



**CONSOLIDATED
INTERIM REPORT
FOR THE THIRD QUARTER
OF 2011**

POLISH FINANCIAL SUPERVISION AUTHORITY

Consolidated Quarterly Report QSr III / 2011

quarter / year

(pursuant to Par. 82.2 and Par. 83.1 of the Regulation of the Minister of Finance of February 19th 2009 – Dz. U. No. 33, item 259)

for issuers of securities in the manufacturing, construction, trade, and services sectors

for the third quarter of the 2011 financial year covering the period from **January 1st** to **September 30th 2011**, containing condensed consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRSs) in the złoty (PLN), and condensed separate financial statements prepared in accordance with the International Financial Reporting Standards (IFRSs) in the złoty (PLN).

November 10th 2011
(date of release)

POLSKIE GÓRNICTWO NAFTOWE I GAZOWNICTWO S.A.

(full name of the issuer)

PGNIG S.A.

(abbreviated name)

Fuels (pal)

(sector according to the Warsaw Stock Exchange's classification)

01-224

(postal code)

Warsaw

(registered office)

Kasprzaka

(street)

25

(number)

+48 22 589 45 55

(telephone)

+48 22 691 82 73

(fax)

pr@pgnig.pl

(e-mail)

www.pgnig.pl

(website)

525-000-80-28

(NIP – Tax Identification Number)

012216736

(REGON – Industry Identification Number)

CONTENTS

FINANCIAL HIGHLIGHTS	5
I. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	6
CONSOLIDATED INCOME STATEMENT	6
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	6
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	7
CONSOLIDATED STATEMENT OF CASH FLOWS	8
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	9
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	10
1. Deferred tax	10
2. Impairment losses	10
3. Provisions	11
4. Sales revenue	11
5. Proceeds under Transmission System Lease Agreement	12
6. Operating expenses	12
7. Corporate income tax	12
8. Property, plant and equipment by categories	12
9. Derivative financial instruments	13
10. Listing and explanation of differences between the data disclosed in the financial statements and comparative financial data, and the data disclosed in previously published financial statements	25
II. CONDENSED SEPARATE FINANCIAL STATEMENTS	26
SEPARATE INCOME STATEMENT	26
SEPARATE STATEMENT OF COMPREHENSIVE INCOME	26
SEPARATE STATEMENT OF FINANCIAL POSITION	27
SEPARATE STATEMENT OF CASH FLOWS	28
SEPARATE STATEMENT OF CHANGES IN EQUITY	29
NOTES TO THE CONDENSED SEPARATE FINANCIAL STATEMENTS	30
1. Deferred tax	30
2. Impairment losses	30
3. Provisions	31
4. Sales revenue	31
5. Proceeds under Transmission System Lease Agreement	32
6. Operating expenses	32
7. Corporate income tax	32
8. Property, plant and equipment by categories	32
9. Listing and explanation of differences between the data disclosed in the financial statements and comparative financial data, and the data disclosed in previously published financial statements	32
III. ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS FOR Q3 2011	33
1. Basis of preparation and format of the financial statements contained in this report	33
2. Adopted accounting policies	33
3. Effect of new standards and interpretations on the Group's financial statements	34
4. Brief description of significant achievements or failures of the Company in the reporting period, including a specification of key related events	34
5. Factors and events, in particular of non-recurring nature, with a material effect on financial performance	38
6. Seasonality or cyclicity in the Company's operations during the reporting period	39
7. Issue, redemption and repayment of debt and equity securities	39
8. Total and per share dividend paid (or declared) on ordinary and preference shares	39
9. Events subsequent to the condensed quarterly financial statements date, not disclosed in the financial statements but potentially significant for future financial performance	39
10. Changes in contingent liabilities or assets subsequent to the end of the previous financial year	40
11. Financial information by operating segments	41

IV. SUPPLEMENTARY INFORMATION TO THE Q3 2011 REPORT	43
1. General information on the Company and its group	43
2. Organisation of the PGNiG Group and its consolidated undertakings.....	44
3. Changes in the Company's structure, including changes resulting from mergers, acquisitions or disposals of the Group undertakings, as well as long-term investments, demergers, restructurings or discontinuation of operations.....	45
4. Management Board's position on the feasibility of meeting forecasts published earlier for a given year in the light of the results presented in the quarterly report as compared with the forecast	46
5. Shareholders holding, directly or indirectly through subsidiaries, 5% or more of the total vote at the General Shareholders Meeting of the Company as at the date of publication of the quarterly report, including information on the number of shares held by those shareholders, their interests in the Company's share capital, the resulting number of votes at the General Shareholders Meeting and their share in the total vote at the General Shareholders Meeting, and any changes in the ownership structure of major holdings of the company shares after the publication of the previous quarterly report	46
6. Number of Company shares and options for Company shares held by the management and supervisory staff as at the quarterly report date and changes in the number of Company shares and options for Company shares held by the management and supervisory staff after publication of the previous quarterly report	47
7. Court, arbitration or administrative proceedings concerning liabilities or debt claims of the Company or its subsidiary	47
8. Conclusion by PGNiG S.A. or its subsidiary of a transaction or a series of transactions with related parties, where the transaction value (total value of all transactions concluded from the beginning of the financial year) exceeds the PLN equivalent of EUR 500 thousand, and the transactions are not typical or routine transactions concluded at arms' length between related undertakings, and their nature, as well as their terms and conditions do not follow from ordinary business activities of the Company or its subsidiary.....	47
9. Loan sureties or guarantees issued by the Company or its subsidiary to one entity or its subsidiary where the total amount of outstanding sureties or guarantees issued to such an entity or its subsidiary represents 10% or more of the Company's equity	47
10. Other information which in the Company's opinion is material for assessing its staffing levels, assets, financial standing and performance, or changes in any of the foregoing, and information which is material for assessing the Company's ability to fulfil its obligations.....	47
11. Factors which in the Company's opinion of will affect its performance in the next quarter or beyond	48

FINANCIAL HIGHLIGHTS

Condensed consolidated financial data	Q3 2011 YTD (Jan 1–Sep 30 2011)	Q3 2010 YTD (Jan 1–Sep 30 2010)	Q3 2011 YTD (Jan 1–Sep 30 2011)	Q3 2010 YTD (Jan 1–Sep 30 2010)
	PLN '000		EUR '000	
I. Sales revenue	16,031,140	14,643,573	3,966,828	3,658,424
II. Operating profit/loss	1,405,863	1,541,974	347,874	385,233
III. Pre-tax profit/loss	1,453,815	1,584,767	359,739	395,925
IV. Net profit/loss attributable to owners of the parent	1,322,591	1,335,925	327,269	333,756
V. Net profit/loss	1,324,195	1,339,001	327,666	334,524
VI. Comprehensive income attributable to owners of the parent	1,557,671	1,345,405	385,438	336,124
VII. Total comprehensive income	1,559,275	1,348,481	385,835	336,893
VIII. Net cash provided by/(used in) operating activities	1,841,273	2,862,128	455,614	715,049
IX. Net cash provided by/(used in) investing activities	(3,006,783)	(2,197,197)	(744,014)	(548,929)
X. Net cash provided by/(used in) financing activities	821,254	(55,606)	203,215	(13,892)
XI. Total net cash	(344,256)	609,325	(85,184)	152,228
XII. Net earnings/loss and diluted net earnings/loss per share attributable to owners of the parent (PLN/EUR)	0.22	0.23	0.06	0.06
	As at Sep 30 2011	As at Dec 31 2010	As at Sep 30 2011	As at Dec 31 2010
XIII. Total assets	36,939,520	34,316,239	8,374,030	8,665,060
XIV. Liabilities and provisions for liabilities	12,573,775	10,796,769	2,850,421	2,726,250
XV. Non-current liabilities	5,597,889	4,973,340	1,269,018	1,255,799
XVI. Current liabilities	6,975,886	5,823,429	1,581,403	1,470,451
XVII. Equity	24,365,745	23,519,470	5,523,609	5,938,810
XVIII. Share capital	5,900,000	5,900,000	1,337,505	1,489,786
XIX. Weighted average number of shares ('000)	5,900,000	5,900,000	5,900,000	5,900,000
XX. Book value per share and diluted book value per share (PLN/EUR)	4.13	3.99	0.94	1.01
XXI. Dividend per share declared or paid (PLN/EUR)	0.12	0.08	0.03	0.02
Condensed separate financial data	Q3 2011 YTD (Jan 1–Sep 30 2011)	Q3 2010 YTD (Jan 1–Sep 30 2010)	Q3 2011 YTD (Jan 1–Sep 30 2011)	Q3 2010 YTD (Jan 1–Sep 30 2010)
I. Sales revenue	15,218,819	13,981,281	3,765,823	3,492,963
II. Operating profit/loss	977,361	1,019,437	241,843	254,687
III. Pre-tax profit/loss	1,703,164	1,475,187	421,440	368,548
IV. Net profit/loss	1,514,491	1,229,174	374,753	307,086
V. Comprehensive income	1,721,632	1,251,287	426,009	312,611
VI. Net cash provided by/(used in) operating activities	791,219	1,939,210	195,783	484,475
VII. Net cash provided by/(used in) investing activities	(1,522,075)	(837,906)	(376,630)	(209,335)
VIII. Net cash provided by/(used in) financing activities	611,747	(547,212)	151,374	(136,711)
IX. Total net cash flow	(119,109)	554,092	(29,473)	138,430
X. Net earnings/loss and diluted net earnings/loss per ordinary share (PLN / EUR)	0.26	0.21	0.06	0.05
	As at Sep 30 2010	As at Dec 31 2010	As at Sep 30 2010	As at Dec 31 2010
XI. Total assets	27,744,704	25,550,931	6,289,605	6,451,767
XII. Total liabilities	8,067,359	6,887,218	1,828,835	1,739,064
XIII. Non-current liabilities	1,947,924	1,758,351	441,586	443,994
XIV. Current liabilities	6,119,435	5,128,867	1,387,250	1,295,070
XV. Equity	19,677,345	18,663,713	4,460,769	4,712,702
XVI. Share capital	5,900,000	5,900,000	1,337,505	1,489,786
XVII. Weighted average number of shares ('000)	5,900,000	5,900,000	5,900,000	5,900,000
XVIII. Book value per share and diluted book value per share (PLN / EUR)	3.34	3.16	0.76	0.80
XIX. Dividend per share declared or paid (PLN / EUR)	0.12	0.08	0.03	0.02

Items of the income statement, statement of comprehensive income and statement of cash flows have been translated using the EUR exchange rate computed as the arithmetic mean of mid exchange rates quoted by the National Bank of Poland (NBP) for the last day of each calendar month in the given reporting period.

Items of the statement of financial position have been translated using the EUR mid exchange rate quoted by the NBP for the end of the given reporting period.

AVERAGE EUR/PLN EXCHANGE RATES QUOTED BY THE NATIONAL BANK OF POLAND

	Sep 30 2011	Dec 31 2010	Sep 30 2010
Average exchange rate for the period	4.0413	4.0044	4.0027
Exchange rate at end of the period	4.4112	3.9603	3.9870

I. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

	Q3 2011 (Jul 1–Sep 30 2011) unaudited	Q3 2011 YTD (Jan 1–Sep 30 2011) unaudited	Q3 2010 (Jul 1–Sep 30 2010) unaudited	Q3 2010 YTD (Jan 1–Sep 30 2010) unaudited
	(PLN '000)			
Sales revenue	4,507,778	16,031,140	3,881,657	14,643,573
Raw and other materials used	(2,519,272)	(9,409,328)	(1,929,207)	(7,869,883)
Employee benefits	(621,672)	(2,001,894)	(576,407)	(1,859,258)
Depreciation and amortisation	(393,095)	(1,169,991)	(365,777)	(1,110,978)
Contracted services	(746,933)	(2,314,459)	(693,656)	(2,211,744)
Cost of products and services for own needs	235,495	716,905	249,692	611,133
Net other operating expenses	(129,233)	(446,510)	(225,999)	(660,869)
Total operating expenses	(4,174,710)	(14,625,277)	(3,541,354)	(13,101,599)
Operating profit/loss	333,068	1,405,863	340,303	1,541,974
Finance income	(72,145)	120,544	28,371	63,212
Finance expenses	(46,612)	(72,090)	(409)	(19,919)
Share in net profit/loss of equity-accounted undertakings	(107)	(502)	(128)	(500)
Pre-tax profit/loss	214,204	1,453,815	368,137	1,584,767
Income tax	105,128	(129,620)	(23,361)	(245,766)
Net profit/loss	319,332	1,324,195	344,776	1,339,001
Attributable to:				
Owners of the parent	319,117	1,322,591	344,055	1,335,925
Non-controlling interests	215	1,604	721	3,076
Net earnings/loss and diluted net earnings/loss per share attributable to owners of the parent	0.05	0.22	0.06	0.23

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Q3 2011 (Jul 1–Sep 30 2011) unaudited	Q3 2011 YTD (Jan 1–Sep 30 2011) unaudited	Q3 2010 (Jul 1–Sep 30 2010) unaudited	Q3 2010 (Jan 1–Sep 30 2010) unaudited
	(PLN '000)			
Net profit/loss	319,332	1,324,195	344,776	1,339,001
Currency translation differences on foreign operations	49,199	35,049	(28,857)	(10,880)
Valuation of hedging instruments	129,727	299,530	(74,392)	13,496
Valuation of financial instruments	84	(52,605)	15,200	11,640
Deferred tax related to other comprehensive income	(24,648)	(46,894)	11,246	(4,776)
Other	-	-	-	-
Other comprehensive income, net	154,362	235,080	(76,803)	9,480
Total comprehensive income	473,694	1,559,275	267,973	1,348,481
Attributable to:				
Owners of the parent	473,479	1,557,671	267,252	1,345,405
Non-controlling interests	215	1,604	721	3,076

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at Sep 30 2011 (end of Q3 2011)	As at Dec 31 2010 (end of previous year)
	unaudited	audited
	(PLN '000)	
ASSETS		
Non-current assets		
Property, plant and equipment	27,512,845	25,662,220
Investment property	13,794	9,915
Intangible assets	247,008	246,710
Investments in equity-accounted associated undertakings	555,325	555,828
Financial assets available for sale	63,658	170,442
Other financial assets	9,900	39,868
Deferred tax assets	962,876	676,817
Other non-current assets	88,457	71,075
Total non-current assets	29,453,863	27,432,875
Current assets		
Inventories	2,246,932	1,049,567
Trade and other receivables	3,223,326	4,061,187
Current income tax receivable	247,172	229,666
Prepayments and accrued income	181,872	78,801
Financial assets available for sale	32,796	8,833
Derivative financial instrument assets	513,689	77,873
Cash and cash equivalents	1,031,270	1,373,292
Non-current assets held for sale	8,600	4,145
Total current assets	7,485,657	6,883,364
Total assets	36,939,520	34,316,239
EQUITY AND LIABILITIES		
Equity		
Share capital	5,900,000	5,900,000
Currency translation differences on foreign operations	(22,271)	(57,320)
Share premium account	1,740,093	1,740,093
Other capital reserves	14,283,202	12,268,163
Retained earnings/deficit	2,454,730	3,655,110
Equity attributable to owners of the parent	24,355,754	23,506,046
Equity attributable to non-controlling interests	9,991	13,424
Total equity	24,365,745	23,519,470
Non-current liabilities		
Loans, borrowings and debt securities	1,421,622	969,864
Provisions	1,582,422	1,501,164
Deferred income	1,127,324	1,089,192
Deferred tax liabilities	1,444,685	1,392,010
Other non-current liabilities	21,836	21,110
Total non-current liabilities	5,597,889	4,973,340
Current liabilities		
Trade and other payables	3,217,916	3,291,472
Loans, borrowings and debt securities	1,898,307	1,229,237
Derivative financial instrument liabilities	386,613	104,443
Current tax liabilities	114,741	225,972
Provisions	301,018	289,647
Deferred income	1,057,291	682,658
Total current liabilities	6,975,886	5,823,429
Total liabilities	12,573,775	10,796,769
Total equity and liabilities	36,939,520	34,316,239

CONSOLIDATED STATEMENT OF CASH FLOWS

	Q3 2011 YTD (Jan 1–Sep 30 2011) unaudited	Q3 2010 YTD (Jan 1–Sep 30 2010) unaudited
	(PLN '000)	
Cash flows from operating activities		
Net profit/loss	1,324,195	1,339,001
Adjustments:		
Share in profit/loss of equity-accounted undertakings	502	500
Depreciation and amortisation	1,169,991	1,110,978
Net foreign exchange gains/losses	(226,378)	(27,121)
Net interest and dividends	(6,401)	(26,443)
Gain/loss from investing activities	54,139	59,667
Current income tax	129,620	245,766
Income tax paid	(481,638)	(98,483)
Other items, net	346,919	72,539
Net cash provided by/(used in) operating activities before changes in working capital	2,310,949	2,676,404
Change in working capital:		
Change in receivables, net	846,060	1,229,922
Change in inventories	(1,197,366)	(362,655)
Change in provisions	43,771	35,870
Change in current liabilities	(363,361)	(566,339)
Change in prepayments	(118,459)	(137,093)
Change in deferred income	319,679	(13,981)
Net cash provided by/(used in) operating activities	1,841,273	2,862,128
Cash flows from investing activities		
Sale of property, plant and equipment and intangible assets	1,240	13,727
Sale of shares in non-consolidated undertakings	153,339	200
Sale of short-term securities	-	5,919
Acquisition of property, plant and equipment and intangible assets	(3,201,423)	(2,247,383)
Acquisition of shares in non-consolidated undertakings	(28,712)	(446)
Acquisition of short-term securities	(26,765)	-
Interest received	1,731	14,042
Dividends received	2,506	5,322
Proceeds from finance lease	1,842	15,074
Other items, net	89,459	(3,652)
Net cash provided by/(used in) investing activities	(3,006,783)	(2,197,197)
Cash flows from financing activities		
Net proceeds from issue of shares, other equity instruments and additional contributions to equity	-	-
Increase in loans and borrowings	313,663	2,158,630
Issue of debt securities	1,742,153	1,417,246
Repayment of loans and borrowings	(52,117)	(3,539,289)
Redemption of debt securities	(1,090,517)	-
Decrease in finance lease liabilities	(19,649)	(28,367)
Inflows from forward and futures contracts	-	-
Outflows on forward and futures contracts	-	-
Dividends paid	-	-
Interest paid	(71,495)	(40,848)
Other items, net	(784)	(22,978)
Net cash provided by/(used in) financing activities	821,254	(55,606)
Net change in cash	(344,256)	609,325
Net foreign exchange gains/losses	2,234	550
Cash and cash equivalents at beginning of period	1,372,918	1,196,316
Cash and cash equivalents at end of period	1,028,662	1,805,641

