



Siberian Coal Energy Company (SUEK): Collaboration in the Far East

**Presentation of the Chief Financial Officer of SUEK, OJSC
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June 4th, 2009**



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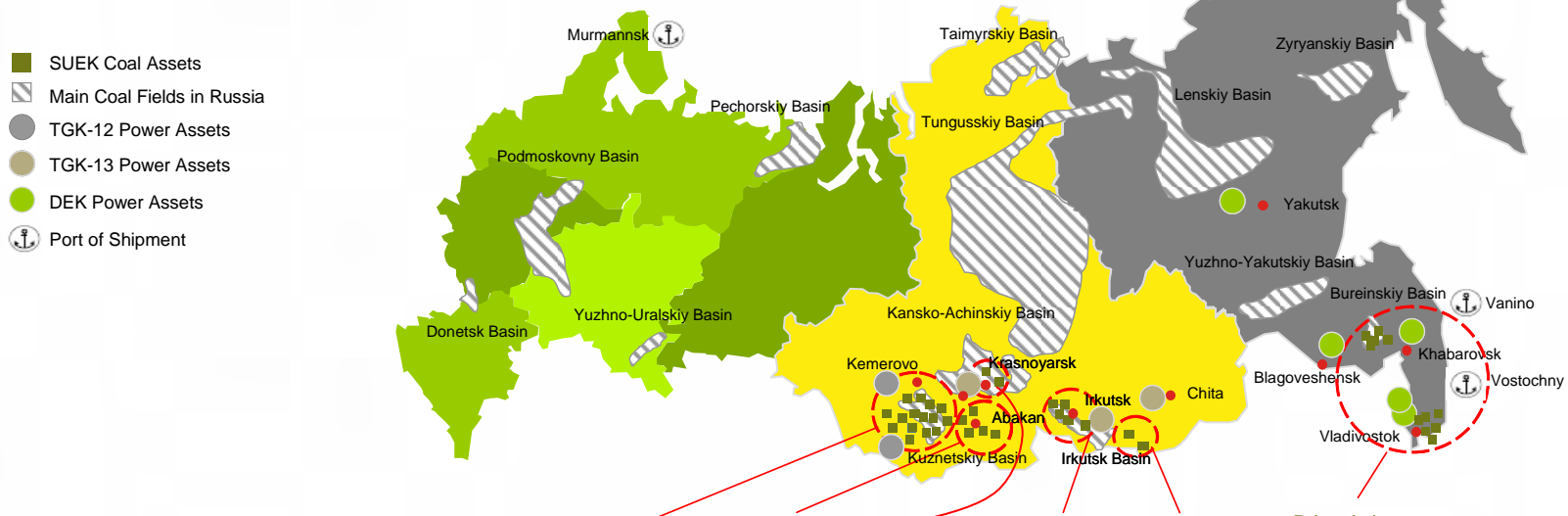
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1. SUEK Business Overview

SUEK: Coal and Power Business

- 21 open-cast and 13 underground mines in 7 regions of Russia, including coal assets in Kuzbass and Krasnoyarsk defining the key potential of Russian coal industry
- Coal production is performed at the main Russian hard and brown coalfields in Siberia and the Far East – Kuznetskiy Basin (“Kuzbass”), Kansk-Achinskiy Basin and Urgal coalfield
- SUEK is one of the largest private shareholders in Russian power generation sector, its main power companies operate in highly developed industrial regions of Siberia with total population of over 9 mln people (total installed capacity of SUEK’s power assets is 12.7 GW)

