



2 February 2011

## Eurasian Natural Resources Corporation PLC

### Production Report for the Fourth Quarter Ended 31 December 2010

London – Eurasian Natural Resources Corporation PLC ('ENRC' or, together with its subsidiaries, the 'Group'), today announces its Production Report for the fourth quarter ended 31 December 2010.

Group production volumes for the quarter were slightly ahead in the Ferroalloys Division and remained largely in line for the other Divisions in Kazakhstan when compared to Q4 2009, a period when we had already seen a significant recovery in production. Our Ferroalloys Division, in Kazakhstan, and the Iron Ore Division, continued to operate at effectively full available capacity. In the Alumina and Aluminium Division, aluminium volumes were higher as the smelter operated at its full Phase 2 production capacity throughout the quarter. Electricity generation rose, due to an increase in available capacity. In the Other Non-ferrous Division, copper and cobalt production, which commenced in Q4 2009, achieved their 2010 full year production targets.

- **Ferroalloys Division.** Volumes for most ferroalloys products grew versus Q4 2009;
  - 5.6% increase for total ferroalloys;
  - 6.3% increase for ferrochrome; including 5.3% for high-carbon ferrochrome.
- **Iron Ore Division.** Production volumes increased slightly compared to Q4 2009;
  - 2.2% increase for iron ore extraction;
  - 4.4% increase for saleable concentrate;
  - the recovery in pellet demand towards the end of Q3 2010 continued, and the proportion of pellet in the saleable mix increased further in Q4 2010, although not reaching Q4 2009 levels.
- **Alumina and Aluminium Division.** Bauxite extraction increased 6.1% and alumina production grew 0.7%, compared to Q4 2009. The Division produced 62 kt of aluminium, an increase of 72.2% compared to Q4 2009, as the smelter operated at its full Phase 2 capacity.
- **Other Non-ferrous Division.** Saleable copper production in Q4 2010 was 4,992 t and cobalt contained production was 2,904 t.
- **Energy Division.** Coal extraction decreased 5.0% compared to Q4 2009, a quarter that had seen a marked recovery in the demand for coal. Electricity generation increased 6.3% compared to Q4 2009, due to greater available capacity. Internal electricity sales were broadly stable against Q4 2009.
- **Logistics Division.** 2.5% decrease in the volume of goods transported by railway.

Felix J Vulis, Chief Executive Officer, said: *"Our operations in Kazakhstan performed strongly and were at effectively full available capacity in Q4 2010. Increased aluminium production resulted from the smelter operating at its full Phase 2 capacity, achieved in Q2 2010. In the Other Non-ferrous Division, the annual production target was achieved for copper and cobalt. In addition, in Q4 2010 the cobalt SX/EW processing plant commenced with commissioning and produced its first copper as the Group advanced its development and capex in Africa. The Group continues to be focused on optimising production levels, as well as taking steps to maintain its advantageous cost position."*



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The information set out in this Production Report, unless stated otherwise, relates to the three months ended 31 December 2010 ('Q4 2010'), and is compared to the corresponding three months ended 31 December 2009 ('Q4 2009'). Production volumes for Q3 2010 are provided for information only. The acquisition of CAMEC as a subsidiary was effective from 9 November 2009. From Q2 2010, production data includes the contribution of Chambishi for the full quarter; the acquisition of Chambishi was completed on 6 April 2010. The Q3 2010 and Q4 2010 production data includes the contribution of ore extracted from Société Minière de Kabolela et de Kipese ('SMKK')'s Kabolela North Pit that came into production in August 2010.

References to 't' in the Production Report are to metric tonnes unless otherwise stated and all references to 'kt' are to thousand metric tonnes unless otherwise stated.

Definition of Run of Mine ('RoM') extraction; uncrushed ore in its natural state, as when it is blasted.

Definition of cobalt contained; total units of cobalt, whether in metal form or cobalt metal units contained in concentrate, net of internal consumption.

