

Creating a regional champion

The combination of New World Resources and LW Bogdanka

Friday 5 November 2010





Disclaimer

Forward looking statements

Certain statements in this document are not historical facts and are or are deemed to be “forward-looking”. NWR’s prospects, plans, financial position and business strategy, and statements pertaining to the capital resources, future expenditure for development projects, results of operations, may constitute forward-looking statements. In addition, forward-looking statements generally can be identified by the use of forward-looking terminology including, but not limited to; “may”, “expect”, “intend”, “estimate”, “anticipate”, “plan”, “foresee”, “will”, “could”, “may”, “might”, “believe” or “continue” or the negatives of these terms or variations of them or similar terminology. This document also contains forward-looking statements regarding the proposed acquisition of Bogdanka, including statements regarding and relating to the expected timing of completion of the proposed acquisition (which is conditional, amongst other things, upon NWR shareholder approval and receipt of certain regulatory clearances) and the effect of the proposed acquisition on, amongst other things, the productivity, operational efficiency and earnings of the combined group following the acquisition. Although NWR believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. These forward-looking statements involve a number of risks, uncertainties and other facts that may cause actual results to be materially different from those expressed or implied in these forward-looking statements because they relate to events and depend on circumstances that may or may not occur in the future and may be beyond NWR’s ability to control or predict. Forward-looking statements are not guarantees of future performance.

No offer of securities

This presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities.

Reliance information

The information contained and/or views expressed herein may contain and/or be based on information that has been derived from publicly available sources that have not been independently verified. In particular, information on the Bogdanka group is based on information made publicly available by the Bogdanka group only and, for purposes of this document, has not been commented on or verified by Bogdanka or Bogdanka’s directors or verified by NWR or NWR’s directors. No representation or warranty is made as to the accuracy, completeness or reliability of the information. This presentation should not be relied upon as a recommendation or forecast by NWR.

The information contained in this document is restricted and, is not for release, publication or distribution in or into, the United States. This document does not contain or constitute an offer to sell or the solicitation of an offer to buy or subscribe for any securities described herein in the United States or in any other jurisdiction. In connection with the proposed acquisition and the possible future equity offering described herein, the equity offering shares have not been and will not be registered under the U.S. Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. Any public offering of securities to be made in the United States will be made by means of a prospectus that will contain detailed information about NWR and management, as well as financial statements.

- **NWR**
- The Offer
- The power of combination
- Summary
- Appendix

NWR is a leading coal producer in Central and Eastern Europe

Successful restructuring and transformation into a EUR2.4bn Warsaw, London and Prague listed company



- Market value: EUR2.4bn¹
- Coal production: 11Mt²
- Revenues: EUR1,348m³
- EBITDA: EUR272m³
- c. EUR900m of capex since 2005
- c. 19,000 employees⁴
- Highest corporate governance standards

Notes:

