Polish Oil and Gas Company in North Africa
– a case study of challenges and opportunities after five years of exploration activities

The North Africa Oil and Gas Summit Vienna, 6 - 8 November 2012
Disclaimer

The information contained in this document has been compiled in good faith by Polskie Górnictwo Naftowe i Gazownictwo SA ("PGNiG", "the Company"). All users of this presentation should take note that some of the information contained in this document is based on information provided to PGNiG by other entities as well as external sources and has not been independently verified by PGNiG. All users of this presentation should not rely on any material contained in this document as a statement of representation of fact, but should satisfy themselves as to its correctness by such independent investigation as they of their legal or financial advisers see fit. No liability for negligence or otherwise is assumed by PGNiG for the material contained in this document.

These materials contain statements about future events and expectations that are forward-looking statements. These statements typically contain words such as "expects" and "anticipates" and words of similar import. Any statement in these materials that is not a statement of historical fact is a forward-looking statement that involves known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. None of the future projections, expectations, estimates or prospects in this presentation should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in the presentation. We assume no obligations to update the forward-looking statements contained herein to reflect actual results, changes in assumptions or changes in factors affecting these statements.

Investment in securities of PGNiG will also involve certain risks. A summary of the material risks was set out in the section headed "Risk Factors" in the prospectus. There may be additional material risks that are currently not considered to be material or of which the Company and their respective advisers or representatives are unaware. This document and its contents are confidential and are being provided to you solely for your information and may not be retransmitted, further distributed to any other person or published, in whole or in part, by any medium or in any form for any purpose. The opinions presented herein are based on general information gathered at the time of writing and are subject to change without notice. The Company and the Issuer rely on information obtained from sources believed to be reliable but does not guarantee its accuracy or completeness.

This presentation has not been approved by the UK Financial Services Authority. This presentation does not constitute an offer or invitation to sell, or any solicitation of any offer to subscribe for or purchase any securities, and nothing contained herein shall form the basis of any contract or commitment whatsoever. No reliance may be placed for any purposes whatsoever on the information contained in this presentation or on its completeness, accuracy or fairness. The information in this presentation is subject to verification, completion and change. The contents of this presentation have not been verified by the Company. Accordingly, no representation or warranty, express or implied, is made or given by or on behalf of the Company or any of its respective shareholders, directors, officers or employees or any other person as to the accuracy, completeness or fairness of the information or opinions contained in this presentation. None of the Company nor any of their respective shareholders, directors, officers or employees, affiliates (within the meaning of Rule 405 under the U.S. Securities Act of 1933, as amended (the "Securities Act")), directors, officers or employees nor any other person accepts any liability (in negligence or otherwise) whatsoever for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection therewith. In giving this presentation, neither the Company nor any of their respective advisers and/or agents undertake any obligation to provide the recipient with access to any additional information or to update this presentation or any additional information or to correct any inaccuracies in any such information which may become apparent.
Agenda

1. PGNiG Group – short overview
2. PGNiG Exploration and Production Segment
3. Investments in North Africa: Egypt, Libya
4. Return to Libya
5. Summary and Future outlook
PGNiG Group
short overview
PGNiG Capital Group

Poland’s leading integrated gas and oil company

Exploration and Production
- Leader gas and growing oil producer
- Domestic production of:
  - natural gas: 4.3 bcm;
  - crude oil: approx. 470 ths. tonnes.

Trade and Storage
- Leader gas importer to Poland and owner of gas storages
- 10.9 bcm of imported natgas;
- 2.0 bcm of storage capacity;
- 6.6 million of end-customers.

Distribution
- Robust domestic gas distribution business
- 119 ths km of distribution network;
- 8.8 bcm of distributed gas.

Heat and Power
- Largest heat producer and seventh electricity producer in Poland
- Heat volume 38.7 PJ
- Electricity volume 3.7 TWh

All data for 2011.
PGNiG’s Shareholders

One of the largest companies in Poland

- On Stock Exchange since September 2005
- The 6th largest Polish company on the Warsaw Stock Exchange*
- Market Capitalization of USD 7.5 billion**
- Significant share in WIG 20 index

- PGNiG’s share in WIG20 index amounts to approx. 4%.
- Average daily turnover of PGNiG’s shares in 2Q2012 was at nearly PLN 18 million (USD 5.4 million)
- PGNiG’s public offer on Sep. 23rd was the biggest IPO of 2005.
- The State Treasury in June 2008 sold a single share of PGNiG SA, clearing the way for it to distribute a 12.71% stake to the employees of the Company. The shares had two years lock-up period, which ended July 1st, 2010.

