



Presentation

July 7 2010

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Eduard Alekseenko

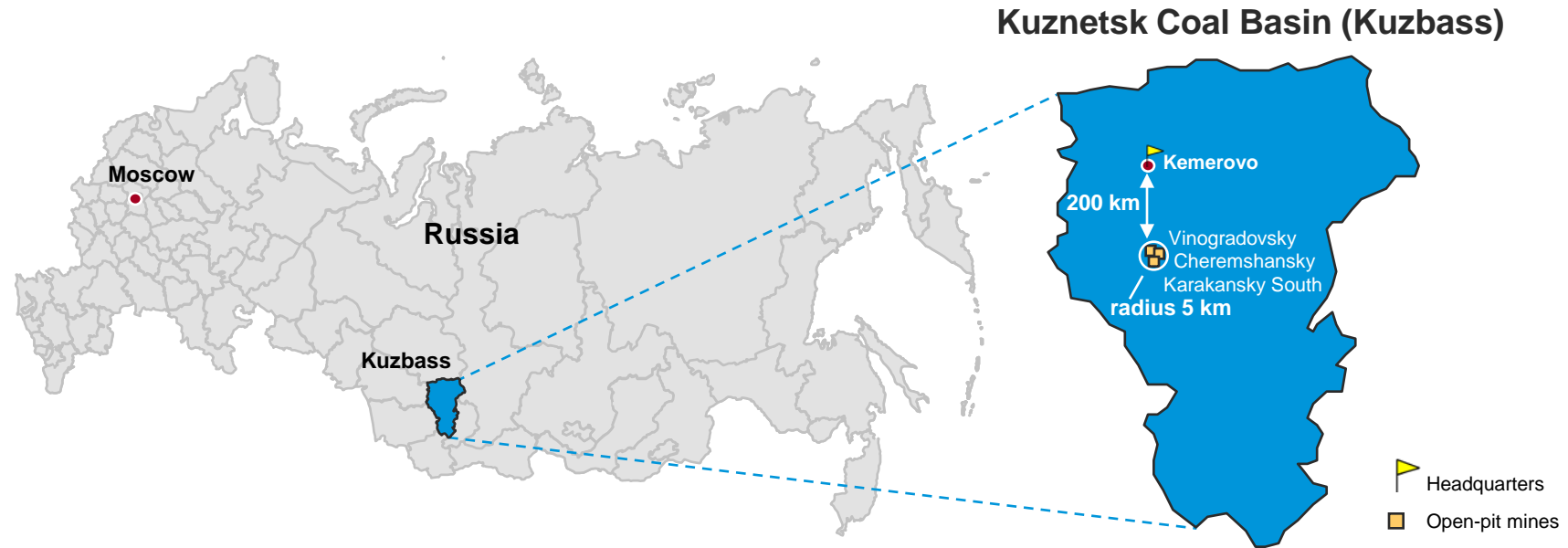
First Deputy Chief Executive Officer



Ivan Gepting

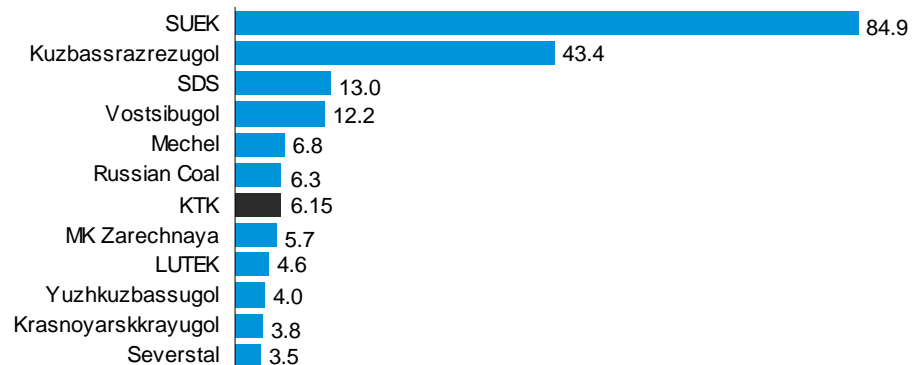
Deputy Chief Executive Officer, Sales





Russia's largest thermal coal producers, 2009

Thermal coal production, 2009 (mln t)

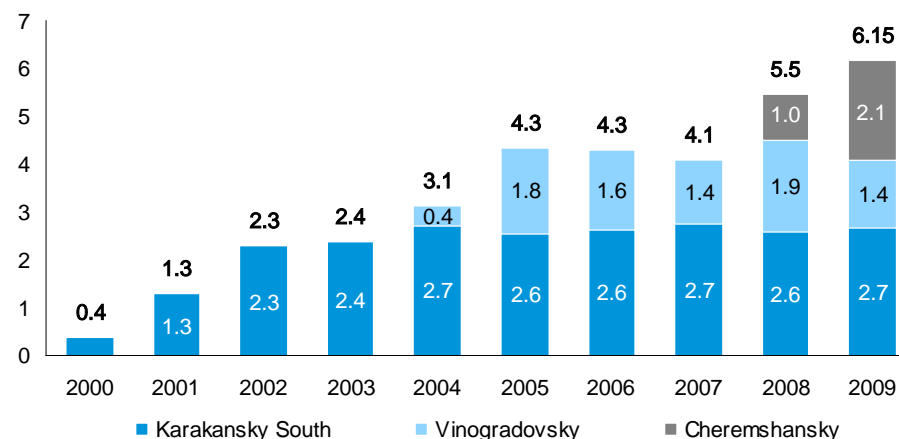


History of the Company



- ▶ The Company was founded in 2000 on initiative of the Kemerovo region for the purpose of coal delivery to housing and communal services and to population of the region.
- ▶ During 9 years the Company has transformed into the largest thermal coal supplier in Western Siberia, developing organically on the basis of the available licenses and using key technologies of output with low costs of production.
 - ▲ Since 2000 the Company has launched 3 subsidiaries with a structural capacity⁽¹⁾ of about 11 mln tons of coal per year, also in April 2008 Cheremshansky open-pit mine was launched with a structural capacity of 5 mln tons of coal per year.
- ▶ The Company has established a modern infrastructural complex that is capable of having a structural capacity⁽¹⁾ of 11 mln tons of coal per year without additional considerable capital investment and that has a developed railway infrastructure, wide road system and its own energy infrastructure.
- ▶ Nowadays the Company possesses one the largest retail coal selling chain in Western Siberia, which has provided market with 2.8 mln tons of coal in this region in 2009

Company's coal production breakdown by open-pit mines, mln t



Source: Company

Key operating and financial indicators ⁽¹⁾

US\$ mln	2007	2008	2009
Coal sales (mln t)	5.4	7.5	7.4
incl. coal re-sale	1.5	2.3	1.4
Revenue	151	344	336
% growth		128%	-2%
EBITDA ⁽²⁾	19	87	69
% margin	12%	25%	20%
Net Income	(4)	44	21
% margin	-3%	13%	6%

Source: audited IFRS financial statements for 2007-2009 in which all amounts are presented in RUR, Company

(1) in the table US\$ are converted from RUR using average Central Bank of the Russian Federation exchange rates for each year (2007: 25.58 RUR/US\$; 2008: 24.86 RUR/US\$; 2009: 31.72 RUR/US\$)

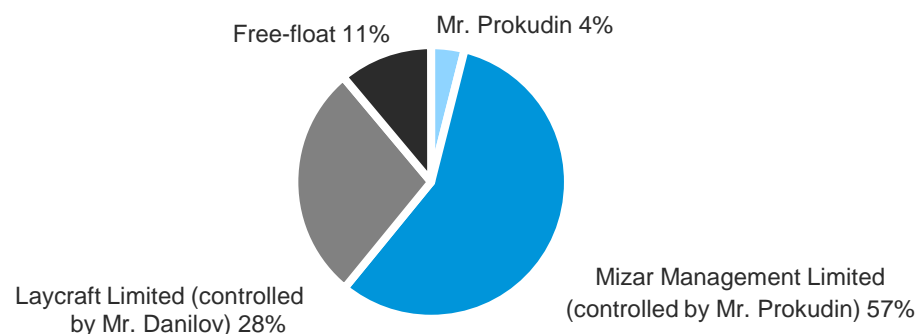
(2) EBITDA for each period is defined as results from operating activities, adjusted for amortization and depreciation, impairment loss and loss on disposal of property, plant and equipment

(1) here and further through the presentation structural capacity means the maximum production capacity that the Company believes could be achieved (taking into account projected stoppages for planned repair and maintenance) in an annual period if the Company were able to process all the coal that could be mined using the Company's existing mining facilities after acquisition of certain mining equipment and construction of three coal processing/enrichment facilities in accordance with its current capital expenditure program

Ownership structure of the Company



Before IPO

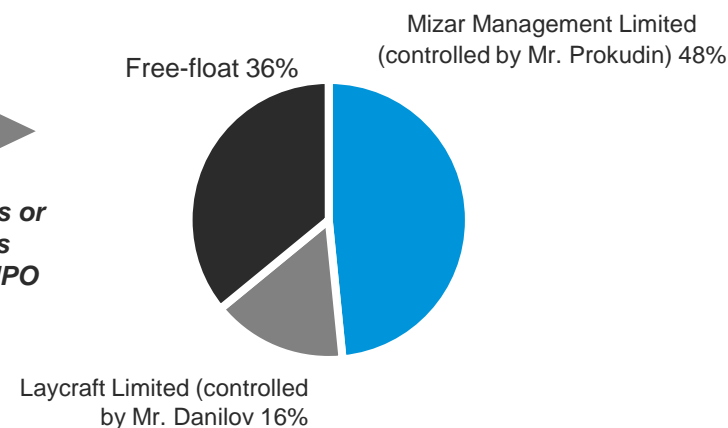


IPO⁽¹⁾



Offering 26.3 mln of shares or 26.4% of the Company's outstanding shares after IPO

After IPO



Shareholder	Shares	% of total	Shares	% of total	Shares	% of total
Mr. Prokudin	3 339 438	4,0%	3 339 438	12,7%	0	0,0%
Mizar Management Limited (controlled by Mr. Prokudin)	48 061 162	56,9%	0	0,0%	48 061 162	48,4%
Mr. Danilov	50	0,0%	0	0,0%	50	0,0%
Laycraft Limited (controlled by Mr. Danilov)	23 631 750	28,0%	8 094 890	30,8%	15 536 860	15,7%
Free-float	9 367 000	11,1%	0	0,0%	35 660 283	35,9%
New share issuance			14 858 955 ⁽¹⁾	56,5%		
Shares outstanding	84 399 400	100,0%	26 293 283	100,0%	99 258 355	100,0%

(1) Company's proceeds from IPO amounted to \$ 91 mln net of IPO costs. \$70.3 mln of these proceeds have been used for premature repayment of the most expensive part of the Company's indebtedness. The remaining \$19.7 mln will be spent on CAPEX program.

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Section I

Investment Highlights

Key Investment Highlights



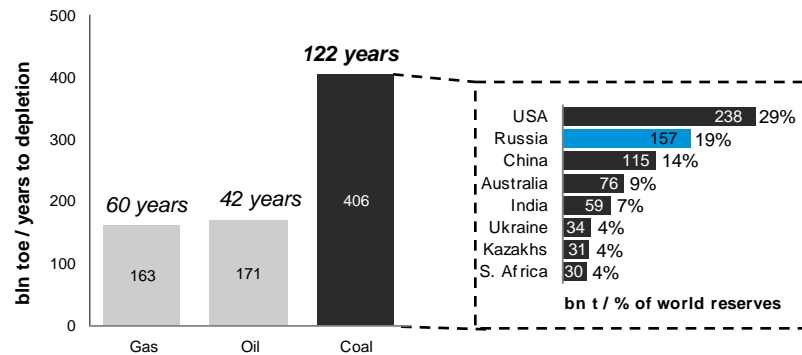
Thermal Coal Prospects – Global Market Drivers



Growth of coal-fired power generation in the world

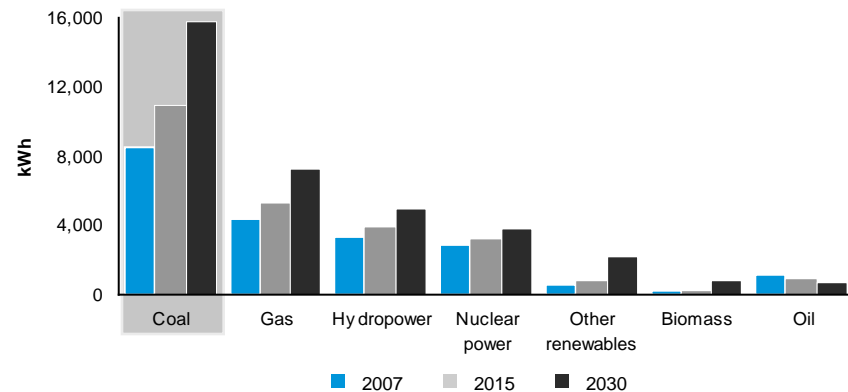
- ▶ Coal remains the most abundant mineral fuel in the world
 - ▲ Main fuel for power generation
 - ▲ Second primary energy source by volume
- ▶ Demand for the coal is increasing in response to oil and gas deficit

