# New investment in Polish power engineering.

04/30/2009

Polskie Górnictwo Naftowe i Gazownictwo S.A. (PGNiG), Polimex-Mostostal S.A. (PxM), Zakłady Azotowe w Tarnowie-Mościcach S.A. (ZAT), Tauron Polska Energia S.A. (Tauron) have signed today, i.e. on 30.04.2009, a letter of intent regarding joint realisation of an investment involving construction of a new heat and power generating plant of the output capacity of 200 MW, generating energy based on natural gas, and modernisation of the existing heat and power generating plant of the output capacity of 65 MW at the site of the Zakłady Azotowe w Tarnowie.

As part of the joint undertaking, the signatories of the letter of intent will execute the following tasks:

Polimex-Mostostal S.A.:

- development of the concept and technical assumptions,

development of investment funding options,
possible realisation of the planned investment and modernisation,
possible assumption of the new heat and power generating plant operator function;
Zakłady Azotowe w Tarnowie-Mościcach S.A.:

development of a possibility analysis of separating the ZAT power distribution company,
development of a concept of cooperation with the city of Tarnów with respect to heat reception,
heat and electricity reception from the newly-established installation;
PGNiG SA:

analysis of the possibility of gas supplies to the new heat and power generating plant;

Tauron Polska Energia S.A.:

development of the electricity surplus reception conditions.
Polish power engineering industry requires significant financial investments related to the need to adjust to EU requirements (gas emission reduction), improving power generating efficiency and increasing the power generated.

Electricity shortage in the power market and the need to invest in new production capacities are expected.

Polskie Górnictwo Naftowe i Gazownictwo SA is the key natural gas supplier on the Polish market.

Polimex-Mostostal S.A. as the Polish leader of industrial investment realisations has the experience and capacities to realise comprehensive power industry projects and is interested in further diversification of the activity through assuming the operator functions in the power engineering sector.

Tauron Polska Energia S.A. is the largest domestic electricity seller.

Zakłady Azotowe w Tarnowie-Mościcach S.A. is one of the largest chemical industry companies in Poland having its own power distribution company. ZAT is a significant consumer of heat and electricity for production-related purposes.

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