

## Current Report No. 7/2011

Date of preparation: 12 April 2011

### Subject: Conclusion of a significant agreement with Vattenfall Heat Poland S.A.

*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 on 11 April 2011 it concluded *Agreement on Sale/Purchase of Power Coal* (the “Agreement”) with Vattenfall Heat Poland S.A., with registered office in Warsaw, 03-216 Warsaw, ul. Modlińska 15.

The Agreement concerns coal supplies provided by the Company in 2012 for the purposes of, among others, Żerań Heat and Power Station and Siekierki Heat and Power Station, whose owner is Vattenfall Heat Poland S.A.

The Agreement is in effect from the date of conclusion thereof until **31 December 2012**.

According to current prices, the net value of the Agreement amounts to **PLN 217,56 million +/- 10%**.

The Agreement provides for the following liquidated damages: The Party to the Agreement which fails to collect or supply the contracted amount of coal in settlement periods, shall pay the other Party liquidated damages in the amount of **10% of the value** of the undelivered/uncollected coal.

The Agreement provides for the following terms of termination: Each Party is entitled to terminate this Agreement upon a three-months’ notice.

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

The criterion for deeming the 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