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to owners of the parent					Equity attributable to non-controlling interests	Total equity
	Share capital	Currency translation differences on foreign operations	Share premium account	Other capital reserves	Retained earnings/ deficit	Total	
	(PLN '000)						
As at Jan 1 2011 (audited)	5,900,000	(57,320)	1,740,093	12,268,163	3,655,110	23,506,046	13,424 23,519,470
Transfers	-	-	-	1,815,008	(1,814,971)	37	(37) -
Purchase of shares from non-controlling interests	-	-	-	-	-	-	(5,000) (5,000)
Payment of dividend to owners	-	-	-	-	(708,000)	(708,000)	- (708,000)
Net profit/loss for the first three quarters of 2011	-	-	-	-	1,322,591	1,322,591	1,604 1,324,195
Other comprehensive income, net, for the first three quarters of 2011	-	35,049	-	200,031	-	235,080	- 235,080
As at Sep 30 2011 (unaudited)	5,900,000	(22,271)	1,740,093	14,283,202	2,454,730	24,355,754	9,991 24,365,745
As at Jan 1 2010 (audited)	5,900,000	(51,162)	1,740,093	11,455,447	2,382,452	21,426,830	10,477 21,437,307
Transfers	-	-	-	712,364	(712,371)	(7)	7 -
First-time consolidation of subsidiary	-	-	-	7	2	9	- 9
Payment of dividend to owners	-	-	-	-	(472,000)	(472,000)	(503) (472,503)
Net profit/loss for the first three quarters of 2010	-	-	-	-	1,335,925	1,335,925	3,076 1,339,001
Other comprehensive income, net, for the first three quarters of 2010	-	(10,880)	-	20,360	-	9,480	- 9,480
As at Sep 30 2010 (unaudited)	5,900,000	(62,042)	1,740,093	12,188,178	2,534,008	22,300,237	13,057 22,313,294

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Deferred tax

Deferred tax assets and liabilities	Deferred tax assets	Deferred tax liabilities
As at Jan 1 2011	676,817	1,392,010
a) increase	306,970	94,323
b) decrease	(20,911)	(41,648)
As at Sep 30 2011	962,876	1,444,685
As at Jan 1 2010	592,087	1,268,432
a) increase	346,575	148,543
b) decrease	(261,845)	(24,965)
As at Dec 31 2010	676,817	1,392,010

2. Impairment losses

Impairment losses on assets	Property, plant and equipment and intangible assets	Investment property	Other financial assets	Investments in equity-accounted associated undertakings	Non-current financial assets available for sale	Inventories	Current receivables	Current portion of non-current loans	Current financial assets available for sale	Total
As at Jan 1 2011	1,196,698	4	239	956,555	52,760	14,244	1,061,042	22,372	-	3,303,914
a) increase	114,796	-	246	50,162	459	3,648	49,945	3,456	-	222,712
b) transfer	-	-	(8)	-	(1,360)	-	8	-	1,360	-
c) decrease	(109,487)	-	-	-	(14,158)	(951)	(267,549)	908	(1,360)	(392,597)
As at Sep 30 2011	1,202,007	4	477	1,006,717	37,701	16,941	843,446	26,736	-	3,134,029
As at Jan 1 2010	1,679,303	2	18	936,080	53,269	17,359	1,083,647	19,071	675	3,789,424
a) increase	310,161	-	233	20,475	88	3,472	127,768	3,301	-	465,498
b) transfer	(86)	86	(12)	-	-	-	(992)	-	-	(1,004)
c) decrease	(792,680)	(84)	-	-	(597)	(6,587)	(149,381)	-	(675)	(950,004)
As at Dec 31 2010	1,196,698	4	239	956,555	52,760	14,244	1,061,042	22,372	-	3,303,914

3. Provisions

	Provision for length-of-service awards and retirement severance pays	Provision for gas allowances	Provision for well decommissioning costs	Provision for penalty imposed by the Office for Competition and Consumer Protection	Provision for environmental protection liabilities	Provision for claims under extra- contractual use of land	Provision for potential liability under transmission services	Central Restructuring Fund	Other	Total
As at Jan 1 2011	327,415	-	1,117,441	179	134,284	79,964	-	21,292	110,236	1,790,811
a) increase	25,287	-	60,238	-	940	16,505	-	5,000	98,581	206,551
b) transfer	-	-	-	-	-	(773)	-	-	773	-
c) decrease	(12,899)	-	(634)	(179)	(11,457)	(4,003)	-	(1,774)	(82,976)	(113,922)
As at Sep 30 2011	339,803	-	1,177,045	-	123,767	91,693	-	24,518	126,614	1,883,440
As at Jan 1 2010	321,043	20,410	916,231	179	126,100	-	34,391	10,450	127,195	1,555,999
a) increase	32,458	-	200,279	-	26,396	79,858	-	13,000	119,130	471,121
b) transfer	-	-	-	-	749	1,795	-	-	(2,544)	-
c) decrease	(26,086)	(20,410)	931	-	(18,961)	(1,689)	(34,391)	(2,158)	(133,545)	(236,309)
As at Dec 31 2010	327,415	-	1,117,441	179	134,284	79,964	-	21,292	110,236	1,790,811

4. Sales revenue

	Jan 1–Sep 30 2011	Jan 1–Sep 30 2010
High-methane gas	13,227,898	12,239,062
Nitrogen-rich gas	848,981	805,664
Crude oil	772,383	594,821
Helium	42,054	31,941
Propane-butane gas	40,404	35,457
Natural gasoline	3,210	2,245
LNG	24,591	20,590
Geophysical and geological services	321,346	194,138
Exploration services	373,878	338,654
Materials and goods for resale	13,447	12,507
Other sales of products and services	362,948	368,494
Total	16,031,140	14,643,573

5. Proceeds under Transmission System Lease Agreement

	Jan 1–Sep 30 2011	Jan 1–Sep 30 2010
Interest payment	1,670	13,736
Principal payment	1,842	15,074
Total	3,512	28,810

6. Operating expenses

Raw and other materials used	Jan 1–Sep 30 2011	Jan 1–Sep 30 2010
Cost of gas sold	(8,908,777)	(7,429,877)
Other raw and other materials used	(500,551)	(440,006)
Total	(9,409,328)	(7,869,883)

Contracted services	Jan 1–Sep 30 2011	Jan 1–Sep 30 2010
Purchase of transmission services from OGP Gaz-System S.A.	(1,094,485)	(1,110,299)
Cost of negative wells written off	(176,373)	(112,653)
Other contracted services	(1,043,601)	(988,792)
Total	(2,314,459)	(2,211,744)

7. Corporate income tax

	Jan 1–Sep 30 2011	Jan 1–Sep 30 2010
Profit/loss before tax (consolidated)	1,453,815	1,584,767
Tax rate applicable in the period	19%	19%
Tax calculated at the applicable tax rate	(276,225)	(301,106)
Permanent differences between pre-tax profit/loss and tax base	146,605	55,340
Tax expense in the consolidated income statement	(129,620)	(245,766)
Current income tax	(374,052)	(429,596)
Deferred income tax	244,432	183,830
Effective tax rate	8.92%	15.51%

Lower effective tax rate after the first three quarters of 2011 was attributable mainly due an increase in permanent differences between pre-tax profit/loss and tax base. This increase was mainly due to the income from release in 2011 of impairment losses on receivables (in the corresponding period of 2010 impairment losses on receivables were increased) and to the recognition of income from received damages/compensations. Such income affects pre-tax profit disclosed in the income statement but is not taxable income and, therefore, no deferred tax liabilities were recognised in respect of this income. As a result of higher pre-tax profit, which is the basis for the calculation of tax at the applicable tax rate, with no changes in the tax expense, the effective tax rate after the first three quarters of 2011 decreased. Moreover, a considerable growth in deferred tax assets was recorded at subsidiary PGNiG Norway AS in Q3 2011. Recognition of deferred tax accrued by PGNiG Norway AS in the consolidated income statement significantly lowered the tax expense and, consequently, resulted in a material decrease in effective tax rate after the first three quarters of 2011.

8. Property, plant and equipment by categories

	As at Sep 30 2011 (end of Q3 2011)	As at Dec 31 2010 (end of previous year)
Land	51,261	50,617
Buildings and structures	14,372,545	14,506,236
Plant and equipment	2,398,118	2,449,873
Vehicles and other	986,790	979,530
Total tangible assets	17,808,714	17,986,256
Tangible assets under construction	9,704,131	7,675,964
Total property, plant and equipment	27,512,845	25,662,220

9. Derivative financial instruments

The table below presents the banks with which the Company has signed ISDA (International Swaps and Derivatives Association) agreements or Polish Master Agreements, prepared in accordance with the guidelines of the Polish Banks Association ("PMA").

Bank	Agreement/ transaction type
ABN Amro	ISDA/all
BH	PMA/all
Barclays Bank plc	ISDA/all
BNP Paribas Polska	ISDA/all
CA-CIB	ISDA/all
Credit Suisse	ISDA/all
DB Polska S.A.	PMA/all
DB AG	ISDA/all
Goldman Sachs	ISDA/all
HSBC Bank Polska S.A.	PMA/all
ING Bank Śląski SA	PMA/all
Mitsubishi UFJ Securities Int. plc	ISDA/all
Morgan Stanley	ISDA/all
Millennium Bank Polska S.A.	PMA/all
Natixis	ISDA/all
Nordea Bank Finland plc	ISDA/all
PBP S.A.	PMA/all
Pekao S.A.	PMA/all
PKO BP S.A.	PMA/all
SG Bank	ISDA/all
SMBC Capital Markets, Inc.	ISDA/all

In the period from January 1st to September 30th 2011, the following derivative transactions were concluded:

- purchase of currency call options,
- zero-cost risk reversal strategy based on symmetrical currency options,
- sale of currency forward,
- purchase of commodity call options,
- zero-cost risk reversal strategy based on symmetrical commodity options.

All derivative transactions executed by the Parent Undertaking are hedges of commodity, currency and interest rate risk exposures. The volume of hedging transactions does not exceed the value of the hedged items in any of the periods.

All eligible transactions concluded from January 1st to September 30th 2011 are covered by hedge accounting.

Furthermore, in that period the Company was party to CCIRS transactions executed in previous periods, which are not covered by hedge accounting. This is due to the fact that the valuation of both the hedged item and the hedge (the derivative transaction) is reflected in the income statement, which produces the same effect as if hedge accounting was applied.

The table below presents the Company's unsettled derivative transactions as at September 30th 2011.

Hedged item	Value of hedging instrument	Currency of hedging instrument	Hedge type	Date of hedging transaction	Exercise date of hedging instrument	Exercise price (exercise price range) of the instrument	Hedged risk	Measurement of hedge's fair value (+) positive (-) negative
loan	930,000,000	NOK	CCIRS	9 December 2010	15 January 2014	0.5056	currency risk; interest rate risk	(82,608)
loan	1,596,000,000	NOK	CCIRS	13 December 2010	15 January 2014	0.5052	currency risk; interest rate risk	(139,665)
loan	674,000,000	NOK	CCIRS	14 December 2010	15 January 2014	0.5040	currency risk; interest rate risk	(60,216)
loan	700,000,000	NOK	CCIRS	15 December 2010	15 January 2014	0.5054	currency risk; interest rate risk	(60,944)
loan	70,000,000	NOK	FWD	20 May 2011	29 December 2011	0.5027	currency risk	(4,038)
loan	70,000,000	NOK	FWD	20 May 2011	29 December 2011	0.5028	currency risk	(4,031)
loan	70,000,000	NOK	FWD	21 June 2011	29 December 2011	0.5053	currency risk	(3,858)
loan	60,000,000	NOK	FWD	21 July 2011	29 December 2011	0.5137	currency risk	(2,809)
loan	60,000,000	NOK	FWD	21 July 2011	29 December 2011	0.5137	currency risk	(2,809)
loan	60,000,000	NOK	FWD	22 August 2011	29 December 2011	0.5322	currency risk	(1,714)
loan	60,000,000	NOK	FWD	22 August 2011	29 December 2011	0.5322	currency risk	(1,714)
payments for gas	10,000,000	USD	CALL	28 April 2011	7 October 2011	3.0700	currency risk	1,899
payments for gas	10,000,000	USD	PUT	28 April 2011	7 October 2011	2.5050	currency risk	-
payments for gas	10,000,000	USD	CALL	28 April 2011	20 October 2011	3.0500	currency risk	2,220
payments for gas	10,000,000	USD	PUT	28 April 2011	20 October 2011	2.5160	currency risk	-
payments for gas	10,000,000	USD	CALL	28 April 2011	10 November 2011	3.0550	currency risk	2,382
payments for gas	10,000,000	USD	PUT	28 April 2011	10 November 2011	2.5350	currency risk	-
payments for gas	10,000,000	USD	CALL	29 April 2011	7 October 2011	2.8500	currency risk	4,091
payments for gas	10,000,000	USD	CALL	29 April 2011	18 November 2011	2.8800	currency risk	3,984
payments for gas	10,000,000	USD	CALL	29 April 2011	8 December 2011	2.9000	currency risk	3,915
payments for gas	10,000,000	USD	CALL	11 May 2011	20 October 2011	2.9300	currency risk	3,348
payments for gas	5,000,000	EUR	CALL	12 May 2011	10 October 2011	4.0300	currency risk	1,917
payments for gas	5,000,000	EUR	CALL	13 May 2011	10 November 2011	4.0400	currency risk	1,932
payments for gas	10,000,000	USD	CALL	26 May 2011	20 October 2011	2.9700	currency risk	2,962
payments for gas	10,000,000	USD	CALL	26 May 2011	20 October 2011	2.9700	currency risk	2,962
payments for gas	10,000,000	USD	CALL	3 June 2011	9 December 2011	2.9210	currency risk	3,737
payments for gas	10,000,000	USD	CALL	3 June 2011	20 December 2011	2.9285	currency risk	3,729
payments for gas	10,000,000	USD	CALL	6 June 2011	20 December 2011	2.9280	currency risk	3,733
payments for gas	10,000,000	USD	CALL	6 June 2011	18 November 2011	2.8875	currency risk	3,914
payments for gas	10,000,000	USD	CALL	7 June 2011	18 November 2011	2.8765	currency risk	4,017
payments for gas	10,000,000	USD	CALL	9 June 2011	18 November 2011	2.8855	currency risk	3,933
payments for gas	10,000,000	USD	CALL	17 June 2011	7 October 2011	3.0700	currency risk	1,899
payments for gas	10,000,000	USD	PUT	17 June 2011	7 October 2011	2.6730	currency risk	-
payments for gas	10,000,000	USD	CALL	17 June 2011	9 December 2011	3.2000	currency risk	1,763
payments for gas	10,000,000	USD	PUT	17 June 2011	9 December 2011	2.6300	currency risk	(7)

The PGNiG Group
Report for Q3 2011
Notes to the condensed consolidated financial statements
(PLN '000)

contd.

Hedged item	Value of hedging instrument	Currency of hedging instrument	Hedge type	Date of hedging transaction	Exercise date of hedging instrument	Exercise price (exercise price range) of the instrument	Hedged risk	Measurement of hedge's fair value (+) positive (-) negative
payments for gas	10,000,000	USD	CALL	17 June 2011	10 November 2011	3.1300	currency risk	1,813
payments for gas	10,000,000	USD	PUT	17 June 2011	10 November 2011	2.6570	currency risk	(2)
payments for gas	10,000,000	USD	CALL	21 June 2011	7 October 2011	2.9360	currency risk	3,231
payments for gas	10,000,000	USD	CALL	21 June 2011	10 November 2011	2.9430	currency risk	3,355
payments for gas	10,000,000	USD	CALL	21 June 2011	10 November 2011	2.9380	currency risk	3,401
payments for gas	10,000,000	USD	CALL	21 June 2011	7 October 2011	2.9120	currency risk	3,471
payments for gas	10,000,000	USD	CALL	21 June 2011	7 October 2011	2.9120	currency risk	3,471
payments for gas	10,000,000	USD	CALL	22 June 2011	18 November 2011	2.9520	currency risk	3,327
payments for gas	8,000,000	EUR	CALL	22 June 2011	9 December 2011	4.1000	currency risk	2,763
payments for gas	10,000,000	USD	CALL	4 July 2011	9 December 2011	2.8870	currency risk	4,037
payments for gas	5,000,000	EUR	CALL	4 July 2011	10 October 2011	4.0500	currency risk	1,817
payments for gas	4,000,000	EUR	CALL	4 July 2011	20 October 2011	4.0500	currency risk	1,471
payments for gas	6,000,000	EUR	CALL	6 July 2011	20 October 2011	4.0600	currency risk	2,148
payments for gas	6,000,000	EUR	CALL	7 July 2011	18 November 2011	4.0700	currency risk	2,169
payments for gas	6,000,000	EUR	CALL	7 July 2011	20 December 2011	4.0900	currency risk	2,153
payments for gas	10,000,000	USD	CALL	7 July 2011	20 October 2011	2.9000	currency risk	3,642
payments for gas	10,000,000	USD	CALL	7 July 2011	20 October 2011	2.9000	currency risk	3,642
payments for gas	10,000,000	USD	CALL	7 July 2011	9 December 2011	2.9140	currency risk	3,798
payments for gas	4,000,000	EUR	CALL	7 July 2011	10 November 2011	4.0600	currency risk	1,468
payments for gas	3,000,000	EUR	CALL	7 July 2011	18 November 2011	4.0600	currency risk	1,113
payments for gas	6,000,000	EUR	CALL	8 July 2011	20 January 2012	4.0700	currency risk	2,350
payments for gas	10,000,000	USD	CALL	8 July 2011	20 December 2011	2.9300	currency risk	3,716
payments for gas	10,000,000	USD	CALL	8 July 2011	10 November 2011	2.9325	currency risk	3,451
payments for gas	10,000,000	USD	CALL	19 July 2011	7 October 2011	2.9825	currency risk	2,767
payments for gas	10,000,000	USD	CALL	20 July 2011	20 October 2011	2.9765	currency risk	2,900
payments for gas	10,000,000	USD	CALL	20 July 2011	20 October 2011	2.9565	currency risk	3,092
payments for gas	6,000,000	EUR	CALL	20 July 2011	20 January 2012	4.1250	currency risk	2,069
payments for gas	10,000,000	USD	CALL	20 July 2011	18 November 2011	2.9785	currency risk	3,094
payments for gas	5,000,000	EUR	CALL	20 July 2011	10 February 2012	4.1300	currency risk	1,758
payments for gas	10,000,000	USD	CALL	20 July 2011	18 November 2011	2.9850	currency risk	3,038
payments for gas	5,000,000	EUR	CALL	20 July 2011	9 March 2012	4.1450	currency risk	1,777
payments for gas	10,000,000	USD	CALL	21 July 2011	18 November 2011	2.9630	currency risk	3,230
payments for gas	10,000,000	USD	CALL	21 July 2011	10 November 2011	2.9325	currency risk	3,451
payments for gas	10,000,000	USD	CALL	22 July 2011	20 December 2011	2.9700	currency risk	3,384
payments for gas	10,000,000	USD	CALL	22 July 2011	20 December 2011	2.9700	currency risk	3,384

The PGNiG Group
Report for Q3 2011
Notes to the condensed consolidated financial statements
(PLN '000)

contd.

