



Coal Energy – a leading Ukrainian coal mining company

Management Presentation Update

November 2012

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1. Company Overview

Coal Energy – Key Indicators

FY2012 Results	
Resources ⁽²⁾	235.5 mln t
Reserves ⁽³⁾	151.2 mln t
Production ⁽⁴⁾	1.9 mln t
Sales	1.7 mln t
Revenue	US\$ 165.5 mln
EBITDA	US\$ 61.9 mln
Domestic / export sales ⁽⁵⁾	67% / 33%
Thermal / coking coal sales ^{(5) (6)}	76% / 24%
Net Debt ^{(7) (8)}	US\$ 8.5 mln
Net debt/EBITDA ⁽⁷⁾	0.14

Location of Operating Assets



(1) The Group's financial year ends at 30 June 2012

(2) Total in-place resources under JORC

(3) Proved and probable recoverable reserves under JORC

(4) Production output includes 1.6 million metric tonnes (kt) of mined run-of-mine (ROM) coal and 0.3 million tonnes of saleable coal produced from waste

(5) Sales breakdown in value terms for export / domestic and by coal types

(6) Here and onwards in presentation coking coal segment includes fat (coking) and gas (dual-purpose) coal, thermal segment – anthracite, lean and long-bituminous gas coal.

(7) As of 30 June 2012 net debt includes obligations under financial lease, loans and cash.

Investment Highlights Summary

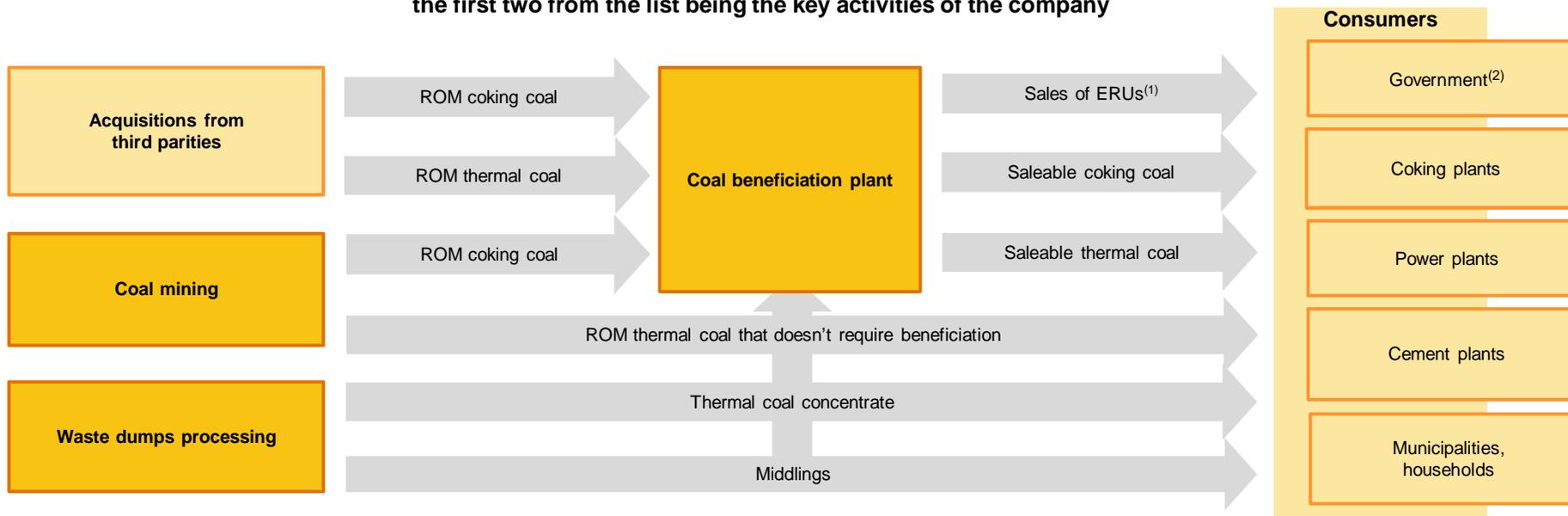
1	Significant reserves with growth potential	<ul style="list-style-type: none"> • #3 by reserves and #4 by production in Ukraine among private coal producers⁽¹⁾; • 235 mln.t of in-place coal resources under JORC, 151 mln.t of proven and probable coal reserves under JORC⁽²⁾; • 2x reserves growth potential.
2	Integrated business model and wide range of products	<ul style="list-style-type: none"> • Vertical production chain of coal mining, beneficiation, waste processing and trading ensures higher operating margin for Coal Energy compared to its competitors; • Wide range of coal grades, such as anthracite, low and high volatility thermal and coking coals offered to a variety of industries both in Ukraine and abroad.
3	Brownfield expansion strategy	<ul style="list-style-type: none"> • The strategy is to commercialize significant unexploited coal reserves and increase profitability utilizing existing mines infrastructure and achieving significant economy on further CAPEX as well as by leveraging Coal Energy's advantageous logistics position; • FY16 production goal – to mine 3.8 mln.t of saleable coal from underground mining, c. 2.4x increase from the FY12 mining level.
4	Solid financial performance	<ul style="list-style-type: none"> • EBITDA for FY12 composed US\$61.9 million • Leverage remained low – Net debt/EBITDA ratio – 0.14 • Assuming 1Q FY12 prices on the export and coking markets, EBITDA for FY12 could be c. US\$12 million higher
5	Diversified customer base and favorable location	<ul style="list-style-type: none"> • Blue-chip customer base; • More than 50% of sales are supplied to customers located within 200 km of the Group's facilities; • Growing share of sales under long-term frame agreements.
6	Listed on the WSE with high-quality corporate governance in place	<ul style="list-style-type: none"> • Listed on the WSE on Aug. 4, 2011 (ticker: CLE PW), • BoD with six directors, three of which are INEDs. Audit committee is in place; • The founder and CEO has more than 17 years of experience in mining and mining machinery building.

(1) Private producer means not state owned or controlled; rating calculated based on ICU (Investment Capital Ukraine) research in terms of 2011 calendar year data
(2) Does not include license of Nadra Donbassa LLC dated 27 December 2011 issued for 20 years for 24.8 mln.t reserves of coking coal (valued under Ukrainian methodology)

2. FY12 and 4Q FY12 Performance Overview

Integrated Business Model

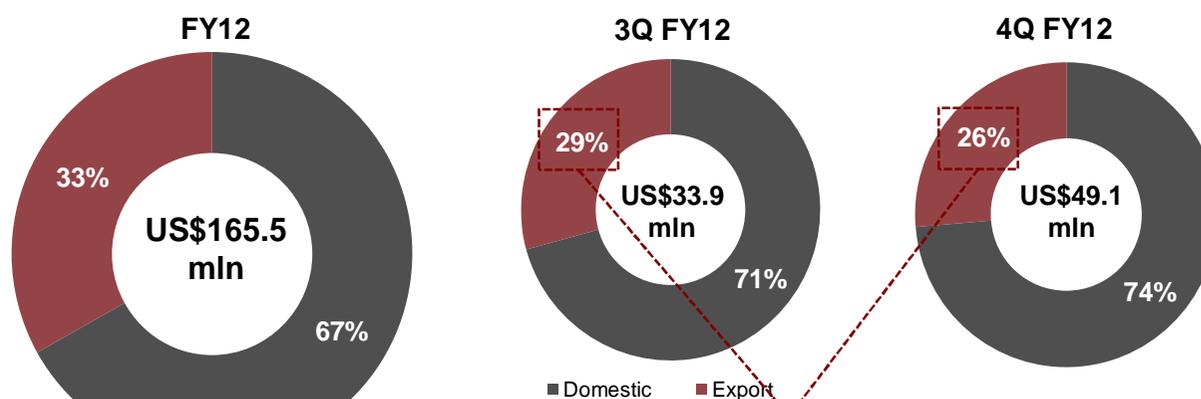
Coal Energy activities include all stages of coal production, waste dumps processing, coal beneficiation and trading, the first two from the list being the key activities of the company



Sales by segments, \$US mln



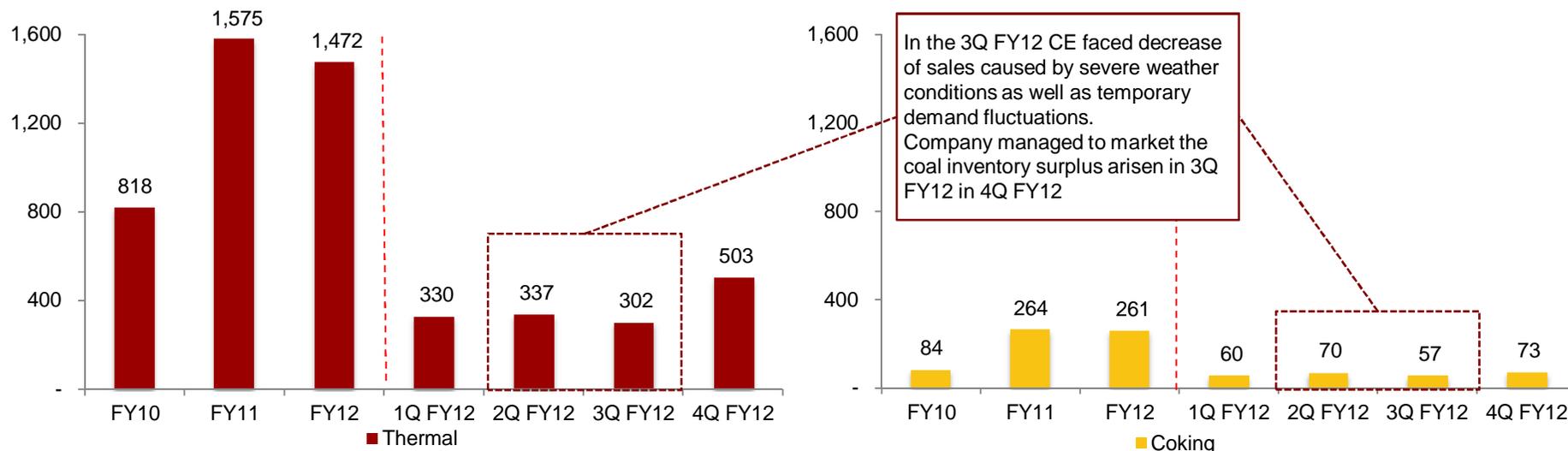
Sales by Destination, \$US mln



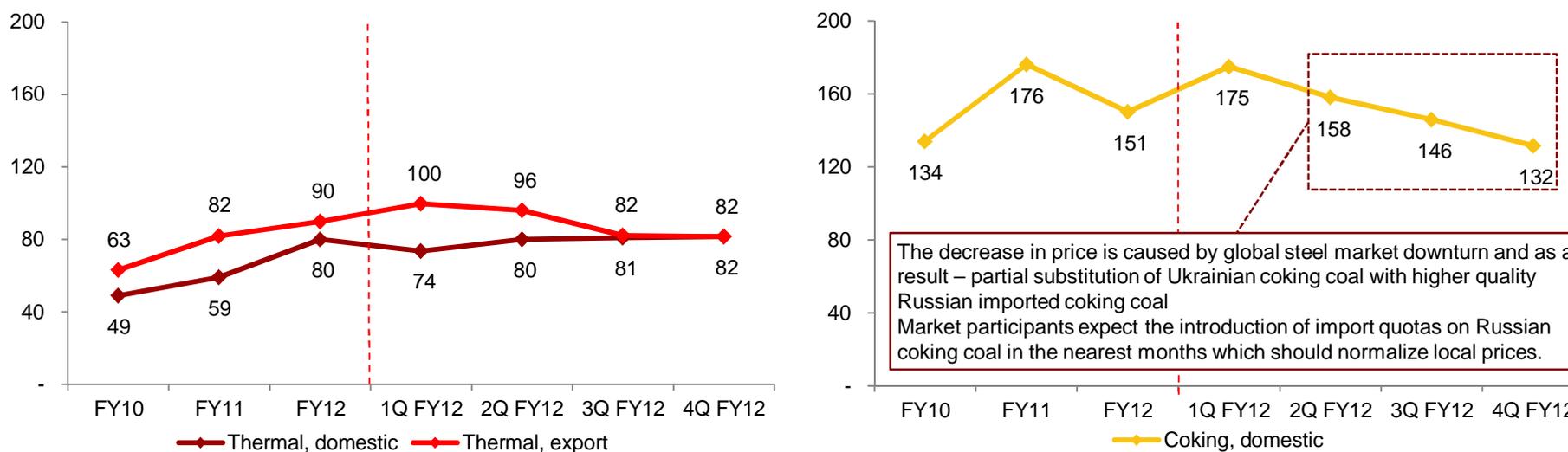
Current conditions in thermal coal market do not encourage increase of export: export prices are lower than on the local market. In the nearest future the share of export in total sales will be further decreased.

Key Company Sales Indicators

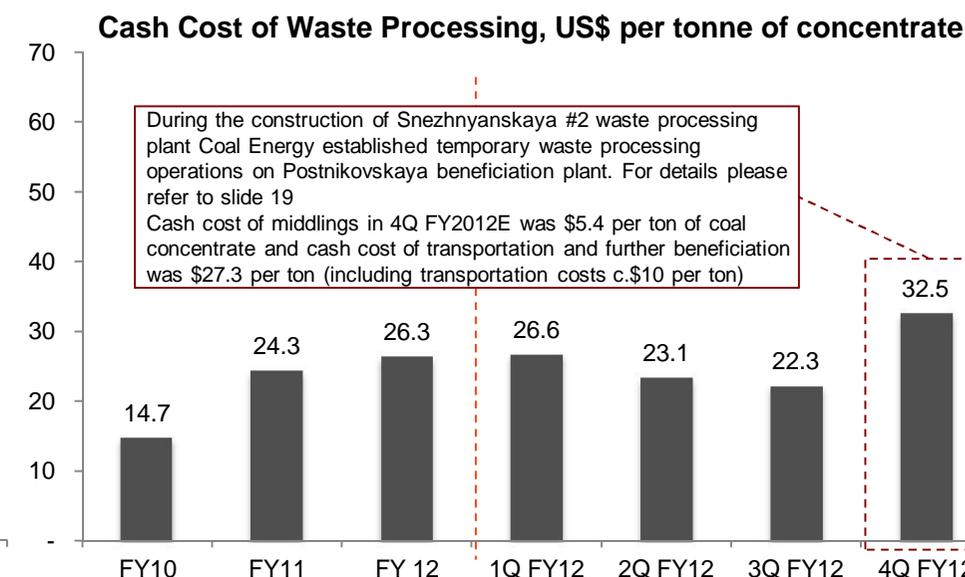
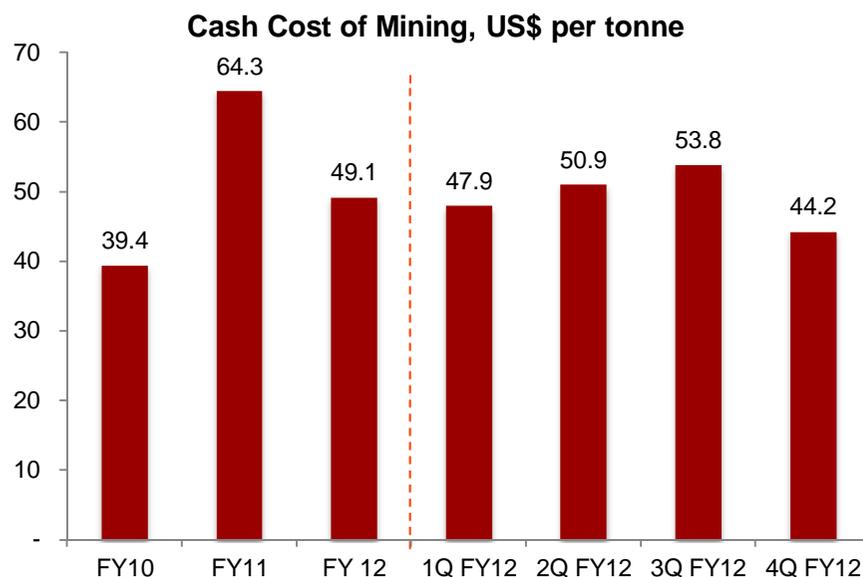
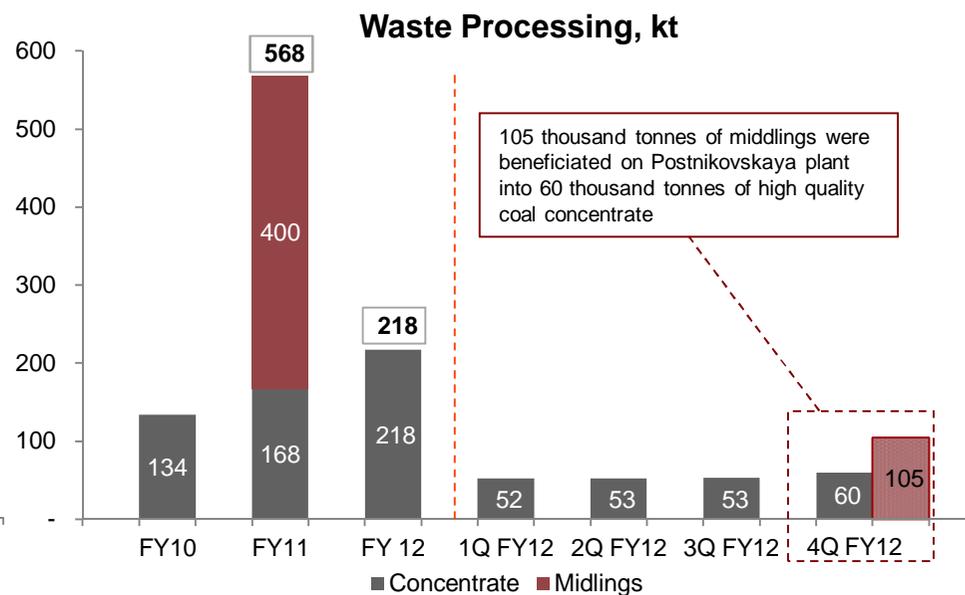
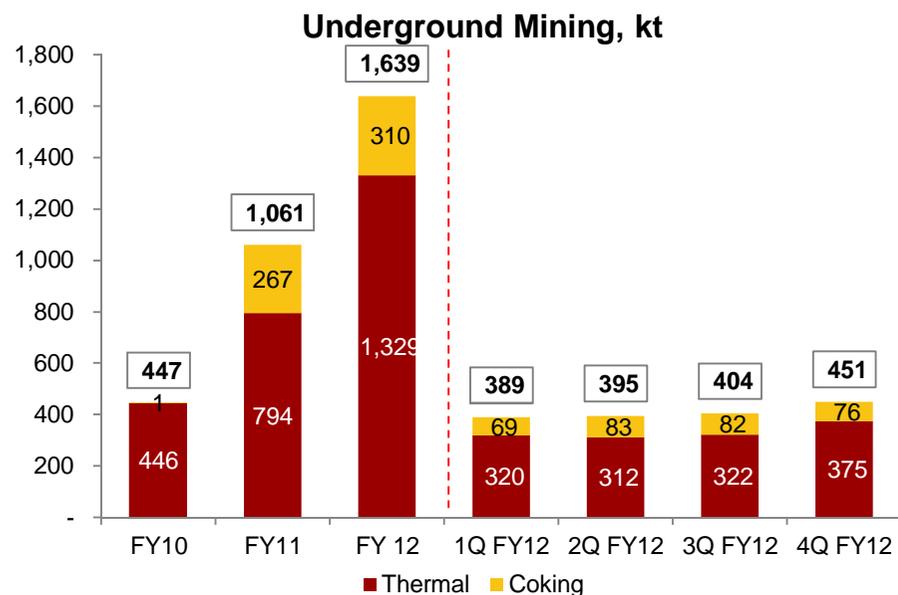
Coal sales volume, kt



Coal price dynamics, US\$ per tonne



Production and Cash Costs Overview



Appendix 1. Legal Structure

