

N.B. The English text is an in-house translation of the original Swedish text. Should there be any disparities between the Swedish and the English text, the Swedish text shall prevail.

The shareholders in  
**RusForest AB (publ)**

are hereby summoned to the extraordinary shareholders' meeting to be held on 1 February 2013 at 10.00 am CET at the offices of Advokatfirman Vinge, Smålandsgatan 20, Stockholm

**Notification etc.**

Shareholders who wish to participate in the shareholders' meeting must

- firstly* be included in the shareholders' register maintained by Euroclear Sweden AB as of 25 January 2013 (record date Saturday 26 January 2013), and
- secondly* notify the company of their participation in the extraordinary shareholders' meeting no later than on 28 January 2013. The notification shall be in writing to RusForest AB (publ), attn. Mia O'Connor, Hovslagargatan 5, 111 48 Stockholm, Sweden, via fax +46 8 545 015 54 or via email [egm@rusforest.com](mailto:egm@rusforest.com). The notification shall state the name, personal/corporate identity number, shareholding, address and telephone number daytime and, where applicable, information about representatives, counsels and assistants. When applicable, complete authorisation documents, such as powers of attorney for representatives and counsels, registration certificates or corresponding documents, shall be appended the notification.

**Nominee shares**

Shareholders whose shares have been registered in the name of a bank or securities institute must temporarily re-register their shares in their own names with Euroclear Sweden AB in order to be entitled to participate in the shareholders' meeting. Shareholders desiring to re-register must inform their nominee of this well before 25 January 2013, when such re-registration must have been completed.

**Proxy etc.**

Shareholders represented by proxy shall issue dated and signed power of attorney for the proxy. If the power of attorney is issued on behalf of a legal entity, a certified copy of a registration certificate or a corresponding document for the legal entity shall be appended. The power of attorney is valid for a maximum of one year after the issuance or for the duration indicated in the power of attorney, whichever is longer, however not for more than five years after the issuance. The registration certificate, where applicable may not be older than one year. The power of attorney in original and, where applicable, the registration certificate, should be submitted to the company by mail at the address set forth above well in advance of the shareholders' meeting. The form to use for a power of attorney can be found on [www.rusforest.com](http://www.rusforest.com).

**Shareholders' right to request information**

Shareholders are reminded of their right to request information in accordance with Chapter 7 Section 32 of the Swedish Companies Act (Sw. *aktiebolagslagen*).

### **Number of shares and votes**

There are a total of 479,038,470 shares and votes in the company, as of the date of this notice.

### **Proposed agenda**

- 1) Opening of the meeting;
- 2) Election of a chairman at the meeting;
- 3) Preparation and approval of the voting list;
- 4) Approval of the agenda;
- 5) Election of one or two persons to verify the minutes;
- 6) Determination as to whether the meeting has been duly convened;
- 7) Resolution regarding:
  - (a) amendment of 4 § in the articles of association;
  - (b) reduction of the share capital;
  - (c) amendment of 4 and 5 §§ in the articles of association;
  - (d) issue new shares by way of set-off;
  - (e) issue new shares with pre-emption rights to the shareholders;
  - (f) issue new shares with deviation from the shareholders' pre-emption rights;
  - (g) resolution to authorise the board to issue new shares;
  - (h) amendment of 5 § in the articles of association;
  - (i) to make a reversed split of shares; and
  - (j) election of new members of the board of directors.
- 8) Closing of the meeting.

***Item 7 - The board of directors' proposal to (a) resolve on an amendment of 4 § in the articles of association, (b) resolve on a reduction of the share capital, (c) resolve on an amendment of 4 and 5 §§ in the articles of association, (d) issue new shares by way of set-off, (e) issue new shares with pre-emption rights to the shareholders, (f) issue new shares with deviation from the shareholders' pre-emption rights, (g) resolution to authorise the board to issue new shares, (h) amendment of 5 § in the articles of association, and (i) to make a reversed split of shares as well as (j) proposal to elect new members of the board of directors.***

All proposals regarding item 7 are conditional upon duly passed resolutions (regarding *inter alia* approval of reduction of the nominal amount and accrued interest) at the bondholders' meeting the company intends to convene on 25 January 2013 (the "Bondholders' Meeting"). See also the press release that was published by the company on 12 December 2012.

