

Polish Oil and Gas Company (PGNiG SA)
Head Office

Warsaw, November 3rd 2008

Current Report No. 85/2008

Share Capital Increase at Dolnośląska Spółka Gazownictwa

Current Report No. 85/2008 of November 3rd, 2008

The Management Board of Polskie Górnictwo Naftowe i Gazownictwo S.A. ("PGNiG", "the Company") hereby reports that on November 3rd 2008 it has been notified that on October 30th 2008 the District Court for Wrocław-Fabryczna in Wrocław, VI Commercial Division of the National Court Register issued a decision on registration of a share capital increase at Dolnośląska Spółka Gazownictwa Sp. z o.o. ("DSG") (formerly: Dolnośląski Operator Systemu Dystrybucyjnego Sp. z o.o.).

The company's share capital was increased from PLN 651,145,000 (six hundred and fifty-one million, one hundred and forty-five thousand zloty) to PLN 655,063,000 (six hundred and fifty-five million, sixty three thousand zloty), i.e. by PLN 3,918,000 (three million, nine hundred and eighteen thousand zloty), through the issue of 3,918 (three thousand, nine hundred and eighteen) new, equal and indivisible shares with a par value of PLN 1,000 per share. The newly issued shares have been acquired by PGNiG, the company's sole shareholder, in exchange for a contribution of non-current assets comprising the components of a transmission or distribution network.

The value of the contributed assets as shown in the accounting books of PGNiG is PLN 3,918,801.70 (three million, nine hundred and eighteen thousand, eight hundred and one zloty, seventy groszy).

Following the registration of the share capital increase, the total number of votes at DSG is 655,063 (six hundred and fifty-five thousand, sixty-three). PGNiG holds 100% of shares in DSG, representing 100% votes at the shareholders meeting.

The operations of DSG involve, in particular, transmission of gaseous fuels through distribution networks.