Shareholder Structure

- Free float: 72.4%
- State Treasury: 27.6%
- Polish Pension Funds: 10.0%
- Investment Funds: 6.8%
- Banks: 7.1%
- Insurance Companies: 0.9%
- Foreign Pension Funds: 0.8%
- Other Institutional Investors: 0.7%
- Individual Investors: 1.4%

* In terms of market capitalization, as on September 28th, 2012
** PGNiG = 4.07 PLN; USD/PLN = 3.18 as on September 28th, 2012
Trade and Storage

- Activities of Trade and Storage segment comprise:
  - sales of natural gas both imported and domestically produced;
  - storage of gas.
- Around 30% of Polish demand is met by domestic production – the rest is covered by imports.
- The Company has strong relationship with largest European player (Gazprom Export) including Yamal gas contract for natural gas deliveries up to:
  - 9.77 bcm in 2011;
  - 10.24 bcm in 2012 – 2022;
  - 85% Take-or-Pay.
- PGNiG SA owns and uses eight underground gas storage facilities (UGS), including one caverned gas storage in Mogilno.

Sources of gas supply (bcm)

<table>
<thead>
<tr>
<th>Year</th>
<th>Domestic production</th>
<th>Russia</th>
<th>Germany &amp; Czech Rep.</th>
<th>Central Asia</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>2.3</td>
<td>0.8</td>
<td>6.2</td>
<td>4.3</td>
</tr>
<tr>
<td>2008</td>
<td>2.4</td>
<td>0.8</td>
<td>7.1</td>
<td>4.1</td>
</tr>
<tr>
<td>2009</td>
<td>1.0</td>
<td>6.2</td>
<td>8.1</td>
<td>4.1</td>
</tr>
<tr>
<td>2010</td>
<td>1.0</td>
<td>6.2</td>
<td>9.0</td>
<td>4.2</td>
</tr>
<tr>
<td>2011</td>
<td>1.6</td>
<td>6.2</td>
<td>9.3</td>
<td>4.3</td>
</tr>
</tbody>
</table>

Natural gas – sales volume (bcm)

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales volume</th>
<th>Production volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>13.7</td>
<td>4.3</td>
</tr>
<tr>
<td>2008</td>
<td>13.9</td>
<td>4.1</td>
</tr>
<tr>
<td>2009</td>
<td>13.3</td>
<td>4.1</td>
</tr>
<tr>
<td>2010</td>
<td>14.4</td>
<td>4.2</td>
</tr>
<tr>
<td>2011</td>
<td>14.4</td>
<td>4.3</td>
</tr>
<tr>
<td>1H 2012</td>
<td>8.0</td>
<td>2.2</td>
</tr>
</tbody>
</table>
Regional Gas Companies are responsible for supplying natural gas to households, industrial and wholesale customers, but also for operation, maintenance and development of gas pipelines.

In 2011 Gas Companies distributed \textbf{8.8 bcm of natural gas to 6.7 million customers} through 119 ths km of distribution network.

### Downstream activities – Gas Companies

<table>
<thead>
<tr>
<th>Regional Gas Company</th>
<th>bcm</th>
<th>mn users</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower Silesian GC</td>
<td>2.1</td>
<td>1.5</td>
</tr>
<tr>
<td>Upper Silesian GC</td>
<td>0.7</td>
<td>0.9</td>
</tr>
<tr>
<td>Greater Poland GC</td>
<td>2.0</td>
<td>1.3</td>
</tr>
<tr>
<td>Mazovian GC</td>
<td>1.5</td>
<td>1.4</td>
</tr>
<tr>
<td>Pomeranian GC</td>
<td>0.9</td>
<td>0.7</td>
</tr>
<tr>
<td>Carpathian GC</td>
<td>1.4</td>
<td>0.9</td>
</tr>
</tbody>
</table>
Expansion of Underground Gas Storage Facilities

**2011 - 2012**
- Extension of UGS Strachocina (from 150 to 330 mcm) – accomplished.
- I phase of extension of UGS Wierzchowice (from 0.58 to 1.2 bcm).

