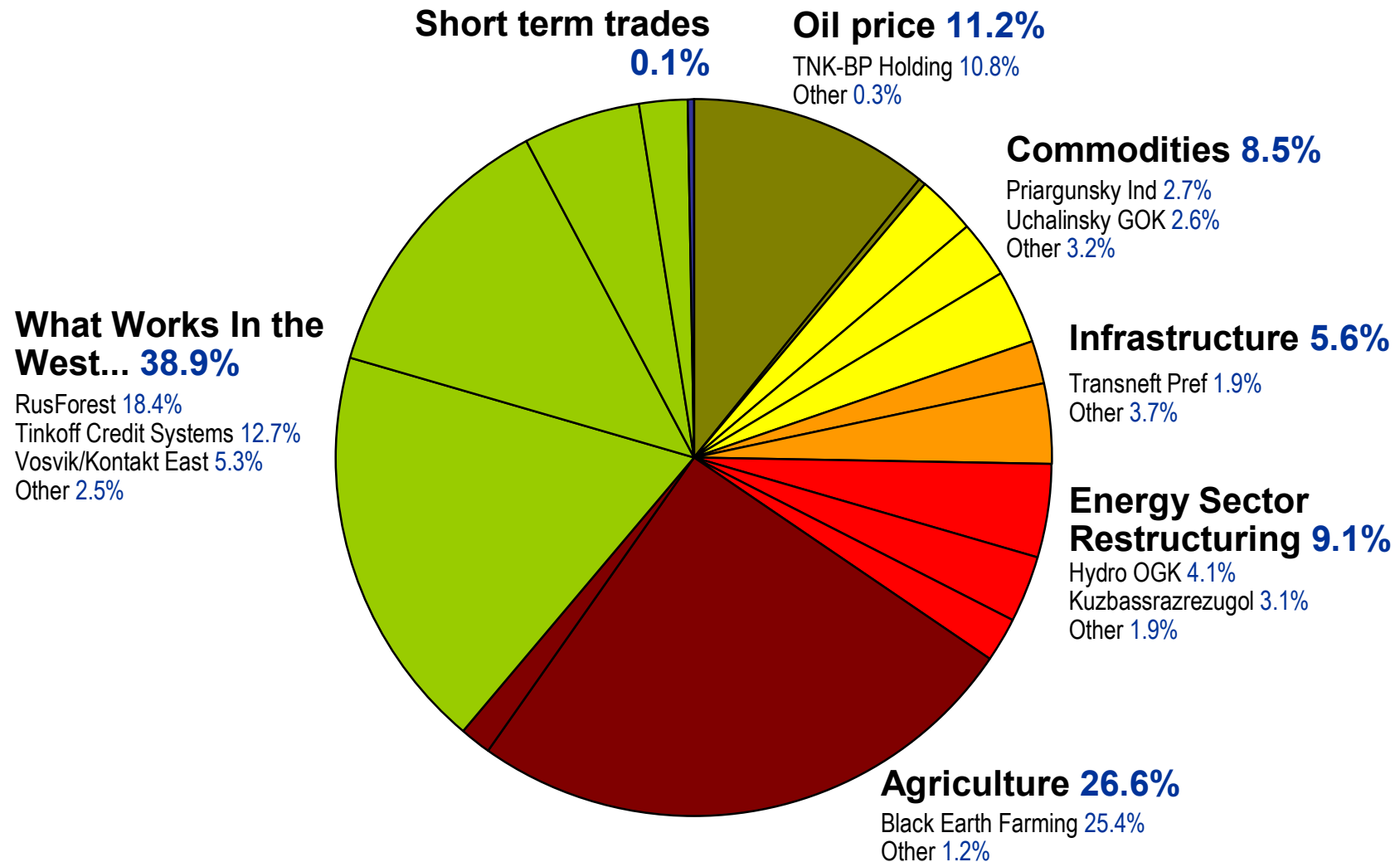




Vostok Nafta Investment Ltd  
Swap transaction EGM  
June 25, 2009

# Pre-transaction Investment Portfolio

March 31, 2009



## Transaction

- Issue of 8,949,173 new shares as consideration for a portfolio of Russia and Ukraine related stocks, worth USD 34.4 mln as of June 9th, 2009
- New investors own 8.86% of the company
- Portfolio valued at mid (except Lukoil at bid) versus NAV at bid.
  - Natural acquisition targets at mid offers better deal versus offer
- Increase the size of the company while keeping costs unchanged

