

FOR IMMEDIATE RELEASE

March 28th, 2006

The results of Extraordinary Shareholders Meeting of OAO "Severstal" on March 27th, 2006

The Agenda of the EGM was as follows:

- 1. Insertion of regulations on stated shares to the Charter of OAO "Severstal"**
- 2. Increase in chartered capital by issuing of additional shares.**

The first item of the Agenda:

Question: Insertion of regulations on stated shares to the Charter of OAO "Severstal"

The statement for approval:

"To add item 5.1 of the Charter of OAO "Severstal" with the following regulations on stated shares:

The Company is justified to issue ordinary registered shares (stated shares) with a par value of 0.01 rubles each, 397,518,300 in number, additionally to existing shares. The stated shares empowers the same rights as issued shares of the corresponding category (type), determined by the present Charter"

Amendments to the Charter of OAO Severstal were approved.

The second item of the Agenda:

Question: Increase in chartered capital by issuing of additional shares

The statement for approval:

"To increase the share capital of OAO "Severstal" by issuing of 397,518,300 additional ordinary shares with a par value of 0.01 rubles each"

Method of placing: closed subscription

Circle of persons, who are proposed for distribution of additional share issue:

FRONTDEAL LIMITED – a legal person, incorporated under legislation of Cyprus with the following postal address: Themistokli Dervi, 3, Julia House, P.C. 1066, Nicosia, Cyprus.

The price of placement of the additional shares will be determined by the Board of Directors.

The shareholders can pay in cash for additional share issue. "FRONTDEAL LIMITED" (Cyprus) in exchange for such additional shares, could contribute to the charter capital of Severstal its stakes in the following companies (together the "Target Companies"):

- (i) 100 per cent stake in OOO "Holdingovaya gornaya company" ("Holding Mining Company)
- (ii) 100 per cent stake in OOO "Investitsionnaya company Kuzbassugol" ("Investment Company Kuzbassugol")
- (iii) 1 293 214 828 ordinary shares of OAO "Pechoraugol"
- (iv) 100 per cent stake in OOO "Olkon-invest"
- (v) 100 per cent stake in OOO "Terra"
- (vi) 150 ordinary shares of ZAO "Impuls-consult"
- (vii) 1 634 735 ordinary shares and 406 032 preferred shares of "A" type of OAO "Vorkutaugol" in one slot, which together constitutes more than 50% of the voting shares of OAO "Vorkutaugol"
- (viii) 124 112 ordinary shares and 6 882 preferred shares of "A" type of OAO "Shahta Vorgashorskaya" in one slot
- (ix) 9 105 ordinary shares and 11 651 preferred shares of "A" type of OAO "Shahta Pervomayskaya" in one slot
- (x) 20 488 ordinary shares and 31 538 preferred shares of "A" type of OAO "Shahta Berezovskaya" in one slot
- (xi) 167 669 ordinary shares of OAO "Olenegorsky GOK"

The fair market values for the Target Companies would be determined by the Severstal's Board of Directors taking into consideration the results of valuation analysis of these companies that will be performed by an independent appraiser. Severstal's Board of Directors recommends that OOO Rosexpertiza (License to engage in appraisal activities in the Russian Federation # 009401 from September 1st, 2004, valid till September 1st, 2009) be appointed to provide an independent view on the valuation of the Target Companies.

The decision to increase chartered capital of OAO Severstal by issuing of additional shares was approved.