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## COAL ENERGY S.A. SET THE OFFER PRICE AT PLN 20 PER SHARE

Coal Energy S.A. (the “Company”), the holding company of Coal Energy group (the “Group”), the third-largest private coal producer in Ukraine in terms of reserves, has set the offer price at PLN 20 per share.

At the issue price, the Company intends to issue 11,252,780 shares raising PLN 225 million of gross proceeds. The proceeds from the offering will be used for development of existing mines, waste dumps processing and coal beneficiation plants, obtaining new mining licences, partial repayment of bank loans and other financial liabilities and reinforcing working capital.

In line with its strategy, the Group plans to steadily increase its production volumes from mining operations to about 2 million tonnes of saleable coal in financial year 2012 and to about 4.8 million tonnes of saleable coal by the end of financial year 2016. The Group also intends to expand its base of coal reserves, strengthening its position on the Ukrainian market and on export markets, as well as to increase operational efficiency.

The Company plans to debut on the Warsaw Stock Exchange in early August of this year.

### KEY INFORMATION ABOUT THE PUBLIC OFFERING

- ▶ The public offering will include **11,252,780 ordinary bearer shares issued by the Company.**
- ▶ The offering will include:
  - a **public offering in Poland** for retail and institutional investors
  - a **private placement** for institutional investors in certain jurisdictions other than the United States (in accordance with Regulation S of the US Securities Act) and Poland, in all instances in compliance with applicable securities laws.
- ▶ The Company expects to have a **free float of 25%** following the listing of the shares on the Warsaw Stock Exchange (assuming all the offered shares will be issued).
- ▶ The Lead Manager for the offering is Dragon Capital, and the Co-Manager and Offering Agent in Poland is Dom Maklerski BZ WBK. The Company’s legal advisers are Baker & McKenzie. The capital adviser is Bank Zachodni WBK S.A.

### SCHEDULE OF THE PUBLIC OFFERING

<b>18 to 21 July 2011</b>	Subscriptions for Retail and Institutional Investors
on or about <b>25 July 2011</b>	Allotment of shares
on or about <b>4 August 2011</b>	Planned first listing on the Warsaw Stock Exchange

Company founder and CEO Viktor Vyshnevetsky commented: "We are pleased by the interest in the shares of Coal Energy SA shown by institutional investors despite the very difficult situation on the capital markets. Raising funds from the public offering will enable us to expedite realization of our growth strategy, which includes increasing production of saleable coal to about 4.8 million tonnes by the end of financial year 2016. I am confident that our strong market position, the potential of the coal reserves we hold, and our growth strategy will bring benefits to both our Group and our shareholders".

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## **KEY INFORMATION ABOUT COAL ENERGY**

Coal Energy is the third-largest private coal producer in Ukraine in terms of reserves (according to the Ukrainian reserves valuation methodology as of the end of 2010). The Company's coal reserves and operating units are located in the country's largest coal basin – Donbas.

The principal business of Coal Energy is mining, beneficiation and sale of thermal and coking coal. Under the JORC Code, the Group has 235.5 million tonnes of coal resources, out of which 151.2 million tonnes are proven and probable recoverable coal reserves.

The Group currently operates ten coal mines, as well as waste dumps processing and coal beneficiation plants. Coal Energy sells coal to power generation plants, coking plants, cement plants and municipalities. The Group's customers are located in Ukraine, CEE countries such as Bulgaria, Slovakia and Moldova, and Turkey.

In the first three quarters of FY2011 (the Company's financial year ends 30 June), the Company produced 1.28 million tonnes of coal.

### ***Disclaimer***

*This publication is for promotional purposes only and under no circumstances shall form the basis for a decision to invest in securities of Coal Energy S.A. (the "Company").*

*The offering prospectus (the "Prospectus"), prepared in connection with the public offering in Poland and admission of the Company's offer shares to trading on the Warsaw Stock Exchange (the "WSE"), is the sole legally binding document containing information on the Company and the public offering of its shares in Poland (the "Offering").*

*On 4 July 2011 the Prospectus was approved by Commission de Surveillance du Secteur Financier, the Luxembourg capital markets supervision authority, and was made available to the public on 6 July 2011.*

*The Prospectus in electronic form is available on the following websites: of the Company ([www.coalenergy.com.ua](http://www.coalenergy.com.ua)) and Dom Maklerski BZWBK S.A. ([www.dmbzwbk.pl](http://www.dmbzwbk.pl)).*