



16 February 2009

Eurasian Natural Resources Corporation PLC

Acquisition of 25% of Shubarkol Komir Joint Stock Company for US\$200 million

London – Eurasian Natural Resources Corporation PLC ('ENRC' or, together with its subsidiaries, the 'Group'), the holding company of a leading diversified natural resources group with integrated mining, processing, energy and logistical operations based in Kazakhstan, today announces the acquisition of a 25% interest in Shubarkol Komir JSC ('Shubarkol'), a major thermal coal producer in Kazakhstan, for a cash consideration of US\$200 million.

Shubarkol is one of Kazakhstan's largest thermal coal producers, producing some 6.1 million tonnes of coal in 2007 and accounting for over 6% of Kazakhstan's total coal production in 2007. Shubarkol is also a local producer of semi-coke, selling some 161 thousand tonnes in 2007. As at 1 July 2008 and based on JORC guidelines, SRK reported that Shubarkol had 1.419 billion tonnes of measured and indicated coal resources within its coal lease of which there were 0.365 billion tonnes of probable coal reserves.

Shubarkol is majority owned by Eurasian Finance-Industrial Company JSC ('EFIC'), a private company beneficially wholly owned by the three Founder Shareholders of ENRC who together hold 43.77% of ENRC's issued share capital. The acquisition constitutes a 'smaller related party transaction' for the purposes of the Listing Rules of the United Kingdom Listing Authority ('UKLA').

In connection with the acquisition, ENRC has entered into an off-take agreement with Shubarkol, secured a seat on Shubarkol's board and entered into a shareholders agreement with EFIC. In addition ENRC has a right of first refusal, combined with a call option, over all or part of the remaining shares in Shubarkol held by EFIC. The call option is exercisable (at ENRC's discretion) at any time until 31 January 2011 and is expected to be subject to the approval of ENRC's shareholders and any required regulatory approvals having been obtained. The price payable on any exercise of the call option is the aggregate value of the shares to be transferred, assuming Shubarkol has a total value of US\$800 million on a fully diluted basis.

ENRC's management believes that the transaction, agreed on an arm's length basis, creates value for all of ENRC's shareholders.

The 25% interest in Shubarkol was acquired through a public auction process on the Kazakhstan Stock Exchange ('KASE'). ENRC expects that settlement of the shares through KASE will be completed by the end of the first quarter of 2009.

Commenting on the acquisition Dr. Johannes Sittard, Chief Executive Officer of ENRC, said, *"The acquisition of Shubarkol provides for the further strategic development of the Group in the region. In addition, it strengthens the integrated business model of ENRC through securing a reliable and cost effective supply of relatively high quality thermal coal and semi-coke, thereby further enhancing the Group's position as a low cost producer."*



Credit Suisse Securities (Europe) Limited acted as sole financial advisor to ENRC for this acquisition.

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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.



About Shubarkol

Shubarkol Komir JSC is majority owned by Eurasian Finance-Industrial Company JSC ('EFIC'), a private company which is beneficially wholly owned by the three 'Founder Shareholders' of ENRC. Shubarkol was established in 2002 by merger of two predecessor companies and holds rights and licences to produce thermal coal from the Shubarkol deposit, located in Central Kazakhstan. Shubarkol was initially formed in 1985 as Shubarkol Coal Mine, which was part of the state-owned Karaganda Coal group. Shubarkol's head office is in Karaganda, Kazakhstan. On 31 October 2008 Shubarkol obtained a listing on the Kazakhstan Stock Exchange ('KASE').

The coal resources and reserves of Shubarkol were reviewed and reclassified by SRK Consulting using the JORC terminology and guidelines and, as at 1 July 2008, SRK reported that Shubarkol had 1.419 billion tonnes of measured and indicated coal resources within its coal lease, of which 0.365 billion tonnes of probable coal reserves had been defined by mine plans and approved mining licences.

Shubarkol is one of Kazakhstan's largest thermal coal producers, producing some 6.1 million tonnes of coal in 2007 and accounting for over 6% of Kazakhstan's total coal production in 2007. Shubarkol is also a local producer of semi-coke, selling some 161 thousand tonnes in 2007. Shubarkol currently operates two open pit thermal coal mines, located in Central Kazakhstan approximately 500 kilometres to the south west of the regional capital, Karaganda, and a semi-coke production facility adjacent to the deposit. Shubarkol's operations also include the quarrying of building stone, coal processing, operating approach roads, rail truck operations, shunting services and the extraction and sale of water.

In the nine months to 30 September 2008 Shubarkol sold 4.8 million tonnes of thermal coal to third parties and used a further 344 thousand tonnes of coal to produce and sell 157 thousand tonnes of semi-coke. For the same period, the latest for which information is available, Shubarkol reported unaudited *pro forma* combined Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) of US\$72 million¹.

Forward-looking statement

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.

Credit Suisse Securities (Europe) Limited statement

Credit Suisse Securities (Europe) Limited ('Credit Suisse'), which is authorised and regulated in the United Kingdom by the Financial Services Authority ('FSA'), is acting as financial adviser to ENRC and is acting for no-one else in connection with the acquisition, and will not be responsible to anyone other than ENRC for providing the protections afforded to customers of Credit Suisse nor for providing advice to any other person in relation to the acquisition.

¹ Financial information is based on the unaudited notional combined trading results of the target group ('the group') based on: (i) Shubarkol's consolidated IFRS financial statements for FY 2007 and FY 2006 audited by KPMG; (ii) Sary Arka IFRS financial statements for FY 2007 audited by KPMG and FY 2006 unaudited; and (iii), unaudited stand-alone Kazakhstan Accounting Standards financial statements of the target group's entities for the nine months ended 30 September 2008, including a notional adjustment for identified differences between IFRS and Kazakhstan Accounting Standards.