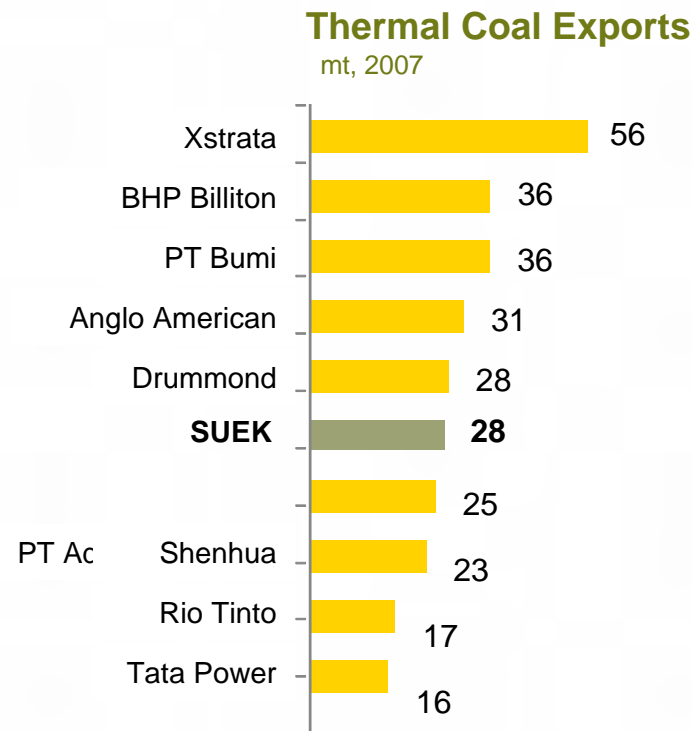
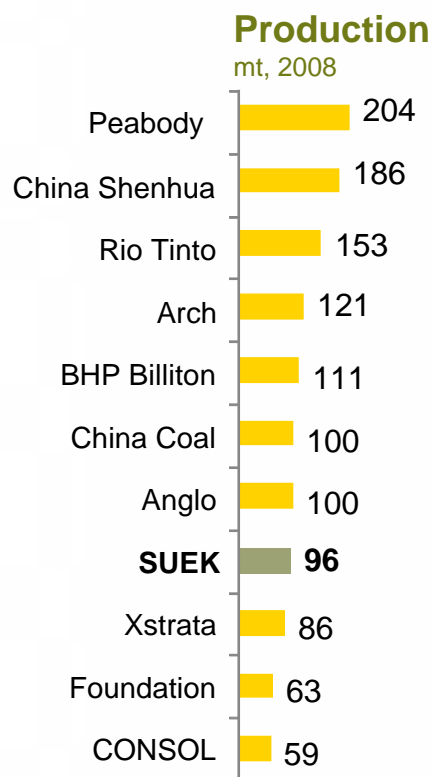
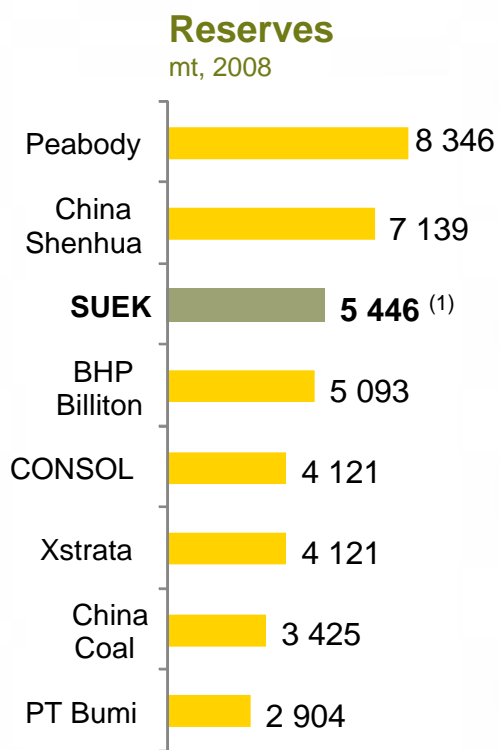


Coal Assets	Kemerovo	Khakasiya	Krasnoyarsk	Buryatiya	Chita	Primorie / Khabarovsk	Total
Proved and Probable Reserves ^{(1) (2)}	624 mt	205 mt	3,916 mt	120 mt	386 mt	122 / 73 mt	5,446 mt
Production ^{(2) (3)}	28.5 mt	8.4 mt	37.1 mt	5.8 mt	4.5 mt	4.5 / 2.3 mt	91.1 mt
Reserves / Production ^{(2) (4)}	22 years	24 years	106 years	21 years	85 years	27 / 32 years	60 years
Number of Mines ⁽²⁾	13	5	3	1	2	6/4	34
Mining Method ⁽⁵⁾	OC, UG	OC, UG	OC	OC	OC	OC, UG	
Company	TGK-12		TGK-13		DEK		Total
Installed Capacity ^{(2) (6)}	4.4 GW		2.5 GW		5.8 GW		12.7 GW
SUEK Ownership ⁽⁷⁾	49.64%		49.99%		33.79%		

Source: Company data
 (1) Per SRK Consulting Report as of 1/1/2007
 (2) Based on 100% ownership
 (3) Production in 2008, excluding spun off assets
 (4) Based on 2008 production rate
 (5) OC: open-cast, UG: underground
 (6) As of 31/12/2008
 (7) As of 31/3/2009

