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POLYMETAL INTERNATIONAL PLC

ANNOUNCEMENT OF OFFER PRICE OF 920P PER ORDINARY SHARE

28 OCTOBER 2011

Polymetal International plc ("**Polymetal International**") today announces the successful pricing of its offering of Ordinary Shares (the "**Offer**").

- The offer price has been set at 920 pence per Ordinary Share (the "**Offer Price**").
- Based on the Offer Price, approximately £490.8 million of gross proceeds will be receivable by Polymetal International.
- The total market capitalisation of Polymetal International at the commencement of conditional dealings will be approximately £3,551.1 million. The expected free float at Admission will be approximately 50.7 per cent.
- The Offer comprises 53,350,000 new Ordinary Shares, representing approximately 13.8 per cent of the 385,991,770 Ordinary Shares that will be in issue at Admission.
- Conditional dealings are expected to commence on the London Stock Exchange at 8.00 am today (28 October 2011) under the ticker symbol POLY. Admission to the premium listing segment of the Official List and to trading on the main market for listed securities of the London Stock Exchange and the commencement of unconditional dealings are expected to take place at 8.00 am on 2 November 2011.
- Polymetal International has granted Deutsche Bank, as stabilising manager, on behalf of the joint bookrunners, a repurchase option, exercisable no later than thirty days from today, pursuant to which Polymetal International has agreed to purchase up to 4,850,000 Ordinary Shares held by the stabilising manager as a result of stabilisation transactions at the Offer Price. Polymetal International will cancel any

Ordinary Shares repurchased through such option, which would result in a decrease in the total number of Polymetal International's Ordinary Shares in issue.

Vitaly Nesis, Chief Executive Officer of Polymetal International, said:

"We are pleased with the outcome of the transaction, which has received an excellent response from existing shareholders as well as new investors and demonstrates their confidence in our business. Polymetal's team will now concentrate fully on project execution and achieving our growth targets."

HSBC and Morgan Stanley are acting as joint sponsors to Polymetal International in connection with Admission. Deutsche Bank, HSBC and Morgan Stanley are acting as joint global co-ordinators and together with VTB Capital, as joint bookrunners in relation to the Offer. Collins Stewart is co-lead manager in connection with the Offer.

Further details of the Offer are set out on Polymetal International's website at www.polymetalinternational.com.

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Forward-looking statements

This announcement contains “forward-looking” statements, beliefs or opinions, including statements with respect to the business, financial condition, results of operations and plans of Polymetal International. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond Polymetal International’s control and all of which are based on the current beliefs and expectations of the directors of Polymetal International (the “Directors”) about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as “believes”, “expects”, “may”, “will”, “could”, “should”, “shall”, “risk”, “intends”, “estimates”, “aims”, “plans”, “predicts”, “continues”, “assumes”, “positioned” or “anticipates” or the negative thereof, other variations thereon or comparable terminology or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. Forward-looking statements may and often do differ materially from actual results. They appear in a number of places throughout this announcement and include statements regarding the intentions, beliefs or current expectations of the Directors or Polymetal International with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to Polymetal International’s business, concerning, amongst other things, the results of operations, financial condition, prospects, growth and strategies of Polymetal International and the industry in which it operates.

These forward-looking statements and other statements contained in this announcement regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing Polymetal International. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. The forward-looking statements contained in this announcement speak only as of the date of this document. Polymetal International disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any change in its expectations or any change in events, conditions or circumstances on which such statements are based unless required to do so by applicable law, the Prospectus Rules, the Listing Rules or the Disclosure and Transparency Rules of the Financial Services Authority.