Shortly after this announcement is released the Group will post on its Investor Relations website (at [www.enrc.com](http://www.enrc.com)) an update of its quarterly production data.

Eurasian Natural Resources Corporation PLC ('ENRC') will announce its 2010 Preliminary Results on Wednesday, 23 March 2011. There will be a presentation to investors and analysts, commencing at 09:30 (London time) in the Auditorium at Deutsche Bank, Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom. There will be a simultaneous webcast and audiocast on the ENRC website ([www.enrc.com](http://www.enrc.com)).



## About ENRC

ENRC is a leading diversified natural resources group, performing integrated mining, processing, energy, logistics and marketing operations. The operations comprise: the mining and processing of chrome, manganese and iron ore; the smelting of ferroalloys; the production of iron ore concentrate and pellet; the mining and processing of bauxite for the extraction of alumina and the production of aluminium; the production of copper and cobalt; coal extraction and electricity generation; and the transportation and sales of the Group's products. The Group's production assets are largely located in the Republic of Kazakhstan; other assets, notably the Other Non-ferrous Division, are mainly located in Africa; the Group also has iron ore assets in Brazil. The Group's entities, in H1 2010, employed approximately 71,090 (H1 2009: 64,160) people. In 2009, the Group accounted for approximately 3% of Kazakhstan's GDP. The Group currently sells the majority of its products to Russia, China, Japan, Western Europe and the United States. For the half year ended 30 June 2010, the Group had revenue of US\$3,045 million (H1 2009: US\$1,695 million) and profit attributable to equity shareholders of the Group of US\$902 million (H1 2009: US\$553 million). ENRC has six Divisions: Ferroalloys, Iron Ore, Alumina and Aluminium, Other Non-ferrous, Energy and Logistics. ENRC is a UK company with its registered office in London. ENRC's shares are quoted on the London Stock Exchange ('LSE') and the Kazakhstan Stock Exchange ('KASE'). For more information on ENRC visit the Group's website at [www.enrc.com](http://www.enrc.com).

## Forward-looking Statements

*This announcement includes statements that are, or may be deemed to be, 'forward-looking statements'. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms 'believes', 'estimates', 'plans', 'projects', 'anticipates', 'expects', 'intends', 'may', 'will', or 'should' or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include matters that are not historical facts or are statements regarding the Group's intentions, beliefs or current expectations concerning, among other things, the Group's results of operations, financial condition, liquidity, prospects, growth, strategies, and the industries in which the Group operates. Forward-looking statements are based on current plans, estimates and projections, and therefore too much reliance should not be placed upon them. Such statements are subject to risks and uncertainties, most of which are difficult to predict and generally beyond the Group's control. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. The Group cautions you that forward-looking statements are not guarantees of future performance and that if risks and uncertainties materialise, or if the assumptions underlying any of these statements prove incorrect, the Group's actual results of operations, financial condition and liquidity and the development of the industry in which the Group operates may materially differ from those made in, or suggested by, the forward-looking statements contained in this announcement. In addition, even if the Group's results of operations, financial condition and liquidity and the development of the industry in which the Group operates are consistent with the forward-looking statements contained in this announcement, those results or developments may not be indicative of results or developments in future periods. A number of factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, general economic and business conditions, industry trends, competition, commodity prices, changes in regulation, currency fluctuations, changes in business strategy, political and economic uncertainty. Subject to the requirements of the Prospectus Rules, the Disclosure and Transparency Rules and the Listing Rules or any applicable law or regulation, the Group expressly disclaims any obligation or undertaking publicly to review or confirm analysts expectations or estimates or to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any changes in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.*

## Notes:

1. On 31 January 2011 the Group announced the extension of a call option (the 'Call Option') originally granted in conjunction with the acquisition of a 25% interest in Shubarkol Komir JSC ('Shubarkol') in February 2009 (the 'Call Option Extension'). The Call Option gives ENRC the right to acquire the outstanding 75% of the ordinary shares of Shubarkol for a consideration of some US\$600 million. The Call Option Extension, which has been granted for nil consideration, extends the expiry date of the Call Option by up to 12 months, to 31 January 2012. All other terms of the Call Option are unchanged.
2. In December 2010, Eurasian Natural Resources Corporation PLC drew down in full on a previously announced US\$500 million loan facility from the Kazakhstan National Welfare Fund, 'Samruk Kazyna'.