World major energy resources



Source: BP Statistical Review 2009

Power generation structure by fuel type

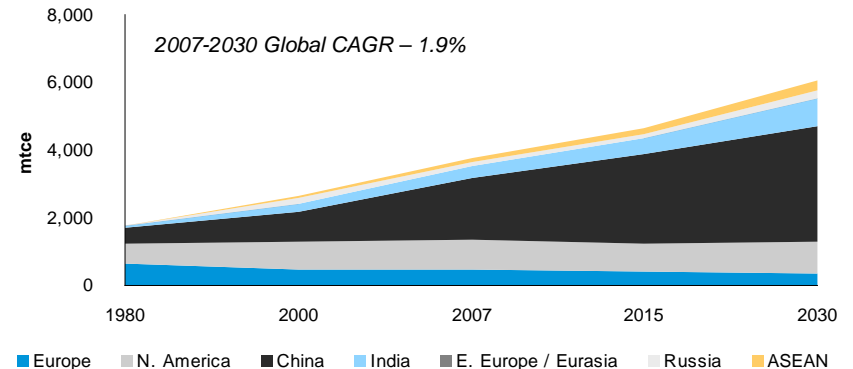


Source: IEA World Energy Outlook 2009, Reference Scenario

Rising consumption in the emerging markets

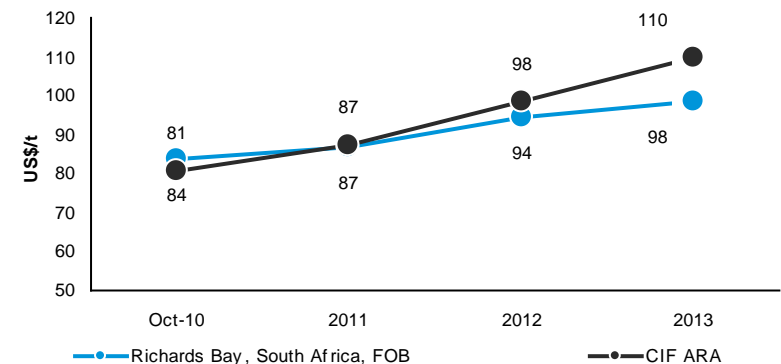
- ▶ Large-scale coal-fired power generation construction projects in China and India may further stimulate demand growth in the future
- ▶ Consumption of coal per capita in China may double from 2007 to 2030, according to IEA

Coal consumption growth in the key markets



Source: IEA World Energy Outlook 2009, Reference Scenario

International thermal coal forward prices



Source: Bloomberg as of 1 March 2010

Thermal Coal Prospects – Russian Market Drivers



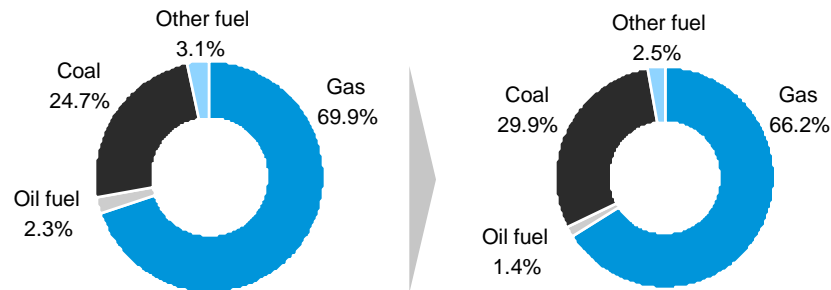
Rising share of thermal coal in the Russian fuel balance

- Share of coal in the Russian fuel balance is expected to increase due to the rising power generation, gas export and liberalization of the domestic gas prices

Fuel consumption by the Russian power generation

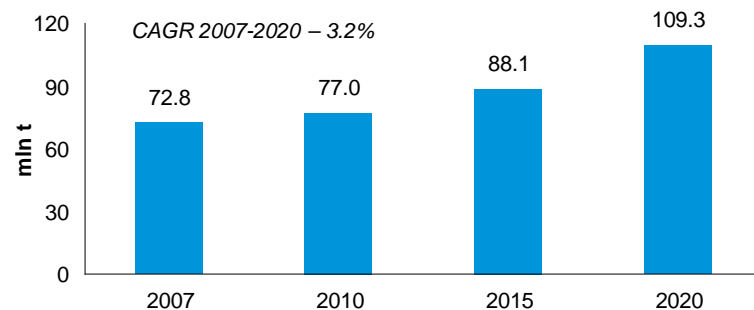
2007

2020



Source: Russian Energy Balance Forecasting Agency, August 2009

Coal consumption by the Russian power generation

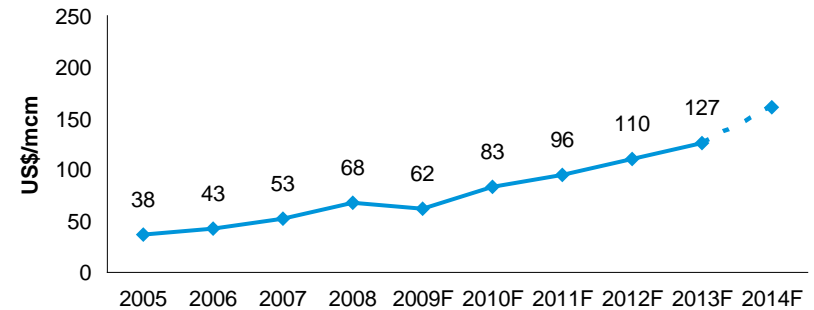


Source: Russian Energy Balance Forecasting Agency, August 2009

Liberalization of domestic gas and electricity markets

- Potential increase of domestic gas prices to export net-back parity level and growth of gas exports
- Domestic liberalization of power generation market may lead to growth in coal prices

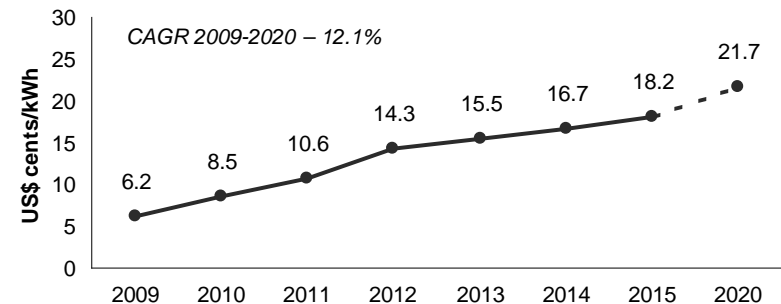
Domestic wholesale gas price outlook ⁽¹⁾



Source: Gazprom, Investor day presentation, Feb 2010

Note: (1) Pursuant to "General assumptions and forecast of social and economic development in Russia 15% annual price growth for the period from 2010 to 2012" designed by the Russian Ministry of Economic Development in July 2009, assuming 76 \$/bbl – oil price forecast in 2014

Electricity price forecast in Russia

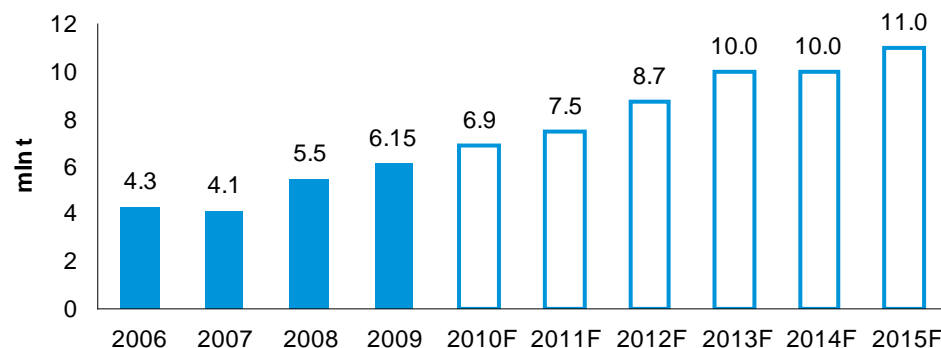


Source: Russian Energy Balance Forecasting Agency, August 2009

Note: converted from RUR to US\$ at exchange rate 31.72RUR/US\$

- The Company has established most of the infrastructure required to sustain production at the level of the structural capacity ⁽¹⁾ of the existing mining facilities – 11 mln t per year
 - ▲ Further expansion of the production volume will be based on existing facilities, licenses, and infrastructure and will not require significant capital expenditure, other than into additional mining and transportation equipment
- Furthermore, in the period of 2010-2012, the Company plans to commission three coal enrichment facilities with a total installed annual capacity of 8.5 mln t per year
- Enrichment facilities will allow the Company to enhance its ability to provide quality products to its clients, reduce operational losses, expand its export capabilities and enter into new and perspective markets

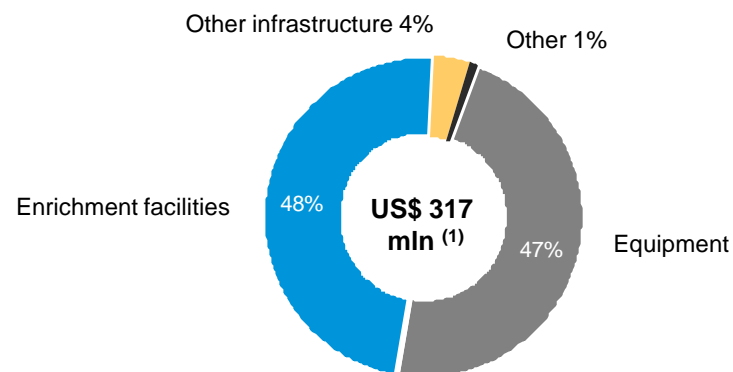
Historical production volume and attainment of structural capacity ⁽¹⁾



Source: Company

(1) structural capacity is shown in terms of ROM coal output volumes

Company's investment program, 2010-2015



Source: Company

(1) net of VAT, converted to RUR at 30 RUR/US\$ exchange rate

(1) here and further through the presentation **structural capacity** means the maximum production capacity that the Company believes could be achieved (taking into account projected stoppages for planned repair and maintenance) in an annual period if the Company were able to process all the coal that could be mined using the Company's existing mine facilities after acquisition of certain mining and transportation equipment in accordance with its current capital expenditure program

Strong Reserve Base and High Product Quality

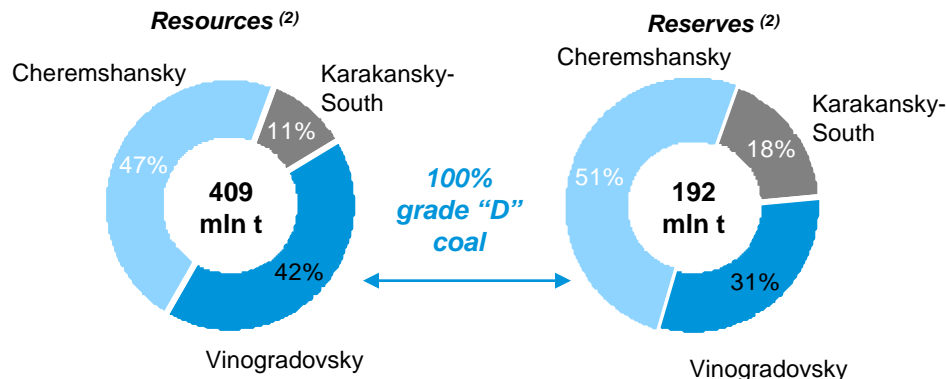


- ▶ The Company produces sub-bituminous thermal coal classified as grade “D” under the Russian classification system
 - ▲ High quality coal with a low sulphur and ash content and relatively high calorific value
 - ▲ Main fuel for coal-fired power generation in Russia and other countries and is in high demand both in Russia and abroad
 - ▲ Newly built coal-fired power generation capacities in Russia are expected to be primarily fuelled by grade “D” coal
- ▶ The Company has a strong base of coal reserves:
 - ▲ 409 mln t of coal resources and 192 mln t of proven and probable reserves (run-of-mine coal, JORC classification) ⁽¹⁾
- ▶ Further reserves expansion may be possible through:
 - ▲ reclassification of resources into reserves
 - ▲ development of deeper coal beds within the Company’s existing mines
 - ▲ development of neighboring land plots in the Company’s ownership, potentially containing coal reserves

Source: Company

(1) coal reserves and resources are audited by IMC as of 1 January 2010; reserves are based on auditing methodology adopted by IMC, under which only resources recoverable within a 20-year period can be deemed as reserves

Company’s reserves and resources ⁽¹⁾



Source: IMC, Company

(1) coal reserves and resources are audited by IMC as of 1 January 2010; reserves are based on auditing methodology adopted by IMC, under which only resources recoverable within a 20-year period can be deemed as reserves

(2) run-of-mine coal

Grade “D” coal quality

Calorific value (kcal/kg)	from 4,900 to 6,000
Sulphur content	from 0.5%
Ash content	from 7% to 13%
Moisture	from 13% to 18%

Source: Company

Established Infrastructure and Modern Equipment



- ▶ Mining operations are supported by a well-developed production, logistics and distribution infrastructure, able to sustain production at the structural capacity of 11 mln t per year
- ▶ 100% of coal transported to the Russian Railway network by the Company's own railway company
 - ▲ over 70 km of railroads, 6 railway stations, own locomotives with capacity to transport 12 mln t per year (excessive capacity is sold to other local producers)
- ▶ Equipment fleet has undergone substantial modernization since 2006 and comprises high-performance and large-capacity excavators, draglines and trucks from such leading international manufactures as Komatsu, P&H and BelAZ, characterized by a low degree of wear
- ▶ Own repair and maintenance services
- ▶ Own power infrastructure

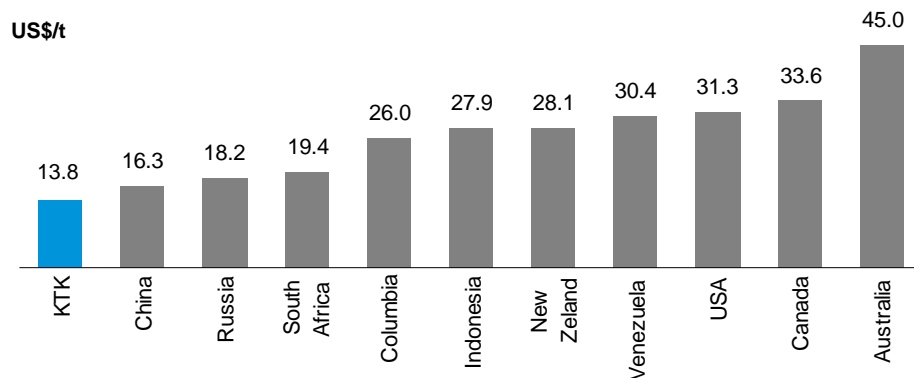
- ▶ One of the lowest cash costs per tone compared with many domestic and international competitors:

