THE POSITION OF THE MANAGEMENT BOARD

OF LUBELSKI WĘGIEL BOGDANKA S.A.

REGARDING THE TENDER OFFER ANNOUNCED BY NEW WORLD RESOURCES N.V.

Acting pursuant to Article 80 of the Act on Public Offerings and the Conditions for Introducing Financial Instruments to Organised Trading and on Public Companies of 29 July 2005 ("**Act**"), the management board of Lubelski Węgiel Bogdanka SA with its registered office in Bogdanka ("**Company**") hereby presents its position regarding the public tender offer to acquire all the ordinary shares in the Company ("**Tender Offer**"), as announced by New World Resources N.V. ("**Offerer**") on 5 October 2010.

Pursuant to the contents of the Tender Offer, the Offerer intends to purchase, as a result of the Tender Offer, 34,013,590 shares, representing 100% of the share capital of the Company, and collectively granting the right to 34,013,590 votes at the general shareholders meeting of the Company, which corresponds to 100% of the total number of votes at the general shareholders meeting of the Company.

The position of the Management Board of the Company

1. **The effect of the Tender Offer on the interests of the Company, including the employment level in the Company, the strategic plans of the Offerer with regard to the Company, and the foreseeable effect of such plans on the employment level in the Company and on the location of its operations.**

   For the past several years, Lubelski Węgiel Bogdanka S.A. has successfully conducted an investment programme aimed at expanding the Stefanów field and doubling the production capacity of the mine by 2014. The core objectives of the programme include:
   - bringing the S 2.1 excavation and ventilation shaft in the Stefanów field into operation, which will help double the production capacity of the Company, increasing the annual hard coal output from 5.5 million tonnes now, to 6.8 million tonnes in 2011, in order to achieve the target level of 11.5 million tonnes per annum in 2014. The shaft is planned to be brought into operation in 2011;
   - extending the Mechanical Coal Processing Plant, aimed at doubling the capacity of the Plant from the current level of 1,200 t/h to 2,400 t/h, which will enable an increase in hard coal production, assuming that the output level will double.

   The strategic objective of the Company's development is to create and increase its shareholder value by:
   - gaining access to new reserves and increasing the level of coal extraction based on the extension of the Stefanów field, and thereby increasing the Company's share in the hard coal market in Poland twofold;
   - maintaining a stable position as the main supplier of coal in eastern Poland, particularly for the commercial power industry;
   - strengthening its competitive position by a significant reduction in the unit cost of production.

   The Company has unique technological know-how and the capability to finance its current investments, which, in the management board's opinion, will lead to an exponential increase in shareholder value over the next several years. Based on its years of experience, the management board of the Company is confident that the Company has a significant competitive advantage in the region, evidenced, among other things, by:
   - the region's highest efficiency: the production efficiency at Bogdanka is approximately 1,448 tonnes per employee per annum, as compared to approximately 614 tonnes per employee per

annum averaged by Poland’s other mines, and to 576 tonnes per employee per annum for NWR[1] (data based on the first six months of 2010);
- the industry’s highest average yield per mine face: Bogdanka’s yield amounts to approx. 12,000 tonnes per day, as compared to the Polish average of 2,500 tonnes per day, and to 1,700 for NWR[2] (based on data for the first six months of 2010);
- EBITDA margin at 33.7%, as opposed to NWR’s 23.6%[3] for the first six months of 2010.

In our opinion, the above competitive advantage will increase further due to the ongoing investments, should Bogdanka remain an independent entity.

The management board would like to note that in the Tender Offer the Offerer underlines the benefits for the Offerer’s capital group that it expects from the planned transaction. There is, however, no information on any positive effects to the Company’s business as a result of the Company joining the Offerer’s group or merging with the Offerer. In particular, the Offerer has failed to indicate any potential synergy effects that might positively influence the Company’s financial results.

The Offerer has also failed to clearly present the Company’s role in developing the Offerer’s investments in Poland. In particular, the management board would like to note the large scale of those projects and the lack of any information on their capital intensity and profitability. The execution of such investments by the Offerer may have an adverse impact on the Company’s capability to carry out its own investment plans. Moreover, given the lack of any representations as to the ultimate financing structure, the management board would like to highlight the risk that the proposed acquisition may potentially result in encumbering Bogdanka’s assets with acquisition debt, which might render the implementation of investment plans impossible.

