

## Current Report No. 37/2016

Date of preparation: 30 September 2016

**Subject: Continued cooperation with ENGIE Energia Polska S.A. (formerly: Elektrownia Połaniec S.A. – GDF SUEZ ENERGIA POLSKA Group)**

*General legal basis: Article 17.1 of the MAR Regulation - Inside Information.*

Content:

The Management Board of LW Bogdanka S.A. with registered office in Bogdanka (the “Company”, the “Seller”) hereby announces that on 30 September 2016 it concluded an Annex to Agreement No. 3/W/2012 on the sale of thermal coal (the “Agreement”) between the Company and ENGIE Energia Polska Spółka Akcyjna (the “Buyer”) with registered office in Zawada 26, 28-230 Połaniec. The Agreement was referred to in Current Reports Nos. 41/2012 of 12 July 2012, 31/2013 of 30 August 2013, 38/2013 of 31 October 2013, 40/2013 of 18 November 2013, 21/2014 of 17 December 2014, 50/2015 of 7 December 2015, and 35/2016 of 30 August 2016.

The Agreement provides for the supplies of thermal coal for the purposes of the Buyer’s power plant in Połaniec.

As a result of concluding the Annex, the term of the Agreement is extended until 31 December 2021 (previously 31 December 2019), and in consequence, the Agreement covers the thermal coal supplies in the period 2013–2021.

The Annex sets out the terms and conditions of thermal coal supplies for the purposes of the Buyer in the period 2017-2021, the volumes of supplies for each year during the term, the coal price applicable to supplies in 2017, the price formula applicable between 2018 and 2020, and the manner in which price will be calculated in 2021.

Moreover, the Annex provides for the following condition subsequent: should the Parties fail to conclude an annex specifying the coal price or price formula to calculate the coal price applicable to supplies in 2021 by 30 June 2019, the Agreement will be terminated with effect as at 31 December 2020.

The value of the entire Agreement after the Annex has been concluded amounts to about PLN 3.399 billion net, and is 8.8% higher than the amount published in Report No. 50/2015 of 7 December 2015. The amount specified in the previous sentence includes additional volume options of about PLN 265 million to be used by the Parties between 2018 and 2021. After the Annex has been concluded, the value of additional volume options has not changed significantly compared to 7 December 2015, i.e. the last date on which the estimated value of the Agreement was published in Report No. 50/2015.

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

The Management Board has deemed this information significant due to a change to an important provision of the Agreement binding on the Parties, which was published in Current Report No. 21/2014 of 17 December 2014.