



INCREASE OF SHARE CAPITAL OF SUBSIDIARY

Current report no. 4/2011
Dated August 19, 2011

The Board of Directors of Coal Energy S.A. (the "Company") informs that on 19 August 2011 a resolution on share capital increase of Nertera Investments Limited a direct subsidiary of the Company, (company code 268603, registered office 1, Lampousas str., P.C. 1095, Nicosia, Cyprus) was adopted.

The Company intends to increase the issued share capital of Nertera Investments Limited from EUR 3,000.00 divided into 3,000 shares of nominal value EUR 1,00 each to EUR 4,000.00 divided into 4,000 shares of nominal value EUR 1.00 each, by the creation of 1,000 additional shares of a nominal value of EUR 1.00 each, issued at a premium of EUR 11.430,42 each, offered to the existing shareholder of Nertera Investments Limited entitled to vote in accordance with its Articles of Association, i.e. Coal Energy S.A., of Luxembourg.

Coal Energy S.A. shall pay for the 1,000 additional shares, totalling nominal value of EUR 1.000,00, the total amount of EUR 11.431.428,57. The payment shall be settled in USD in the amount of USD 16.004.000,00 and converted at the exchange rate of USD/EURO 1,4.

Signatures of individual authorised to represent the Company:
Viktor Nikolov

Legal grounds: Art.14 of the Luxembourg Law of 9 May 2006 on market abuse, and Art. 56 of the Act of 29 July 2005 on the public offering, conditions governing the introduction of financial instruments to organised trading system and on public companies.