Summary information

The following summary information should be read as an introduction to this Prospectus. Any decision by a prospective investor to invest in Ordinary Shares should be based on consideration of this Prospectus as a whole and not solely on this summarised information. Following the implementation of the relevant provisions of the Prospectus Directive (Directive 2003/71/EC) in each member state of the European Economic Area ("EEA"), civil liability will attach to those persons who have responsibility for this summary in any such member state, including any translation hereof if, but only if, this summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to the information contained in this Prospectus is brought before a court, the claimant investor might, under the national legislation of any of the EEA states, be required to bear the costs of translating this Prospectus before legal proceedings are initiated. Prospective investors should carefully read the entire Prospectus, including the financial statements and related notes, before making an investment decision. In particular, prospective investors should consider carefully the factors set forth in "Risk factors".

Overview

ENRC is a leading diversified natural resources group with integrated mining, processing, energy, logistical and marketing operations. The majority of the Group's assets were acquired in the privatisation process undertaken in Kazakhstan in the mid-1990s. The Company was formed as part of a reorganisation in December 2006 to simplify the ownership structure of the Group's assets and to consolidate them in a single group of companies. The Group's production assets are located in the Republic of Kazakhstan where it employs approximately 62,000 people. In 2006, the Group accounted for approximately 4% of the country's GDP.

The Group has five operating divisions:

The Ferroalloy Division. The Ferroalloy Division produces and sells ferrochrome and other ferroalloys, primarily to steel producers, and sells chrome ore and manganese ore to third party ferroalloy producers and the chemical industry. The Ferroalloy Division's chrome ore reserves are believed to be the largest in the CIS (169.3 million tonnes as at 1 July 2007) and are believed to be of a higher grade (42.1%) than those of other large-scale producers. Furthermore, according to Heinz H. Pariser estimates, based on 2006 data, the Ferroalloy Division is the world's largest producer of ferrochrome on a chrome content basis and has the lowest cash costs of all ferrochrome producers in the world. For the year ended 31 December 2006, the Ferroalloy Division's total third party revenue represented 45.2% of the Group's combined and consolidated revenue.

The Iron Ore Division. The Iron Ore Division produces and sells iron ore concentrate and pellets primarily to steel producers. According to CRU estimates, based on 2006 data, it is the sixth largest iron ore exporter by volume in the world and it is in the lowest third of the industry cost curve for global iron ore pellet production. For the year ended 31 December 2006, the Iron Ore Division's total third party revenue represented 25.5% of the Group's combined and consolidated revenue.

The Alumina and Aluminium Division. The Alumina and Aluminium Division produces and sells alumina to aluminium producers and is constructing a new aluminium smelter that will allow the division to process its alumina into aluminium. According to CRU estimates, based on 2006 data, the Alumina and Aluminium Division is the fifth largest supplier of traded alumina by volume in the world and is in the lowest quartile of the industry cost curve for alumina producers globally. For the year ended 31 December 2006, the Alumina and Aluminium Division's total third-party revenue represented 18.5% of the Group's combined and consolidated revenue.

The Energy Division. The Energy Division is one of the largest electricity providers in Kazakhstan, accounting for approximately 16% of the country's recorded electricity production in 2006. For the year ended 31 December 2006, the Energy Division's total third-party revenue represented 4.7% of the Group's combined and consolidated revenue.

The Logistics Division. The Logistics Division provides effective transportation and logistical services to the Group's principal operating divisions and third parties. For the year ended 31 December 2006, the Logistics Division's total third-party revenue represented 6.1% of the Group's combined and consolidated revenue.

The Group's principal ore reserves and mineral resources as at 1 July 2007 were as follows:

	Reserves[1]		Resources[1][2]	
	Tonnage (in millions of tonnes)	Grade (%)	Tonnage (in millions of tonnes)	Grade (%)
Chrome Ore	169	42% Cr_2O_3	334	49% Cr_2O_3
Iron Ore[3]	1,505	37% Fe	4,538	39% Fe
Bauxite	162	43% Al_2O_3	175	44% Al_2O_3
Coal	772	(thermal)	2,531	(thermal)

(1) All references to Mineral Resources and Ore Reserves are stated in accordance with the JORC Code.

(2) Mineral Resources are inclusive of Ore Reserves.

