



## Negotiations with EBRD

**Current report no. 20/2012**  
**Dated October 19, 2012**

The Board of Directors of Coal Energy S.A. (the "Company") hereby informs that the Company started negotiations with the European Bank for Reconstruction and Development (the "Bank") on obtaining the long-term loan in amount up to USD 70 million. The project completed the structure review stage and is now pending the final review.

According to Bank's web page Project Summary Document was disclosed on the 17<sup>th</sup> October, 2012. Funds will be aimed at financing the development of the Company's waste coal recycling business, the construction of beneficiation facilities at its Svyatoy Matrony Moskovskoy (former CwAL LE Novodzerzhynskaya mine) coking coal mine, and the mechanization of its Chapaeva thermal coal mine. The project will also finance the implementation of energy efficiency, environmental and safety measures at the Company's priority mines and provide working capital to support its operations.

According to the EBRD statement preliminary results suggest the project can be structured to meet the EBRD's Performance Requirements. Due diligence included visit by the consultants to the sites, including underground mines, corporate level management discussions and review of pertinent company information. Due diligence reports are currently in preparation and will include a Stakeholder Engagement Plan, a Non-Technical Summary of the Project, and an Environmental and Social Action Plan that identifies actions that to be taken to ensure the project will meet the Bank's Performance Requirements. Due diligence will be completed prior to consideration by the Board. Preliminary Board date was set for 27<sup>th</sup> November 2012.

For additional details please visit <http://www.ebrd.com/english/pages/project/psd/2012/43684.shtml>

Signatures of individuals authorized to represent the Company:  
Elena Belousova

Legal grounds: Art. 56 of the Polish Act of 29 July 2005 on the public offering, conditions governing the introduction of financial instruments to organized trading system and on public companies, and the Luxembourg Act of 11 January 2008 on transparency obligations of securities issuers, as amended.