

Polish Oil and Gas Company (PGNiG SA)
Head Office

Warsaw, December 8th 2011

Current Report No. 173/2011

Warsaw, December 8th 2011 Issue of PGNiG S.A. notes under the Note Issue Programme Agreement of June 10th 2010 Current Report No. 173/2011 The Management Board of Polskie Górnictwo Naftowe i Gazownictwo S.A. ("PGNiG") hereby reports on an issue of notes under the Domestic Note Issue Programme Agreement of June 10th 2010 changed by annexes no. 1 dated June 10th 2010 and annexes no. 2 dated November 25th 2011 (the "Programme"). On December 8th 2011, PGNiG issued registered Series D120109A notes (the "Notes") under the Programme.

1. Type of the Notes The Notes are one-month unsecured registered discount notes in book-entry form. All the Notes are denominated in the Polish zloty and were offered in a private placement exclusively in the territory of Poland. The Notes were acquired by the following banks (the "Noteholders"): Bank Polska Kasa Opieki S.A., ING Bank N.V., Powszechna Kasa Oszczędności Bank Polski S.A., Bank Handlowy w Warszawie S.A., Societe Generale S.A., BNP Paribas S.A. Polish Branch, Nordea Bank Polska S.A., Bank Zachodni WBK S.A. and BRE Bank S.A. PGNiG is not planning to introduce the Notes to public trading.
2. Objectives of the issue The Notes have been issued in order to raise financing for PGNiG's day-to-day needs.
3. Size of the issue 4,600 Notes were issued.
4. Par value and issue price of the Notes The par value of one Note is PLN 500,000.00 (five hundred thousand zloty). The unit issue price has been determined based on one month WIBOR rate plus a margin.
5. Redemption and interest payments The Notes will be redeemed by way of a cash payment equal to the par value of the Note. The Notes mature on January 9th 2012. The Notes are discount notes, therefore no interest will be paid. The Terms and Conditions of the Notes provide for early redemption of the Notes in the case of events which give the right for exercising the Early Redemption Option (including change of control; specified in detail in the Terms and Conditions of the Notes and known to the Noteholders) or in the event the issuer fails to discharge any matured financial liability under the Notes.
6. Security The Notes are unsecured.
7. Value of PGNiG's liabilities as at the last day of the quarter preceding the offer to acquire the Notes and projections of PGNiG's liabilities until full redemption of the Notes The value of PGNiG's liabilities under loans and notes as at September 30th 2011 was PLN 1,889,147,000.00 (one billion, eight hundred and eighty-nine million, one hundred and forty-seven thousand zloty). Following the Note issue discussed above, the total par value of the Notes issued under the Programme and outstanding as at December 8th 2011 was PLN 2,300,000,000.00 (two billion, three hundred million zloty). The projections of PGNiG's liabilities will depend on current financial needs.
8. Details enabling potential investors to assess the effects of the project financed with the issue proceeds and the issuer's ability to meet its obligations under the notes, if any such project has been specified Not applicable.
9. Translation of the value of non-cash payment into cash payment Not applicable. No non-cash payments are to be made in connection with the Notes. See also: Current report no. 30/2010 of June 10th 2010, Current report no. 106/2011 of July 21st 2011 and Current report no. 161/2011 of November 25th 2011.