**2013 - 2014**
- I and II phase of construction of CUGS Kosakowo (50 - 100 mcm);
- I phase of extension of CUGS Mogilno (from 378 to 535 mcm);

**2020**
- II phase of extension of UGS Wierzchowice (from 1.2 to 2 bcm);
- III phase of construction of CUGS Kosakowo (from 100 to 250 mcm);
- II phase of extension of CUGS Mogilno (from 535 to 800 mcm);
- Extension of UGS Brzeźnica and UGS Husów.

---

**Strategic gas reserves**
- from 1st Oct. 2010 until 30th Sep. 2012: **20 days** of daily average import (approx. 530 mcm);
- from 1st Oct. 2012 onward: **30 days** of daily average import;

**Basic data**
- No. of storage facilities in 2015: 9
- Current working capacity: 2.0 bcm
- Target working capacity: ca. 3 bcm
- Current storage capacity meets domestic demand for*: 46 days

* Based on natural gas demand level in Poland in 2011 (14.4 bcm).
Diversification of gas Suppliers and Transport Routes

Diversification assumptions

- To increase the level of security of supplies
- To avoid gas disruptions in gas supplies
- To decrease the dependency on one supply direction (current level of dependency - 66%)
- To enable higher import gas volumes (current entry points are overbooked and market is growing)
- To balance the sources of gas supply

Current sources of gas

- Domestic production ~28%
- Eastern direction ~66%
- Western direction ~6%

Optimal sources of gas

- Domestic production 30%
- Eastern direction 40%
- Western direction 6%
- Eastern direction 40%
- Western direction & north (LNG) 30%
- Domestic production 30%
- Eastern direction 40%
- Western direction 6%
PGNiG
Exploration and Production Segment
Exploration and Production

- The leading Polish onshore E&P player
  - PGNiG is a leader producer of gas and crude oil in Poland
- Strong resource potential
  - proved gas reserves 576 mboe (91.6 bcm)
  - proved oil reserves 154 mboe (21 m tonnes)
- RRR and R/P ratios – average for years 2006-2010:
  - RRR = 0.9
  - R/P = 25
- PGNiG has 96 oil & gas exploration and appraisal concessions and 225 oil & gas production concessions.

### Concessions for hydrocarbon E&P in Poland

<table>
<thead>
<tr>
<th>Year</th>
<th>Natural gas production outlook (bcm)</th>
<th>Crude oil production outlook (m tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>4.3</td>
<td>0.5</td>
</tr>
<tr>
<td>2012</td>
<td>4.7</td>
<td>0.5</td>
</tr>
<tr>
<td>2013</td>
<td>4.9</td>
<td>1.2</td>
</tr>
</tbody>
</table>
Unconventional Gas in Poland (I)

- There are deposits in Poland which may produce unconventional gas such as tight gas and shale gas. Initial estimates put estimate **shale gas resources at 1.5 – 5 trillion cubic metres**. Polish Geological Institute points to max. 1.9 trillion cubic meters.

- The licensing system in Poland provides for low fees for exploration licences and low royalty.

- PGNiG has **15 standalone exploration licences** with perspectives for shale gas and another at least 6 licences with perspectives for tight gas.

- In July 2012 PGNiG has signed the **framework agreement** on exploration and production of unconventional hydrocarbons on 160 sq.km of Wejherowo licence with KGHM, PGE, Tauron and Enea.

**Opportunities**

- Potentially enormous natural gas resources;
- PGNiG could become independent from external gas supplies;
- Development of the PGNiG Group, incl. drilling companies

**Risks**

- Different geological setup than in the US (incl. reservoir depth)
- Unrecognized geology;
- Urbanization of the area;
- Restrictive regulations on environmental protection, a large number of environmentally protected areas and objects.
Unconventional Gas in Poland (II)

Areas at initially assessed prospectivity for shale gas within the Lower Paleosoic shale formations

Areas with non-assessed prospectivity for shale gas within the Lower Paleosoic shale formations

