

Polish Oil and Gas Company (PGNiG SA)
Head Office

Warsaw, December 9th 2014

Current Report No. 119/2014

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Execution of a supplemental agreement related to an agreement for the sale and purchase of liquefied natural gas with Qatargas

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The Management Board of Polskie Górnictwo Naftowe i Gazownictwo S.A. ("PGNiG") announces that on December 9th 2014 a supplemental agreement (the "Supplemental Agreement") was signed with respect to the agreement for the sale and purchase of liquefied natural gas (LNG) concluded on 29 June 2009 (the "SPA") between PGNiG and Qatar Liquefied Gas Company Limited (3) ("Qatargas") with its registered office in Doha, Qatar, the conclusion of which was announced by PGNiG in current report No. 78/2009 of 29 June 2009.

The Supplemental Agreement leverages the long-term relationship between PGNiG and Qatargas to amend the terms on which the SPA will be performed throughout 2015. In that period Qatargas will market the quantities set forth in the SPA in other markets using its position as one of the leading producers and suppliers of LNG globally. At the same time, PGNiG will compensate Qatargas for the difference, if any, between the price of LNG specified in the SPA and the market price thereof obtained by Qatargas. If such price were to be lower than the lowest price satisfactory to PGNiG, the acceptance of the delivery of such unsold LNG will be postponed to subsequent years of the effective term of the SPA.

In the opinion of the Management Board of PGNiG, based on currently available information on LNG price forecasts for 2015 globally and natural gas prices in Poland, the Supplemental Agreement may allow PGNiG to improve its 2015 financial result on trading in natural gas obtained under the SPA in comparison to the original scenario.

In addition, due to the considerations connected with ensuring the safety of supplies of natural gas to Poland, the Supplemental Agreement specifies the terms on which PGNiG and Qatargas will discuss, on an as-needed basis, the supplies of LNG in 2015 to the Świnoujście terminal after its full operational functionality is ensured.

The management board of PGNiG, acting based on Art. 57 of the Act on Public Offering, the Terms Governing the Introduction of Financial Instruments to an Organised Trading System, and on Public Companies, dated 29 July 2005, had delayed the public disclosure of information on the commencement by PGNiG of specific negotiations with Qatar Liquefied Gas Company Limited (3) on postponing the initiation of commercial deliveries of LNG to the Świnoujście terminal in connection with the Company becoming aware of the deadline for ensuring the full operational functionality of that terminal falling after 30 December 2014 and the execution, on 10 June 2014,

of an agreement related, inter alia, to the supply by Qatargas of gas for the start-up and cooling of the LNG terminal in Świnoujście between PGNiG, Operator Gazociągów Przesyłowych GAZ-SYSTEM S.A. and Polskie LNG S.A.