

Current Report 8/2016

Date of preparation: 3 March 2016

Subject: Conclusion of Annual Agreement with ENEA Wytwarzanie Sp. z o.o.

General legal basis: Article 56.1.2 of the Act on Public Offering - current and periodic information.

Content:

The Management Board of Lubelski Węgiel Bogdanka S.A. (the “Company”) hereby informs you that on 3 March 2016 it concluded, with ENEA Wytwarzanie Sp. z o.o. with registered office in Świerże Górne, 26-900 Kozienice 1, an Arrangement to Long-Term Agreement No. UW/LW/01/2010 (“Long-Term Agreement”) in the form of an Annual Agreement for the supply of power coal in 2016 (“Annual Agreement”), and the Company’s Supervisory Board has approved the same.

The Long-Term Agreement was reported to in: Current Report No. 5/2010 of 5 March 2010, No. 44/2010 of 20 December 2010, No. 31/2011 of 27 December 2011, 3/2013 of 15 January 2013, No. 9/2013 of 29 March 2013, No. 3/2014 of 15 January 2014, No. 2/2015 of 25 March 2015 and No. 24/2015 of 21 August 2015.

The Annual Agreement sets out the terms and conditions of supplies in 2016 (quantities and prices), has been in effect for the Parties since 1 January 2016 and covers supplies of the Company’s coal for ENEA Wytwarzanie Sp. z o.o. power plant in Kozienice.

The Annual Agreement provides for the following liquidated damages: A Party to the Annual Agreement failing to collect or supply the contracted volume of coal will pay liquidated damages to the other Party in the amount of 20% of the value of coal which has not been collected or supplied.

Other terms of the Annual Agreement do not differ from the market standards applied in agreements of this type.

As a result of concluding the Annual Agreement, the value of supplies in 2016, will amount to PLN 760.1 million net, and the value of the entire Long-Term Agreement effective in 2011-2017, will be PLN 5,055 million net.

The criterion for deeming the Agreement material 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