



## April 2012FY production update

**Current report no. 11/2012**

**Dated May 15, 2012**

The Board of Directors of Coal Energy S.A. (the "Company") hereby provides update on coal production in April 2012FY.

The financial year of Coal Energy S.A. commences on the 1<sup>st</sup> July 2011 and ends on the 30<sup>th</sup> June 2012.

Production of coal from mining segment increased by 39.7% year-on-year and remained flat month-on-month.

Production of coal recovered from waste dumps increased by 457.5% year-on-year and by 98.2% month-on-month.

<i>in tonnes</i>	April 2012FY	April 2011FY	change % y-o-y	change in tonnes y-o-y	March 2012FY	change % m-o-m	change in tonnes m-o-m
<b>Mining output</b>	<b>134 850</b>	<b>96 509</b>	<b>+39.7</b>	38 341	<b>134 840</b>	<b>+0.01</b>	10
Thermal coal	106 489	73 639	+44.6	32 850	106 500	-0.01	-11
Coking and dual-purpose coal	28 361	22 870	+24.0	5 491	28 340	+0.1	21
<b>Waste dumps processing</b>							
Saleable coal	<b>34 850</b>	<b>6 251</b>	<b>+457.5</b>	28 599	<b>17 580</b>	<b>+98.2</b>	17 270
<b>Total</b>	<b>169 700</b>	<b>102 760</b>	<b>+65.1</b>	66 940	<b>152 420</b>	<b>+11.3</b>	17 280

April FY2012 waste dumps processing data on Antracit LLC (the subsidiary of the Company) includes processing of 34.9 thousand tonnes of middlings that were beneficiated on Postnikovskaya plant into 20.0 thousand tonnes of high quality coal concentrate. This became feasible due to Postnikovskaya beneficiating plant reconstruction completed in March 2012 that allowed to process both thermal and coking coal, and to switch to beneficiation of different coal grades without production process interruption.

On Svyato-Andreevskaya mine (LLC Eximenergo TEK) the first stage of the project "Drilling and development of the seam m<sub>4</sub><sup>4</sup>" has been completed and the new 1<sup>st</sup> Western longwall of the seam m<sub>4</sub><sup>4</sup> has been launched. The expected daily output of the longwall is 100 tonnes with potential to increase capacity to 200 tonnes until October 2012. In May the Company launched the second stage of the project which implies undertakings on preparation of the 1<sup>st</sup> Eastern longwall of the seam m<sub>4</sub><sup>4</sup>. The launch of the longwall is planned in September FY2013. Expected total output from the two longwalls by the end of 2013 (calendar year) will comprise 400 tonnes daily.

Moreover, preparation of the new longwall has been completed on Svyatitelia Vasiliya Velikogo mine (Donbasuglerazrobotka LLC) and the 1<sup>st</sup> Southern longwall of the L<sub>7</sub> seam has been successfully launched with the expected daily output of 230 tonnes.

Undertakings on the commissioning of the process chain on rock hoisting to the surface by skips were completed at CwAL LE Novodzerzhynskaya Mine. Rock hoisting by skips will increase the turnover of car fleet by 1.5 times and thus, will increase daily output from the current 700 tonnes to 1,000 tonnes by the end of the calendar year 2012.

The Group continued the construction of the second waste processing plant Snezhnyanskaya No. 2 which will process 3 waste piles with the total volume of 7.2 million tonnes of waste rock, located in Snezhnoe. The plant will be launched in the test mode in August 2012 calendar year. Total switch to the operational mode is planned by the end of 2012 calendar year.

The Group has initiated methane capture and utilization project for the 3 mines: Svyato-Andreevskaya, Novodzerzhynskaya and Chapaeva mine. The Company investigates feasibility of cogeneration installation construction. Successful realization of the project will enable to substitute part of the electricity purchased from the market with own electricity produced by the installations.

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.