

March 17, 2015

Black Earth Farming Ltd announces land swap

St Helier, Jersey, 2015-03-17 08:00 CEST (GLOBE NEWSWIRE) -- **Black Earth Farming announces land swap that divests assets in Lipetsk, Ryazan and Tambov in return for land and elevator in proximity to existing operations in Morshansk, Tambov**

Black Earth Farming (“the Company”), an owner and operator of agricultural farmland in Russia, announces that it has agreed to swap the land and related real estate assets from its Stanovoye (Lipetsk oblast), Shatsk (Ryazan oblast) and Pervomaisky (Tambov oblast) farms with two counterparties, in return for land and an elevator in proximity to Black Earth Farming’s existing operations at Morshansk in Tambov. A condition precedent with one counterparty, expected to be met shortly, remains.

The proposed swap would see Black Earth Farming disposing of a total of 36.6k hectares of controlled land, including 4.5k hectares of grassland, 5.6k hectares of forested fallow, 7.2k hectares of leased land as well as of 20k tonnes of grain storage. The assets received in the swap amounts to a total of 24.9 hectares of controlled land, including 20.9k hectares of crop land, 4.0k hectares of grassland, 3.3k hectares of leased land, and a 30k tonne elevator facility with rail access. The transaction includes the winter wheat crops sown in the autumn of 2014. Black Earth Farming will undertake spring cropping on the land acquired in the swap. The transaction does not include machinery.

The Company expects to book a profit on the swap but is awaiting an independent fair valuation on the incoming assets before the net result can be accurately estimated. The net cash pre-tax proceeds from the transaction are estimated at circa USD 1.6 million at the current exchange rate.

Black Earth Farming’s CEO, Richard Warburton, comments:

“This transaction allows us to consolidate our activities in Tambov round a very significant core block of 50k hectares and is a further step in our land bank strategy to improve productivity, consolidate into significant blocks around infrastructure and raise the ownership and utilisation levels of high quality crop land in the land bank portfolio”.

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 271,000 hectares (prior to the above transaction) of what is perhaps the world's most fertile soil. In 2014, Black Earth Farming harvested approximately 184,000 hectares, effectively making it one of the world's largest public farming companies by cropped area. The Company's main products are wheat, barley, corn, sunflower, soya, rapeseed and potatoes.

Corporate website: www.blackearthfarming.com

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