

Polskie Górnictwo Naftowe i Gazownictwo SA
Centrala Spółki

Warsaw, November 15th 2019

Declaration of will to terminate Yamal Contract effective December 31st 2022

Current Report No. 56/2019

The Management Board of Polskie Górnictwo Naftowe i Gazownictwo SA (“PGNiG”, the “Company”) announces that on November 15th 2019, having obtained the required corporate approvals, it notified PAO Gazprom and OOO Gazprom Export (“Gazprom”) of its intent to terminate the contract for the purchase and sale of natural gas to the Republic of Poland dated September 25th 1996 (the “Yamal Contract”, the “Contract”) with effect from December 31st 2022.

Pursuant to the Contract, its parties are required to submit a declaration whether they intend for their contractual relationship to continue after 2022 three years before its original termination date, i.e. December 31st 2022.

In the opinion of the Company’s Management Board, the measures taken to date by the PGNiG Group to diversify the directions for gas procurement to Poland after 2022, implemented in accordance with the PGNiG Group Strategy for 2017–2022 with an outlook until 2026, in particular the contracting of LNG supplies, the acquisition of natural gas assets in the North Sea, and the activities carried out by the transmission system operator to expand the transmission system, are sufficient to ensure Poland’s energy security, making it possible to terminate the Yamal Contract in accordance with its provisions.

The disclosure of information regarding the Company’s intent to forego the option of extending the Contract was delayed on July 2nd 2019 until today pursuant to Article 17(4) 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.

See also:

Current Report No. 19/2017 of March 13th 2017 on the PGNiG Group Strategy for 2017–2022 with an outlook until 2026

Current Report No. 20/2017 of March 14th 2017 on the execution of a supplementary agreement with Qatar Liquefied Gas Company Limited (3)

Current Report No. 3/2018 of January 22nd 2018 on the execution of a transmission agreement between PGNiG and Gaz-System S.A. as part of the Open Season 2017 procedure under the Baltic Pipe project

Current Report No. 9/2018 of January 30th 2018 on the execution of a transmission agreement between PGNiG and Energinet as part of the Open Season 2017 procedure under the Baltic Pipe project

Current Report No. 50/2018 of October 16th 2018 on the execution of LNG supply contracts with Venture Global Calcasieu Pass, LLC and Venture Global Plaquemines LNG, LLC

Current Report No. 59/2018 of November 8th 2018 on the execution of an LNG supply contract with Cheniere Marketing International, LLP

Current Report No. 63/2018 of December 19th 2018 on the execution of an LNG supply contract with Port Arthur LNG, LLC

Current Report No. 25/2018 of June 12th 2019 on the execution of an annex to the LNG supply contract with Venture Global Plaquemines LNG, LLC

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