



May 21, 2012

Black Earth Farming Ltd 1Q Report 2012

St Helier, Jersey, 2012-05-21 08:00 CEST (GLOBE NEWSWIRE) --

Positive Operating Cash Flow as Spring Seeding gets Underway

Positive 1Q operating cash flow of USD 3.5 million as 57% of carry-in stock was sold.*

Improved q-o-q sales price although higher quality crops remained in inventory a/o 31 March.

Relatively low winter kill of 4% but late spring results in slightly reduced 2012 area of lower margin crops.

Strategic sale of 9,500 hectares of low quality land for USD 1.1 million profit.*

1Q 2012 Highlights (vs. 1Q 2011)

- Sales volumes of 120.5 thousand tons (16.7) at average price per ton of USD* 186 (235)
- Sales revenue of USD* 22.8 million (4.3)
- Operating loss of USD* -8.0 million (-10.9)
- Net loss of USD* -6.4 million (-15.3)
- Net loss per share of USD* -0.05 (-0.12)
- Operating cash flow of USD* 3.5 million (-10.6)

Events after the Reporting Period

- **Land Sale;** Approximately 9,500 hectares consisting of grass land and poor quality crop land was sold for USD* 3.1 million in Voronezh region. A USD* 1.1 million profit on sale will be recorded in 2Q 2012.
- **2012 Crop;** Late spring has delayed spring seeding but with better y-o-y operational progress. Total 2012 crop area expected slightly lower at approximately 225 thousand hectares with a reduced area of lower margin crops.

CEO Comment Highlights (p.2 in report)

- 1Q Sales & Market Development
- 1Q Results 2012
- Voronezh Land Sale
- Spring Seeding Conditions & 2012 Crop Area

- Price Risk Management Progress

Financial Overview

<i>USD* million</i>	1Q 2012	1Q 2011
Total Revenues & Gains	23.3	1.1
Gross Result	(1.7)	(4.5)
EBITDA	(3.6)	(8.5)
EBIT	(8.0)	(10.9)
Net Income	(6.4)	(15.3)

** The USD equivalent figures are provided for information purposes only and do not form part of the interim consolidated financial statements — refer to note 2 (d).*

Please see attachment for complete report.

Webcasted Telephone Conference Details:

Date: Monday 21 May 2012

Time: 10:00 CET

Hosts: Black Earth Farming CEO — Richard Warburton
CFO — Alexander Betsky
IR Director — Erik Lystedt

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Conference Title: Black Earth Farming 1Q Report 2012

Conference ID: 454 00 58

Webcast link:

<http://event.on24.com/r.htm?e=462705&s=1&k=0F147A38447E7201BD324405E47D4F1F>

Please quote the Conference ID or Conference title to access the call.

Please call in 5 minutes before the conference starts

For additional information, please contact:

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Notes to Editor:

Black Earth Farming Ltd. is a leading farming company, publicly listed on Nasdaq OMX Stockholm and operating in Russia. It acquires, develops 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 and Voronezh areas, controlling some 318,000 hectares of what perhaps is the world's most fertile soil.

In 2011 Black Earth Farming harvested over 230,000 hectares, effectively making it one of the world's largest farming companies by cropped area. The Company's main products are wheat, barley, sunflower and rape seeds which account for 90% of production volumes.

Corporate website: www.blackearthfarming.com