

**Annual accounts
and Report of the Réviseur d'entreprises agréé**

30 June 2013

For the year beginning 1 July 2012 and ending 30 June 2013

Coal Energy S.A.

Société anonyme

46A, Avenue J. F. Kennedy
L-1855 Luxembourg
Luxembourg
R.C.S. Luxembourg: B 154144
Share capital: USD 450,111.20

Coal Energy S.A.
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For the year beginning 1 July 2012 and ending 30 June 2013

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To the Shareholders of
COAL ENERGY S.A.
46A, Avenue J.F. Kennedy
L - 1855 LUXEMBOURG

Report of the Réviseur d'entreprises agréé (Independent Auditor) on the annual accounts at June 30, 2013

Following our appointment by the annual shareholders' meeting on December 12, 2012, we have audited the accompanying annual accounts of COAL ENERGY S.A., which comprise the balance sheet as at June 30, 2013, and the profit and loss account for the financial year then ended and a summary of significant accounting policies and other explanatory notes.

Board of Directors' responsibility for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the Réviseur d'entreprises agréé

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgment of the Réviseur d'entreprises agréé, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the Réviseur d'entreprises agréé considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of directors, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of COAL ENERGY S.A. at June 30, 2013 and of the results of its operations for the financial year then ended in conformity with the Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

Howald, October 30, 2013

Baker Tilly Luxembourg Audit S.à r.l.
Cabinet de révision agréé



Olivier BIREN

Coal Energy S.A.
Annual accounts
For the year beginning 1 July 2012 and ending 30 June 2013

BALANCE SHEET

As at	Notes	30 Jun 2013	30 Jun 2012
<i>(expressed in US Dollar)</i>		USD	USD
ASSETS			
Fixed assets			
Financial assets	3		
Shares in affiliated undertakings		72,006,905.28	72,006,905.28
Loans to affiliated undertakings		34,800,000.00	3,000,000.00
Total fixed assets		106,806,905.28	75,006,905.28
Current assets			
Debtors	4		
Amounts owed by affiliated undertakings due within one year		538,565.99	68,424.65
Other debtors due within one year		6,147.23	3,989.79
Cash at bank, cash in postal cheque accounts, cheques and cash in hand		743,231.09	125,214.26
Total current assets		1,287,944.31	197,628.70
Prepayments and accrued income	5	2,797.80	2,658.29
TOTAL ASSETS		108,097,647.39	75,207,192.27

Coal Energy S.A.
Annual accounts
For the year beginning 1 July 2012 and ending 30 June 2013

BALANCE SHEET

As at <i>(expressed in US Dollar)</i>	Notes	30 Jun 2013 USD	30 Jun 2012 USD
LIABILITIES			
Capital and reserves	6		
Subscribed capital		450,111.20	450,111.20
Share premium and similar premiums		80,540,783.11	80,540,783.11
Profit or (loss) brought forward		(5,973,534.01)	(325,069.26)
Profit or (loss) for the financial year		(2,306,049.14)	(5,648,464.75)
Total capital and reserves		72,711,311.16	75,017,360.30
Non subordinated debts	7		
Amounts owed to credit institutions due within one year		60,083.33	-
due in more than one year		35,000,000.00	-
Trade creditors due within one year		273,532.49	147,375.35
Creditors for tax and social security Tax		39,571.54	23,405.42
Other creditors due within one year		-	6,250.00
due in more than one year		13,148.87	12,801.20
Total non subordinated debts		35,386,336.23	189,831.97
TOTAL LIABILITIES		108,097,647.39	75,207,192.27

Viktor Vyshnevetsky, Director A

Roman Kovalkov, Director A

Oleksandr Reznik, Director A

Arthur David Johnson, Director A

G.B.A.D. Cousin, Director B

J. Mudde, Director B

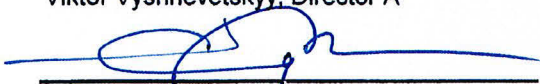
Coal Energy S.A.
Annual accounts
For the year beginning 1 July 2012 and ending 30 June 2013

