

May 08, 2015

RusHydro and China Three Gorges Corporation consider a JV to complete Nizhne-Bureyskaya hydropower plant in the Russian Far East

JSC RusHydro (ticker symbol: MOEX, LSE: HYDR; OTCQX: RSHYY) announces signing of the agreement with China Three Gorges Corporation (CTG) on cooperation with the view of establishing of a joint venture (JV) for operation of the Nizhne-Bureyskaya HPP.

The agreement was signed by George Rizhinashvili, Member of the Management Board, First Deputy General Director of JSC RusHydro and Wang Li, President of CTG, in development of preliminary agreement reached earlier on main conditions of forming the JV and further preparation of shareholder agreement for construction of flood-control hydropower plants on tributaries of the Amur river in the Russian Far East.

The parties agreed to carry out technical, economical and legal due diligence of the Nizhne-Bureyskaya HPP to determine the economic efficiency of the project with a view to establish the JV to finalize construction and to operate the power generation facility after its completion.

The parties agreed upon appropriate approach to evaluation of the project, taking into account already incurred construction costs and present value of future cash flows.

Evgeny Dod, Chairman of the Management Board – General Director of RusHydro, commented: “The document, we have signed today, is an important landmark in the comprehensive action plan we are realizing to strengthen cooperation with our Chinese partners and attracting Chinese investments into the Russian economy”.

Wang Lin, President of CTG, said: “As the largest hydropower enterprises in China and Russia, the positive progress we achieved on the project will strengthen the cooperation in hydropower development between the two countries, reinforce the Sino-Russian strategic cooperative partnership, and bring benefits to the people in the River valley in both Countries”.

Construction of the Nizhne-Bureyskaya HPP (counter-regulator for the Bureyskaya HPP, located upstream) on the Bureya river, is in progress since 2010. The project has high priority status in the investment plan of RusHydro. Project installed capacity is 320 MW (4 hydropower units), average long-run annual output- 1.65 TWh. In addition to power generation, the HPP will regulate uneven spills in the tailrace of the Bureyskaya HPP as well as will help to prevent flooding of adjacent towns and local communities.

Funding of the Nizhne-Bureyskaya HPP in 2014 amounted to RUB 8.9 bn (incl. VAT). As of beginning of 2015, 60% of concrete from the project volumes have been poured into the main facilities. Installation of embedded fittings of turbines and floodgates has begun. During 2015, construction of the spillway dam and the turbine building will continue and construction of the switchyard will begin. Installation of hydropower units and hydromechanical equipment will enter active phase. Significant volume of preparatory work for damming the Bureya river are also planned for 2015-2016. The damming is scheduled for March 2016.

About CTG

As part of the initiative to build the Three Gorges Project and develop the Yangtze River, the China Three Gorges Corporation (CTG) was founded on September 27, 1993. CTG is a wholly state-owned enterprise with registered capital of RMB 149.5 bn. CTG is strategically positioned to become a clean energy conglomerate specializing in large-scaled hydropower development and operation. CTG’s principal operations include hydropower project engineering, construction and management, electricity production, and provision of related technical services. CTG manages the construction and operation of the Three Gorges Project.

About RusHydro

RusHydro Group is one of Russia's largest generating companies. RusHydro is the leading producer of renewable energy in Russia with over 70 generating facilities in Russia and abroad. The company also manages a number of R&D, engineering and electricity retail companies. Group's thermal assets are operated by subsidiary – RAO Energy System of East in the Far East of Russia. Total electricity generation capacity of the Group is 37.5 GW, heat capacity – 16.2 thousand GCal/h.

Russian Federation owns 66.8% in RusHydro, the rest is held by other institutional and individual shareholders (over 360,000). The company's stock is traded on the MICEX and RTS stock exchanges, and included in MSCI EM и MSCI Russia indexes. Company's GDRs in the IOB section of LSE, ADRs – in OTCQX.

For more information:

Investor Relations Department

Tel. +7 (800) 333 8000 ext. 1607, 1319, 1304

ir@rushydro.ru

DISCLAIMER

The information in this press release may contain projections or other forward-looking statements regarding future events or the future financial performance of RusHydro. One can identify forward-looking statements by terms such as "expect," "believe," "anticipate," "plan", "aim", "target", "forecast", "project", "should", "estimate," "intend," "will," "could," "may" or "might," the negative of such terms or other similar expressions. We wish to caution you that these statements are only predictions and that actual events or results may differ materially from these statements.

We do not intend to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Many factors could cause the actual results to differ materially from those contained in our projections or forward-looking statements, including, among others, general economic and political conditions, our competitive environment, risks associated with operating in Russia and rapid technological and market changes in our industries, as well as many other risks specifically related to RusHydro and its operations.