Hedged item	Value of hedging instrument	Currency of hedging instrument	Hedge type	Date of hedging transaction	Exercise date of hedging instrument	Exercise price (exercise price range) of the instrument	Hedged risk	Measurement of hedge's fair value (+) positive (-) negative
payments for gas	10,000,000	USD	CALL	22 July 2011	10 November 2011	2.9430	currency risk	3,355
payments for gas	10,000,000	USD	CALL	22 July 2011	10 November 2011	2.8965	currency risk	3,786
payments for gas	10,000,000	USD	CALL	22 July 2011	10 November 2011	2.8975	currency risk	3,777
payments for gas	10,000,000	USD	CALL	26 July 2011	7 October 2011	2.8900	currency risk	3,691
payments for gas	10,000,000	USD	CALL	26 July 2011	9 December 2011	2.9600	currency risk	3,404
payments for gas	10,000,000	USD	CALL	26 July 2011	20 December 2011	2.9600	currency risk	3,466
payments for gas	10,000,000	USD	CALL	26 July 2011	10 January 2012	3.0000	currency risk	3,287
payments for gas	10,000,000	USD	CALL	26 July 2011	10 January 2012	3.0000	currency risk	3,287
payments for gas	10,000,000	USD	CALL	27 July 2011	9 December 2011	3.2000	currency risk	1,763
payments for gas	10,000,000	USD	PUT	27 July 2011	9 December 2011	2.6125	currency risk	(6)
payments for gas	10,000,000	USD	CALL	27 July 2011	20 December 2011	3.2000	currency risk	1,856
payments for gas	10,000,000	USD	PUT	27 July 2011	20 December 2011	2.6250	currency risk	(10)
payments for gas	10,000,000	USD	CALL	27 July 2011	20 January 2012	3.0500	currency risk	3,018
payments for gas	10,000,000	USD	CALL	27 July 2011	20 December 2011	3.2000	currency risk	1,856
payments for gas	10,000,000	USD	PUT	27 July 2011	20 December 2011	2.6220	currency risk	(10)
payments for gas	10,000,000	USD	CALL	28 July 2011	7 October 2011	3.1000	currency risk	1,609
payments for gas	10,000,000	USD	PUT	28 July 2011	7 October 2011	2.6750	currency risk	-
payments for gas	10,000,000	USD	CALL	28 July 2011	10 November 2011	3.1000	currency risk	2,029
payments for gas	10,000,000	USD	PUT	28 July 2011	10 November 2011	2.6800	currency risk	(2)
payments for gas	10,000,000	USD	CALL	29 July 2011	20 January 2012	3.0650	currency risk	2,917
payments for gas	10,000,000	USD	CALL	29 July 2011	9 December 2011	3.1650	currency risk	1,947
payments for gas	10,000,000	USD	PUT	29 July 2011	9 December 2011	2.6800	currency risk	(14)
payments for gas	10,000,000	USD	CALL	1 August 2011	18 November 2011	3.1000	currency risk	2,117
payments for gas	10,000,000	USD	PUT	1 August 2011	18 November 2011	2.6540	currency risk	(3)
payments for gas	10,000,000	USD	CALL	1 August 2011	18 November 2011	3.1000	currency risk	2,117
payments for gas	10,000,000	USD	PUT	1 August 2011	18 November 2011	2.6480	currency risk	(3)
payments for gas	10,000,000	USD	CALL	1 August 2011	9 December 2011	3.1100	currency risk	2,277
payments for gas	10,000,000	USD	PUT	1 August 2011	9 December 2011	2.6380	currency risk	(8)
payments for gas	10,000,000	USD	CALL	1 August 2011	10 January 2012	3.0000	currency risk	3,287
payments for gas	10,000,000	USD	CALL	1 August 2011	20 December 2011	3.1000	currency risk	2,427
payments for gas	10,000,000	USD	PUT	1 August 2011	20 December 2011	2.6495	currency risk	(13)
payments for gas	10,000,000	USD	CALL	1 August 2011	10 February 2012	3.0500	currency risk	3,169
payments for gas	10,000,000	USD	CALL	4 August 2011	10 February 2012	3.1100	currency risk	2,793
payments for gas	10,000,000	USD	CALL	4 August 2011	20 January 2012	3.1000	currency risk	2,693
payments for gas	10,000,000	USD	CALL	4 August 2011	20 January 2012	3.1000	currency risk	2,693

The PGNiG Group
Report for Q3 2011
Notes to the condensed consolidated financial statements
(PLN '000)

contd.

Hedged item	Value of hedging instrument	Currency of hedging instrument	Hedge type	Date of hedging transaction	Exercise date of hedging instrument	Exercise price (exercise price range) of the instrument	Hedged risk	Measurement of hedge's fair value (+) positive (-) negative
payments for gas	10,000,000	USD	CALL	5 August 2011	17 February 2012	3.1300	currency risk	2,732
payments for gas	10,000,000	USD	CALL	17 August 2011	20 January 2012	3.1225	currency risk	2,558
payments for gas	10,000,000	USD	CALL	17 August 2011	10 January 2012	3.1115	currency risk	2,521
payments for gas	10,000,000	USD	CALL	17 August 2011	10 January 2012	3.1125	currency risk	2,515
payments for gas	10,000,000	USD	CALL	17 August 2011	10 January 2012	3.1230	currency risk	2,452
payments for gas	10,000,000	USD	CALL	17 August 2011	20 January 2012	3.1135	currency risk	2,611
payments for gas	10,000,000	USD	CALL	22 August 2011	20 January 2012	3.1500	currency risk	2,402
payments for gas	10,000,000	USD	CALL	23 August 2011	17 February 2012	3.2345	currency risk	2,214
payments for gas	10,000,000	USD	CALL	23 August 2011	17 February 2012	3.2315	currency risk	2,227
payments for gas	10,000,000	USD	CALL	24 August 2011	10 February 2012	3.1890	currency risk	2,368
payments for gas	10,000,000	USD	CALL	25 August 2011	20 January 2012	3.1910	currency risk	2,188
payments for gas	10,000,000	USD	CALL	25 August 2011	9 December 2011	3.3200	currency risk	1,265
payments for gas	10,000,000	USD	PUT	25 August 2011	9 December 2011	2.7350	currency risk	(26)
payments for gas	10,000,000	USD	CALL	25 August 2011	9 December 2011	3.3200	currency risk	1,265
payments for gas	10,000,000	USD	PUT	25 August 2011	9 December 2011	2.7395	currency risk	(27)
payments for gas	10,000,000	USD	CALL	25 August 2011	20 December 2011	3.3200	currency risk	1,357
payments for gas	10,000,000	USD	PUT	25 August 2011	20 December 2011	2.7390	currency risk	(35)
payments for gas	10,000,000	USD	CALL	26 August 2011	10 February 2012	3.1800	currency risk	2,412
payments for gas	10,000,000	USD	CALL	29 August 2011	17 February 2012	3.1385	currency risk	2,685
payments for gas	10,000,000	USD	CALL	29 August 2011	10 January 2012	3.0650	currency risk	2,821
payments for gas	10,000,000	USD	CALL	29 August 2011	17 February 2012	3.1450	currency risk	2,650
payments for gas	10,000,000	USD	CALL	29 August 2011	10 February 2012	3.1585	currency risk	2,523
payments for gas	10,000,000	USD	CALL	29 August 2011	20 December 2011	3.3000	currency risk	1,428
payments for gas	10,000,000	USD	PUT	29 August 2011	20 December 2011	2.7335	currency risk	(33)
payments for gas	10,000,000	USD	CALL	29 August 2011	10 February 2012	3.1385	currency risk	2,630
payments for gas	10,000,000	USD	CALL	29 August 2011	10 February 2012	3.1475	currency risk	2,581
payments for gas	10,000,000	USD	CALL	30 August 2011	10 February 2012	3.1145	currency risk	2,767
payments for gas	10,000,000	USD	CALL	31 August 2011	17 February 2012	3.1635	currency risk	2,552
payments for gas	5,000,000	EUR	CALL	31 August 2011	17 February 2012	4.3450	currency risk	1,049
payments for gas	10,000,000	USD	CALL	31 August 2011	10 January 2012	3.0850	currency risk	2,689
payments for gas	10,000,000	USD	CALL	31 August 2011	17 February 2012	3.1460	currency risk	2,644
payments for gas	10,000,000	USD	CALL	1 September 2011	9 March 2012	3.2200	currency risk	2,446
payments for gas	10,000,000	USD	CALL	13 September 2011	17 February 2012	3.5250	currency risk	1,303
payments for gas	10,000,000	USD	CALL	13 September 2011	17 February 2012	3.7200	currency risk	945
payments for gas	10,000,000	USD	PUT	13 September 2011	17 February 2012	3.0240	currency risk	(607)

The PGNiG Group
Report for Q3 2011
Notes to the condensed consolidated financial statements
(PLN '000)

contd.

Hedged item	Value of hedging instrument	Currency of hedging instrument	Hedge type	Date of hedging transaction	Exercise date of hedging instrument	Exercise price (exercise price range) of the instrument	Hedged risk	Measurement of hedge's fair value (+) positive (-) negative
payments for gas	10,000,000	USD	CALL	13 September 2011	9 March 2012	3.5300	currency risk	1,441
payments for gas	10,000,000	USD	CALL	13 September 2011	10 February 2012	3.5050	currency risk	1,297
payments for gas	10,000,000	USD	CALL	14 September 2011	20 March 2012	3.5200	currency risk	1,525
payments for gas	10,000,000	USD	CALL	14 September 2011	20 March 2012	3.5200	currency risk	1,525
payments for gas	10,000,000	USD	CALL	15 September 2011	9 March 2012	3.5350	currency risk	1,429
payments for gas	10,000,000	USD	CALL	15 September 2011	20 March 2012	3.5050	currency risk	1,561
payments for gas	10,000,000	USD	CALL	16 September 2011	20 March 2012	3.5570	currency risk	1,440
payments for gas	10,000,000	USD	PUT	16 September 2011	20 March 2012	2.9820	currency risk	(608)
payments for gas	10,000,000	USD	CALL	26 September 2011	9 March 2012	3.6200	currency risk	1,252
payments for gas	10,000,000	USD	CALL	26 September 2011	10 April 2012	3.6400	currency risk	1,386
payments for gas	5,000,000	EUR	CALL	26 September 2011	20 March 2012	4.7000	currency risk	541
payments for gas	10,000,000	USD	CALL	26 September 2011	18 November 2011	3.4800	currency risk	607
payments for gas	6,000,000	EUR	CALL	26 September 2011	10 April 2012	4.7000	currency risk	710
payments for gas	10,000,000	USD	CALL	27 September 2011	10 January 2012	3.5300	currency risk	977
payments for gas	10,000,000	USD	CALL	27 September 2011	9 March 2012	3.5700	currency risk	1,353
payments for gas	10,000,000	USD	CALL	27 September 2011	20 March 2012	3.6000	currency risk	1,349
payments for gas	10,000,000	USD	CALL	27 September 2011	9 March 2012	3.5700	currency risk	1,353
payments for gas	4,000,000	EUR	CALL	27 September 2011	18 November 2011	4.5500	currency risk	239
payments for gas	6,000,000	EUR	CALL	27 September 2011	20 December 2011	4.6000	currency risk	446
payments for gas	5,000,000	EUR	CALL	27 September 2011	10 January 2012	4.6000	currency risk	440
payments for gas	10,000,000	USD	CALL	27 September 2011	9 March 2012	3.5200	currency risk	1,464
payments for gas	10,000,000	USD	CALL	27 September 2011	20 April 2012	3.6200	currency risk	1,495
payments for gas	10,000,000	USD	CALL	27 September 2011	10 January 2012	3.4800	currency risk	1,086
payments for gas	10,000,000	USD	CALL	28 September 2011	20 January 2012	3.5300	currency risk	1,081
payments for gas	10,000,000	USD	CALL	28 September 2011	20 March 2012	3.5900	currency risk	1,370
payments for gas	10,000,000	USD	CALL	28 September 2011	17 February 2012	3.5600	currency risk	1,229
payments for gas	10,000,000	USD	CALL	29 September 2011	20 March 2012	3.5800	currency risk	1,390
payments for gas	10,000,000	USD	CALL	29 September 2011	10 April 2012	3.6100	currency risk	1,447
payments for gas	10,000,000	USD	CALL	29 September 2011	10 April 2012	3.6100	currency risk	1,447
payments for gas	23,000	FO	CALL commodity	20 October 2010	7 October 2011	570.0000	gas price risk	1,676
payments for gas	23,000	FO	PUT commodity	20 October 2010	7 October 2011	412.0000	gas price risk	-
payments for gas	23,000	GO	CALL commodity	20 October 2010	7 October 2011	780.0000	gas price risk	7,071
payments for gas	23,000	GO	PUT commodity	20 October 2010	7 October 2011	640.5000	gas price risk	-
payments for gas	21,500	FO	CALL commodity	24 January 2011	7 October 2011	560.0000	gas price risk	6,453
payments for gas	21,500	FO	PUT commodity	24 January 2011	7 October 2011	488.0000	gas price risk	-

The PGNiG Group
Report for Q3 2011
Notes to the condensed consolidated financial statements
(PLN '000)

contd.

Hedged item	Value of hedging instrument	Currency of hedging instrument	Hedge type	Date of hedging transaction	Exercise date of hedging instrument	Exercise price (exercise price range) of the instrument	Hedged risk	Measurement of hedge's fair value (+) positive (-) negative
payments for gas	20,000	GO	CALL commodity	24 January 2011	7 October 2011	880.0000	gas price risk	4,255
payments for gas	20,000	GO	PUT commodity	24 January 2011	7 October 2011	766.0000	gas price risk	-
payments for gas	30,400	GO	CALL commodity	25 January 2011	20 October 2011	880.0000	gas price risk	6,261
payments for gas	30,400	GO	PUT commodity	25 January 2011	20 October 2011	743.0000	gas price risk	-
payments for gas	24,000	FO	CALL commodity	25 January 2011	20 October 2011	575.0000	gas price risk	6,242
payments for gas	24,000	FO	PUT commodity	25 January 2011	20 October 2011	477.5000	gas price risk	-
payments for gas	24,000	FO	CALL commodity	25 January 2011	10 November 2011	575.0000	gas price risk	6,242
payments for gas	24,000	FO	PUT commodity	25 January 2011	10 November 2011	477.5000	gas price risk	-
payments for gas	30,400	GO	CALL commodity	25 January 2011	10 November 2011	880.0000	gas price risk	6,261
payments for gas	30,400	GO	PUT commodity	25 January 2011	10 November 2011	743.0000	gas price risk	-
payments for gas	31,200	GO	CALL commodity	25 January 2011	18 November 2011	880.0000	gas price risk	6,426
payments for gas	31,200	GO	PUT commodity	25 January 2011	18 November 2011	742.0000	gas price risk	-
payments for gas	31,200	GO	CALL commodity	25 January 2011	9 December 2011	880.0000	gas price risk	6,426
payments for gas	31,200	GO	PUT commodity	25 January 2011	9 December 2011	742.0000	gas price risk	-
payments for gas	29,600	FO	CALL commodity	26 January 2011	20 December 2011	585.0000	gas price risk	6,734
payments for gas	29,600	FO	PUT commodity	26 January 2011	20 December 2011	484.0000	gas price risk	-
payments for gas	29,600	FO	CALL commodity	26 January 2011	10 January 2012	585.0000	gas price risk	6,734
payments for gas	29,600	FO	PUT commodity	26 January 2011	10 January 2012	484.0000	gas price risk	-
payments for gas	29,600	FO	CALL commodity	26 January 2011	18 November 2011	585.0000	gas price risk	6,734
payments for gas	29,600	FO	PUT commodity	26 January 2011	18 November 2011	484.0000	gas price risk	-
payments for gas	29,600	FO	CALL commodity	26 January 2011	9 December 2011	585.0000	gas price risk	6,734
payments for gas	29,600	FO	PUT commodity	26 January 2011	9 December 2011	484.0000	gas price risk	-
payments for gas	31,200	GO	CALL commodity	26 January 2011	20 December 2011	890.0000	gas price risk	5,410
payments for gas	31,200	GO	PUT commodity	26 January 2011	20 December 2011	752.0000	gas price risk	-
payments for gas	31,200	GO	CALL commodity	26 January 2011	10 January 2012	890.0000	gas price risk	5,410
payments for gas	31,200	GO	PUT commodity	26 January 2011	10 January 2012	752.0000	gas price risk	-
payments for gas	4,500	FO	CALL commodity	26 January 2011	7 October 2011	555.0000	gas price risk	1,360
payments for gas	19,500	GO	CALL commodity	27 January 2011	20 October 2011	890.0000	gas price risk	3,381
payments for gas	19,500	GO	CALL commodity	27 January 2011	10 November 2011	890.0000	gas price risk	3,381
payments for gas	19,500	GO	CALL commodity	27 January 2011	18 November 2011	870.0000	gas price risk	4,781
payments for gas	19,500	GO	CALL commodity	27 January 2011	9 December 2011	870.0000	gas price risk	4,780
payments for gas	35,500	FO	CALL commodity	27 January 2011	18 November 2011	560.0000	gas price risk	10,650
payments for gas	35,500	FO	CALL commodity	27 January 2011	20 December 2011	560.0000	gas price risk	10,645
payments for gas	32,000	FO	CALL commodity	27 January 2011	20 October 2011	560.0000	gas price risk	9,603
payments for gas	32,000	FO	CALL commodity	27 January 2011	10 November 2011	560.0000	gas price risk	9,601

The PGNiG Group
Report for Q3 2011
Notes to the condensed consolidated financial statements
(PLN '000)

contd.

