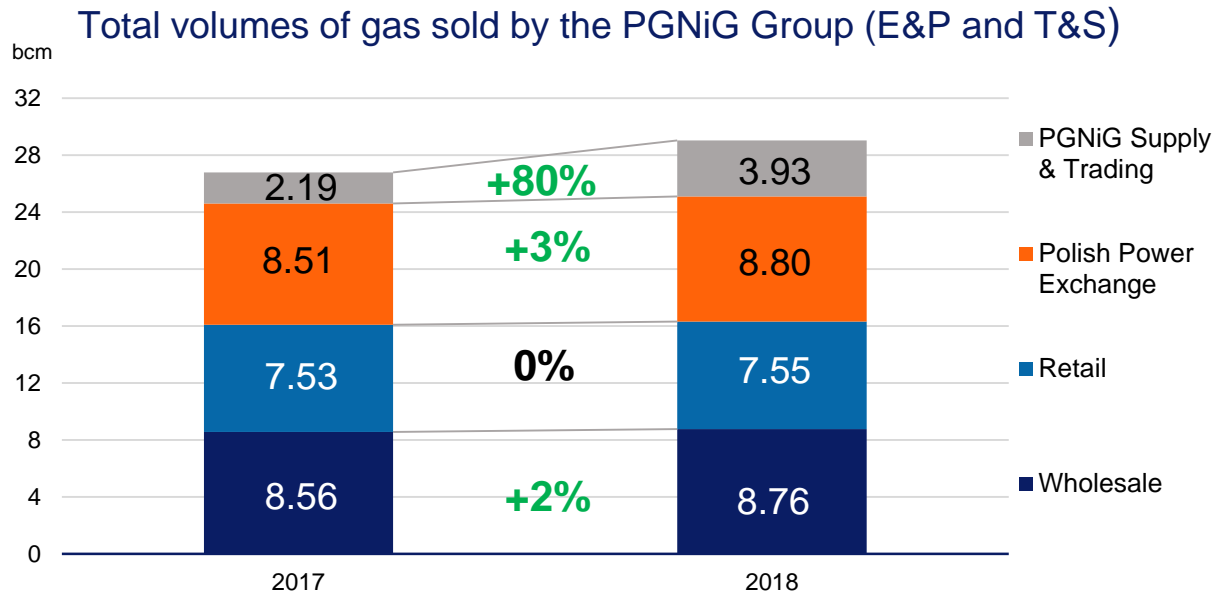


# Trade and Storage

Yearly average POLPX (spot and futures) price yoy  
81,0 / **93,1** PLN/MWh **+15%** ▲

LNG import volumes in 2018 yoy  
1,72 / **2,71** bcm **+58%** ▲

Total gas sales outside the PGNiG Group yoy  
26,79 / **29,04** bcm **+8%** ▲



\*Data restated to ensure comparability following the adoption of amended IFRS 15.