SUEK: Leading Global Coal Producer

- SUEK is №1 thermal coal producer in Russia and is highly ranked among the major international coal companies in terms of production
- SUEK is №3 global coal reserve holder with proven and probable reserves of 5.4 bt⁽¹⁾
- №6 market position in global thermal coal export market



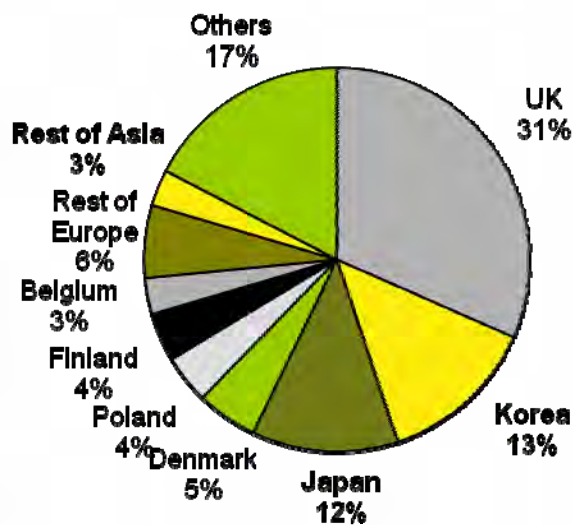
Source: Companies' filings

(1) Proven and probable reserves, SRK Consulting as of 01.01.2007 for SUEK

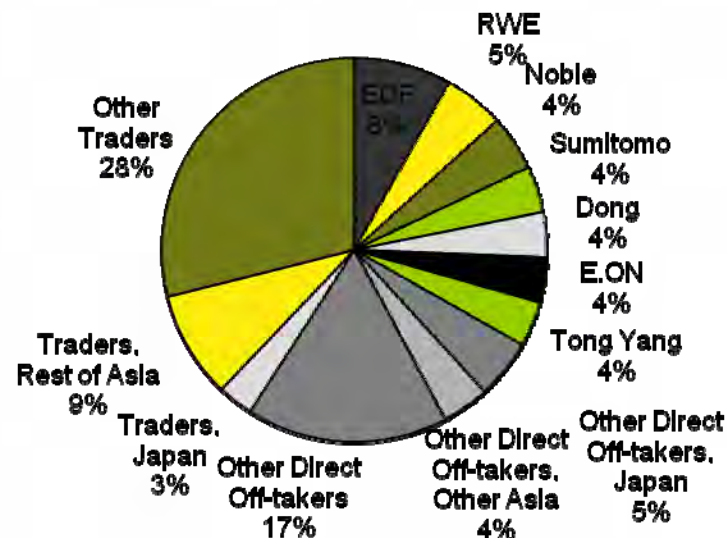
SUEK Export Markets

- SUEK is the major exporter of thermal coal in Russia (28% of total Russian export). Export sales volume has grown from 5 mt in 2003 to 28 mt in 2008
- Major export destinations are UK, Korea and Japan, the share of Asian customers is expected to further increase going forward as SUEK completes its investments into Asian export infrastructure
- Major customers are RWE Trading GmbH, EDF, E.ON UK Plc, Scottish Power (through Noble Energy), Glencore, Sumitomo, Tong Yang Cement, Vattenfall, SSE Energy Supply and Pohjolan Voima Oy

