



Siberian Coal Energy Company

Positioned for Asian growth

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SUEK at glance

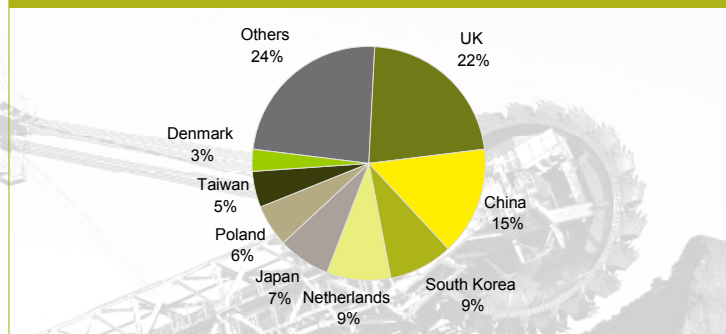
A leading global coal producer

SUEK – leading global producer and exporter

- Global coal company
- Leading Russian player in the seaborne thermal coal export market
 - Leading exporter of thermal coal to the UK market
 - Leading Russian supplier to China, Japan and South Korea
- Broad client base with c.100 export customers (including blue chip companies) in more than 30 countries around the world
- Potential to ramp up production and increase export volume given the size of the reserve base and developed infrastructure

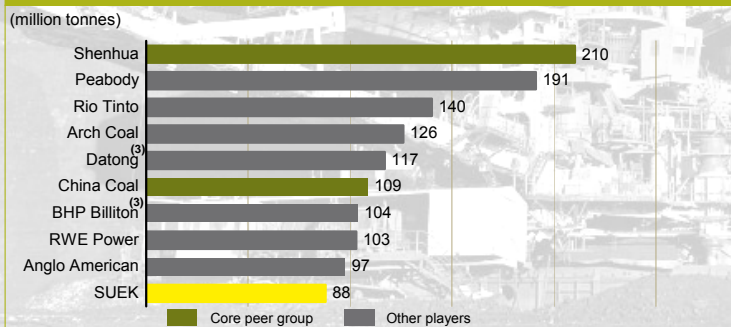
Source: SUEK.

Export destinations – 2009



Source: SUEK.

Global coal production ⁽²⁾ – 2009



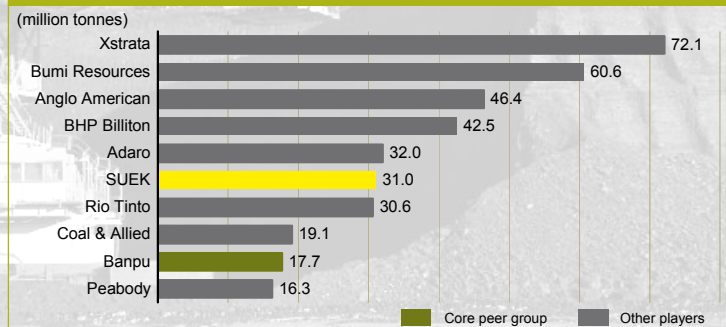
Source: SUEK, respective company filings.

Note: Core peer group composed of thermal coal players comparable by reserves / production.

(2) Includes production of both thermal and coking coal.

(3) 2008 data.

Thermal coal exports – 2009



Source: SUEK, respective company filings.

Note: Core peer group composed of thermal coal players comparable by reserves / production.

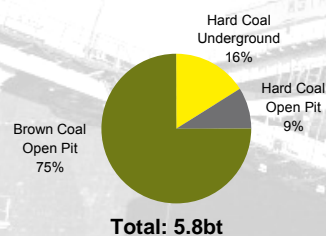
SUEK is a major global coal producer, which provides the company with stability