- ▲ open-pit mining technology
- ▲ centralized operations and compact location of mining and administrative resources
- ▲ modern and efficient equipment fleet with high productivity and low degree of wear

- ▶ Cost advantages over many international competitors:

- ▲ access to power and gas supplies at relatively low prices
- ▲ lower labor costs and taxes
- ▲ less stringent regulatory and environmental requirements

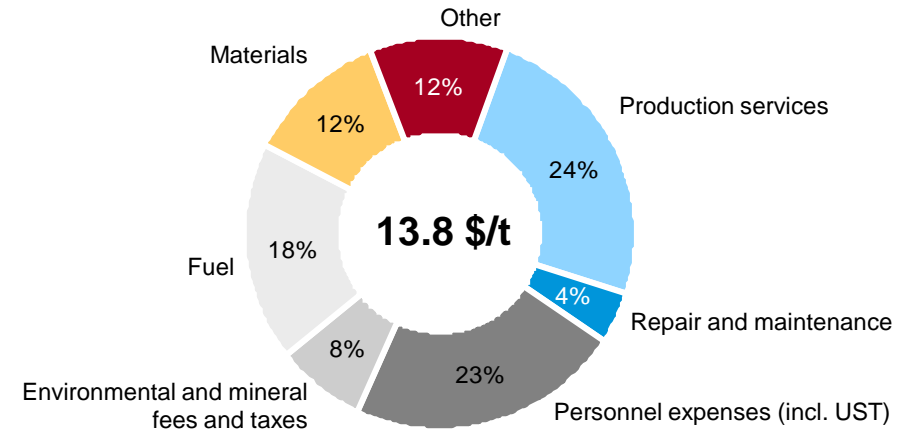
Production cash costs across the industry, 2009 ⁽¹⁾



Source: AME Mineral Economics, Thermal Coal Cost Report 2009

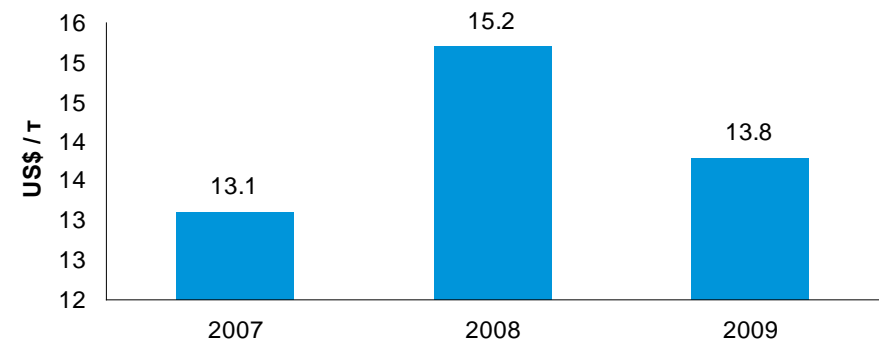
(1) average production cash costs for the mines contained in AME database in the respective country; production cash costs are defined as sum of personnel expenses (incl. UST), extraction, processing and sorting of coal expenses, and mining taxes

Production cash costs breakdown, 2009 ⁽¹⁾



Source: audited IFRS accounts for 2009

Cash costs per tone of production ⁽¹⁾

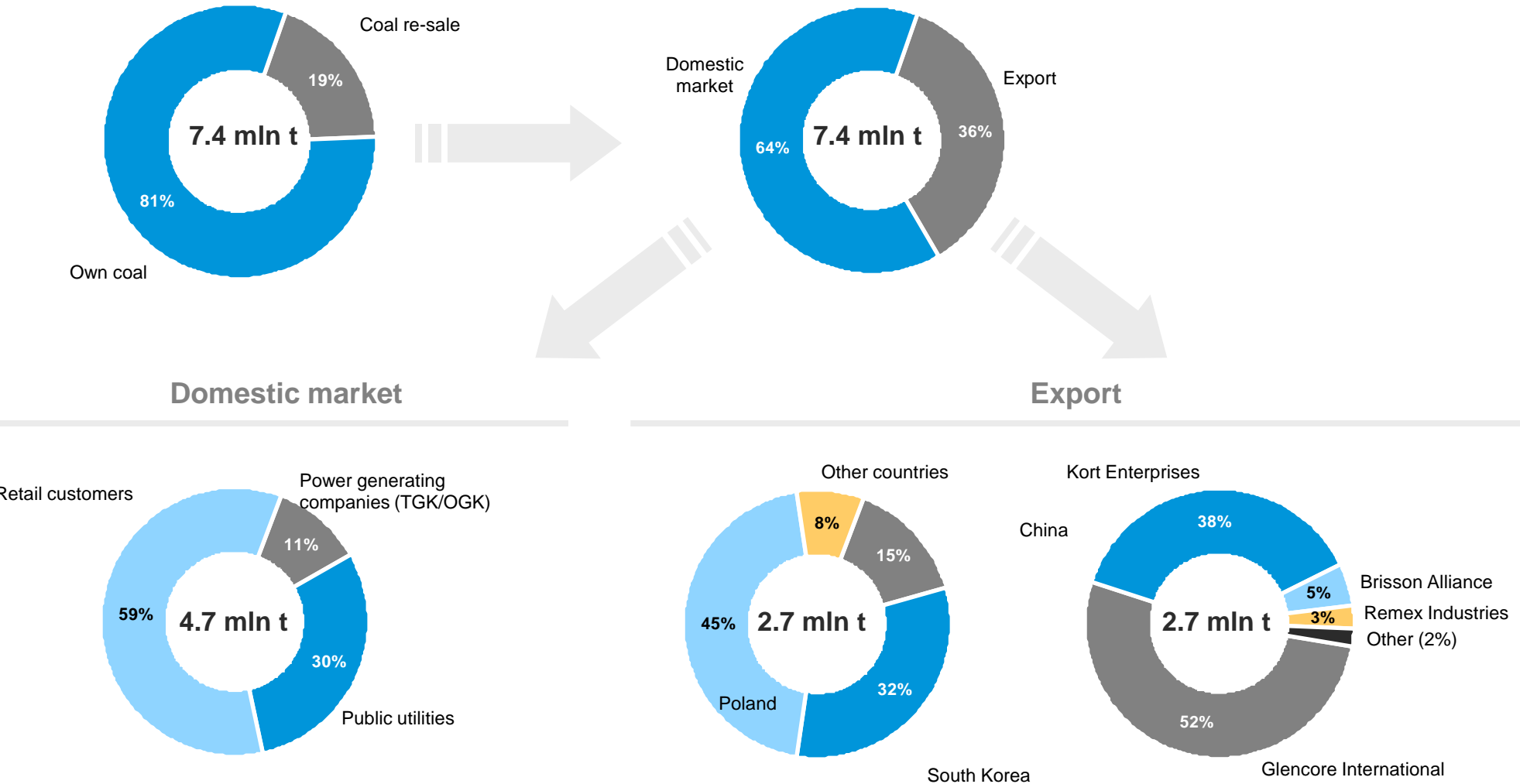


Source: audited IFRS financial statements for 2007-2009. Cash costs were converted from RUR into US\$ at the average CBR exchange rate for the period (2007: 25.58 RUR/US\$; 2008: 24.86 RUR/US\$; 2009: 31.72 RUR/US\$).

(1) cash cost of production is calculated as cost of sales, net of (a) costs of retail distribution, (b) depreciation, (c) cost of coal for resale, (d) change in inventories, (e) railway tariff and transportation services, (f) expenses restated/roll-forwarded, plus distribution costs at the our mining facilities divided by production volume for the year

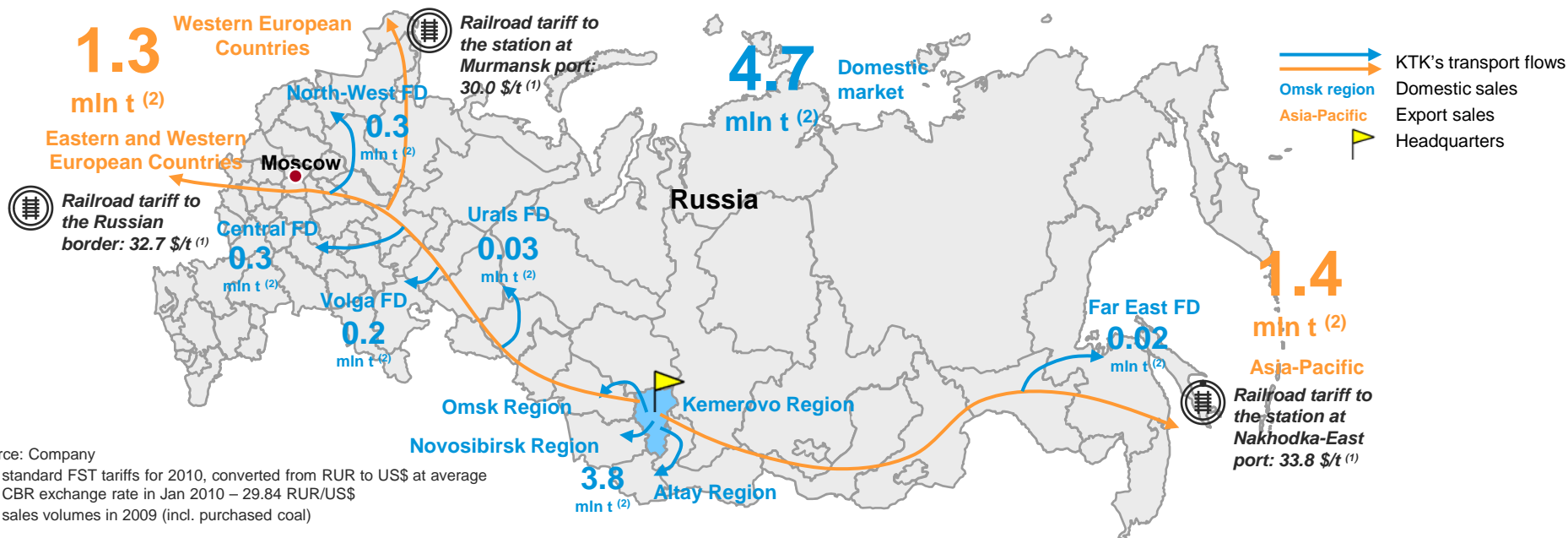


Coal sales breakdown in 2009

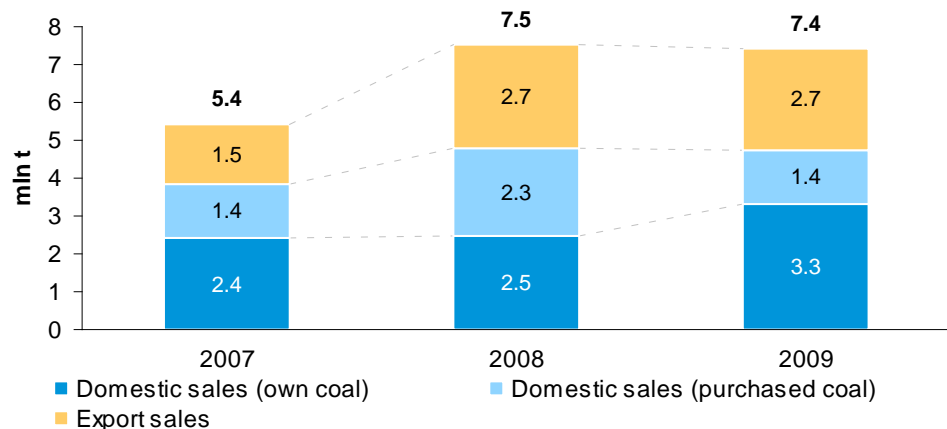


Source: Company

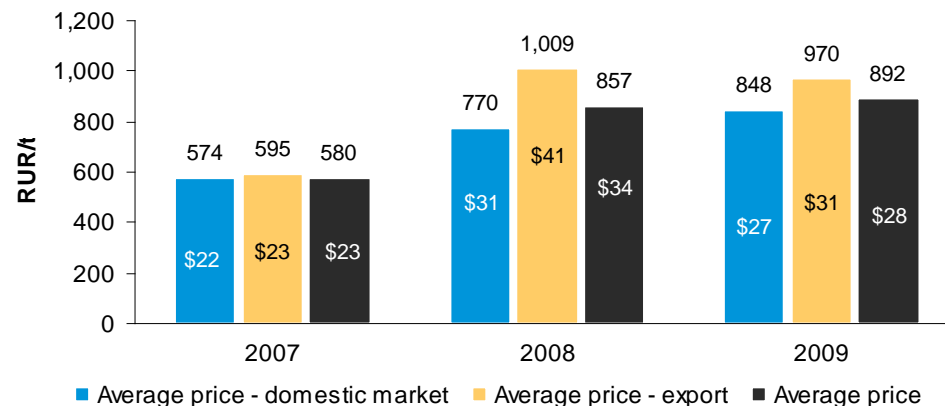
Diversified Distribution Capabilities (2/3)