## FERROALLOYS DIVISION

### Ore Mining and Processing

		<b>Q4 2010</b>	Q4 2009	Q4 2010 v Q4 2009 % growth	<b>Q3 2010</b>	Q4 2010 v Q3 2010 % growth
<b>Chrome ore</b>						
Ore extraction (Run of Mine, 'RoM')	000' t	<b>1,219</b>	1,242	(1.9)%	<b>1,185</b>	2.9%
Saleable ore production	000' t	<b>982</b>	984	(0.2)%	<b>892</b>	10.1%
Internal consumption of saleable ore	000' t	<b>807</b>	736	9.6%	<b>813</b>	(0.7)%
- percentage		<b>82.2%</b>	74.8%		<b>91.1%</b>	
<b>Manganese ore</b>						
Ore extraction (RoM)	000' t	<b>608</b>	548	10.9%	<b>860</b>	(29.3)%
Processing of low grade stockpiles	000' t	<b>266</b>	195	36.4%	<b>178</b>	49.4%
Saleable concentrate production	000' t	<b>218</b>	213	2.3%	<b>323</b>	(32.5)%
Internal consumption of saleable concentrate	000' t	<b>90</b>	99	(9.1)%	<b>90</b>	0.0%
- percentage		<b>41.3%</b>	46.5%		<b>27.9%</b>	
<b>Iron-Manganese ore</b>						
Ore extraction (RoM)	000' t	<b>30</b>	15	100.0%	<b>30</b>	0.0%
Processing of low grade stockpiles	000' t	<b>22</b>	34	(32.3)%	<b>7</b>	214.3%
Saleable concentrate production	000' t	<b>31</b>	12	158.3%	<b>13</b>	138.5%

Chrome ore extraction remained at its full planned capacity in Q4 2010 and amounted to 1,219 kt (Q4 2009: 1,242 kt), a decline of 1.9% from Q4 2009 but a 2.9% increase on Q3 2010. The Division produced 982 kt of saleable chrome ore, broadly in line with Q4 2009 and an increase of 10.1% relative to Q3 2010. The increase in production from Q3 2010 reflected a higher volume of ore processed.

Internal consumption of saleable chrome ore in Q4 2010 increased 9.6% compared to Q4 2009, due to the higher level of ferroalloys production, including higher consumption of ENRC's ore by Serov and Tuoli in Q4 2010.

Manganese ore extraction increased 60 kt, or 10.9%, to 608 kt (Q4 2009: 548 kt), but declined 29.3% versus Q3 2010. The significant fall in manganese ore extraction and production against Q3 2010 reflected a planned seasonal decrease in production. The processing of low grade stockpiles increased 71 kt, or 36.4%, compared to Q4



2009, and increased 49.4% compared to Q3 2010, due to higher demand for low grade concentrates. Saleable manganese concentrate production increased 2.3%, to 218 kt, compared to Q4 2009, but decreased 32.5% against Q3 2010.

Production at Zhairem GOK, which mainly sells manganese concentrates for export, increased 9.5% to 162 kt from Q4 2009 (148 kt), and was flat compared to Q3 2010 (163 kt). Production of 56 kt at Kazmarganets, which supplies manganese concentrates to the Aksu ferroalloys plant for use in silico-manganese production, decreased 13.8% from Q4 2009 (65 kt), and fell by about two thirds against Q3 2010 (160 kt), due to a planned seasonal decrease in production. The proportion of total manganese concentrate production consumed internally was slightly lower in Q4 2010, at 41.3% (Q4 2009: 46.5%), as the planned repair of one of the furnaces decreased silico-manganese production. Production of saleable iron-manganese concentrate remained limited in Q4 2010.



