



RNS Number:

PRESS ANNOUNCEMENT FOR IMMEDIATE RELEASE

15 December 2010

STATUS UPDATE OF THE PROPOSED CAPITAL INVESTMENT BY SAT & COMPANY OF US \$50 MILLION IN SHALKIYAZINC

SAT & Company JSC (“**SAT & Company**”) and ShalkiyaZinc N.V. (“**ShalkiyaZinc**”) are pleased to announce that the proposed capital investment (the “**Proposed Transaction**”) by SAT & Company of US \$50 million in ShalkiyaZinc in consideration for new shares (“**New Shares**”) in ShalkiyaZinc is progressing in due course.

Completion of the Proposed Transaction remains subject to receipt of a waiver from Kazakhstan’s Government in respect of its pre-emption rights to the New Shares (the “**Waiver**”). The Government is in the final stages of establishing a commission to administer such waivers for companies in the mining sector (the “**Mining Commission**”), and, as a result, ShalkiyaZinc’s Waiver application is pending the approval of the newly formed Mining Commission. SAT & Company and ShalkiyaZinc remain confident that the Waiver will be received in the near future, however, for certainty, both parties have agreed to extend the previously stipulated long-stop date for the Proposed Transaction of 31 December 2010, to 31 March 2011.

ShalkiyaZinc and SAT & Company expect to formally announce the mandatory takeover offer shortly after completion of the Proposed Transaction, which is subject to obtaining the Waiver. Additionally, to ensure management continuity and high standards of corporate governance, ShalkiyaZinc and its professional advisers have been taking steps to familiarise the directors-elect with ShalkiyaZinc’s business and systems and to prepare them for office.

Further information concerning the Proposed Transaction can be obtained from ShalkiyaZinc’s shareholders’ circular dated 5 August 2010 (which can be found at <http://www.zinc.kz/eng/40.htm>) (the “**Shareholders’ Circular**”).

For Further Information:

ShalkiyaZinc N.V.

Marat Sarkytbayev, Chief Executive Officer Tel: +7 7272 259 0067

SAT & Company JSC

Capital MS&L: Claire Maloney Tel: +44 (0) 207 307 5341 / +44 (0) 7770 958 479

About ShalkiyaZinc:

Founded in 2001, ShalkiyaZinc is a Kazakhstan mining group engaged in the extraction and processing of complex lead-zinc ore in the Shalkiya field, located in the Kyzyl-Orda region of Kazakhstan. The Shalkiya Mine to which the Group holds mining rights, is considered to be the largest known zinc deposit in Kazakhstan representing approximately 30% of Kazakhstan’s total zinc reserves and is the fifth largest zinc deposit in the world.

During the period from February 2004 to November 2008, the Group mined 2.235 million tonnes of lead and zinc ore containing 3.76% zinc and 1.48% lead and produced 97,000 tonnes of zinc concentrate and 27,000 tonnes of lead concentrate. Since November 2008, extraction and processing activities of the Group have been suspended as depreciation of the world zinc prices made production of zinc concentrate at the Group’s current

facilities loss making. Since November 2008, ShalkiyaZinc has concentrated its efforts on the preservation of the Shalkiya Mine and the Kentau processing plant with a view to securing the possibility of a prompt resumption of operations as and when the market conditions improve, and progressing the construction of a new processing plant with projected capacity of 4.0 million tones per annum.

About SAT & Company:

SAT & Company is a joint stock company that is publicly listed on the Kazakhstan Stock Exchange (“KASE”) (www.kase.kz). SAT & Company was established in 2001 to invest in industrial assets in all sectors. Since incorporation, SAT & Company has grown into an industrial holding company investing in the metallurgy and petrochemical industries.

Since 2008, SAT & Company has focused on its development as an international vertically integrated metallurgical conglomerate with assets in Kazakhstan, Turkey and China. SAT & Company's consolidated audited financial statements are published on KASE's website (<http://www.kase.kz/en/emitters/show/satc>).

Forward Looking Statements

Any statements in this announcement which are not historical facts are forward-looking statements which express the beliefs, opinions and expectations of ShalkiyaZinc or SAT & Company or, as appropriate, of its management, at the time of this announcement and are subject to various risks and uncertainties that could cause actual results to differ materially from such expectations. Factors that are likely to influence such results include, but are not limited to: factors identified as risk factors in the Prospectus of ShalkiyaZinc dated 8 December 2007, changes in the prices of zinc and lead metal quoted on the London Metals Exchange and changes in the prices ShalkiyaZinc realises for its products, increases or decreases in demand for ShalkiyaZinc's products, changes in ShalkiyaZinc's rates of extraction of zinc-lead ore, the effects of competition, changes in the costs of energy, transportation, labour and other cost items, ShalkiyaZinc's ability to comply with the conditions imposed by lenders under its financing arrangements, availability of funds, through borrowings or otherwise, for ShalkiyaZinc's future operations and planned capital expenditures, ShalkiyaZinc's ability to successfully implement any of its business or financing strategies, developments in, or changes to, the laws, regulations and governmental policies applicable to ShalkiyaZinc's business, including changes affecting environmental liabilities, substantial inflation, interest rate and exchange rate fluctuations, changes in ShalkiyaZinc's ability to obtain, maintain or renew the licences necessary to conduct its businesses, changes in political, social, legal or economic conditions in Kazakhstan or the neighbouring countries, the effects of international political events and ShalkiyaZinc's and SAT & Company's success in identifying additional risks to its businesses and managing risks associated with the aforementioned factors. Past performance information contained in this announcement is not an indication of future performance. Any projections, opinions, forecasts, estimates or projected returns herein constitute a judgement as at the date of this announcement and there can be no assurance that future results or events will be consistent with any such projections, opinions, forecasts, estimates or projected returns. Receipt of this announcement does not imply or create any duty or other obligation on either SAT & Company or ShalkiyaZinc to inform recipients as to any amendments, changes or other modifications relating to matters contained in the announcement or to review any forward-looking statement, whether as a result of new information, future developments or otherwise.

While all reasonable care has been taken to ensure that the facts stated herein are accurate and that the forecasts, opinions and expectations contained herein are fair and reasonable, in each case at the date stated in this announcement, neither SAT & Company nor ShalkiyaZinc has verified the contents hereof and, accordingly, neither ShalkiyaZinc nor SAT & Company nor any of its respective directors, officers or employees, shall be in any way responsible for the contents hereof, and no reliance should be placed on the accuracy, fairness or completeness of the information contained in this announcement. No person (including ShalkiyaZinc and SAT & Company and its respective directors, employees, shareholders, officers, agents or professional advisers) accepts any liability whatsoever for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith.

The information contained in this announcement has been prepared by ShalkiyaZinc and SAT & Company in connection with the proposed capital investment by SAT & Company. This announcement is not a prospectus or any other kind of financial promotion. This announcement is a summary only and should be used solely for

information purposes. This announcement does not constitute or form part of, and should not be construed as, an offer, invitation or inducement to purchase or subscribe for any securities in ShalkiyaZinc or SAT & Company nor shall it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever. This announcement does not take into account any recipient's individual objectives, financial situation or needs.

The distribution of this announcement and other related documents may be restricted in jurisdictions other than the United Kingdom. It is the responsibility of each individual recipient to comply with and observe any restrictions as failure to do so may contravene the securities laws of the relevant jurisdiction.