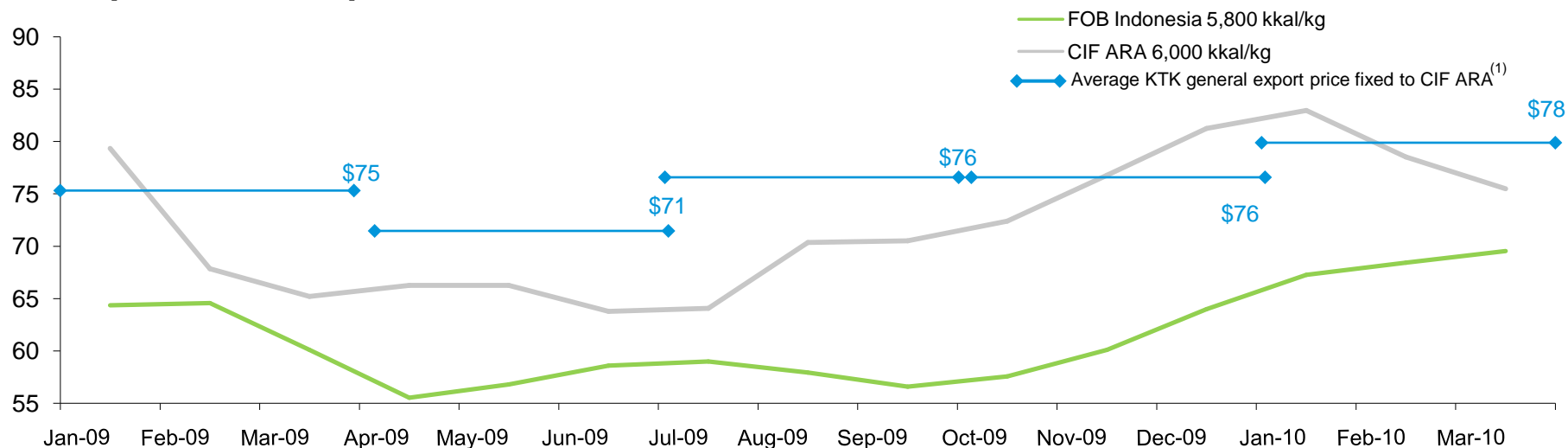
Coal sales breakdown



Average domestic and export prices ⁽¹⁾

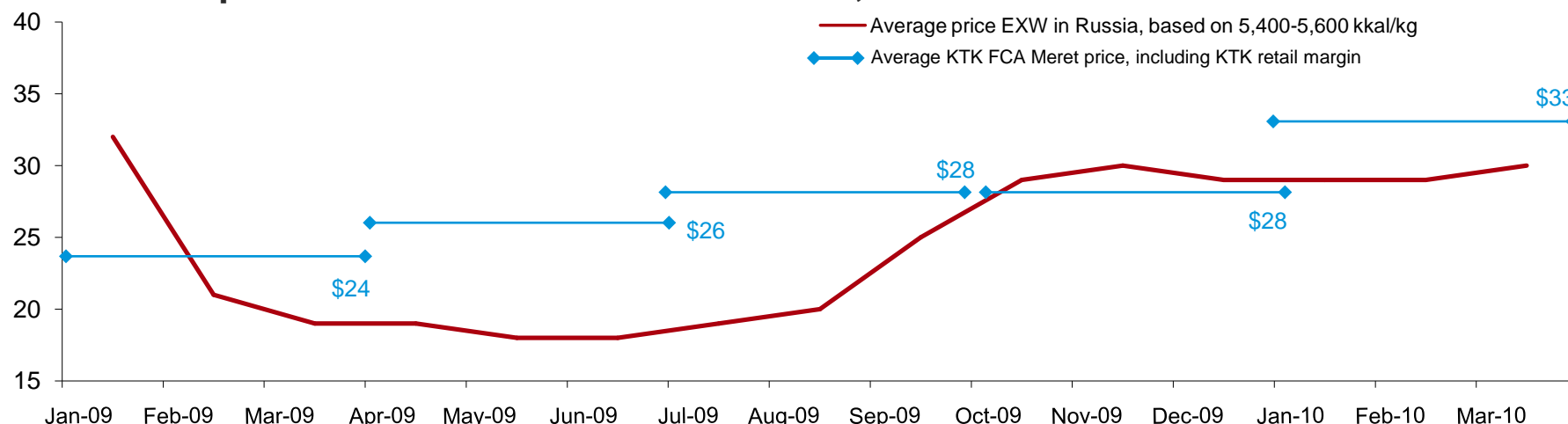


Export contract prices vs. international FOB and CIF benchmarks, \$/t



Source: Company, Argus for FOB Indonesia and CIF ARA

FCA prices vs. Russian EXW benchmark, \$/t



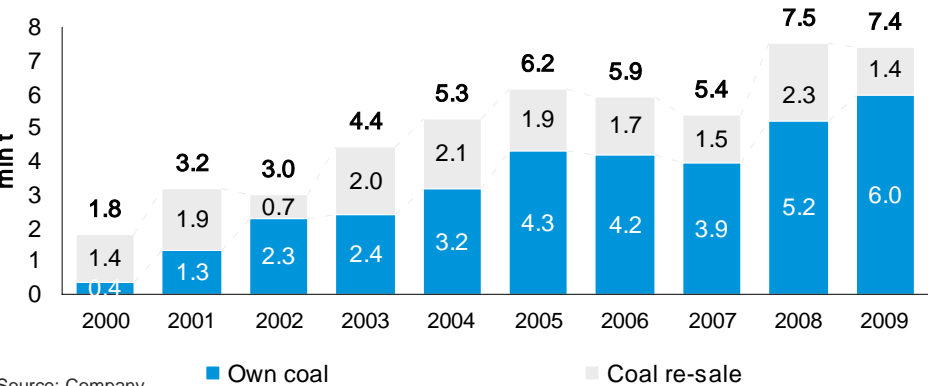
Source: Company, Metal Expert for average EXW prices in Russia

(1) – Average general KTK quarterly price + railroad tariff, according to Russian Railways catalogue 10.01 + estimated Murmansk port shipment costs (\$10) + freight to Rotterdam, according to Argus information (from \$6 to \$12)

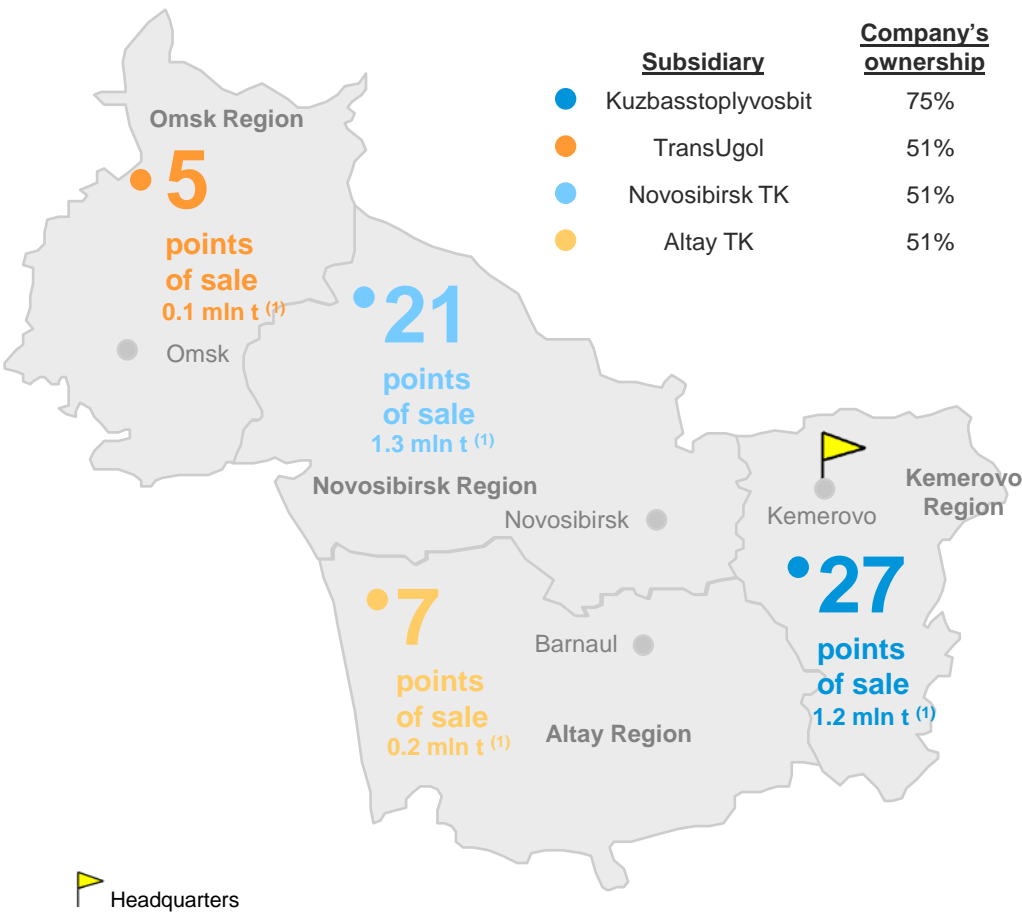


- ▶ Since its establishment, the Company has been continuously expanding and building its retail sale and storage network:
 - ▲ 60 points of sale as of 31 December 2009
 - ▲ additional points of sale planned to be acquired or established
- ▶ Wide distribution network and strong regional presence position the Company as one of the principal suppliers of coal to retail costumers, municipalities, and public utilities in Western Siberia
- ▶ When export prices are high, the Company uses lower quality third-party coal to satisfy domestic demand, while shifting its own higher quality coal to export markets

Breakdown of coal sales



Retail network in Western Siberia



Source: Company
(1) sales volumes in 2009, include re-sale coal

Management team with an extensive industry experience and successful track record



Igor Yu. Prokudin

- Chief Executive Officer
- Founder of the Company
- Industry experience: 32 years



Eduard V. Alekseenko

- First Deputy CEO
- Industry experience: 12 years



Sergey K. Kovalenko

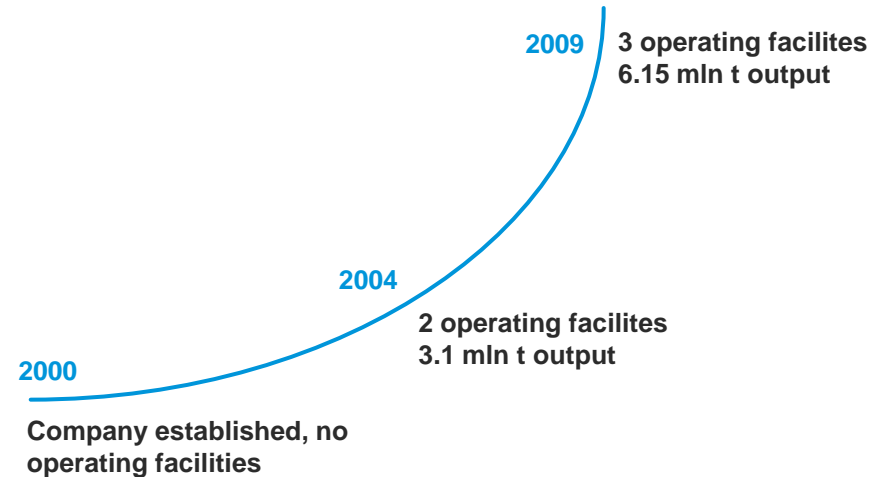
- Deputy CEO, Production
- Industry experience: 37 years



Ivan V. Gepting

- Deputy CEO, Sales
- Industry experience: 10 years

Management track record



Implemented cost-cutting initiatives as part of the anti-crisis measures in 2008-2009

- Cut-down wages by 10% for production personnel and by 25% for engineering staff
- Lowered production costs
- Renegotiated contract terms with service providers by 20-30%
- Partially replaced inefficient and outdated equipment
- Reduced construction expenses

Source: Company



Section II

Business Strategy

Key Strategic Directions



Further Production Growth

- ▶ Further production growth at the existing facilities and infrastructure up to the structural capacity of the three mines
- ▶ Expansion of coal reserves through reclassification of existing resources, development of deeper deposits at existing mines, exploring neighboring land plots in the Company's property, and acquiring new licenses in the region

Enhancement of Product Quality and Entering New Markets

- ▶ Coal quality enhancement through construction of 3 new coal processing and enrichment facilities utilizing steeply inclined and dense-medium separation processes with an aggregate capacity of 8.5 mln t per year
- ▶ Focus on value-added products with higher profitability margins
- ▶ Entering new export markets with more stringent coal quality requirements

Further Strengthening of Distribution and Sales Capabilities

- ▶ Strengthening of regional presence through further expansion of retail network, broadening product range and improving customer services
- ▶ Widening export capabilities through signing contracts with major global coal traders and power companies, and establishing trading representatives at key locations abroad

Cost Optimization and Efficiency Improvements

- ▶ Further upgrade of mining equipment and optimization of labor, administrative and overhead costs
- ▶ Hedging against transportation costs through entering into long-term leasing contracts for railway cars

Further Enhancement of Corporate Governance

- ▶ Focus on transparency and refining the Company's corporate governance code to a level that is comparable with international standards, such as by appointing two independent non-executive directors
- ▶ Introducing Remuneration Committee and Investment and Strategy Committee

Investment Program

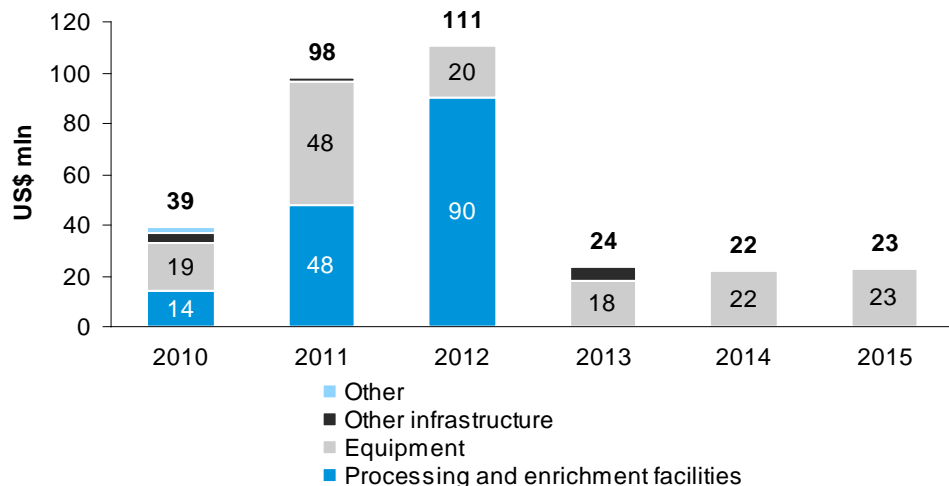


➤ No significant CAPEX into infrastructure is required to raise the production to the level of structural capacity of 11 mln t per year