Hedged item	Value of hedging instrument	Currency of hedging instrument	Hedge type	Date of hedging transaction	Exercise date of hedging instrument	Exercise price (exercise price range) of the instrument	Hedged risk	Measurement of hedge's fair value (+) positive (-) negative
payments for gas	6,800	GO	CALL commodity	28 January 2011	20 October 2011	880.0000	gas price risk	1,446
payments for gas	6,800	GO	PUT commodity	28 January 2011	20 October 2011	776.0000	gas price risk	-
payments for gas	6,800	GO	CALL commodity	28 January 2011	10 November 2011	880.0000	gas price risk	1,446
payments for gas	6,800	GO	PUT commodity	28 January 2011	10 November 2011	776.0000	gas price risk	-
payments for gas	35,000	FO	CALL commodity	28 January 2011	10 January 2012	560.0000	gas price risk	10,491
payments for gas	35,500	FO	CALL commodity	28 January 2011	9 December 2011	575.0000	gas price risk	8,914
payments for gas	35,500	FO	PUT commodity	28 January 2011	9 December 2011	488.5000	gas price risk	-
payments for gas	19,400	GO	CALL commodity	28 January 2011	20 December 2011	880.0000	gas price risk	4,123
payments for gas	19,400	GO	PUT commodity	28 January 2011	20 December 2011	771.5000	gas price risk	-
payments for gas	19,400	GO	CALL commodity	28 January 2011	10 January 2012	880.0000	gas price risk	4,122
payments for gas	19,400	GO	PUT commodity	28 January 2011	10 January 2012	771.5000	gas price risk	-
payments for gas	52,000	GO	CALL commodity	6 May 2011	20 January 2012	1050.0000	gas price risk	7
payments for gas	52,000	GO	PUT commodity	6 May 2011	20 January 2012	830.0000	gas price risk	(12)
payments for gas	92,000	GO	CALL commodity	6 May 2011	10 February 2012	1050.0000	gas price risk	13
payments for gas	92,000	GO	PUT commodity	6 May 2011	10 February 2012	820.5000	gas price risk	(7)
payments for gas	56,000	FO	CALL commodity	6 May 2011	20 January 2012	750.0000	gas price risk	-
payments for gas	56,000	FO	PUT commodity	6 May 2011	20 January 2012	578.0000	gas price risk	-
payments for gas	40,000	GO	CALL commodity	6 May 2011	17 February 2012	1050.0000	gas price risk	6
payments for gas	40,000	GO	PUT commodity	6 May 2011	17 February 2012	821.0000	gas price risk	(3)
payments for gas	56,000	FO	CALL commodity	6 May 2011	10 February 2012	750.0000	gas price risk	-
payments for gas	56,000	FO	PUT commodity	6 May 2011	10 February 2012	552.0000	gas price risk	-
payments for gas	56,000	FO	CALL commodity	6 May 2011	17 February 2012	750.0000	gas price risk	-
payments for gas	56,000	FO	PUT commodity	6 May 2011	17 February 2012	557.0000	gas price risk	-
payments for gas	40,000	GO	CALL commodity	10 May 2011	9 March 2012	1100.0000	gas price risk	-
payments for gas	40,000	GO	PUT commodity	10 May 2011	9 March 2012	836.0000	gas price risk	(17)
payments for gas	48,000	GO	CALL commodity	10 May 2011	20 March 2012	1100.0000	gas price risk	-
payments for gas	48,000	GO	PUT commodity	10 May 2011	20 March 2012	843.0000	gas price risk	(39)
payments for gas	25,500	FO	CALL commodity	10 May 2011	20 October 2011	710.0000	gas price risk	-
payments for gas	56,000	FO	CALL commodity	10 May 2011	20 January 2012	780.0000	gas price risk	-
payments for gas	56,000	FO	PUT commodity	10 May 2011	20 January 2012	562.0000	gas price risk	-
payments for gas	45,000	GO	CALL commodity	10 May 2011	10 April 2012	1100.0000	gas price risk	-
payments for gas	45,000	GO	PUT commodity	10 May 2011	10 April 2012	836.0000	gas price risk	(19)
payments for gas	56,000	FO	CALL commodity	10 May 2011	9 March 2012	780.0000	gas price risk	-
payments for gas	56,000	FO	PUT commodity	10 May 2011	9 March 2012	561.0000	gas price risk	-
payments for gas	56,000	FO	CALL commodity	11 May 2011	20 March 2012	790.0000	gas price risk	-

The PGNiG Group
Report for Q3 2011
Notes to the condensed consolidated financial statements
(PLN '000)

contd.

Hedged item	Value of hedging instrument	Currency of hedging instrument	Hedge type	Date of hedging transaction	Exercise date of hedging instrument	Exercise price (exercise price range) of the instrument	Hedged risk	Measurement of hedge's fair value (+) positive (-) negative
payments for gas	56,000	FO	PUT commodity	11 May 2011	20 March 2012	560.0000	gas price risk	-
payments for gas	40,000	GO	CALL commodity	11 May 2011	9 March 2012	1150.0000	gas price risk	-
payments for gas	40,000	GO	PUT commodity	11 May 2011	9 March 2012	845.5000	gas price risk	(40)
payments for gas	40,000	GO	CALL commodity	11 May 2011	17 February 2012	1150.0000	gas price risk	-
payments for gas	40,000	GO	PUT commodity	11 May 2011	17 February 2012	837.0000	gas price risk	(18)
payments for gas	46,000	GO	CALL commodity	11 May 2011	10 April 2012	1150.0000	gas price risk	-
payments for gas	46,000	GO	PUT commodity	11 May 2011	10 April 2012	835.0000	gas price risk	(17)
payments for gas	43,000	GO	CALL commodity	11 May 2011	20 March 2012	1150.0000	gas price risk	-
payments for gas	43,000	GO	PUT commodity	11 May 2011	20 March 2012	827.0000	gas price risk	(7)
payments for gas	56,000	FO	CALL commodity	11 May 2011	10 April 2012	790.0000	gas price risk	-
payments for gas	56,000	FO	PUT commodity	11 May 2011	10 April 2012	562.0000	gas price risk	-
payments for gas	45,000	FO	CALL commodity	12 May 2011	17 February 2012	780.0000	gas price risk	-
payments for gas	45,000	FO	PUT commodity	12 May 2011	17 February 2012	548.0000	gas price risk	-
payments for gas	37,000	GO	CALL commodity	12 May 2011	20 January 2012	1100.0000	gas price risk	-
payments for gas	37,000	GO	PUT commodity	12 May 2011	20 January 2012	804.0000	gas price risk	-
payments for gas	56,000	FO	CALL commodity	13 May 2011	10 February 2012	780.0000	gas price risk	-
payments for gas	56,000	FO	PUT commodity	13 May 2011	10 February 2012	557.0000	gas price risk	-
payments for gas	45,000	FO	CALL commodity	13 May 2011	9 March 2012	780.0000	gas price risk	-
payments for gas	45,000	FO	PUT commodity	13 May 2011	9 March 2012	547.0000	gas price risk	-
payments for gas	52,000	FO	CALL commodity	16 May 2011	20 March 2012	770.0000	gas price risk	-
payments for gas	52,000	FO	PUT commodity	16 May 2011	20 March 2012	541.5000	gas price risk	-
payments for gas	52,000.0	FO	CALL commodity	16 May 2011	10 April 2012	770.0000	gas price risk	-
payments for gas	52,000.0	FO	PUT commodity	16 May 2011	10 April 2012	543.0000	gas price risk	-
payments for gas	54,000.0	FO	CALL commodity	16 May 2011	20 April 2012	780.0000	gas price risk	33
payments for gas	54,000.0	FO	PUT commodity	16 May 2011	20 April 2012	533.5000	gas price risk	(53)
payments for gas	49,500.0	GO	CALL commodity	17 May 2011	20 April 2012	1100.0000	gas price risk	58
payments for gas	49,500.0	GO	PUT commodity	17 May 2011	20 April 2012	816.0000	gas price risk	(698)
payments for gas	49,500.0	GO	CALL commodity	17 May 2011	10 May 2012	1100.0000	gas price risk	58
payments for gas	49,500.0	GO	PUT commodity	17 May 2011	10 May 2012	815.0000	gas price risk	(676)
payments for gas	42,300.0	GO	CALL commodity	17 May 2011	18 May 2012	1100.0000	gas price risk	49
payments for gas	42,300.0	GO	PUT commodity	17 May 2011	18 May 2012	816.0000	gas price risk	(596)
payments for gas	54,000.0	FO	CALL commodity	17 May 2011	10 May 2012	770.0000	gas price risk	49
payments for gas	54,000.0	FO	PUT commodity	17 May 2011	10 May 2012	526.0000	gas price risk	(31)
payments for gas	25,500.0	FO	CALL commodity	17 May 2011	10 November 2011	700.0000	gas price risk	-
payments for gas	40,000.0	GO	CALL commodity	20 May 2011	20 June 2012	1100.0000	gas price risk	47

The PGNiG Group
Report for Q3 2011
Notes to the condensed consolidated financial statements
(PLN '000)

contd.

Hedged item	Value of hedging instrument	Currency of hedging instrument	Hedge type	Date of hedging transaction	Exercise date of hedging instrument	Exercise price (exercise price range) of the instrument	Hedged risk	Measurement of hedge's fair value (+) positive (-) negative
payments for gas	40,000.0	GO	PUT commodity	20 May 2011	20 June 2012	780.0000	gas price risk	(152)
payments for gas	27,000.0	FO	CALL commodity	20 May 2011	20 June 2012	770.0000	gas price risk	24
payments for gas	27,000.0	FO	PUT commodity	20 May 2011	20 June 2012	519.0000	gas price risk	(9)
payments for gas	42,000.0	GO	CALL commodity	23 May 2011	11 June 2012	1100.0000	gas price risk	49
payments for gas	42,000.0	GO	PUT commodity	23 May 2011	11 June 2012	787.0000	gas price risk	(212)
payments for gas	50,000.0	FO	CALL commodity	23 May 2011	11 June 2012	770.0000	gas price risk	45
payments for gas	50,000.0	FO	PUT commodity	23 May 2011	11 June 2012	520.0000	gas price risk	(18)
payments for gas	39,000.0	GO	CALL commodity	23 May 2011	10 July 2012	1100.0000	gas price risk	45
payments for gas	39,000.0	GO	PUT commodity	23 May 2011	10 July 2012	785.0000	gas price risk	(182)
payments for gas	27,000.0	FO	CALL commodity	23 May 2011	10 July 2012	770.0000	gas price risk	24
payments for gas	27,000.0	FO	PUT commodity	23 May 2011	10 July 2012	521.0000	gas price risk	(11)
payments for gas	13,500.0	GO	CALL commodity	25 May 2011	18 November 2011	1050.0000	gas price risk	-
payments for gas	13,500.0	GO	PUT commodity	25 May 2011	18 November 2011	827.0000	gas price risk	-
payments for gas	24,000.0	FO	CALL commodity	2 June 2011	18 November 2011	710.0000	gas price risk	-
payments for gas	20,000.0	FO	CALL commodity	2 June 2011	10 July 2012	800.0000	gas price risk	5
payments for gas	20,000.0	FO	PUT commodity	2 June 2011	10 July 2012	550.0000	gas price risk	(57)
payments for gas	16,000.0	GO	CALL commodity	16 June 2011	20 December 2011	1100.0000	gas price risk	-
payments for gas	16,000.0	GO	PUT commodity	16 June 2011	20 December 2011	845.0000	gas price risk	-
payments for gas	16,000.0	GO	CALL commodity	16 June 2011	10 January 2012	1100.0000	gas price risk	-
payments for gas	16,000.0	GO	PUT commodity	16 June 2011	10 January 2012	845.0000	gas price risk	-
payments for gas	13,000.0	GO	CALL commodity	16 June 2011	9 December 2011	1100.0000	gas price risk	-
payments for gas	13,000.0	GO	PUT commodity	16 June 2011	9 December 2011	845.0000	gas price risk	-
payments for gas	5,000.0	GO	CALL commodity	16 June 2011	20 October 2011	1100.0000	gas price risk	-
payments for gas	5,000.0	GO	PUT commodity	16 June 2011	20 October 2011	845.0000	gas price risk	-
payments for gas	5,000.0	GO	CALL commodity	16 June 2011	10 November 2011	1100.0000	gas price risk	-
payments for gas	5,000.0	GO	PUT commodity	16 June 2011	10 November 2011	845.0000	gas price risk	-
payments for gas	50,000.0	FO	CALL commodity	16 June 2011	18 May 2012	850.0000	gas price risk	2
payments for gas	50,000.0	FO	PUT commodity	16 June 2011	18 May 2012	525.0000	gas price risk	(26)
payments for gas	20,000.0	FO	CALL commodity	16 June 2011	20 June 2012	850.0000	gas price risk	1
payments for gas	20,000.0	FO	PUT commodity	16 June 2011	20 June 2012	525.0000	gas price risk	(11)
payments for gas	24,000.0	FO	CALL commodity	21 June 2011	9 December 2011	780.0000	gas price risk	-
payments for gas	24,000.0	FO	PUT commodity	21 June 2011	9 December 2011	570.0000	gas price risk	-
payments for gas	27,900.0	FO	CALL commodity	21 June 2011	20 December 2011	780.0000	gas price risk	-
payments for gas	27,900.0	FO	PUT commodity	21 June 2011	20 December 2011	570.5000	gas price risk	-
payments for gas	27,900.0	FO	CALL commodity	21 June 2011	10 January 2012	780.0000	gas price risk	-

The PGNiG Group
Report for Q3 2011
Notes to the condensed consolidated financial statements
(PLN '000)

contd.

Hedged item	Value of hedging instrument	Currency of hedging instrument	Hedge type	Date of hedging transaction	Exercise date of hedging instrument	Exercise price (exercise price range) of the instrument	Hedged risk	Measurement of hedge's fair value (+) positive (-) negative
payments for gas	27,900.0	FO	PUT commodity	21 June 2011	10 January 2012	574.0000	gas price risk	-
payments for gas	32,000.0	GO	CALL commodity	5 August 2011	20 April 2012	1060.0000	gas price risk	162
payments for gas	32,000.0	GO	PUT commodity	5 August 2011	20 April 2012	808.0000	gas price risk	(671)
payments for gas	45,000.0	GO	CALL commodity	5 August 2011	18 May 2012	1060.0000	gas price risk	228
payments for gas	45,000.0	GO	PUT commodity	5 August 2011	18 May 2012	783.5000	gas price risk	(468)
payments for gas	32,000.0	FO	CALL commodity	5 August 2011	20 April 2012	780.0000	gas price risk	33
payments for gas	32,000.0	FO	PUT commodity	5 August 2011	20 April 2012	520.0000	gas price risk	(51)
payments for gas	40,000.0	FO	CALL commodity	5 August 2011	18 May 2012	780.0000	gas price risk	42
payments for gas	40,000.0	FO	PUT commodity	5 August 2011	18 May 2012	520.0000	gas price risk	(64)
payments for gas	32,000.0	FO	CALL commodity	5 August 2011	20 June 2012	780.0000	gas price risk	33
payments for gas	32,000.0	FO	PUT commodity	5 August 2011	20 June 2012	530.0000	gas price risk	(89)
payments for gas	37,000.0	GO	CALL commodity	5 August 2011	20 June 2012	1060.0000	gas price risk	187
payments for gas	37,000.0	GO	PUT commodity	5 August 2011	20 June 2012	808.0000	gas price risk	(776)
payments for gas	32,000.0	FO	CALL commodity	8 August 2011	20 April 2012	780.0000	gas price risk	33
payments for gas	32,000.0	FO	PUT commodity	8 August 2011	20 April 2012	516.0000	gas price risk	(40)
payments for gas	32,000.0	GO	CALL commodity	8 August 2011	10 May 2012	1060.0000	gas price risk	162
payments for gas	32,000.0	GO	PUT commodity	8 August 2011	10 May 2012	773.0000	gas price risk	(237)
payments for gas	32,000.0	FO	CALL commodity	8 August 2011	10 May 2012	780.0000	gas price risk	33
payments for gas	32,000.0	FO	PUT commodity	8 August 2011	10 May 2012	519.0000	gas price risk	(48)
payments for gas	32,000.0	GO	CALL commodity	8 August 2011	11 June 2012	1060.0000	gas price risk	162
payments for gas	32,000.0	GO	PUT commodity	8 August 2011	11 June 2012	777.0000	gas price risk	(271)
payments for gas	32,000.0	GO	CALL commodity	8 August 2011	10 July 2012	1060.0000	gas price risk	162
payments for gas	32,000.0	GO	PUT commodity	8 August 2011	10 July 2012	775.5000	gas price risk	(258)
payments for gas	32,000.0	FO	CALL commodity	9 August 2011	10 May 2012	770.0000	gas price risk	47
payments for gas	32,000.0	FO	PUT commodity	9 August 2011	10 May 2012	486.5000	gas price risk	(5)
payments for gas	40,000.0	FO	CALL commodity	9 August 2011	11 June 2012	770.0000	gas price risk	58
payments for gas	40,000.0	FO	PUT commodity	9 August 2011	11 June 2012	494.0000	gas price risk	(11)
payments for gas	12,800.0	GO	CALL commodity	11 August 2011	11 June 2012	1060.0000	gas price risk	65
payments for gas	12,800.0	GO	PUT commodity	11 August 2011	11 June 2012	770.0000	gas price risk	(86)
payments for gas	32,000.0	FO	CALL commodity	11 August 2011	10 July 2012	770.0000	gas price risk	47
payments for gas	32,000.0	FO	PUT commodity	11 August 2011	10 July 2012	504.0000	gas price risk	(18)
payments for gas	32,000.0	FO	CALL commodity	11 August 2011	10 July 2012	770.0000	gas price risk	47
payments for gas	32,000.0	FO	PUT commodity	11 August 2011	10 July 2012	503.0000	gas price risk	(17)
payments for gas	32,000.0	FO	CALL commodity	16 August 2011	20 June 2012	770.0000	gas price risk	47
payments for gas	32,000.0	FO	PUT commodity	16 August 2011	20 June 2012	505.0000	gas price risk	(20)

The PGNiG Group
Report for Q3 2011
Notes to the condensed consolidated financial statements
(PLN '000)

contd.

Hedged item	Value of hedging instrument	Currency of hedging instrument	Hedge type	Date of hedging transaction	Exercise date of hedging instrument	Exercise price (exercise price range) of the instrument	Hedged risk	Measurement of hedge's fair value (+) positive (-) negative
payments for gas	40,000.0	FO	CALL commodity	16 August 2011	18 May 2012	770.0000	gas price risk	58
payments for gas	40,000.0	FO	PUT commodity	16 August 2011	18 May 2012	538.9500	gas price risk	(176)
payments for gas	40,000.0	FO	CALL commodity	17 August 2011	11 June 2012	770.0000	gas price risk	58
payments for gas	40,000.0	FO	PUT commodity	17 August 2011	11 June 2012	555.0000	gas price risk	(365)
payments for gas	8,500.0	FO	CALL commodity	19 August 2011	20 March 2012	760.0000	gas price risk	1
payments for gas	8,500.0	FO	PUT commodity	19 August 2011	20 March 2012	516.2500	gas price risk	-
payments for gas	8,500.0	FO	CALL commodity	19 August 2011	10 April 2012	760.0000	gas price risk	1
payments for gas	8,500.0	FO	PUT commodity	19 August 2011	10 April 2012	523.8000	gas price risk	-
payments for gas	50,000.0	FO	CALL commodity	8 September 2011	20 July 2012	850.0000	gas price risk	172
payments for gas	50,000.0	FO	PUT commodity	8 September 2011	20 July 2012	526.0000	gas price risk	(1,338)
payments for gas	36,000.0	GO	CALL commodity	8 September 2011	20 July 2012	1150.0000	gas price risk	247
payments for gas	36,000.0	GO	PUT commodity	8 September 2011	20 July 2012	785.0000	gas price risk	(2,112)
payments for gas	50,000.0	FO	CALL commodity	8 September 2011	10 August 2012	850.0000	gas price risk	172
payments for gas	50,000.0	FO	PUT commodity	8 September 2011	10 August 2012	525.0000	gas price risk	(1,308)
payments for gas	36,000.0	GO	CALL commodity	8 September 2011	10 August 2012	1150.0000	gas price risk	247
payments for gas	36,000.0	GO	PUT commodity	8 September 2011	10 August 2012	782.0000	gas price risk	(2,020)
payments for gas	35,000.0	GO	CALL commodity	9 September 2011	20 September 2012	1130.0000	gas price risk	317
payments for gas	35,000.0	GO	PUT commodity	9 September 2011	20 September 2012	755.0000	gas price risk	(1,277)
payments for gas	47,000.0	FO	CALL commodity	9 September 2011	20 September 2012	850.0000	gas price risk	161
payments for gas	47,000.0	FO	PUT commodity	9 September 2011	20 September 2012	500.0000	gas price risk	(661)
payments for gas	47,000.0	FO	CALL commodity	13 September 2011	20 August 2012	840.0000	gas price risk	194
payments for gas	47,000.0	FO	PUT commodity	13 September 2011	20 August 2012	492.0000	gas price risk	(530)
payments for gas	35,000.0	GO	CALL commodity	13 September 2011	20 August 2012	1150.0000	gas price risk	240
payments for gas	35,000.0	GO	PUT commodity	13 September 2011	20 August 2012	729.0000	gas price risk	(801)
payments for gas	34,000.0	GO	CALL commodity	14 September 2011	10 September 2012	1150.0000	gas price risk	233
payments for gas	34,000.0	GO	PUT commodity	14 September 2011	10 September 2012	703.0000	gas price risk	(460)
payments for gas	46,000.0	FO	CALL commodity	14 September 2011	10 September 2012	840.0000	gas price risk	190
payments for gas	46,000.0	FO	PUT commodity	14 September 2011	10 September 2012	470.0000	gas price risk	(267)
payments for gas	34,000.0	GO	CALL commodity	20 September 2011	10 October 2012	1150.0000	gas price risk	233
payments for gas	34,000.0	GO	PUT commodity	20 September 2011	10 October 2012	718.0000	gas price risk	(628)
payments for gas	46,000.0	FO	CALL commodity	20 September 2011	10 October 2012	840.0000	gas price risk	190
payments for gas	46,000.0	FO	PUT commodity	20 September 2011	10 October 2012	489.0000	gas price risk	(476)
sales proceeds	1,290,000.0	EUR	Currency option	25 August 2011	21 December 2011	4.4112	currency risk	19
investment purchases	457,450.0	USD	Forward	6 April 2011	30 November 2011	2.8660	currency risk	79
investment purchases	130,700.0	USD	Forward	21 April 2011	30 January 2012	2.7848	currency risk	202

contd.

