

**Current Report No. 19/2012**

**Date:** 10 May 2012

**Short name of the issuer:** ENERGOPLD

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

**Subject:** Exceeding the threshold of 10 per cent of the Issuer's equity in the total value of the agreements concluded by Energomontaż-Południe S.A. with TAURON Wytwarzanie S.A.

The Management Board of Energomontaż-Południe S.A. (the Issuer, the Company, the Contractor) announces that on 9 May 2012 it received news that an agreement binding the Issuer with TAURON Wytwarzanie S.A. (the Principal, and together with the Issuer, the Parties) had been signed by the other contractual partner, as a result of which the total value of the agreements concluded between the Issuer and TAURON Wytwarzanie S.A. since the date of release of the previous report about the agreements concluded with that entity (Current Report No. 56/2011 of 14 July 2011, whereby in August 2011 its business name was changed from Południowy Koncern Energetyczny S.A. to TAURON Wytwarzanie S.A.) was PLN 10.6 million, thus exceeding 10 per cent of the Issuer's equity, which the Issuer regards as a criterion for recognising the agreements to be significant.

Of the agreements referred to, that with the greatest value is the one dated 6 April 2012 (the Agreement) with a value of PLN 2.5 million net (Contractual Remuneration). The subject of that Agreement is the general overhaul of a turbine unit at TAURON Wytwarzanie S.A. – Oddział Zespół Elektrociepłowni Bielsko-Biała in Bielsko-Biała. The Agreement is to be realised over the period June-September 2012, and the final completion deadline laid down in the Agreement is 15 months from the date of signing.

The Agreement contains provisions on the subject of contractual penalties, pursuant to which the Contractor is obliged to pay the Principal a contractual penalty of:

- 0.1 per cent of the Contractual Remuneration for each day of delay in the completion of the work or in final acceptance, whereby an additional penalty of 15 per cent of the Contractual Remuneration is payable if the above delay exceeds 30 days,
- 0.2 per cent of the Contractual Remuneration for each day of delay in the event of a failure to fulfil obligations under a warranty or guarantee,
- 1 per cent of the Contractual Remuneration if the technical specifications laid down in the Agreement are not observed,
- 10 per cent of the Contractual Remuneration if the Contractor rescinds the Agreement for reasons attributable to the Contractor,
- 15 per cent of the Contractual Remuneration for irreparable faults and defects, if the Principal rescinds the Agreement for reasons attributable to the Contractor.

The total amount of contractual penalties for any or all the circumstances stated in the Agreement cannot exceed 30 per cent of the Contractual Remuneration. The Contractor's total liability for all the circumstances arising under or in connection with the Agreement is limited to 130 per cent of the Contractual Remuneration. The Contractor issues a guarantee for the subject of the Agreement for 36 months, and a warranty for 36 months, from the date



of final acceptance. Apart from the circumstances discussed in the Civil Code, the Principal is entitled to rescind the Agreement if, for example, the Contractor does not commence work or halts work for no justified reason, and fails to resume work within seven days of receiving a written warning from the Principal. If the above delay exceeds 30 days, the Principal may terminate the Agreement with immediate effect.

Detailed legal basis: Clause 5 par. 1 pt. 3 of the Regulation of the Minister of Finance on current and periodic information published by issuers of securities (...) of 19 February 2009.

Signature of authorised person:

Bartosz Basa