

Wysogotowo, 14th January 2007

To:
Report submitted to the Polish Financial Supervision Authority

Current report: 17/2007

Re: Material agreement

Contents:

In reference to the Company's report no. 102/2006 of 20 December 2006, (<http://www.inwestor.pbg-sa.pl/nowa/pl/detale.asp?id=1053>), PBG S.A. hereby informs that on 14 February 2007, the Company as the Leader of the PBG S. A. – Naftobudowa S.A. Consortium, concluded a Framework Agreement between the Consortium and Zakład Inwestycji Organizacji Traktatu Północnoatlantyckiego (NATO Defence Investment Division) for the supply and installation of underground fuel depots as part of projects related to “Construction of airport fuel depots” and “Upgrade and extension of fuel depots”, located in the territory of the Republic of Poland. The total net value of all implemented projects was estimated at PLN 255,491,813.

Under the Framework Agreement, in the event of any breach thereof by the Consortium, the latter shall pay contractual penalty equal to 10% of the net contractual fee. NATO Defence Investment Division shall submit successive orders to the Consortium for the implementation of projects covered by the Framework Agreement, and shall conclude separate implementation contracts with the Consortium.

Performance of these projects will involve access to confidential information marked as “CLASSIFIED”.

At the same time, PBG S.A. hereby informs that today, i.e. on 14 February 2007, the Company as the Leader of the PBG S. A. – Naftobudowa S.A. Consortium, concluded a separate project implementation contract with Zakład Inwestycji Organizacji Traktatu Północnoatlantyckiego (NATO Defence Investment Division) under the Framework Agreement. Under this contract, the Consortium as the Contractor/Supplier shall supply and install underground fuel depots located in the territory of the Republic of Poland.

The fee of the Consortium for the completion of works is PLN 60,085,164 net of tax.

The task will be completed as part of two projects:

- Construction of airport fuel depots – within 14 months after the corresponding building permit decision comes into effect. Total net value of this task: PLN 121,393;
- Upgrade and extension of a fuel depot – within 18 months after the corresponding building permit decision comes into effect. Total net value of this task: PLN 41,963,771.

The Consortium shall pay the following contractual penalties to NATO Defence Investment Division for the non-performance or improper performance of the contract:

- a) for delayed performance of the project – up to 10% of gross fee;
- b) for delayed elimination of project-related defects identified during project implementation or during the quality guarantee period (warranty) – up to 10% of gross fee,
- c) for termination of the contract by the Consortium for which NATO Defence Investment Division cannot be held responsible – 10% of the total gross fee;
- d) for termination of the contract by NATO Defence Investment Division for which the Consortium is held responsible – 10% of the total gross fee.

NATO Defence Investment Division and the Consortium reserve the right to claim additional compensation in excess of the agreed contractual penalties.

The said agreement is considered material based on the total shareholders' equity criterion.

Legal basis:

§ 5 section 1.3 of the Regulation of 19 October 2005 on current and interim information submitted by issuers of securities.

Signature of the authorised person:
Magdalena Eckert-Boruła