### ***The board of directors' proposal to resolve on an amendment of 4 § in the articles of association (item 7 (a))***

This item is conditional upon the shareholders' meeting resolving in accordance with the board of directors' proposal under item 7 (b).

The board of directors proposes that the shareholders' meeting resolves on an amendment of 4 § in the articles of association whereby the limits for the company's share capital are changed from not less than SEK 200,000,000 and not more than SEK 800,000,000 to not less than SEK 4,000,000 and not more than SEK 16,000,000.

The reason for the amendment is to enable the proposed reduction of the share capital under item 7 (b).

***The board of directors' proposal to resolve on a reduction of the share capital (item 7 (b))***

This item is conditional upon the shareholders' meeting resolving in accordance with the board of directors' proposal under item 7 (a).

The board of directors proposes that the shareholders' meeting resolves upon a reduction of the company's share capital by SEK 474,248,085.30 for the purpose of covering losses. The reduction shall be implemented without redemption of shares.

Once the resolution has been executed, the company's share capital will amount to SEK 4,790,384.70 distributed on a total of 479,038,470 shares.

It should be noted that the Swedish Companies Registration Office's permission is not required for the execution of the reduction since the reduction is implemented for the purpose of covering losses.

The reason for the reduction of the share capital is to enable the new share issues upon which the board of directors proposes the shareholders' meeting resolves.

***The board of directors' proposal to resolve on an amendments of 4 and 5 §§ in the articles of association (item 7 (c))***

This item is conditional upon the shareholders' meeting resolving in accordance with the board of directors' proposal under item 7 (d) or the board of directors' proposal under items 7 (e) and (f).

The board of directors proposes that the shareholders' meeting resolves on an amendment of 4 § in the articles of association whereby the limits for the company's share capital are changed from not less than SEK 4,000,000 and not more than SEK 16,000,000 to not less than SEK 50,000,000 and not more than SEK 200,000,000. The board of directors also proposes that the shareholders' meeting resolves on an amendment of 5 § in the articles of association whereby the limits for the number of shares are changed from not less than 200,000,000 and not more than 800,000,000 to not less than 5,000,000,000 and not more than 20,000,000,000.

The reason for the amendment is to enable the new share issues upon which the board of directors proposes the shareholders' meeting resolves under item 7 (d)-(f).

***The board of directors' proposal to issue new shares by way of set-off (item 7 ((d))***

This item is conditional upon the shareholders' meeting resolving in accordance with the board of directors' proposal under item 7 (c).

The board of directors proposes that the shareholders' meeting resolves to increase the share capital of the company with a maximum of SEK 65,937,500 by an issue of a maximum of 6,593,750,000 new shares.

Right to subscribe for new shares shall only fall upon holders of the company's bonds (ISIN SE000394538) who are registered as holders in the company's register of creditors on the record date 1 February 2013.

Each of the persons that are entitled to subscribe for shares shall have the right to subscribe and pay for the new shares by way of set-off of claims in full. Subscription and payment shall be made by the person entitled to subscribe for shares during the period 8 February – 18 February 2013, by forwarding a subscription list to the company and thus setting off the claim (on the record date) in full against the company. The board shall be entitled to extend the time of subscription and payment.

The subscription price shall be SEK 0.04 per share. The reason for the deviation from the shareholders' pre-emption rights is to enable a conversion of the debt to the bondholders in order to improve the company's financial position. The subscription price has been established in order to ensure a reasonable and suitable composition of shareholders after the new issues that the board of directors have proposed to the shareholders' meeting under items 7 (d)-(f).

The new shares do not entitle participation in the concurrently herewith resolved new issue with pre-emption rights to the shareholders (see item 7 (e) below).

The completion of the issue is conditional upon bondholders representing at least 90 per cent of the Company's bonds' (ISIN SE000394538) nominal amount (including accrued interest), after the resolution on the reduction at the Bondholders' Meeting, subscribing for new shares in the issue, which corresponds to a conversion into at least 5,934,375,000 new shares. However, the board of directors shall be entitled to complete the issue also at a lower conversion rate.

