

Current Report No. 57/2011

Date: 28 July 2011

Subject: Change of contractor of the subject of a significant agreement

Legal basis: Article 56 par. 1 pt. 2 of the Act on Offerings – current and periodic information

The Management Board of Energomontaż-Południe S.A. (the Issuer, the Company, the Contractor) announces that on 27 July 2011 the Issuer terminated a sub-contractor agreement (Sub-Contractor Agreement) concluded on 3 April 2009 with the subsidiary Amontex Przedsiębiorstwo Montażowe Sp. z o.o. (Amontex, Sub-Contractor), involving the installation of flues on two power units D and E (800 MW each) being built at the Westfalen power plant in Germany. The agreement has been terminated as at 31 July 2011.

The above Sub-Contractor Agreement was concluded in connection with the signing of an agreement for contractor services (Contractor Services Agreement) between the Issuer and Alstom Power Systems GmbH (Alstom) for work on 800 MW power units at the Westfalen power plant. The Company reported the conclusion of the above agreements between the Issuer and Alstom and between the Issuer and Amontex in Current Report No. 12/2009 of 16 March 2009 and No. 16/2009 of 3 April 2009, respectively.

The Issuer's legal justification to terminate the above Sub-Contractor Agreement was technical and economic factors for which the Sub-Contractor was liable and which jeopardised the timely fulfilment of the remaining part of the Sub-Contractor Agreement.

As a result of the termination of the Sub-Contractor Agreement, that part of the work that has not yet been fulfilled shall now be fulfilled directly by the Issuer by the end of June 2012, which means that the deadline for the work has been extended beyond the original deadline for reasons that are independent of the Issuer and for which it bears no liability. Hence, in the Issuer's opinion, the change of sub-contractor and the completion deadline shall not have an adverse financial impact on the Issuer, nor shall it affect the Issuer's obligations towards Alstom. However, the termination of the Sub-Contractor Agreement shall reduce the revenues of Amontex from this Agreement. The revenues shall be reduced by the value of the work which was not fulfilled. The Issuer announces at the same time that the parties to the Sub-Contractor Agreement do not intend to impose contractual penalties for its termination.

SIGNATURES OF THE PERSONS REPRESENTING THE COMPANY:

Krzysztof Jan Diduch
Radosław Kamiński

President of the Management Board
Member of the Management Board