

PRESS RELEASE

RusForest Provides Update on Operations and Financial Position

July 24, 2015, Stockholm, Sweden - RusForest AB (publ) (“RusForest” or the “Company”) (NASDAQ OMX: RUSF), a Swedish forestry company with operations in Russia, announces preliminary Q2 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 in Q2 2015 were higher compared with last year. Subcontracted harvesting in Ust-Ilimsk also increased. The pellet mill project in Magistralny is progressing according to plan and by the end of Q2 all the preparatory work and construction of the foundations was completed.”

Harvesting

RusForest sawlog harvesting in Magistralny increased 115.2% to 29,704 m³ in Q2 2015 compared with 13,802 m³ in Q2 2014, when the weather conditions were unusually poor.

Subcontracting

Subcontractors harvested 82,816 m³ of sawlogs in Ust-Ilimsk forest lease areas in Q2 2015. In Q2 2014 there were no subcontracted harvesting operations. The large harvested volume in Q2 2015 was primarily due to improved cooperation with subcontractors.

Sawmilling

RusForest sawnwood production in Magistralny increased 30.8% to 18,457 m³ in Q2 2015 compared with 14,113 m³ in Q2 2014. The result was achieved due to stable sawmilling during Q2 including May, in contrast to May 2014 when the sawmill was shut down for a period due to lack of harvested raw material.

Sales

RusForest sold 21,572 m³ of sawnwood from Magistralny in Q2 2015 compared with 13,690 m³ in Q2 2014 (+57.6%). The Company sold 11,476 m³ of sawlogs in Q2 2015 compared with 7,939 m³ in Q2 2014 (+44.6%).

Despite difficult market conditions in Q2 2015 RusForest was able to increase sales volumes of both sawnwood and sawlogs, compared with the same period in 2014.

Pellet Mill Project

The Pellet mill construction has progressed in accordance with the project's planned schedule. By the end of Q2 the construction of foundations was completed. In early July the installation of parts of the buildings started. The remaining pellet mill equipment is expected to arrive at the end of July.

Financial Position

At June 30, 2015, RusForest had a cash balance of approximately USD 10.3 million, of which approximately USD 7.1 million was held at the corporate level mostly in US dollars. At June 30, 2015, the Company had corporate debt of approximately USD 0.3 million from zero coupon bonds denominated in SEK and maturing in May 2018.

An additional USD 2.0 million in asset sale proceeds from the Arkhangelsk divestment was received in Q2 2015. The remaining USD 3.2 million receivable from Arkhangelsk sale is expected in the remaining quarters of 2015. RusForest paid a total of EUR 1,620,000 to Hekotek for the pellet mill equipment in Q2 2015.

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:

Gustav Wetterling, Group CFO, telephone: +46 8 771 85 00