- Lukoil: USD 20.6 mln
- Poltava GOK: USD 5.1 mln
- Kuzbassrazrezugol: USD 4.3 mln
- Mriya Agro Holding: USD 3.2 mln
- Varyag: USD 1.2 mln

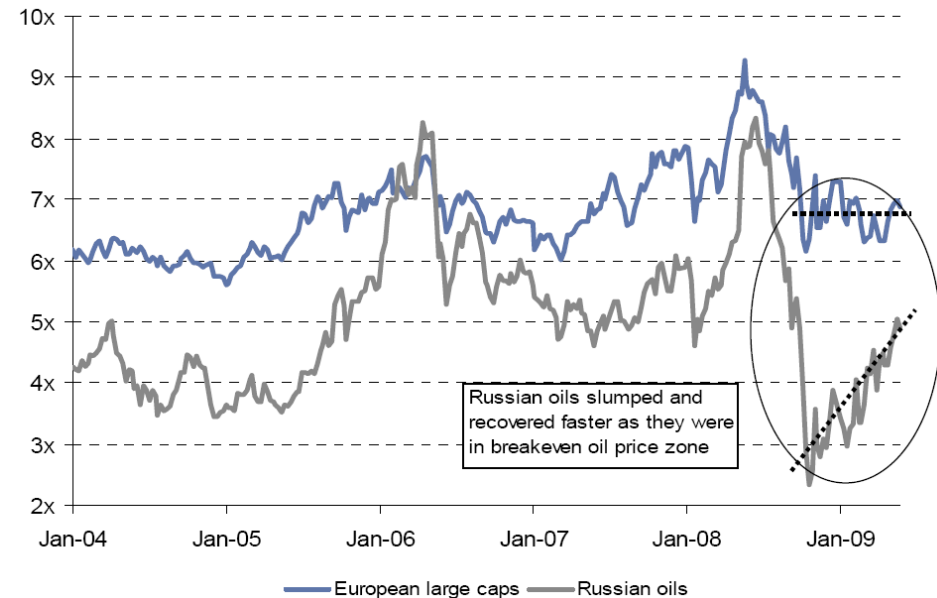
# LUKoil

0.046% post transaction

- Russia's 2<sup>nd</sup> largest oil producer
- Vast reserves
  - Oil & Gas reserves of 19.3bn boe
- Increasing production
  - Up 3% to 1.86mn bpd Q1 2009
- Russian tax structure implies refining earnings are more leveraged to oil price
  - LUKoil highly geared to oil price
    - Well-developed international business
    - Highly profitable downstream operations

## Still a large valuation gap for Russian oils

12m forward EV/DACF, Russian vs. European oils



Source: Goldman Sachs

## **Poltava GOK**

1.7% post transaction

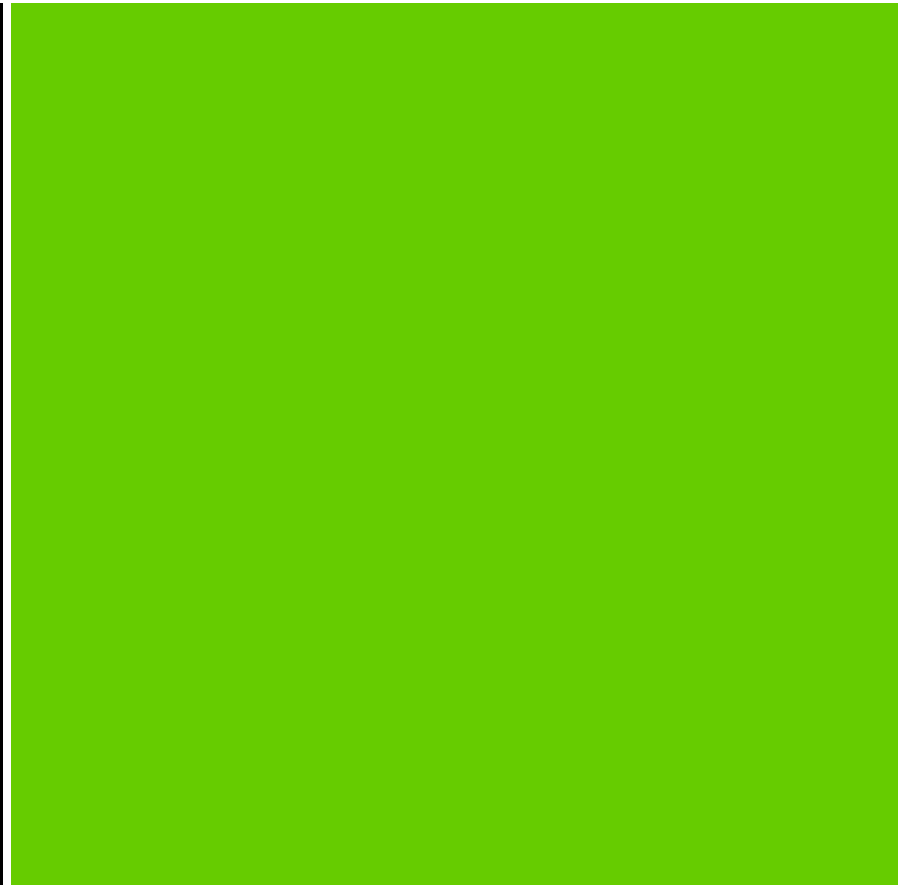
- Fourth largest producer of iron ore and second largest producer of iron ore pellets in Ukraine
- Confirmed reserves of 4.5 bln tonnes with a potential of 11.8 bln tonnes.
- Prime iron ore producer with world class size in close proximity to Europe