## Ferroalloys Production

		<b>Q4 2010</b>	Q4 2009	Q4 2010 v Q4 2009 % growth	<b>Q3 2010</b>	Q4 2010 v Q3 2010 % growth
<b>Ferrochrome</b>	<b>000' t</b>	<b>373</b>	351	6.3%	<b>365</b>	2.2%
- High-carbon	000' t	<b>338</b>	321	5.3%	<b>331</b>	2.1%
- Medium-carbon	000' t	<b>14</b>	10	40.0%	<b>11</b>	27.3%
- Low-carbon	000' t	<b>21</b>	20	5.0%	<b>23</b>	(8.7)%
Ferrosilicochrome	000' t	<b>45</b>	37	21.6%	<b>50</b>	(10.0)%
Silico-manganese	000' t	<b>43</b>	48	(10.4)%	<b>44</b>	(2.3)%
Ferro-silicon	000' t	<b>12</b>	12	0.0%	<b>12</b>	0.0%
<b>Total ferroalloys</b>	<b>000' t</b>	<b>473</b>	448	5.6%	<b>471</b>	(0.4)%
Internal consumption of ferroalloys	000' t	<b>74</b>	64	15.6%	<b>69</b>	7.2%
- percentage		<b>15.6%</b>	14.3%		<b>14.6%</b>	

Note: Table may not sum precisely due to roundings.

In Q4 2010, the Ferroalloys Division produced 473 kt of ferroalloys, an increase of 5.6% compared to Q4 2009 and broadly at the same level as in Q3 2010. An increase in production against Q4 2009 was achieved for all products, except ferro-silicon, which remained steady, and silico-manganese. The latter decreased 10.4% due to the previously mentioned planned repair of one of the five furnaces between mid August and end of November 2010. Internal consumption of total ferroalloys production increased 10 kt compared to Q4 2009, to 15.6% of the total (Q4 2009: 14.3%; Q3 2010: 14.6%). The decrease in the production of low-carbon ferrochrome in Q4 2010 compared to Q3 2010 reflected a reallocation of available production capacity.

Serov contributed 71 kt to total ferroalloys production in Q4 2010 (Q4 2009: 58 kt), with volumes slightly lower than in Q3 2010 (73 kt). Production was close to full capacity levels for all products, including medium-carbon ferrochrome where production was restarted in Q2 2010 having been stopped in Q4 2008. At the end of December 2010 sixteen (of seventeen) furnaces (30 September 2010: sixteen; 31 December 2009: eleven) were in operation.

Tuoli contributed 18 kt of high-carbon ferrochrome to total ferroalloys production in Q4 2010 (Q4 2009: 17; Q3 2010: 17 kt). At the end of December 2010, all four furnaces were in operation (30 September 2010: four; 31 December 2009: three).

Ferroalloys capacity utilisation in Q4 2010 for Kazchrome was 100% (Q3 2010: 100%; Q4 2009: 97%), for Serov 94% (Q3 2010: 97%; Q4 2009: 77%) and for Tuoli 90% (Q3 2010: 87%; Q4 2009: 75%).