(3) Includes only iron ore reserves from the Iron Ore Division, excludes iron ore reserves from the Zhairem Unit.

Key strengths

The Directors believe that the Group has the following competitive strengths, which will enable it to retain and strengthen its position as a leading natural resources group:

- Its diversified operations and reserves enable it to sell a wide range of commodity products, reducing its vulnerability to the price volatility of individual commodities.
- It has substantial high quality assets and low costs of production.
- It is geographically well positioned to benefit from attractive growth markets.
- Its vertically integrated operations from mine-to-market ensure it has significant control over the supply of its raw materials and access to other required services.
- It has a proven track record of successfully implementing and managing a continuing programme of significant capital investment.
- Its experienced management team has a proven track record of generating growth.

Strategy

The Group's strategy is to achieve growth and to enhance overall value for its shareholders. The key elements of this strategy are as follows:

- Maintain and improve upon the Group's low cost operations through a continued focus on improved efficiency, cost control, economies of scale and investment in new technologies.
- Continue expansion and development of the Group's existing reserves and capacity.
- Expand the Group's asset portfolio and footprint in the region's natural resources sector.
- Add value and increase customer diversity by expanding the Group's production portfolio.
- Commit to high standards of corporate responsibility.

Summary financial information

The table below sets out ENRC's summary financial information for the periods indicated. Neither Adjusted EBITDA nor Adjusted EBITDA Margin is a measure of financial performance under IFRS:

US$ in millions	Ferroalloy Division	Iron Ore Division	Alumina and Aluminium Division	Energy Division	Logistics Division	Group and unallocated items	Intra-Group Eliminations	Total
Segment Revenue								
2004	1,287	883	384	211	57	—	(131)	2,691
2005	1,377	857	460	205	195	—	(144)	2,950
2006	1,473	829	612	263	277	—	(198)	3,256
Six months ended 30 June 2007	917	457	325	157	102	—	(102)	1,856
30 June 2006 (unaudited)	687	402	311	123	83	—	(92)	1,514
Adjusted EBITDA[1]								
2004	669	576	186	66	19	(14)	—	1,502
2005	606	479	182	67	47	(18)	—	1,363
2006	547	323	277	77	54	(22)	—	1,256
Six months ended 30 June 2007	405	197	132	65	23	(25)	—	797
30 June 2006 (unaudited)	212	151	156	44	26	(14)	—	575
Adjusted EBITDA Margin[2]								
2004	52.0%	65.2%	48.4%	31.3%	33.3%	—	—	55.8%
2005	44.0%	55.9%	39.6%	32.7%	24.1%	—	—	46.2%
2006	37.1%	39.0%	45.3%	29.3%	19.5%	—	—	38.6%
Six months ended 30 June 2007	44.2%	43.1%	40.6%	41.4%	22.5%	—	—	42.9%
30 June 2006 (unaudited)	30.1%	37.6%	50.2%	35.8%	31.3%	—	—	38.0%

(1) Adjusted EBITDA represents profit before finance income, finance costs, income tax expense and depreciation and amortisation (including negative goodwill), as further adjusted to add back exceptional items. Exceptional items (costs incurred in relation to the initial public offering) amounted to US$6 million for 2006 and US$20 million for the six months ended 30 June 2007.

(2) Adjusted EBITDA Margin represents Adjusted EBITDA as a percentage of revenue.

Summary of the Global Offer

The Global Offer comprises an offer to institutional investors and certain "friends and family" of the Company of 252,500,000 New Ordinary Shares (representing approximately 20% of the expected issued ordinary share capital of the Company immediately following Admission and assuming no exercise of the Over-allotment Option).

All shares issued pursuant to the Global Offer will be issued at the Offer Price. The Offer Price has been determined following a bookbuilding process and is 540p per Ordinary Share.

Admission is expected to take place, and unconditional dealings in the Ordinary Shares are expected to commence, on the London Stock Exchange at 8.00 a.m. (London time) on 12 December 2007.

