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## Press Release

Stockholm, 15 October 2010

### **Prospectus regarding RusForest's Rights Issue now available – including new information about the company's projects**

The Board of Directors of RusForest AB (publ) ("RusForest" or the "Company") has prepared a prospectus with regard to the rights issue in the Company, which was resolved on the extraordinary shareholders' meeting that was held on 8 October 2010 (the "Rights Issue"). The prospectus has been approved by, and registered with, the Swedish Financial Supervisory Authority (Finansinspektionen) and is now available on RusForest's website, [www.rusforest.com](http://www.rusforest.com), and E. Öhman J:or Fondkommission AB's website, [www.ohman.se](http://www.ohman.se).

The Board of Directors assesses that the net proceeds from the Rights Issue, given full subscription, of approximately SEK 422 million (including pre-funding) will strengthen the Company's financial position and consequently provide RusForest with the opportunity to invest in the following projects: (i) approximately SEK 96 million for the acquisition of LDK-3 and Infa, (ii) approximately SEK 75 million for upgrades and investments at LDK-3, (iii) approximately SEK 55 million for investments at RusForest Magistralny (includes approximately SEK 35 million which has been financed through the bridge financing from Vostok Nafta), (iv) approximately SEK 61 million to clear bottlenecks in existing sawmills (v) approximately SEK 27 million to increase harvesting capacity and improve infrastructure, (vi) repayment of the Bond which matures in February 2011, in the amount of SEK 57.5 million (including interest) and (vii) approximately SEK 50.5 million for investments in Ust Ilmsk and Boguchansky (which have been financed through the bridge financing from Vostok Nafta). Depending on the availability of external financing, the above figures may be adjusted.

As set forth in item (i) above, LDK-3 and Infa are acquired for an amount of, in total, approximately SEK 96 million. LDK-3 and Infa are acquired from Northern Shipping Company. As described in the press release dated 8 October 2010, the acquisition of LDK-3 and Infa is contingent of Russian anti-monopoly approval, which is expected to be attained before the end of the year. In connection herewith, the Board of Directors wants to inform that the Company, on top of LDK-3's current operations and RusForest's capacity development plans at the site, assesses that LDK-3's geographical location and logistical opportunities – with a large industrial site in direct connection to its own port and access to international waters – have the potential to provide synergies through cooperation with third parties. The Company is therefore evaluating the prospect of offering other parties the opportunity to establish themselves in connection with LDK-3 in order to utilize the full potential of the site. Such collaboration would further improve the project's profitability for RusForest.

The printed version of the prospectus is planned to be available as from 19 October 2010 at RusForest (Hovslagargatan 5, SE-111 48 Stockholm, Sweden) and E. Öhman J:or Fondkommission AB (Berzelii Park 9, SE-103 91 Stockholm, Sweden). The prospectus will also

*RusForest offers a unique opportunity to invest in Russian forestry: [www.RusForest.com](http://www.RusForest.com)  
RusForest AB's Certified Adviser on First North is E. Öhman J:or Fondkommission AB.*



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be distributed by mail to RusForest's shareholders with directly registered shares, and can also be ordered from E. Öhman J:or Fondkommission AB during business hours by telephone: +46 8 402 51 32.

**For further information please contact:**

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or

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**About RusForest AB (publ)**

RusForest is the only listed Russian forestry and sawmilling company, with operations based in Eastern Siberia and long term leases covering over 850 thousand hectares of forest land. Alongside Brazil, Russia has the world's largest forest reserves by a significant margin, and Eastern Siberia is world renowned for its Pine and Larch of exceptional quality.

Through a series of acquisitions and development projects, RusForest increased sawnwood production by 37.9 percent in 2009, to 166,333 m<sup>3</sup>, in spite of weak market conditions. RusForest's goal is to develop into a leading independent integrated forestry and sawmilling company in Russia, with an annual harvest of 1.8–2.0 million m<sup>3</sup> and an annual sawnwood production of 550,000–600,000 m<sup>3</sup> during the coming four years.

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