¹ Fact set as of 21/10/2010

² 2009 as per 2009 NWR's AR

³ 12 months to 30 June 2010

⁴ As of June 2010, includes contractors

Total capex since 2005 based on figures provided by NWR

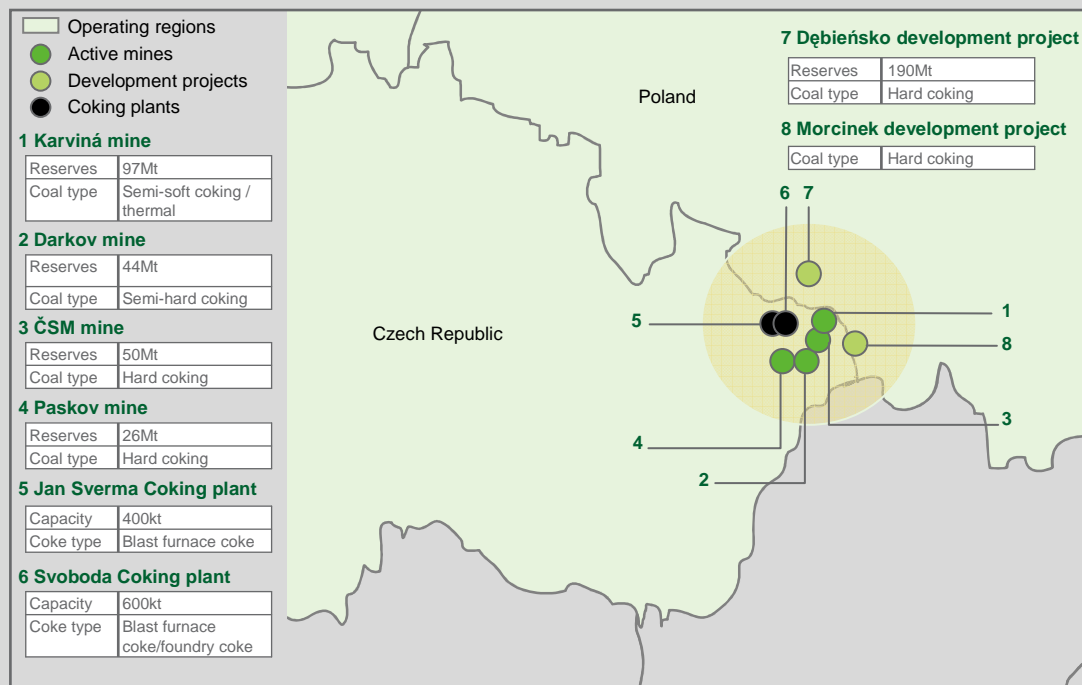
Sources: NWR 2009 Annual Report, IPO Prospectus

Aiming to become a catalyst in further regional consolidation

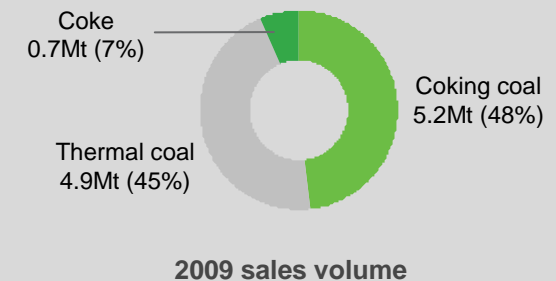
Strategically located within the Silesian basin to supply a blue chip customer base

Present in a region with 110 billion tonnes of total coal resources

Leading and trusted supplier with high-quality reserve base



Source: NWR's estimates, NWR 2009 Annual Report, NWR investor presentation dated 26 May 2010



Source: NWR

Successful track record in productivity and efficiency improvements, safety and co-operation with trade unions

NWR has a long term commitment to Poland

Dębieńsko

- 50-year mining concession granted in June 2008 to NWR Karbonia (NWR's wholly-owned Polish subsidiary)
- 190Mt of coking coal reserves
- Identified potential for capturing additional mineable coal reserves and reducing overall capital cost
- EUR350-400 million of estimated capex to be invested over the next 5 years
- Expecting to create up to 2,500 new jobs

Morcinek

- Exploration concession for the dormant Morcinek mine
- Ongoing discussions regarding potential co-operation with JSW SA at the development of the site
- New long-wall equipment opens up potential to access deeper and more geologically challenging seams

NWR already employs 2,655 Polish employees¹ and plans to invest EUR 350-400 million in Dębieńsko creating up to 2,500 new jobs in Poland

¹ Including contractors

Sources: NWR 2009 Annual Report, number of Polish employees as per NWR's internal reporting

NWR maintains excellent relationship with its employees and trade unions

- **Health and safety is of the highest priority**

NWR invests heavily in keeping best-in-class safety standards and has recently spent more than EUR 17 million on new, top of the range personal safety equipment. Selected mining operations have access to reconditioning spas and rehabilitation care and all employees receive periodical medical check-ups

- **Commitment to developing the workforce**

NWR provides several different types of training to its employees in its own training centre, which is the most modern and among the largest training centres in North Moravia, with a total capacity of c. 300 training seats

- **Holidays & rewards**

All employees have five weeks holiday per year. Mining operation workers are additionally rewarded for demanding work with an extra week of leisure

- **Fair compensation**

NWR believes that compensation should correspond to work levels, productivity and market conditions. The average wage of our mining operation employees exceeds the regional average by nearly 50%

- **Strong relationship with the unions**

More than 50% of NWR's employees are unionised and NWR's management keeps a close relationship with the union representatives through constant contact and interaction (Safety and Strategy Meetings etc.)

