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Moscow

### Citi and SMBC Organize Landmark Deal for One of the World's Largest Coal Producers

Moscow, Tokyo — OJSC SUEK (SUEK), Citi and Sumitomo Mitsui Banking Corporation (SMBC) are pleased to announce the signing of a 6-year US\$200 million Structured Term Loan Agreement insured by Nippon Export and Investment Insurance (NEXI), the Japanese leading export credit agency. This landmark transaction, being NEXI's first Overseas Untied Loan Insurance for Natural Resources and Energy provided to a coal producing company, is aimed at refinancing Tugnui open cast mining, a coal washing plant in Buryatia, and Vanino coal export terminal in Russia's Khabarovsk Region.

The loan will be provided by Citibank Japan Ltd. and SMBC Brussels Branch, with NEXI insurance covering 100% of Russia's political risk and 97.5% commercial risk.

The facility is lead arranged by Citi as Mandated Lead Arranger and Lead NEXI Coordinator. SMBC acted as Joint Mandated Lead Arranger and Joint NEXI Coordinator.

Vladimir Rashevsky, CEO, Chairman of the Management Board of SUEK, says: «This agreement is another example of SUEK's successful co-operation with largest international partners on both bi-lateral and multilateral bases.»

Zdenek Turek, CEE Division Cluster Head, Citi Russia Country Head, says: «SUEK is one of the world's largest coal producers and exporters, and we pride ourselves on being the company's long-standing partner. Citi is a leading global player in Export Agency Finance as we work with over 60 export finance agencies, including Ex-Im in the U.S., and multilateral financial institutions across the globe. Today we are honored to leverage our global capabilities and bring an innovative financing solution for our valued client.»

NEXI, acting as an agent of the government of Japan, continuously supports overseas projects to ensure smooth supplies of the natural resources to the Japanese consumers. As coal is a key fuel for the Japanese utility sector which has become even more critical after the nuclear accident of Fukushima, the country targets to diversify coal supply sources on top of the existing major suppliers such as Australia and Indonesia to ensure stable coal deliveries. NEXI believes that providing financial support to SUEK will help Japan diversify its coal supplier base as well as further strengthen the relationship and cooperation between the two countries.

SUEK is Russia's leading producer and exporter, as well as largest supplier of coal for domestic power generation. It is also one of the largest global exporters of thermal coal by volume (33.7 million tonnes of thermal coal in 2011). SUEK exported more than 4 million tonnes of thermal coal to Japan in 2011, which accounts for more than 20% of SUEK's total thermal coal export to Asia Pacific in the year. In this respect, SUEK is an important Russian coal provider to Japanese consumers.

**Citi**, the leading global financial services company, has approximately 200 million customer accounts and does business in more than 160 countries and jurisdictions. Citi provides consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, transaction services, and wealth management.

**ZAO Citibank**, a full subsidiary of Citi, has been operating in Russia since 1992. At present ZAO Citibank is among the country's largest banks offering a full range of products and services to corporate and consumer customers. Citibank has over 3,500 employees; its distribution network includes retail branches, 550 ATMs and representative offices in largest cities in Russia, Citi also operates in Ukraine and Kazakhstan. The number of the bank's consumer clients has exceeded 1,000,000 Russians. [www.citibank.ru](http://www.citibank.ru).