

(Translation from the Polish language)

FINANCIAL SUPERVISORY COMMISSION

Current report No 28/2011

Date: 18 March 2010

Issuer's shortened name: KOPEX SA

Subject: **Decision on the intent to merge KOPEX SA with its subsidiary KOPEX Equity Sp. z o.o.**

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 a registered seat in Katowice (the Issuer) informs that on 18 March 2011 has adopted a Resolution No 012/2011 concerning the decision to merge the companies KOPEX SA and KOPEX Equity Sp. z o.o. This decision will allow the initiation of the procedure, which has led to the realization of the merging the KOPEX and its subsidiary KOPEX Equity Sp z o.o. KOPEX SA as the acquiring company holds 100% of the share capital of KOPEX Equity Sp. z o.o., the company being acquired. The intent to merge the companies listed above is part of a consistent continuation of the process of gradual consolidation and simplification of the organizational structure of KOPEX SA Capital Group, which has been started in 2010 by the Management Board of the Issuer.

Detailed information in accordance with Art. 19, Par.1 of the Minister of Finance Regulation:

1) justification of the decision on the merger, and information on long term goals that are to be achieved as a result of the undertaken actions:

When making the decision on the planned merger between KOPEX SA and KOPEX Equity Sp. z o.o., the Management Board of the Issuer was in the opinion that the merger will have positive impact on the companies and will lead to achievement of tangible economical and organizational benefits. The merger will also allow to achieve long term goals, including:

a) simplifying management of the KOPEX Capital Group, what will also allow for decreasing the Group's operating expenditures, and for improving the effectiveness of the Group's operations (KOPEX Equity Sp. z o.o., the company being acquired, is the majority shareholder in several companies of the KOPEX Capital Group);

b) continuation of current activities of the companies based on the best solutions that are implemented in each of them, and based on the optimal infrastructure, staff knowledge and experience of the merging companies;

c) strengthening the capability of the merging companies and increasing the business efficiency;

d) benefits resulting from the effects of scale and synergies associated with the increase in revenues, cost minimizing and more effective use of human potential of both companies;

e) extension of scope of activity of the acquiring company to the scope of the company being acquired and emergence of a new activity segment in the acquiring company.

2) planned manner of the merger, complete with indication of its legal basis

The merger shall be made under Article 492 Clause 1 Paragraph 1, Article 515 Clause 1 and Article 516 Clause 6 of the Commercial Companies Code, by transfer of assets of the acquired company to the acquiring company, without increasing the share capital of the acquiring company.

3) indication of entities that are to be merged, complete with the basic nature of their operations

I. KOPEX SA (Joint Stock Company) with a registered seat in Katowice (40-172), Grabowa 1, registering body: District Court Katowice-Wschód in Katowice, VIII Economic Department, registration number: 0000026782, NIP (Tax Identification Number): PL-634-012-68-49, REGON (Statistical Number): PL-271981166, share capital 74,332,538.00 fully paid (the acquiring company).

Scope of activity of the acquiring company (KOPEX Joint Stock Company):

1) The company's capabilities cover the whole investment process in the mining industry:

- a) feasibility study of the project,
- b) supervising works regarding geological surveys of the mining area and assessment of reserves,
- c) elaborating deposit mining technology,
- d) designing mining plants,
- e) manufacture, supply and assembly of machines, equipment and technological systems,
- f) construction, development, modernization, mining execution and liquidation of mines,
- g) investor's staff training and engineering support during project execution.

2) Rendering of specialised mining services, including, shafts sinking, underground constructing, tunneling, as well as rendering of design and know-how services.

3) Supply of machinery and technologies for open-pit mines.

4) Trading in electricity.

5) Export of energy resources, especially: steam coal and coking coal.

II. KOPEX Equity Sp. z o.o. (Limited Liability Company) with a registered seat in Katowice (40-315), Roździeńskiego 208, registering body: District Court Katowice-Wschód in Katowice, VIII Economic Department, registration number: 0000048171, NIP (Tax Identification Number): PL-954-197-60-94, REGON (Statistical Number): PL-273489096, share capital 11,980,000.00 (the company being acquired).

Scope of activity of the company being acquired (KOPEX Equity Sp. z o.o.):

1) Scope of activity is focused on financial leasing, other monetary and financial intermediation, renting of machinery, equipment, means of transport and properties, auxiliary financial activity, sale of machinery, equipment and vehicles.

Due to the fact that the companies participating in the merger are in the same capital group, the intention of the merger is not subject to notify the President of the Office of Competition and Consumer Protection, in accordance with the provisions of Art. 14, Par 5 of the Act of 16 February 2007 on competition and consumer protection (Journal of Laws, No 50, item 331).

According to the Statute of the Issuer, merger between the Company and other Company requires a resolution adopted by majority of $\frac{3}{4}$ votes at the meeting of shareholders.

Legal basis:

Cl.5, Par.1, Subpar.13 and Cl.19 Par.1 of the Regulation of the Minister of Finance of 19 February 2009 on current and periodic information provided by issuers of securities and the conditions of considering information required by the legislation of non-EU member-states as equivalent (Journal of Laws of 2009, No 33, Item 259, as amended).