

Current report 7/2011

Subject: purchase of shares of PPO Siechnice Sp. z o.o., a subsidiary company

Acting pursuant to section 56, subsection 1 paragraph 1 of the Public Offering Act, the Management Board of KOGENERACJA S.A. hereby informs that an agreement was made on 11 May 2011 between the Issuer and the State Treasury, under which the Issuer purchased 18,307 shares in the Issuer's subsidiary, PPO Siechnice Sp. z o.o. with its head office in Siechnice. The said number of shares represents 49% of the company's share capital.

The Issuer, as a shareholder of PPO Siechnice Sp. z o.o., used the priority right to purchase the shares. The agreement was preceded by the Council of Ministers' consent given on 21 April 2011 to the sale of the above-mentioned shares in PPO Siechnice Sp. z o.o. in a mode other than public (defined in section 33 subsection 1 of the Act on Commercialisation and Privatisation of Companies dated 30 August 1996).

The sale of shares to the Issuer took place the moment the agreement was signed.

Before the agreement was made, KOGENERACJA S.A. owned 51% of shares in PPO Siechnice Sp. z o.o. As a result of the said transaction, the share in this company's capital amounts to 100%.

PPO Siechnice Sp. z o.o.'s principal activity is the wholesale production of vegetables and flowers. This company is also the key consumer of heat generated by the Issuer in the combined heat and power plant located in Siechnice. The shares were purchased to put the shareholding structure of the subsidiary in order and to optimise its management.

Legal basis: section 56 subsection 1 paragraph 1 of the Public Offering Act – confidential information