

Press release
St Helier, Jersey
19 August 2008

BLACK EARTH FARMING LTD – HARVEST PROGRESS REPORT

Performance indicators from the first month of harvest

The Company started its harvest on July 15 in Voronezh and had as of August 15 concluded harvesting little more than 52% of the total planted area. Despite the fact that as much as 40% of the fields were previously fallow fields that were planted for the first time, the yields for the harvested area have so far been satisfactory, especially given the challenge of cropping almost triple the land as in 2007 and at the same time aim to improve the overall yield performance. Weighted average gross yield for winter wheat – our largest crop – is so far 4.4 tonnes per hectare (with 80% of winter wheat area harvested) however there is still 20% left to bring in before the final gross average can be determined. Weighted average gross yield for barley - the second largest crop - so far is around our previous target of 3.3 tonnes per hectare (with about 75% of barley area harvested). Our best fields of winter wheat have achieved yields of up to 8 tonnes per hectare while our best spring barley fields have achieved yields up to 5 tonnes, which is very encouraging for the future. The winter rape culture was as previously announced suffering from the winter kill and the remaining winter rape performed below target - at 1.7 tons/hectare (with 100% harvested). Remaining cultures are still pre-harvest or in such an early stage that the currently harvested area is not yet considered a useful indicator of weighted average for the whole planted area. Harvest of grains is expected to be finished within the next 10 days or so and the whole harvest around the turn of the month between September and October.

Our best yields show that our agronomy and technology work. We believe that we can achieve higher yields as our previously fallow soil comes into regular cultivation and our field operations become even more timely and efficient.

For additional information, please contact:

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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 about 325,000 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 53,000 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).



Black Earth Farming's Certified Advisor on First North is E. Öhman J:or Fondkommission AB