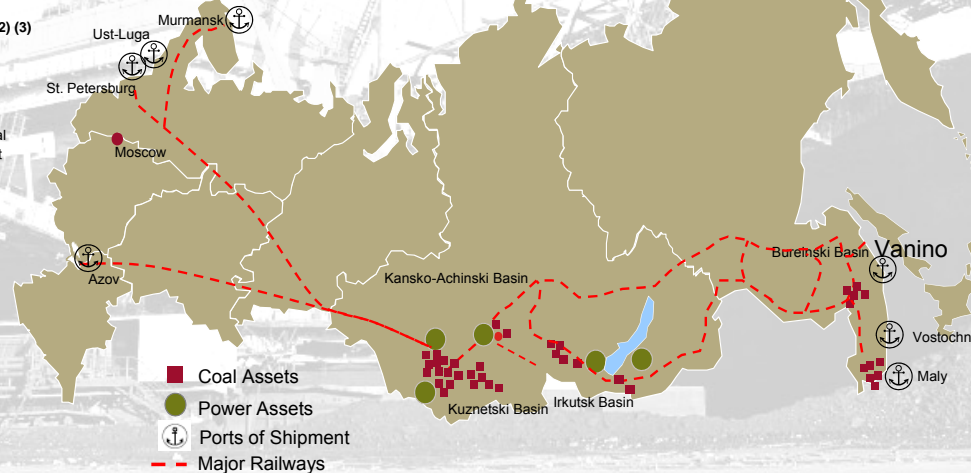
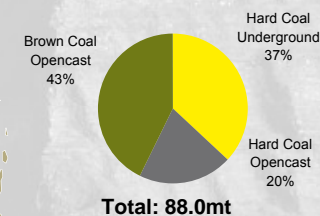
World class coal miner with integrated power business

- **Favourable geographic position** – maximising revenues by redirecting coal sales volumes between the Atlantic and Pacific basins
- **Developed infrastructure in place** – captive rolling stock and own port terminal (Vanino)
- **World class, large-scale mining operations** – 17 opencast and 13⁽¹⁾ underground mines in 7 regions of Russia
 - Largest reserve base in Russia, Russia’s leading producer and exporter, largest supplier of coal for domestic power generation
- **Integrated power business** – 18 power plants in 5 regions in Siberia
 - Installed electricity and heat generation capacity of 7,029 MW and 16,258 Gcal/h, respectively
 - 17.3% of total electricity production in Siberian IES for 2009
 - More than 60% of heat supply in serviced cities and townships in Kuzbass and Altai and more than 80% in Krasnoyarsk and Khakasiya

Proved and Probable Reserves (2) (3)



2009 Production (3)



Strategic asset location in Southern Siberia facilitates access to both European and Asian markets – a competitive advantage

Source: SUEK.

(1) Includes one mine to be disposed of in 2010 – which has been excluded from the SRK estimates.

(2) Per SRK Consulting Report as of 1 January 2010.

