

PRESS RELEASE

RusForest Provides Update on Operations and Financial Position

RusForest AB (publ) (“RusForest” or the “Company”) (NASDAQ First North: RUSF), a Swedish forestry company with operations in Russia, announces preliminary Q1 2016 production and sales results for its Magistralny and Ust-Ilimsk units.

Management Comments

“We are happy to report that quarterly sawnwood production in Magistralny for the first time exceeded 23,000 m³ in Q1 2016 and both the new pellet mill in Magistralny and the new harvesting operations in Ust-Ilimsk performed well in Q1 2016.

The Central Asian and Northern African markets remained difficult Q1 2016, however, the Company managed to redirect more low quality product sales the Japanese market instead. The average sawnwood price realised (price 'on wagon') in Q1 2016 was largely unchanged compared with Q1 2015.”

Harvesting

In Q1 2016, RusForest harvested 121,121 m³ of sawlogs, compared with 74,304 m³ in Q1 2015 (+63%), which included 28,793 m³ of recently developed own harvesting in Ust-Ilimsk. Harvesting in Magistralny increased by 24% in Q1 2016 to 92,328 m³.

Subcontracting

In Q1 2016, RusForest's subcontractors harvested 273,933 m³ in Ust-Ilimsk forest lease areas, compared with 262,415 m³ in Q1 2015 (+4%).

Sawmilling

In Q1 2016, RusForest produced 23,021 m³ of sawnwood, compared with 21,778 m³ in Q1 2015 (+6%). Q1 2016 production was the best quarterly production ever from Magistralny.

Wood pellets

In Q1 2016, RusForest produced 6,225 tonnes of pellets, which was in accordance with plan.

Sales

In Q1 2016 RusForest sold 21,656 m³ of sawnwood compared with 19,291 m³ in Q1 2015 (+12%).

In Q1 2016 RusForest sold 16,340 m³ of sawlogs from Magistralny compared with 16,410 m³ in Q1 2015 (-0%). Sawlogs sales to the Chinese market were hampered at the beginning of the



year. In Q1 2016 RusForest also delivered 26,823 m³ of sawlogs from own harvesting in Ust-Ilimsk to local market.

A total of 6,219 tonnes of wood pellets were sold from Magistralny in Q1 2016.

Financial Position

At 31 March 2016 RusForest had a cash balance of approximately USD 10.9 million, of which approximately USD 3.3 million was held at the corporate level and including restricted cash balances in the amount of USD 0.3 million, connected with the Synthetic buyback program. At 31 March 2016, the Company had corporate debt of approximately USD 0.1 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 First North Stockholm (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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