



Polish Financial Supervision Authority

Komisja Nadzoru Finansowego

Pl. Powstańców Warszawy 1
00-950 Warszawa

Current report No: **4/2008**

Date: **2008-08-11**

Company: **HELIO S.A.**

Title: **Concluding agreement with Bank BPH S.A.**

Legal basis: Art. 56 item 1 point 2 of Act on Public Offering dated July 29th 2005

The report :

The Management Board of HELIO S.A. ("the Debtor") hereby informs about concluding on 11 August 2008 two loan agreements with Bank BPH S.A. with its registered office in Krakow ("the Bank"). Pursuant to the agreements the Bank granted HELIO S.A. two credits in the following form:

1. a multipurpose multicurrency credit line amounting up to the equivalent of PLN 6,840,000, allowing for the use of a credit limit up to the equivalent of PLN 6,000,000 intended for financing the current activities of the Debtor and a sublimit amounting up to PLN 840,000 intended for the compensation of the credit and market risk carried by the Bank due to concluding between the Bank and the Debtor transactions of the financial market on the basis of and under the terms determined in a separate agreement. The credit shall be made available on the current account in the amount not larger than PLN 6,000,000. The credit shall be used by means of realization by the Bank of payment orders of the Debtor from the Current Account in the appropriate currency of the credit. Within the credit limit, upon the Debtor's order, the Bank shall grant bank guarantees in the amount of up to the total amount not exceeding the equivalent of PLN 500,000 and it shall open documentary letters of credit in the amount up to the equivalent of the total amount of PLN 3,500,000. The credit shall be made available from 30 September 2009
2. a non-renewable working capital credit in the amount of PLN 4,000,000 intended for purchase of materials. The credit shall be made available on a designated credit account in PLN opened in the Bank and it shall be released in tranches payable upon the Debtor's order. The Debtor obliges itself to pay off the total of the used non-renewable working capital credit at the latest by 30 April 2009.

From the amount of the used credit both on the current account and in case of the non-renewable working capital credit, the Bank shall collect interest according to the WIBOR 1M fixed interest rate plus the bank's commission. The interest shall be charged daily and shall be payable on the last day of the interest period. The calendar month shall be the interest period. The following collaterals for repayment of the Credits, interest, commissions, charges, Bank's costs and any other Bank's receivables have been established for:

1. The credit agreement on a multipurpose multicurrency line:
 - a. a deposit mortgage for the amount up to PLN 8,960,000 for the real estate being a property of the Debtor, located in Wyględy and designated in the land and mortgage register (KW) no. WA1G/00058436/4 along with an assignment of the insurance policy,
 - b. receipts on the Debtor's current account in the Bank along with the power of attorney to this account,
 - c. an own bill of exchange in an in blanco form issued by the Debtor along with a bill of exchange declaration
2. The credit agreement on a non-renewable working capital credit:
 - a. a contractual mortgage in the amount of PLN 4,000,000 and deposit mortgage for securing the interest and the Bank's costs for the amount up to PLN 1,780,000 for the real estate being a property of the Debtor, located in Wyględy and designated in the land and mortgage register (KW) no. WA1G/00058436/4 along with an assignment of the insurance policy,
 - b. receipts on the Debtor's current account in the Bank along with the power of attorney to this account,
 - c. an own bill of exchange in an in blanco form issued by the Debtor along with a bill of exchange declaration.

The Debtor has obliged itself that the share of Mr. Leszek Wąsowicz's shares within the ownership structure of the Debtor shall not decrease below 50 % + 1 share. The remaining terms do not diverge from the terms commonly applied in agreements of this type. The provisions of the agreements do not assume contractual penalties whose maximum amount may exceed the equivalent of at least 10% of the value of this agreement or expressed in the equivalent of at least EUR 200,000.

The fundamental criterion for recognizing the agreements valid is the total value of the subject of these agreements amounting to at least 10% of the amount of revenues from the Company's sales recorded within the last four quarters of the year.

Signed:

Leszek Wąsowicz
President of the Management Board