PROFIT AND LOSS ACCOUNT

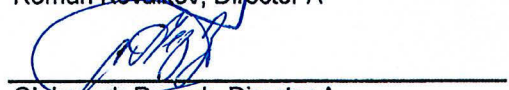
For the period <i>(expressed in US Dollar)</i>	Notes	from 01 Jul 2012 to 30 Jun 2013 USD	from 01 Jul 2011 to 30 Jun 2012 USD
CHARGES			
Other external charges	8	656,783.99	4,198,673.57
Other operating charges	9	43,210.08	90,369.98
Interest and other financial charges other interest and charges		<u>2,191,841.53</u>	<u>1,427,499.51</u>
Total interest and other financial charges		2,191,841.53	1,427,499.51
Income tax	10	2,079.63	3,587.67
Other taxes not included in the previous caption		20,263.38	26,016.02
TOTAL CHARGES		<u><u>2,914,178.61</u></u>	<u><u>5,746,146.75</u></u>
INCOME			
Other interest and other financial income derived from affiliated undertakings		602,453.67	84,698.62
other interest and financial income		<u>5,675.80</u>	<u>12,983.38</u>
Total interest and other financial income		608,129.47	97,682.00
Loss for the financial year		2,306,049.14	5,648,464.75
TOTAL INCOME		<u><u>2,914,178.61</u></u>	<u><u>5,746,146.75</u></u>



 Viktor Vyshnevetsky, Director A



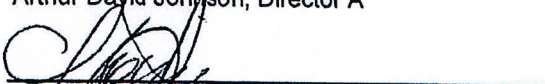
 Roman Kovalkov, Director A



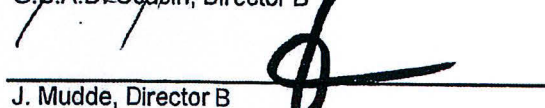
 Oleksandr Reznyk, Director A



 Arthur David Johnson, Director A



 G.B.A.D. Cousin, Director B



 J. Mudde, Director B

Coal Energy S.A.

Notes to the annual accounts

For the year beginning 1 July 2012 and ending 30 June 2013

(expressed in US Dollar)

1 General information

Coal Energy S.A. (hereafter the "Company") was incorporated on 17 June 2010 and organised under the laws of Luxembourg as a Société anonyme for an unlimited period.

The registered office of the Company is established in Luxembourg, 46A, Avenue J. F. Kennedy, L-1855 Luxembourg and the Company number with the Registre de Commerce is B 154144. The financial year of the Company starts on 1 July 2012 and ends on 30 June 2013.

The purpose of the Company is the holding of participations, in any form whatsoever, in Luxembourg and foreign companies and any other form of investment, the acquisition by purchase, subscription or in any other manner as well as the transfer by sale, exchange or otherwise of securities of any kind and the administration, control and development of its portfolio.

The Company may further guarantee, grant loans or otherwise assist the companies in which it holds a direct or indirect interest or which form part of the same group of companies as the Company.

The Company also prepares consolidated financial statements, which are published according to the Luxembourg legal requirements.

2 Summary of significant accounting policies

Basis of preparation

The annual accounts of the Company are prepared in accordance with Luxembourg legal and regulatory requirements.

Accounting policies and valuation rules follow the historical cost convention and are, besides the ones laid down by the law, determined and applied by the Board of Directors.

Financial assets

Shares in affiliated undertakings and participating interests are valued at purchase price including the expenses incidental thereto.

Loans to affiliated undertakings, participating interests and other loans are valued at nominal value including the expenses incidental thereto.

In case of a durable depreciation in value according to the opinion of the Board of Directors, value adjustments are made in respect of fixed assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Debtors

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Prepayments and accrued income

This asset item includes expenditure incurred during the financial period but relating to a subsequent financial period.

Provisions

Provisions are intended to cover losses or debts of which the nature is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

Provisions may also be created in order to cover charges which have their origin in the financial period under review or in a previous financial period, the nature of which is clearly defined and which at the date of the balance sheet are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

Accruals and deferred income

This liability item includes income received during the financial period but relating to a subsequent financial period.

Value adjustments

Value adjustments are deducted directly from the related asset.

Foreign currency translation

The Company maintains its accounts in US Dollar ("USD"). Transactions expressed in currencies other than USD are translated into USD at the exchange rate effective at the time of the transaction.

Formation expenses and fixed assets expressed in currencies other than USD are translated into USD at the exchange rate effective at the time of the transaction. At the balance sheet date, these assets remain translated at historical exchange rates.

