

Current Report No. 3/2011

Date of preparation: 5 February 2011

Subject: Conclusion of a significant agreement with Korporacja Gwarecka 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. with registered office in Bogdanka (the “Company”, the “Client”) hereby announces that the net value of agreements concluded by and between the Company and Korporacja Gwarecka S.A. with registered office in Bogdanka (“Korporacja”, the “Contractor”) in the period of the last 12 months (including the agreement described below) amounted to PLN 322 million, thus exceeding the value of 10% of the Company’s shareholders’ equity.

An agreement of the highest value is the agreement concluded on 4 February 2011 (the “Agreement”) by and between LW Bogdanka S.A. and Korporacja, concerning the performance of works at the Company connected with production, extraction, mechanical processing, quality control and shipping of hard coal, conducting preparatory works, maintenance and renovation works and other works, specified in the description of the subject matter of the order, necessary for performance of the works at LW Bogdanka S.A. (including the Stefanów Field) specified above, on Saturdays, Sundays and holidays which are official holidays within the period of 24 months from 1 February 2011 to 31 January 2013.

The maximum net value of the Agreement amounts to approximately PLN 319 million and it will depend on the scope of ordered and performed services.

The Agreement provides for the following liquidated damages:

1. In the event that, due to reasons attributable to the Contractor, it fails to achieve minimum monthly extraction of coal yield in any monthly accounting period, it shall be obliged to pay to the Client liquidated damages in the amount of PLN 20 for each tonne of coal yield below the minimum monthly extraction level.
2. In the event that, due to reasons attributable to the Contractor, it fails to perform minimum monthly progress of preparatory works in any monthly accounting period, it shall be obliged to pay to the Client liquidated damages in the amount of PLN 5,000 for each running meter below the minimum monthly progress of preparatory works.
3. In the event that the Contractor, due to reasons attributable to it, fails to perform or fails to duly perform services other than those specified in Clause 1 and 2, it will be obliged to pay to the Client liquidated damages in the amount equivalent of 200% of the net value, according to the rates specified in the Agreement, of the number of workdays, estimated by the representatives of both parties, necessary for duly performance of the non-performed part of the task.
4. The payment of the liquidated damages does not exclude the Client’s right to pursue damages against the Contractor under the general principles of law, in the event that the amount of incurred damage exceeds the amount of the liquidated damages.

Other terms and conditions do not differ from the market standards.

The Agreement substitutes the agreement effective in the period from 3 February 2009 to 3 February 2011, referred to in Article 8.6.5.1. of the Issue Prospectus of LW Bogdanka S.A., published on 15 May 2009.

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