Hedged item	Value of hedging instrument	Currency of hedging instrument	Hedge type	Date of hedging transaction	Exercise date of hedging instrument	Exercise price (exercise price range) of the instrument	Hedged risk	Measurement of hedge's fair value (+) positive (-) negative
investment purchases	178,334.5	USD	Forward	6 April 2011	30 November 2011	2.8660	currency risk	27
investment purchases	50,952.7	USD	Forward	21 April 2011	30 January 2012	2.7848	currency risk	70
Total measurement								127,076
					including	recognised in:	assets	513,689
							liabilities	(386,613)

The effect on the result on derivative instruments is presented in the table below.

	Jan 1–Sep 30 2011	Jan 1– Sep 30 2010
Net gain/loss on derivative instruments – unrealised	(227,917)	(55,765)
Net gain/loss on derivative instruments – realised	166,136	8,464
Total net gain/loss on derivative instruments recognised in the income statement	(61,781)	(47,301)
including:		
recognised in net other operating expenses	(256,408)	(140,987)
recognised in raw and other materials used	194,627	93,686
Net gain/loss on valuation of derivative instruments recognised in other comprehensive income - unrealised	299,530	13,496
Total net gain/loss on derivative instruments recognised in equity	237,749	(33,805)

10. Listing and explanation of differences between the data disclosed in the financial statements and comparative financial data, and the data disclosed in previously published financial statements

In the financial statements for Q3 2011, the Company has not introduced any changes in the comparative financial data relative to the data disclosed in previously published financial statements.

II. CONDENSED SEPARATE FINANCIAL STATEMENTS

SEPARATE INCOME STATEMENT

	Q3 2011 (Jul 1-Sep 30 2011) unaudited	Q3 2011 YTD (Jan 1-Sep 30 2011) unaudited	Q3 2010 (Jul 1-Sep 30 2010) unaudited	Q3 2010 YTD (Jan 1-Sep 30 2010) unaudited
	(PLN '000)			
Sales revenue	4,195,357	15,218,819	3,615,327	13,981,281
Raw and other materials used	(2,381,449)	(9,007,105)	(1,797,948)	(7,532,562)
Employee benefits	(187,801)	(644,985)	(182,590)	(618,247)
Depreciation and amortisation	(141,872)	(421,032)	(135,524)	(423,811)
Contracted services	(1,128,025)	(4,155,868)	(1,096,220)	(4,037,825)
Cost of products and services for own needs	6,108	11,868	6,315	11,288
Net other operating expenses	(11,724)	(24,336)	(94,050)	(360,687)
Total operating expenses	(3,844,763)	(14,241,458)	(3,300,017)	(12,961,844)
Operating profit/loss	350,594	977,361	315,310	1,019,437
Finance income	267 182	1 001 906	(6,777)	491,173
Finance expenses	(236 486)	(276 103)	83,584	(35,423)
Pre-tax profit/loss	381,290	1,703,164	392,117	1,475,187
Corporate income tax	(53,042)	(188,673)	(73,194)	(246,013)
Net profit/loss	328,248	1,514,491	318,923	1,229,174
Net earnings/loss and diluted net earnings/loss per share attributable to owners of the parent	0.06	0.26	0.05	0.21

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	Q3 2011 (Jul 1-Sep 30 2011) unaudited	Q3 2011 YTD (Jan 1-Sep 30 2011) unaudited	Q3 2010 (Jul 1-Sep 30 2010) unaudited	Q3 2010 YTD (Jan 1-Sep 30 2010) unaudited
	(PLN '000)			
Net profit/loss	328,248	1,514,491	318,923	1,229,174
Currency translation differences on foreign operations	9,373	7,226	(5,877)	1,753
Valuation of hedging instruments	129,726	299,529	(74,392)	13,496
Valuation of financial instruments	-	(52,720)	15,200	11,640
Deferred tax related to other comprehensive income	(24,648)	(46,894)	11,246	(4,776)
Other	-	-	-	-
Other comprehensive income, net	114,451	207,141	(53,823)	22,113
Total comprehensive income	442,699	1,721,632	265,100	1,251,287

SEPARATE STATEMENT OF FINANCIAL POSITION

	As at Sep 30 2011 (end of Q3 2011) unaudited	As at Dec 31 2010 (end of previous year) audited
	(PLN '000)	
ASSETS		
Non-current assets		
Property, plant and equipment	12,018,679	10,940,921
Investment property	2,892	3,441
Intangible assets	91,492	81,941
Financial assets available for sale	6,381,995	6,408,689
Other financial assets	2,525,771	2,260,801
Deferred tax assets	334,787	291,447
Other non-current assets	67,752	51,557
Total non-current assets	21,423,368	20,038,797
Current assets		
Inventories	2,053,275	879,349
Trade and other receivables	3,256,688	3,968,880
Current income tax receivable	-	-
Prepayments and accrued income	51,143	18,803
Financial assets available for sale	1,212	-
Derivative financial instruments	510,964	77,635
Cash and cash equivalents	446,745	565,854
Non-current assets held for sale	1,309	1,613
Total current assets	6,321,336	5,512,134
Total assets	27,744,704	25,550,931
EQUITY AND LIABILITIES		
Equity		
Share capital	5,900,000	5,900,000
Currency translation differences on foreign operations	6,477	(748)
Share premium account	1,740,093	1,740,093
Other capital reserves	10,443,812	9,245,707
Retained earnings/deficit	1,586,963	1,778,661
Total equity	19,677,345	18,663,713
Non-current liabilities		
Loans, borrowings and debt securities	13	279
Provisions	1,237,299	1,175,485
Deferred income	169,909	76,193
Deferred tax liabilities	522,880	491,539
Other non-current liabilities	17,823	14,855
Total non-current liabilities	1,947,924	1,758,351
Current liabilities		
Trade and other payables	2,648,236	2,921,635
Loans, borrowings and debt securities	1,889,134	1,218,692
Derivative financial instruments	384,285	104,443
Current tax payable	65,635	135,705
Provisions	162,344	156,263
Deferred income	969,801	592,129
Total current liabilities	6,119,435	5,128,867
Total liabilities	8,067,359	6,887,218
Total equity and liabilities	27,744,704	25,550,931

SEPARATE STATEMENT OF CASH FLOWS

	Q3 2011 YTD (Jan 1–Sep 30 2011) unaudited	Q3 2010 YTD (Jan 1–Sep 30 2010) unaudited
	(PLN '000)	
Cash flows from operating activities		
Net profit/loss	1,514,491	1,229,174
Adjustments:		
Depreciation and amortisation	421,032	423,811
Net foreign exchange gains/losses	(223,245)	(2,489)
Net interest and dividend	(640,461)	(449,366)
Gain/loss from investing activities	(58,078)	51,556
Current income tax	188,673	246,013
Income tax paid	(317,635)	(1,195)
Other items, net	290,932	100,825
Net cash provided by/(used in) operating activities before changes in working capital	1,175,709	1,598,329
Change in working capital:		
Change in receivables, net	1,043,237	1,319,143
Change in inventories	(1,173,926)	(346,439)
Change in provisions	19,036	13,157
Change in current liabilities	(605,079)	(672,128)
Change in prepayments	(46,541)	(24,660)
Change in deferred income	378,783	51,808
Net cash provided by/(used in) operating activities	791,219	1,939,210
Cash flows from investing activities		
Sale of property, plant and equipment and intangible assets	22,697	4,962
Sale of shares in related undertakings	-	-
Sale of shares in other undertakings	153,339	-
Sale of short-term securities	596	1,990
Acquisition of property, plant and equipment and intangible assets	(1,959,597)	(1,210,837)
Acquisition of shares in related undertakings	(103,170)	(66,986)
Acquisition of short-term securities	-	-
Decrease in loans advanced	115,644	2,433,626
Increase in loans advanced	(418,104)	(2,365,393)
Cash provided by financial futures and forwards	46,080	75,345
Cash used on financial futures and forwards	-	(98,971)
Interest received	11,953	91,024
Dividend received	520,570	289,526
Proceeds from finance lease	1,842	15,074
Other items, net	86,075	(7,266)
Net cash provided by/(used in) investing activities	(1,522,075)	(837,906)
Cash flows from financing activities		
Net proceeds from issue of shares, other equity instruments and additional contributions to equity	-	-
Increase in loans and borrowings	-	1,600,000
Issue of debt securities	1,887,023	1,417,246
Repayment of loans and borrowings	-	(3,500,895)
Redemption of debt securities	(1,210,229)	-
Decrease in finance lease liabilities	(2,000)	(2,659)
Cash provided by financial futures and forwards	-	-
Cash used on financial futures and forwards	-	-
Dividend paid	-	-
Interest paid	(60,531)	(33,413)
Other items, net	(2,516)	(27,491)
Net cash provided by/(used in) financing activities	611,747	(547,212)
Net change in cash	(119,109)	554,092
Net foreign exchange gains/losses	-	-
Cash and cash equivalents at beginning of period	565,854	425,243
Cash and cash equivalents at end of period	446,745	979,335

SEPARATE STATEMENT OF CHANGES IN EQUITY

	Equity					Total
	Share capital	Currency translation differences on foreign operations	Share premium account	Other capital reserves	Retained earnings/ deficit	
	(PLN '000)					
As at Jan 1 2011 (audited)	5,900,000	(748)	1,740,093	9,245,707	1,778,661	18,663,713
Transfers	-	-	-	998,189	(998,189)	-
Payment of dividend to owners	-	-	-	-	(708,000)	(708,000)
Net profit/loss for the first three quarters of 2011	-	-	-	-	1,514,491	1,514,491
Other comprehensive income, net, for the first three quarters of 2011	-	7,225	-	199,916	-	207,141
As at Sep 30 2011 (unaudited)	5,900,000	6,477	1,740,093	10,443,812	1,586,963	19,677,345
As at Jan 1 2010 (audited)	5,900,000	(2,948)	1,740,093	8,983,114	719,444	17,339,703
Transfers	-	-	-	170,904	(170,904)	-
Payment of dividend to owners	-	-	-	-	(472,000)	(472,000)
Net profit/loss for the first three quarters of 2010	-	-	-	-	1,229,174	1,229,174
Other comprehensive income, net, for the first three quarters of 2010	-	1,753	-	20,360	-	22,113
As at Sep 30 2010 (unaudited)	5,900,000	(1,195)	1,740,093	9,174,378	1,305,714	18,118,990

NOTES TO THE CONDENSED SEPARATE FINANCIAL STATEMENTS

1. Deferred tax

Deferred tax assets and liabilities	Deferred tax assets	Deferred tax liabilities
As at Jan 1 2011	291,447	491,539
a) increase	52,408	80,125
b) decrease	(9,068)	(48,784)
As at Sep 30 2011	334,787	522,880
As at Jan 1 2010	299,660	531,260
a) increase	44,702	22,897
b) decrease	(52,915)	(62,618)
As at Dec 31 2010	291,447	491,539

2. Impairment losses

Impairment losses on assets	Property, plant and equipment and intangible assets	Investment property	Other financial assets (non-current loans)	Non-current financial assets available for sale	Inventories	Current receivables	Current portion of non-current loans	Current financial assets available for sale	Total
As at Jan 1 2011	1,080,712	3	6,600	1,675,674	3,231	994,208	24,022	-	3,784,451
a) increase	21,379	-	-	459	249	17,659	3,456	-	43,202
b) transfer	-	-	(1,650)	(1,360)	-	-	1,650	1,360	-
c) decrease	(107,224)	-	-	(14,158)	-	(239,169)	(192)	(1,360)	(362,103)
As at Sep 30 2011	994,867	3	4,950	1,660,615	3,480	772,698	28,935	-	3,465,549
As at Jan 1 2010	882,931	2	8,800	1,671,724	4,081	1,004,701	20,722	-	3,592,960
a) increase	212,198	-	-	4,972	-	87,562	3,300	-	308,032
b) transfer	(86)	86	(2,200)	-	-	-	2,200	-	-
c) decrease	(14,331)	(84)	-	(1,022)	(849)	(98,055)	(2,200)	-	(116,541)
As at Dec 31 2010	1,080,712	3	6,600	1,675,674	3,231	994,208	24,022	-	3,784,451

3. Provisions

	Provision for length-of-service awards and retirement severance pays	Provision for gas allowances	Provision for well decommissioning costs	Provision for environmental protection liabilities (gas pitch)	Provision for potential liability under transmission services	Central Restructuring Fund	Provision for claims under extra- contractual use of land	Other	Total
As at Jan 1 2011	114,245	-	1,049,996	58,734	-	21,292	50,685	36,796	1,331,748
a) increase	7,413	-	53,349	-	-	5,000	6,142	69,539	141,443
b) decrease	(748)	-	(634)	(11,098)	-	(1,774)	-	(59,294)	(73,548)
As at Sep 30 2011	120,910	0	1,102,711	47,636	0	24,518	56,827	47,041	1,399,643
As at Jan 1 2010	111,765	20,410	916,231	75,993	34,391	10,450	-	49,779	1,219,019
a) increase	8,624	-	133,765	-	-	13,000	50,685	59,627	265,701
b) decrease	(6,144)	(20,410)	-	(17,259)	(34,391)	(2,158)	-	(72,610)	(152,972)
As at Dec 31 2010	114,245	0	1,049,996	58,734	0	21,292	50,685	36,796	1,331,748

4. Sales revenue

	Jan 1–Sep 30 2011	Jan 1– Sep 30 2010
Natural gas	14,175,593	13,190,943
Crude oil	772,383	594,821
Helium	42,055	31,942
Propane-butane gas	40,752	35,833
Natural gasoline	3,210	2,245
LNG	24,591	20,589
Gas storage services	23,029	23,790
Geophysical and geological services	45,576	5,210
Materials and goods for resale	6,107	7,119
Other sales of products and services	85,523	68,789
Total	15,218,819	13,981,281

5. Proceeds under Transmission System Lease Agreement

	Jan 1–Sep 30 2011	Jan 1–Sep 30 2010
Interest payment	1,670	13,736
Principal payment	1,842	15,074
Total	3,512	28,810

6. Operating expenses

Raw and other materials used	Jan 1–Sep 30 2011	Jan 1–Sep 30 2010
Cost of gas sold	(8,908,659)	(7,429,781)
Other raw and other materials used	(98,446)	(102,781)
Total	(9,007,105)	(7,532,562)

Contracted services	Jan 1–Sep 30 2011	Jan 1–Sep 30 2010
Purchases of transmission and distribution services	(3,410,413)	(3,433,500)
Other contracted services	(745,455)	(604,325)
Total	(4,155,868)	(4,037,825)

7. Corporate income tax

	Jan 1–Sep 30 2011	Jan 1–Sep 30 2010
Pre-tax profit/loss	1,703,164	1,475,187
Tax rate applicable in the period	19%	19%
Tax calculated at the applicable tax rate	(323,601)	(280,286)
Permanent differences between pre-tax profit/loss and tax base	134,928	34,273
Tax expense in the income statement	(188,673)	(246,013)
Current income tax	(247,566)	(298,666)
Deferred income tax	58,893	52,653
Effective tax rate	11%	17%

Lower effective tax rate after the first three quarters of 2011 was attributable mainly due an increase in permanent differences between pre-tax profit/loss and tax base. This increase was mainly due to the income from release in 2011 of impairment losses on receivables (in the corresponding period of 2010 impairment losses on receivables were increased) and to the recognition of income from received damages/compensations. Such income affects pre-tax profit disclosed in the income statement but is not taxable income and, therefore, no deferred tax liabilities were recognised in respect of this income. As a result of higher pre-tax profit, which is the basis for the calculation of tax at the applicable tax rate, with no changes in the tax expense, the effective tax rate decreased after the first three quarters of 2011.

8. Property, plant and equipment by categories

	As at Sep 30 2011 (end of Q3 2011)	As at Dec 31 2010 (end of previous year)
Land	23,737	23,597
Buildings and structures	5,144,409	5,171,059
Plant and equipment	1,308,901	1,354,023
Vehicles and other	76,983	85,226
Total tangible assets	6,554,030	6,633,905
Tangible assets under construction	5,464,649	4,307,016
Total property, plant and equipment	12,018,679	10,940,921

9. Listing and explanation of differences between the data disclosed in the financial statements and comparative financial data, and the data disclosed in previously published financial statements

In the financial statements for Q3 2011, the Company has not introduced any changes in the comparative financial data relative to the data disclosed in previously published financial statements.

III. ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS FOR Q3 2011

1. Basis of preparation and format of the financial statements contained in this report

These condensed consolidated financial statements and condensed separate financial statements as at September 30th 2011 have been prepared in accordance with IAS 34 *Interim Financial Reporting* and the Regulation of the Minister of Finance on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated February 19th 2009 (Dz. U. No. 33, item 259, "the Regulation"). The financial statements present data as at September 30th 2011 and for the period January 1st–September 30th 2011, along with comparative financial data for the corresponding periods of 2010.

The data disclosed in these financial statements is stated in the zloty (PLN), and all amounts, unless indicated otherwise, are stated in thousands of zloty. Differences, if any, between the totals and the sum of particular items are due to rounding off.

These financial statements of the PGNiG Group ("the PGNiG Group", "the Group") have been prepared based on the assumption that PGNiG S.A. ("PGNiG S.A.", "the Company", "the Parent Undertaking") and the subsidiary undertakings will continue as going concerns for at least 12 months subsequent to the balance-sheet date.

As at the date of signing these financial statements, the Management Board of the Parent Undertaking is not aware of any facts or circumstances which would imply a threat to the Parent Undertaking continuing as a going concern for 12 months after the balance-sheet date due to an intended or forced discontinuance or material limitation of its activity.

These quarterly financial statements were approved for publication by the Management Board of the Parent Undertaking on November 10th 2011.

2. Adopted accounting policies

The policies applied to prepare these condensed consolidated financial statements and condensed separate financial statements are consistent with the general policies applied to draw up the semi-annual consolidated financial statements for the period ended June 30th 2010, published on August 31st 2011.

