



PETROPAVLOVSK

PRESS RELEASE

Petropavlovsk PLC

Redemption Notice of US\$140,000,000 7.125 per cent Guaranteed Convertible Bonds Due 2010 (ISIN: XS0224133099) (Bonds) issued by Peter Hambro Mining Group Finance Limited (Issuer) and guaranteed by and convertible into ordinary shares (Ordinary Shares) of Petropavlovsk PLC (Guarantor)

13 November 2009

Given that the Aggregate Value¹ per Bond has traded above \$150,000 for more than 20 of the last 30 dealing days, the Company has decided to exercise its option to redeem the Bonds. Set out below are details of the redemption notice, which is also being posted to Bondholders in full. The Company has opted to give an optional redemption notice period to Bondholders of 31 days (being not less than 30 days nor more than 90 days) as required under the terms of the Bonds. In the event that Bondholders wish to convert their Bonds into the Ordinary Shares as opposed to having their Bonds redeemed, they have up to and including **8 December 2009** to convert those Bonds.

Optional Redemption Notice:

Capitalised terms used herein shall have the same meanings as those ascribed to them in the terms and conditions of the Bonds.

Notice is hereby given that the Issuer will redeem all outstanding Bonds in full prior to the Final Maturity Date pursuant to Condition 7(b) (*Redemption at the Option of the Issuer*) at their principal amount together with accrued interest up to but excluding the Optional Redemption Date (as defined below), details of which are set out below:

Optional Redemption Date: 14 December 2009

Conversion Price as at 11 November 2009, being the latest practicable date prior to the publication of this £7.24 per Share

¹ **Aggregate Value** means, in respect of any dealing day, the value expressed in US Dollars calculated in accordance with the following formula:

AV = (BV/CP) x MP

Where:

AV = Aggregate Value;

BV = the sterling value of a Bond's principal amount, calculated by dividing US\$100,000 by the Prevailing Rate of Exchange as at the close of business on such dealing day;

CP = the Conversion Price on such dealing day; and

MP = the Volume Weighted Average Price for an Ordinary Share on such dealing day translated into US dollars at the Prevailing Rate of Exchange as at the close of business on such dealing day.

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THE QUEEN'S AWARDS
FOR ENTERPRISE 2006
TO PETER HAMBRO
MINING PLC

Notice:

Aggregate principal amount outstanding of the Bonds as at 11 November 2009, being the latest practicable date prior to the publication of this Notice: US\$139,900,000

Closing price of the Ordinary Shares as at 11 November 2009, being the latest practicable date prior to the publication of this Notice: £13.05

Conversion Period: Up to close of business (at the place where the relevant Bond is delivered for conversion) on 8 December 2009

Condition 7(b) (*Redemption at the Option of the Issuer*) provides that the outstanding Bonds may, at the option of the Issuer, be redeemed at their principal amount plus accrued interest up to but excluding the Optional Redemption Date provided that at any time on or after 25 August 2008, on more than 20 dealing days during any period of 30 consecutive dealing days ending not earlier than 14 days prior to the giving of the Optional Redemption Notice, the Aggregate Value for each such dealing day exceeds US\$150,000. This proviso was satisfied as at the close of business on 12 November 2009.

Bondholders wishing to avoid having their Bonds redeemed have up to and including 8 December 2009 to convert those Bonds. If all of the Bondholders elect to convert their Bonds, a total of approximately 10,847,810 Ordinary Shares will be issued upon conversion of those Bonds, representing approximately 6.33 per cent of the Guarantor's existing ordinary share capital as at 11 November 2009 and also approximately 5.97 per cent of its ordinary share capital as at such date as enlarged by the issue of such Ordinary Shares.

The Issuer intends to complete any formalities in relating to the delisting of the Bonds from the Luxembourg Stock Exchange as soon as possible following the redemption of the outstanding Bonds on 14 December 2009.

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