- 96.7% owned by Ferrexpo (listed on LSE)
  - Exerts transfer pricing upon Poltava GOK
- Benefactor of developments of Ukrainian corporate law and capital markets

## Mriya Agro Holding

1.5% post transaction

- Ukrainian agricultural producer
  - Wheat, sunflower, sugar beets
- 150,000 hectares of land
  - 45,000 ha to be sown with winter wheat 2008/2009
- Implementing western technologies
- Evaluating further land acquisitions



Considerable scale  
has been reached  
46.7% post transaction



– RusForest has reached a considerable scale in terms of forest land controlled

– Over 1mln hectares with 1.6mln m<sup>3</sup> in AAC and an ~80% share of softwood

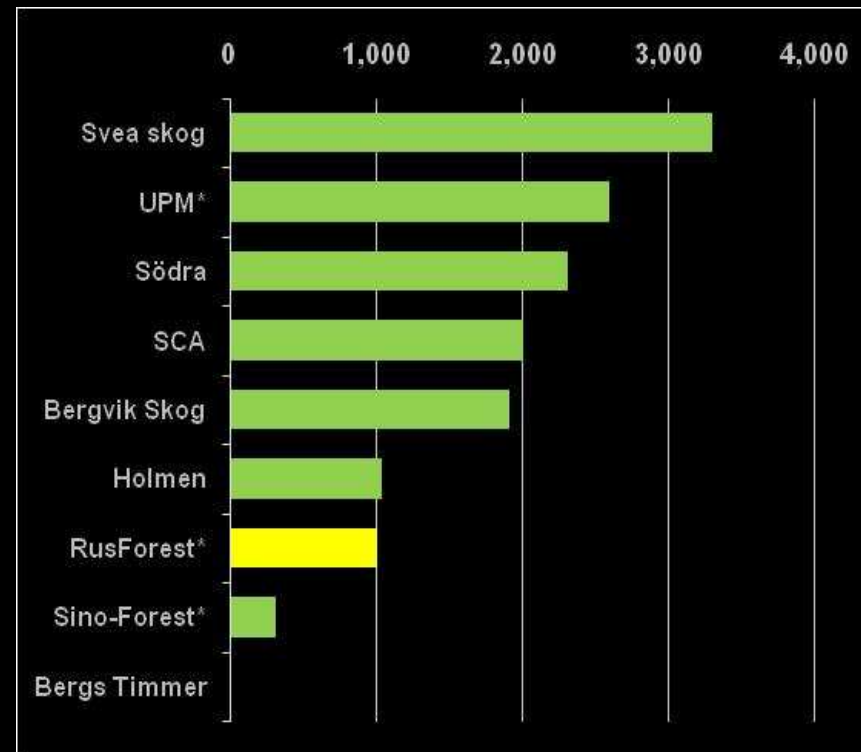
– Harvest of approximately 600k m<sup>3</sup> in 2008