PGNiG SA Concessions

<table>
<thead>
<tr>
<th>Licences of PGNiG</th>
<th>Size (sq km)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Wejherowo</td>
</tr>
<tr>
<td>2</td>
<td>Kartuzy - Szemud</td>
</tr>
<tr>
<td>3</td>
<td>Stara Kiszewa</td>
</tr>
<tr>
<td>4</td>
<td>Bartoszyce</td>
</tr>
<tr>
<td>5</td>
<td>Górowo Iławeckie</td>
</tr>
<tr>
<td>6</td>
<td>Blok 172</td>
</tr>
<tr>
<td>7</td>
<td>Blok 173</td>
</tr>
<tr>
<td>8</td>
<td>Blok 192</td>
</tr>
<tr>
<td>9</td>
<td>Blok 193</td>
</tr>
<tr>
<td>10</td>
<td>Kock - Tarkawica</td>
</tr>
<tr>
<td>11</td>
<td>Ryki - Żyrzyn</td>
</tr>
<tr>
<td>12</td>
<td>Pionki-Kazimierz</td>
</tr>
<tr>
<td>13</td>
<td>Warka-Ursynów</td>
</tr>
<tr>
<td>14</td>
<td>Tomaszów Lubelski</td>
</tr>
<tr>
<td>15</td>
<td>Wisniów-Tarnoszyn</td>
</tr>
<tr>
<td>Total</td>
<td></td>
</tr>
</tbody>
</table>

Source: Ministry of Environment, as at June 1st 2012
Acquisition of Production Fields in Norway

Completed works

- Closing the purchase of 12% share in the Skarv field on the NCS from ExxonMobil and Mobil Development Norway (X 2007).
- Completion of 16 production, injection and exploration wells on Skarv field and neighbouring prospects (drilling started in December 2009).
- Termination of construction of FPSO (Floating Production, Storage and Offloading Unit).

Production forecast

- Estimated annual production for PGNiG from the NCS fields will reach:
  - 0.4 bcm of natural gas;
  - 0.4 million tons of crude oil and NGL.

New discovery

- License partners have discovered new gas deposits on the concession – Snadd North;
- The size of the Snadd North deposit is estimated at 9-16bn cubic metres of natural gas (from 57m to 100m boe);
- Its development started in 2011.

Basic data

<table>
<thead>
<tr>
<th></th>
<th>USD 360m</th>
<th>~USD 600m</th>
<th>70,9 mboe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of the licences</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Planned CAPEX (PGNiG only)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserves of the licences (2P)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Share in Skarv field:

- PGNiG Norway A/S: 11.92%
- BP Norge A/S (operator): 23.84%
- E.ON Ruhrgas Norge A/S: 28.08%
- Statoil Petroleum A/S: 36.17%

* Source: Norwegian Petroleum Directorate.
<table>
<thead>
<tr>
<th>Structures</th>
<th>Skarv, Snadd and Idun</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation</td>
<td>BP 23.84%</td>
</tr>
<tr>
<td></td>
<td>StatoilHydro 36.16%</td>
</tr>
<tr>
<td></td>
<td>E. On 28.08%</td>
</tr>
<tr>
<td></td>
<td>PGNIG Norway AS 11.91%</td>
</tr>
<tr>
<td>Geographic site</td>
<td>Norwegian Continental Shelf</td>
</tr>
<tr>
<td>Estimate stocks</td>
<td>35.8 bln cu m natural gas</td>
</tr>
<tr>
<td></td>
<td>18.3 MM ton crude oil and condensate</td>
</tr>
<tr>
<td></td>
<td>5.8 MM ton NGL (Natural Gas Liquids)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Structures</th>
<th>PL350</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation</td>
<td>StatoilHydro ASA 25.00%</td>
</tr>
<tr>
<td></td>
<td>Svenska Petroleum Exploration Norge A/S 25.00%</td>
</tr>
<tr>
<td></td>
<td>PGNIG Norway AS 35.00%</td>
</tr>
<tr>
<td>Geographic site</td>
<td>Norwegian Continental Shelf</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Structures</th>
<th>PL521</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation</td>
<td>StatoilHydro ASA 40.00%</td>
</tr>
<tr>
<td></td>
<td>PGNIG Norway AS 35.00%</td>
</tr>
<tr>
<td>Geographic site</td>
<td>Norwegian Continental Shelf</td>
</tr>
</tbody>
</table>
Kirthar License in Pakistan