# Distribution

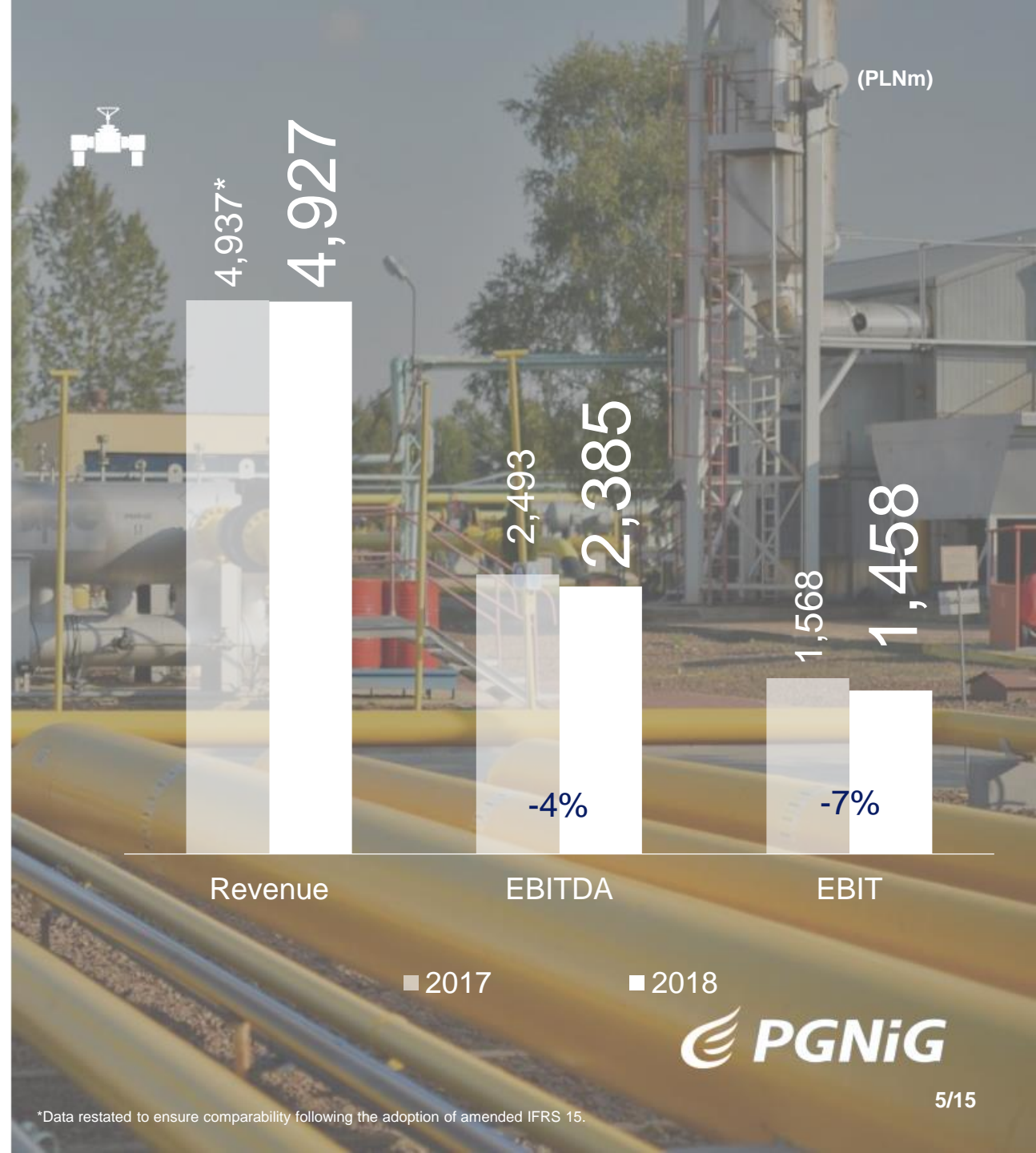
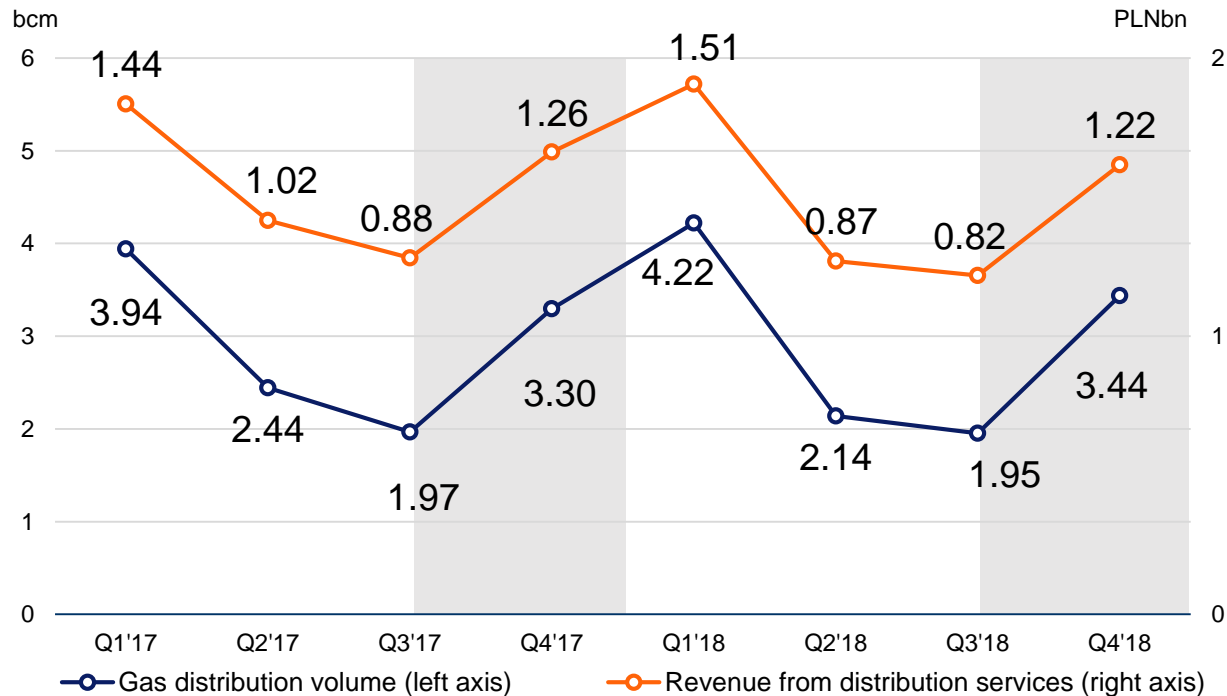
Gas distribution yoy  
11.65 / 11.75 bcm