As one of the largest private sector employers in Central Eastern Europe, NWR is committed to improving the skills of its workers and to helping them develop to their full potential

NWR assigns high priority to its social responsibilities within the communities it operates in

- **NWR Sponsorship – EUR 4 million (1 Jan 2008 – 30 June 2010)**
 - Examples of supported projects:
 - General partner of the HCB OKD Karviná handball club (premier league) – almost EUR 400,000 a year
 - General partner of the MFK OKD Karviná football club (1st division) – almost EUR 800,000 a year
 - Colours of Ostrava (an international music festival in Ostrava)
- **NWR Donations to the OKD Foundation – EUR 10,5 million (1 Jan 2008 – 30 June 2010)**
 - Since 2008 OKD Foundation has supported more than 800 public benefit projects and set aside resources for dealing with unexpected crisis situations where immediate assistance is required for those affected such as floods or mining disasters
 - Examples of supported projects:
 - Heřmánek Karviná – a centre that prepares children from children’s homes for independent life
 - Ostrava Charity – extension of the number of beds at the St. Lucas’ Hospice, which takes care of patients in the final stage of their life
- **Land reclamation**
 - Reclamation of the areas affected by mining is one of NWR’s priorities
 - To date, more than 600 hectares of land, i.e. more than a third of the affected area totaling 1,720 hectares, has been restored in the Ostrava and Karviná regions
 - Since 1989 OKD (in tandem with the state, which has been rectifying old environmental damage) has spent approximately EUR 136 million on land reclamation.
- **NWR Donations to the St. Barbara Civic Association – EUR 152,000 (1 Jan 2008 – 30 June 2010)**
 - The Association was set up by OKD and is financed by OKD, the OKD Foundation and NWR
 - It takes care of the children of miners who have died as a result of an occupational accident

- NWR
- **The Offer**
- The power of combination
- Summary
- Appendix

A highly attractive offer

All-cash offer value of EUR857 million

- PLN 100.75 per Bogdanka share
- 13% premium to pre-announcement closing price of PLN 89.20
- 25.7% premium to 3 month VWAP of PLN 80.13
- Fully financed offer
- Transaction acceptance threshold of 75%

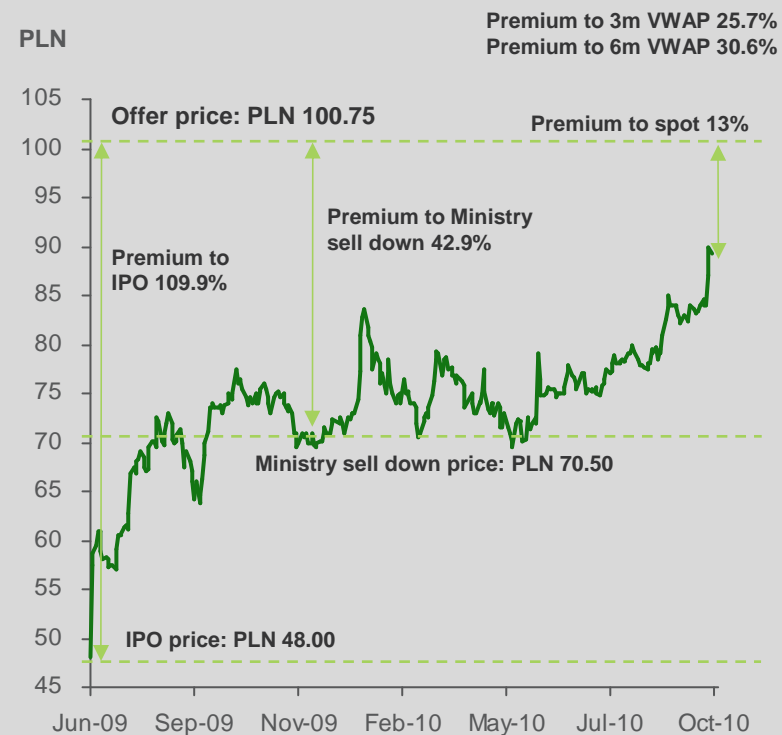
Sources of funds

- EUR 300-400 million from NWR's cash resources
- Bridge debt financing with potential equity and debt takeout
- Possible future NWR equity offering would provide opportunity for Bogdanka investors to reinvest in the combined group