➤ 2 major investment directions:

- ▲ procurement of mining equipment to increase production at the existing open-pit mines
- ▲ construction of new coal processing and enrichment facilities to improve coal quality and raise production efficiency

CAPEX plan for 2010-2015



Source: Company

(1) net of VAT, converted to RUR at 30 RUR/US\$ exchange rate

1

Equipment procurement plan

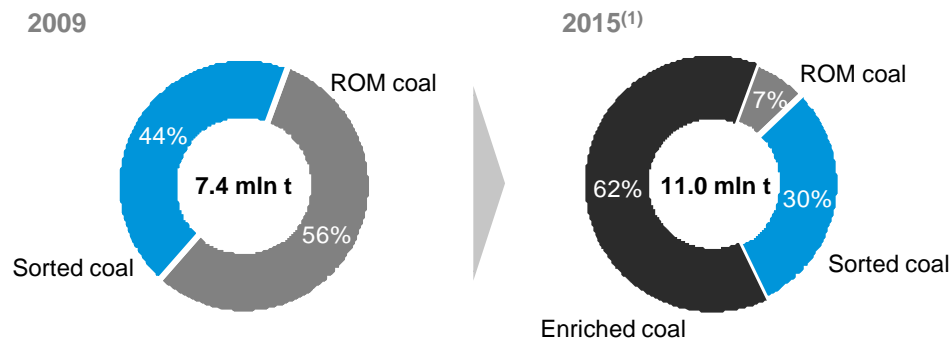
	1 March 2010	CAPEX '10-'15
Shovels (P&H, Komatsu, EO)	22 (2 P&H) ⁽¹⁾	21 (1 P&H)
Trucks (BelAZ)	73	85
Dozers (Komatsu and others)	20	22
Loaders (Komatsu and others)	21	29
Drill Rigs (Ingersoll Rand)	3	3

Source: Company

(1) the number of shovels does not include 19 EKG units that have been or are planned to be taken out of production and sold

2

Targeted sale structure after the launch of enrichment facilities



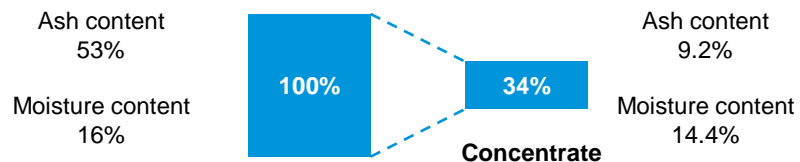
Source: Company

(1) subject to the attainment of the structural capacity by 2015 and CAPEX plan

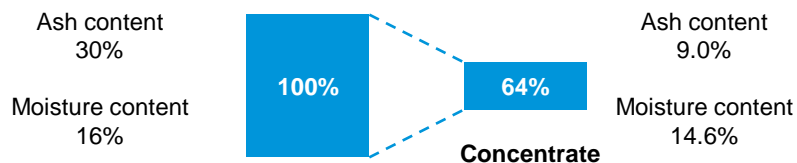
Steeply inclined separators (KNS)

- Designed to wash diluted ROM coal (DRC), which currently is dumped as waste, and high ash coal and produce concentrate with an ash content of 9%
- 2 plants with a design capacity of 2 million tonnes of ROM coal per year each
 - ▲ KNS #1 is planned to be commissioned by August 2010
 - ▲ KNS #2 with additional equipment for dense-medium washing is planned to be launched in 2H 2011

Diluted ROM coal



High ash coal



Source: IMC, Company

Dense-medium processing plant

- Enrichment plant with a design capacity of 4.5 million tons
- The plant will enrich the Company's ROM coal
- Key processes include dense medium separation in wheel separators and hydrocyclones
- 2 lines that will produce
 - ▲ concentrate with an ash content of 4.9%
 - ▲ concentrate with an ash content of 9.0%
- Commissioning is planned for 2H 2012

	Output (as % of output volume)	Ash content
Concentrate-1	64.5%	9.0%
Concentrate-2	13.6%	4.9%
Middling	12.2%	16.3%
Total saleable product output	90.3%	9.4%

Source: IMC, Company



Section III.

2007-2009 and 1q2010 Financial Overview

Key Financial Highlights



Key financial indicators ⁽¹⁾

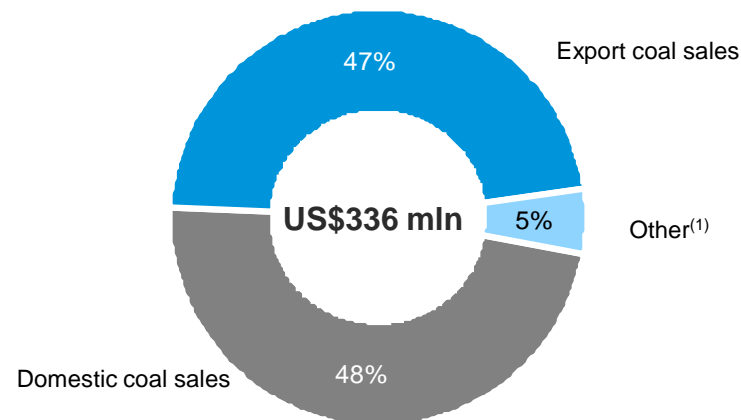
US\$ mln	2007	2008	2009
Revenue	151	344	336
<i>Growth rate</i>	19%	128%	-2%
Cost of sales	124	245	258
Gross profit	27	99	78
<i>Gross profit margin</i>	18%	29%	23%
SG&A and other expenses	24	33	32
EBITDA⁽²⁾	19	87	69
<i>EBITDA margin</i>	12%	25%	20%
Operating profit (EBIT)	3	66	46
<i>Operating margin</i>	2%	19%	14%
Net income	(4)	44	21
<i>Net income margin</i>	-3%	13%	6%
Gross debt	127	125	128
Net debt	126	115	125

Source: audited IFRS financial statements for 2007-2009 in which all amounts are presented in RUR

(1) figures in the table are converted from RUR using average Central Bank of the Russian Federation exchange rates for each year (2007: 25.58 RUR/US\$; 2008: 24.86 RUR/US\$; 2009: 31.72 RUR/US\$) and year end Central Bank of the Russian Federation exchange rates (2007: 24.55 RUR/US\$; 2008: 29.38 RUR/US\$; 2009: 30.24 RUR/US\$)

(2) **EBITDA** for each period is defined as results from operating activities, adjusted for amortization and depreciation, impairment loss and loss on disposal of property, plant and equipment

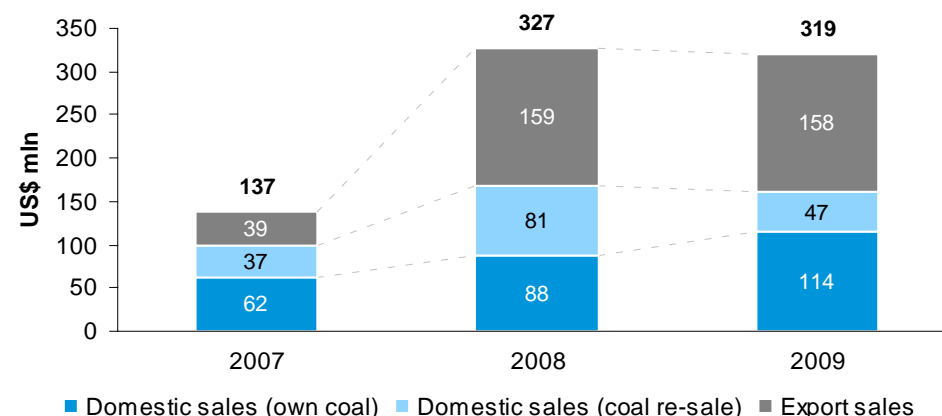
Revenue breakdown in 2009



Source: audited IFRS financial statements for 2009 in which all amounts are presented in RUR

(1) other revenue includes power and heat generation, and railroad transportation services to third-parties

Revenue from coal sales



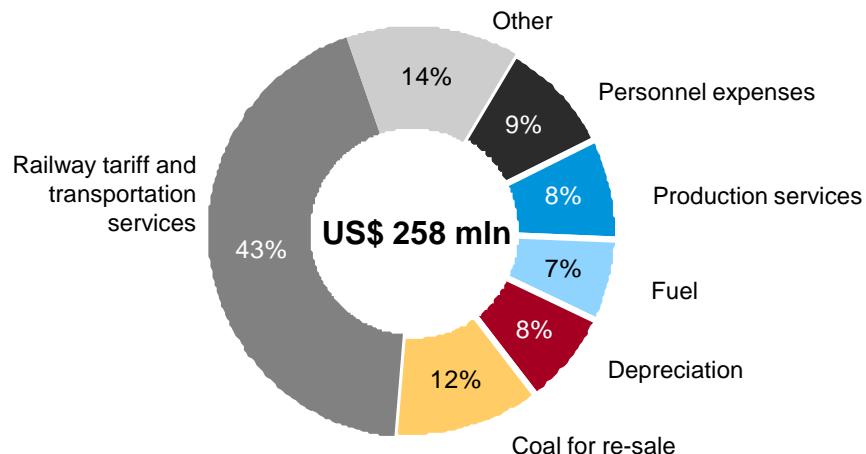
Source: audited IFRS financial statements for 2007-2009 in which all amounts are presented in RUR

(1) figures on the chart are converted from RUR using average Central Bank of the Russian Federation exchange rates for each year (2007: 25.58 RUR/US\$; 2008: 24.86 RUR/US\$; 2009: 31.72 RUR/US\$)

Costs and EBITDA ⁽¹⁾

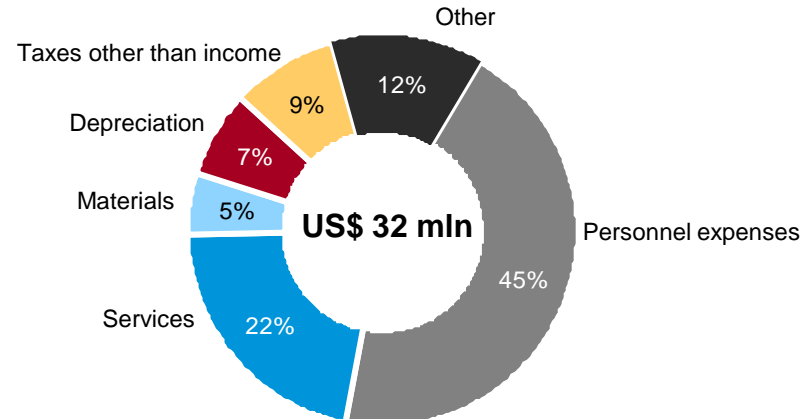


Cost of sales breakdown, 2009



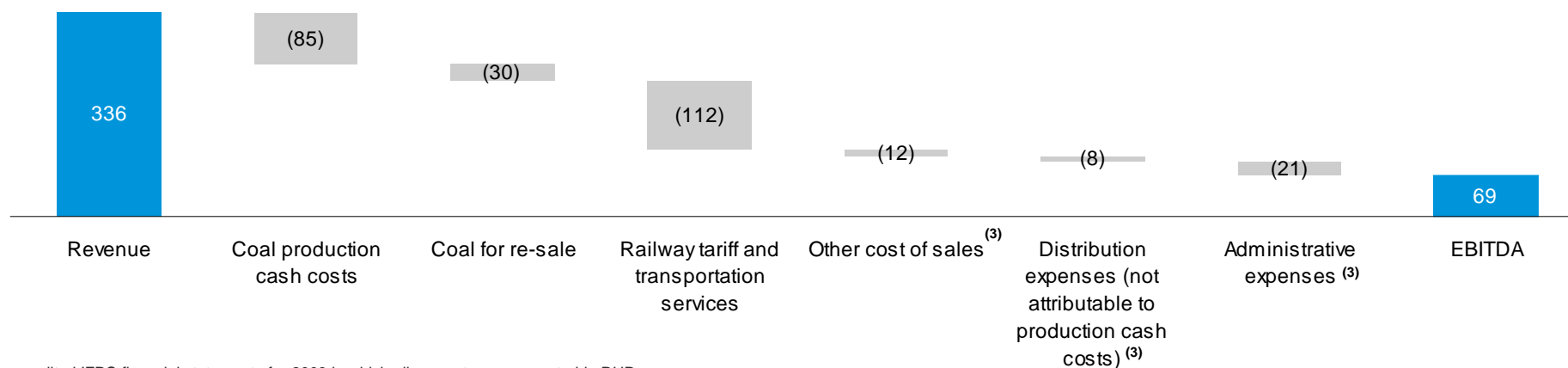
Source: audited IFRS financial statements for 2009 in which all amounts are presented in RUR

SG&A and other expenses breakdown, 2009



Source: audited IFRS financial statements for 2009 in which all amounts are presented in RUR

EBITDA calculation, 2009



Source: audited IFRS financial statements for 2009 in which all amounts are presented in RUR