+1% ▲

Revenue from distribution services yoy  
4.59 / PLN 4.41bn

-4% ▼

Revenue from distribution services and gas distribution volume



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# Generation

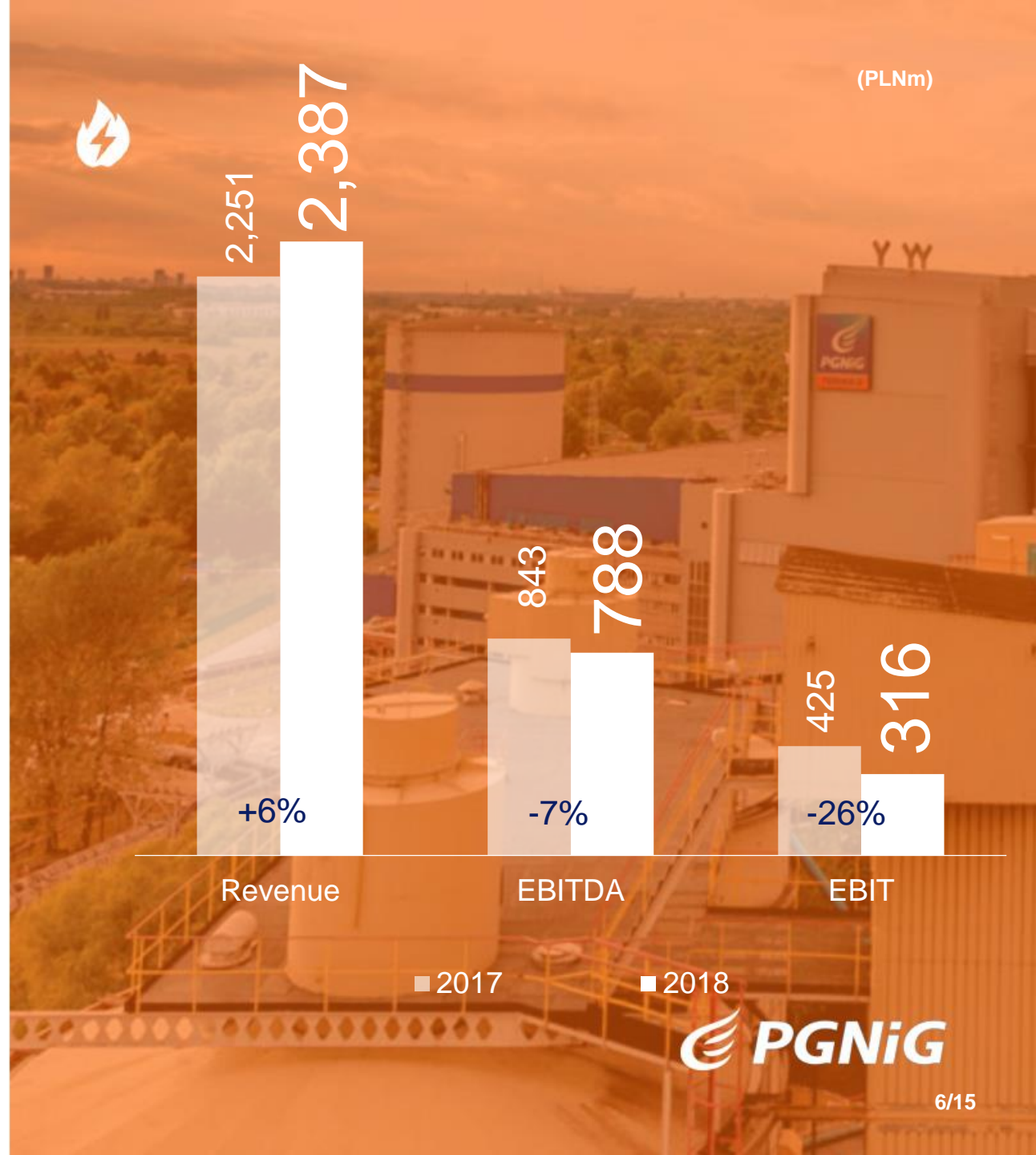
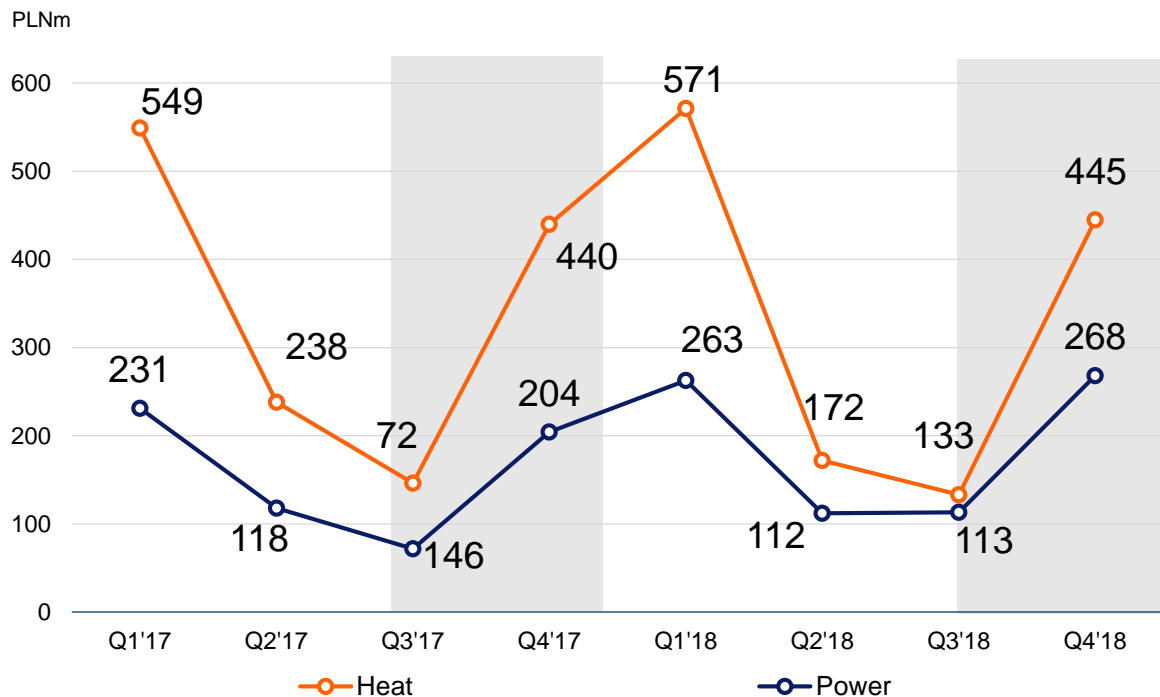
Heat sales yoy  
42.61 / 40.66 PJ

