

**Current Report 35/2010**

**Subject: Start of the licenced production from renewable fuels at EC Czechnica**

Pursuant to Art. 56, Clause 1, Sub-clause 1 of the Act on offers, the Board of KOGENERACJA S.A. informs that on 26th November, 2010, KOGENERACJA S.A. received from Chairman of Regulatory Agency of Power Industry the two decisions on changes in its licences: a licence for production of electric power, and a licence for production of heat permitting the production of both kinds of energy from combusted biomass with the use of the K-2 boiler at Elektrociepłownia Czechnica.

This innovative project was started in the year 2009 (*Current Reports 24/2009 and 39/2009*). It consisted in modernization of the one of the coal boilers (K-2) to the BFB unit, combusting biomass of agricultural and forest origin. In addition to that, in 2010, at EC Czechnica installed was modern equipment for unloading, storage and transport of biomass to the new BFB unit.

From 27th November, 2010, a significant part of electric power produced at Elektrociepłownia Czechnica has the certificate of being produced from renewable sources of energy, so-called „green” certificates. The estimated gross margin on the sales of the “green” certificates, taking into account the effect of a lower emission of CO<sub>2</sub> in the year 2011, amounts to ca. PLN 24.0 million.

Thanks to this pro-ecological investment project at EC Siechnice, KOGENERACJA S.A. became a leader in the field of production of fuels based on renewable fuels both among the companies of the EDF Group in Poland as well as in the power production sector in Poland. This type of pioneering activities are the proof of the fact that the Company actively engages in the endeavours aiming at the reduction of emission of CO<sub>2</sub>, contributing to the limitation of the greenhouse effect.

**Legal basis:** Art. 56, Clause 1, Sub-clause 1 of the Act on offers – confidential information