***The board of directors' proposal to resolve to issue new shares with pre-emption rights to the shareholders (item 7 (e))***

This item is conditional upon the shareholders' meeting resolving in accordance with the board of directors' proposal under item 7 (c) and (d) or (f).

The board of directors proposes that the shareholders' meeting resolves to increase the company's share capital with not more than SEK 28,742,308.20 by an issue of not more than 2,874,230,820 new shares.

The shareholders shall have the right to subscribe for new shares with pre-emption rights whereby six (6) subscription rights will be obtained for one (1) existing share. One (1) subscription right entitles to subscription of one (1) share. Shares not subscribed with pre-emption rights will be allocated according to resolution by the board of directors. Allocation shall primarily be made to persons subscribing for shares under the subscription rights regardless of whether such persons were shareholders as of the record date or not and if over-subscription shall be allotted *pro rata* in proportion to the number of subscription rights that such persons have exercised for subscription of shares. Any remaining shares shall be allocated to persons subscribing for shares without pre-emption rights and if over-subscription is at hand shall allotment be made *pro rata* in proportion to their subscription, and in case this is not possible by drawing lots. Any thereafter remaining shares shall be allocated to Vostok Komi (Cyprus) Limited in their capacity as subscription guarantor for the issue.

The subscription for shares shall be made during the period 27 February – 13 March 2013. However, the board of directors shall be entitled to extend the subscription period.

The subscription price shall be SEK 0.03 per share.

The record date for participating in the rights issue shall be 22 February 2013. The new shares that are subscribed for in the concurrently herewith resolved new issue by way of set-off (see item 7 (d) above) or in the concurrently herewith resolved directed new issue (see item 7 (f) below) do not entitle participation in the new issue with pre-emption rights to the shareholders.

The completion of the issue is conditional upon bondholders representing at least 90 per cent of the Company's bonds' (ISIN SE000394538) nominal amount (including accrued interest), after the resolution on the reduction at the Bondholders' Meeting, subscribing for new shares in the issue by way of set-off that has been proposed under item 7 (d), which corresponds to a conversion into at least 5,934,375,000 new shares. However, the board of directors shall be entitled to complete the issue also at a lower conversion rate.

***The board of directors' of proposal to resolve to issue new shares with deviation from the shareholders' pre-emption rights (item 7 (f))***

This item is conditional upon the shareholders' meeting resolving in accordance with the board of directors' proposal under item 7 (c) and (d) or (e).

The board of directors proposes that the shareholders' meeting resolves to increase the company's share capital with not more than SEK 33,500,000 by an issue of not more than 3,350,000,000 new shares.

Right to subscribe for the new shares shall only fall upon Nova Capital LLC or an affiliate designated by Nova Capital LLC.

The subscription price shall be SEK 0.03 per share. The reason for the deviation from the shareholders' pre-emption right is to enable RusForest AB (publ) to bring in a new strategic significant shareholder and to improve RusForest AB's (publ) financial position. The subscription price has been established through negotiations with Nova Capital LLC.

The new shares do not entitle participation in the concurrently herewith resolved new issue with pre-emption rights to the shareholders (see item 7 (e) above).

By way of information it is reminded that the subscription agreement that Nova Capital LLC has entered into, and the main features of which are provided in the press release that was published by the company on 12 December 2012, is subject to several conditions. These conditions must either be fulfilled or waived by Nova Capital LLC, in order for the subscription agreement to enter into effect.

***The board of directors' proposal regarding resolution to authorise the board to issue new shares (item 7 (g))***

The board of directors proposes that the shareholders' meeting resolves to authorise the board of directors, for the period up to the next annual shareholders' meeting, on one occasion to issue a maximum of 99 new shares without pre-emption right for the shareholders. However, such issue may not result in the company's share capital exceeding the maximum share capital as set out in the company's articles of association as adopted from time to time.

The reason for the authorisation is to, before the reverse split proposed under item 7 (i), enable an adjustment of the company's number of shares in relation to the company's share capital and thus to obtain an even quota value after the reverse split.