-5% ▼

Sales of electricity from own generation sources yoy  
3.88 / 3.97 TWh

+2% ▲

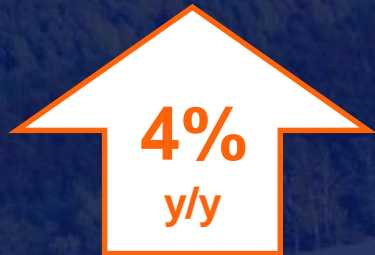
Revenue from sales of heat and electricity (own generation)



# ■ Exploration and production in Poland – summary of 2018

growth in production of  
crude oil

**818.3 th tons**



production of  
natural gas

**3.8 bcm**

stopping the downward  
trend  
in natural gas production  
in Poland

„revitalizing”  
the Przemyśl gas field:  
optimizing of production process

**20 bcm**

additional natural gas resources  
in the field

about **100** further drillings planned until 2022  
in Podkarpacie and western Poland

# ■ Exploration and production in Poland – summary of 2018



**5.4 bcm**

documentation  
of recoverable new  
natural gas resources



**85%**

drillings  
proved  
successful



**36**

boreholes



**Gilowice/Geo-Metan**

- Gilowice-3K directional borehole
- Gilowice-4H horizontal borehole
- Międzyrzecze-4 vertical borehole
- hydraulic fracking in Gilowice-4H
- 2019 – agreement signed with PGG

**11**  
p.p.

**3**  
y/y



# Operations outside of Poland – summary of 2018

## NORWAY

- 3 new licenses, including 2 as the operator
- acquiring 42,38 % in Tommeliten Alpha field
- acquiring 20 % in PL433 (comprising Fogelberg field)
- preparations for drilling the first off-shore exploratory well as the license operator – planned for 2019 (Shrek, PL838 - 40 % of shares)

