



## The General Contractor of units 5 and 6 in the Opole Power Plant receives a notice to proceed

PGE Polska Grupa Energetyczna S.A. has issued a notice to proceed (NTP) to the General Contractor of two coal-fired power generation units with a combined capacity of 1800 MW in the Opole Power Plant (units 5 and 6).

The issue of NTP is the result of the fulfilment of all terms and conditions of the agreement entered into with the General Contractor on 15 February 2012, which allows the consortium of the companies Rafako, Polimex-Mostostal and Mostostal Warszawa together with Alstom Power to commence construction operations as of 1 February 2014.

The decision to issue NTP was preceded by the analyses of the macroeconomic factors and the regulatory environment of the energy markets in Poland and Europe. Their results indicate that investments in highly efficient and effective generation units fired with locally available fuels, which is the case with the Opole II project, will increase the value of the PGE Capital Group in the long-term perspective, says Dariusz Marzec, Vice President for Development in the PGE Management Board.

According to the provisions of the PLN 11.6bn contract for the construction of the Opole II Power Plant, the new units 5 and 6 are to be commissioned in the third quarter of 2018 and the first quarter of 2019 respectively. The application of the state-of-the-art hard coal combustion technologies will allow the Company to operate power generation units characterized by the highest available electricity generation efficiency (the so-called net efficiency is to achieve at least 45.5%) and simultaneously 20% lower CO<sub>2</sub> emissions as compared to those produced by the other power plants currently operated in Poland.

The project is to be executed on an EPC turnkey basis (EPC - engineering, procurement, construction).

The new units are to generate 13.4 TWh of electricity a year, which should ensure electricity supplies for more than 2 million households. They will require about 4.1 million tons of hard coal a year to be supplied by Kompania Węglowa S.A. under a long-term agreement.

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