***The board of directors' proposal to resolve on an amendments of 5 § in the articles of association (item 7 (h))***

This item is conditional upon the shareholders' meeting resolving in accordance with the board of directors' proposal under item 7 (i).

The board of directors proposes that the shareholders' meeting resolves on amendments of 5 § in the articles of association whereby the limits for the number of shares are changed from not less than 5,000,000,000 and not more than 20,000,000,000 to not less than 50,000,000 and not more than 200,000,000.

The reason for the amendment is to enable the reverse split the board of directors proposes to the shareholders' meeting to resolve upon under item 7 (i).

***The board of directors' proposal to resolve upon a reversed split of shares (item 7 (i))***

This item is conditional upon the shareholders' meeting resolving in accordance with the board of directors' proposal under item 7 (h).

The board of directors proposes that the shareholders' meeting resolves upon a reversed split of all shares in the company whereby 100 shares are consolidated into one (1) share.

Shareholders whose shareholding is not evenly divisible by 100, will receive shares from one of the company's shareholders, free of consideration, for the holding to be evenly divisible by 100. Delivery of shares is carried out through Euroclear Sweden AB, without further action to be taken by the shareholders. The board of directors is authorised to resolve on the record date for the reverse split.

### ***Proposal to elect new members of the board of directors (item 7 (j))***

Alexander Rudik and Paul G Putz are proposed for election as new board members as from, and conditional upon, allocation of shares in the new share issue with deviation from the shareholders' pre-emption rights (see item 7 (f) above) and both candidates are described further below.

***Alexander Rudik*** started his banking career in 1994 and is the founder and president of Nova Capital. He is currently a member of the General Council of the All-Russian Delovaya Rossiya Public Organization as well as founder and president of the Educational Trust Foundation.

Before founding Nova Capital in 2011, he established the Region Group of Companies, a leading Russian investment group, in 1995 and remained its principal shareholder and president until 2011.

He has served as Vice Governor of a constituent entity of the Russian Federation, on the Boards of Directors of AKB Bank for Finance and Industry, OOO NITOL Group, OOO Sibexportles Group, OOO Russian Timber Group, and ZAO Leon Group. He also chaired the Subcommittee on the Wood Processing Industry and Housing Construction of the Russian Federation Chamber of Commerce's Committee on the Development of the Timber Industry and Forestry and is a former member of the Forestry Board of the Russian Federation Ministry of Natural Resources, and a former Chairman of the Business Council on Cooperation with Poland.

***Paul G. Putz*** began as a broker assistant at the Vienna Stock Exchange (Wiener Börse) in 1988 and his career has given him more than 20 years of experience in investment banking. He is currently a partner of Paul Putz & Partner Management Consultants, a company focused on supporting CEE and Russian companies in extending business into the European Union. He has served as a board member and manager of several Russian and international companies since 1993, among other assignments he has been CEO of Ecolive SA, a holding company managing inter alia Russian forestry assets, board member of the REGION Investment Group, and Director of Business Development at NEWEX Börse AG. Paul G. Putz holds an MBA from California State University and an MBA från IMADEC University in Vienna.

### **Special majority requirements**

Resolutions to adopt the proposals under item 7 above shall be made as one resolution and shall only be valid if all the proposals are supported by shareholders holding not less than two-thirds (2/3) of both the votes cast and the shares represented at the shareholders' meeting.

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The board of directors' complete proposal regarding item 7 above will as from 11 January 2013 be held available at the company's office, Hovslagargatan 5, 111 48 Stockholm, and at the company's webpage [www.rusforest.com](http://www.rusforest.com), and be sent to shareholders that so request and inform the company of their postal address.

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Stockholm, December 2012

**RusForest AB (publ)**

*The board of directors*

### **IMPORTANT INFORMATION**

*This press release is not an offer for subscription for shares in RusForest. A prospectus relating to the proposed new share issues referred to in this press release will, subject to approval of the proposals by the extraordinary shareholders' meeting, be filed with the Swedish Financial Supervisory Authority. After approval and registration of the prospectus by the Swedish Financial Supervisory Authority, the prospectus will be published and made available on inter alia RusForest's webpage.*

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