**593 th tons**

growth in sales of crude oil

**24%**  
y/y



## PAKISTAN

growth in natural gas production\*

**200 mcm**

**33%**  
y/y

(\* production of PGNiG according to shares held in the license)

## UAE

tender won for rights to explore for, appraise and produce hydrocarbons – in the Emirate of Ras Al Khaimah

## ■ Sprzedaż 2018



**16.6 bcm**

volume of natural gas sold  
to end customers in Poland



**over 1700**

new recipients in segments  
of large and medium-sized business  
(tariff groups above 4)

# ■ LNG/CNG



sales of LNG delivered to customers by tank trucks

**1794**

LNG tank trucks loaded in the terminal in 2018

**over 4300**

tank trucks since June 2016



**over 250**

new CNG-powered city buses

contracts with municipal transport authorities

**Warszawa** • **Tarnów**

**Kielce** • **Łomża**

**Suwałki** • **Bielsko-Biała**



**41**

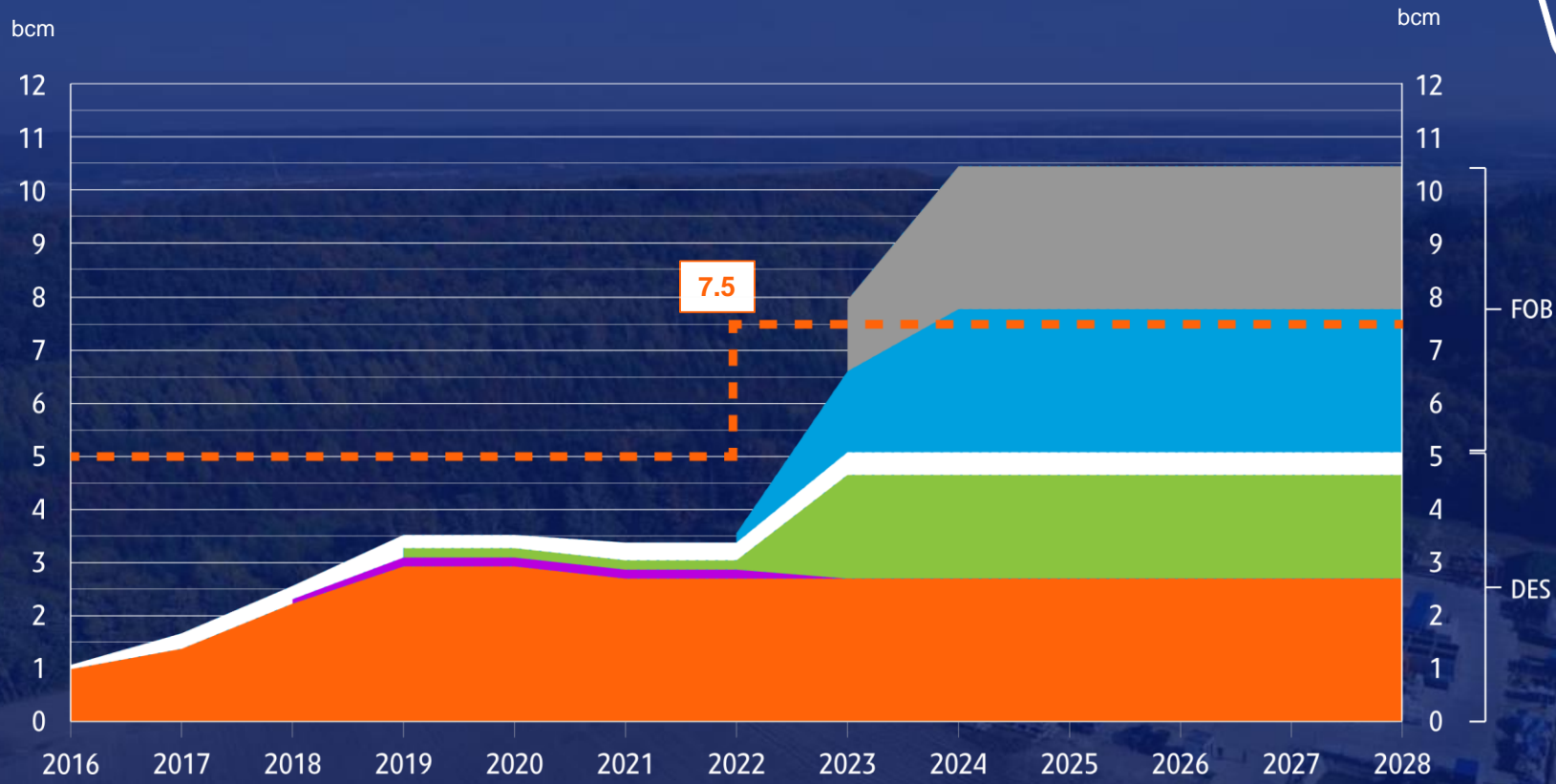
LNG bunkerings since September 2016

**over 695 tons**



# Development of LNG imports – PGNiG portfolio

**58,2 %** ↑  
growth in LNG imports y/y

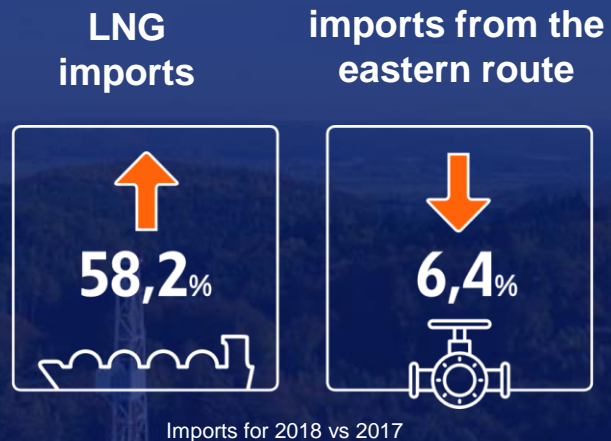
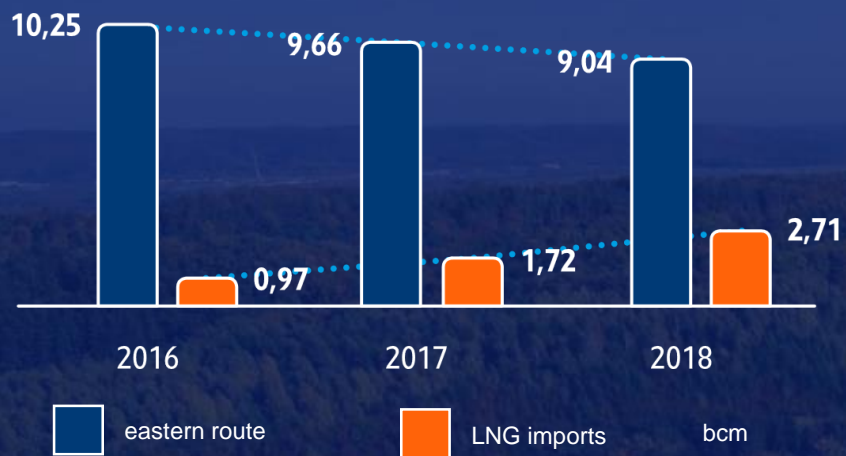


- **2.7 bcm** – total volume of LNG supplies in 2018
- **23 deliveries in 2018** (14 in 2017)
- **4 long-term PSA's** for LNG from the USA
- **over 50 deliveries** since 2016

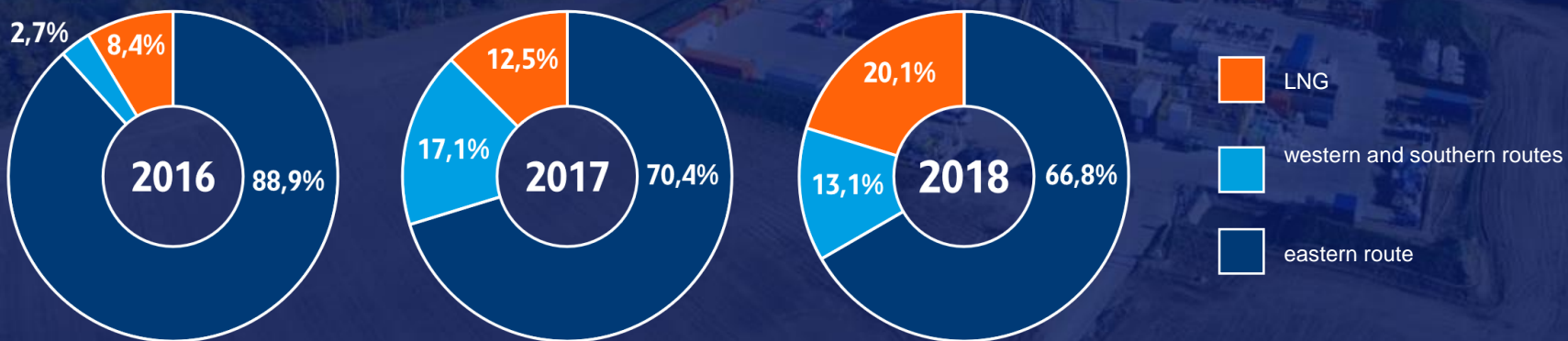
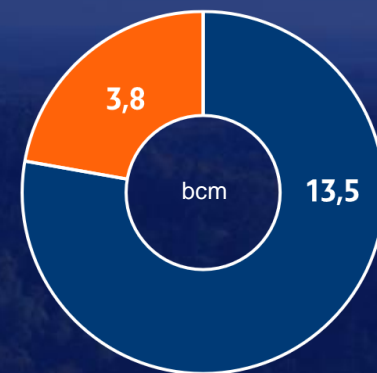
Port Arthur LNG
  Spot
  Cheniere
  Centrica
  Venture Global LNG
  Qatargas