Cash at bank and all items subject to fair value valuation are translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the period.

Other assets and liabilities are translated separately respectively at the lower or at the higher of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date. The unrealised exchange losses are recorded in the profit and loss account. The realised exchange gains are recorded in the profit and loss account at the moment of their realisation. Consequently, only realised exchange gains and losses and unrealised exchange losses are reflected in the profit and loss account.

Where there is an economic link between an asset and a liability, these are valued in total according to the method described above and only the net unrealised loss is recorded in the profit and loss account.

Coal Energy S.A.

Notes to the annual accounts

For the year beginning 1 July 2012 and ending 30 June 2013

(expressed in US Dollar)

3 Fixed financial assets

Fixed financial assets held at cost less impairment - movements gross book value	Gross book value - opening balance	Additions	Disposals	Transfers	Gross book value - closing balance
Shares in affiliated undertakings	72,006,905.28	-	-	-	72,006,905.28
Loans to affiliated undertakings	3,000,000.00	32,200,000.00	(400,000.00)	-	34,800,000.00
Total	75,006,905.28	32,200,000.00	(400,000.00)	-	106,806,905.28

Fixed financial assets held at cost less impairment - movements value adjustments	Value adjustments - opening balance	Additions	Disposals	Transfers	Value adjustments - closing balance
Shares in affiliated undertakings	-	-	-	-	-
Loans to affiliated undertakings	-	-	-	-	-
Total	-	-	-	-	-

Fixed financial assets held at cost less impairment - movements net book value	Net book value - opening balance	Additions	Disposals	Transfers	Net book value - closing balance
Shares in affiliated undertakings	72,006,905.28	-	-	-	72,006,905.28
Loans to affiliated undertakings	3,000,000.00	32,200,000.00	(400,000.00)	-	34,800,000.00
Total	75,006,905.28	32,200,000.00	(400,000.00)	-	106,806,905.28

Undertakings in which the Company holds at least 20% in their share capital or in which it is a general partner are as follows:

Name	Registered Office	Ownership %	Net Value	Date of last approved accounts	Net equity in last approved accounts	Net result in last approved accounts
Nertera Investments Limited	Cyprus	100%	72,006,905.28	31-Dec-12	79,996,118.00	6,540,256.00
					79,996,118.00	6,540,256.00

Loans to affiliated undertakings	Within one year	More than one year	More than 5 years	30 Jun 2013	30 Jun 2012
Loans to affiliated undertakings	-	22,540,000.00	12,260,000.00	34,800,000.00	3,000,000.00
Total	-	22,540,000.00	12,260,000.00	34,800,000.00	3,000,000.00

Loans to affiliated undertakings	Counterparty	Currency	Amount	Amount USD	Interest rate	Maturity date
	Nertera Investments Limited	USD	2,600,000.00	2,600,000.00	4.50%	14 Nov 2021
	Nertera Investments Limited	USD	32,200,000.00	32,200,000.00	Libor 6m + 5.85%	Jun 2020
Total				34,800,000.00		

4 Debtors

Debtors	Within one year	More than one year	30 Jun 2013	30 Jun 2012
Amounts owed by affiliated undertakings	538,565.99	-	538,565.99	68,424.65
Other debtors	6,147.23	-	6,147.23	3,989.79
Total	544,713.22	-	544,713.22	72,414.44

Accrued interest receivable from affiliated undertakings	Counterparty	Currency	Amount USD	Interest rate	Maturity date
	Accruals loan interest to Nertera Investments Limited	USD	58,980.82	4.50%	N/A
	Accruals loan interest to Nertera Investments Limited	USD	479,585.17	Libor 6m + 5.85%	N/A
Total			538,565.99		

Other debtors

Due within one year	30 Jun 2013	30 Jun 2012
Corporate income tax advances	6,147.23	3,989.79
Total	6,147.23	3,989.79

Coal Energy S.A.**Notes to the annual accounts****For the year beginning 1 July 2012 and ending 30 June 2013***(expressed in US Dollar)***5 Prepayments and accrued income**

Prepayments and accrued income	30 Jun 2013	30 Jun 2012
Advance TMF Luxembourg S.A.	2,797.80	2,658.29
Total	2,797.80	2,658.29