Export Destinations, 2008



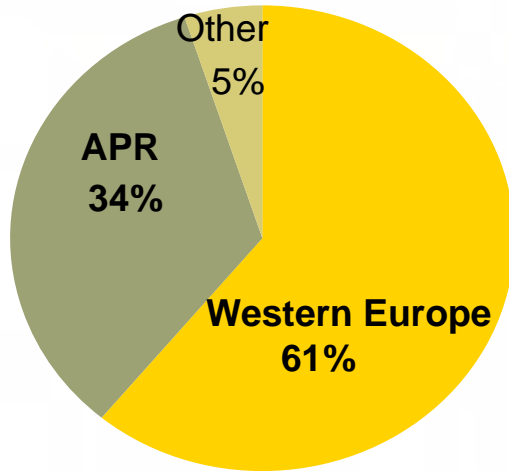
Major Off-takers, 2008



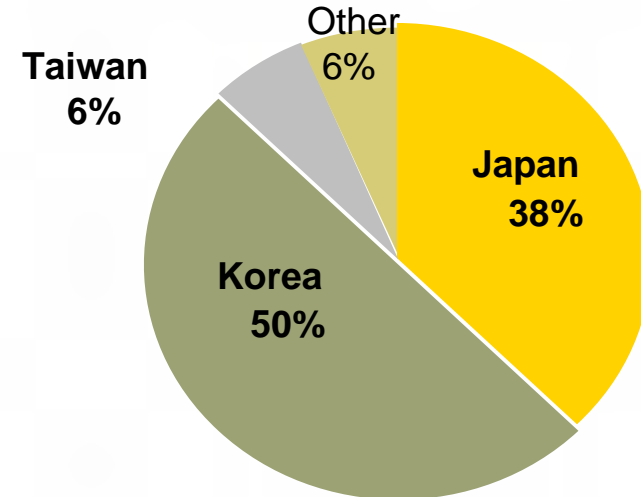
Source: Company.

SUEK Exports to Japan

SUEK Exports Structure



SUEK Exports Structure to APR



SUEK's Major Clients in Japan



JFE Steel Corporation



Sumitomo Corporation

Hokkaido Electric Power Co., Inc.



Tohoku Electric Power

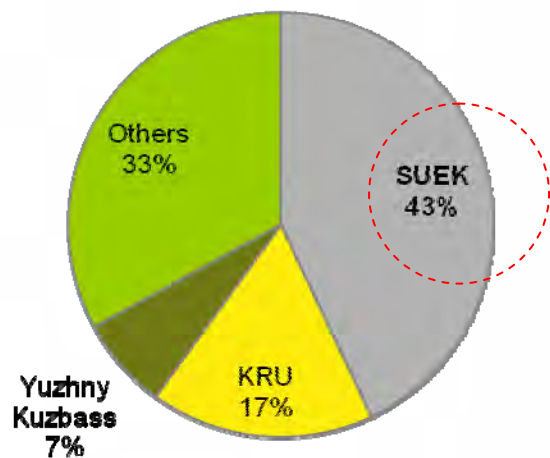


SUEK Position in Russia

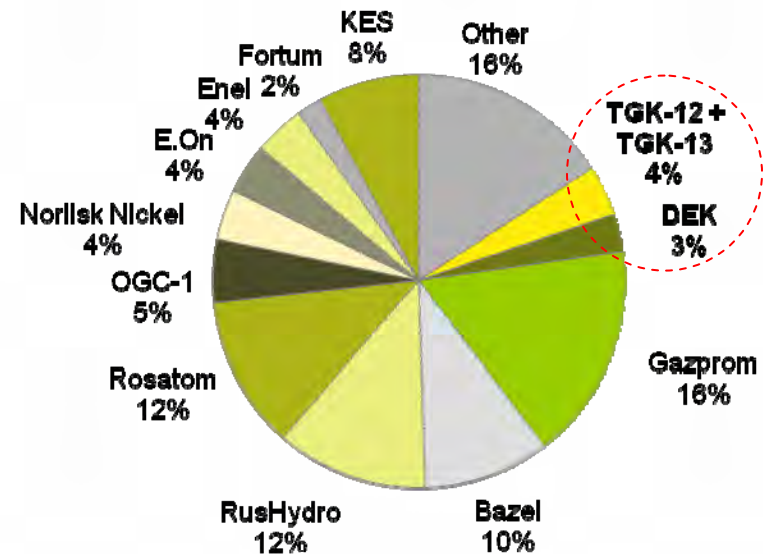
- SUEK is №1 in Russian domestic coal market – 43% of steam coal
- SUEK’s share in Russian power generation is 7% with total installed capacity of 12.7 GW

Russian Thermal Coal Market

Total 2007 Supply: 144.3 mt⁽¹⁾



Major Power Companies in Russia



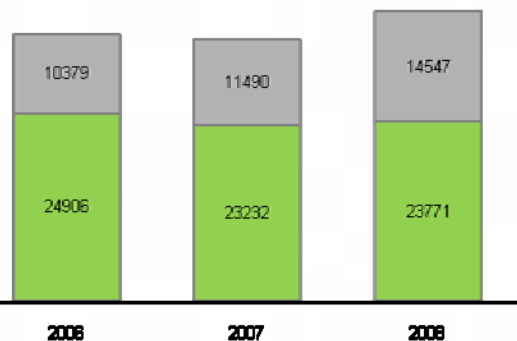
(1) Excluding import from Kazakhstan (21.3 mt)

