

Current Report No. 13/2014

Date of preparation: 30 June 2014

Subject: Conclusion of an agreement with regard to bond issue programme

Legal Basis: *Article 56.1.1 of the Act on Public Offering – confidential information*

The Management Board of Lubelski Węgiel Bogdanka S.A. (“Company”) hereby informs you that on 30 June 2014 it concluded an agreement with regard to bond issue programme (“Agreement”) with BANK POLSKA KASA OPIEKI SPÓŁKA AKCYJNA and BANK GOSPODARSTWA KRAJOWEGO (“Banks”).

Under the Agreement, the Company intends to establish a bond issue programme (“Programme”) which provides for bond issue by the Company in many series, pursuant to the provisions of the Agreement, up to the amount of PLN 600,000,000, which is the maximum allowed total amount of issued and not redeemed bonds.

The amount of the Programme is divided into two tranches: Tranche 1 and Tranche 2, of PLN 300,000,000 each.

The aim of bond issue will be obtaining funds for refinancing the existing debt, financing Company’s current operations and satisfying its investment needs.

Banks intend to assume the obligation to acquire the bonds issued under the Programme and to act during the issue as the guarantor, the depositary, the sub-depositary, the issue agent, the paying agent, the sub- paying agent and the documentation agent.

The first issue of bonds, i.e. of Tranche 1, will take place no later than 30 June 2015, and those of Tranche 2 – no later than 30 June 2016.

The term of the Programme begins on the day of signing the Agreement and ends for Tranche 1 on 31 December 2019 and for Tranche 2 on 31 December 2020.

The interest rate of bonds is variable and determined annually based on WIBOR 3M, increased by a fixed margin.

The Company will establish the following security interests for the benefit of the Banks: a claim assignment agreement regarding an agreement with one of the Company’s customers, a declaration of submission to enforcement pursuant to Article 777.1.5 of the Polish Code of Civil Procedure and a power of attorney to indicated bank accounts of the Company.

Bonds will not be offered in a public offering within the meaning of the Act on Public Offering.

Each issue of particular bond series will be announced by the Company in Current Reports.