



September 2012FY production update and information about IPO proceeds utilization

Current report no. 15/2011

Dated October 17, 2011

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

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

Production of coal increased by 83,6% year-on-year and decreased by 0,2% month-on-month

Production of coal recovery from waste dumps increased by 4,9% year-on-year and by 0,2% month-on-month.

<i>in tones</i>	September 2012FY	September 2011FY	change % y-o-y	change in tones y-o-y	August 2012FY	change % m-o-m	change in tones m-o-m
Mining output	129 570	70 575	+83,6%	+58 995	129 838	- 0,2%	- 268
Thermal coal	105 894	49 003	+116,1%	+56 891	105 795	+0,1%	+99
Coking and dual-purpose coal	23 676	21 572	+9,7%	+2 104	24 043	- 1,5%	- 367
Waste dumps processing							
Saleable coal	17 409	16 600	+4,9%	+809	17 380	+0,2%	+29
Total	146 979	87 175	+68,6%	+59 804	147 218	- 0,2%	- 239

The following projects are currently implemented by the Company financed with the IPO proceeds:

- At the end of October at CwAL LE Novodzerzhynskaya Mine the new longwall will be launched that will allow to increase output at the mine from the current 527 to 650 tonnes per day by the end of October. In November further increase - up to 700 tonnes per day - is planned. Moreover in October the Company initiated cross drilling works from the seam L₂¹ to the seam K₈. (completion of drilling is planned for June 2012). As a result of these works new wall of the seam K₈ "Kamenka" will be accessible with additional daily output of 200 tonnes
- As a part of the modernization projects of transport and complex mechanization of coal mining an investment program is continued in the Chapaeva Mine. The following investment undertakings have been completed: installation of conveyor equipment and equipment of central substation and mine drainage, reconstruction of the inclined conveyor shaft of the seam K₂ and loading camera. First stage of modernization of coal transportation in the longwalls of the Central panel are at the final stage. Ongoing investment undertakings aimed at mechanization of mining works will allow to increase in May 2012 the production output on the existing longwalls of the Central panel of the seam K₂ (25th Eastern and 25th Western longwalls) from the current 450 to 900 tones per day. The Company started preparation for further mechanization of 25th Eastern longwall of the Eastern panel which will provide additional output of 1 000 tonnes per day. The launch of this longwall is planned for December 2012. Simultaneously, the Company monitors the market of mining equipment in order to optimize the choice of the mechanized longwall system for the new longwall.

Signatures of individuals authorized to represent the Company:

Viktor Nikolov

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