The management board would like to point out that the lack of a clear declaration from the Offerer concerning the future operations of the Company as an independent legal entity may imply that the Company is likely to lose its independent status, or be forced to change the location of its registered office. The management board would also like to express its concern over the fact that the potential transfer of the Company’s decision-making centre outside of Bogdanka, possibly to London, might have an adverse impact on the efficiency of its management, the employment level, and the timeliness and effectiveness of the current investment programme.

Moreover, the management board notes that the Offerer has failed to take into consideration the interests of shareholding employees, and has not presented in the Tender Offer the rules under which employees who took up shares free of charge, pursuant to the Act on Commercialisation and Privatisation of 30 August 1996 (consolidated text Dz. U. 2002, No. 171, item 1397, as amended), will be able to exercise their rights in the event of a potential withdrawal of the Company’s shares from trading on the Warsaw Stock Exchange, or a merger of the Offerer and the Company.

[1] Including sub-contractors. Source: NWR, interim results for the six months ended 30 June 2010
[2] Soruce: NWR, interim results for the six months ended 30 June 2010
[3] Source: NWR, presentation on the announcement of an offer for Bogdanka, 5 October 2010

2. The position of the management board regarding the price for shares in the Company proposed in the Offer

In the opinion of the management board, the price for the shares in the Company proposed by the Offerer in the Offer is far below the fair value. In particular, the suggested price fails to account for:

- the economic and financial effects of the investment programme conducted by the Company, leading to a doubling of coal production by 2014, which in conjunction with the expected economies of scale and a significant increase in production cost effectiveness may, in the management board's assessment, lead to a considerable increase in the capitalisation of the Company. The management board believes that the current and future deposit reserves, as well as the production capacities of the Company, currently being expanded, are among the Offerer's key reasons behind the acquisition, though those factors are not taken into consideration in the proposed price ;

- an appropriate premium for control over the Company, the largest and, in terms of unit production cost, most efficient thermal coal mine in Poland, and whose experience and technological advantages constitute a significant contribution to the value of the acquisition for the Offerer;

- the long-term perspectives for the Company's operations, resulting from its location in the Lublin Coal Basin, and the related potential for a significant increase in reserves.

The management board has received a fairness opinion on the price per share in the Company, as proposed in the Tender Offer, prepared for the Company's management board by Rothschild, a leading international investment bank. That opinion confirms that the price proposed in the Tender Offer does not reflect the fair value of the Company from a financial standpoint. The opinion is attached hereto.

3. Summary of the management board's position:

The Offerer's plans were not consulted or discussed with the management board of the Company prior to day of the announcement of the Tender Offer. The management board firmly opposes the takeover attempt and points out the risk of a significant adverse impact that may affect the Company as a result of the acquisition, as well as the lack of any financial, technological or organisational benefits associated therewith. Moreover, in the opinion of the management board, the price proposed by the Offerer does not reflect the fair value of the Company, and therefore the management board recommends that the Company's shareholders do not respond to the Tender Offer and remain the shareholders of the Company.

Disclaimer

In order to express its standpoint, the Management Board of the Company familiarised itself with the content of the Tender Offer and the presentation of NWR as of 5 October 2010.

The Management Board familiarised itself also with the content of the standpoint of Labour Unions, which are definitely against the announced Tender Offer. The opinion of Labour Unions constitutes an appendix to this Standpoint of the Management Board.

This standpoint does not constitute a recommendation in the understanding of Article 42 of the Act on Trading in Financial Instruments of 29 July 2005. Each investor making an investment decision in relation to this opinion of the management board in relation to the Tender Offer is required to carry out its own evaluation of the investment risk related to the sale or purchase of financial instruments, based on all the information made available by the Company, within the scope of the Company meeting its disclosure obligations, and information included in prospectuses published by the Company, as far as this information remains valid, including obtaining individual advice or recommendations of authorised advisors to the extent necessary to make an appropriate decision. In particular, each shareholder of the Company intending to respond to the Tender Offer should carry out an evaluation of the investment risk.

Management Board:

Name and surname	Position	Signature
Mirosław Taras	President of the Board	
Zbigniew Stopa	Member of the Management Board	
Krystyna Borkowska	Member of the Management Board	
Waldemar Bernaciak	Member of the Management Board	