capacity of the President Lech Kaczyński LNG Terminal in Świnoujście

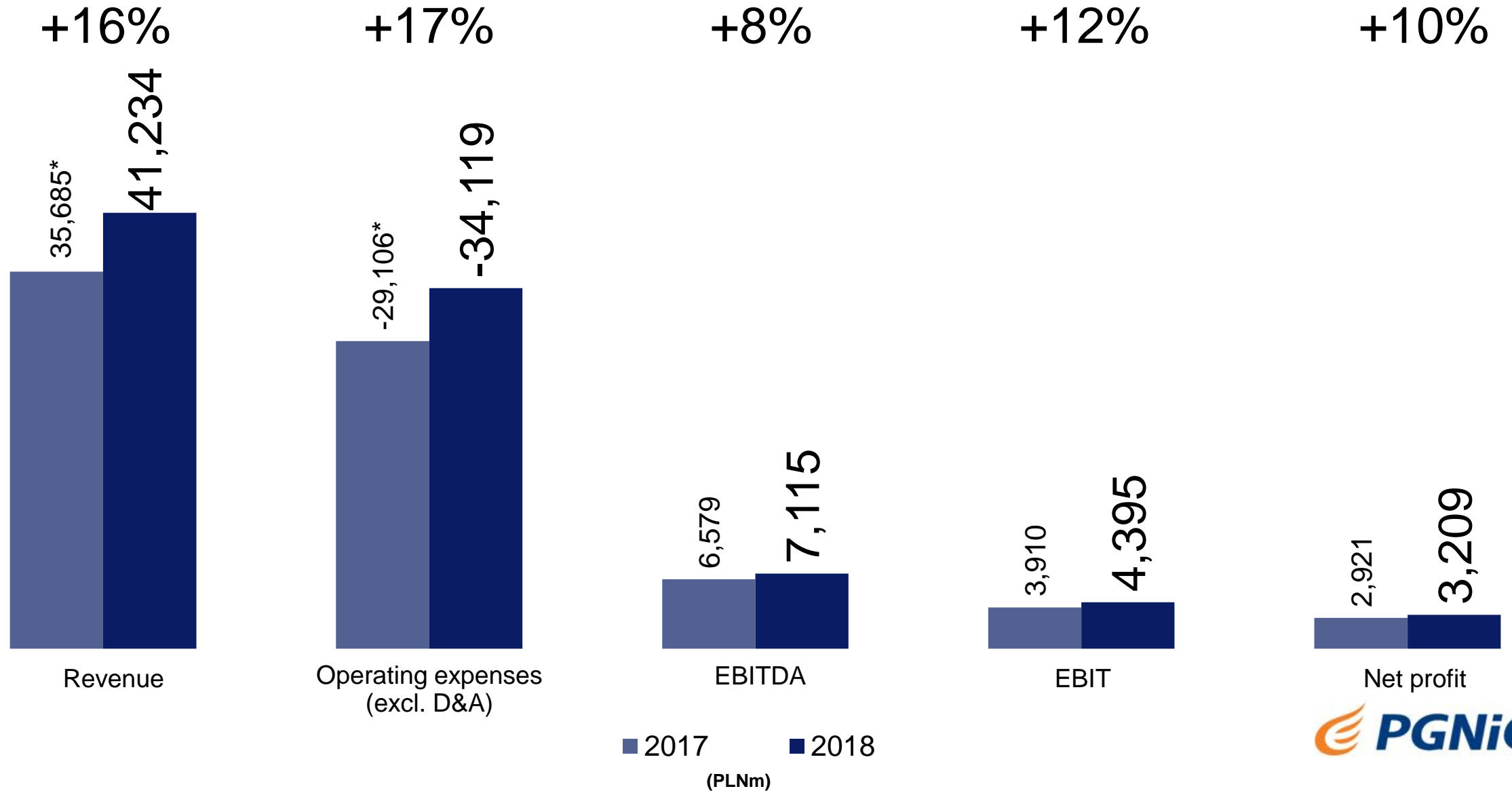
# Diversification of imports – 2016-2018



