

Current Report 30/2009

Date of preparation: 30 November 2009

Subject: Accomplishment of the issue objective – conclusion of an agreement on construction of a system for transporting excavated material dump from shaft 2.1 in the Stefanów Field to the Mechanical Coal Processing Plant in the Bogdanka Field.

General legal basis: Article 56.1.1 of the Act on Public Offering – confidential information

Content:

The Management Board of LW Bogdanka S.A. (the Client, the Company) hereby announces that on 30 November 2009 the Company concluded an agreement with POLIMEX – MOSTOSTAL S.A. with registered office in Warsaw (the Contractor), whose subject matter is the construction of a system for transporting excavated material dump from shaft 2.1 in the Stefanów Field to the Mechanical Coal Processing Plant in the Bogdanka Field in LW Bogdanka S.A. as regards development of detailed design, construction of facilities, delivery of devices and equipment, assembly on the construction site, commissioning, start-up of machines and devices, as well as obtaining a permit for use.

The construction of a system for transporting excavated material dump from the Stefanów Field to the Mechanical Coal Processing Plant is one of the Company's major issue objectives, presented in the Issue Prospectus of LW Bogdanka S.A., which was published on 15 May 2009.

The net value of the Agreement amounts to approximately PLN 99.5 million. The time limit for the performance of the Agreement - 12 months from the date of conclusion of the agreement.

The Agreement provides for the following liquidated damages:

1. The Contractor undertakes to pay to the Client the liquidated damages for delay in performance of the Subject Matter, which is due to reasons attributable to the Contractor – in the amount of 0.05% of the net value of the maximum remuneration, for each commenced day of delay;
2. In the event of termination of the Agreement by the Client for reasons attributable to the Contractor, the Client shall be entitled to charge the Contractor with the liquidated damages in the amount of 10% of the net value of the maximum remuneration.
3. The Contractor undertakes to pay to the Client the liquidated damages for delay due to reasons attributable to the Contractor in removing Defects identified during the Technical Acceptance of the Facilities or during the Final Acceptance of the Subject Matter of the agreement, as well as within the guarantee and/or warranty period – in

the amount of 0.02% of the net value of the maximum remuneration, for each commenced day of delay with respect to the time of liquidation of these defects, as specified in the agreement or indicated by the Client on the basis of the provisions of this 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.
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 demand concurrently liquidated damages specified in sections 1 – 3. 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.
6. Reservation of the liquidated damages does not exclude the possibility of terminating the Agreement by the Client due to untimely performance thereof on terms and conditions provided for in the Agreement and the Civil Code.

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

Legal basis for submitting the report: Article 56.1.1 of the Act on Public Offering – confidential information.