



Implementation of the Joint Implementation Project of Kyoto Protocol

Current report no. 7/2011
Dated September 01, 2011

The Board of Directors of Coal Energy S.A. (the "Company") hereby informs:

The company operates actively under the Kyoto Protocol and sells emission reduction units from waste dumps processing.

In August 2011 Antracit LLC, which is part of the Coal Energy Group, transferred to the carbon account "GLOBAL CARBON B.V." (Netherlands) 108.714 tones of CO₂ equivalent for further sale. Sale of emission reduction units (ERU) is planned for first and second quarter of 2012 financial year, that will allow the company to receive 950.000 to 1.100.000 EUR depending on the current price for emission reductions. Please note that Coal Energy financial year commences July and ends in June.

In October 2011 there is a possibility of suspension of the Joint Implementation projects under the Kyoto Protocol on the national procedure in Ukraine. However, we want to emphasize that these risks do not apply to the Antracit LLC JI project as the project is implemented by the international procedure. Secretariat of the UN Framework Convention on Climate Change plans to suspend projects that take place on Track 1 (national procedure), however Antracit LLC JI Project is held on Track-2 (international procedure).

Signatures of individual authorised to represent the Company:
Viktor Nikolov

Legal basis: Art.14 of the Luxembourg Law of 9 May 2006 on market abuse, and Art. 56 of the Act of 29 July 2005 on the public offering, conditions governing the introduction of financial instruments to organised trading system and on public companies