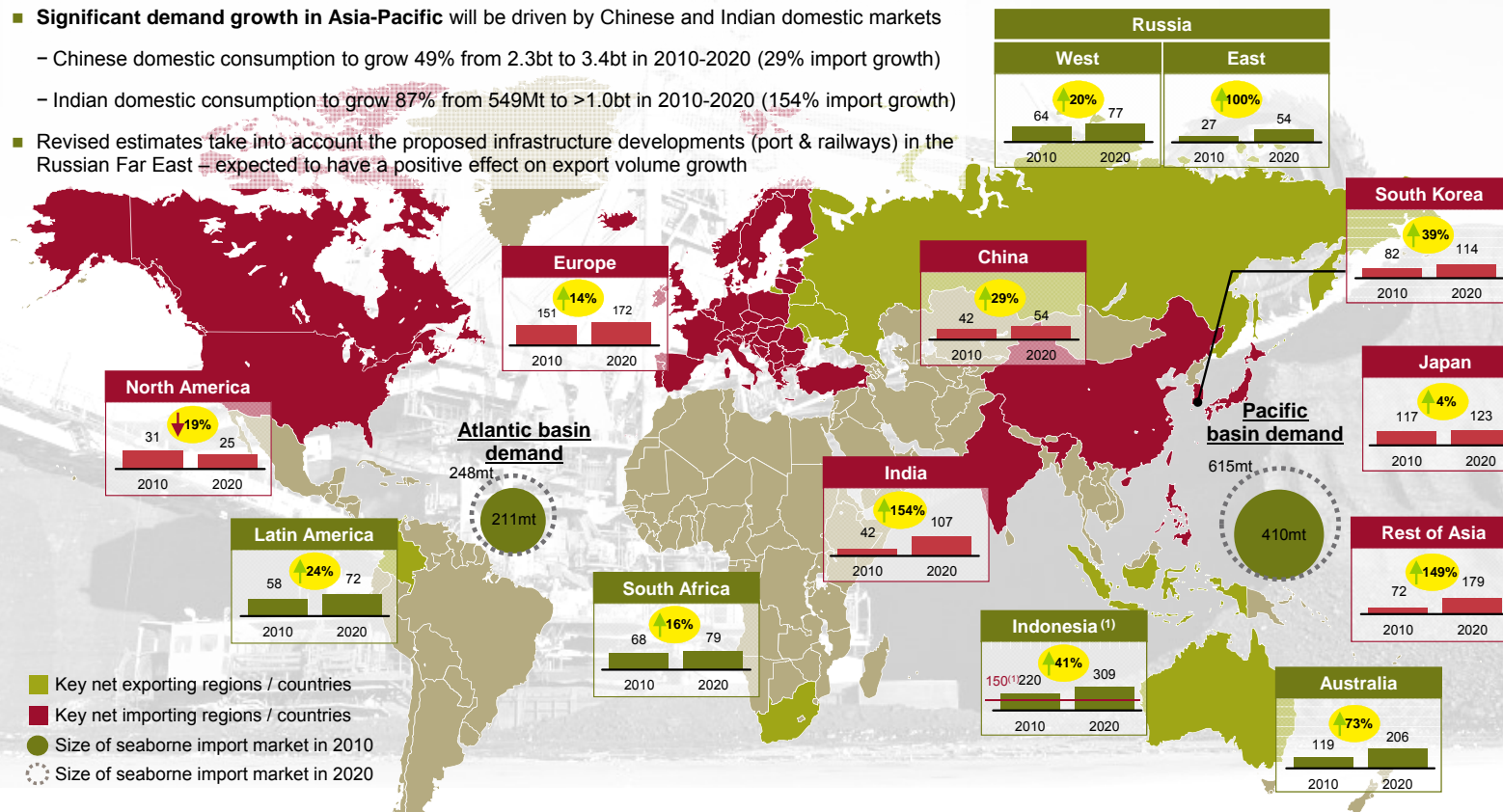
(3) Based on 100% ownership. Actual ownership stakes in certain key coal assets are as follows: 98.61% SUEK-Kuzbass, 90.68% SUEK-Krasnoyarsk, 100% SUEK-Khakasiya, 91.93% Uralugol, 93.93% Primorskugol.



Global thermal coal market – growing strength of Pacific basin demand

Key observations:

- **Significant demand growth in Asia-Pacific** will be driven by Chinese and Indian domestic markets
 - Chinese domestic consumption to grow 49% from 2.3bt to 3.4bt in 2010-2020 (29% import growth)
 - Indian domestic consumption to grow 87% from 549Mt to >1.0bt in 2010-2020 (154% import growth)
- Revised estimates take into account the proposed infrastructure developments (port & railways) in the Russian Far East – expected to have a positive effect on export volume growth



Russian exports to benefit from growing tightness in the Asia-Pacific seaborne market

Source: Wood Mackenzie, April 2010.

Note 1: Values for each country / region represent the net export / import figures in given years. All values are in metric tonnes in millions (unless stated otherwise). Figures for China include Hong Kong.

Note 2: Calculation of imported volumes for each given country / region in given years includes both seaborne and landborne trade.

(1) Government of Indonesia announced in late 2009 plans to cap coal exports at 150mtpa to preserve the declining resource base and remain self-sufficient in coal domestically.