– Currently 6<sup>th</sup> largest in Russia

– Growth plans project an increase to around 1.4mln m<sup>3</sup>

– Sawmilling capacity also set to increase to around 400k m<sup>3</sup>

Forestland owned, or \*controlled (k ha)



## Transaction



- Varyag shifts from PE to forestry company
  - Acquires Vostok Nafta's 50% in RusForest to achieve full ownership
  - Varyag changes name to RusForest
- Focus on forestry business
  - Subsequent evaluation of gravel business
- Aleksandr Williams CEO
- Ambition to move from First North to Nasdaq OMX

Transaction	
Varyag as per 31 Dec 08	
NAV, mln SEK	614.9
# of shares, mln	13.3
NAV per share	46.2
<i>RusForest</i>	30.4
<i>Gravel</i>	11.6
Vostok Pre Issue	
RusForest position, mln SEK	390.5
Holding Varyag	10.8%
Share Dilution, Varyag Non-Cash Issue	
Share Issuance to Vostok, mln	8.54
New total # of shares, mln	21.8
Share Dilution	39%
Vostok Post Issue	
Holding in Varyag/RusForest	44.4%

# Location of Holdings

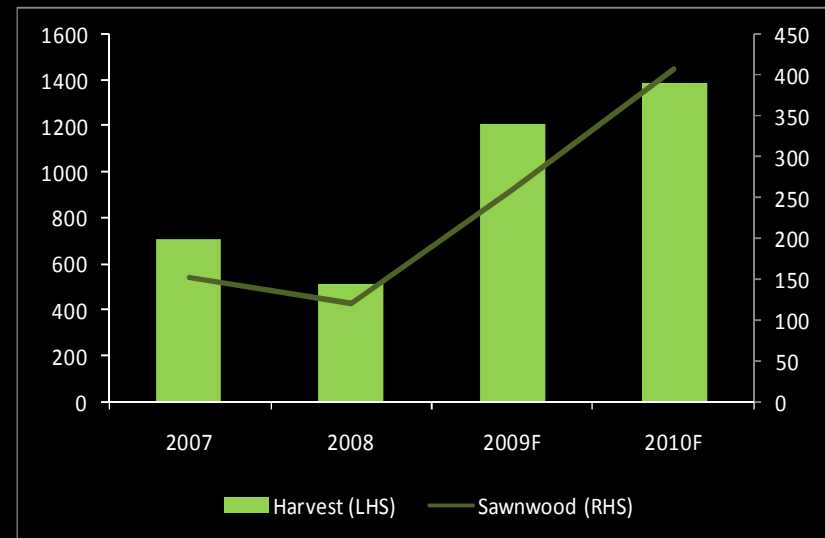


## Ready to capitalize on competitive advantages



- RusForest has a sound financial position with zero bank debt
  - Leasing obligations covered by operating cash flow
  - Credit facility obtained to cover working capital requirements
- 2008 not profitable
  - Dramatically impeded harvesting due to extraordinary weather conditions (rain)
- Even in a very weak price environment, RusForest expects to break even in 2009
  - Increasing share of sales to Central Asia

Harvesting & sawmilling targets (k m<sup>3</sup>)



## RusForest

### – RusForest's assets

- 1mln ha forest land with ~175 m<sup>3</sup>/ha
- 175mln m<sup>3</sup> of forest in total
- Operating leases (49y): EUR 1 /m<sup>3</sup> for AAC of 1.6mln m<sup>3</sup> , SEK ~18mln/year

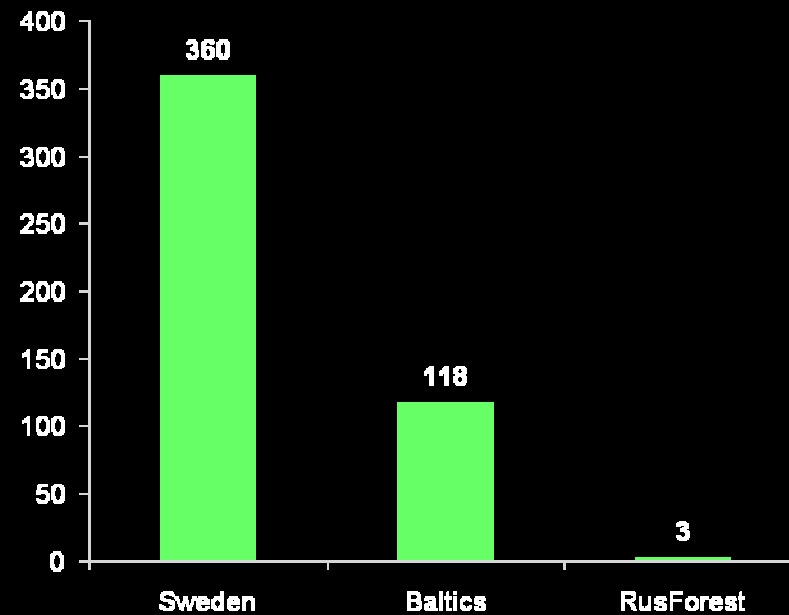
### – Varyag Resources (RusForest)