6 Capital and reserves

Movements in capital and reserves	Balance as at 30 June 2012	Allocation of preceding period result	Other movements	Net result for current year	Balance as at 30 Jun 2013
Subscribed capital	450,111.20	-	-	-	450,111.20
Share premium and similar premiums	80,540,783.11	-	-	-	80,540,783.11
Profit or (loss) brought forward	(325,069.26)	(5,648,464.75)	-	-	(5,973,534.01)
Profit or (loss) for the financial year	(5,648,464.75)	5,648,464.75	-	(2,306,049.14)	(2,306,049.14)
Total	75,017,360.30	-	-	(2,306,049.14)	72,711,311.16

The subscribed capital amounts to USD 450,111.20 and is divided into 45,011,120 shares with a nominal value of USD 0.01 fully paid up at 30 June 2013.

The Company shares were admitted to trading on Warsaw Stock Exchange on 4 August 2011. The offer price for one share was established at PLN 20.00 and the final number of the offer shares was 11,252,780.

Legal reserve

Luxembourg companies are required to allocate to a legal reserve a minimum of 5% of the annual net income, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

7 Non subordinated debts

Creditors by category	Within one year	More than one year	More than five years	30 Jun 2013	30 Jun 2012
Amounts owed to credit institutions	60,083.33	24,500,000.00	10,500,000.00	35,060,083.33	-
Trade creditors	273,532.49	-	-	273,532.49	147,375.35
Creditors for tax and social security	39,571.54	-	-	39,571.54	23,405.42
Other creditors	-	13,148.87	-	13,148.87	19,051.20
Total	373,187.36	24,513,148.87	10,500,000	35,386,336.23	189,831.97

Amounts owed to credit institutions	Within one year	More than one year	More than 5 years	30 Jun 2013	30 Jun 2012
Accrued interest - European Bank for Reconstruction and Development	60,083.33	-	-	60,083.33	-
Loan - European Bank for Reconstruction and Development	-	24,500,000.00	10,500,000.00	35,000,000.00	-
Total	-	24,500,000.00	10,500,000.00	35,060,083.33	-

Amounts owed to credit institutions	Currency	30 Jun 2013	Interest rate
Due after more than one year			
Loan - European Bank for Reconstruction and Development	USD	35,000,000.00	6m LIBOR + 5.85%
Total		35,000,000.00	

On 21 December 2012, the Company signed a USD 70,000,000.00 loan agreement with EBRD. First tranche of USD 35,000,000.00 was received in February 2013. As part of the condition precedent requirements, the Company and its affiliated entities entered into and signed the following agreements:

- pledge agreement over 14.99% shares of the Company; Party to the agreement with the EBRD is Lycaste Holdings Limited;
- subordination and share retention deed; Parties to the agreement with EBRD are V.Vyshnevetskyy, M.Vyshnevetska, Nertera Investments Limited, Coal Energy S.A., Lycaste Holdings Limited;
- deed of suretyship; Parties to the agreement with the EBRD are LLC Antracit, LLC Progres-Vugillya;
- mortgage agreement for the immovable property; Party to the agreement with EBRD is LLC Antracit;
- movable property pledge agreement over the equipment of the coal waste dumps; Party to the agreement with EBRD is LLC Antracit;
- bank accounts pledge - party to the agreement with EBRD is Coal Energy Trading Ltd;
- export contracts pledge - party to the agreement with EBRD is Coal Energy Trading Ltd;

Other creditors

Other creditors	Within one year	More than one year	More than five years	30 Jun 2013	30 Jun 2012
A.D. Johnson	-	-	-	-	6,250.00
Kyriaki Petrou Savvidou	-	1.30	-	1.30	1.27
M.Vishnevetskaya	-	6,118.45	-	6,118.45	5,956.67
V.Vishnevetskiyy	-	7,029.12	-	7,029.12	6,843.26
Total	-	13,148.87	-	13,148.87	19,051.20

Coal Energy S.A.