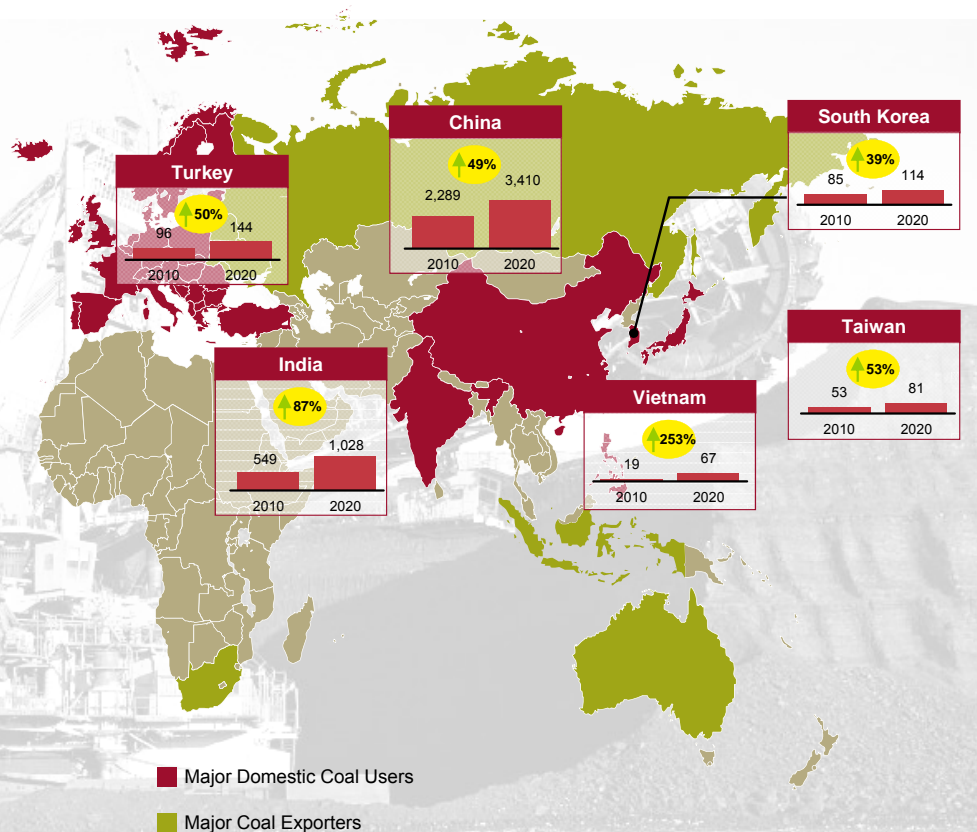
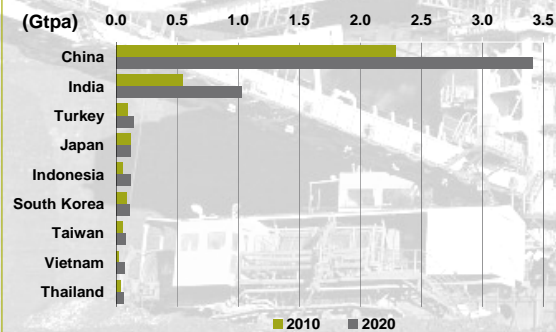


Fast growing Asian thermal coal market provides attractive export opportunities

Key highlights

- Significant demand growth in Asia Pacific (>50%) for thermal coal between 2010 and 2020
- Demand growth will be driven by Chinese and Indian domestic markets
- Indonesian demand will grow significantly but production expansion is expected to outstrip demand, meaning Indonesia will likely remain a major exporter

Growth in consumption (Asian Consumers)



Growing demand in Asia-Pacific – potential future domestic production issues in large user countries would provide export opportunities

Source: Wood Mackenzie, November 2009.



Taking a closer look – Japan

Stable demand and established customer base

Key highlights

- Developed economy, looking to diversify generation capacity – import demand for coal remains stable
 - Most of coal is used in electricity generation, other major consumer groups include cement plants
- Current major suppliers are Australia and Indonesia, however, Japan is keenly seeking diversification in its sources of supply
- Close geographic proximity to Russian port of Vanino provides a potential alternative supply point

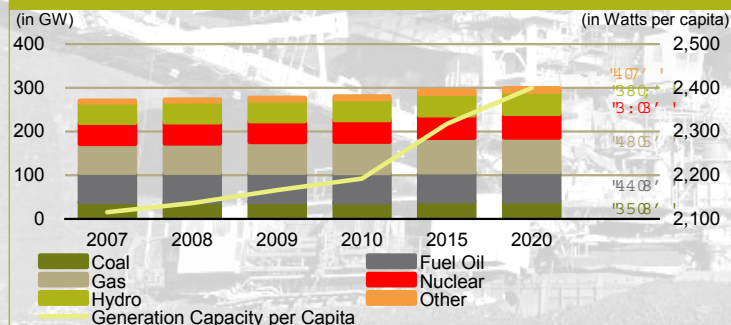
Source: Wood Mackenzie, April 2010.