- Mcap: ~400 MSEK @ 18 SEK/share
- EV (incl. cap. leases): ~SEK 500 mln

### – Market valuation of forest assets

- 500 SEK/ha
- 3 SEK/m<sup>3</sup>

Forest price comparison (SEK/m<sup>3</sup>)



## Vostok Nafta's Coal Holdings

2.1% post transaction

### – Kuzbassrazrezugol (KZRU)

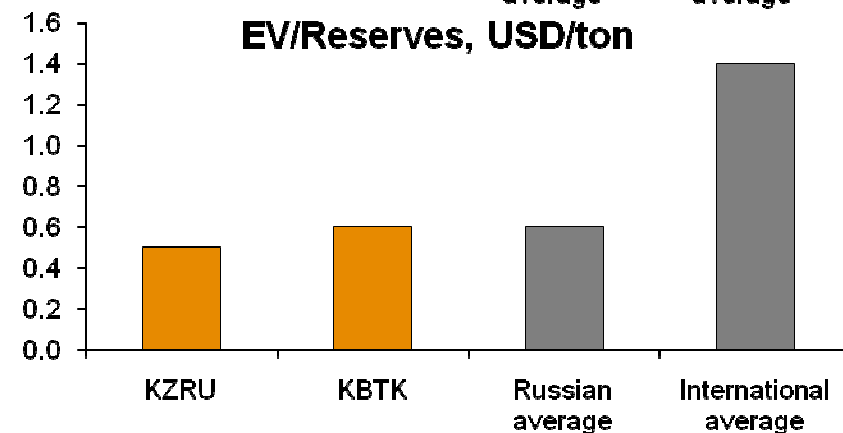
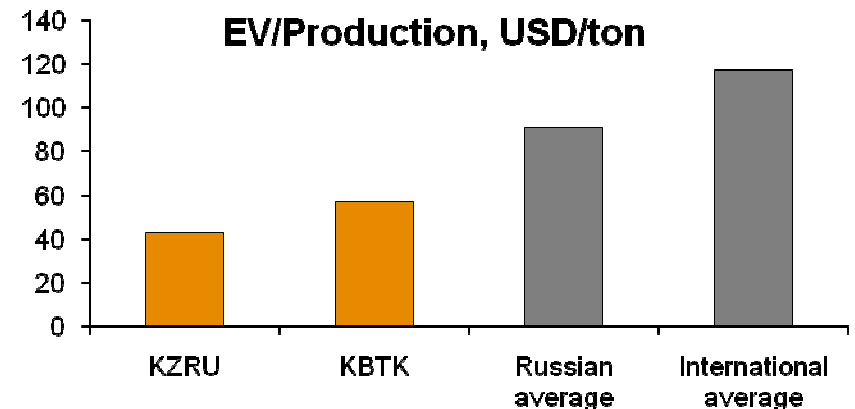
- Russia's 2<sup>nd</sup> largest steam coal producer and 4<sup>th</sup> largest coking coal producer

- Production: 50mn tons 2008 vs 46mn 2007
- 45% exported
- Reserves: 2bn tons, 40 years of production

- Controlled by FIG around Iskander Makhmoudov

### – Kuzbass Fuel Company (KBTK)

- Vertically integrated thermal coal producer
  - Power supply, transport & distribution
- Production to increase from 4.1mn tons in 2007 to 11mn tons by 2013
- Reserve life of 53 years



Source: UBS, Mar 2009

Vostok  
Nafta  
Investment  
Ltd



[www.vostoknafta.com](http://www.vostoknafta.com)