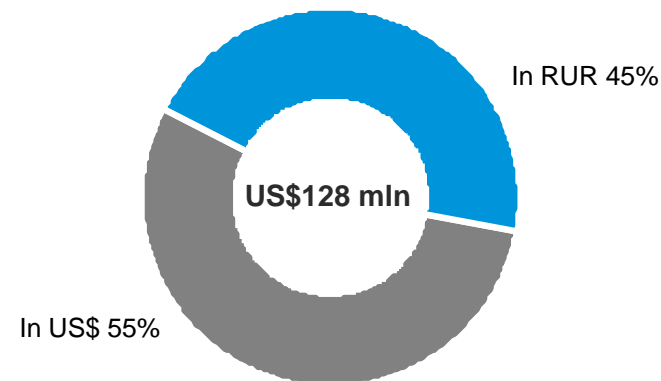
(1) figures are converted from RUR using average Central Bank of the Russian Federation exchange rates for 2009: 31.72 RUR/US\$)

(2) EBITDA for each period is defined as results from operating activities, adjusted for amortization and depreciation, impairment loss and loss on disposal of property, plant and equipment

(3) net of depreciation

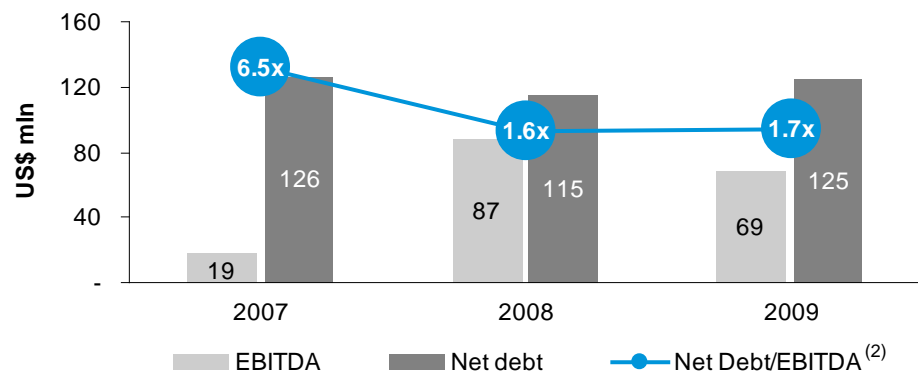
- ▶ The Company has relatively low leverage, with Net debt/EBITDA'09 of 1.7x in 2009
- ▶ After IPO a part of proceeds has been spent on premature repayment of the most expensive part of the Company's indebtedness. As a result the net debt decreased to \$86 mln by the management estimates
- ▶ As of 31 December 2009, interest rates on loans in RUR were 14-16%, in US\$ - 9-11%. As of 30 June 2010, interest rates has decreased to 10.6% and 7.5%, accordingly
- ▶ The Company does not envisage significant increase in borrowings in the future and intends to maintain its debt at the level of 2009

Debt structure by currency as of 31 Dec 2009



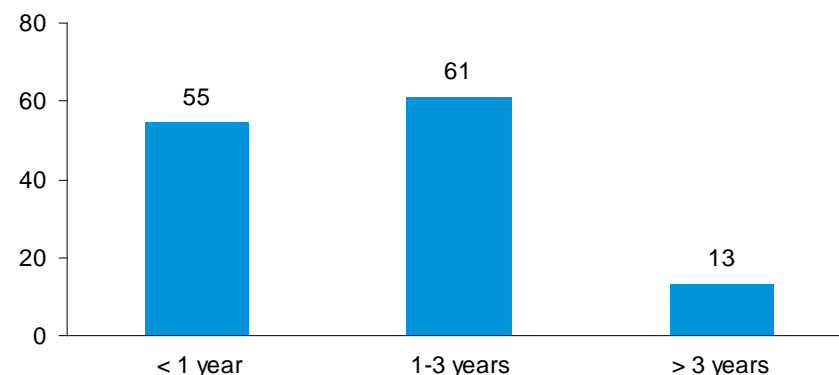
Source: audited IFRS financial statements for 2009 in which all amounts are presented in RUR
 (1) figures are converted from RUR using year end Central Bank of the Russian Federation exchange rate for 2009 (30.24 RUR/US\$)

Net Debt to EBITDA ⁽¹⁾



Source: audited IFRS financial statements for 2007-2009 in which all amounts are presented in RUR
 (1) figures are converted from RUR using average (2007: 25.58 RUR/US\$; 2008: 24.86 RUR/US\$; 2009: 31.72 RUR/US\$) and year end Central Bank of the Russian Federation exchange rates (2007: 24.55 RUR/US\$; 2008: 29.38 RUR/US\$; 2009: 30.24 RUR/US\$)
 (2) for the purpose of Net Debt/EBITDA ratio calculation Net Debt and EBITDA for the each year are taken in RUR

Debt maturity structure as of 31 Dec 2009, US\$ mln



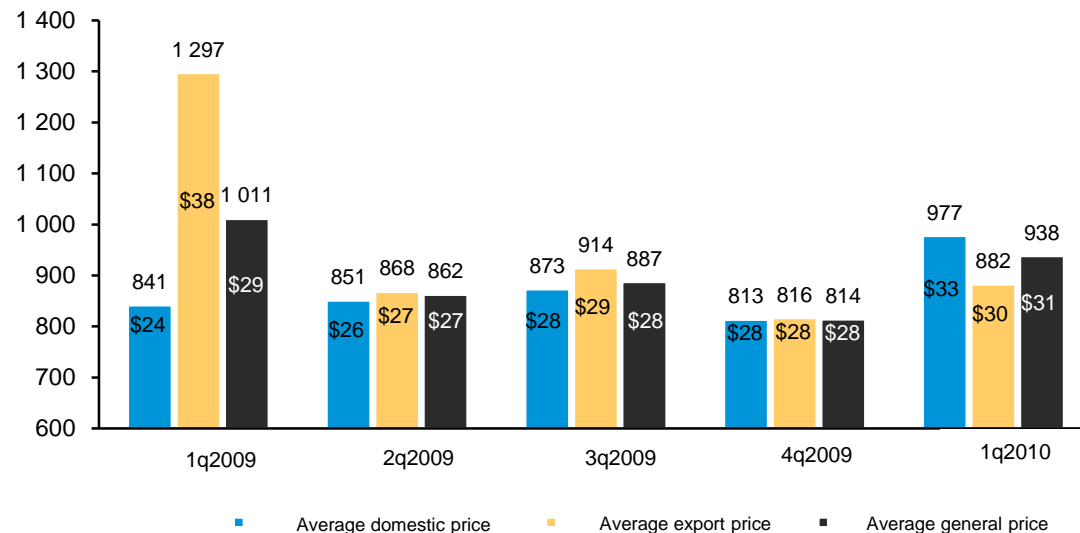
Source: audited IFRS financial statements for 2009 in which all amounts are presented in RUR
 (1) figures are converted from RUR using year end Central Bank of the Russian Federation exchange rate for 2009 (30.24 RUR/US\$)

Overview of 1q2010 operating results. Part 1



- During 1q2010 the Company has increased coal production volume by 8% to 1.50 mln t (Q1 2009: 1.39 mln t), while volume of coal sorted by coal-crushing and screening units increased 60% year-on-year to 0.91 mln t.
- Coal sales volume increased by 3% to 1.80 mln t
- Compared to the same period last year average domestic coal prices increased by 16% year-on-year to RUB 977 / t, and Export prices net of railroad tariffs decreased by 32% to RUB 882 / t, which has been caused by the time lag in coal shipments: during 1q2009 the Company has been shipping coal by 2008 peak prices, while during 1q2010 coal has been shipped by low prices of recessionary 2009.

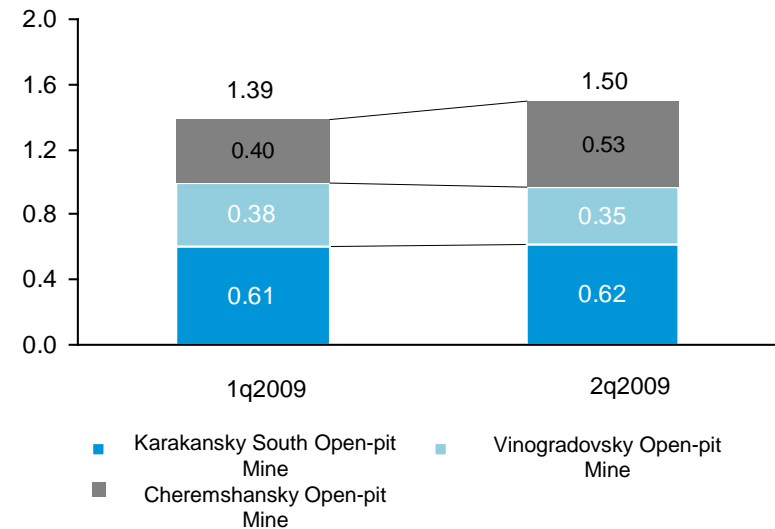
Average KTK thermal coal prices, RUB / t, \$ / t ⁽¹⁾



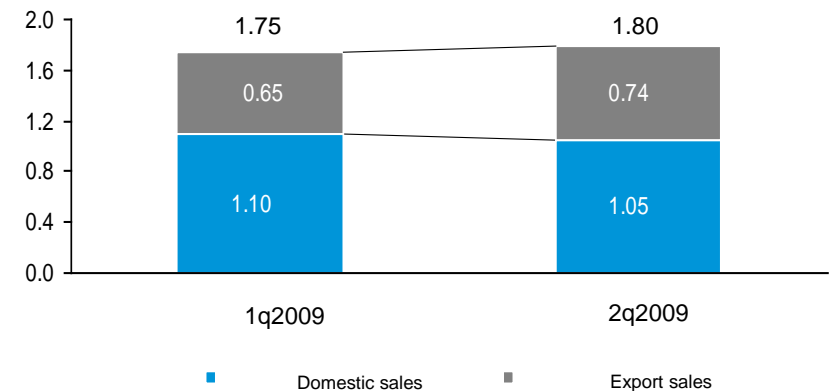
Source: unaudited IFRS financial statements for 1q2009-1q2010 in which all amounts are presented in RUB

(1) – excl. VAT, Russian Railways tariff (FCA Meret, incl. KTK retail margin)

Company's open-pit mines coal production, mln t



Domestic and export sales, mln t



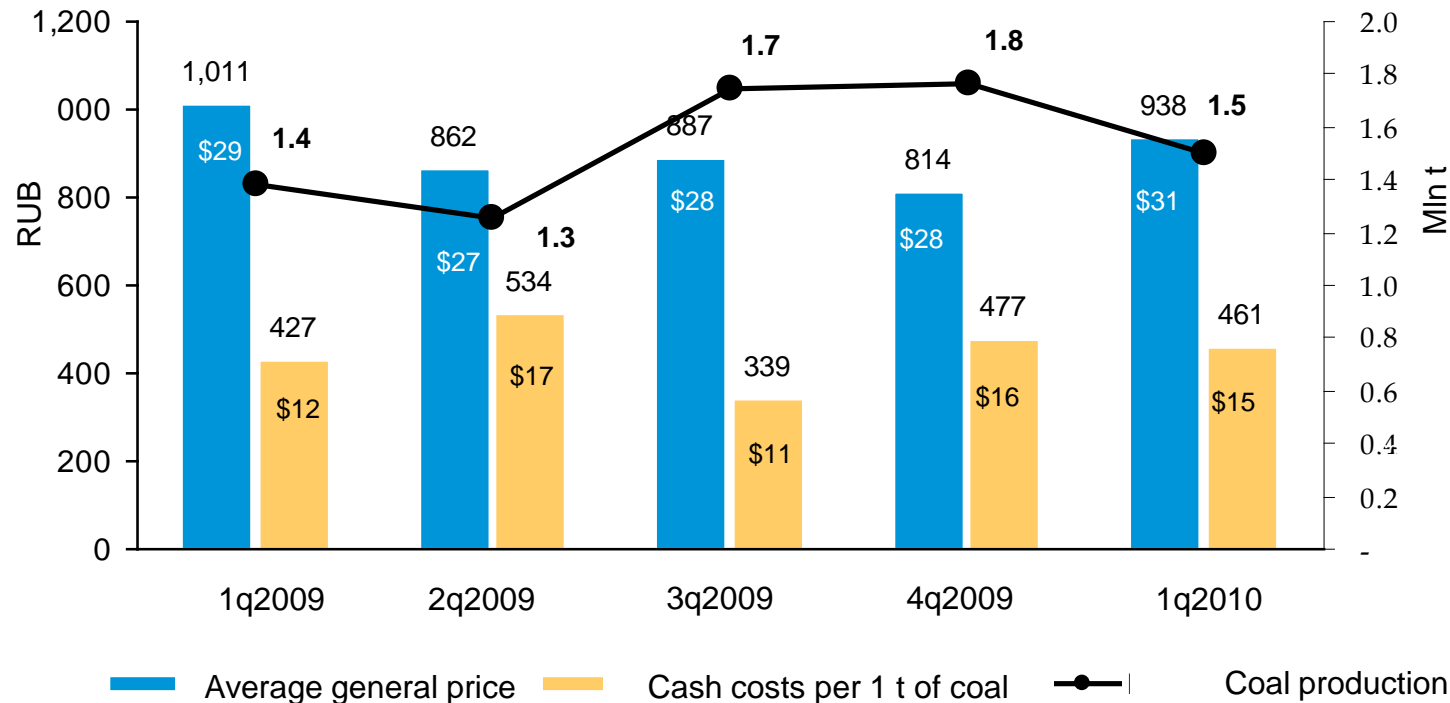
Note: figures are converted from RUB using average Central Bank of the Russian Federation exchange rates (1q2009: 34.4 RUB/US\$; 2q2009: 32.2 RUB/US\$; 3q2009: 31.3 RUB/US\$, 4q2009: 29.5 RUB/US\$, 1q2010: 29.8 RUB/US\$)

Overview of 1q2010 operating results. Part 2



- In 1q2010 Company's cash costs per 1 t of produced coal has amounted to 461 RUB, having increased by 8% to 1q2009 level. At the same period general average price of coal sales has decreased by 7% owing to time lag in export shipments. As a result of these factors influence Company's production margin has reduced.
- 1q2010 cash cost growth in comparison to 2q2010 has been brought up mainly by increasing of blasted rock volume and growth of its transportation distance to waste bank.