In the current year, the Group has adopted all the new and revised standards and interpretations issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee, and endorsed by the EU, which apply to the Group's business and are effective for annual reporting periods beginning on or after January 1st 2011. The newly adopted standards are presented below.

- Amendments to IAS 32 *Financial Instruments: Presentation – Classification of Rights Issues* – endorsed by the EU on December 23rd 2009 (effective for annual periods beginning on or after February 1st 2010),
- Amendments to IFRS 1 *First-Time Adoption of International Financial Reporting Standards – Limited Exemptions from Comparative IFRS 7 Disclosures for First-time Adopters* – endorsed by the EU on June 30th 2010 (effective for annual periods beginning on or after July 1st 2010).
- Amendments to IFRIC 14 *IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction – Prepayments of a Minimum Funding Requirement* – endorsed by the EU on July 19th 2010 (effective for annual periods beginning on or after January 1st 2011),
- IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments* – endorsed by the EU on July 23rd 2010 (effective for annual periods beginning on or after July 1st 2010).
- Amendments to various standards and interpretations *Improvements to International Financial Reporting Standards (2010)* – amendments made as part of the process of making annual improvements to the Standards, published on May 6th 2010 (IFRS 1, IFRS 3, IFRS 7, IAS 1, IAS 27, IAS 34, and IFRIC 13) aimed chiefly at eliminating any inconsistencies and clarification of wording, endorsed by the EU on February 18th 2011 (effective for annual periods beginning on or after July 1st 2010 or January 1st 2011, depending the standard/interpretation).

With the exception of the revised IAS 1, the application of the above standards and interpretations has not caused any material changes in the Group's accounting policies or in the presentation of its financial statements.

Application of the revised IAS 1

The revised IAS 1 requires profit or loss and other comprehensive income, so far presented as one item, to be disclosed as separate items in the statement of changes in equity. Application of this amendment to these financial statements has not affected previously disclosed figures. The only change introduced involved singling

out two items, "Net profit/loss" and "Other comprehensive income, net" from the item "Comprehensive income" in the statement of changes in equity. This separation facilitates reconciliation of changes in equity with the income statement and the statement of comprehensive income.

3. Effect of new standards and interpretations on the Group's financial statements

As at the date of preparation of these financial statements, there were no standards, amendments or interpretations which have been published and endorsed for application in the EU but have not yet become effective.

The IFRSs endorsed by the EU do not significantly differ from the regulations adopted by the International Accounting Standards Board (IASB), with the exception of the following standards, amendments and interpretations, which as at September 30th 2011 had not yet been approved for use by the EU:

- IFRS 9 *Financial Instruments* (effective for annual periods beginning on or after January 1st 2013);
- IFRS 10 *Consolidated Financial Statements* (effective for annual periods beginning on or after January 1st 2013);
- IFRS 11 *Joint Arrangements* (effective for annual periods beginning on or after January 1st 2013);
- IFRS 12 *Disclosure of Interests in Other Entities* (effective for annual periods beginning on or after January 1st 2013);
- IFRS 13 *Fair Value Measurement* (effective for annual periods beginning on or after January 1st 2013);
- IAS 27 (revised 2011) *Separate Financial Statements* (effective for annual periods beginning on or after January 1st 2013);
- IAS 28 (revised 2011) *Investments in Associates and Joint Ventures* (effective for annual periods beginning on or after January 1st 2013);
- Amendments to IFRS 1 *First-Time Adoption of IFRS – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters* (effective for annual periods beginning on or after July 1st 2011);
- Amendments to IFRS 7 *Financial Instruments: Disclosures – Transfers of Financial Assets* (effective for annual periods beginning on or after July 1st 2011);
- Amendments to IAS 1 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income* (effective for annual periods beginning on or after July 1st 2012);
- Amendments to IAS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets* (effective for annual periods beginning on or after January 1st 2012);
- Amendments to IAS 19 *Employee Benefits – amendments to post-employment benefit accounting* (effective for annual periods beginning on or after January 1st 2013).

The Group estimates that the above standards, interpretations and amendments to standards would not have had any material effect on the Group's financial statements if they had been applied as at the balance-sheet date.

Hedge accounting for a portfolio of financial assets or liabilities is still not covered by EU regulations, as the EU has not endorsed the rules of hedge accounting for use.

The Group estimates that the application of hedge accounting with respect to its portfolio of financial assets or liabilities in accordance with IAS 39 *Financial Instruments: Recognition and Measurement* would not have had any material effect on its consolidated financial statements if these regulations had been adopted for use by the EU as at the balance-sheet date.

4. Brief description of significant achievements or failures of the Company in the reporting period, including a specification of key related events

1. On July 4th 2011, the Management Board of PGNiG S.A. received a notification of instigation of anti-trust proceedings by the President of the Office of Competition and Consumer Protection ("UOKiK") concerning abuse of dominant position on the domestic natural gas retail market by PGNiG S.A.
According to the President of the UOKiK, the abuse of dominant position on the domestic natural gas retail market involved the inhibition of development of market conditions favourable to the emergence or growth of competitors on the domestic wholesale and retail gas markets by securing that a comprehensive gas supply agreement may be terminated upon notice in such a way that if the notice is served after September 30th of a given year, the termination is effective as of the end of the year following the year in which the notice was served, which may be in conflict with Art. 9.2.5 of the Act on Competition and Consumer Protection and Art. 102 of the Treaty on the Functioning of the European Union (OJEU C 115, May 9th 2008).

Pursuant to Art. 106 of the Act, the President of UOKiK may, by way of a decision, impose a fine on an entrepreneur abusing its dominant position of not more than 10% of the revenue earned in the financial year preceding the date of the decision. The amount of the fine is determined taking into account the

duration, extent and circumstances of the breach of statutory provisions, as well as any previous violations of these provisions.

Under Art. 50.3 of the Act, PGNiG S.A. had the right to respond to the charges within fourteen days from the date of receipt of the notification of instigation of anti-trust proceedings.

On July 18th 2011, PGNiG S.A. sent a response to the notification to the President of UOKiK, including the documents and information requested by the President of UOKiK in the notification. Furthermore, PGNiG requested the President of UOKiK to extend by 14 days the deadline for clarifying its position on the charges presented in the decision to instigate the anti-trust proceedings. As grounds for the request, PGNiG cited the need to review the materials and documents collected so far in the course of the preliminary investigation and anti-trust proceedings.

On August 1st 2011 PGNiG S.A. sent to the President of UOKiK a response to the notification of the instigation of anti-trust proceedings concerning abuse by PGNiG S.A. of its dominant position on the Polish retail market of natural gas (after UOKiK had agreed to extend the deadline for filing a response to the charges by 14 days).

In response to the charges included in the notification, PGNiG S.A. denied in full the charge of abusing its dominant position on the domestic retail market of gaseous fuel through the inhibition of development of market conditions conducive to the emergence or growth of competition on the domestic retail and wholesale gas markets by securing that a comprehensive gas supply agreement may be terminated upon notice in such a way that if the notice is served after September 30th of a given year, the termination is effective as of the end of the year following the year in which the notice was served.

PGNiG S.A. justified its position by presenting detailed technical and economic grounds for the adopted rules of terminating comprehensive agreements, which, in the Company's opinion, proves that the Company is not involved in any competition-restricting practices.

In view of the foregoing, PGNiG S.A. requested that the proceedings be discontinued, pursuant to Art. 105.1 of the of the Polish Code of Administrative Procedure in conjunction with Art. 83 of the Act on Competition and Consumer Protection of February 16th 2007.

2. On July 7th 2011, the Management Board of PGNiG S.A. was notified that one of the two conditions precedent under the Comprehensive Agreement for Supply of Gaseous Fuel ("the Agreement") executed between PGNiG S.A. and Elektrociepłownia Stalowa Wola S.A. of Stalowa Wola ("ECSW") had been fulfilled.

The condition refers to the delivery by ECSW of the agreement on connection of the CCGT unit in Stalowa Wola to the gaseous fuel transmission system operator's network.

The fulfilment of this condition does not result in the entry into force of the Agreement, which will become effective upon fulfilment of both conditions precedent specified in the Agreement, as reported by PGNiG S.A. in Current Report No. 34/2011 of March 11th 2011.

3. On July 12th 2011, a corporate procedure was commenced in order to approve an Annex to the Programme for Employment Streamlining and Redundancy Payments to the Employees of the PGNiG Group for 2009-2011, which will enable the Group to finance additional social benefits from the capital reserve designated as Central Restructuring Fund also for former employees of PGNiG S.A.

On August 10th 2011, the Extraordinary General Shareholders Meeting of PGNiG S.A. adopted Resolution No. 6/VIII/2011 to approve the Annex to the Programme for Employment Streamlining and Redundancy Payments to the Employees of the PGNiG Group for 2009-2011 (Stage 3).

4. On July 19th 2011, the Management Board of PGNiG S.A. issued a statement to SGT EUROPOL GAZ S.A. confirming that PLN 87,127.14 thousand was the full and final amount of settlement between PGNiG S.A. and SGT EUROPOL GAZ S.A. under Art. 3.3.3a of the agreement of January 27th 2010 executed between OOO Gazprom export, PGNiG S.A. and SGT EUROPOL GAZ S.A., as amended by Annex No. 1, concurrently calling upon SGT EUROPOL GAZ S.A. to make the payment. The entire amount was paid to the Parent Undertaking's account on October 5th 2011.
5. On July 21st 2011, annexes ("the Annexes") were signed to the PLN 3,000,000 thousand Note Issue Programme agreements executed on June 10th 2010 with six banks, including Bank Polska Kasa Opieki SA, ING Bank Śląski SA, Powszechna Kasa Oszczędności Bank Polski SA, Bank Handlowy w Warszawie SA, Societe Generale SA, and BNP Paribas SA Polish Branch. The Note Issue Programme documentation includes a Guarantee Agreement and an Agency and Custody Agreement. Annexes to both agreements were signed.

Under the Annexes, the maximum value of the Note Issue Programme was increased from PLN 3,000,000 thousand to PLN 5,000,000 thousand and the end of its term was postponed from July 31st 2013 to July 31st 2015.

Notes will be issued to raise financing for PGNiG's day-to-day needs and to finance its equity investments following from the PGNiG Group's strategy.

6. On August 4th 2011, the Management Board of PGNiG S.A. was notified that PGNiG Norway AS, a subsidiary of PGNiG S.A., had received through the agency of Norske Shell AS a letter from the Norwegian Ministry of Energy and Petroleum wherein the ministry granted its approval for all the interest holders to discontinue work in the PL326 licence area on the Norwegian Continental Shelf.

The PL326 licence was originally awarded in the 18th licensing round in 2004. Since 2004, an extensive exploration programme was implemented. Three large-scale 3D seismic surveys were performed and analysed, and two exploration wells were drilled in 2009 and 2010. Both of them confirmed the presence of gas in rock formations having poor reservoir properties.

Following an analysis of the acquired data and of the results of the second exploration well, the majority of the licence interest holders resolved to discontinue work in the PL326 licence area.

The following companies held interests in the PL326 licence: Norske Shell AS (50% interest – operator), Statoil Petroleum AS (40% interest), GDF SUEZ E&P Norge AS (10% interest) and PGNiG Norway AS (10% interest).

PGNiG Norway AS was awarded the PL326 licence on June 23rd 2010, as reported by PGNiG S.A. in Current Reports No. 35/2010 of June 24th 2010 and No. 63/2010 of September 21st 2010.

7. On August 19th 2011, Moody's Investors Service ("Moody's") revised its outlook on PGNiG S.A. from stable to negative, maintaining the Baa1 rating.

According to Moody's, the change of the outlook reflects the threats associated with implementation of PGNiG S.A.'s expansion plans in the upstream segment (the exploration and production business), the related financing requirements, and higher business risk compared with the PGNiG Group's core business in terms of performance volatility.

"The Update of Strategy for the PGNiG Group for 2011–2015" which the Company has published envisages investment expenditure of PLN 27bn, of which PLN 15bn is to be spent on oil and gas exploration and production in Poland and abroad. To date, annual capital expenditure usually ranged from PLN 3bn to PLN 4bn. Currently, the Strategy provides for both strong development of the Group's existing business, and for ventures in new areas, including the power generation industry.

Moody's pays attention not only to PGNiG S.A.'s strong historical financial ratios, but also to considerable volatility of the Group's performance. The principal reason behind the performance volatility is regulated gas selling prices, which do not reflect changing costs of gas purchase under long-term contracts (these in turn depend on changing prices of crude oil and foreign exchange rates). Previously this had no decisive influence on PGNiG S.A.'s rating as the Company had a very strong financial position and low debt. Moody's argues however that the performance volatility may have a negative effect on the Group's ability to cope with any potential adverse developments in its business environment while it implements an ambitious investment programme. According to Moody's, taking into consideration that PGNiG S.A. plans to expand its upstream operations, the expected growth in the role of the Group's non-regulated business may undermine its creditworthiness.

Moody's admits that in 2010 PGNiG S.A. generated good financial performance, nonetheless the agency expects that the difference between the tariff prices and the cost of acquisition of gas will hamper the Group's performance in 2011, despite the 12.7% rise in the tariff as of July 15th 2011. Moody's expects that limited cash generation by PGNiG S.A. combined with the ongoing investment programme will result in an increased debt level and deteriorated credit ratios compared with 2010.

Moody's believes that the Baa1 rating reflects the Group's dominant position on the natural gas market in Poland. This rating was assigned in view of the aforementioned performance volatility, the Group's strong dependence on gas imports (mainly from Russia), and the extensive investment programme. PGNiG S.A.'s current rating also reflects potential support from an owner, i.e. the State Treasury (A2, stable outlook).

Moody's has stated that at the current stage there is little likelihood that PGNiG S.A.'s rating outlook could be upgraded.

According to Moody's, PGNiG S.A.'s rating may be lowered in the following circumstances: PGNiG S.A.'s financial standing deteriorates, the Company incurs considerable financial debt in connection with an M&A transaction, the Company pays out an unexpectedly high dividend or makes substantial expenditure on exploration and production projects which turn out to be less effective than expected, or the probability of receiving support from the majority shareholder (the State Treasury) declines significantly.

8. On August 22nd 2011, PGNiG S.A. and a bank operating in Poland ("the Bank") entered into an agreement on sale of PGNiG S.A.'s debt claim against Zakłady Chemiczne Police S.A. without recourse to the

Company. Under the agreement, PGNiG S.A. sold a debt claim of PLN 81,847 thousand. The selling price of the debt comprises a principal of PLN 71,285 thousand and interest of PLN 10,562 thousand, less a net discount equal to 30% of the interest amount. The Bank paid the debt selling price on August 25th 2011. The price terms of the transaction do not differ from standard market terms.

9. On August 23rd 2011, PGNiG S.A. and PGNiG SPV 1 Sp. z o.o. entered into an agreement on a loan ("the Loan") of up to PLN 3.78bn. The Loan is to be repaid by December 31st 2012 and bears interest at a rate based on 3M WIBOR plus margin. The Loan will be used to finance the acquisition by PGNiG SPV 1 Sp. z o.o. of an equity interest in Vattenfall Heat Poland S.A. of Warsaw and the transaction costs. PGNiG S.A. holds shares representing 100% of PGNiG SPV 1 Sp. z o.o.'s share capital and conferring the right to 100% of votes at its General Shareholders Meeting.
10. On August 23rd 2011, PGNiG SPV 1 Sp. z o.o., which is wholly-owned by PGNiG S.A., executed a preliminary share purchase agreement with Vattenfall AB ("the Agreement"), concerning 24,591,544 shares in Vattenfall Heat Poland S.A. of Warsaw ("the Shares"), which account for more than 99.8% of the company's share capital and confer the right to more than 99.8% of the total vote at its General Shareholders Meeting. The Agreement was signed as a result of the negotiations reported by the Company in Current Report No. 120/2011 of August 23rd 2011.

The purchase price of the Shares as at the date of the Agreement was approximately PLN 2.96bn, which corresponded to an enterprise value of approximately PLN 3.5bn. The purchase price will be index linked to reflect the time value of money. The final purchase price will depend on the date when the transaction is ultimately closed. The Shares are registered shares with a par value of PLN 10.00 per share and a total par value of PLN 245,915 thousand.

The ownership of the Shares will be transferred following execution of the final share purchase agreement, subject to a condition precedent, i.e. clearance of the transaction by the President of the Office of Competition and Consumer Protection. If the clearance is not obtained within nine months, the Agreement will expire.

The Agreement contains representations and warranties, provisions relating to liability for default under the representations and warranties, as well as the right to withdraw from the Agreement in the event of a material adverse change stipulated in the Agreement, which are standard for this type of transactions. The Agreement does not contain any terms or conditions which would differ from standard terms and conditions used in similar agreements.

The purchase of the Shares will be financed by PGNiG SPV 1 with the loan described above, granted by PGNiG S.A., and with equity, based on Resolution No. 2/IX/2011 of the Extraordinary General Shareholders Meeting of PGNiG S.A. of September 20th 2011.

The PGNiG Group treats the acquisition of the Shares in Vattenfall Heat Poland S.A. as a long-term investment.

The parties to the Agreement are not related parties.

The core business of Vattenfall Heat Poland S.A. is co-generation of heat and electricity. The company operates in Warsaw (Siekierki and Żerań CHP Plants, Kawęczyn and Wola Heat Generating Plants), as well as in Pruszków, where it also owns the distribution network. The installed thermal power of the generating units is approximately 4.8 GW, while the electric power is approximately 1 GW. Vattenfall Heat Poland S.A. satisfies around 75% of the heat demand on the Warsaw market, with SPEC S.A. being its main customer.

11. On August 24th 2011, Moody's Investors Service ("Moody's") assigned a temporary, long-term rating of Baa1 with a negative outlook to the EUR 1.2bn issue programme of medium-term, unsubordinated and unsecured bonds ("the Programme") to be issued by PGNiG Finance AB, a wholly-owned subsidiary of PGNiG S.A. According to Moody's, the temporary rating assigned to the Programme is connected with the unconditional and irrevocable guarantee which is to be provided by PGNiG S.A. to PGNiG Finance AB under the Programme. Due to the guarantee, the temporary rating assigned to the Programme reflects the creditworthiness of the guarantor and the outlook assigned to PGNiG S.A. (Baa1, negative outlook).
12. On August 25th 2011, the Management Board of PGNiG S.A. signed the documentation for a Eurobonds issue programme worth up to EUR 1,200,000 thousand (approximately PLN 4.99bn, translated at the mid-exchange rate quoted by the National Bank of Poland for August 25th 2011, Table No. 164/A/NBP/2011) ("the Programme") with PGNiG Finance AB of Stockholm (PGNiG's wholly-owned subsidiary) and three banks, including Societe Generale, BNP Paribas, and Unicredit Bank AG. Under a five-year Programme, PGNiG Finance AB will be able to issue fixed or floating rate bonds with maturities of up to 10 years. The proceeds raised by PGNiG Finance AB from the bond issue will be used to advance a loan to PGNiG S.A. PGNiG S.A. will use the loan to finance its general liquidity requirements.

