

Polish Oil and Gas Company (PGNiG SA)  
Head Office

Warsaw, June 28th 2011

### **Current Report No. 89/2011**

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Conclusion of a agreement for the provision of gas fuel distribution services with Górnośląska Spółka Gazownictwa

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The Management Board of Polskie Górnictwo Naftowe i Gazownictwo SA ("PGNiG") hereby reports that on June 28th 2011 an agreement for the provision of gas fuel distribution services ("Agreement") was signed between PGNiG - Górnośląski Oddział Obrotu Gazem of Zabrze ("PGNiG-GOOG"), which is a Trading Branch of PGNiG, and Górnośląska Spółka Gazownictwa Sp. z o.o. of Zabrze ("GSG"), hereinafter referred to as the Parties.

The subject matter of the agreement is GSG's provision to PGNiG-GOOG of gas fuel distribution services over the distribution system, on a continuous and short-term basis within the territory covered by the licences held by GSG. The rights and obligations of the Parties, as well as the rules governing the provision of distribution services are also defined in the Distribution Network Operation Guide and the Tariff of gas fuel distribution services applicable for GSG.

The Agreement takes effect on June 29th 2011, with the proviso that on June 29th and 30th 2011 the rights and obligations of the Parties and settlement rules will be as specified in agreement 1/1/D/2007 of September 28th 2007, and starting from July 1st 2011 the rights and obligations of the Parties and settlement rules will be as specified in the Agreement. The Agreement was concluded for a definite term, until June 28th 2015.

The Agreement does not contain any terms or conditions which would differ from standard terms and conditions used in similar agreements.

The value of the gas fuel distribution services to be provided between June 29th 2011 and June 28th 2015 (exclusive of VAT) is estimated at PLN 2,500m.

The Agreement provides for contractual penalties, whose estimated amount for the four-year term does not exceed 10% of the Agreement's value or EUR 200,000. The Agreement does not exclude the right to seek compensation in excess of contractual penalties paid.

PGNiG holds shares representing 100% of GSG's share capital, conferring the right to 100% of the total vote at the General Shareholders Meeting of GSG.

The Agreement constitutes a "significant agreement" within the meaning of the Minister of Finance's Regulation on current and periodic information to be published by issuers of securities

and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated February 19th 2009, because its value exceeds 10% of PGNiG's equity.