



Press release
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BLACK EARTH FARMING LTD. TO LIST ON OMX FIRST NORTH IN STOCKHOLM

Black Earth Farming Ltd. ("Black Earth Farming"), a leading farming and land owning company operating in Russia, today announces its initial public offering on First North in Stockholm, Sweden. The offering will allow Black Earth Farming to take further steps in its expansion, by increasing its land bank and by accelerating the farming operations. The offering will take place through an issue of Swedish Depository Receipts (SDRs). Black Earth Farming's long term intention is to apply for a listing on OMX Nordic Exchange Stockholm.

The offering in brief

- The offering will consist of a public offering in Sweden and Norway and an offering made to institutional investors outside the United States in compliance with applicable exemptions.
- Black Earth Farming is issuing SDRs for a total value of SEK 1,600 million¹⁾.
- The offering price is expected to be between SEK 43 and SEK 53 per SDR. In no event will the offering price to the public in Sweden and Norway exceed SEK 53 per SDR.
- The proceeds will be used to finance future acquisitions of farm land, to purchase equipment, for working capital purposes and to construct grain elevators.
- 119,300,000 SDRs will be outstanding after the offering²⁾.
- The offer period runs from 28 November up to and including 18 December, 2007.
- Trading in the SDRs is expected to commence on First North on 28 December, 2007.

Black Earth Farming in brief

Black Earth Farming was founded in 2005. Its business concept is to acquire and cultivate agricultural land assets on a large scale in the Black Earth region in Russia. The Black Earth region is endowed with what is perhaps the world's most fertile soil. The agricultural sector in Russia has however been mismanaged and it has historically been ignored by institutional investors or has not been open to them.

The New Russian Land Code and the recent creation of a cadastre, now permits the establishment and registration of title to land, which can be acquired at a significant discount in an international comparison, but with large appreciation potential. This, coupled with the strong

1) Based on the offering price range this implies 30,188,679 to 37,209,302 SDRs, excluding upsizing and over-allotment option.

2) Assuming that the offering is priced at the mid-point of the offering price range and excluding upsizing and over-allotment option



economic growth in the region, strong local demand for agricultural products and a positive global outlook for agricultural producers, presents a unique investment opportunity.

Black Earth Farming was among the first foreign financed companies to make substantial investments in Russian agricultural land assets to exploit the large untapped potential. Because of its early establishment and its farming industry and legal know-how, Black Earth Farming has now gained a strong market position in several Russian regions, richly endowed with Black Earth soil. Black Earth Farming continues to build up the already impressive land bank of first class soil while ramping up the agricultural operations. To this date, Black Earth Farming has approximately 277,000 hectares of land under its control. This year, Black Earth Farming harvested approximately 52,000 hectares of seeded land and expects to harvest approximately 150,000 hectares of land in 2008.

Investment highlights

Land price appreciation potential

Russian agricultural land is still at a significant price discount in an international comparison. Black Earth Farming aims to have a land bank of at least 350,000 hectares of land under its control by the end of 2008.

Yield expansion opportunity

The land holds a large untapped yield potential which Black Earth Farming aims to unlock by using experienced western and local management, international agronomical best practices and modern farming equipment. Low operational costs per hectare in an international comparison enable Black Earth Farming to establish a highly profitable farming operation.

Crop price growth

A growing world population and changing food consumption patterns, together with a growing demand for bio fuel feedstock, is driving global demand for agricultural commodities and products. At the same time, a permanent reduction of arable land, especially in developing regions, together with climatic changes, regional lack of adequate water supplies and low stock levels, are putting strain on the supply side. In Russia, the nation's strong economic growth is driving the domestic demand.

Statements from the Chairman and from the President

Per Brillioth, Chairman of the Board in Black Earth Farming said:

"This listing provides investors with the opportunity to hold a unique asset in an attractive and growing sector. There is an increasing demand for food and bio fuels in the world and farming is becoming much more large-scale, with companies such as Black Earth Farming running big and efficient industrial farming operations. The listing is a natural step for Black Earth Farming as it will improve our access to capital and facilitate future growth."

Michel Orlov, founder and President of Black Earth Farming said:

"When I founded the company in 2005, I was an entrepreneur with a vision. Today, I am proud to see that Black Earth Farming has gained a leading role in the development of Russian farming. We still have a lot to do, but there is also a lot of value and upside to capture. Our aim is to be one of the most efficient farming companies in the world by combining sector competence and the unique scale that Russia and the operations combine."

Timetable and other offering information

- Publication of the Swedish prospectus and international offering circular: 27 November, 2007
- Institutional road show and book building begins: 28 November, 2007
- Application period: 28 November to 18 December, 2007
- Announcement of pricing and allocation: On or around 19 December, 2007
- First day of trading: 28 December, 2007

The offering is subject to OMX Nordic Exchange's approval of Black Earth Farming's application for admission to trading on First North.

Black Earth Farming has appointed E. Öhman J:or Fondkommission AB as Global Co-ordinator and Bookrunner and Nomura International plc as Joint Lead Manager in connection with the offering. Pareto Securities ASA and UniCredit CAIB UK Ltd have been appointed Co-lead Managers. Bankaktiebolaget Avanza and Nordnet Bank AB have been appointed Net Managers.

The Swedish prospectus is available at Black Earth Farming's website www.blackearthfarming.com and at Öhman's website www.ohman.se.

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Notes to the Editor:

Black Earth Farming Ltd. is a leading farming and land owning company operating in Russia. It acquires, owns and cultivates agricultural land assets primarily in the fertile Black Earth region in southwest Russia. Black Earth Farming was among the first foreign financed companies to make substantial investments in Russian agricultural land assets, and because of its early establishment, Black Earth Farming has now gained a strong market position in the Kursk, Tambov, Lipetsk, Samara, Voronezh and Ryazan areas, controlling 277,000 hectares of what perhaps is the world's most fertile soil. Black Earth Farming will continue to acquire farmland in order to draw full benefits of economies of scale in its operations.

In 2007, Black Earth Farming harvested approximately 52,000 hectares of crops, of which the greater part was wheat.

Founded in 2005 by Michel Orlov, the company has been developed by the listed investment companies Vostok Nafta Investment Ltd. and Investment AB Kinnevik (publ).



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