



20 May 2008

## **Eurasian Natural Resources Corporation PLC**

### **ENRC to develop and operate the Zhetigen-Khorgos railway line between Kazakhstan and China**

Eurasian Natural Resources Corporation PLC ('ENRC' or, together with its subsidiaries, the 'Group'), the holding company of a leading diversified natural resources group based in Kazakhstan, announces that ENRC Logistics, the Group's transportation division, has won the Kazakhstan State tender for the 'China Gateway Project'. The China Gateway Project will involve the construction of approximately 300 kilometres of railway in South-East Kazakhstan, which ENRC will subsequently operate.

The China Gateway Project is one of the key elements in the Government of Kazakhstan's programme for developing the nation's transport infrastructure. A single-track railroad will be constructed between Zhetigen in the Republic of Kazakhstan and Khorgos on the Kazakhstan-Chinese border. Four intermediate stations, ten intersections, and a loading complex will also be built as part of the project. According to recent projections from the Japan International Cooperation Agency (JICA), the volume of cargo transported between Kazakhstan and China is expected to increase from around 19 million tonnes per annum in 2008 to some 46 million tonnes in 2020.

The US\$900 million capital expenditure project will be the largest ever private investment in Kazakhstan's transport infrastructure. Construction will begin later this year, and it is envisaged that the railway will commence operations in 2012. ENRC's concession to operate the railway will run until 2036. The realisation of the project will enable ENRC to improve the delivery of its products to customers in China, diversify the activities of ENRC Logistics and enhance profitability by offering services to third parties.

Dr. Johannes Sittard, Chief Executive Officer of ENRC, said: "We are proud to be involved in this great project. The new railway will facilitate the increase in cargo carried between Kazakhstan and China by up to 30 million tonnes per annum. It will provide ENRC's operations with an additional secure transportation route and with an increased capacity for products to be sold into the growing Chinese market."

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**Notes to Editors**

**About ENRC PLC**

ENRC is the holding company of a leading diversified natural resources group with integrated mining, processing, energy, logistical, and marketing operations, based in Kazakhstan. ENRC is the world's largest producer of ferrochrome, based on chrome content, the world's sixth largest iron ore exporter by volume and world's fifth largest supplier of traded alumina by volume (CRU and Heinz H. Pariser, 2006 data). The Group's revenue was US\$4,106 million for the year ended 31 December 2007 (2006: US\$3,256 million) and EBITDA before exceptional items was US\$1,906 million (2006: US\$1,256 million); EBITDA for the year ended 31 December 2007 was US\$1,724 million (2006: US\$1,250 million). For further information please see the Group's website at [www.enrc.com](http://www.enrc.com).

**About ENRC Logistics**

ENRC Logistics is Kazakhstan's leading international freight forwarder and one of the country's major railroad operators with transportation volumes of some 60 million tonnes per annum. ENRC Logistics also provides wagon repair services and railway construction and repair services and operates a railway transfer and reloading terminal on the Kazakhstan-China border.

**Forward looking statement**

*This announcement includes forward-looking statements that reflect the current views of the management of the Group with respect to future events. These forward-looking statements include matters that are not historical facts or are statements regarding the Group's intentions, beliefs or current expectations concerning, among other things, the Group's results of operations, financial condition, liquidity, prospects, growth, strategies, and the industries in which the Group operates. Forward-looking statements are based on current plans, estimates and projections, and therefore too much reliance should not be placed upon them. Such statements are subject to risks and uncertainties, most of which are difficult to predict and generally beyond the Group's control. The Group cautions you that forward-looking statements are not guarantees of future performance and that if risks and uncertainties materialise, or if the assumptions underlying any of these statements prove incorrect, the Group's actual results of operations, financial condition and liquidity and the development of the industry in which the Group operates may materially differ from those made in, or suggested by, the forward-looking statements contained in this announcement. In addition, even if the Group's results of operations, financial condition and liquidity and the development of the industry in which the Group operates are consistent with the forward-looking statements contained in this announcement, those results or developments may not be indicative of results or developments in future periods. The Group does not undertake any obligation to review or confirm analysts, expectations or estimates or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise after the date of this announcement.*