

Current report no.20/2012  
Dated 16 August 2012

### JULY 2012 PRODUCTION UPDATE

Sadovaya Group S.A., a joint stock company under Luxembourg law, with registered office at 65, boulevard Grande-Duchesse Charlotte L-1331 Luxembourg, registered in the Luxembourg Register of Companies under No. B 153.489, (the "Company"), hereby provides update on coal production in July 2012:

- Coal sales down 28.4% month-on-month on weak summer demand. As of today the demand is recovering.
- Coal mining increased by 1.0% month-on-month.
- A new longwall on Rassvet-1 mine was put into operation on 15<sup>th</sup> of August.

Development of module enrichment complex (MEC) construction (please find photos of construction progress on the next page):

- Paneling and commissioning of electrical equipment was completed
- Successful test launches of conveyors were conducted
- The launch of the MEC is scheduled for late August

<i>in tonnes</i>	July 2012	July 2011	%change, y-o-y	June 2012	% change, m-o-m	Year-to-date 2012	Year-to-date 2011	% change, y-o-y
Coal sold	33 918	67 341	-49.6%	47 360	-28.4%	420 687	668 563	-37.1%
Coal mined	38 620	42 810	-9.8%	38 250	1.0%	266 430	239 201	11.4%
<i>including:</i>								
<i>Sadovaya mine</i>	20 980	23 950	-12.4%	21 210	-1.1%	138 660	125 783	10.2%
<i>Rassvet-1 mine</i>	17 640	18 860	-6.5%	17 040	3.5%	127 770	113 418	12.7%
Coal recovered from waste dumps	-	5 580	n/a	-	n/a	7 985	26 966	-70.4%

**Legal grounds:** article 56.1 in connection with article 56.6 of the Act of 29 July 2005 on the public offering, conditions governing the introduction of financial instruments to organised trading system and on public companies.

Signatures of individual authorised to represent the Company:  
Viktor Chornogor

