

Subject: Termination of contract executed by Consortium including subsidiary

The Management Board of PBG S.A. (in company voluntary arrangement) reports that on October 3rd 2012 it was notified that the following documents had been submitted by Bioelektrownia Szarlej Sp. z o.o. (the "Principal") to the Consortium comprising PBG Energia Sp. z o.o. (PBG's subsidiary) as the Consortium leader and TEGAS S.A. and Gas & Oil Project Management Sp. z o.o.:

- termination notice for the contract for construction and commissioning of a biogas-fired power plant ("Contract");
- notice imposing contractual penalties:
- for delayed performance of the Contract – PLN 5,810,630,
- for Contract termination – PLN 6,136,470.

Pursuant to the Contract, all Consortium members are joint and several debtors.

In the opinion of the PBG Energia Management Board, the Principal's claims are unjustified and the termination of the Contract is ineffective and groundless.

Legal basis:

Par. 5.1.5 of the Minister of Finance's Regulation 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.

For PBG S.A.:

Magdalena Eckert-Boruta