



11 December 2008

Eurasian Natural Resources Corporation PLC

Statement on the New Tax Code Enacted in the Republic of Kazakhstan

London – Eurasian Natural Resources Corporation PLC ('ENRC' or, together with its subsidiaries, the 'Group'), the holding company of a leading diversified natural resources group based in Kazakhstan, today comments on the new Tax Code of the Republic of Kazakhstan. The highlights of the tax changes affecting ENRC are:

- The tax changes will take effect from 1 January 2009;
- There will be a phased reduction in the rate of Corporate Income Tax ('CIT') from the current 30% to: 20% in 2009; 17.5% in 2010; and 15% from 2011;
- The introduction of new Minerals Extraction Taxes ('MET') with a different rate for each type of mineral. The payments will be principally determined from the value of extracted mineral resources by reference to the sales price. MET payments for the Group are, in aggregate, significantly higher than the previous system of royalties, and are broadly phased to offset the reductions in the rate of CIT; and
- Revisions to the basis of calculation of Excess Profit Taxes ('EPT') imposed on net profits. EPT is designed to encourage mining companies to produce value added products within Kazakhstan. EPT arises where the revenue from external sales of mined ore exceeds a certain level of permissible deductions. The tax rate is tiered to the extent of the excess profit.

The expected impact on the financial results of ENRC is broadly in line with previous Group guidance:

- The headline effective corporate tax rate for 2008, prior to accounting for any changes arising with the new Tax Code, is expected to be broadly in line with the Group's previous guidance of between 32% and 33%.
- If all of the changes of the new Tax Code were to be incorporated in the 2008 tax charge, on a *pro forma* basis the impact would have been in line with the Group's previous guidance of an additional 2 to 3 percentage points on the effective tax rate.
- As a one-off impact in 2008, with the implementation of the new Tax Code, ENRC will benefit from a release of deferred tax liabilities which will reduce the estimated effective 2008 CIT charge by approximately US\$100 million.
- In an environment of lower commodity prices, the effective tax rate should remain broadly stable under the new Tax Code.
- ENRC's continued commitment to invest in value added processing in Kazakhstan should enable us to optimise our future effective tax rate.

"We are pleased with the introduction of the new Tax Code in Kazakhstan, which provides us with greater clarity and predictability. We believe that the Government of Kazakhstan's willingness to engage with the industry in the development of the new Tax Code provides a good balance between the interests of large extraction companies and the Government's wider objectives."

Miguel Perry, Chief Financial Officer

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Conference call details

The Chief Financial Officer's briefing will be available as a live conference call for investors and analysts at 14.30 (GMT) on Thursday, 11 December, 2008. The telephone number for callers is +44 (0) 20 3037 9118, with the identifier, 'the ENRC tax call'. From shortly after the live conference call there will be a replay available until Thursday, 18 December, 2008: Tel: +44 (0) 20 8196 1998, access code: 7634345#. A recording of the briefing will be posted on the website in due course.

This announcement is drafted to provide additional information to shareholders, but is not intended to be a definitive guide to the new Tax Code of the Republic of Kazakhstan. The announcement is a summary of the principal aspects affecting the Group and a best estimate, based on information currently available to the Group, of the effects on the Group's financial results. The announcement should not be relied on for any other purpose or by any other party.

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 mining and processing of bauxite for the extraction of alumina and the production of aluminium; coal extraction and electricity generation, and the transportation and sales of Group products. The Group's production assets are largely located in the Republic of Kazakhstan. The Group's entities, in the six months ended 30 June 2008, employed over 67,000 (2007: 64,000) people. In 2007, the Group accounted for approximately 4% of Kazakhstan's GDP. The Group currently sells its products around the world, including in Russia, China, Japan, Western Europe and the United States. For the six months ended 30 June 2008, the Group had revenue of US\$3,442 million (2007: US\$1,856 million) and net profit of US\$1,366 million (2007: US\$388 million). For further information please see the Group's website, www.enrc.com.

Forward-looking statements

This announcement includes forward-looking statements that reflect the current views of the management of the Group with respect to future events. 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. 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. The Group does not undertake any obligation to review or confirm analysts, expectations or estimates or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise after the date of this announcement.