



## Sale of asset

**Current report no. 11/2016**  
**Dated 1<sup>st</sup> July, 2016**

The Board of Directors of Coal Energy S.A. (the "Company") hereby informs on sale of one of the assets of the Group.

In order to minimize losses and under absence of economic feasibility to maintain further operations Management took the decision to sell LLC Donbasuglerazrobotka (St. Vasiliya Velikogo Mine). Additionally this entity mines types of coal which are in surplus in Ukraine thus selling opportunities are constrained. To get back to economically effective operations on this asset considerable investments are required, however the Group currently has extremely limited investment opportunities.

Value of fixed assets in this transaction accounting less than 10% in Group's total assets based on latest Financial Statements of the Company. Details of this transaction will be presented in the next financial statements.

The Management expects this would reduce relevant losses connected with idled mining capacities and would have positive impact on further stabilization of financial position.

Signatures of individuals authorized to represent the Company:  
Elena Belousova

**Legal grounds:** 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.