Timetable

- Subscription period 25 October – 29 November
- Closing in December 2010, subject to Polish competition clearance

Bogdanka share price



Source: Bloomberg

NWR's offer represents a very attractive value proposition

A highly attractive value proposition

Substantial premium above fair value established in March 2010

- The IPO of Bogdanka just over one year ago was priced at PLN 48 per share.
- The Treasury sold 46% of Bogdanka in March this year for PLN 70.5 per share to the Polish pension funds. **We are now offering a 43% premium on top of this fair value, although no fundamental fact since March would justify an increase in it**
- **Polish pension funds that bought in March (and their beneficiaries) have an opportunity to realise annualised returns in excess of 55%. For those who bought Bogdanka at the IPO, the return is a 110% gain.** The vast majority of the shareholders have bought their shares close to the placement price of PLN 70.5.
- Our offer is at a 26% premium on the last 3 months volume weighted average share price of Bogdanka. This is the 2nd largest premium offered in Poland to date in 2010
- The offer is at a significant premium versus pre-announcement 12-month analyst price targets (average price of PLN 91)
- The implied valuation multiples compare favourably with comparable transactions and trading multiples in the mining sector internationally. NWR is offering an FV/EBITDA or PE multiple which is nearly double what NWR itself currently trades on. That is a very substantial premium and a considerable value commitment by NWR

Re-investment option (NWR equity issue) provides scope for “merger”

- In connection with this transaction, NWR is planning to issue new shares to give Bogdanka shareholders the opportunity to reinvest a significant portion of the proceeds from selling Bogdanka shares in the combined group. De facto this makes the transaction more a merger than an acquisition
- This is not only an opportunity for the current shareholders to continue to participate / benefit from the future of Bogdanka and the combined group but also an attractive investment opportunity. Essentially shareholders will get their cash at 18x PE and can reinvest at a significantly lower multiple in the combined group that is not only WSE listed but will also potentially be a FTSE 100 company

All FV/EBITDA and PE multiples are based on median analyst forecasts, the multiples on their own do not constitute a forecast

Source for Polish tender offer premia statistics: DMBH, based on public data provided by WSE, does not include squeeze-out transactions and based only on public tender offers above PLN25mm

A highly attractive value proposition (continued)

Full and fair price

- Based on our thorough fundamental analysis, we strongly believe that this is a fair and full price. The combination of our cash offer with the re-investment option leads us to believe that we are making a very attractive proposition to Bogdanka's shareholders
- NWR has a strong track record in sticking to its value judgment. We postponed our own IPO twice due to this, and more recently we postponed our bond issue in February because of price
- We believe that we are offering a fair and full price for Bogdanka and we are prepared to walk away from this transaction if we cannot convince the shareholders to accept our proposal
- There are many assets that are attractive to NWR. Bogdanka is currently one of the more attractive ones, but it is certainly not the only one

Significant uncertainties still surround the Stefanów development plans

- The high premium is justified by Bogdanka's growth plan. However, we should remember that there are very significant uncertainties surrounding the delivery of the volumes and profits expected from the opening of the Stefanów mine (difficult to maintain pricing when volumes grow fast, response from Silesian mines may be irrational etc)
- NWR intends to fully support the steps Bogdanka management and employees are taking in relation to the delivery of the Stefanów project

NWR's offer represents a very attractive value proposition

Value protection of Bogdanka's employee shareholders

- Due to the lock-up periods provided for by the Polish law, NWR understands that employee shareholders are currently not allowed to sell their shares in the Tender Offer
- It is NWR's intention however, that in case the Tender Offer is successful and NWR becomes a majority shareholder of Bogdanka, it will offer to all employee shareholders the opportunity to enter into preliminary share purchase agreements with NWR which will come into effect after the lock-up period expires on 9 December 2011, on the same valuation as the Tender Offer price.
- The potential withdrawal of shares of Bogdanka from trading on the WSE will not affect the rights of the employee shareholders
- In case a merger occurs, the employee shareholders will either retain their current shares or will receive new shares in the combined company, in which case they will be able to trade their shares on the market
- In potential squeeze-out procedure, the economic interest of the employee shareholders will be preserved as the price of such shares will be calculated in a manner similar to that used for the Offer