In connection with the Global Offer, the Stabilising Manager may over-allot or effect other transactions which stabilise or maintain the market price of the Ordinary Shares or any options, warrants or rights with respect to, or interests in, the Ordinary Shares, in each case at a higher level than might otherwise prevail in the open market. Such transactions may commence on or after the date of publication of the Offer Price and will end no later than 30 days thereafter. Such transactions may be effected on the London Stock Exchange, the over-the-counter market or otherwise. There is no assurance that such transactions will be undertaken and, if commenced, they may be discontinued at any time. Save as required by law, it is not intended that the Stabilising Manager will disclose the extent of any over-allotments and/or stabilisation transactions under the Global Offer.

Use of proceeds

Assuming no exercise of the Over-allotment Option, the net proceeds from the Global Offer receivable by the Company will be approximately £1,280.0 million (approximately US$2,592.1 million), after deduction of estimated expenses payable by the Company of £83.5 million (approximately US$169.0 million).

The principal use of the proceeds of the Global Offer, supplemented by the cash resources generated by the Group and (if appropriate) external or project or other financing, is to grow the Group both organically and through strategic acquisitions and, in particular, to provide funding for the following:

- approximately US$1.7 billion will be allocated to the Group's US$2.8 billion short- to medium-term investment programme.
- approximately US$110 million will be used to satisfy the balance of the consideration payable in respect of the Group's acquisition of a controlling interest in the Serov Group and certain related entities.
- US$500 million will be used to fund the pre-IPO dividend.
- the balance will be used to reduce the Group's leverage and/or to fund acquisition opportunities which may arise.

Pending investment, the net proceeds will be placed on deposit.

Current trading and prospects

Since 30 June 2007, the Group has continued to trade in line with the Directors' expectations. The Group's production and sales volumes have progressed in line with expectations, with consolidated revenue higher than for the comparable period in 2006, mainly as a result of the continued strength of commodity prices, and in particular in respect of the Ferroalloy Division and Iron Ore Division. Operating costs have continued to increase, principally in line with the increases experienced in the first half of 2007, due to continued inflationary pressures and the impact of adverse currency movements. These inflationary pressures are being monitored to enable the Group to mitigate their effects on unit costs where possible.

The Directors believe that the financial and trading outlook for the remainder of the year is in line with the Group's expectations.

Risk factors

An investment in shares involves a high degree of risk. Accordingly, before making a decision on whether to invest in the Ordinary Shares, prospective investors should carefully consider the specific risks and uncertainties listed below:

The Group could face enhanced risk and uncertainty upon a change in government or a change in the political climate in Kazakhstan

- Since the acquisition of the Group's assets through the privatisation process in the mid-1990s, the Group and its Founders have had, and continue to have, close links with the Government of Kazakhstan (including the President). The Group could face enhanced risk and uncertainty upon a change in government or a change in the political climate. For example, a new government with whom the Group may not have as close links may be more likely to seek to re-nationalise the Group's assets, terminate the Group's subsurface contracts and attempt to re-open or challenge the tax, legal or other arrangements affecting the Group's operations, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Risks relating to the Group's business and industry

- The actual volume and grade of the Group's ore reserves and its rate of production may not conform to current expectations.

- The Group may be unable to acquire or retain the subsurface contracts, mining licences, contracts, permits and other regulatory approvals necessary to extract the Group's reserves on satisfactory terms or at all.
- Commodity prices are volatile and a substantial or extended decline in commodity prices would materially and adversely affect the Group's business, financial condition, results of operations and prospects.
- An increase in the Group's production costs could reduce its ability to compete and achieve long-term profitability.
- The Group's business requires substantial capital expenditures.
- The Group's growth projects require substantial capital expenditures, and the Group may be unable to complete the relevant projects on schedule and within budget. While the Directors believe that, having regard to the bank facilities available to the Group and the net proceeds receivable under the Global Offer, the working capital available to the Group is sufficient for its present requirements, that is for at least the next twelve months, after the expiry of this twelve month period, the Group may be unable to adequately fund its expansion plans.
- The Group may be unable to identify or complete any potential acquisitions or may not be able to acquire such interests on satisfactory terms or at all.
- If the Group fails to integrate future acquisitions successfully, its rate of expansion could slow.
- The Group's operations are highly dependent on transport services and sources of power that may be disrupted or interrupted.
- The Group may be subject to increased transport costs, rail tariffs and custom duties.
- The Group depends on certain key customers for a significant portion of its revenue. The loss of any one of these customers or group of customers could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.
- The Group depends on the Russian and Chinese markets for a significant portion of its revenue and an economic slowdown in these markets may negatively impact the Group's business, financial condition, results of operations and prospects.
- The Group's purchase of an equity ownership in Aluminium of Kazakhstan from the Republic of Kazakhstan is subject to certain conditions. If the conditions are not met, ownership of the shares will not be fully transferred to the Group and the consideration and costs and expenses associated with construction of the aluminium smelter and the transfer of the equity ownership will not be reimbursed.
- Mining, smelting and metals refining are inherently dangerous and subject to conditions or events beyond the Group's control, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.
- Compliance with environmental laws and regulations requires ongoing expenditures, considerable current capital commitments and uncertain capital requirements in the future, which the Group may be unable to adequately fund or complete on schedule.
- A violation of health and safety requirements and the occurrence of accidents could disrupt the Group's operations and increase operating costs.
- Fluctuations in exchange rates and appreciation in the rate of inflation may materially and adversely affect the Group's business, financial condition, results of operations and prospects.
- The Group depends on certain key personnel, including its senior management. The failure to attract and retain qualified personnel could materially and adversely affect its business, financial condition, results of operations and prospects.
- The Group's business may be affected by slowdowns, stoppages and other disruptions due to labour-related developments.

