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COAL ENERGY S.A. - 2011FY AND JULY 2012FY PRODUCTION UPDATE

August 23rd, 2011 Coal Energy S.A. hereby provides update on coal production in 2011FY and in July 2012FY.

The financial year of Coal Energy S.A. commences July and ends in June (2011 financial year commenced on the 1st July 2010 and ended on the 30th June 2011).

Update on coal production 2011 FY (July 2010 – June 2011)

Production of coal increased by 180,6% in 2011 FY compared to (the previous year) 2010FY. The organic growth in the total increase of production volumes comprised 89,4% while acquisition of new mines (CwAL LE Novodzerzhynskaya Mine and CwAL LE Sh/U Chapaeva) accounted for 91,3%.

Acquired CwAL LE Novodzerzhynskaya Mine and CwAL LE Sh/U Chapaeva mine coking coal and thermal coal accordingly.

In tonnes	2011FY (1.07.2010- 30.06.2011)	2010FY (1.07.2009- 30.06.2010)	change,%	change in tones
Mining output	1 060 620	446 705	+137,4%	+613 915
Thermal coal	793 927	446 105	+ 78,0%	+347 822
Coking and dual-purpose coal	266 693	600	x 443	+266 093
Waste dumps processing				
Saleable coal	567 974	133 600	+325,1%	+434 374
Total	1 628 594	580 304,9	+180,6%	+1 048 289

Update on coal production in July 2012 FY (first month of the 2012 financial year)

In July 2012FY (July 2011) production of coal increased by 86,5% year-to-year and by 2% month-to-month.

Production of coal recovery from waste dumps increased by 5,9% year-to-year and by 175,5% month-to-month.

In tonnes	July 2012FY (July 2011)	July 2011FY (July 2010)	change % y-o-y	change in tones y-o-y	June 2011 FY (June 2011)	change % m-o-m	change in tones m-o-m
Mining output	129 383	69 389	+86,5%	+59 994	126 901	+2,0%	+2 482
Thermal coal	108 172	54 789	+97,4%	+53 383	106 978	+1,1%	+1 194
Coking and dual-purpose coal	21 211	14 600	+45,3%	+6 611	19 923	+6,5%	+1 288
Waste dumps processing							
Saleable coal	17 266	16 300	+5,9%	+966	6 268	+175,5%	+10 998
Total	146 649	85 689	+71,1%	+60 960	133 169	+10,1%	+13 480

The July's increase in waste dumps processing volumes associated with completion of scheduled maintenance of beneficiation equipment which took place in June 2011.

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Coal Energy Group's principal business is mining, beneficiation and sale of thermal and coking coal. Coal Energy is the third largest private coal producer in Ukraine in terms of reserves as of end of 2010 and the seventh largest private coal producer in the country by output based on the 2010 results. Coal Energy's coal reserves are located in the country's largest coal basin – Donbas. Coal Energy is listed on Warsaw Stock Exchange since August 2011.

For more information, please contact;

Piotr Piotrowski

CC Group sp. z o.o., tel. (22) 440 1 440, 697 613 010

Email: p.piotrowski@ccgroup.com.pl