13. On August 25th 2011, an agreement was signed under which PGNiG S.A. provided a guarantee of up to EUR 1,500,000 thousand (approximately PLN 6.24bn, translated at the mid-exchange rate quoted by the National Bank of Poland for August 25th 2011, Table No. 164/A/NBP/2011) in respect of the liabilities of PGNiG Finance AB of Stockholm (PGNiG S.A.'s subsidiary) under the Eurobonds which are to be issued as part of the Eurobonds issue programme. The guarantee is valid until December 31st 2026. The financial terms of the guarantee will be correlated with the terms of the Eurobond issues to be carried out by PGNiG Finance AB under the Programme. PGNiG S.A. holds 100% of shares in PGNiG Finance AB, representing 100% of the company's share capital and 100% of votes at its General Shareholders Meeting.
14. On August 26th 2011, the Management Board of PGNiG S.A. reported that the forecasts of 2011 crude oil production from the fields situated in Poland had been reduced to approximately 460 thousand tonnes, from the originally projected 480 thousand tonnes (see Current Report No. 9/2011 of January 19th 2011).

The adjustment of planned crude oil production from the Polish fields in 2011 followed from a temporary stoppage in collection by one of the customers of the gas obtained in the crude degassing process at the Dębno oil and gas production facility. Collection of this gas is the primary condition for steady operation of the facility (keeping the production of crude oil at a planned level). A further limitation of crude oil production followed as a result of an unplanned repair of the main crude oil storage tank at the Dębno oil and gas production facility, which prevented the feeding of crude oil into the pipeline and required production to be adjusted to the collection capabilities of those customers who receive crude oil by rail tankers.

The estimated gas production from domestic fields in 2011 remains unchanged at 4.3 billion cubic meters.

PGNiG S.A. also reported that the launch of production from the Skarv field, originally scheduled for August 2011, had been postponed to the end 2011. As a result, the 2011 forecast for the production of oil and gas on the Norwegian Continental Shelf also needed to be updated. The production start date had been changed in connection with tests carried out at the shipyard and additional work on the Skarv FPSO unit. The Skarv FPSO unit had been anchored at the Skarv field in the Norwegian Sea. Updated information on the gas and oil production volume from the Skarv field was published on October 18th 2011 (see Section 9.1 below).

5. Factors and events, in particular of non-recurring nature, with a material effect on financial performance

In Q3 2011, net profit of the PGNiG Group reached PLN 319.3m, down by PLN 25.4m relative to Q3 2010. The PGNiG Group reported operating profit (EBIT) of PLN 333.1m. The decrease in operating profit by PLN 7.2m resulted from deterioration in the profitability of high-methane gas sales.

Exploration and Production

The Exploration and Production segment posted operating profit of PLN 351.7m, up by PLN 105.7m on Q3 2010. This increase was primarily attributable to higher profitability of crude oil sales. Owing to higher crude oil prices on the global markets, its selling prices rose by 45%. The segment's EBIT advanced also on higher revenue from sales of services, in connection with intensified exploration for shale gas in Poland. Additionally, the PGNiG Group increased its nitrogen-rich production volume by 18% and the gas output at denitrating plants by 11%.

Trade and Storage

The Trade and Storage segment posted an operating loss of PLN 18.6m, which represents a drop of PLN 102.1m compared with Q3 2010. This came as a result of a significant deterioration of profitability of high-methane gas sales, primarily due to a 26% rise in the unit purchase price of imported gas. High prices of imported gas were driven by higher crude oil prices on the global markets.

The main currency in which gas import prices are denominated, the US dollar, depreciated relative to Q3 2010. However, that depreciation was not enough to offset the increase in prices of imported gas pushed up by higher crude oil prices.

The average gas selling prices and charge rates went up by 9.7% relative to Q3 2010. However, the benefits following from the introduction of a new tariff in July 2011 were completely eliminated by the dramatic depreciation of the Polish zloty in the current period, pushing profitability of high-methane gas in Q3 2011 below the break-even point.

Distribution

The Distribution segment recorded an operating loss of PLN 7.7m, a result by PLN 5.3m lower than in Q3 2010. This decrease followed primarily from higher operating expenses, mainly amortisation/depreciation charges and employee benefits. The higher amortisation/depreciation charges were caused by a higher gross value of the Distribution segment's fixed assets (following completion of new investments in assets)

and a reversal of impairment losses on the assets of Dolnośląska Spółka Gazownictwa Sp. z o.o. and Mazowiecka Spółka Gazownictwa Sp. z o.o. in 2010. The segment's profitability was down despite higher rates and charges for network services, introduced in June 2010, mainly due to a lower volume of transmitted gas and a drop in revenue from connection charges.

The net profit recorded by the PGNiG Group in Q3 2011 was significantly affected by a worse result on financial activities (down by PLN 146.7m) due to a worse result on foreign exchange, and by a PLN 128.5m drop in tax expense as a result of a considerable growth in deferred tax assets at PGNiG Norway AS.

6. Seasonality or cyclicity in the Company's operations during the reporting period

Sale, distribution and storage of gaseous fuels, which next to exploration and production constitute the core business of the Group, are subject to significant seasonal fluctuations.

The revenue from sale of natural gas in the winter season (Q1 and Q4) is substantially higher than in the summer (Q2 and Q3). This results from the seasonal changes in weather conditions in Poland, and the extent of the fluctuations is determined by low temperatures in the winter and higher temperatures in the summer. Gas sales are to a much greater extent subject to seasonal changes in the case of households and customers from the municipal sector, where gas is used for heating, than in the case of industrial customers.

In order to ensure gas supplies in periods of peak demand and to maintain the security of gas supplies, it is necessary to replenish gas stocks in the underground gas storage facilities in the summer and to subscribe for higher transmission and distribution system capacities in the winter.

7. Issue, redemption and repayment of debt and equity securities

In Q3 2011, the Parent Undertaking continued the issues and redemptions of notes under the PLN 3bn note issue programme agreement of June 10th 2010. The agreement was concluded with six banks, including Bank Polska Kasa Opieki S.A., ING Bank Śląski S.A., Powszechna Kasa Oszczędności Bank Polski S.A., Bank Handlowy w Warszawie S.A., Societe Generale S.A., and BNP Paribas S.A. Polish Branch. The notes bear interest based on the WIBOR rate plus a margin, whose level depends on the use of the Programme and the ratio of consolidated net debt to consolidated EBITDA.

Under annexes to the agreement, signed on July 21st 2011, the maximum value of the note issue programme was increased from PLN 3bn to PLN 5bn and the end of its term was postponed from July 31st 2013 to July 31st 2015.

The notes are issued to raise financing for PGNiG S.A.'s day-to-day needs and to finance its equity investments following from the PGNiG Group's strategy.

As at September 30th 2011, the par value of all outstanding notes was PLN 1,750m.

8. Total and per share dividend paid (or declared) on ordinary and preference shares

On April 20th 2011, the Annual General Shareholders Meeting of PGNiG S.A. adopted Resolution No. 19/IV/2011 to pay dividend of PLN 708,000 thousand (or PLN 0.12 per share).

Moreover, the Annual General Shareholders Meeting of PGNiG S.A. adopted Resolution No. 20/IV/2011 whereby it resolved that a portion of the dividend due to the State Treasury, of no more than PLN 30,104 thousand (VAT inclusive), would be paid in non-cash form. Any difference between the total amount of dividend due to the State Treasury and the amount of non-cash dividend would be paid in cash.

The dividend record date and the dividend payment date were set by the Annual General Shareholders Meeting of PGNiG S.A. respectively for July 20th 2011 and October 6th 2011.

9. Events subsequent to the condensed quarterly financial statements date, not disclosed in the financial statements but potentially significant for future financial performance

1. On October 18th 2011, the Management Board of PGNiG S.A. announced that the launch of production from the Skarv field on the Norwegian Continent Shelf would probably be postponed from Q4 2011 to Q1 2012. The postponement comes as a consequence of delays in the installation of production piping, caused by necessary repairs on the installation vessel, and difficult weather conditions.

Following the postponement of production launch, the field operator updated the oil and gas production forecast. The new forecast contains both updated information on annual production and new data on recoverable reserves in the licence areas covering the Skarv field.

In accordance with the new forecast, production from the Skarv field will not start in 2011. In view of the above, the expected volume of gas produced in the Norwegian Continent Shelf in 2012 will amount to 0.24 billion cubic metres, instead of the 0.4 billion cubic metres forecast earlier, while production of crude oil

(and other hydrocarbon fractions) in 2012 is planned to reach 250 thousand tonnes, instead of the 400 thousand tonnes predicted earlier (see Current Report No. 9/2011 of September 19th 2011).

The field operator has also updated the volumes of recoverable reserves in the Skarv field licence areas. Total reserves owned by PGNiG Norway AS (a wholly-owned subsidiary of PGNiG S.A.) are currently estimated at 70.9 million boe, instead of the 61.4 million boe reported earlier. The estimate of the proved recoverable reserves volume has been raised following results of the drillings in the Skarv field and discovery of the Snadd North field.

2. On October 19th 2011, subsidiary PGNiG Norway AS signed an agreement on sale of crude oil ("the "Agreement") with Shell International Trading and Shipping Company Ltd. ("Shell").

Pursuant to the Agreement, PGNiG Norway AS will be selling to Shell its part of the crude oil produced from the Skarv field. The Agreement was executed for an indefinite term and becomes effective in the month when production from the field is launched. The minimum term of the Agreement is 12 months.

The value of the Agreement, estimated on the basis of forecast sales of crude oil over five subsequent years, is approximately USD 1.1bn (approximately PLN 3.5bn, translated at the USD/PLN mid exchange rate quoted by the National Bank of Poland for October 20th 2011, exchange rate table No. 204/A/NBP/2011).

The price of crude sold under the agreement will be determined with reference to the Brent oil prices, and payments will be settled in US dollars.

10. Changes in contingent liabilities or assets subsequent to the end of the previous financial year

	As at Sep 30 2011 (end of Q3 2011)	As at Dec 31 2010 (end of previous year)
Contingent receivables	630,349	441,025
<i>From related undertakings</i>	325	152
- under guarantees and sureties received	-	-
- under promissory notes received	325	152
<i>From other undertakings</i>	630,024	440,873
- under guarantees and sureties received	394,270	369,720
- under promissory notes received	79,226	71,153
- EU grants for investment projects	156,528	-
Contingent liabilities	11,005,213	3,639,407
<i>To related undertakings</i>	-	-
- under guarantees and sureties granted	-	-
- under promissory notes issued	-	-
<i>To other undertakings</i>	11,005,213	3,639,407
- under guarantees and sureties granted	10,130,959	2,867,934
- under promissory notes issued	874,254	771,473

The increase in contingent receivables is chiefly attributable to the recognition in Q3 2011 by the gas distribution companies of PLN 156,528 thousand in receivables under EU grants for investment projects.

The increase in liabilities under guarantees and sureties in Q3 2011 is mainly connected with the recognition of two new guarantees and changes in the exchange rate of the Polish zloty against the euro and the US dollar.

On August 1st 2011, the Parent Undertaking issued a performance bond to GASSCO, for NOK 600,000 thousand (PLN 335,340 thousand, translated at the exchange rate quoted by the National Bank of Poland for September 30th 2011). On August 25th 2011, the Parent Undertaking issued a guarantee in respect of payment of liabilities under the Eurobonds which are to be issued by subsidiary PGNiG Finance AB, for EUR 1,500,000 thousand (PLN 6,616,800 thousand, translated at the exchange rate quoted by the National Bank of Poland for September 30th 2011).

The depreciation of the Polish zloty against the US dollar resulted in a PLN 31,676 thousand increase in the value of the USD 108,000 thousand guarantee provided by PGNiG S.A. to National Oil Corporation in respect of the fulfilment of licence commitments by POGC – Libya B.V. (a subsidiary). At the same time, the depreciation of the zloty against the euro inflated the value the EUR 627,556 thousand guarantee provided to the government of Norway. The value of this guarantee increased by PLN 282,965 thousand.

A significant rise in the value of liabilities under promissory notes was due to the issue in Q3 2011 by subsidiary PSG Sp. z o.o. of three promissory notes for PLN 113,966 thousand for the benefit of Instytut Nafty i Gazu (the Oil and Gas Institute) of Kraków.

11. Financial information by operating segments

11.1. Reportable segments

The tables below show the revenues, costs and profits/losses, as well as the assets, equity and liabilities of the Group's reportable segments for the periods ended September 30th 2011 and September 30th 2010.

Period ended September 30th 2011	Exploration and Production	Trade and Storage	Distribution	Other	Eliminations	Total
Income statement						
Sales to external customers	2,006,842	13,789,244	91,156	143,898	-	16,031,140
Intersegment sales	869,815	193,145	2,348,531	246,574	(3,658,065)	-
Total segment's revenue	2,876,657	13,982,389	2,439,687	390,472	(3,658,065)	16,031,140
Depreciation and amortisation	(450,645)	(94,051)	(614,532)	(10,763)	-	(1,169,991)
Other costs	(1,627,848)	(13,771,797)	(1,330,835)	(363,685)	3,638,879	(13,455,286)
Total segment's costs	(2,078,493)	(13,865,848)	(1,945,367)	(374,448)	3,638,879	(14,625,277)
Operating profit/loss	798,164	116,541	494,320	16,024	(19,186)	1,405,863
Net finance expenses						48,454
Share in net profit/loss of equity-accounted undertakings		(502)				(502)
Pre-tax profit/loss						1,453,815
Income tax						(129,620)
Net profit/loss	-	-	-	-	-	1,324,195
Statement of financial position						
Segment's assets	14,358,523	11,474,874	11,888,858	514,236	(3,393,731)	34,842,760
Investments in equity-accounted undertakings		555,325				555,325
Unallocated assets						578,559
Deferred tax asset						962,876
Total assets	-	-	-	-	-	36,939,520
Total equity						24,365,745
Segment's liabilities	2,080,131	3,707,545	1,690,439	94,352	(3,393,731)	4,178,736
Unallocated liabilities						6,950,354
Deferred tax liabilities						1,444,685
Total equity and liabilities	-	-	-	-	-	36,939,520
Other information on the segment						
Capital expenditure on property, plant and equipment and intangible assets	(1,865,547)	(599,606)	(726,423)	(9,847)	-	(3,201,423)
Impairment losses on assets	(1,175,135)	(1,826,804)	(82,962)	(11,427)	-	(3,096,328)
Impairment losses on unallocated assets						(37,701)

Period ended September 30th 2010	Exploration and Production	Trade and Storage	Distribution	Other	Eliminations	Total
Income statement						
Sales to external customers	1,602,143	12,785,034	81,613	174,783	-	14,643,573
Intersegment sales	884,536	269,660	2,363,326	150,772	(3,668,294)	-
Total segment's revenue	2,486,679	13,054,694	2,444,939	325,555	(3,668,294)	14,643,573
Depreciation and amortisation	(444,597)	(99,095)	(558,941)	(8,345)	-	(1,110,978)
Other costs	(1,456,271)	(12,529,467)	(1,362,236)	(283,978)	3,641,331	(11,990,621)
Total segment's costs	(1,900,868)	(12,628,562)	(1,921,177)	(292,323)	3,641,331	(13,101,599)
Operating profit/loss	585,811	426,132	523,762	33,232	(26,963)	1,541,974
Net finance expenses						43,293
Share in net profit/loss of equity-accounted undertakings		(500)				(500)
Pre-tax profit/loss						1,584,767
Income tax						(245,766)
Net profit/loss	-	-	-	-	-	1,339,001
Statement of financial position						
Segment's assets	11,838,784	9,873,533	11,102,199	331,202	(2,641,099)	30,504,619
Investments in equity-accounted undertakings		556,023				556,023
Unallocated assets						158,665
Deferred tax asset						766,162
Total assets						31,985,469
Total equity						22,313,294
Segment's liabilities	1,606,763	2,822,938	1,697,093	79,888	(2,641,099)	3,565,583
Unallocated liabilities						4,854,784
Deferred tax liabilities						1,251,808
Total equity and liabilities						31,985,469
Other information on the segment						
Capital expenditure on property, plant and equipment and intangible assets	(1,280,665)	(347,301)	(612,971)	(6,446)	-	(2,247,383)
Impairment losses on assets	(910,396)	(2,144,273)	(848,831)	(3,571)	-	(3,907,071)
Impairment losses on unallocated assets						(53,161)

IV. SUPPLEMENTARY INFORMATION TO THE Q3 2011 REPORT

1. General information on the Company and its group

Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna ("PGNiG S.A.", "the Company", "the Parent Undertaking"), registered office at ul. Marcina Kasprzaka 25, Warsaw, is the Parent Undertaking of the PGNiG Group ("the PGNiG Group", "the Group"). On September 23rd 2005, following an IPO of PGNiG S.A. shares, PGNiG S.A. ceased to be a state-owned stock company and became a public company.

The Parent Undertaking was established as a result of transformation of the state-owned enterprise Polskie Górnictwo Naftowe i Gazownictwo into a state-owned stock company. The Deed of Transformation and the Company's Articles of Association were executed in the form of a notary deed on October 21st 1996.

The Deed of Transformation was executed by the Minister of the State Treasury in performance of the Prime Minister's Regulation of September 30th 1996 on the transformation of state-owned enterprise Polskie Górnictwo Naftowe i Gazownictwo of Warsaw into a state-owned stock company (Dz. U. No. 116 of 1996, item 553).

On October 30th 1996, the Company was entered in the commercial register maintained by the District Court for the Capital City of Warsaw, XVI Commercial Division, under No. RHB 48382. On November 14th 2001, the Company was entered into the register of entrepreneurs maintained by the District Court for the Capital City of Warsaw, XII Commercial Division of the National Court Register, under No. KRS 0000059492.

The Company's Industry Identification Number REGON is 012216736 and its Tax Identification Number NIP is 525-000-80-28.

The joint-stock company is the legal successor of the state-owned enterprise. The assets, equity and liabilities of the state-owned enterprise were contributed to the joint-stock company and disclosed in its accounting books at their respective values in the closing balance of the state-owned enterprise.

The Company's core business includes exploration for and production of crude oil and natural gas, as well as import, storage and sale of gaseous fuels.

The PGNiG Group remains the only vertically integrated company in the Polish gas sector, and holds the leading position across all segments of the domestic gas market. The PGNiG Group is both the main importer of gaseous fuel from Russia, Germany and the Czech Republic, and the main producer of natural gas from Polish fields. Natural gas and crude oil production are among the key factors ensuring the Company's competitive position on the liberalised gas market.

The scope of the PGNiG Group's business comprises oil and gas exploration, oil and gas production from fields in Poland, import, storage, distribution of and trade in gaseous fuels, as well as operations in the power sector.

The trade in and distribution of natural gas, which together with natural gas and crude oil production constitute the core business of the PGNiG Group, are regulated by the Polish Energy Law. For this reason, the Group's operations require licences and its revenue depends on the tariff rates for gaseous fuels, which are approved by the Polish Energy Regulatory Office. Exploration and production activities are conducted on a license basis, subject to the provisions of the Polish Geological and Mining Law.

2. Organisation of the PGNiG Group and its consolidated undertakings

As at September 30th 2011, the PGNiG Group comprised PGNiG S.A., as the Parent Undertaking, and 41 production and service companies, including:

- 27 subsidiaries of PGNiG S.A.
- 14 indirect subsidiaries of PGNiG S.A.

The following table presents a list of the PGNiG Group members as at September 30th 2011.

