



Polskie Górnictwo Naftowe i Gazownictwo SA
Centrala Spółki

Warsaw, 01 August 2016

Mr Erik Hagen
Board member
Western Sahara Resource Watch

A handwritten signature in black ink, appearing to read 'Sim'.

Response to the letter from the Western Sahara Resource Watch to President of PGNiG S.A. dated 06/27/2016

With response to the letter of 27 June 2016 concerning the geophysical survey carried out by Geofizyka Krakow SA, a subsidiary of PGNiG SA, we explain as follows.

Referring to the fax received in 2003, it should be underlined that it referred to geophysical surveys performed on marine areas, and such services Geophysics Krakow SA does not perform. Therefore, the received information provided no grounds for discontinuation of participation in tenders for the land seismic acquisition.

Referring to the issue of the legality of research and exploitation of natural resources located within the territory dependent of the United Nations (which include, among others, Western Sahara), Under-Secretary-General of the United Nations and Legal Counsel Hans Corell issued in 2002 a legal opinion, according to which the contentious issue is not the fact of signing the contracts and commitments by the representatives of the governments' of the areas dependents, but only the question of whether they take place with the knowledge and consent of local communities and serve their interests. Resolution of the General Assembly of the United Nations condemns the exploitation and plundering of natural resources and any economic activities which are detrimental to the interests of the people of these territories and will lead to the deprivation of their rights to their own resources.

It should be stressed that this position is in line with the performance of Geofizyka Krakow SA services under contract with the Moroccan state-owned ONHYM. The essence of Company's activity is seismic data acquisition, which is in fact a non-invasive way of collecting information about the geological structure of the area of research, and by all means is not the exploitation of mineral resources. Knowledge of the potential of this region, obtained by this research, is a value that serves the development of local communities and their economic potential.

With the signing of the contract, the company ONHYM committed to having the necessary permits to conduct geophysical surveys in this area. Geofizyka Krakow SA, acting on behalf of that entity and having the necessary permits and powers of attorney operates in accordance with the local law.

Taking into account all the above explanations it should be considered that Geofizyka Krakow SA is carrying out geophysical research in accordance with the local legislation and in accordance with the guidelines of the United Nations.

With kind regards,


PREZES ZARZĄDU
Piotr Wozniak

C: His Excellency Ambassador Christopher Ross
Personal Envoy of The United Nations Secretary – General for Western Sahara

His Excellency Witold Waszczykowski
Polish Minister of Foreign Affairs

His Excellency Witold Spirydowicz
Ambassador of the Republic of Poland to the People's Democratic Republic of Algeria

His Excellency Robert Tyszkiewicz
President to the Foreign Affairs Committee of Polish Parliament

Mr. Piotr Antionik
President of the Management Board GEOFIZYKA Kraków