## PGNiG: sources of natural gas supplies in 2018



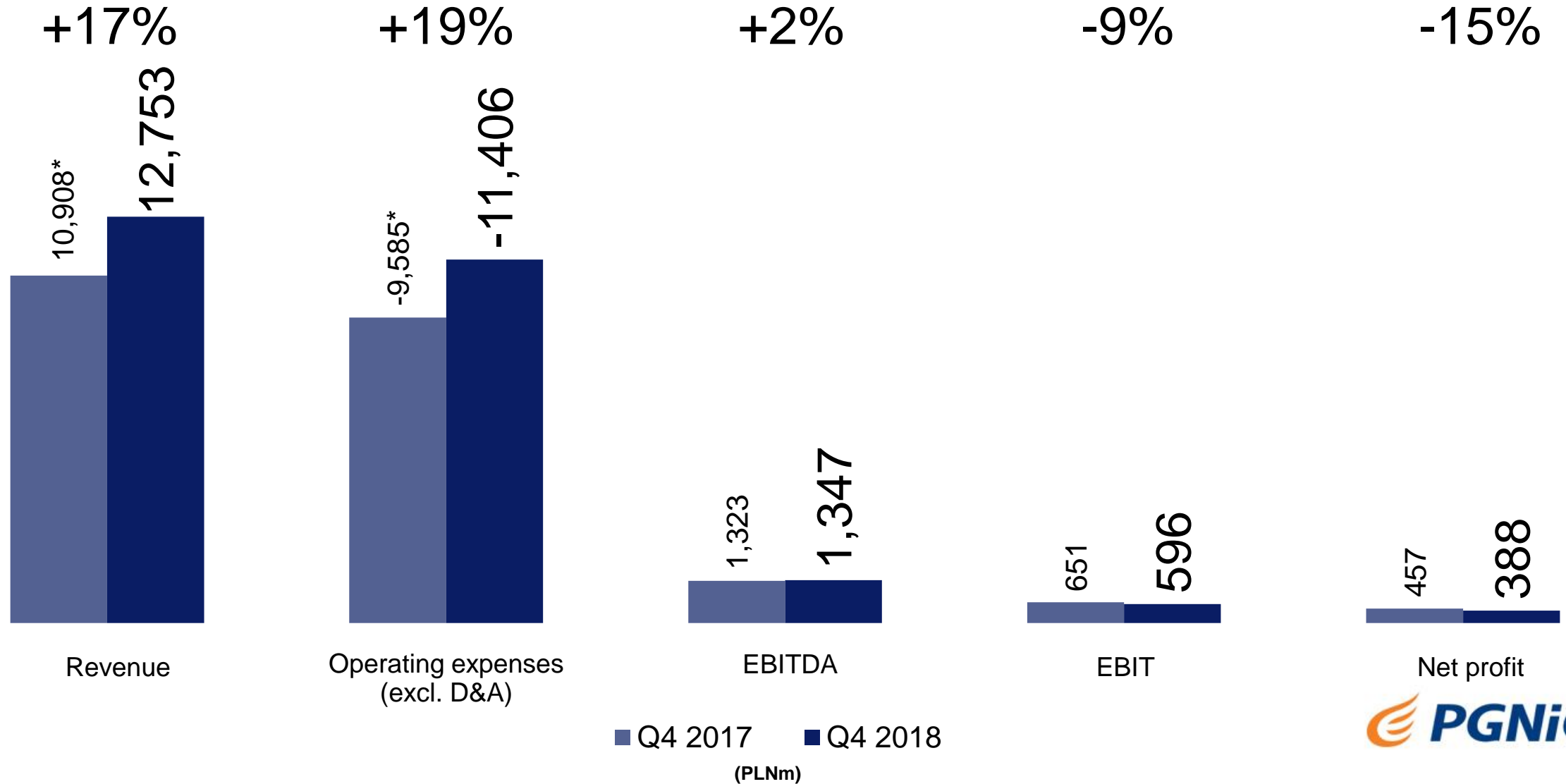
## Key financial results of the PGNiG Group for 2018



\*Data restated to ensure comparability following the adoption of amended IFRS 15.

**Thank you for your attention**

## Key financial results of the PGNiG Group for Q4 2018



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