Companies of the PGNiG Group

	Company	Share capital (PLN)	Value of shares held by PGNiG S.A. (PLN)	% of share capital held by PGNiG S.A.	% of total vote held by PGNiG S.A.
PGNiG S.A.'s subsidiaries					
1	Poszukiwania Nafty i Gazu Jasło Sp. z o.o.	100,000,000	100,000,000	100 %	100 %
2	Poszukiwania Nafty i Gazu Kraków Sp. z o.o.	105,231,000	105,231,000	100 %	100 %
3	Poszukiwania Nafty i Gazu NAFTA Sp. z o.o.	60,000,000	60,000,000	100 %	100 %
4	GEOFIZYKA Kraków Sp. z o.o.	64,400,000	64,400,000	100 %	100 %
5	GEOFIZYKA Toruń Sp. z o.o.	66,000,000	66,000,000	100 %	100 %
6	Poszukiwania Naftowe Diament Sp. z o.o.	62,000,000	62,000,000	100 %	100 %
7	Zakład Robót Górniczych Krosno Sp. z o.o.	26,903,000	26,903,000	100 %	100 %
8	PGNiG Norway AS	1,092,000,000 (NOK) ¹⁾	1,092,000,000 (NOK) ¹⁾	100 %	100 %
9	Polish Oil and Gas Company - Libya B.V.	20,000 (EUR) ¹⁾	20,000 (EUR) ¹⁾	100 %	100 %
10	INVESTGAS S.A.	502,250	502,250	100 %	100 %
11	Dolnośląska Spółka Gazownictwa Sp. z o.o.	658,384,000	658,384,000	100 %	100 %
12	Górnośląska Spółka Gazownictwa Sp. z o.o.	1,300,338,000	1,300,338,000	100 %	100 %
13	Karpacka Spółka Gazownictwa Sp. z o.o.	1,484,953,000	1,484,953,000	100 %	100 %
14	Mazowiecka Spółka Gazownictwa Sp. z o.o.	1,255,800,000	1,255,800,000	100 %	100 %
15	Pomorska Spółka Gazownictwa Sp. z o.o.	614,696,000	614,696,000	100 %	100 %
16	Wielkopolska Spółka Gazownictwa Sp. z o.o.	1,033,186,000	1,033,186,000	100 %	100 %
17	Geovita Sp. z o.o.	86,139,000	86,139,000	100 %	100 %
18	PGNiG Technologie Sp. z o.o.	120,398,000	120,398,000	100 %	100 %
19	PGNiG Energia SA	30,000,000	30,000,000	100 %	100 %
20	BUD-GAZ P.P.U.H. Sp. z o.o.	51,760	51,760	100 %	100 %
21	PGNiG Sales & Trading GmbH (previously POGC Trading GmbH)	10, 000, 000 (EUR) ¹⁾	10, 000, 000 (EUR) ¹⁾	100 %	100 %
22	PGNiG Finance AB (publ)	500, 000 (SEK) ¹⁾	500, 000 (SEK) ¹⁾	100%	100%
23	PGNiG SPV 1 Sp. z o.o.	20,000	20,000	100%	100%
24	Operator Systemu Magazynowania Sp. z o.o.	5,000,000	5,000,000	100 %	100 %
25	Polskie Elektrownie Gazowe Sp. z o.o.	1,212,000	1,212,000	100 %	100 %
26	Biuro Studiów i Projektów Gazownictwa Gazoprojekt S.A.	4,000,000	3,000,000	75 %	75 %
27	NYSAGAZ Sp. z o.o.	9,881,000	6,549,000	66 %	66 %
PGNiG S.A.'s indirect subsidiaries					
28	BUG Gazobudowa Sp. z o.o.	39,220,000	39,220,000	100%	100%
29	Zakład Urządzeń Naftowych Naftomet Sp. z o.o.	23,500,000	23,500,000	100%	100%
30	ZRUG Sp. z o.o. (Pogórska Wola)	9,244,000	9,244,000	100%	100%
31	Geofizyka Toruń Kish Ltd (Rial)	10, 000, 000 (IRR) ¹⁾	10, 000, 000 (EUR) ¹⁾	39,220,000	39,220,000
32	Oil Tech International F.Z.E.	20,000 (USD) ¹⁾	20,000 (USD) ¹⁾	23,500,000	23,500,000
33	Zakład Gospodarki Mieszkaniowej Sp. z o.o. (Piła)	1,806,500	1,806,500	100%	100%
34	Biogazownia Ostrowiec Sp. z o.o.	105,000	105,000	100%	100%
35	Powisłe Park Sp. z o.o. (Warsaw)	81,131,000	81,131,000	100%	100%
36	Budownictwo Naftowe Naftomontaż Sp. z o.o.	44,751,000	44,751,000	100%	100%
37	Poltava Services LLC	20,000 (EUR) ¹⁾	19,800 (EUR) ²⁾	99%	99%
38	CHEMKOP Sp. z o.o. Kraków	3,000,000	2,550,000	85%	85%
39	GAZ Sp. z o.o. (Błonie)	300,000	153,000	51%	51%
40	GAZ MEDIA Sp. z o.o. (Wołomin)	300,000	153,000	51%	51%
41	PT Geofizyka Toruń Indonesia	8,773,000,000 ¹⁾ (IDR)	4,825,150,000 ³⁾ (IDR)	55%	55%

¹⁾ Figures in foreign currencies.

²⁾ Share capital not paid up.

³⁾ The company's share capital, which following translation into USD amounts to USD 1,000 thousand, was partly paid up by Geofizyka Toruń Sp. z o.o. on September 21st 2011 (USD 25 thousand).

Consolidated undertakings of the Group as at the end of Q3 2011

Company	Based in	% of share capital held by PGNiG S.A.	
PGNiG S.A. (Parent Undertaking)	Poland		
PGNiG S.A.'s subsidiaries		September 30th 2011	September 30th 2010
GEOFIZYKA Kraków Sp. z o.o.	Poland	100.00%	100.00%
GEOFIZYKA Toruń Sp. z o.o.	Poland	100.00%	100.00%
Poszukiwania Nafty i Gazu Jasło Sp. z o.o.	Poland	100.00%	100.00%
Poszukiwania Nafty i Gazu Kraków Group ¹⁾	Poland	100.00%	100.00%
Poszukiwania Nafty i Gazu NAFTA Sp. z o.o.	Poland	100.00%	100.00%
Zakład Robót Górniczych Krosno Sp. z o.o.	Poland	100.00%	100.00%
Poszukiwania Naftowe Diament Sp. z o.o.	Poland	100.00%	100.00%
PGNiG Norway AS	Norway	100.00%	100.00%
Polish Oil And Gas Company – Libya B.V.	The Netherlands	100.00%	100.00%
Dolnośląska Spółka Gazownictwa Sp. z o.o.	Poland	100.00%	100.00%
Górnośląska Spółka Gazownictwa Sp. z o.o.	Poland	100.00%	100.00%
Karpacka Spółka Gazownictwa Sp. z o.o.	Poland	100.00%	100.00%
Mazowiecka Spółka Gazownictwa Group ²⁾	Poland	100.00%	100.00%
Pomorska Spółka Gazownictwa Sp. z o.o.	Poland	100.00%	100.00%
Wielkopolska Spółka Gazownictwa Sp. z o.o.	Poland	100.00%	100.00%
Geovita Sp. z o.o.	Poland	100.00%	100.00%
INVESTGAS S.A.	Poland	100.00%	100.00%
PGNiG Energia S.A.	Poland	100.00%	100.00%
PGNiG Technologie Sp. z o.o.	Poland	100.00%	100.00%
PGNiG SPV1 Sp. z o.o.	Poland	100.00%	-
PGNiG Sales&Trading GmbH	Germany	100.00%	-
PGNiG Finance AB	Sweden	100.00%	-
Operator Systemu Magazynowania Sp. z o.o.	Poland	100.00%	-
Biuro Studiów i Projektów Gazownictwa Gazoprojekt S.A.	Poland	75.00%	75.00%
PGNiG S.A.'s indirect subsidiaries			
BUG Gazobudowa Sp. z o.o. Zabrze	Poland	100.00%	100.00%
Zakład Urządzeń Naftowych Naftomet Sp. z o.o.	Poland	100.00%	100.00%
ZRUG Sp. z o.o. (Pogórska Wola)	Poland	100.00%	100.00%
Budownictwo Naftowe Naftomontaż Sp. z o.o.	Poland	100.00%	88.83%
Jointly-controlled and associated undertakings accounted for using the equity method			
SGT EUROPOL GAZ S.A. ³⁾	Poland	100.00%	100.00%
GAS - TRADING S.A.	Poland	100.00%	100.00%

¹⁾ The Poszukiwania Nafty i Gazu Kraków Group comprises Poszukiwania Nafty i Gazu Kraków Sp. z o.o. and its subsidiary Oil Tech International - F.Z.E.

²⁾ The Mazowiecka Spółka Gazownictwa Group comprises Mazowiecka Spółka Gazownictwa Sp. z o.o. and its subsidiary Powiśle Park Sp. z o.o.

³⁾ Including a 48.00% direct interest and 1.74% held indirectly through GAS-TRADING S.A.

3. Changes in the Company's structure, including changes resulting from mergers, acquisitions or disposals of the Group undertakings, as well as long-term investments, demergers, restructurings or discontinuation of operations

The following material changes in the Group's structure took place in Q3 2011:

- On July 1st 2011, the Extraordinary General Shareholders Meeting of NYSAGAZ Sp. z o.o. adopted a resolution to increase the company's share capital by PLN 3,081 thousand through the issue of 30,810 new shares, all to be acquired by PGNiG S.A. The shares have been fully covered with an in-kind contribution in the form of 27 gas-fired boiler houses. Following the increase, the share capital of NYSAGAZ Sp. z o.o. amounts to PLN 9,881 thousand, and PGNiG S.A.'s interest is PLN 6,549 thousand, or 66.28%.

On the same day, an agreement on transfer of the ownership title to movable property was executed between PGNiG S.A. and NYSAGAZ Sp. z o.o. The parties represented that the subject of the agreement had already been transferred.

The company's share capital increase and the amendments to the company's Articles of Association were registered in the National Court Register by the District Court for Wrocław – Fabryczna, VI Commercial Division of the National Court Register, on July 20th 2011.

- On August 10th 2010, the share capital of PGNiG Energia S.A. was increased by PLN 10,000 thousand, to PLN 30,000 thousand. All the new shares were acquired by PGNiG S.A. This share capital increase was registered in the National Court Register by virtue of the decision of the District Court for the Capital City of Warsaw in Warsaw of October 21st 2011.
- On September 8th 2011, the Extraordinary General Shareholders Meeting of PGNiG Norway AS adopted a resolution to increase the company's share capital by NOK 140,673 thousand, from NOK 951,327 thousand to NOK 1,092,000 thousand. The new shares were subscribed for and fully paid up in cash by PGNiG S.A.
- On September 14th 2011, the Parent Undertaking made an additional contribution to the equity of its subsidiary undertaking PGNiG Finance AB in the amount of EUR 60 thousand, or PLN 264.7 thousand (translated at the rate quoted by the National Bank of Poland for September 30th 2011). The company was acquired for the purpose of managing Eurobond issues.
- On September 21st 2011, Geofizyka Toruń Sp. z o.o. transferred USD 25 thousand (PLN 80.1 thousand) to pay up the share capital of PT Geofizyka Toruń Indonesia, established in Indonesia on May 30th 2011. Pursuant to the Indonesian company's Articles of Association, Geofizyka Toruń Sp. z o.o. will hold a 55% interest in its share capital. According to the Articles of Association, the company's share capital amounts to IDR 8,773,000 thousand, which is equal to USD 1,000 thousand. Geofizyka Toruń Sp. z o.o.'s interest amounts to USD 550 thousand (IDR 4,825,150). The rest of the share capital is held by a local shareholder PT TRIAS TANJUNG REJEKI.
- On September 22nd 2011, by virtue of the decision of the District Court for the Capital City of Warsaw in Warsaw, the share capital of Operator Systemu Magazynowania Sp. z o.o was increased by PLN 4,000 thousand, to PLN 5,000 thousand. All the new shares were acquired by PGNiG S.A.
- On August 5th 2011, by virtue of the decision of the District Court for Kraków – Śródmieście in Kraków, the share capital of MIRACULUM S.A. was increased by PLN 12,535 thousand. In the company's increased share capital, PGNiG S.A. acquired 13,674 shares with a total par value of PLN 13,674 as part of performance of the provisions of an arrangement made between the company and its creditors on May 23rd 2011. PGNiG S.A.'s interest in the share capital MIRACULUM S.A. is 0.02%.

4. Management Board's position on the feasibility of meeting forecasts published earlier for a given year in the light of the results presented in the quarterly report as compared with the forecast

PGNiG S.A. has not published any performance forecasts for 2011.

5. Shareholders holding, directly or indirectly through subsidiaries, 5% or more of the total vote at the General Shareholders Meeting of the Company as at the date of publication of the quarterly report, including information on the number of shares held by those shareholders, their interests in the Company's share capital, the resulting number of votes at the General Shareholders Meeting and their share in the total vote at the General Shareholders Meeting, and any changes in the ownership structure of major holdings of the company shares after the publication of the previous quarterly report

Shareholder	% share of total vote as at the publication date of previous quarterly report*	Number of shares held as at the publication date of previous quarterly report*	% change in the period from Jun 30 to Sep 30 2011	% share of total vote at GM as at the publication date of this report**	Number of shares held as at this report publication date**
State Treasury	72.41%	4,272,416,557	0.00%	72.41%	4,272,226,146
Other shareholders	27.59%	1,627,583,443	0.00%	27.59%	1,627,773,854
Total:	100.00%	5,900,000,000	0.00%	100.00%	5,900,000,000

* As at June 30th 2011.

* As at September 30th 2011.

6. Number of Company shares and options for Company shares held by the management and supervisory staff as at the quarterly report date and changes in the number of Company shares and options for Company shares held by the management and supervisory staff after publication of the previous quarterly report

	Number of shares and options held as at the publication date of previous quarterly report*	Acquisition	Disposal	Increase due to change of composition	Decrease due to change of composition	Number of shares and options held as at this report publication date**
Management staff	67,667	-	-	-	-	67,667
Michał Szubski	6,825	-	-	-	-	6,825
Mirosław Szkaluba	9,425	-	-	-	-	9,425
Mieczysław Jakiel	30,101	-	-	-	-	30,101
Tadeusz Kulczyk	21,316	-	-	-	-	21,316
Supervisory staff	38,822	-	-	-	-	38,822
Stanisław Rychlicki	9,897	-	-	-	-	9,897
Mieczysław Kawecki	19,500	-	-	-	-	19,500
Jolanta Siergiej	9,425	-	-	-	-	9,425

**According to confirmations received as at June 30th 2011.

**According to confirmations received as at September 30th 2011.

7. Court, arbitration or administrative proceedings concerning liabilities or debt claims of the Company or its subsidiary

In the reporting period, no proceedings were instituted or pending before any court, arbitration tribunal, or public administration authority, concerning any liabilities or debt claims of PGNiG S.A. or its subsidiary, whose value would equal or exceed 10% of the Company's equity.

The aggregate value of all pending proceedings in respect of liabilities or debts is significantly lower than 10% of the Company's equity.

8. Conclusion by PGNiG S.A. or its subsidiary of a transaction or a series of transactions with related parties, where the transaction value (total value of all transactions concluded from the beginning of the financial year) exceeds the PLN equivalent of EUR 500 thousand, and the transactions are not typical or routine transactions concluded at arms' length between related undertakings, and their nature, as well as their terms and conditions do not follow from ordinary business activities of the Company or its subsidiary

From January 1st to September 30th 2011, there were no transactions between related undertakings within the Group whose value would exceed EUR 500 thousand and whose nature could be considered non-typical for day-to-day business activities.

9. Loan sureties or guarantees issued by the Company or its subsidiary to one entity or its subsidiary where the total amount of outstanding sureties or guarantees issued to such an entity or its subsidiary represents 10% or more of the Company's equity

On August 25th 2011, an agreement was signed under which PGNiG S.A. provided a guarantee of up to EUR 1,500,000 thousand (PLN 6,616,800 thousand, translated at the mid-exchange rate quoted by the National Bank of Poland for September 30th 2011) in respect of the liabilities of PGNiG Finance AB of Stockholm (PGNiG S.A.'s subsidiary) under the Eurobonds which are to be issued as part of the Eurobonds issue programme. The guarantee is valid until December 31st 2026. The financial terms of the guarantee will be correlated with the terms of the Eurobond issues carried out by PGNiG Finance AB. PGNiG Finance AB is a wholly-owned subsidiary of PGNiG S.A.

10. Other information which in the Company's opinion is material for assessing its staffing levels, assets, financial standing and performance, or changes in any of the foregoing, and information which is material for assessing the Company's ability to fulfil its obligations

Apart from the information disclosed in this report, the Company is not aware of any information which could be material for assessing its staffing levels, assets, financial standing and performance, or changes in any of the foregoing, or information which could be material for assessing the Company's ability to fulfil its obligations.

11. Factors which in the Company's opinion of will affect its performance in the next quarter or beyond

Key factors with a bearing on the PGNiG Group's financial performance will include crude oil prices on international markets, conditions prevailing on the currency markets, and the position of the Energy Regulatory Office regarding tariffs for gaseous fuel.

The financial position of the PGNiG Group is substantially influenced by the prices of crude oil and petroleum products. Crude oil prices on the global markets may drop as a result of stabilization of the political situation in Libya and a global economic slowdown.

The PGNiG Group is significantly exposed to changes in foreign exchange rates and consequently to fluctuations in the PLN prices of imported gas. While in H1 2011 the currency market was relatively stable, in Q3 2011 the Polish zloty significantly depreciated. Further depreciation of the Polish zloty will have a considerable negative effect on the financial performance of the PGNiG Group.

Another factor with a bearing on the PGNiG Group's financial results is the level of prices and charges set forth in the tariffs for gaseous fuel. PGNiG's current tariff, introduced in July 2011, is effective until December 31st 2011. The validity of the gas distribution companies' tariffs expires on June 30th 2012.

Due to a high level of the current and planned investment expenditure, the external debt will be growing. At present, the PGNiG Group's external financing relies primarily on the issuance of domestic notes. On July 21st 2011, the value of the note issue programme was increased from PLN 3bn to PLN 5bn, and the agreement term was extended until July 31st 2015. Additionally, on August 25th 2011 documentation for a EUR 1.2bn Eurobond issue programme was signed. The timing of the issue of Eurobonds depends on the conditions which will be prevailing on the European markets. Nevertheless, the PGNiG Group is planning to carry out the first issue of Eurobonds in the next few months.

In the forthcoming quarters, the PGNiG Group intends to maintain a high level of capital expenditure on investments, including mainly projects aimed at extension of underground gas storage facilities, increase of production capacity, diversification of gas supply sources, exploration for and appraisal of crude oil and natural gas deposits, as well as building the power segment, including the acquisition of Vattenfall Heat Poland S.A. On August 23rd 2011, a preliminary share purchase agreement was signed for 99.8% shares of Vattenfall Heat Poland S.A.

The launch of crude oil and natural gas production from the Skarv field on the Norwegian Continental Shelf, which was planned for the end of 2011, has been rescheduled for the first quarter of 2012.