NWR's proposed re-incorporation in the UK

- NWR's planned UK re-incorporation will have no impact on the location of Bogdanka's headquarters and its tax residence in Poland
- NWR believes that its UK re-incorporation should allow FTSE series index eligibility once re-incorporation is completed
- A feasibility study has been undertaken and subject to further analysis and regulatory, tax and other clearances, the re-incorporation in the UK is expected in the first half of 2011.
- As an increasingly significant European mining company with listings in three jurisdictions, NWR believes this will benefit existing and prospective investors
- Increased potential universe of analysts and investors following combined NWR and Bogdanka
- NWR believes re-incorporation and FTSE eligibility will further demonstrate the Company's commitment to the high governance and control standards according to which it operates its business

Risks for Bogdanka shareholders in a standalone strategy

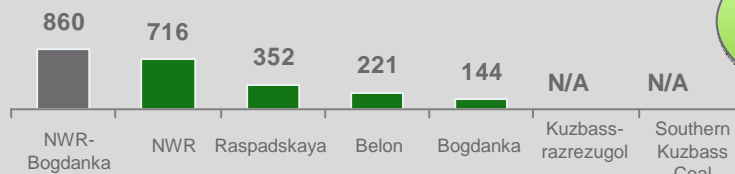
- Concentration risk through exposure to a sole end-market (Polish electricity demand)
 - Uncertainty regarding EU CO2 emission policy over the long term – expected to have negative impact on the prospects of thermal coal based power generation within the EU beyond 2013
 - Limited access to broader customer universe in Europe
 - Lack of commodity diversification increases risk and exposure to demand volatility
 - Bogdanka's coal sales are highly concentrated amongst only a few clients, limited pricing leverage with buyers
- Stefanów delivery still has substantial risk factors and further 3 years of development / substantial capex; however, most of the growth was already priced into Bogdanka's pre-offer share price
- Lack of scale and exclusive focus on Poland limit ability to follow consolidation and growth strategy in Poland and wider CEE region
 - Bogdanka is a Polish player not a regional leader
 - Limited access to capital markets (debt and equity)
- Low share liquidity driven by
 - Sole Polish listing
 - Lack of global index inclusion
 - Limited and fragmentary analyst coverage

NWR's offer provides a significant premium in cash today, factoring in many upsides that are highly uncertain

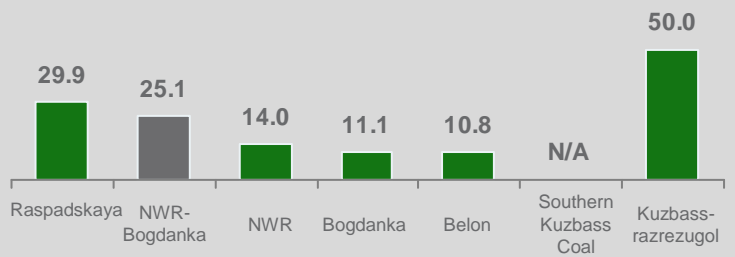
- NWR
- The Offer
- **The power of combination**
- Summary
- Appendix

