

Press release
St Helier, Jersey
August 5, 2010

BLACK EARTH FARMING LTD HARVEST UPDATE

Severe weather conditions with average temperatures far above normal as well as very little rainfall has affected this year's grain harvest. The Company commenced its harvest on July 8 and had as of August 4 concluded harvesting little more than 50 percent of the total planted area of around 196,000 hectares. As previously communicated, lower than normal winter temperatures affected the planted area of winter crops negatively.

The harvest of winter wheat – the largest single crop in terms of area planted – has been completed and approximately 165,000 tons have been collected from 82,863 hectares resulting in an average gross yield of 2.0 tons per hectare. Spring wheat was harvested on 10,157 hectares and resulted in an average gross yield of 1.4 tons per hectare. Regarding barley 13,985 hectares have been harvested yielding 1.4 tons of crops per hectare.

Remaining cultures, including soya, sunflower, rape and corn maize, 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 yields for the whole planted area. The entire harvest for this year is expected to be completed around the mid of October.

Given the extreme operating conditions across many Russian agricultural regions local market conditions are very volatile due to the uncertainty and thus especially hard to predict. Average local prices for wheat have increased by 21 to 45 percent compared to 2009 depending on quality while prices for malting barley have soared 74 percent, albeit with high recent volatility. As the harvests of soya, sunflower, and corn maize has yet to commence pricing for these crops are particularly uncertain. Lower nationwide grain production will also likely have an effect on costs of storage, grain handling and transportation.

For additional information, please contact:

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Notes to Editor:

Black Earth Farming Ltd. is a leading farming company, publicly listed in Stockholm and operating in Russia. It acquires, owns and farms agricultural land assets primarily in the fertile Black Earth region in southwest Russia. Black Earth Farming has gained a strong market position in the Kursk, Tambov, Lipetsk, Samara, Voronezh and Ryazan areas, controlling some 330,000 hectares of what perhaps is the world's most fertile soil.

In 2008 Black Earth Farming harvested some 141,900 hectares and in 2009 it has harvested over 183,000 hectares, effectively making it one of the world's largest farming companies by planted area. The Company's main products are wheat, barley, corn, sunflowers and rape seeds.

Corporate website: www.blackearthfarming.com