SUEK Power Assets

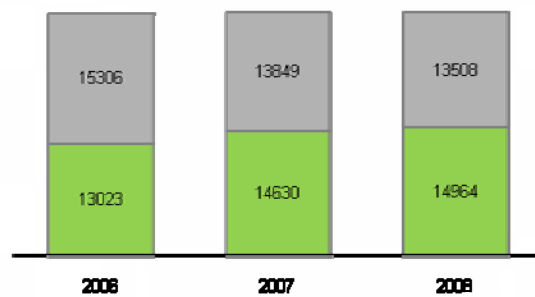
Overview

- SUEK is one of the major investors of Russian power assets, being the major shareholder of TGK-12 (Kuzbassenergo) and TGK-13 (Yeniseyskaya TGK) with total installed capacity of over 7 GW and the largest private investor in DEK (Far East Energo)
- TGC-12 and TGK-13 supply electricity and heat to customers in Kemerovo region, Altai region, Krasnoyarsk region, Republics of Khakasiya and Tyva with total population of over 9 mln people

Power Production
TGK-12 and TGK-13,
mln KW/h

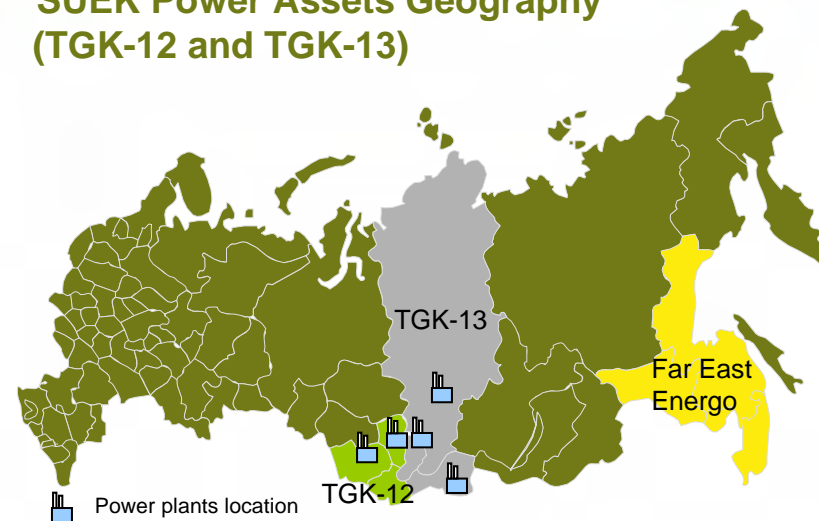


Heat Production
TGK-12 and TGK-13,
thou Gcal



■ TGK-13 ■ TGK-12

SUEK Power Assets Geography (TGK-12 and TGK-13)



Characteristics as of 31.12.2008

	TGK-12	TGK-13	Far East Energo
Installed Capacity	4.5 GW	2.5 GW	5.8 GW
Primary Fuel	Coal	Coal	Coal
Number of Plants	9	7	16
SUEK coal share	45.8%	98.6%	37.5%
Utilisation	61%	64%	29%
SUEK's stake ⁽¹⁾	49.64%	49.99%	33.79%