<table>
<thead>
<tr>
<th>Participation</th>
<th>Pakistan Petroleum Limited</th>
<th>PGNiG S.A.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30%</td>
<td>70%</td>
</tr>
<tr>
<td>Acreage</td>
<td>956.22 km sq</td>
<td></td>
</tr>
<tr>
<td>Geographic site</td>
<td>Province Sindh, Folded belt Kirthar</td>
<td></td>
</tr>
<tr>
<td>Obligations</td>
<td>1 well, 100 km 2D seismic</td>
<td></td>
</tr>
</tbody>
</table>
PGNiG
Investments in North Africa
Bahariyja License in Egypt

- **Participation**: PGNiG S.A. 100%
- **Acreage**: 4,414.4 km sq
- **Geographic site**: Western Desert
- **Commitments**: 1,350 km 2D seismic, 2 exploration well
Ghadames/Murzuq License in Libya

<table>
<thead>
<tr>
<th>Participation</th>
<th>PGNiG S.A. 100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acreage</td>
<td>5 494.0 km sq</td>
</tr>
<tr>
<td>Geographic site</td>
<td>Province Awbari, Murzuq Basin</td>
</tr>
<tr>
<td>Commitments</td>
<td>3 000 km 2D seismic, 1 500 km sq 3D seismic, 8 exploration wells</td>
</tr>
</tbody>
</table>
Exploration in North Africa

Egypt

- Agreement: 17 May 2009
- Opening of unit: 27 July 2009
- Shares: PGNiG SA 100%
- Contract commitments: 1,350 km² of 2D seismic, 2 wells

Seismic completed
Wells will be spudded early 2013

Libya

- Agreement: 25 February 2008
- Opening of unit: 1 June 2008
- Shares: POGC Libya BV 100%
- Contract commitments: 3,000 km² of 2D seismic, 1,500 km² of 3D seismic, 8 wells

Force majeure since Feb. 2011
Lifting force majeure letter submitted to NOC in September 2012
Extension Agreement ready to be signed

Operated directly by the Branch of PGNiG SA

Operated by POGC – Libya BV, a subsidiary company established in the Netherlands
PGNiG
Return to Libya
**Libya - POGC 113 project time schedule (before 2011)**

<table>
<thead>
<tr>
<th>Exploration stage</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seismic data acquisition</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2D I phase</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2D II phase</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3D I phase</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3D II phase</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exploration drilling</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 wells</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 wells</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Libya – during the 2011/12 conflict

- evacuation of non-Libyan employees
- *force majeure* notification to NOC
- all activities in Libya suspended

- temporary office in Warsaw for Libya Branch
- interpretation and administrative works continued
- preperations for drilling campaign
- current situation analysed
- assets in Libya secured as possible
Libya – Poland
a tragic historical proximity
which today helps to understand each other...
PGNiG helped in Poland’s active policy of solidarity with Libyans

• Polish Oil and Gas Company Libya B.V. was one of a few companies paying salaries to its employees throughout duration of the conflict;

• Since February 23, 2011 Polish employees worked in temporary office in Warsaw staying in constant touch with Libyan colleagues in Janzour and ready to go back to work in Libya as soon as the situation stabilizes; also a few meetings were held outside Libya in which some of the Libyan employees participated;

• POGC Libya B.V. used its best efforts to secure both the employees as well as the company assets, which resulted in very minor losses;

• medical aid to the hospital in Az Zawiyah was financed by POGC Libya B.V.
PGNiG helped in Poland’s active policy of solidarity with Libyans

• Representatives of POGC Libya participated in Polish Foreign Minister Radosław Sikorski’s working visit to Libya in October 2011 during which on behalf of PGNiG Capital Group they submitted an offer of cooperation in program of democratization of Libya. The program would consist of trainings and know-how transfer as well as humanitarian aid in Tripoli area;

Source: http://www.msz.gov.pl, photo PAP/Paweł Supernak

Demonstration after Minister Sikorski’s visit to Benghazi in October 2011

Source: http://www.msz.gov.pl, photo A. Meller

Minister Sikorski with the representatives of Polish business, Tripoli, October 2011
Political support of Poland

- Polish Embassy was evacuated from Tripoli on March 3, 2011;
- On May 11, 2011, Foreign Minister Radosław Sikorski visited Benghazi. This has been the first visit to Libya of representative of a Member State of the Libya Contact Group since the outbreak of conflict in February. The decision to visit Benghazi was taken in cooperation with the EU High Representative for Foreign Affairs and Security Policy Catherine Ashton and NATO allies on the eve of Poland’s takeover of the Presidency of the EU Council. The visit was an expression of political support for a vision of Libya’s future proposed by the Libyan Council, envisaging the formation of a modern, democratic state and society;
- On June 29, 2011 Polish Embassy reopened in Benghazi;
- On July 8, 2011 Poland formally recognized National Transitional Council as Libya’s sole legitimate representative;
On September 1, 2011 Polish Prime Minister Donald Tusk attended the “Friends of Libya” conference, where he announced that Poland was fully committed to rebuilding Libya’s economy and creating a better political system, as well as to providing humanitarian and financial support;

