

Stockholm, 2 June, 2009

Restructuring of Varyag now completed

Issue in kind of shares and issue of warrants now completed

The restructuring of Varyag which implies a change in the business strategy and structure from a private equity company to a forestry company is now completed. Varyag has become the owner of 100% of RusForest. The number of shares in Varyag amounts to 21,840,840. Vostok Nafta owns 44,4% of the shares in Varyag.

The management agreement with Taiga Capital is now terminated. Taiga has received 1,987,834 warrants in Varyag. Each warrant entitles the holder during the period from 1 July, 2009, up to and including 1 January, 2012, to subscribe for one share in the company at the subscription price SEK 63.

As an additional step of the restructuring of the company, and in accordance with decision at the EGM, Aleksandr Williams is appointed as new board member and CEO of the company from 2 June, 2009.

For further information please contact:

Alex Williams, CEO, phone: +7 495 787 5872

or

Erik Löfgren, External Relations, phone: +7 910 417 7670

About Varyag Resources AB (publ)

*Varyag Resources offers a unique investment opportunity to invest in Russian forestry: www.varyag.se
Varyag Resources' Certified Adviser on First North is HQ Bank.*