

Current report no. 11/2011
Dated 22 March 2011

FEBRUARY 2011 PRODUCTION UPDATE

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 provides update on coal production in February 2011:

- Coal production at mines increased 159.7% year on year and 16.8% month to month
- Average daily coal mining increased 3.0% month to month at Sadovaya mine and 51.5% month to month at Rassvet-1 mine
- Coal sales increased 195.4% year to year

in tonnes

	February 2011	February 2010	% change, y-o-y	January 2011	% change, m-o-m
Coal traded	75,283	25,484	195.4%	110,823	-32.1%
Coal mined	31,928	12,294	159.7%	27,343	16.8%
<i>Sadovaya mine</i>	<i>11,626</i>	<i>8,334</i>	<i>39.5%</i>	<i>12,502</i>	<i>-7.0%</i>
<i>Rassvet-1 mine</i>	<i>20,302</i>	<i>3,960</i>	<i>412.7%</i>	<i>14,841</i>	<i>36.8%</i>
Coal recovered from waste dumps	740	0	n/m	3,260	-77.3%

The February's decrease of coal recovery from dumps was caused by adverse weather conditions in the region. The decrease of coal trading volume is connected to seasonality of coal purchases by energy generating companies.

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