Source: Company
(1) As of 31.03.2009

2. SUEK in the Far East

SUEK in the Far East

«Urgakugol» OJSC, Khabarovsk Region
Production 2278 th t, over 2000 employees



Vanino bulk terminal
Transshipment Capacity 12 mt per year



«Primorskugol» OJSC, Primorskiy Region
Production 4650 th t, over 3000 employees

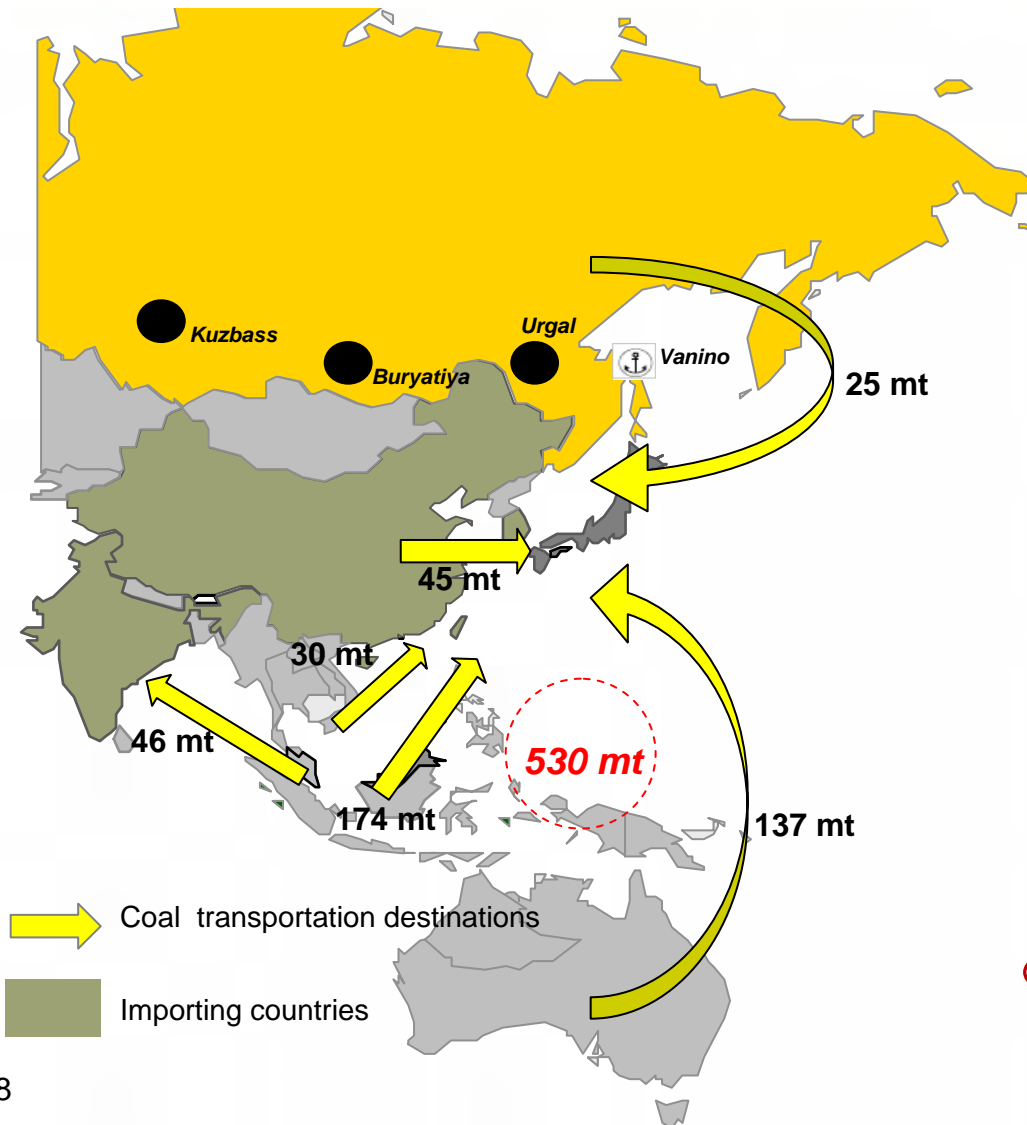


34% share in «DEK» OJSC
16 power plants, installed capacity 5.8 GW

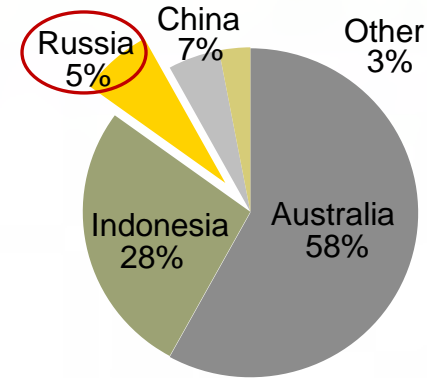


Asia Pacific Region Coal Market

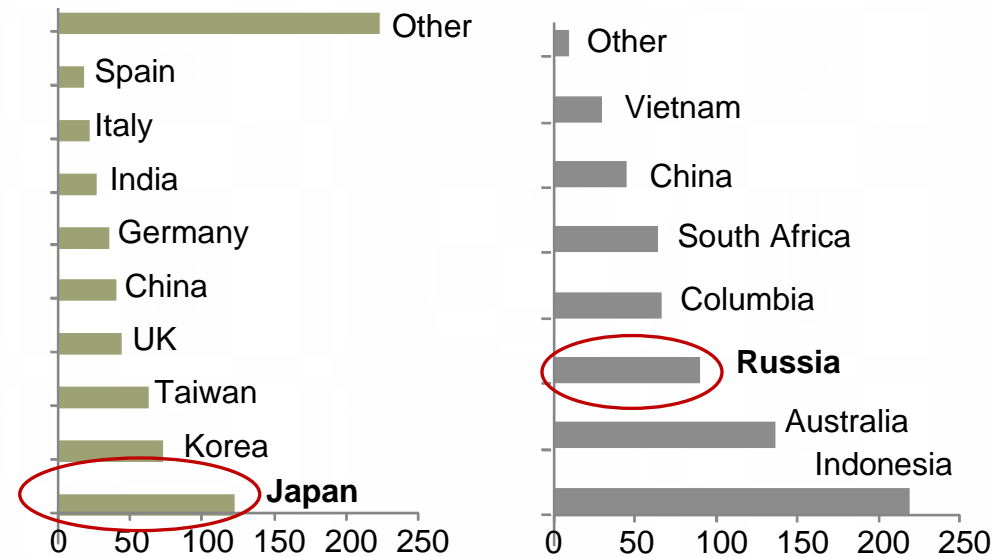
Asia Pacific Region Thermal Coal Supplies



