

To: TBL EOOD
1 Sveti Ivan Rilski Square,
2300 Pernik, Pernik Municipality,
Pernik District,
Bulgaria

Attn to: Dimitar Ivanov
By fax: +35928904257

October 28, 2013

Dear Sirs,

**Deed of Guarantee and Undertaking between TBL EOOD and Mechel Carbon AG
("Mechel") dated 5 July 2013 (the "Guarantee")**

Pursuant to clause 1.1 of the Guarantee, TBL EOOD guaranteed to Mechel payment by District Holding Company Rousse EAD (the "Company") of USD 18,805,049.22, being the amount owed by the Company to Mechel under the Coal Supply Agreement between Mechel and the Company dated 30 December 2012, № MECH-RUS-2012.

Pursuant to clause 1.1 of the guarantee, interest is accruing on this amount at an annual rate of 2.39% from 5 July 2013 to the date of actual payment.

Under clause 1.2.1 of the Guarantee, TBL EOOD undertook to pay the first Installment of USD 1,762,973.36 on Monday 7 October 2013 (being the first Business Day following three months after the Closing Date). USD 100,000.00 of the due amount was paid on 15 October 2013.

We now request as follows:

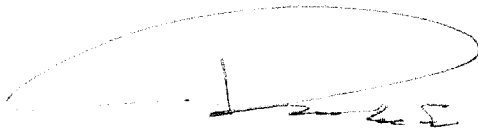
- 1 your confirmation of the date upon which the whole of the balance of the amount of the first Installment including interest that is now due, will be paid to Mechel's account in full;
- 2 your confirmation that the second Installment including interest is fully provided for and will be paid in full on the due date; and
- 3 TBL EOOD to instruct Unicredit Bulbank AD under the Direct Debit Agreement dated 5 July 2013 made between TBL EOOD, Unicredit Bulbank AD, Mechel International Holdings GmbH and Mechel Carbon AG, to disclose to Mechel Carbon AG, a statement of the current balances on each account which is the subject of that agreement, and all credit and debit operations on each account since 5 July 2013.

At this time, this letter is a formal request for information with a view to finding a solution to the current default while reserving our rights. In particular but without limitation, we reserve our right to make a formal first written demand in relation to your default at any time and to exercise our rights under any agreement and any security.

Yours faithfully,

Duly authorised for

Mechel Carbon AG

A handwritten signature in black ink, consisting of a large, sweeping loop followed by a horizontal line and a small vertical stroke.A handwritten signature in black ink, written in a cursive style, appearing to read 'M. Carbon'.

To: Toplofikacia-Pleven EAD

Attn to: Valentin Terziyski

To: TBL EOOD

Attn to: Dimitar Yordanov Ivanov

Copy to: Ivaylo Ivanov

From: Mechel Carbon AG, represented by Irina Pankratova Girschweiler

Re: breach of payments under the Deed of Guarantee and Undertaking dated 04.07.2013 and
breach of conditions under the Direct Debit Agreement dated 05.07.2013

Date: 25.10.2013

Dear Mr. Terziyski and Mr. Yordanov Ivanov,

WHEREAS,

- Pleven is in breach of the term condition set in Schedule #1 of the Deed of Guarantee and Undertaking relating to payment obligations of District Heating Company Rousse EAD under a Coal Supply Agreement dated 30.12.2011, № MECH-RUS-2012, dated 04.07.2013,
- the due date for the 1st coal payment - USD 1,762,973.36 - has already passed (Ruse paid only USD 100,000),
- Pleven is in breach of the term condition set in cl.3.2 (Minimum Deposit) and cl.12 (Further Assurances) of the Direct Debit Agreement between Mechel International Holdings GmbH (hereinafter – MIH) as an Agent, Mechel Carbon AG as a MC, Unicredit Bulbank AD as a Bank and TBL EOOD as a Client, dated 05.07.2013,

we request the following steps:

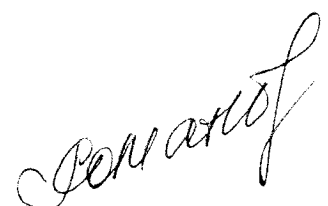
1. Pleven has to send to Mechel Carbon AG in 2 (two) business days from the date of this letter an official written confirmation of the date by which Pleven plans to repay this amount IN FULL (including accrued default interest).
2. Pleven should immediately begin fulfilling its obligations including timely payments and direct debit agreement, i.e. maintain minimum cash balance on the pledged account.

Meantime we understand the difficulties that Pleven is facing at the moment and do not want to escalate the current situation, but in case Pleven continues to delay payments, Mechel Carbon AG will have to prepare for enforcement of the security through its contractual rights under pledge agreements.

Yours faithfully,

Duly authorised for

Mechel Carbon AG

A handwritten signature in black ink, consisting of a large, loopy initial 'M' followed by a series of connected, cursive letters that are difficult to decipher.A handwritten signature in black ink, written in a cursive style. The word 'Bernard' is clearly legible, followed by a stylized 'of'.