## IRON ORE DIVISION

		<b>Q4 2010</b>	Q4 2009	Q4 2010 v Q4 2009 % growth	<b>Q3 2010</b>	Q4 2010 v Q3 2010 % growth
Ore extraction (RoM)	000' t	<b>10,876</b>	10,639	2.2%	<b>10,891</b>	(0.1)%
Primary concentrate production	000' t	<b>4,389</b>	4,389	0.0%	<b>4,477</b>	(2.0)%
Saleable concentrate production	000' t	<b>2,013</b>	1,929	4.4%	<b>2,624</b>	(23.3)%
Saleable pellet production	000' t	<b>2,132</b>	2,295	(7.1)%	<b>1,680</b>	26.9%

In Q4 2010, the Iron Ore Division extracted 10,876 kt of iron ore, a slight increase of 2.2% compared to Q4 2009. Ore extraction was at approximately the same level as in Q3 2010, at effectively full available capacity. The Division produced 4,389 kt of primary concentrate, in line with Q4 2009, but a small decrease of 88 kt, or 2.0%, compared to Q3 2010.

In the full year 2010, there was a shift in demand from pellet to lower cost concentrate relative to 2009. However, in Q4 2010 there were signs of a recovery in pellet demand, impacting the Group's production mix. As a result, in Q4 2010 saleable concentrate production (with an iron content of 65.4%) was 2,013 kt, an increase of 4.4% compared to Q4 2009 (1,929 kt) but a decrease of 23.3%, or 611 kt, compared to Q3 2010 (2,624 kt). Pellet production (with an iron content of 62.6%) declined 7.1% compared to Q4 2009, but increased 26.9% from Q3 2010.

Capacity utilisation for primary concentrate production in Q4 2010 was 97% (Q3 2010: 100%; Q4 2009: 97%).



## ALUMINA AND ALUMINIUM DIVISION

		<b>Q4 2010</b>	Q4 2009	Q4 2010 v Q4 2009 % growth	<b>Q3 2010</b>	Q4 2010 v Q3 2010 % growth
Bauxite extraction (RoM)	000' t	<b>1,310</b>	1,235	6.1%	<b>1,355</b>	(3.3)%
Alumina production	000' t	<b>413</b>	410	0.7%	<b>413</b>	0.0%
Internal consumption of alumina - percentage	000' t	<b>121</b> <b>29.3%</b>	72 17.6%	68.1%	<b>121</b> <b>29.3%</b>	0.0%
Aluminium production	000' t	<b>62</b>	36	72.2%	<b>62</b>	0.0%
Gallium production	kg	<b>4,789</b>	4,831	(0.9)%	<b>4,743</b>	1.0%

In Q4 2010 bauxite extraction was 6.1% higher than in Q4 2009, but 3.3% less than in Q3 2010 due to seasonal factors. Alumina production was steady, at the plant capacity level.

In Q4 2010 internal consumption of alumina amounted to 121 kt, representing 29.3% (Q4 2009: 17.6%) of total alumina production, in line with Q3 2010 and with the aluminium smelter running at its full Phase 2 capacity.

Primary aluminium production in Q4 2010 was 62 kt, an increase of 72.2% against Q4 2009 and in line with production in Q3 2010 as the smelter has been operating at its full 250 kt per annum run rate capacity since May 2010.



## OTHER NON-FERROUS DIVISION

### Copper and Cobalt Production

		Q4 2010	Q3 2010	Q4 2010 v Q3 2010 % growth
<b>Copper</b>				
Ore extraction (RoM)	000' t	343	365	(6.0%)
Saleable copper cathode and sludge	t	4,992	5,948	(16.1%)
<b>Cobalt</b>				
Ore extraction (RoM)	000' t	284	273	4.0%
Cobalt contained	t	2,904	2,686	8.1%

*Note: Production numbers for saleable copper refer to tonnes of contained metal.*

*Definition of cobalt contained: total units of cobalt, whether in metal form or cobalt metal units, contained in concentrate, net of internal consumption.*

Q4 2010 copper production included the contribution of ore extracted from Société Minière de Kabolela et de Kipese's ('SMKK's') Kabolela North Pit and the Mukondo Pit. The cobalt solvent extraction and electro-winning (SX/EW) processing plant commenced with commissioning and produced its first copper through the copper circuit (750 t).