- The Group does not insure against certain risks, and its insurance coverage may be insufficient to cover losses.
- Adjustments to transfer pricing and other tax legislation by the Kazakhstan tax authorities may significantly increase the Group's historic tax liability and could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.
- The Group and its Founders may incur additional liabilities as a result of certain historic trading arrangements in Russia.
- The Group is proposing to upgrade the financial IT systems used by its operating entities and there is no guarantee that this upgrade will be successful.
- Title to the Group's mineral properties or production facilities may be challenged, which may prevent or severely curtail the Group's use of the affected properties.

Risks relating to operating in Kazakhstan

- The Group is exposed to the general risks associated with operating in an emerging market.
- The Group is exposed to certain specific risks relating to Kazakhstan, including the risk of adverse sovereign action by the Kazakh government such as the re-nationalisation of privatised assets.
- The exact scope of Article 71 of the Kazakhstan Subsurface Law, which provides the Republic of Kazakhstan with a pre-emption right in relation to the transfer of the Group's subsurface use rights, is uncertain and no precedent exists to indicate how it may be applied.
- The laws and regulations of Kazakhstan relating to foreign investment, subsurface use, licensing, companies, tax, customs, currency, banking and competition are still developing, and uncertainties or changes in the law could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.
- The Group's operations are subject to extensive government regulation and legislation, as well as political pressure that may materially and adversely affect the Group's business, financial condition, results of operations and prospects.
- The taxation system in Kazakhstan is at an early stage of development. The interpretation and application of tax laws and regulations are evolving, which significantly increases the risks with respect to the Group's operations and investment in Kazakhstan.
- The Kazakh judiciary's lack of experience and perceived lack of independence, the difficulty of enforcing court decisions and governmental discretion in enforcing claims could prevent the Group or holders of the Ordinary Shares from obtaining effective redress in a court proceeding.
- The Group provides social programmes for the benefit of local communities, the costs of which may increase.

Risks relating to the Group's structure

- The Founders will exercise significant influence over the Group after the Global Offer.
- The holding company structure means that the Company's ability to pay dividends is dependent on distributions received from its subsidiaries.
- The Group has undertaken a significant number of related party transactions and will continue to do so.
- The Group is a newly consolidated entity without an established operating history.
- The Group has significant deposits with Eurasian Bank, and there can be no assurance that it will be able to withdraw these deposits on a timely basis or at all.

Risks relating to the Ordinary Shares

- The Republic of Kazakhstan may be entitled to exercise pre-emptive rights over certain issuances or sales of Ordinary Shares or asset sales by the Group.
- Adverse media speculation and other public statements about the Group and the Founders could materially and adversely affect the Group's reputation and the trading price of the Ordinary Shares.
- The Founders are involved in an ongoing investigation in Belgium relating to tax evasion.
- There has been no prior public trading market for the Ordinary Shares.
- The price of the Ordinary Shares may fluctuate significantly.
- Pre-emptive rights may be unavailable to US and other non-UK holders of Ordinary Shares.