

## **Current Report 21/2009**

Date of preparation: August 3, 2009

### **Subject: Conclusion of significant agreements 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. (the Issuer) hereby announces that the value of agreements concluded between the Issuer and Elektrownia Kozienice S.A. since June 22, 2009, i.e. from the admission of the Issuer's securities to public trading to date, amounts to PLN 1,028,663 million net.

The agreement with the highest value is Appendix 5 (signed on August 3, 2009) to Long-Term Agreement on the Supply of Power Coal No. UW/LW/01/04 (the "Long-Term Agreement"), concluded on December 31, 2003 between LW Bogdanka S.A. and Elektrownia Kozienice S.A.

Appendix 5 to the Long-Term Agreement, i.e. the Annual Agreement on the Supply of Power Coal for 2010, will be effective from January 1, 2010 to March 31, 2011 and contains a schedule of deliveries in that period. Deliveries will commence after the completion of the deliveries provided for in Appendix 4 to the Long-Term Agreement.

As a result of signing Appendix 5, the Issuer's revenues on account of supplying coal to Elektrownia Kozienice S.A. on the basis of the Annual Agreement on the Supply of Power Coal for 2010 will amount to PLN 643.31 million net (+/-1%), according to the quality parameters for power coal declared in the agreement (without secondary quality settlements).

Appendix 5 provides for liquidated damages for failing to accept or failing to deliver the volume of coal specified in the delivery schedule in the period January 1, 2010 to March 31, 2011, in the amount of 7.5% of the value of the unaccepted or undelivered coal in settlement periods.

Annex 1 to the Long-Term Agreement was also concluded, which extends the term of the agreement to March 31, 2011 (previously it ended on December 31, 2010).

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

The Management Board of LW Bogdanka S.A. (the Issuer) also informs you that on August 3, 2009, Annex 2 to the Annual Agreement on the Supply of Power Coal for 2009, which is attached as Appendix 4 to the Long-Term Agreement, was concluded between LW Bogdanka S.A. and Elektrownia Kozienice S.A.

Annex 2 extends the term of the Annual Agreement on the Supply of Power Coal for 2009 to March 31, 2010 (previously it ended on December 31, 2009), which now runs from July 1, 2009 to March 31, 2010.

Annex 2 contains an updated schedule of deliveries for the second half of 2009 and in the first quarter of 2010 and a reduction of the price of coal by 4.55% relative to the previous agreed price.

As a result of concluding Annex 2, the Issuer's revenues on account of deliveries of coal to Elektrownia Kozienice S.A. carried out from the date when its securities were admitted to stock exchange trading to the end of the term of the Annual Agreement on the Supply of Power Coal for 2009 will amount to approx. PLN 385.15 million net.

The conclusion of Annex 2 will not affect forecasts of the financial result of the Issuer's Group, as presented in the Issue Prospectus of LW Bogdanka S.A., as the planned updating of the terms and conditions relating to deliveries in 2009 was taken into account in those forecasts.

The criterion for deeming concluded agreements to be significant is that they exceed 10% of the value of the Issuer's shareholders' equity.

Legal basis for submitting the report:

Article 5.1.3 of the Regulation of the Minister of Finance on the Stock Exchange