Average general price and cash cost per 1 t of KTK coal dynamics, RUB / t, \$ / t ⁽¹⁾





Appendix A

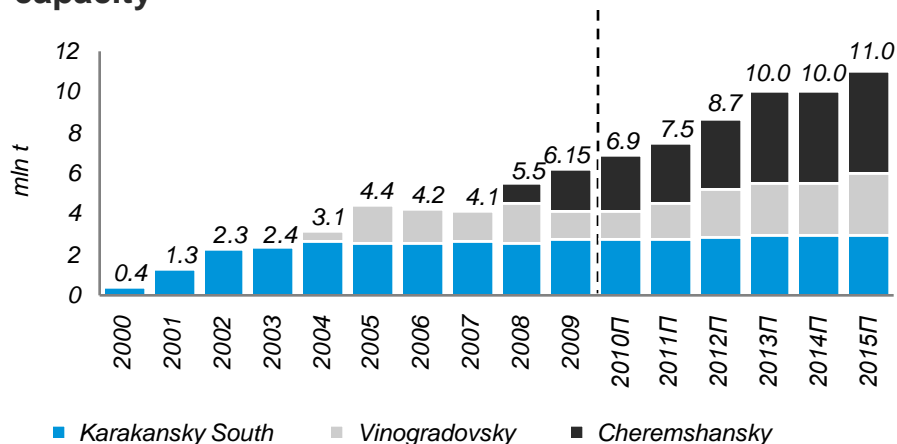
Mining Operations Overview

Mining Operations Overview



- Single technological complex for production and sale of up to 11 million tons of coal, providing for flexible management of three production units
 - ▲ centralized administrative facilities
 - ▲ single fleet of mining equipment and trucks
 - ▲ shared maintenance and repair center and supporting facilities
- Operational management carried out by General Manager of Vinogradovsky Open Pit branch of OJSC KTK

Production volumes and attainment of structural capacity ^(1,2)

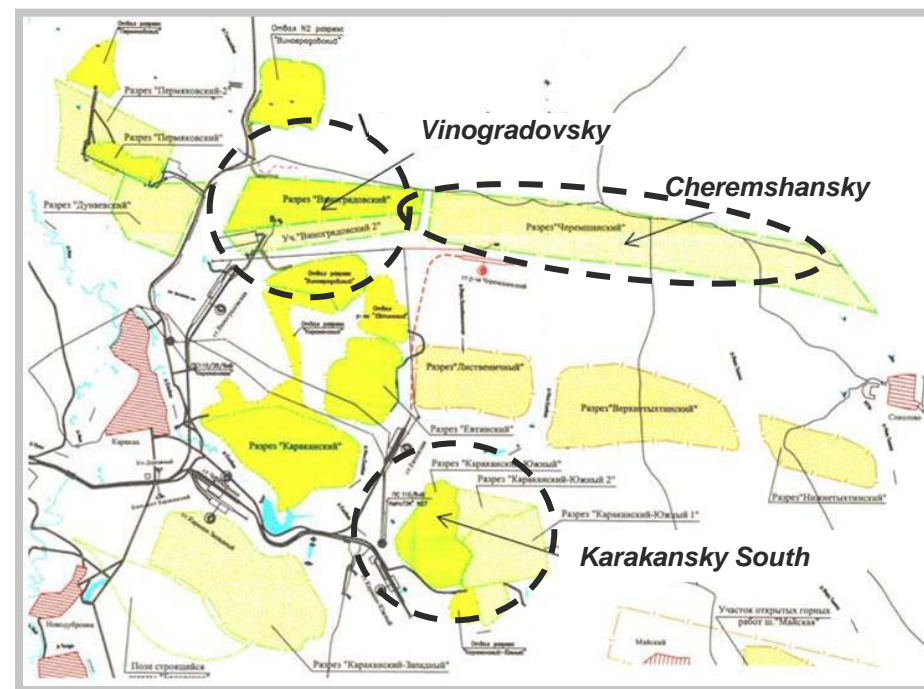
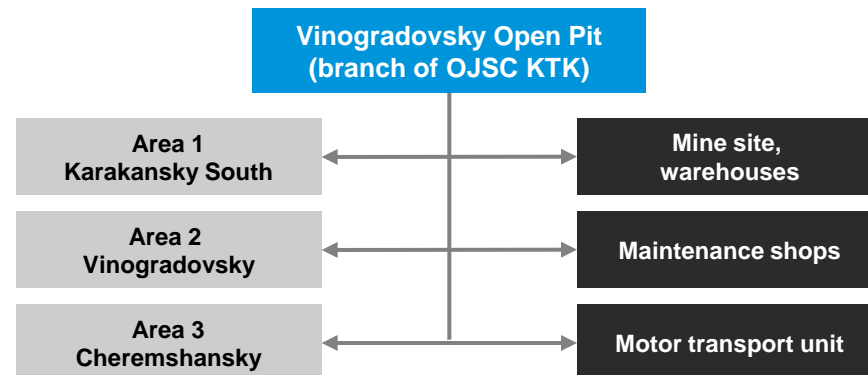


Source: Company

(1) structural capacity is shown in terms of the end product (i.e. coal after processing and enrichment)

(2) assuming the Company follows its CAPEX program

Organizational scheme



Karakansky South Open-pit Mine



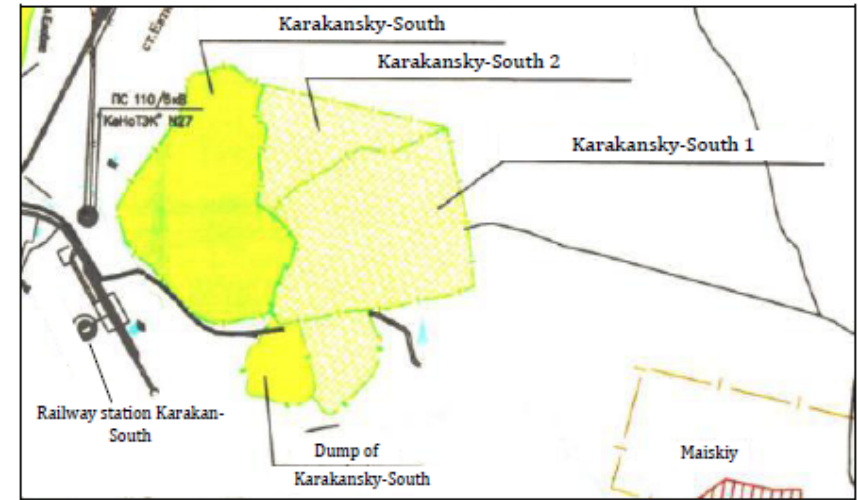
Key operating data

Structural capacity	3 mln t per year
Average strip ratio	4.1 m ³ / 1 t
Stripping technology	No auto transportation (using draglines)
Seam gradients	3° - 8°
Strip removal distance	2.0 km
Coal to storage distance	2.6 km

Coal quality data

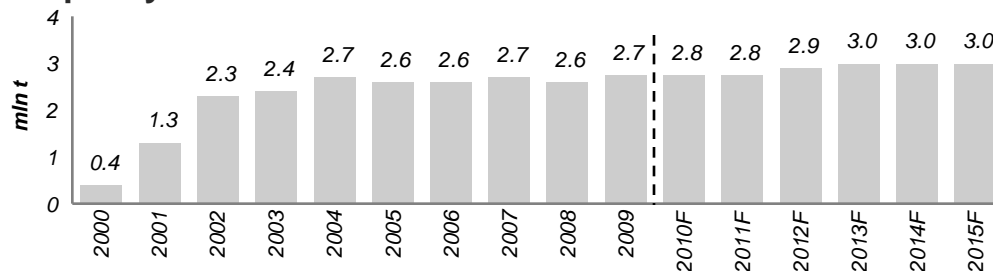
Ash content	13.2-15.2%
Moisture content	14-17%
Sulphur content	0.27% – 0.30%
Q (operational)	4,900 – 5,300 kcal/kg
Coal grade	D

Layout of Karakansky South open-pit mine



Source: Company

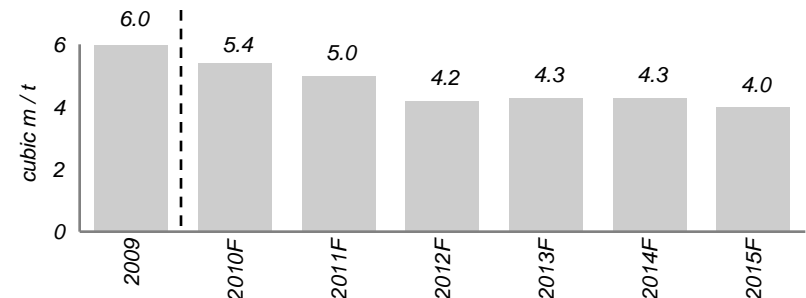
Historic production volumes and attainment of structural capacity ^(1,2)



Source: Company

- (1) structural capacity is shown in terms of the end product (i.e. coal after processing and enrichment)
 (2) assuming the Company follows its CAPEX program

Strip ratio ⁽¹⁾



Source: Company

- (1) assuming the Company follows its CAPEX program and achieves structural capacity

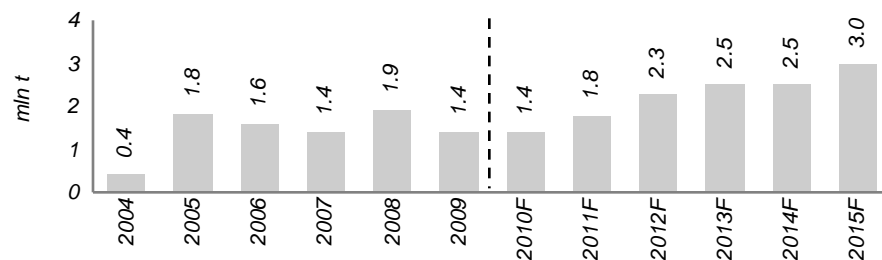
Key operating data

Structural capacity	3 mln t per year
Average strip ratio	4.9 m ³ / 1 t
Stripping technology	Auto transportation
Seam gradients	20°
Strip removal distance	3.7 km
Coal to storage distance	2.9 km

Coal quality data

Ash content	14.5-18.2%
Moisture content	13.9-17.0%
Sulphur content	0.27 – 0.30%
Q (operational)	4,900 – 5,500 kcal/kg
Coal grade	D

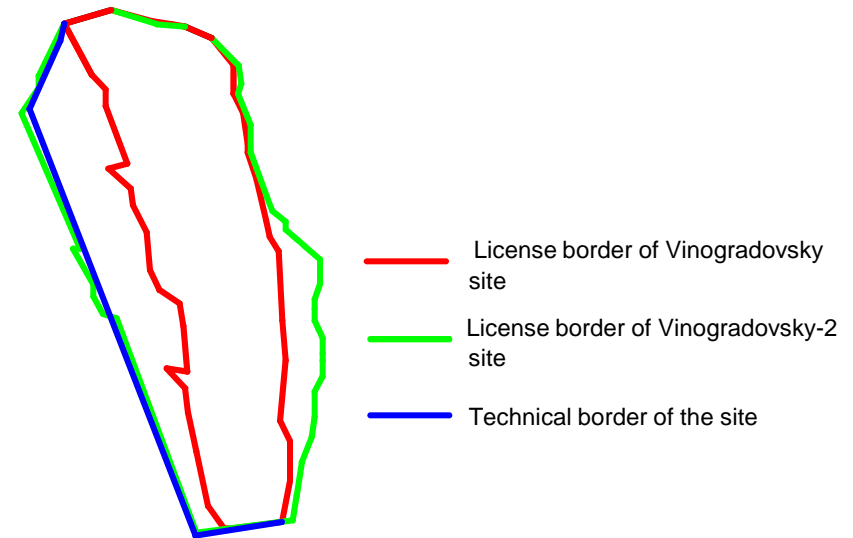
Historic production volumes and attainment of structural capacity ^(1,2)



Source: Company

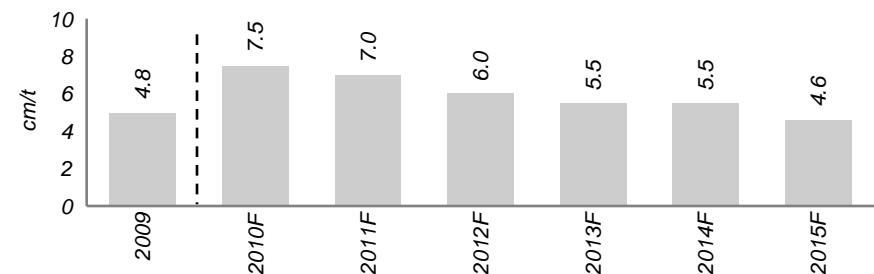
- (1) structural capacity is shown in terms of the end product (i.e. coal after processing and enrichment)
 (2) assuming the Company follows its CAPEX program

Layout of Vinogradovsky open-pit mine



Source: Company

Strip ratio ⁽¹⁾



Source: Company

- (1) assuming the Company follows its CAPEX program and achieves structural capacity

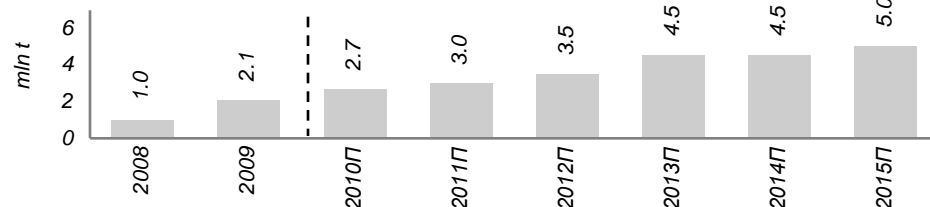
Key operating data

Structural capacity	5 mln t per year
Average strip ratio	7.0 m ³ / 1 t
Stripping technology	Auto transportation
Seam gradients	80° - 90°
Strip removal distance	2.0 km
Designed capacity	2.2 km

