

Polish Oil and Gas Company (PGNiG SA)
Head Office

Warsaw, December 6th 2012

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Warsaw, December 6th 2012 Execution of a significant agreement between PGNiG Group companies and Operator Gazociągów Przesyłowych Gaz-System SA Current Report No. 178/2012 The Management Board of Polskie Górnictwo Naftowe i Gazownictwo SA ("PGNiG" or the "Company") hereby reports that on December 6th 2012 Górnośląska Spółka Gazownictwa Sp. z o.o. and Wielkopolska Spółka Gazownictwa Sp. z o.o. executed with Operator Gazociągów Przesyłowych Gaz-System SA of Warsaw (the "Transmission System Operator") inter-operator transmission agreements for the provision of the gaseous fuel transmission service, which consists in provision by the Transmission System Operator of access to throughput capacities at the inter-system physical entry points from the distribution area to the transmission system and at the inter-system physical exit points from the transmission system to the distribution area. Following the execution of the agreements, the aggregate value of agreements made between the PGNiG Group companies (the "Group") and the Transmission System Operator over the past 12 months has reached the value of a significant agreement. The agreement with the largest value concluded in the past 12 months is the Inter-Operator Transmission Agreement of October 29th 2012 between Operator Systemu Magazynowania Sp. z o.o. (the "Storage System Operator") and the Transmission System Operator, which defines the detailed terms, conditions and methods of cooperation between the Storage System Operator and the Transmission System Operator, and serves as the basis for the allotment of throughput capacities in the transmission system to the Storage System Operator. The Inter-Operator Transmission Agreement was executed based on the Transmission Grid Code drafted by the Transmission System Operator and approved by the President of the Polish Energy Regulatory Office (the "URE") on July 24th 2012. The Inter-Operator Transmission Agreement was concluded for an indefinite period and its maximum estimated value over a period of five years totals PLN 1.18bn (VAT-exclusive). Such agreement value has been estimated on the basis of the following assumptions:- the throughput capacities to be acquired by the Storage System Operator over the five-year period will be equal to the capacity already subscribed for the 2013 gas year,- the charge rates for the throughput capacities have been assumed at levels consistent with the existing Gaseous Fuel Transmission Tariff No. 5 as defined by the Transmission System Operator. Tariff proceedings are currently pending before the President of URE to change the charge rates, both on the transmission system and on the storage system side. The final level of charge rates for the services is expected to be known in the second half of December 2012. Accordingly, the value of the Inter-Operator Transmission Agreement may change. The aggregate value of agreements concluded over the last 12 months between the PGNiG Group companies and the Transmission System Operator amounts to PLN 3bn. The estimated aggregate value of agreements executed over the last 12 months between the Group companies and the Transmission System Operator has exceeded 10% of the PGNiG Group's revenue for the last four financial quarters, which stood at PLN 27.04bn.

