

Current Report No. 77/2011

Wysogotowo, December 21st 2011

Subject: Execution of an agreement on sale of shares in ENERGOMONTAŻ-POŁUDNIE Spółka Akcyjna and the sale of shares in ENERGOMONTAŻ-POŁUDNIE Spółka Akcyjna

The Management Board of PBG S.A. of Wysogotowo ("**the Issuer**"), hereby informs that on December 20th 2011 an agreement was executed between PBG S.A. and RAFAKO S.A., registered office at ul. Łąkowa 33, Racibórz, Poland ("**RAFAKO**") determining the structure of the sale of shares in ENERGOMONTAŻ-POŁUDNIE Spółka Akcyjna, registered office at ul. Mickiewicza 15, Katowice, Poland ("**the Company**"). Under the agreement, the Issuer agreed to sell 46,021,520 ordinary bearer shares in the Company ("**the Shares**"), representing 64.84% of the Company's share capital and of the total vote at the Company's General Shareholders Meeting, and conferring the right to 46,021,520 votes attached to the Company shares ("**the Agreement**").

Under the Agreement, the Issuer agreed to sell the Shares to RAFAKO, and RAFAKO agreed to acquire the Shares for PLN 160,154,889.60 (one hundred and sixty million, one hundred and fifty-four thousand, eight hundred and eighty-nine złoty, 60/100), that is PLN 3.48 (three złoty, 48/100) per one Share ("**the Price**"), which will be paid on the date of the transfer of the Shares to RAFAKO's account in a transaction executed outside the regulated market, through the agency of a brokerage house.

RAFAKO will be obliged to make an additional payment to PBG of PLN 30,000,000 (thirty million złoty) over and above the Price if the Company: (i) generates net profit amounting to no less than PLN 20,000,000 (twenty million złoty) for the financial year 2012, and (ii) generates net profit amounting to no less than PLN 35,000,000 (thirty-five million złoty) for the financial year 2013, which will be confirmed on the basis of the Company's financial statements, approved by the Company's General Shareholders Meeting, for the financial years 2012 and 2013, respectively.

Within two months of the Agreement date, RAFAKO will undertake a *due diligence* examination of the Company. If it is established, based on the *due diligence* report, that an adverse event or adverse events occurred at the Company (that is any event which, in itself or in combination with other developments or events, resulted (or may be reasonably expected to result) in a decrease of the value of the Company's assets or in an increase of the Company's liabilities relative to the Company's assets or liabilities disclosed in the Company's financial statements as at December 31st 2011, excluding changes in the general financial environment and excluding any developments or events which occurred or may occur in the performance of and in line with the Agreement), and unless the Parties to the Agreement manage to resolve the dispute in an amicable manner, RAFAKO will be entitled to claim payment from the Issuer of an amount (i) equivalent to the Company's mandatory provisions for the liability or liabilities arising out of such adverse event or events which the Company did not create by December 31st 2011 despite being obliged to do so, and (ii) equivalent to the mandatory provisions relating to such adverse event or events which the Company has created after December 31st 2011, however prior to the date of submitting by RAFAKO of a written notice of an adverse event identified in the course of the *due diligence*. The amount must not exceed a total of PLN 20,000,000 (twenty million złoty) on account of the occurrence of an adverse event or events, which is the maximum amount of the potential compensation.

Pursuant to the Agreement, the Issuer will be entitled to repurchase the Shares from RAFAKO no sooner than after the Agreement date and no later than by December 31st 2012.

The Agreement provides for no contractual penalties.

Following the execution of the Agreement with RAFAKO on December 20th 2011, the Issuer concluded an agreement with Dom Maklerski BZ WBK S.A. on the sale of the Shares, under which it sold the Shares to RAFAKO through the agency of Dom Maklerski BZ WBK S.A. The Shares were sold outside the regulated market. The Price was paid by RAFAKO on the date of executing the Agreement on the sale of the Shares with Dom Maklerski BZ WBK S.A.

The carrying value of the sold Shares in the Issuer's accounting records was PLN 182,760,943.10.

RAFAKO is a subsidiary of the Issuer. Małgorzata Wiśniewska is a member of the Supervisory Board of the Issuer and the Supervisory Board of RAFAKO. Przemysław Szkudlarczyk, a member of the Management Board of the Issuer, is a member of the Supervisory Board of RAFAKO.

The transaction described above follows from the Issuer Group's strategy to expand its operations on the market of power construction projects.

The Agreement and the sale of the assets are considered significant based on the Issuer's equity criterion.

Legal basis:

Par. 5.1.1 and Par. 5.1.3 of the Minister of Finance's Regulation on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated February 19th 2009

On behalf of PBG S.A.:

Magdalena Eckert-Boruta