Coal quality data

Ash content	17.2%
Moisture content	12.5-15.0%
Sulphur content	0.5% – 0.8%
Q (operational)	5,100 – 6,000 kcal/kg
Coal grade	D

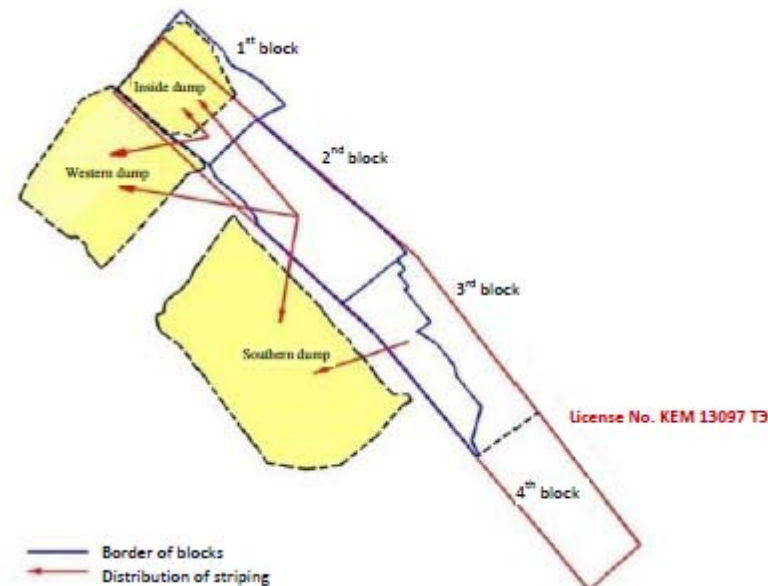
Historic production volumes and attainment of structural capacity ^(1,2)



Source: Company

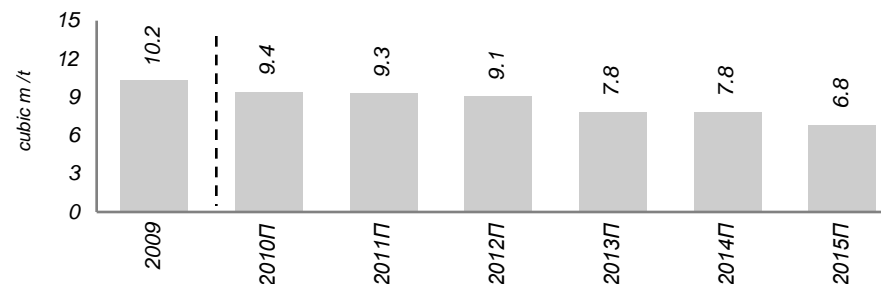
- (1) structural capacity is shown in terms of the end product (i.e. coal after processing and enrichment)
 (2) assuming the Company follows its CAPEX program

Layout of Cheremshansky open-pit mine



Source: Company

Strip ratio ⁽¹⁾



Source: Company

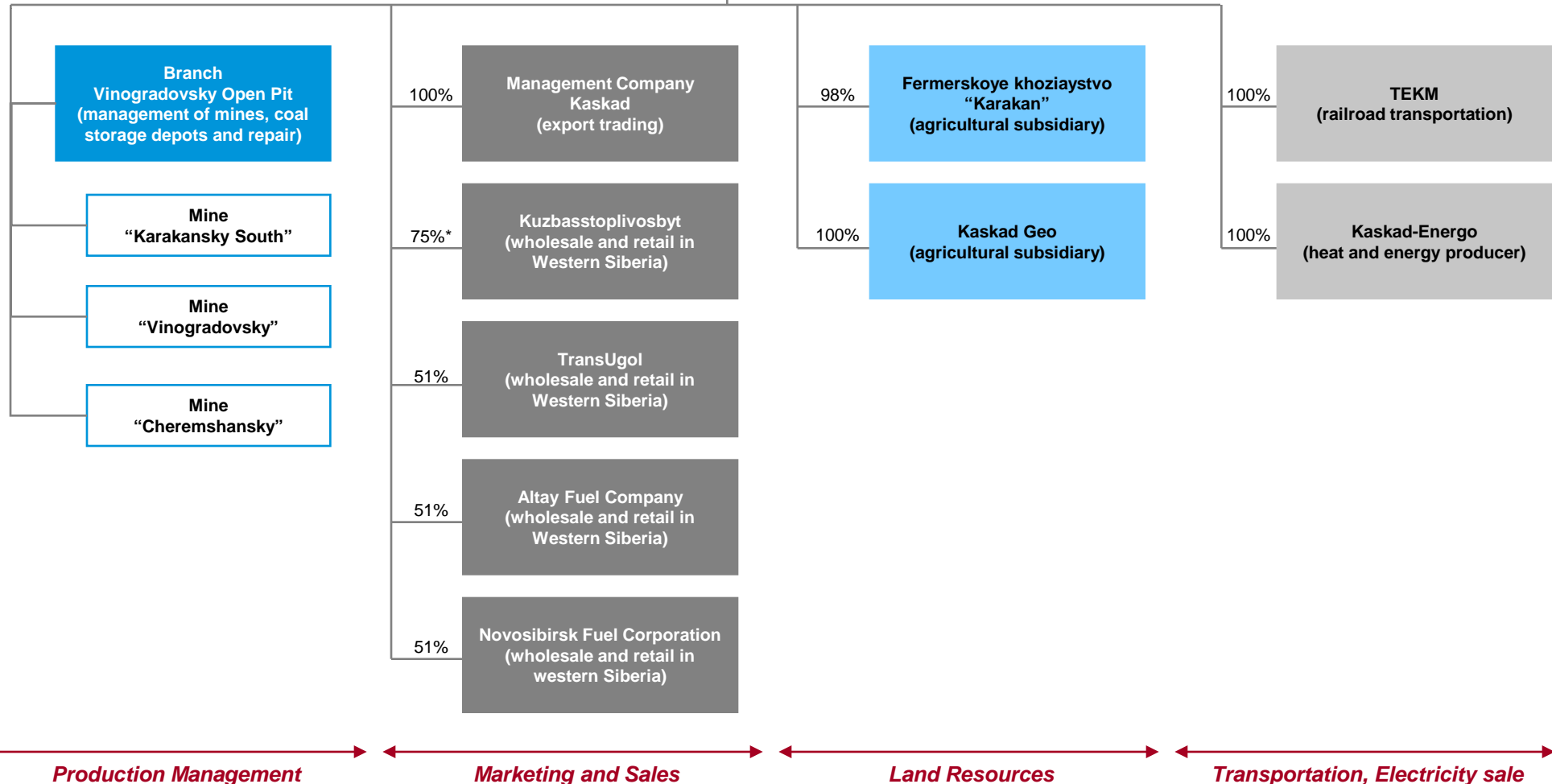
- (1) assuming the Company follows its CAPEX program and achieves structural capacity



Appendix B

Corporate Structure Overview

OJSC Kuzbasskaya Toplivnaya Company



Source: Company, as of March 2010

(*) – On June 22 2010 The Fund of Kemerovo region property has tendered 25% stake in Kuzbasstoplivosbyt, belonging to The Management Committee of Kemerovo Region Property. Tender starting price that has been announced is 20 mln of RUB. The Company plans to take part in this tender which is scheduled on July 21 2010.

Appendix C

IFRS Financial Statements for 2007-2009

Income Statement for 2007-2009 ⁽¹⁾



US\$ mln	2007	2008	2009
Revenue	151	344	336
Cost of sales	(124)	(245)	(258)
Gross profit	27	99	78
<i>Gross profit margin</i>	18%	29%	23%
Distribution expenses	(7)	(10)	(10)
Administrative expenses	(16)	(23)	(22)
Other income and expenses, net	(1)	(1)	(1)
Operating profit	3	66	46
<i>Operating profit margin</i>	2%	19%	14%
Finance income	1	3	2
Finance costs	(8)	(16)	(21)
Profit / (loss) before income tax	(4)	52	28
Income tax expense	(0)	(8)	(7)
Profit / (loss) for the year	(4)	44	21
<i>Profit / (loss) for the year margin</i>	-3%	13%	6%
EBITDA ⁽²⁾	19	87	69
<i>EBITDA margin</i>	12%	25%	20%

Source: audited IFRS financial statements for 2007-2009 in which all amounts are presented in RUR

(1) Figures are converted from RUR using average Central Bank of the Russian Federation exchange rates for each year (2007: 25.58 RUR/US\$; 2008: 24.86 RUR/US\$; 2009: 31.72 RUR/US\$)

(2) EBITDA for each period is defined as results from operating activities, adjusted for amortization and depreciation, impairment loss and loss on disposal of property, plant and equipment

Balance Sheet for 2007-2009 ⁽¹⁾



US\$ mln	2007	2008	2009
ASSETS			
Non-current assets			
Property, plant and equipment	206.5	230.5	242.5
Goodwill and intangible assets	0.2	0.5	0.5
Investments in equity accounted investees	-	0.1	0.1
Other investments	8.1	-	2.2
Long-term receivables	0.1	0.1	0.2
Deferred tax assets	0.3	2.5	0.2
Total non-current assets	215.3	233.6	245.7
Current assets			
Inventories	8.8	17.4	13.4
Other investments	0.3	2.4	0.2
Income tax receivable	0.3	0.6	1.0
Trade and other receivables	27.3	36.6	40.6
Prepayments and deferred expenses	2.3	6.9	7.6
Cash and cash equivalents	1.3	10.7	2.8
Total current assets	40.3	74.6	65.6
TOTAL ASSETS	255.6	308.2	311.3

US\$ mln	2007	2008	2009
EQUITY AND LIABILITIES			
Equity			
Share capital	0.7	0.6	0.6
Retained earnings	72.6	94.2	112.7
Total attributable to equity holders of the company	73.3	94.8	113.3
Minority interest	0.8	1.2	1.4
Total equity	74.1	95.9	114.6
Non-current liabilities			
Loans and borrowings	51.8	83.5	72.9
Net assets attributable to minority participants in LLC entities	0.3	1.7	2.2
Provisions	8.3	7.4	7.8
Deferred tax liabilities	13.9	12.4	12.0
Total non-current liabilities	74.2	105.0	94.9
Current liabilities			
Loans and borrowings	75.2	39.9	54.7
Bank overdraft	-	2.0	-
Trade and other payables	29.5	60.9	46.8
Provisions	2.0	0.2	-
Income tax payable	0.5	4.3	0.3
Total current liabilities	107.2	107.4	101.8
Total liabilities	181.4	212.3	196.7
TOTAL EQUITY AND LIABILITIES	255.6	308.2	311.3

Source: audited IFRS financial statements for 2007-2009 in which all amounts are presented in RUR

(1) Figures are converted from RUR using year end Central Bank of the Russian Federation exchange rates (2007: 24.55 RUR/US\$; 2008: 29.38 RUR/US\$; 2009: 30.24 RUR/US\$)

Cash Flow Statement for 2007-2009⁽¹⁾



US\$ mln	2007	2008	2009
OPERATING ACTIVITIES			
Profit / (loss) for the period	(4.1)	44.3	20.9
<i>Adjustments for:</i>			
Impairment loss	-	0.7	0.5
Depreciation	14.7	20.6	21.7
Change in provision for site restoration	2.4	0.5	(0.0)
Loss / (gain) on disposal or write-off of property, plant and equipment	0.6	0.2	0.1
Net finance expense	7.1	13.5	18.6
Income tax expense	0.3	8.0	6.8
Operating result before change in working capital	21.0	87.9	68.6
Change in inventories	(3.2)	(10.7)	3.4
Change in trade and other receivables	(7.0)	(15.6)	(4.0)
Change in prepayments for current assets	0.5	(5.9)	(0.9)
Change in trade and other payables	4.1	38.9	(18.4)
Cash flow from operations before income tax and interest	15.4	94.7	48.8
Income taxes and penalties paid	(3.0)	(8.4)	(8.9)
Interest paid	(9.6)	(16.6)	(20.2)
Cash flows from operating activities	2.7	69.7	19.7

US\$ mln	2007	2008	2009
INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment	0.9	0.9	1.3
Proceeds from disposal of discontinued operations, incl. equity accounted investees	1.0	-	-
Loans issued	(12.1)	(8.0)	(6.8)
Proceeds from loans previously issued incl. interest received	9.1	14.2	7.3
Acquisition of property, plant and equipment	(43.2)	(80.7)	(34.2)
Acquisition of intangible assets	-	-	-
Acquisition of subsidiaries, net of cash acquired	-	(4.5)	-
Acquisition of equity accounted investees	(0.3)	(0.1)	-
Acquisition of minority interests	(1.0)	-	(0.1)
Cash flow used in investing activities	(45.7)	(78.3)	(32.5)
FINANCING ACTIVITIES			
Proceeds from borrowings	213.3	322.3	224.4
Repayment of borrowings	(168.7)	(301.5)	(217.6)
Contribution from minority participants	-	-	0.2
Dividends paid	(5.4)	(3.2)	-
Cash flow from financing activities	39.2	17.5	7.0
Net increase / (decrease) in cash and cash equivalents	(3.7)	8.9	(5.8)

Source: audited IFRS financial statements for 2007-2009 in which all amounts are presented in RUR

(1) Figures in the table are converted from RUR using average Central Bank of the Russian Federation exchange rates for each year (2007: 25.58 RUR/US\$; 2008: 24.86 RUR/US\$; 2009: 31.72 RUR/US\$)