

Polish Oil and Gas Company (PGNiG SA)
Head Office

Warsaw, June 29th 2009

Current Report No. 78/2009

Conclusion of an Agreement with Qatargas Operating Company Ltd. on the LNG Gas Supply

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The Management Board of Polskie Górnictwo Naftowe i Gazownictwo S.A. ("PGNiG") hereby reports that on June 29th 2009 PGNiG and Qatargas Operating Company Ltd. ("Qatargas") of Doha, Qatar concluded the Sale and Purchase Agreement ("Agreement") on LNG gas supply.

The Agreement defines the terms and conditions of long-term supply of LNG to Poland. PGNiG and Qatargas agreed that approx. 1 million tonnes of LNG (approx. 1.5bn cubic meters) per year will be supplied for a period of twenty years, starting from 2014. The gas will be delivered ex-ship to the terminal in Świnoujście. PGNiG has been assured by Operator Gazociągów Przesyłowych GAZ-SYSTEM SA (Transmission System Operator GAZ-SYSTEM SA) and Polskie LNG sp. z o.o. (Polish LNG sp. z o.o.) that the LNG terminal will be commissioned as scheduled.

The value of the agreement will depend on the prices of crude oil on the global markets. Based on the current level of oil prices, the estimated average value of the agreement is approx. USD 550m (approx. PLN 1.8bn).

The Agreement meets the criteria of a "significant agreement" under the Regulation of the Minister of Finance concerning current and periodic information to be published by issuers of securities and the conditions for recognition as equivalent of the information whose disclosure is required under the laws of a state which is not a member state, dated February 19th 2009, since its value exceeds 10% of PGNiG's equity.

(see also current report no. 35/2009 dated April 15th, 2009)