



CURRENT REPORT FILED WITH THE POLISH FINANCIAL SUPERVISION AUTHORITY

DATE: December 29th 2017

(RAFAKO spółka akcyjna with its registered office at ul. Łąkowa 33, Racibórz, Poland, entered in the Business Register of the National Court Register under No. 0000034143)

Subject: Conditional agreement signed for construction of two steam units (2x50 MW) on Lombok Island (Indonesia)

Contents:

Current Report No. 66/2017

Further to Current Report No. 27/2017, the Management Board of RAFAKO S.A. (the "**Company**") announces that a consortium comprising the Company and PT. ReKayasa Industri of Indonesia, as the Consortium Leader, (the "**Consortium**") signed a conditional agreement with PT. PLN (PERSERO), JALAN TRUNOJOYO BLOK M I/135, KEBAYORAN BARU, JAKARTA 12160, INDONESIA (the "**Employer**"), concerning the tender procedure for "Construction of two coal-fired steam units (2x50 MW) on the Lombok Island (Indonesia)" (the "**Agreement**").

The total sum of the Consortium Agreement is EUR 70,275,000.00, USD 18.855,000.00, and IDR 1,590,700,000,000.00 (approximately PLN 850,300,000.00, exclusive of tax), including the Company's consideration of EUR 70,275,000.00 (approximately PLN 295,000,000.00, exclusive of tax), representing approximately 35% of the total sum of the Consortium Agreement. The project completion deadline is: 36 months for Unit I and 39 months for Unit II. The Agreement provides for a financing package for the Employer arranged with members of the Polish Development Fund Group (Korporacja Ubezpieczeń Kredytów Eksportowych (Export Credit Insurance Corporation) and Bank Gospodarstwa Krajowego).

The Agreement will become effective upon satisfaction of the following conditions precedent:

- (i) confirmation by the Employer of giving possession of the Construction Site to the Contractor, and
- (ii) entry into force of the credit facility agreement (financing package).

The aggregate amount of liquidated damages for delays is limited to 10% of the total tax-exclusive price of the Agreement, and the Contractor's total liability towards the Employer under the Agreement may not exceed the total tax-inclusive price of the Agreement.

The other terms and conditions of the Agreement do not differ from the terms and conditions commonly applied in contracts of this kind.

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

Agnieszka Wasilewska-Semail, President of the Management Board

Jarosław Dusiło, Vice President of the Management Board