Notes to the annual accounts

For the year beginning 1 July 2012 and ending 30 June 2013*(expressed in US Dollar)***8 Other external charges**

Other external charges	30 Jun 2013	30 Jun 2012
Bank account charges	5,437.98	9,967.14
Legal fees notary	26.10	11,601.29
Auditing fees	158,215.80	268,460.52
Tax consulting and compliance fees	1,960.32	5,518.99
Other professional fees	321,387.26	3,542,614.06
Other professional fees office disbursements	7,802.32	18,257.39
Other professional fees responsibility fees	3,273.96	3,567.31
Other professional fees domiciliation fees	1,505.70	1,640.69
Other professional fees admin and accounting TMF	34,596.42	72,694.41
Other professional fees corporate secretarial TMF	46,083.52	81,455.77
Other professional fees consultancy fees	27,327.00	38,869.15
Other professional expenses agency fees	1,864.89	16,668.86
Other commissions and professional fees	15,251.93	81,754.32
Legal fees	32,050.79	45,603.67
Total	656,783.99	4,198,673.57

9 Other operating charges

Other operating charges	30 Jun 2013	30 Jun 2012
Director's fees	18,750.00	33,020.13
Non-deductible VAT	23,066.20	49,963.25
Registration duties	1,393.88	7,386.60
Total	43,210.08	90,369.98

10 Taxation

The Company is subject to normal taxation under Luxembourg tax regulations.

The tax position until 2012 has not been assessed by the Luxembourg tax authorities. The issuance of a final tax assessment could result in additional tax payable/ receivable.

11 Off balance sheet commitments and transactions

On 30 January 2013 the Company entered into a surety agreement with OTP Bank to act as a guarantor for securing obligations of "Donantratsit" LLC under factoring agreement Nr FT 12-318/28-3 in an amount not exceeding UAH 39,200,000.00

12 Related party transactions

There were no transactions with related parties.

13 Emoluments granted to the members of the managing and supervisory bodies and commitments in respect of retirement pensions for former members of those bodies

Remuneration granted to the members of the managing and supervisory bodies acting in that capacity and any commitments arising or contracted in respect of retirement pensions for former members of those bodies for the financial year are broken down:

Remuneration members of managing and supervisory bodies	30 Jun 2013	30 Jun 2012
Managing bodies	18,750.00	33,020.13
Total	18,750.00	33,020.13

14 Advances and loans granted to the members of the managing and supervisory bodies

There are no advances, loans or commitments given on their behalf by way of guarantee of any kind granted to the members of the management and supervisory bodies during the financial year (2012: nil).

15 Subsequent events

There are no significant subsequent events.




 Viktor Vyshnevetsky, Director A



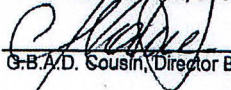
 Roman Kovalkov, Director A




 Oleksandr Reznik, Director A



 Arthur David Johnson, Director A



 G-B.A.D. Cousin, Director B



 J. Mudde, Director B

Coal Energy S.A.

Société anonyme

Registered address: 46A, Avenue J. F. Kennedy, L-1855 Luxembourg, the Grand Duchy of
Luxembourg

R.C.S. Luxembourg: B 154144
(the "Company")

REPORT

of the board of directors to the annual general meeting of shareholders of the Company

According to the prevailing law and the mandate you have granted to us we are pleased to report the results for the financial year ended 30 June 2013.

We herewith submit to your meeting the Company's annual accounts, consisting of the Company's balance sheet, the profit and loss account, and the explanatory notes thereto regarding the financial year ended 30 June 2013.

The inventory of movable and immovable assets of, and all debts owed to and by, the Company, summarising all commitments, and the debts of the officers, members of the board of directors as required by Article 72 of the Luxembourg Companies Act of 10 August 1915 is comprised in the annual accounts.

FINANCIAL HIGHLIGHTS IN 2013

The principal activities of the Company consist of holding participations.

During the financial year under review:

- on 21 December 2012, the Company signed a USD 70,000,000.00 loan agreement with EBRD, aimed at financing of the development of the Company waste coal recycling and beneficiation businesses, as well as mechanization, energy efficiency and environmental, health and safety upgrades at its priority mines. First tranche of USD 35,000,000.00 was received by the Company in February 2013.

RESULTS

At the end of the year under review the Company recorded a loss of USD 2,306,049.14 (loss of USD 5,648,464.75 as of 30 June 2012) and no revenue was generated. Losses of the Company are due to general and administrative expenses. No income was yet derived from its participations.