The combination of NWR and Bogdanka will create a regional champion

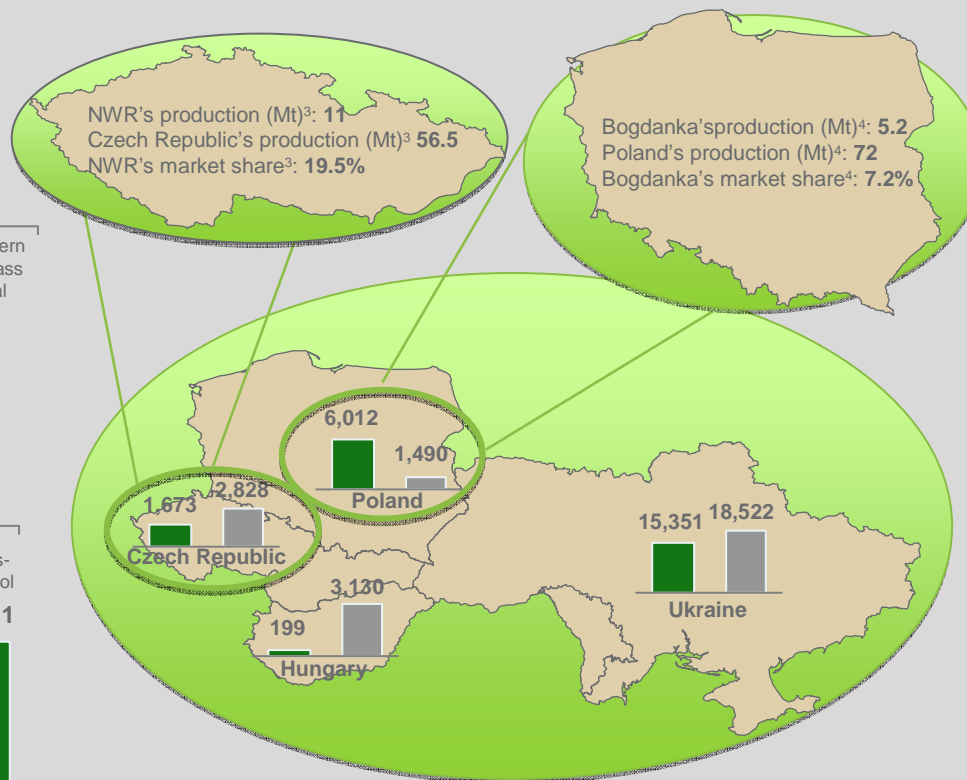
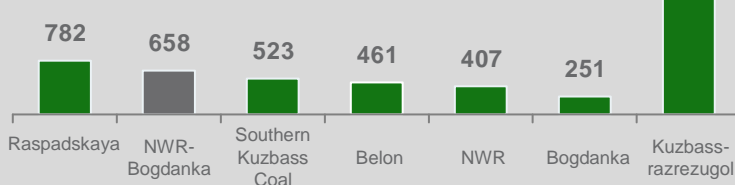
Revenue H1 2010 (EUR million)¹



Long run annual production (in Mt)²



Reserves base (in Mt)²



Bogdanka will be at the heart of a strong regional business with a long-term vision

Sources for peer comparison:

¹ Factiva press release on Belon performance, Bogdanka, NWR and Raspadskaya H1 2010 financial statements, average FX of 1 RUB = 0.0251 EUR, 1 USD = 0.7554 EUR, 1 PLN = 0.2502 EUR

² UBS Broker Report, 20 October, 2009; Finam Broker Report, 8 June, 2010; Uralsib Broker Report 14 May, 2010; Company Annual Reports

Sources for regional reserve data:

³ NWR 2009 coal production numbers refer to total coal production. Data based on IEA/OECD Energy Balances of OECD Countries, IEA/OECD Energy Statistics of OECD Countries, NWR Annual Report 2009

Percentage numbers based on indicated quoted sources

⁴ Bogdanka 2009 Annual Report, Statistics published by the Polish Ministry of the Economy, percentage calculation based on indicated quoted sources

Regional reserve map data based on reserve data as of 2009, data from the BP Statistical Review 2010

