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Stockholm, 20 December 2007

Varyag Resources' rights issue fully subscribed

After the expiration of the subscription period for Varyag Resources AB's (publ) rights issue, totaling a maximum of approximately SEK 200 million, a count has shown that 4,352,650 of the offered shares, corresponding to approximately 98.2 per cent of the total 4,434,400 shares offered in the issue, were subscribed for with the support of subscription rights. The remaining shares have been subscribed for without the support of subscription rights and allocation of such shares has been made by the board of directors in accordance with the resolution by the extraordinary shareholders' meeting, as described in the prospectus.

Through the new issue the number of shares in Varyag Resources will be increased by 4,434,400 shares to 13,303,200 shares and the issue will provide the company with SEK 199,548,000 before issue costs.

Varyag Resources' issue will be completed in accordance with the following timetable:

- Notification of allocation of shares subscribed for without the support of subscription rights is expected to take place by way of sending out transfer notes on or about 20 December 2007.
- Last day of payment for shares allocated based on subscription without the support of subscription rights is 28 December 2007.
- Trading in interim shares (BTA) is expected to cease around 28 December 2008 and the first day of trading for the new shares is expected to be on or about 8 January 2008.

For further information, please contact:

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Varyag Resources is a private equity investor whose shares are traded on First North, the OMX Nordic Exchange Stockholm, where HQ Bank AB is Certified Adviser to the company. The business concept is to invest in, actively manage and dispose of investments mainly in unlisted companies in the natural resources sector in Russia and the Commonwealth of Independent States (CIS). Varyag Resources offers a unique investment opportunity for investors in the stock market. www.varyag.se