Suppliers of thermal coal to Japan



Importers and exporters of thermal coal, mt



Vanino – SUEK’s Key Investment Project

- Vanino port (transshipment capacity of 12 mt per year) is located on the Russian pacific coast at Muchke bay (Khabarovsk Region) and is the final destination of BAM (Baikal-Amur Railroad)
- Depth at the loading line up to 22 m allows for transshipment of vessels with freight-carrying capacity up to 170 thou tonnes
- The decision to commit the construction was taken in the middle of 2005, the construction started in early 2006
- In September 2008 the first railcars with coal were transhipped to the terminal storage
- In November 2008 the first vessel loading was executed



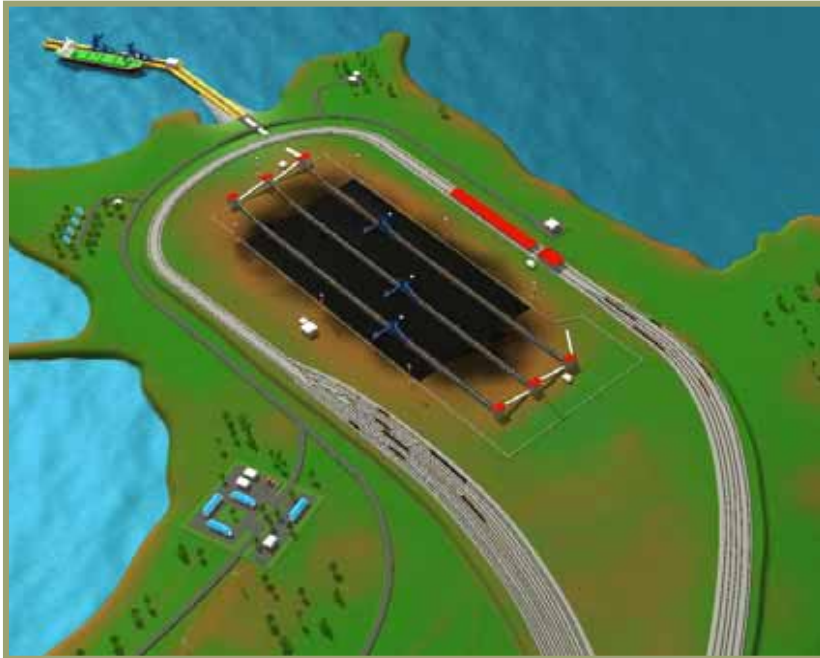
Vanino bulk terminal – one of the key investment projects in the Far East

- Investments in terminal construction – over **RUR 9 bln**
- Transshipment capacity – **12 mt** of coal per year with the increase potential up to 20 mt and more in the future
- Upon the start up at its full capacity Vanino will be **the largest bulk terminal in the Far East** and the second largest in Russia
- Guaranteed capability to transship the vessels with freight-carrying capacity **up to 170 thou tonnes**
- The **most up-to-date technological solutions** realised, including among others:
 - Railway station «Terminal»
 - Railcar transshipment complex with defrosting mechanism, car dumpers, crushers, etc.
 - Storage capacity of 1 mt with belt conveyors and stacker-reclaimers
 - Pier length 520 m with two loading machines capable to simultaneously service 4 vessels
 - High class ice resistant tugboats



Capacity of Vanino Bulk Terminal Can Be Increased to Transship 20 mt and more per Year