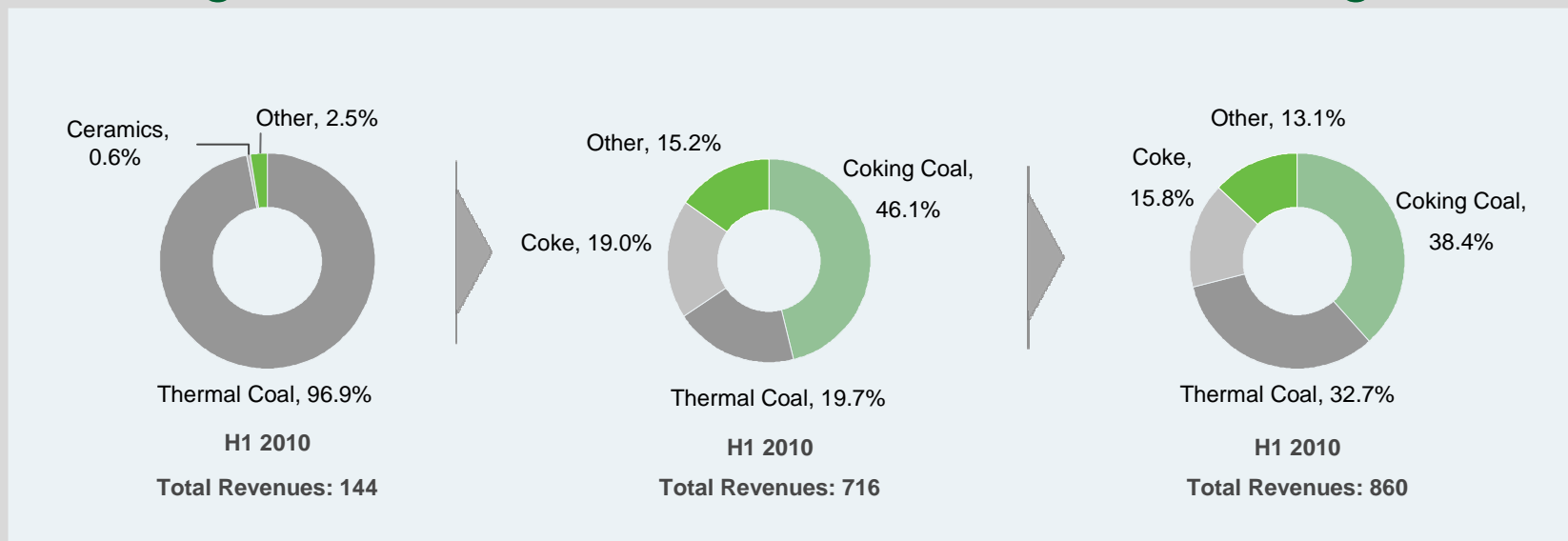
The combined group will have a more diversified product mix

Production by type as % of revenues (EUR million)

Bogdanka

NWR

NWR + Bogdanka



Source: NWR and Bogdanka - H1 2010 Financial Statements. Pro-forma analysis assumes simple addition of revenues to arrive at the combined revenue split. Analysis assumes an exchange rate of 1 PLN = 0.2502 EUR

To capitalise on growing car manufacturing and electricity generation markets in Poland and the CEE region

Reserves compared

Proved & Probable Coal Reserves (in Mt)						
As of 1 January 2010						
	NWR		Current Price	Bogdanka		Current Price
	(incl. Dębieńsko)		EUR/t	(incl. Stefanów)		EUR/t
Coking coal	332	82%	c. 160	0	0%	
Thermal coal	75	18%	c. 65	251	100%	c. 52
Total Coal reserves	407			251		

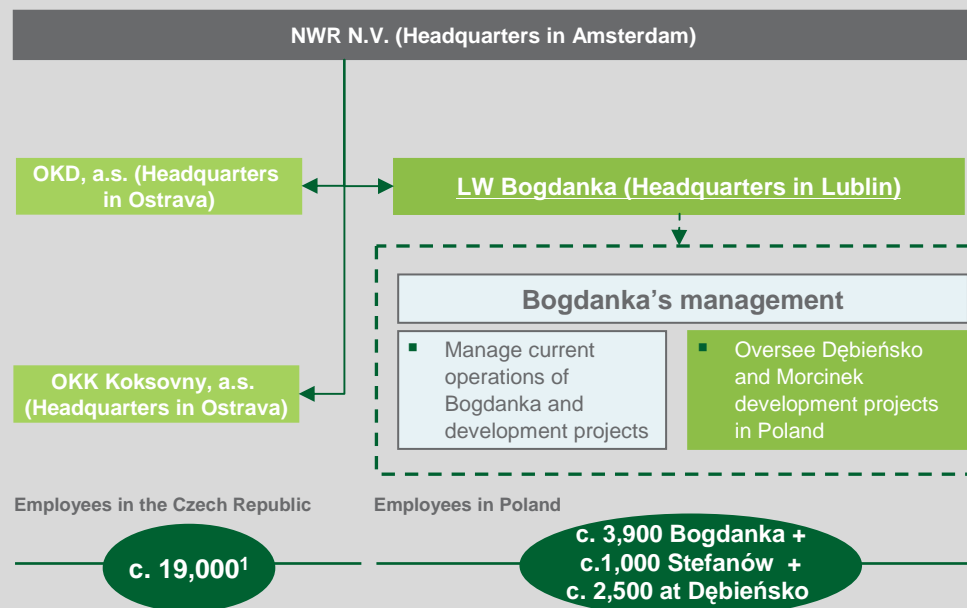
- 82% of NWR's coal is coking coal, 100% of Bogdanka's coal is thermal coal
- Market price of NWR's coking coal is currently around 160 EUR/t resulting in a relatively high cash margin
- NWR's thermal coal is on average of a higher quality (e.g. lower sulphur content) than that of Bogdanka's and hence currently commands a price of c. 65 EUR/t versus Bogdanka's average pricing around 52 EUR/t
- Due to the difference in quality Bogdanka will be affected by higher transport costs compared to NWR when moving its coal to more distant markets

