

Current Report No. 21/2011

Date of preparation: 19 July 2011

Subject: Conclusion of a significant agreement with PH-U Energokrak Sp. z o.o. with registered office in Krakow

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

Contents:

The Management Board of LW Bogdanka S.A., with registered office in Bogdanka (the "Company"), hereby announces that the net value of agreements concluded within the past 12 months (i.e. until 19 July 2011) by and between the Company and Przedsiębiorstwo Handlowo-Usługowe Energokrak Sp. z o.o., ul. Ciepłownicza 1, 31-587 Krakow, amounts to PLN 431.38 million.

The Agreement of the highest value is the Long-Term Agreement for the Sale of Power Coal (the "Agreement") signed on 19 July 2011. The Agreement is effective from 19 July 2011 until 31 December 2015 and concerns the supply of coal for Elektrownia Rybnik S.A., with registered office in Rybnik.

The value of the Agreement, without regard to additional options, possible increases, deviations and tolerance, in accordance with current prices amounts to PLN 393 million net. The price of coal for each subsequent year during the term of the Agreement shall be agreed upon by the Parties by way of negotiation.

The Agreement provides for the following liquidated damages:

The Party to the Agreement which fails to collect or supply the contracted annual amount of coal, shall pay the other Party liquidated damages in the amount of 10% of the value of the undelivered/uncollected coal.

The other terms and conditions do not differ from 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