



Raspadskaya reviews 2007 preliminary results and approves 2008 business plan

Moscow, 30 January 2008 – OAO Raspadskaya, one of Russia's leading coking coal producers, has announced today its production plans for 2008

		2007 Business Plan	2007 Expected	2008 Business Plan	% 08BP / 07BP	% 08BP / 07E
Production						
Raspadskaya Mine	' 000 t	8,0	8,9	8,4	105%	95%
Razrez Raspadsky	' 000 t	3,0	2,8	3,0	100%	108%
MUK-96	' 000 t	1,8	1,9	2,3	128%	120%
Raspadskaya-Koksovaya	' 000 t	0,0	0,0	0,0	NA	NA
Total production	' 000 t	12,8	13,6	13,7	107%	101%
Saleable Volumes						
Concentrate, incl.	' 000 t	9,1	8,8	9,8	108%	112%
Concentrate - Rasp Preparation Plant	' 000 t	6,7	7,8	8,9	133%	115%
Concentrate - 3rd parties	' 000 t	2,3	1,0	0,9	39%	89%
Raw coal	' 000 t	1,1	1,8	0,6	54%	34%
Total CAPEX	USD mln	147	156	323	220%	207%

Raspadskaya's 2008 target is to mine 13.7 million tonnes of raw coal. Raspadskaya Preparation Plant plans to enrich 11.8 million tonnes of raw coal, or 15% more than in 2007. Thus, the share of coal concentrate processed at third party plants in the total volume of saleable concentrate shall decrease from 12% in 2007 down to 9% according to 2008 business plan. Average concentrate output in 2008 will amount to ca. 75% according to 2008 business plan.

In 2008, Raspadskaya-Koksovaya plans to complete capital mining works which entail accessing and preparation of coal seams, and the mine will start preparation of seam mining. Launch of Raspadskaya-Koksovaya has been postponed to 2H 2009 because of required additional geological exploration and amendments to the mine's technical design which are required to achieve a more complete and efficient extraction of coal reserves.

In 2008 Raspadskaya intends to allocate US\$323 million for capital expenditure. This volume of investments reflects a decision to undertake an additional technical upgrade at Raspadskaya Mine in the period of 2008-2009 in accordance with the currently prevailing geological & mining conditions at several producing seams. This technical modernization implies purchase of highly productive mechanized mining complexes DBT, JOY, MKT-7 which will allow minimizing mining waste, extracting coal at several seams without capital maintenance and increasing productivity at Raspadskaya Mine. Capital expenditures at Raspadskaya-Koksovaya are planned at US\$80 million for 2008. These take into account inflationary cost increase of capital construction and equipment as well as required safety measures, in particular preliminary degasification of coal seams. In order to complete construction of 2nd stage of Raspadskaya Preparation Plant in 2008 the Company intends to allocate US\$14 million of its 2008 capital expenditure programme.

Commenting on Company's plans for 2008, Rapsadskaya's General Director Gennady Kozovoy said: «In 2007, we have achieved 27.7% production growth across all our mining units, or nearly 3 million tonnes of raw coal. This is unprecedented growth rate for a coal mining company and we are proud of this achievement. In 2008, our focus will be on cementing the level of production achieved in 2007. This is a good year to incur investments that will help ensure our future growth because 2008 high contract prices for our products allow us to anticipate strong financial results. We expect that our 2008 weighted-average price per tonne of coal concentrate on the Russian market will be at about 3 500 roubles, or US\$140 per tonne of concentrate, and on export – at about 2 900 roubles, or US\$118 per tonne of concentrate».

About Company

OAO Rapsadskaya is situated in the Kemerovo region of Russia. Company comprises two underground mines, one open-pit operation, a coal preparation plant and one underground mine under construction, as well as a coal transportation network and a number of integrated infrastructure companies. Rapsadskaya is one of the leading Russian coking coal producers whose customers include major steel and coking plants in Russia, Ukraine as well as Eastern Europe and Asia. Rapsadskaya produced 13.55 million tonnes of raw coal in 2007. 80% of Rapsadskaya's ordinary shares are held by Corber Enterprises Limited, an entity ultimately owned by Rapsadskaya management and Evraz Group on a parity basis.

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