

Polish Oil and Gas Company (PGNiG SA)
Head Office

Warsaw, October 17th 2016

Current Report No. 96/2016

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President of URE's decision on PGNiG's Tariff For Largest Customers

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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 October 17th 2016, of the new PGNiG Gas Fuel Supply Tariff No. 12/2016 ("Tariff For The Largest Customers").

Due to the higher prices of crude oil and natural gas across wholesale markets in north-western Europe for the fourth quarter of 2016, PGNiG's total cost of gas grew beyond the cost assumed for the calculation of the existing tariff.

Therefore, the average trading price of gas fuel increased by 4.0% for high-methane gas and by 3.9% for nitrogen-rich gas.

Moreover, due to dismissal of PGNiG from the obligation to submit tariffs for approval by the President of URE for wholesale clients and gas systems operators receiving high-methane gas, the new tariff in part related to high-methane gas intake applies only to the end customers. Until October 31st wholesale customers and gas systems operators will be billed taking into account the currently applicable tariff.

The Tariff For The Largest Customers will remain valid until December 31st 2016.

For detailed information on the approved tariff, see www.ure.gov.pl and Biuletyn Branżowy URE.