

Framework Cooperation Agreement concluded with PGNiG S.A.

Legal basis: Art. 56.1.1 of the Act on Public Offering—inside information

The Management Board of PETROLINVEST S.A. (henceforth “Petrolinvest”) announces that on 24 November 2009 Petrolinvest and Polskie Górnictwo Naftowe i Gazownictwo S.A. (henceforth “PGNiG”) entered into a Framework Cooperation Agreement, setting out the terms of cooperation in respect of oil prospecting and extraction activities of PETROLINVEST Group, acquiring new projects, and setting out the terms of future acquisition of interests in Petrolinvest’s assets or Petrolinvest shares by PGNiG.

In particular, in the agreement the parties defined the following:

1. The principles of exercising operating control and managing the entire geological work carried out by OTG and TOO Emba Jug Nieft on the Kazakhstan concessions (henceforth “the Concessions”). The control involves:
 - a. Setting up a four-member Steering Committee consisting of two representatives of the management boards of both PGNiG and Petrolinvest,
 - b. Setting up a team in charge of operating management and cooperation (Operating Committee), with the reservation that PGNiG will have the right to appoint the Chairman of the Operating Committee.
 - c. Petrolinvest ensuring that a person indicated by the Management Board of PGNiG is appointed to Petrolinvest’s Supervisory Board.
2. The obligation of PGNiG to present, for a certain fee, a concept of geological work on the Concession areas and the obligation of Petrolinvest to treat the companies of PGNiG Group as the preferred contractors, with consideration to all applicable laws. With this concept in mind, the Parties will take a joint decision with respect to geological work, including, in particular, drilling of a deep well.
3. The obligation to inform one another, in the scope permitted by law, about any planned exploration and extraction undertakings in the former countries of the Commonwealth of Independent States and to take actions to ensure there is cooperation in such undertakings. In particular, if efforts are undertaken to acquire shares/stocks in new hydrocarbon exploration and extraction companies, the parties will provide mutual support in respect of the due diligence process, designing the structure of the potential transaction, and joint financing of the potential acquisition.
4. The parties agreed the terms and conditions on which PGNiG will have the option to acquire Petrolinvest shares or an interest in Petrolinvest’s assets, including in particular PGNiG’s right to negotiate such acquisition at any time; the obligation of Petrolinvest to inform PGNiG about discussions with other entities regarding their equity or organisational involvement in Petrolinvest’s prospecting and extraction undertakings, acquisitions of Petrolinvest’s assets or acquisitions of Petrolinvest shares; the timeframe in which PGNiG has the right to use the option to purchase Petrolinvest’s assets or Petrolinvest shares on terms at least as favourable as those offered by Petrolinvest to a third party.
5. The obligation of Petrolinvest to ensure that the liabilities of TOO Emba Jug Nieft to entities of PGNiG Group are settled on or before 15 December 2009.

The Management Board of Petrolinvest would like to underline that the conclusion of the agreement with PGNiG opens a new phase in the execution of the oil prospecting and production strategy in Kazakhstan. The cooperation with PGNiG provides Petrolinvest with support from another industry player, the advantage of many years of experience of PGNiG Group in the field of prospecting and extraction in the oil and gas sector, and the organisational and capital resources of PGNiG Group. The conclusion of the agreement also means that the Polish incumbent, PGNiG, has gained, apart from operating control, the option to add the assets held by PETROLINVEST Group in Kazakhstan to its own production asset portfolio in the future.

25 November 2009

/-/ Paweł Gricuk – President of the Management Board

/-/ Marcin Balicki – Vice President of the Management Board