Coal quality requirements

Quality parameter	Unit	Typical Requirement ⁽¹⁾	Meeting requirements?
Net calorific value	Kcal/kg	Min 5,600	✓
Ash content	%	Max 20	✓
Moisture	%	Max 10	✓
Sulphur	%	Max 1	✓
Nitrogen (DAF basis)	%	Max 1.7	✓

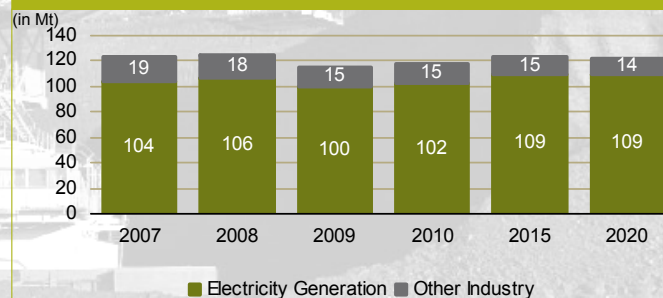
Source: Wood Mackenzie, April 2010, SUEK.
 (1) Based on J-Power requirements.
 (2) SUEK quality based on Kuzbass washing plant output.

Generation capacity evolution



Source: Wood Mackenzie, November 2009.

Thermal coal consumption evolution



Source: Wood Mackenzie, November 2009.

SUEK is well positioned to grow market share and become a key supplier to Japan

Developed infrastructure in Asia

Close geographic proximity to end-markets is an advantage



Japan is an important market for SUEK:

- Number of Japan's ports accept max 15-20kt shipments
 - Proximity of Vanino and flexibility to use smaller size Handysize vessels is an advantage
- We believe SUEK is the unique Russian supplier of coal with potential to provide coal with sufficient calorific value and low nitrogen content (max 1.7% acceptable)
 - Coal meets specifications for the cement industry
 - Proximity of Tugnui opencast mine and washing facility (average DAF nitrogen content in saleable coal of 1.1%)

SUEK's coal highly competitive in China and South Korea:

- Close geographic proximity of Vanino provides a competitive advantage compared to shipments from Australia and Indonesia
 - Transloading is an option, but expensive
- Market opportunity to sell high quality grade G thermal coal as semi-soft coking coal in Asia
 - Blending facility at Vanino allows to mix grade G coal with ordinary thermal coals, thus increasing the quality specifications of the resulting blend
 - Potential to secure premium prices on higher coal quality

--- Major Railways Shipment routes SUEK ports Major ports

SUEK is well placed to serve major Asian markets owing to close geographic proximity and developed transportation infrastructure in place

Source: SUEK.

(1) Export volumes include 3.1mt sales of 3rd party coal.



Vanino port terminal – window to Asia

Proximity to key markets: China, South Korea and Japan

- One of the largest coal ports in Russia with potential to become a key coal hub in the Asia-Pacific region

Main characteristics

- Launched in 2008, 2009 cargo turnover of 5.2mtpa
- Design capacity of 12mt
- Long-term storage and transhipment of coal directly from railway to sea vessels with 25-170kt carrying capacity
- Blending facility
- Two ice-class vessels

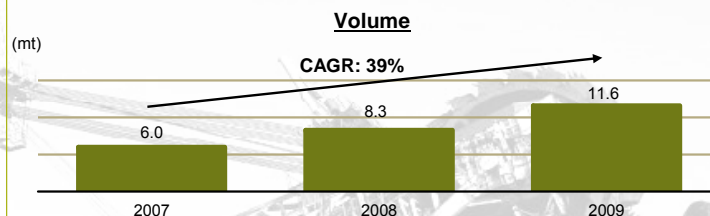
Total investment – RUR c.10bn in 2007 – 2009