Polish Embassy reopened in Tripoli on September 15, 2011;

Polish Foreign Minister Radosław Sikorski paid a working visit to Libya on October 24, 2011. While in Libya, Minister Sikorski met, among others, the Chairman of the National Transitional Council Mustafa Abdul Jalil and other high-level representatives of the Libyan transitional authorities in Tripoli and Benghazi. This was the first visit of a foreign politician to the Free Libya following the transitional authorities’ announcement of the final ‘liberation of Libya’ on October 23, 2011;

European Parliament President and a former Prime Minister of Poland Jerzy Buzek visited Tripoli on October 29, 2011 held talks with Mustafa Abdel Jalil and called for greater cooperation between Europe and Libya;
Humanitarian support of Poland

• On October 4, 2011 Polish medical mission started working in Misrata. Polish doctors and nurses (in rotating groups) are to remain in Misrata until the end of the year. Polish nurses work also in Benghazi and in Yefren;

• Along with the Polish medical personnel, the special aircraft is carrying medical in-kind support in the form of reagents for dialysis units in Misrata as well as equipment and materials for burn treatment centers;

• Poland has actively supported humanitarian actions helping people who have been forced to flee Libya, on both the Libyan-Tunisian and Libyan-Egyptian border (e.g. in early March 2011, the Polish Ministry of Foreign transferred funds towards the United Nations High Commissioner for Refugees, UNHCR);
Humanitarian support of Poland – cont.

- Polish Humanitarian Action was one of the first humanitarian aid organizations which arrived in the areas suffering from this crisis and in the interior of Libya. An envoy of PAH has donated two transports of humanitarian aid which contained articles for women and children; The same organization purchased and transported necessary medicaments, which were delivered to the Libyan Red Crescent in Derna. As requested by the Libyan Red Crescent, the transport contained also nutrients for children and other medical articles;

- Financial support will be used to support programmes implemented by humanitarian aid organizations - UNHCR and UNICEF - active in Libya in the fields of food and medical aid, as well as civilian protection.

- Since Polish Embassy returned to Tripoli, many meetings took place, including meeting of Libyan graduates of Polish schools and holiday meeting for children from Polish-Libyan families
Return to Libya – security issues

- Security system implemented based on cooperation with Oil Installation Guards (OIG) – acting under supervision of the Ministry of Defense
- Agreement with OIG coordinated with NOC
- POGC arranges and finances training for persons dedicated for protection of its activities in Libya. Currently training for OIG staff who will protect office in Tripoli completed. Training for OIG staff who will protect operations in the license area ongoing.
- Training is provided by Polish security specialists and includes:
  - First aid
  - Communication and radio contact
  - Driving in convoy
  - Tactics in protection activities
  - Construction, use and maintenance of firearms, including shooting training
- After the training protection for POGC and its subcontractors will be provided on expenses of Libyan government
- Letter lifting the force majeure notification submitted to NOC in September, Extension Agreement to be signed soon
• 2D and 3D (partly) seismic acquisition completed before 2011
• Total of **24** prospects and leads interpreted
• 4 new field wildcat wells planned for 2013
• 3D second phase planned for 2013

**CONTRACT AREA 113 (BLOCKS 1 & 2)**
Summary and future outlook

- PGNiG entered North Africa in 2007/2008 by acquiring exploration licences in Egypt in Libya as a sole operator,
- Both projects still in exploration phase, first exploration wells will be spudded in early 2013 which allows to re-evaluate the assets,
- Arab Spring has influenced exploration activities especially in Libya, where force majeure notification has been lifted recently,
- The region, especially Libya, is still observed as a strategic one for the differentiation of gas supply to European (including Polish) market,
- PGNiG is determined to be active player in North Africa, after results of first exploration wells the company is planning to balance its assets and risks by acquisition of shares in producing assets and possibly sales part of the shares in its portfolio.
Thank you