

*Strictly private and confidential*

20 October 2010



The Management Board  
Lubelski Węgiel Bogdanka S.A.  
(the “*Company*” or “*Bogdanka*”)  
Bogdanka  
21-013 Puchaczów  
Lublin Province, Poland

Dear Sirs

**New World Resources NV (“NWR”) fully funded all cash offer of PLN100.75 per Bogdanka share for a total cash consideration of PLN3,427 million**

As part of our engagement as financial adviser to the Company in relation to the above and pursuant to the terms agreed between us in a letter dated 19 October 2010 (“*Engagement Letter*”), you have requested the opinion of Rothschild Polska sp. z o.o. (“*Rothschild*”) as to whether the proposed cash consideration to be received by the holders of 34,014,000 shares of par value of PLN5.00 in the Company (the “*Shares*”) on the terms and subject to the conditions of the offer made by NWR (the “*Offeror*”) as set out in its announcement, “NWR announces all-cash offer for Bogdanka and intention to re-incorporate in the United Kingdom” dated 5 October 2010 (the “*Offer*”) is fair to such shareholders from a financial point of view in order to assist the Management Board in its presentation of its opinion pursuant Art. 80 of the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies (“*Act*”).

The terms and expressions defined in the Engagement Letter have the same respective meaning where used in this letter.

On 5 October 2010 NWR announced a fully funded all cash offer of PLN100.75 per Bogdanka share for a total cash consideration of PLN3,427 million (equivalent to circa. €857 million)<sup>1</sup>, which is conditional on:

- 75 per cent. of Bogdanka’s issued share capital being tendered in acceptance of the Offer (NWR has the right to lower the acceptance condition at any time during or at the end of the acceptance period);
- Polish competition authorities approval; and

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<sup>1</sup> PLN/ € exchange rate of 0.2502 as per the Offer announcement

- NWR shareholder approval (Class 1 transaction for the purposes of the UK Listing Rules)..

The Offer will be open for acceptances from 25 October 2010 to 29 November 2010 (this initial 32 day acceptance period can be extended, in certain circumstances, to up to 120 days in terms of Polish law). NWR's shareholders' meeting to approve the acquisition of Bogdanka is scheduled for 24 November 2010. The cash consideration is stated to be available on an irrevocable basis, comprising:

- €300 – 400 million from NWR's cash resources; and
- Up to €565 million from an unsecured bridge facility provided by: (i) Citibank and JPMorgan for an amount of €150m; and (ii) BXR Finance (an affiliate of BXCRC Mining which is a 63.4 per cent shareholder in NWR) for an amount of €415 million.

NWR approached Bogdanka on 5 October 2010 with the details of the Offer, which was presented to the President of Bogdanka, Mr Mirosław Taras, by the Executive Chairman of NWR, Mr Mike Salamon. After this approach, NWR released its Offer announcement. In terms of Article 80 of the Public Offering Act, the Management Board of Bogdanka has to provide an opinion on the Offer by 21 October 2010.

In arriving at the opinion set out below, we have, among other things:

1. reviewed the financial terms of the Offer;
2. reviewed (i) NWR's press announcement and presentation dated 5 October 2010; and (ii) NWR's circular to NWR shareholders incorporating the notice of the Extraordinary General Meeting of NWR shareholders to vote on the approval of the acquisition of Bogdanka, amongst other items;
3. reviewed (i) Bogdanka's abridged consolidated interim financial statements for the six-months ended 30 June 2010 and presentation; (ii) Bogdanka's Directors' report on operations for the period from 1 January 2009 to 31 December 2009 and presentation; (iii) Financial forecast for 2010 – the Company's historical results, which was released on 1 October 2010; and (iv) Bogdanka's share issue prospectus dated 14 May 2009, which incorporates an expert's review on mineral assets of Bogdanka for IPO purposes;
4. reviewed certain financial and commercial analyses, forecasts and a financial model relating to its mining plan (including the expert opinion on the assessment of mineral assets of Bogdanka for its IPO in May 2009), processing and operating performance, earnings, cash flow, assets and prospects for the Company prepared and provided to us by its management;



5. held discussions with members of the senior management of the Company regarding the past and current business operations, the financial condition and future prospects of the Company, in particular on the underlying assumptions and the current status of its marketing schedule for the forecast coal production from 2010 to 2020 (which includes the expansion);
6. reviewed certain financial and stock market data of Bogdanka, and have compared that data with similar data for other publicly held companies in businesses which we deemed similar to those of Bogdanka. We have considered, to the extent publicly available, the financial terms of certain recent business combinations including takeovers, mergers, transactions, acquisitions and disposals which have recently been effected or announced. No company or transaction considered in our analyses was identical to Bogdanka, or the Offer. Accordingly, such analyses are not based solely on arithmetic calculations; rather, they involve considerations and judgments concerning differences in financial and operating characteristics of the relevant companies, the timing of the relevant transactions and prospective buyer interests, as well as other factors that could affect the public trading markets of companies to which Bogdanka is being compared. Our comparisons included consideration of companies with similar products/services, similar operating or financial characteristics or servicing similar markets or markets displaying certain key similarities to Bogdanka;
7. reviewed certain financial projections for the Company contained in certain securities analysts' research reports;
8. reviewed Bogdanka's and research analysts' coal price forecasts, and how Polish and coal (in terms of type and quality) specific factors influence such price forecasts, which includes reviewing historical trends; and
9. reviewed, where available, certain other financial studies and analyses, performed other investigations and taken into account other matters that we deemed appropriate including our assessment of current general economic, market and monetary conditions.

As agreed with you:

1. we have relied, without independent verification, upon the accuracy and completeness of all of the financial and other information discussed with or reviewed by us and have assumed such accuracy and completeness for the purposes of providing this opinion; and
2. we have assumed that the financial forecasts furnished by the Company, including information relating to the past and current business operations, the financial condition and future prospects of the Company have been reasonably prepared on



bases reflecting the best available estimates and judgments of the future financial performance of the Company by the senior management of the Company.

We have not made an independent evaluation or appraisal of the assets and liabilities of the Company.

**Based upon, and subject to, the foregoing, and based upon such other matters as we consider relevant as of the date of this letter, we are of the opinion that the proposed cash consideration to be offered to the shareholders of the Company pursuant to the terms of the Offer is not fair, from a financial point of view, to the shareholders of the Company.**

This letter and the opinion given in it are governed by Polish law and relate only to Polish law as applied by the Polish courts as at today's date. We express no opinion in this letter on the laws of any other jurisdiction.


This letter is confidential to, and for use only by, the Management Board of the Company in connection with and for the purposes of its evaluation of the Offer and its obligations under the Act, and may not be used or relied on for any other purpose or relied upon for any purpose by any other person. Unless the disclosure of this letter is required by Polish law and only to the extent provided by such law, the existence of this letter or its contents nor the fact that our advice has been given in connection with the Offer may be copied in whole or in part, or discussed with any other parties, or published or made public or referred to in any way, without our prior written consent.

In this letter we express no opinion as to any legal, tax or accounting issues which may arise or be suffered as a result of or in connection with the Offer and which are not directly connected with the issuance of this fairness opinion given within the scope provided by the Art. 80 of the Act.

Specifically, this opinion does not constitute a recommendation to any shareholder of the Company as to whether or not to accept the Offer. In addition, we are not expressing any opinion in this letter as to the price at which the Company's shares may trade if the Offer lapses.

Yours truly

for and on behalf of  
Rothschild Polska sp. z o.o.

  
Jacek Chwedoruk  
President of the Board



Anna Wiland  
Managing Director