

DATE: October 16th 2017

Subject: Selection of best bid and execution of conditional contract for design and construction of fuel depot in Rashaant (Mongolia)

Contents:

Current Report No. 35/2017

The Management Board of Rafako S.A. (the "Company") announces that on October 16th 2017 National Trading & Transport Group Co. Ltd. of the Sukhbaatar District of Ulaanbaatar, Mongolia, (the "NTT Group") awarded the Company, acting as the leader (90% of the contract value) of the consortium with Gmax Group Sp. z o.o. of Warsaw (the "Consortium"), a contract for the design and construction of a fuel storage depot in Rashaant, Mongolia. The Company also announces that on October 16th 2017 the NTT Group and the Consortium signed a conditional contract for the design and construction of the fuel storage depot in Rashaant, Mongolia, including the construction of storage tanks and auxiliary infrastructure (the "Contract").

The total value of the Contract is EUR 46,968,403 (VAT-exclusive).

The Contract completion deadline is 30 months from the date of handing over the construction site and technical documentation to the Consortium. The construction site and technical documentation are to be made available within seven days of the Contract effective date.

In accordance with its terms, the Contract will become effective provided that:

1. it is signed by authorised representatives of both parties to the Contract, i.e. the NTT Group and the Consortium, and is delivered to the other party;
2. the NTT Group makes an advance payment that will be credited to the Consortium's bank account (the "Advance Payment");
3. the work under the Contract will be financed by Bank Gospodarstwa Krajowego S.A. or Korporacja Ubezpieczeń Kredytów Eksportowych S.A. on the terms and conditions set out in the Contract.

As the NTT Group and the Consortium signed the Contract, the only conditions that must be satisfied for the Contract to become effective are making the Advance Payment and the NTT Group obtaining financing for the work from Bank Gospodarstwa Krajowego S.A. or Korporacja Ubezpieczeń Kredytów Eksportowych S.A.

The other terms and conditions of the Contract do not differ from those commonly applied in contracts of this type.

The fulfilment of these conditions precedent and the entry of the Contract into force will be announced by the Company in accordance with applicable laws after these circumstances arise.

Legal basis: Art. 17.1 of the Market Abuse Regulation – confidential information.

Agnieszka Wasilewska-Semail – President of the
Management Board Jarosław Dusiło – Vice President
of the Management Board