Current Report No. 41/2012

Date of preparation: 12 July 2012

Subject: Conclusion of a significant agreement with Elektrownia Połaniec S.A. – the GDF SUEZ ENERGIA POLSKA Group (GDF SUEZ Energia Polska S.A.)

General legal basis: Article 56.1.2 of the Polish Act on Public Offering – current and periodic information

Content:

The Management Board of LW Bogdanka S.A. with registered office in Bogdanka (the Company, the Seller) hereby informs you that on 12 July 2012 it concluded Agreement No. 3/W/2012 on the sale of power coal (the Agreement) with Elektrownia Połaniec S.A. — Grupa GDF SUEZ ENERGIA POLSKA (Elektrownia Połaniec, the Buyer) with registered office in Połaniec, Zawada 26.

The Agreement is in effect from the date of conclusion thereof until 31 December 2018, and provides for actual supplies of power coal for the purposes of Elektrownia Połaniec in the years from 2013 to 2018.

The Agreement between the Parties stipulates that the pricing formula is in effect until 31 December 2015.

The value of the Agreement amounts to approx. PLN 2.857 billion net, excluding possible increases or deviations provided for under the Agreement.

The Agreement provides for the following liquidated damages:

(a) In case of failure to supply or collect coal for reasons attributable to one of the Parties in the amount specified for a particular year, taking into account permissible deviations in settlement for a given year, the other Party is entitled to liquidated damages accounting for 10% of the value of coal which has not been supplied or collected.

(b) If the coal delivered to the Buyer under the Agreement is subject to excise tax, and the Seller is obliged to pay it due to reasons attributable to the Buyer or its authorised carrier, including due to failure to fulfil the obligations specified in the Agreement, the Seller will, on the basis of a decision issued by a relevant institution, charge the Buyer with damages on the basis of a note in the amount equivalent to the excise tax paid, as a result of imposing excise tax on the coal in question, together with statutory interest and other costs incurred.

(c) Each Party has the right to claim additional damages on general terms, if the liquidated damages fail to cover the value of damage incurred by the Party, except for lost profit.

The Agreement sets out the following conditions precedent:

(a) The Parties are entitled to terminate the Agreement with immediate effect if Force Majeure lasts longer than 180 days.

(b) The Buyer is entitled to terminate the Agreement with immediate effect if coal parameters fail to comply with the border parameters specified in the Agreement for a period of two consecutive months during which coal is supplied.

The Agreement provides for the following conditions subsequent:

(a) If until 31 August 2013 the Parties fail to conclude an annex to the Agreement setting the price of coal supplies for 2016, or until 31 August 2014 the Parties fail to conclude an annex to the Agreement setting the price for coal supplies for 2017, or until 31 August 2015 the Parties fail to conclude an annex to the Agreement setting the price for coal supplies for 2018, the Agreement is terminated with effect at the end of the period for which the Parties have set the price according to the provisions of the Agreement.

(b) Termination of the Agreement in this manner deprives the Parties of mutual claims in connection with termination thereof, in particular, as regards the right to damages on that account, or seeking any other liability, including the right to require supplying/collecting coal in years for which the Parties failed to set the price.

Other terms and conditions of the Agreement do not differ from the market standards applied in such agreements.

The criterion for deeming the Agreement significant is that it exceeds 10% of the value of the Company's shareholders' equity.

Legal basis for submitting the report: Article 5.1.3 of the Regulation of the Minister of Finance on the Stock Exchange.