Since the losses brought forward appear to be higher than 75% of the corporate capital, according to Art.100 of the law of 10 August 1915, concerning commercial companies, your meeting will have to deliberate on the continuity of the Company.

ACTIVITY IN THE FIELD OF RESEARCH AND DEVELOPMENT

The Company is not involved in any activity in the field of research and development.

OWN SHARES

During the year under review, the Company did not acquire any of its own shares.

DIRECTORS

During the financial year under review the board of directors consisted of:

Name	Date of Appointment	Date of Resignation
Mr Viktor Vyshnevetsky – Director A	17 May 2011	
Mr Mykhail Zolotarov – Director A	17 May 2011	22 August 2013
Mr Oleksandr Rezyk – Director A	17 May 2011	
Mr Arthur David Johnson – Director A	10 June 2011	
Mr Roman Kovalkov – Director A	24 September 2013	
Mrs Gwenaelle, Bernadette, Andree, Dominique Cousin – Director B	17 May 2011	
Mr Jacob Mudde – Director B	17 May 2011	

FUTURE DEVELOPMENTS

For the forthcoming year the management considers on further development of the Company and its subsidiaries, expecting to expand production output by the introduction of the new technology and mechanical aids.

Finally, we request you to adopt the annual accounts, to grant discharge to the directors and the independent auditor for their mandates during the financial year ended 30 June 2013.

Luxembourg,



Viktor Vyshnevetsky
Director A



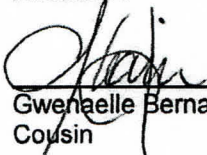
Oleksandr Rezyk
Director A



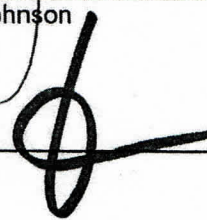
Roman Kovalkov
Director A



Arthur David Johnson
Director A



Gwenaelle Bernadette Andree Dominique
Cousin
Director B



Jacob Mudde
Director B

Coal Energy S.A.

Société anonyme
Registered address: 46A, Avenue J.F. Kennedy, L-1855 Luxembourg,
the Grand Duchy of Luxembourg
R.C.S. Luxembourg: B 154144
(the "Company")

STATEMENT OF MANAGEMENT RESPONSIBILITY

To the best of our knowledge, the financial statements as of 30 June 2013 of Coal Energy S.A. have been prepared in accordance with the LUX GAAP accounting standards give a true and fair view of the assets, liabilities, financial position and result of its operations for the year ended 30 June 2013. The annual management report includes a fair review of the information required under article 4(4) of the Law.

Luxembourg, 30.10.2013

On behalf of management

Directors A:



Chairman of the Board of Directors
Viktor Vyshnevetsky



Chief Operating Officer
Roman Kovalkov

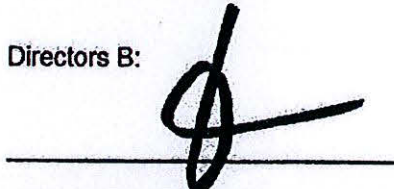


Business Development Director
Oleksandr Ryznyk

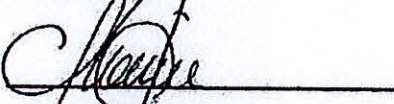


Independent Non-executive Director
Arthur David Johnson

Directors B:



Independent Non-executive Director
Jacob Mudde



Independent Non-executive Director
Gwenaëlle Bernadette Andrée Dominique Cousin

Coal Energy S.A.

Société anonyme

Registered address: 46A, Avenue J. F. Kennedy, L-1855 Luxembourg,
the Grand Duchy of Luxembourg
R.C.S. Luxembourg: B 154144
(the "Company")

Corporate Governance Statement

Directors:

Name	Date of Appointment	Date of Resignation
Joost Anton Mees – Sole Director	17 June 2010	17 May 2011
Vyktor Vyshnevetsky – Director A	17 May 2011	
Mykhail Zolotarov – Director A	17 May 2011	22 August 2013
Oleksandr Rezyk – Director A	17 May 2011	
Arthur David Johnson – Director A	10 June 2011	
Roman Kovalkov – Director A	24 September 2013	
Gwenaelle, Bernadette, Andree, Dominique Cousin – Director B	17 May 2011	
Jacob Mudde – Director B	17 May 2011	

Audit Committee:

