

Current report no. 10/2011
dated 17 March 2011

ACQUISITION OF NEW LICENSE

Sadovaya Group S.A., a joint stock company under Luxembourg law, with registered office at 412F, route d'Esch, L-2086 Luxembourg, registered in the Luxembourg Register of Companies under No. B 153.489, (the "Company"), hereby informs that

the Group has acquired the license to develop "Roskoshniy" coal field, a natural extension of the Sadovaya field. Total resources of "A" grade coal (anthracite) at "Roskoshniy" field within the bounds of the coal seams 1₇^B, 1₆^H, 1₄^B, k₇^H amounted to 17.6 million tons. Proven and probable reserves (2P), as confirmed by IMC under JORC code, are 9.1 million tons as of July 1, 2010. The license is issued for 20 years.

Resource base in '000 tonnes, under JORC classification⁽¹⁾

	Old fields	Roskoshniy field	Total	Change
Total resources (measured and indicated)	23,129	17,617	40,746	76%
Total reserves for mine (proven and probable)	17,853	9,051	26,904	51%

(1) Resource base as audited by IMC as of July 1, 2010

The acquisition is part of the investment program of Sadovaya Group as described in the prospectus issued in connection with the initial public offering.

Legal grounds: Art.14 of the Luxembourg Law of 9 May 2006 on market abuse, and Art. 56 of the Act of 29 July 2005 on the public offering, conditions governing the introduction of financial instruments to organised trading system and on public companies.

Signatures of individual authorised to represent the Company:

Viktor Chornogor