

Natural gas and crude oil production forecast for 2019 – 2021

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The Management Board of Polskie Górnictwo Naftowe i Gazownictwo SA (“PGNiG”) announces its natural gas and crude oil production forecast for the period of 2019–2021, replacing the production forecast for the period of 2017–2019 published in Current Report No. 93/2017 of November 29th 2017.

Natural gas production forecast for 2019–2021, converted to high-methane gas with a calorific value of 39.5 MJ/m³ (in billion m³):

billion cubic meters	2019	2020	2021
Poland	3.9	3.9	4.0
Outside of Poland, including:	0.7	0.9	1.2
- Norway	0.5	0.5	0.7
- Pakistan	0.2	0.4	0.5
Total	4.6	4.8	5.2

Gas output in Poland should remain stable due to introduction of new producing wells. Expected lower volume of gas produced in Pakistan at the end of 2019 is attributable to delays in the Pakistani gas pipeline project. On the other hand, production is expected to increase starting from 2020 as new wells will be brought on stream.

In Norway, gas output is projected to remain stable in 2019 and 2020, while the planned launch of production from the Ærfugl field will result in its increase in 2021.

Crude oil production forecast, including condensate and NGL, for 2019–2021 ('000 tonnes):

thousand tonnes	2019	2020	2021
Poland	778	747	733
Outside of Poland, including:	475	611	671
- Norway	475	611	671
Total	1,253	1,358	1,404

It is assumed, that the oil production in Poland will be gradually declining due to natural depletion of fields. Oil production in Norway is expected to decline in 2019, however, due to the planned launch of production from the Skogul field in 2020 and from the Ærfugl and Duva fields in 2021 will significantly increase production volumes in 2020–2021.

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The data presented above does not include production from fields that could potentially be acquired in the future under the “PGNiG Group Strategy for 2017–2022 with an Outlook Until 2026”, published in Current Report No. 19/2017 of March 13th 2017. Production volume from Duva field, acquired by a subsidiary PGNiG Upstream Norway under condition precedent of obtaining the required administrative approvals in Norway is included in the forecast.

Legal basis:

Article 17.1 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16th 2014 on market abuse and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC