

(Translation from the Polish language)

FINANCIAL SUPERVISORY COMMISSION

Current report No 117/2011

Date: 25 August 2011

Issuer's shortened name: KOPEX SA

Subject: **Significant agreement concluded by KOPEX SA**

Legal basis: Law on Offer, Art. 56, Par.1 Item 1 – current and cyclic information

Contents of the report:

The Management Board of KOPEX SA with its registered seat in Katowice (the Issuer) informs that on 24 August 2011 KOPEX SA has concluded a significant agreement. The agreement was concluded following the selection of the Contractor's best offer in the proceedings of public procurement conducted in unlimited tender No ZP/715/2011 for KHW SA, Mysłowice-Wesoła Coal Mine under the title: „Supply of new scraper conveyors, powered roof support unit, crushers and electrical equipment for exploitation in longwalls with roof caving in KHW SA, Mysłowice-Wesoła Coal Mine”, Resolution No 1164/2011 of the Management Board of Katowicki Holding Węglowy, dated 20.07.2011.

The Parties of the agreement are: KOPEX SA - Contractor and Katowicki Holding Węglowy SA, Mysłowice-Wesoła Coal Mine – Orderer.

Subject of the agreement is „Supply of new scraper conveyors, powered roof support unit, crushers and electrical equipment for exploitation in longwalls with roof caving in KHW SA, Mysłowice-Wesoła Coal Mine”, consisting of:

- 220 pieces of powered roof support unit (including 14 pieces of powered roof support unit for protection of conveyor's drive, 2x3 pieces of unit – for protection of main drive and 2x4 pieces of unit for protection of turning drives)
- one set of powered roof support for crossing,
- one AFC with a length of 280 meters together with carinitial crusher,
- one BSL with a length of 60 meters together with pushing device and dynamic crusher
- electrical equipment for above mentioned devices.

Value of the agreement: PLN 101,735,160.15 (net), PLN 125,134,246.98 (gross)

Term of the agreement: supply – up to 4 months from the date of the agreement, lease – 48 months

Stipulated penalties: The Contractor is obliged to pay the Orderer stipulated penalties:

- in case of delay in supply of the subject of the agreement due to reasons caused by the Contractor – amounting to 0,1% of the gross value of the agreement for each day of delay but not higher than 10% of the gross value of the agreement,
- in case of delay in removing defects found upon receipt or during warranty period amounting to 0,1% of the gross value of the agreement for each day of

delay, calculated from the date agreed for the removal of defects, but not higher than 10% of the gross value of the agreement.

The Orderer is obliged to pay the Contractor stipulated penalties amounting to 0,1% of the gross value of the agreement for each day of delay in reception of the subject of the agreement and signing of supplies completeness protocol.

Regardless of the stipulated penalties the Parties retain the right to claim an additional compensation on the general rules of the Civil Code.

Other significant terms of the agreements:

1. Payment for the subject of the agreement will be made in 48 monthly leasing installments, whereby there will be drawn up the supplies completeness protocol after the completion of supplies of the subject of the agreement to the Orderer. The final commissioning will take place at the bottom of the mine after assembly and launch of the subject of the agreement, but not later than 60 days from the signing the supplies completeness protocol. The last leasing installment of the subject of the financial lease will be a payment for the transfer of ownership of the subject of the financial lease on the behalf of the Orderer.
2. The Contractor warrants that any right of the contractor associated directly or indirectly with the agreement, including outstandings upon the completion of the agreement and related incidental dues (including interest), will not be transferred to third parties without the prior written consent of the orderer under pain of nullity. In the event of breach of the above mentioned obligation, the Contractor will be obliged to pay the Orderer stipulated penalties amounting to 25% of the net value of the agreement, for any breach of the above mentioned obligation, which does not affect the right of the Orderer to claim compensation in the excess of the stipulated penalties.
3. The Contractor acknowledges and agrees that payment for the services executed under the agreement will be made solely by the Orderer directly to the Contractor and only by way of transfer to the Contractor's account or in cash directly to the Contractor. Debt amortization of the Orderer through payment in any form to other entities than directly to the Contractor, may be made only with prior written consent of the Orderer, under pain of nullity. In the event of breach of the above mentioned obligation, the Contractor will be obliged to pay the Orderer stipulated penalties amounting to 25% of the net value of the agreement, for any breach of the above mentioned obligation, which does not affect the right of the Orderer to claim compensation in the excess of the stipulated penalties.
4. The Orderer may withdraw from the agreement under the rules set out in Article 145 of the Act public Procurement Law.
5. In the event of a material change in circumstances, such that the performance of the agreement is not in the public interest, which could not be foreseen on the date of the agreement, the Orderer may withdrawl from the agreement within 30 days of becoming aware of these circumstances. In this case, the Contractor may claim only the remuneration due for the performance of the part of the agreement.
6. The Contractor posted a performance bond and security of the proper removal of defects and faults in the amount of 2% of the gross value of the agreement, ie PLN 2,502,684.94. The Orderer will reimburse the performance bond within 30 days from the date of execution of the subject of the agreement and

appreciation as the proper performance by the Orderer. The Orderer will retain 30% of the security as the security of claims under warranty for defects. The Orderer will reimburse this amount not later than on the 15th day after the expiration of warranty for such defects.

Detailed conditions of the agreement stick to the conditions commonly applied to the agreement of this kind.

The criterion of recognising an agreement as a significant one is exceeding by it of 10% of bounds pertaining to the Issuer's equity capital (the Issuer's equity capital amounts to 1,344,750 thou PLN, in compliance with data included in the published report for Q1 2011) and fulfillment of the criteria set forth in Par.2 Cl.1 Item 44) and Par.2 Cl.2 of Regulation of the Minister of Finance dated 19 February 2009 on current and periodic information (...). In the past 12 months the Issuer's subsidiaries signed with this customer and its subsidiaries agreements amounting altogether to 287,856 thou PLN (including this one). The Issuer informed about the last agreement with this customer in the current report RB 116/2011 dated 25.08.2011. The highest value agreement from among all the agreements signed in the past 12 months is the agreement the Issuer informs about in this current report that also includes information relating to the highest value agreement set forth in Cl.9 Items from 1) to 7) of the Minister of Finance Regulation dated 19 February 2009 on current and periodic information (...).

Legal basis for publishing: Cl.5 Par.1 Item 3 in relation with Cl.2 Par.2 and Cl.9 of the Minister of Finance Regulation dated 19 February 2009 on current and periodic information transmitted by issuers of shares and conditions of recognizing as equivalent the information required by legal regulations of a country that is not a member country (*Dz.U. z 2009, Nr 33 poz.259 ze zmianami*).