Key advantages

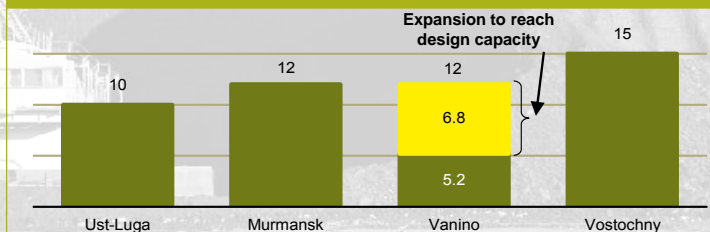
- Providing capacity for export sales
- Blending facility increases quality of export coal
- Decreasing the risk of non-controlled growth of transhipment costs



Growing Asian exports



Existing capacity at major Russian ports – 2009 (mtpa)



Vanino provides SUEK the opportunity to become a major player in the Asia-Pacific seaborne coal market

Source: SUEK.

Asia focused export strategy

Development of capacities and infrastructure of mining assets with potential alignment to export markets



Key development projects

Tugnui opencast mine and transportation infrastructure:

- Investments to increase production capacity to 8.5mtpa by 2012

Tugnui washing plant:

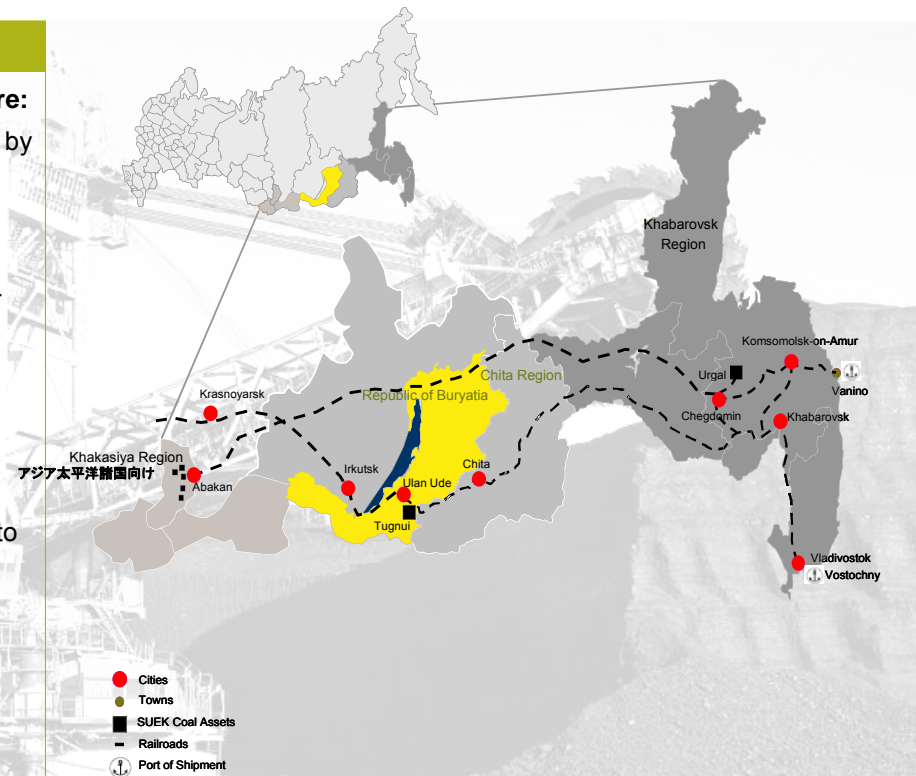
- Mining equipment (draglines, heavy dump-trucks)
- Washing plant design capacity of 4.5mt of coal per year

Khabarovsk region (Urgal):

- Modernisation of mining capacities aimed at increasing coal exports (washing plant project is being developed)

Khakasiya region:

- Modernisation of mining and washing capacities in Chernogorsk aimed at increasing exports of sized coal to Asia



Development of export oriented assets with close geographic proximity to the Asian markets yields a substantial competitive advantage compared to other coal producers in the Kuzbass region

Source: SUEK.

Note: SUEK operates assets located closer to Asian markets than other operators in the traditional Russian coal exporting region Kuzbass.



Thank you!