Name	Date of Appointment	Date of Resignation
Arthur David Johnson – Director A	10 June 2011	
Jacob Mudde – Director B	10 June 2011	
Gwenaelle, Bernadette, Andree, Dominique Cousin – Director B	10 June 2011	

The Board of Directors (the "Board") states its application of Warsaw Stock Exchange corporate governance rules included in the "Code of Best Practice for WSE Listed Companies" to the form and extent determined by the Resolution No. 20/1287/2011 of the Exchange Supervisory Board dated 19 October 2011. Code of Best Practice for WSE Listed Companies is available at the official website of the Warsaw Stock Exchange: www.corp-gov.gpw.pl

The Board is responsible for establishing and maintaining adequate internal and risk management systems for the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has established processes regarding internal control and risk management systems to ensure its effective oversight of the financial reporting process. These include appointing an independent administrator (the "Administrator") to maintain the accounting records of the Company independent of Coal Energy S.A. . The Administrator has a duty of care to maintain proper books and records and prepare for review and approval by the Board the financial

statements intended to give a true and fair view. The Board has appointed TMF Luxembourg S.A. as Administrator.

The Board is responsible for assessing the risk of irregularities whether caused by fraud or error in financial reporting and ensuring that the processes are in place for the timely identification of internal and external matters with a potential effect on financial reporting. The Board has also put in place processes to identify changes in accounting rules and recommendations and to ensure that these changes are accurately reflected in the Company's financial statements.

The Board maintains control structures designed and aimed to manage the risks which are significant for internal control over financial reporting. These control structures include segregation of responsibilities and specific control activities aimed at detecting or preventing the risk of significant deficiencies in financial reporting for every significant account in the financial statements and the related notes in the Company's annual report.

The Company's policies and the Board's instructions with relevance for financial reporting are updated and communicated via appropriate channels, such as e-mail, correspondence and meetings to ensure that all financial reporting information requirements are met in a complete and accurate manner. The Board has an annual process to ensure that appropriate measures are taken to consider and address the shortcomings identified and measures recommended by the independent auditors.

There are no restrictions on voting rights.

The Company's internal control over financial reporting includes those policies and procedures that pertain to the maintenance of financial records that, in reasonable detail, accurately and fairly reflect the transactions and disposals of the assets of the Company; provide reasonable assurance that the transactions are recorded as necessary to permit preparation of financial statements in accordance with Luxembourg legal and regulatory requirements, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposals of the Company's assets that could have a material effect on the financial statements.

In order to ensure, that established controls over financial reporting system worked effectively during 2013, a summary of the work performed by the internal audit department was reviewed by the Audit Committee.

No person has any special rights of control over the Company's share capital.

Appointment and replacement of Directors and amendments to the Articles of Association

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association (hereafter referred as the "Articles of Association") and Luxembourg Companies Law 1915. The Articles of Associations may be amended from time to time by a general meeting of the shareholders under the quorum and majority requirement provided for by the law of 10 August 1915 on commercial companies in Luxembourg, as amended.

Powers of Directors

The Board is responsible for managing the business affairs of the Company within the clauses of the Articles of Association. The Directors may only act at duly convened meetings of the Board of Directors or by written consent in accordance with article 9 of Articles of Association.

Rights of the shareholders

The operation of the shareholders meetings and their key powers, description of their rights are governed by Articles of Association and national laws and regulation.

Transfer of shares.

Transfer of shares is governed by Articles of Association of the Company



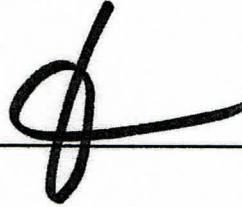
Vyktor Vyshnevetsky
Director A



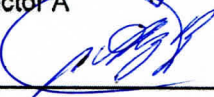
Gwenaëlle Bernadette Andree Dominique
Cousin
Director B



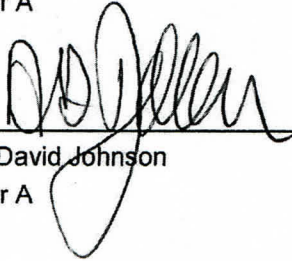
Roman Kovalkov
Director A



Jacob Mudde
Director B



Oleksandr Rezyk
Director A



Arthur David Johnson
Director A

AE.