

Press release
September 28, 2007

BLACK EARTH FARMING LTD SIX MONTHS REPORT COVERING THE PERIOD JANUARY 1, 2007 – JUNE 30, 2007

Important events for the first half year 2007

- In the period 1 Jan 1, 2007 – Jun 30, 2007, total revenue amounted to 213,882 kRUR / 8,285 kUSD*. The revenues are primarily attributable to gains from a revaluation of the crop as of Jun 30, 2007 and which amounted to 199,606 kRUR / 7,732 kUSD*. The revaluation has been done in accordance with IAS 41. Gain on revaluation of biological assets represents the difference between the cost and the fair value of finished goods and work in progress (The Company did not revalue its biological assets in previous periods).
- Other revenues amounted from plowing and transportation services provided to third parties (total amount of other revenue amounted to 14,159 kRUR / 548 kUSD*). As the industry is subjected to seasonality the main revenue is expected in the second half of the year and especially in the fourth quarter.
- Cost of sales consisted of direct and indirect costs and amounted to 12,374 kRUR / 479* kUSD (there was no cost of sales for the first half of 2006). Direct costs for the grain segment include costs for seeds, fertilizers, chemicals, fuels and outsourced services. Indirect costs include labour costs, depreciation, repayment and other.
- Loss before tax has decreased by 44,039 kRUR / 1,707 kUSD* and amounted to 13,461 kRUR / 521 kUSD* (57,500 kRUR/ 2,228* kUSD) for the first six months of 2007. During the period no dividends were neither paid out nor declared.
- Net loss for the first six months of 2007 amounted to 69,611 kRUR / 2,697 kUSD*.
- As of Jun 30, 2007 Black Earth Farming Limited ("BEF" or "The Company") had approximately 236,000 hectares of land under its control, which constitutes an increase of approximately 107,000 hectares since the beginning of the year.

Important events for the second quarter 2007

- Total revenue for the period amounted to 204,155 kRUR / 7,909 kUSD* and was primarily attributable to gains from a revaluation of the crop as of Jun 30, 2007 and which amounted to 199,606 kRUR / 7,732 kUSD*.
- In the period from the March 1, 2007 until June 30, 2007 the group generated a net profit amounting to 42,313 kRUR / 1,641 kUSD*, which is mainly attributable to gains from revaluation of the biological assets as per Jun 30, 2007.
- Operating profit before income tax for the second quarter of 2007 comprised 101,127 kRUR / 3,919 kUSD* in comparison with the loss for the similar period of the last year (24,574 kRUR / 951 kUSD*).

(For complete report see attached file)

For additional information, please contact:

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Black Earth Farming was founded in 2005. The company is focused on acquiring and owning farm land in Russia and the former CIS countries as well as establishing a leading agricultural operation on the acquired land. The company has been developed by the listed investment companies Vostok Nafta Investment Ltd and Investment AB Kinnevik, which together still are the principal shareholders in the company. Black Earth Farming has successfully raised more than USD 200 million in the equity and debt markets to finance its land acquisitions. It has also attracted internationally leading farm managers to manage a world class agricultural operation.