

Current Report No. 33/2010

Date of preparation: 29 June 2010

Subject: Signing a significant agreement with the consortium of Mostostal Warszawa S.A. and Acciona Infraestructuras 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. (the “Company” or the “Client”) hereby announces that on 29 June 2010 a significant agreement was signed between the Company and a consortium of companies: Mostostal Warszawa S.A. and Acciona Infraestructuras S.A. (the “Contractor”).

The value of the agreement amounts to PLN 186,761,899.36 net, and its subject matter is the development of the Mechanical Coal Processing Plant of LW Bogdanka S.A., comprising the drawing of detailed designs, construction of facilities, supply of machinery and equipment, installation at the construction site, commissioning, machinery and equipment start-up and obtaining the permit for use.

The time limit for the performance of the Agreement is 18 months from the date thereof.

The Agreement provides for the following liquidated damages:

1. The Contractor agrees to pay to the Client liquidated damages for any delay in the performance of the Subject Matter of the Agreement with respect to the time limit provided for therein, caused by any fault of the Contractor, in the amount of 0.05% of the net value of the maximum remuneration per each day of delay;
2. In the event of a termination of the Agreement by the Client due to reasons attributable to the Contractor, the Client shall be entitled to charge the Contractor with liquidated damages in the amount of 10% of the net value of the maximum remuneration specified in the Agreement.
3. The Contractor agrees to pay the Client liquidated damages for delays caused by reasons attributable to the Contractor, for delays in remedying Faults discovered during the Technical Acceptance of the Facilities or upon Final Acceptance of the Subject Matter of the Agreement as well as during the warranty and/or guarantee (*gwarancji/rękojmi*) period - in the amount of 0.02% of the net value of the maximum remuneration specified in the Agreement, per each started day of delay with respect to the dates of remedying the Faults, as set out in the Agreement or defined by the Client pursuant to the Agreement.
4. In the event of termination of the Agreement by the Contractor for reasons attributable to the Client, the Contractor shall be entitled to charge the Client with the liquidated damages in

the amount of 10% of the net value of the maximum remuneration specified in the Agreement.

5. In the event that the incurred damage exceeds the value of the liquidated damages and in other cases of non-performance or undue performance of the Agreement, the Parties may seek redress on general terms resulting from the Civil Code. The Client is entitled to concurrently demand liquidated damages specified in sections 1 – 3 of this paragraph. Termination of the Agreement by any of the Parties shall not deprive the Client of the right to charge the Contractor with liquidated damages on the grounds stated above.

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