Saleable copper production for Q4 2010 was 4,992 t, a decrease of 16.1%. The reduction was mainly attributable to electrical power supply problems, due to a failed mains transformer, that was repaired at the end of October. The first phase of the cobalt SX/EW plant was commissioned towards the end of the quarter and this assisted in removing impurities in order to increase production. The commencement of the commissioning of the second and more complex phase for the extraction of cobalt will be in Q1 2011.

Cobalt contained production in Q4 2010 was 2,904 t, an increase of 8.1% from Q3 2010, largely due to increased purchases of third party concentrates.



## ENERGY DIVISION

		<b>Q4 2010</b>	Q4 2009	Q4 2010 v Q4 2009 % growth	<b>Q3 2010</b>	Q4 2010 v Q3 2010 % growth
Coal extraction (RoM)	000' t	<b>5,697</b>	5,995	(5.0)%	<b>4,286</b>	32.9%
Energy Division consumption of coal	000' t	<b>2,358</b>	2,226	5.9%	<b>1,982</b>	19.0%
- <i>percentage</i>		<b>41.4%</b>	37.1%		<b>46.2%</b>	
Sales of coal to other Group Divisions	000' t	<b>1,303</b>	1,359	(4.1)%	<b>1,078</b>	20.9%
- <i>percentage</i>		<b>22.9%</b>	22.7%		<b>25.2%</b>	
Electricity generation	GWh	<b>3,789</b>	3,566	6.3%	<b>3,156</b>	20.1%
Sales of electricity to other Group Divisions	GWh	<b>2,550</b>	2,528	0.9%	<b>2,595</b>	(1.7)%
- <i>percentage</i>		<b>67.3%</b>	70.9%		<b>82.2%</b>	

In Q4 2010, the Energy Division extracted 5,697 kt of coal from the Vostochny mine. This was a decrease of 5.0% compared to Q4 2009, which was an exceptionally high production quarter. Coal extraction increased 32.9% compared to Q3 2010, due to seasonal demand and available capacity through the planned timing of repairs.

Electricity generation in the period was 3,789 GWh, an increase of 6.3% on Q4 2009 and an increase of 20.1% from Q3 2010, due to differences in the repairs schedule between the periods. Electricity supplied by the Energy Division to other Group entities was 2,550 GWh, or 67.3% of total energy generation. This was a net 22 GWh, or 0.9% increase from the comparable quarter of 2009. The proportion of sales of electricity to other Group Divisions in Q4 2010 (67.3%) was lower than in Q4 2009 (70.9%), as the Iron Ore Division continued to take part of its electricity requirements from the Alumina and Aluminium Division, an arrangement that began in Q1 2010. Whilst the level of sales of electricity to other Group Divisions remained constant in Q4 2010 versus Q3, with the operating Divisions in Kazakhstan continuing to produce at capacity, increased electricity generation and higher third party sales resulted in a lower proportion being consumed internally.

External sales of electricity of 973 GWh increased 25.5% compared to Q4 2009 (775 GWh) reflecting greater third party sales by the Energy Division and less from the Alumina and Aluminium Division in Q4 2010. The approximately threefold increase in external sales against Q3 2010 (314 GWh) reflected available capacity and third party demand.



## LOGISTICS DIVISION

		<b>Q4 2010</b>	Q4 2009	Q4 2010 v Q4 2009 % growth	<b>Q3 2010</b>	Q4 2010 v Q3 2010 % growth
Volume of products transported by railway	000' t	<b>16,005</b>	16,419	(2.5)%	<b>15,326</b>	4.4%
<i>Percentage of products volume attributable to third parties</i>		<b>13.0%</b>	12.1%		<b>12.1%</b>	

In Q4 2010 the Logistics Division transported 16,005 kt by railway, a decrease of 2.5% compared to Q4 2009. Transportation was affected by limitations in the availability of railcars and temporary restrictions on deliveries to China due to adverse weather conditions.

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