

Polish Oil and Gas Company (PGNiG SA)
Head Office

Warsaw, October 20th 2007

Current Report No. 84/2007

Conclusion of a guarantee agreement between PGNiG S.A. and PGNiG Norway AS
Current Report No. 84/2007 dated October 19th 2007
The Management Board of Polskie Górnictwo Naftowe i Gazownictwo S.A. ("PGNiG") reports that on October 19th 2007 PGNiG and PGNiG Norway AS ("PGNiG Norway") signed a guarantee agreement ("the Agreement"). Pursuant to the Agreement, PGNiG grants PGNiG Norway a guarantee of EUR 627,555,648.36 (PLN 2,308,902,741.45 translated in accordance with Exchange Rate Table No. 204/A/NBP/2007 of October 19th 2007). The guarantee expires on January 1st 2050. The Agreement concerns provision of security by PGNiG with regard to the fulfilment of potential licence or legal obligations of PGNiG Norway in relation to, e.g. the Norwegian government and certain other Norwegian entities. The provision of the guarantee is required under Par. 10-7 of the Norwegian Oil Operations Act of 1996. The guarantee is a standard document in production operations in Norway. The guarantee is secured with a recourse note issued by PGNiG Norway. PGNiG will receive a consideration from PGNiG Norway for the issue of the guarantee, in the form of the right of first refusal to purchase gas and oil produced by PGNiG Norway. The operations of PGNiG Norway involve, in particular, production of crude oil and natural gas and similar activities, as well as any other related activities. PGNiG holds 100% of shares in PGNiG Norway. The value of the Agreement exceeds 10% of PGNiG's equity.