



PRESS RELEASE

RusForest Provides Update on Operations and Financial Position

RusForest AB (publ) (“RusForest” or the “Company”) (NASDAQ OMX: RUSF), a Swedish forestry company with operations in Russia, announces preliminary Q1 2015 production and sales results for its Magistralny and Ust-Ilimsk units.

Management Comments

Anton Bogdanov, CEO of RusForest Management Company, commented, “Harvesting and sawmilling levels in Magistralny during Q1 2015 were consistent with last year while subcontracted harvesting in Ust-Ilimsk increased significantly. We are making progress in consolidating our forestry assets in Ust-Ilimsk in order to simplify and increase the value of any further development or sale. The pellet mill project in Magistralny is still at an early stage, but it is so far progressing according to plan.”

Harvesting

RusForest sawlog harvesting in Magistralny decreased 2.4% to 74,304 m³ in Q1 2015 compared with 76,106 m³ in Q1 2014.

Due to weather conditions, hauling at the end of Q1 2015 was hampered and therefore harvesting activity in Magistralny was deliberately constrained to prevent surplus log volume accumulation at cutting areas.

Subcontracting

Subcontractors harvested 262,415 m³ of sawlogs in Ust-Ilimsk forest lease areas in Q1 2015 compared with 192,008 m³ in Q1 2014 (+36.7%).

Increased harvesting volume in Q1 2015 was the result of better planning and increased commercial cooperation with all previous subcontractors.

Sawmilling

RusForest sawnwood production in Magistralny increased 0.3% to 21,778 m³ in Q1 2015 compared with 21,711 m³ in Q1 2014.

Sales

RusForest sold 19,291 m³ of sawnwood from Magistralny in Q1 2015 compared with 22,046 m³ in Q1 2014 (-12.5%). The Company also sold 16,410 m³ of sawlogs in Q1 2015 compared with 27,852 m³ in Q1 2014 (-41.1%).

RusForest decreased sales volumes both of sawnwood and sawlogs in Q1 2015 compared with the same period in 2014 due to difficult market conditions for sawnwood in Uzbekistan and Egypt (sawnwood), as well as continued oversupply of both sawnwood and sawlogs on the Chinese market.

Ust-Ilimsk Consolidation

In April 2015, RusForest executed the agreements for the buy-out of the 49% minority shareholder in LLC «Vanavarales», one of the subsidiaries in Ust-Ilimsk controlling a forest lease of 31,838 hectares and 72,660 m³ of annual allowable cut (“AAC”).

Pellet Mill Project

RusForest made the first down-payment of EUR 810,000 to Hekotek for the pellet mill equipment in Q1 2015 and a second down-payment of the same amount in April 2015. As far as the Company is aware, the completion of the Hekotek equipment is progressing according to plan. Some preparatory ground work has also started on site in Magistralny.

Financial Position

At March 31, 2015, RusForest had a cash balance of approximately USD 10.7 million, of which approximately USD 6.3 million was held at the corporate level mostly in US dollars. At March 31, 2015, the Company had corporate debt of approximately USD 0.5 million from zero coupon bonds denominated in SEK and maturing in May 2018.

About RusForest AB

RusForest is a Swedish forestry company operating in Eastern Siberia. The Company controls long-term timber leases and utilizes these resources to produce a wide range of sawnwood products. RusForest is listed on NASDAQ OMX Stockholm First North (ticker “RUSF”).

RusForest AB’s Certified Adviser on First North is Pareto Securities AB.

For additional information, please visit the Company’s website at www.rusforest.com or contact:

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