Bogdanka will benefit from being part of a group with a significantly larger, more diversified and higher quality coal reserve base

- NWR
- The Offer
- The power of combination
- **Summary**
- Appendix

Bogdanka's management and employees will play an integral role in the implementation of NWR's strategy

NWR intends to give Bogdanka's management team the opportunity to lead the combined business operations in Poland and execute the Dębieńsko and Stefanów projects



- Strategy for Bogdanka assumes production growth and the completion of the Stefanów project with significant new job creation (approximately 1,000 new mining jobs)
- Development of Dębieńsko project to create up to 2,500 new jobs
- Proven track record of good and constructive relationships with employees and trade unions in the Czech Republic
- Implemented high safety standards

¹ Includes contractors
Source: NWR 2009 Annual Report, NWR H1 2010 Financial Statements, Bogdanka 2009 Annual Report

NWR & Bogdanka – a compelling future together

Leadership

- The leading listed coal producer in the CEE region

Investment

- Commitment to invest in Poland demonstrated by the EUR857m offer for Bogdanka, plans to invest additional EUR350-400m in Dębieńsko and commitment to support Bogdanka's existing growth projects

People

- In addition to Bogdanka's workforce expansion in Stefanów, up to 2,500 new jobs to be created in NWR's existing mine projects in Poland under leadership of Bogdanka's management

Production

- Combined annual production increase from 16 to 25 million tonnes

Long-term commitment to investment in Poland and further consolidation in the region

NWR-Bogdanka combination – a regional champion

- ✓ Creates a Central European industry leader with critical mass and access to capital to continue organic growth and regional consolidation
- ✓ Creates a blue chip Warsaw/London/Prague listed company with substantial growth potential in Poland
- ✓ Assures commitment to Bogdanka's development, to co-operation with management and employees and to planned expansion of Bogdanka's workforce due to the timely completion of the Stefanów mine development project
- ✓ Bogdanka's management and employees to play an integral role in NWR's Dębieńsko mine development project, in which NWR will invest EUR350-400 million, creating up to 2,500 new jobs
- ✓ Improves risk profile for both companies through enhanced reserve base, product and geographical diversification and complementary customer bases
- ✓ Accelerates opportunity to realise share value at a premium price for the existing employee share owners

A compelling strategic rationale for both companies, their employees, shareholders and stakeholders alike

- NWR
- The Offer
- The power of combination
- Summary
- **Appendix**

NWR's senior management team



Mike Salamon
Executive Chairman of NWR

- Over 30 years experience in the mining industry, with most recent role as executive director at BHP Billiton
- Oversaw merger and integration of BHP and Billiton
- Successfully led NWR's IPO on the Warsaw, London and Prague stock exchanges



Marek Jelinek
*Chief Financial Officer &
Executive Director of NWR*

- Responsible for the restructuring activities within the NWR Group, finance and treasury functions
- In 2007-2008, he led the Group's bond issue and the successful IPO in Warsaw, London and Prague



Klaus-Dieter Ralf Beck
*CEO of OKD & Executive
Director of NWR*

- Over 30 years of mining industry experience, at international mining companies in the US, Europe and Russia
- Oversaw strong revenue and production growth increase as senior vice-president for planning and engineering at Foundation Coal Holdings, a US coal company.
- Oversaw significant restructuring and capital investment at NWR's operations



Jan Fabian
*Chief Operating Officer of NWR &
Vice-Chairman of OKD Board of
Directors*

- Has overall responsibility for the operations of OKK and the Polish business operations of NWR Karbonia
- Previously managed large privatisation projects in the Czech Republic as well as Romanian steel industries
- Over 15 years experience in mining, focusing on operational efficiencies