

Polish Oil and Gas Company (PGNiG SA)
Head Office

Warsaw, February 16th 2017

Estimates of Q4 and full-year 2016 consolidated financial highlights

Current Report No. 11/2017

The Management Board of Polskie Górnictwo Naftowe i Gazownictwo S.A. ("PGNiG" or the "Company") announces preliminary PGNiG's consolidated financial results for Q4 2016 and FY 2016:

in PLN bn	Q4 2016	2016	Q4 2016 excluding impairments	2016 excluding impairments
Consolidated revenue:	10,00	33,05	10,00	33,05
Consolidated EBITDA, herein:	1,69	5,96	1,82	6,63
<i>Exploration and Production</i>	<i>0,29</i>	<i>1,29</i>	<i>0,40</i>	<i>2,10</i>
<i>Trade and Storage</i>	<i>0,65</i>	<i>1,41</i>	<i>0,64</i>	<i>1,23</i>
<i>Distribution</i>	<i>0,57</i>	<i>2,54</i>	<i>0,58</i>	<i>2,54</i>
<i>Generation</i>	<i>0,20</i>	<i>0,76</i>	<i>0,21</i>	<i>0,77</i>
Consolidated EBIT	1,02	3,33	1,16	4,01
Consolidated net result	0,69	2,32	0,83	3,00

Impairment losses recognised in Q4 2016 was ca. PLN 0.14bn including tangible assets under construction related to the exploration for and evaluation of mineral resources- ca. PLN 0.12bn. Moreover:

- seismic surveys and dry wells written off was PLN 0.24bn (Exploration and Production segment),
- loss on hedging instruments was ca. PLN 0.11bn, including cost of gas hedges: PLN 0.11bn (Trade and Storage segment),
- as a result of final settlement of the purchase of SEJ transaction gain from the bargain recognised in Q3 2016 was adjusted by PLN -0.07bn (Generation segment).

The impairment losses were recognised after a periodic assessment of the recoverable amounts of assets.

The presented values are estimates and as such are subject to change. The results will undergo audit by an independent auditor.

The interim report for Q4 2016 and full year 2016 will be published on March 8th, 2017.