

**INFORMATION PROVIDED TO PERSONS ENTITLED TO PARTICIPATE IN
THE EXTRAORDINARY GENERAL SHAREHOLDERS' MEETING
OF MECHEL STEEL GROUP OAO
TO BE HELD ON DECEMBER 23, 2004:**

- 1. Draft amendments to the Bylaw on the Board of Directors of the Company (Annex 1).**
- 2. Draft amendments to the Bylaw on the General Meeting of Shareholders of the Company (Annex 2).**
- 3. Draft resolutions on the issues on the Agenda of the Extraordinary General Shareholders' Meeting:**

Item 1 of the Agenda:

1. Approvals of Transactions.

Draft Resolution:

"1.1. To approve a major transaction, at the same being an interested party transaction, by Mechel Steel Group OAO,:

- **Parties (beneficiaries) to the transaction: Mechel Steel Group OAO (hereinafter referred to as the Seller), and Little Echo Invest Corp. (hereinafter referred to as the Buyer);**
- **Price of the transaction: the amount equal to the sale price determined based on results of the auction for privatization of the shares of Magnitogorsk Iron and Steel Works OAO conducted by the Specialized State Authority of the Government of the Russian Federation, the Russian Federal Property Fund on December 22, 2004.**
- **Subject of the transaction: The Buyer shall acquire 1.897.078.800 (one billion eight hundred ninety seven million seventy eight thousand eight hundred) registered non-documentary common shares of Magnitogorsk Iron and Steel Works OAO (state registration number – 1-03-00078-A as of November 5, 2002), which are sold by the Seller.**
- **Other material conditions of the transaction: conclusion of a Shares Sale and Purchase Agreement in compliance with the appropriate legal procedure not earlier than five (5) days following the date of approval of the shares sale and purchase deal by the Extraordinary General Shareholders' Meeting of Mechel OAO on December 23, 2004; payment for the shares by the Buyer in compliance with procedure and dates as established by the Shares Sale and Purchase Agreement."**

«1.2. To approve a major transaction by Mechel Steel Group OAO:

- **Parties (beneficiaries) of the transaction: Specialized State Authority of the Government of the Russian Federation, the Russian Federal Property Fund (hereinafter referred to as the Seller), and Mechel Steel Group OAO (hereinafter referred to as the Buyer);**
- **Price of the transaction: sufficient to win the auction, but not to exceed the sum equivalent to US\$2.150.000.000,00.**
- **Subject of the transaction: The Buyer shall acquire 1.897.078.800 (one billion eight hundred ninety seven million seventy eight thousand eight hundred) registered non-documentary common shares of Magnitogorsk Iron and Steel Works OAO (state registration number – 1-03-00078-A as of November 5, 2002), sold by the Seller at an auction to be conducted on December 22, 2004.**
- **Other material conditions of the transaction: making a deposit to the Seller's account in the amount and at procedure determined in the information letter; filing an application in compliance with the form established by the Seller; conclusion of a Share Sale and Purchase Agreement in compliance with the appropriate legal procedure within five (5) days from the date of summing up the auction's results; payment for the shares by the Buyer in compliance with procedure and dates as established by the Share Sale and Purchase Agreement".**

Item 2 of the Agenda:

2. Amendments to the Bylaw on the Board of Directors of the Company.

Draft Resolution:

- "To include the proposed amendments to the Bylaw on the Board of Directors of the Company."

Item 3 of the Agenda:

3. Amendments to the Bylaw on the General Meeting of Shareholders of the Company.

Draft Resolution:

- "To include the proposed amendments into the Bylaw on the General Meeting of Shareholders of the Company."