



PRESS RELEASE

RusForest Comments on Non-Binding Indication of Interest from Izurium

January 22, 2013, Stockholm, Sweden – RusForest AB (publ) (“RusForest” or the “Company”) (NASDAQ OMX: RUSF), a Swedish forestry company with operations in Russia, announces its response to the non-binding indication of interest put forward by Izurium Capital Advisers Europe LLP (“Izurium”), a private equity fund sourced by the former CEO of RusForest, Martin Hermansson.

The Board of Directors of RusForest has received a number of non-binding indications of interest from various parties during its exploration of strategic and financial alternatives. None of these non-binding indications of interest have materialized into binding offers. The Board of Directors does not typically comment in public on non-binding indications of interest.

However, based on the information circulated to the market by Izurium, the Board of Directors feels obliged to clarify its position. Izurium entered into a non-disclosure agreement with RusForest on January 11, 2013, but did not submit any specific information request. On January 21, 2013, RusForest received a non-binding indication of interest from Izurium proposing to take the company private but without specific details that would normally accompany such a public offer. Although the Board of Directors has not been provided with sufficient information to make a full commercial evaluation of the non-binding indication of interest, the terms mentioned are not, in the Board of Directors’ current understanding, an improvement compared to the recapitalization proposal.

As previously disclosed, RusForest’s cash position is critical. The timeline for the bondholders’ meeting on January 25, 2013, and the extraordinary general meeting on February 1, 2013, has been set to address the Company’s working capital requirements. As it is, the Company will likely require bridge financing to complete the contemplated transaction on or around March 15, 2013. Any delay in addressing the Company’s cash position is likely to put the Company in an insolvency situation.

Izurium has requested a delay to the stakeholder meetings and 30 days to conduct due diligence. The Board of Directors is not willing to postpone the current process on the basis of a non-binding indication of interest when the consequences of delay are grave and the potential loss in value substantial. RusForest is willing to grant Izurium the possibility to conduct due diligence for the purpose of substantiating its non-binding indication of interest. Should Izurium advance to a position where it can make a binding public offer for the Company’s bonds and shares, such an offer would be evaluated based on the circumstances at the time of the offer.

RusForest has responded to Izurium that the ongoing recapitalization timeline will not be altered. The Board of Directors of RusForest continues to strongly recommend bondholders and shareholders of the Company to vote in favor of its recapitalization proposal as the best way to protect the Company’s fundamental value and create upside for all stakeholders.



About RusForest

RusForest is a Swedish forestry company operating in eastern Siberia and the Arkhangelsk region of Russia. The Company controls approximately 3 million hectares of timber through long-term leases with an annual allowable cut ("AAC") of approximately 3.6 million cubic meters. RusForest owns five sawmills in close proximity to its forest leases and is self-sufficient in raw material to produce more than 400,000 cubic meters per year of sawnwood products. The Company is listed on NASDAQ OMX Stockholm First North (ticker symbol "RUSF"). RusForest's largest shareholder is Vostok Nafta, which owns approximately 29 percent of the Company's shares. For additional information, please visit the Company's website at: www.rusforest.com

RusForest AB's Certified Adviser on First North is Pareto Öhman AB.

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