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This announcement does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to purchase or subscribe for any shares in Polymetal International, including the Ordinary Shares, (“Shares”) or any other securities nor shall it (or any part of

it) or the fact of its distribution, form the basis of, or be relied on in connection with, any contract therefore. The Offer and the distribution of this announcement and other information in connection with the listing of Polymetal International and the Offer in certain jurisdictions may be restricted by law and persons into whose possession any document or other information referred to herein comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

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The contents of this announcement, which have been prepared by and are the sole responsibility of Polymetal International, have been approved solely for the purposes of section 21(2)(b) of the Financial Services and Markets Act 2000 (as amended) by HSBC Bank plc ("HSBC") and Morgan Stanley & Co. International plc ("Morgan Stanley").

This announcement does not constitute a recommendation concerning the Transaction or the Offer. There is no guarantee that Admission will occur and you should not base your financial decisions on Polymetal International's intentions in relation to completion of the Transaction or Admission at this stage. Acquiring securities to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested. The price and value of securities can go down as well as up and you may not get back the amount invested. Past performance is not a guide to future performance. Information in this announcement or any of the documents relating to the Offer cannot be relied upon as a guide to future performance. Potential investors should consult a professional advisor as to the suitability of the Transaction and Offer.

Deutsche Bank AG, London Branch ("Deutsche Bank"), HSBC, Morgan Stanley & Co. International plc, VTB Capital plc ("VTB Capital") and Collins Stewart Europe Limited ("Collins Stewart"), each of which is authorised and regulated in the UK by the Financial

Services Authority, are acting exclusively for Polymetal International and no one else in connection with the Offer and will not regard any other person as their client in relation to the Offer and will not be responsible to anyone other than Polymetal International for providing the protections afforded to their respective clients nor for giving advice in relation to the Offer, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

In connection with the Offer, Deutsche Bank, HSBC, Morgan Stanley, VTB Capital and Collins Stewart or any of their respective affiliates, acting as investors for their own accounts, may subscribe for or purchase Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Shares and other securities of Polymetal International or related investments in connection with the Offer or otherwise. Accordingly, references in the prospectus, once published, to the Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by, Deutsche Bank, HSBC, Morgan Stanley, VTB Capital and Collins Stewart or any of their respective affiliates acting as investors for their own accounts. Deutsche Bank, HSBC, Morgan Stanley, VTB Capital and Collins Stewart do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so. None of Deutsche Bank, HSBC, Morgan Stanley, VTB Capital and Collins Stewart or any of their respective subsidiary undertakings, affiliates or any of their respective directors, officers, employees, advisers, agents or any other person accepts any responsibility or liability whatsoever for, or makes any representation or warranty, express or implied, as to the truth, accuracy, completeness or fairness of the information or opinions in this announcement (or whether any information has been omitted from the announcement) or any other information relating to Polymetal International, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith.

In connection with the Offer, Deutsche Bank has been appointed as stabilising manager (the "Stabilising Manager"). The Stabilising Manager or any of its agents, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Shares or effect other transactions with a view to supporting the market price of the Shares at a higher level than that which might otherwise prevail in the open market. The Stabilising Manager is not required to enter into such transactions and such transactions may be effected on any stock, market, over-the-counter market, stock exchange or otherwise and may be undertaken at any time during the period commencing on the date of the commencement of conditional dealings of the Shares on the London Stock Exchange and ending no later than 30 calendar days thereafter. However, there will be no obligation on the Stabilising Manager or any of its agents to effect stabilising transactions and there is no assurance that stabilising transactions will be undertaken. Such stabilising measures, if commenced, may be discontinued at any time without prior notice. In no event will measures be taken to stabilise the market price of the Shares above the offer price. Save as required by law or regulation, neither the Stabilising Manager nor any of its agents intends to disclose the extent of any over-allotments made and/or stabilisation transactions conducted in relation to the Offer.

Certain figures contained in this document, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this document may not conform exactly with the total figure given.

Prospectus publication

Copies of the prospectus will, following publication, be available from Polymetal International's registered office in Jersey and from the joint global co-ordinators, upon request and free of charge, for the duration of the Offer.

The prospectus is also being submitted to the National Storage Mechanism and will shortly be available at www.hemscott.com/nsm.do.