

Polish Oil and Gas Company (PGNiG SA)
Head Office

Warsaw, April 26th 2022

Current Report No. 27/2022

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Suspension of deliveries of natural gas under the Yamal Contract

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The Management Board of Polskie Górnictwo Naftowe i Gazownictwo S.A. ("PGNiG" or the "Company"), informs that it has been informed by OOO Gazprom eksport, that starting from April 27th, from 08:00 hours of Polish time all deliveries of natural gas by PJSC Gazprom and Gazprom export LLC (hereinafter jointly referred to as "Gazprom") will be suspended under the to the contract No. 2102-14/1\Z-1/25/96 for the sale of Russian gas to the Republic of Poland dated 25 September 1996 (the "Yamal Contract"), i.e. through the GCP Gaz-System/UA TSO interconnection points on the Polish – Ukrainian border and at the Vysokoje, Tietierovka and Kondratki points on the Polish – Belorussian border.

Based on the information received from Gazprom, suspension of the abovementioned deliveries is a consequence of a ban imposed on the execution of such deliveries on Gazprom pursuant to the Decree of the President of the Russian Federation No. 172 of 31 March 2022 "on special procedure for the fulfilment of obligations by foreign buyers to Russian natural gas suppliers" due to PGNiG continuing to settle its liabilities for natural gas delivered under the Yamal Contract in accordance with its current terms and in accordance with the Company's refusal to make a final payment in Russian rubles, as stated in Current Report No 26/2022 of April 26th, 2022.

The Company believes that the suspension of deliveries of natural gas is in breach of the Yamal Contract. Therefore, the Company will take adequate action to reinstate the execution of deliveries of natural gas under the Yamal Contract. Moreover, the Company reserves the right to claim damages on account of the abovementioned suspension of deliveries of natural gas and to that end will exercise all of its contractual rights as well as all the rights it has under the law.