

Current Report No. 5/2010

Date of preparation: 5 March 2010

Subject: Conclusion of a significant agreement with Elektrownia Kozienice S.A.

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

Content:

The Management Board of LW Bogdanka S.A. (Company) hereby announces that on 4 March 2010 it concluded a new long-term agreement on the supply of power coal with Elektrownia Kozienice S.A. with registered office in Świerże Górne. Estimated net value of the concluded agreement according to supply prices in the current year accounts for **PLN 10,432 million**.

Long-Term Agreement No. UW/LW/01/2010 on the supply of power coal (Agreement) for the purposes of the existing power units of Elektrownia Kozienice S.A. was concluded for the period **from 4 March 2010 to 31 December 2025**. The supply of power coal will start in the first quarter of 2011 once the supply resulting from the currently binding long-term agreement is completed. Estimated net value of the agreement according to supply prices in the current year accounts for PLN 10,432 million.

The Agreement provides for:

- conclusion of annual agreements that specify volume, supply schedule, supply prices, other rules governing logistics and supply settlements during the term of the Agreement;
- two year notice period;
- liquidated damages for the failure to collect or supply the volume of coal specified in the supply schedule in the amount of 20% of the value of coal which has not been collected or supplied. Each of the Parties has the right to claim supplementary damages on general terms if the liquidated damages are insufficient to cover the value of the incurred damage.

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

The criterion for deeming concluded agreement to be significant is that it exceeds 10% of the value of the Company shareholders' equity.

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