

Dear all,

Swedish Trade Council is planning to hold a seminar on the latest developments in the mining sector of Ukraine with focus on business opportunities for Swedish companies on 14th June 2011 in Stockholm. The purpose of the seminar is to give the clear picture of the mining segment in Ukraine and prepare the grounds for the Mining Delegation to Ukraine in October 2011.

Coal is the only energy source whose share in primary energy consumption has grown globally in the last decade. This makes coal producing countries such as Ukraine potential destinations for foreign capital. Foreign investors have declared serious interest in Ukraine's coal sector in 2010. The major reason for such interest is that Ukraine has rich reserves of coal (34 billion metric tons), putting the country in 6th place globally. Foreign investors are helping to facilitate the industry development and introduce cleaner and safer technology as they pursue higher productivity and profit.

In January 2011, Sadovaya Group, the Ukraine's fourth largest private producer of energy coal, a Luxemburg-registered holding company representing two underground mines and other coal industry assets in eastern Ukraine, took in just over USD 30 million from IPO of 25 percent of its shares on the Warsaw Stock Exchange. The company will use the external equity financing from mostly institutional investors, in addition to its net profit of USD 7.9 million for the first nine months of last year, to modernize and develop its mines, equip its coal waste recovery and enrichment facilities, and expand.

Other foreign investors like Czech Republic's New World Resources announce that they are considering the purchase of coal mining assets in Ukraine.

Currently above 60 percent of Ukraine's 150-plus coal mines are still under state control but Ukrainian President Viktor Yanukovich has opened up the sector to privatization in 2010. In April 2011 two largest state coal mining enterprises "Rovenkyantratsit" and "Sverdlovantratsyt", consisting of 10 coal mines and 6 coal-preparation plants, were handed over to concession to the private company System Capital Management. The company pledged itself to invest into development above USD 62 million.

Besides, the Ukrainian government's 'Energy Strategy to 2030' forecast a number of measures to increase coal production to 120 million tons by 2015. In order to achieve this, Ukraine's Ministry of Energy and Coal Industry plans to invest USD 6 billion over five years in order to implement a number of development projects involving technical re-equipment and reconstructing 63 state-owned coal mines.

The recent developments in Ukrainian coal mining sector present business opportunity for the Swedish companies - manufacturers of equipment for mining as well as technical consultants in the sector.

Also Ukraine is listed as being the sixth largest iron ore producer in the world and the world's second-largest producer of manganese ore. Ferrous minerals dominate the mineral production industry in Ukraine and in 2009 the country became the world's ninth-

largest steel producer. The nation also produces other metallic mineral products to a lesser extent such as alumina, aluminum, cadmium, germanium, secondary lead, magnesium, mercury, nickel, rutile, uranium ore, secondary zinc, zircon and zirconium.

At the seminar the detailed description of the Ukrainian mining sector including development plans and business opportunities for the Swedish companies will be presented.

Please, consider the possibility of attending the seminar and inform us.

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Please sign up no later than 10th of June.

Kind Regards

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