Vanino
Capacity – 12 mt per year



Newcastle, terminal Carrington (Australia)
Capacity – 25 mt per year

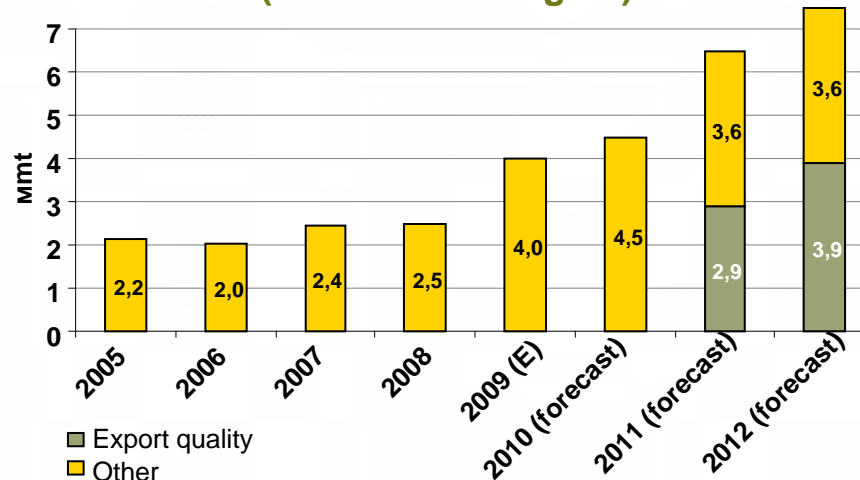


- Comparison with other ports worldwide (for example, Newcastle) proves that Vanino terminal is constructed and possesses the major equipment (pier, storage, transshipment site, stacker-reclaimers, railway infrastructure, loading machines) to dramatically increase its transshipment capacities
- To increase transshipment capacities in Vanino up to 20 mt per year it is necessary to improve the management processing mechanisms and make relatively insignificant investments in transshipment machines and supplementary equipment
- The main pre-condition is the elimination of railway transportation constraints on the Oune-Vysokogornaya section

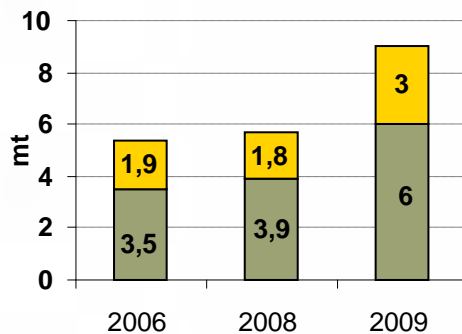
Start up of Vanino Bulk Terminal Allows to Increase Production of Export Quality Coal by 12 mt

- Investment projects in SUEK's coal segment related to Vanino terminal exceed RUR 20 bln
- The major investments refer to the Far East region, Eastern Siberia and Kuzbass
- These investment projects provide for the implementation of the most modern technology in coal mining and washing

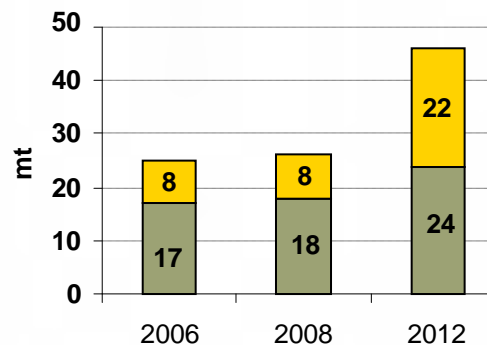
Construction of Washing Plant and Increase of Coal Production at Urgal Coalfield (Khabarovsk Region)



Construction of Washing Plant and Increase of Export Coal Production at Tugnuiskiy open-cast (Buryatya)



Significant Modernisation of Production and Increase of Export Coal Production at Kuzbass Mines



«Urgalugol» OJSC: Re-Equipment in Coal Mining

2007



2008



New SUEK Coal Washing Facility at Tugnui Open Cast

- SUEK puts into life the program aimed at modernization and construction of new washing facilities
- SUEK set in operation the new washing facilities in regions of Kuzbass, Khakasiya and Far East
- SUEK is preparing to launch new washing plant in Tugnui open cast mine in Eastern Siberia, its capacity – 5 million tons of mined bulk per year with production of 3.5 million tons of concentrate
- Tugnui washing plant is specifically targeted for sales in growing Asian markets





3. Appendix: Construction of Bulk Terminal in Vanino



Muchke Bay in 2005: Space View



Source: Google

July 2008: Construction of the Terminal



September 2008: First Thousands of Tonnes of Coal Are Loaded at the Storage



February 2009: Loading in Progress for the First «Panamax» Vessels (dead-weight of 60–70 thou tonnes)



February 2009: Loading of SUEK's Vessel



SUEK took on long-term lease the vessel of ice class «Golden Ice» (dead-weight of 75 thou tonnes), specifically constructed for the company's coal transportation from Vanino

May 2009: SUEK's Bulk Terminal in Vanino Port





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