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UNITED COMPANY RUSAL PLC

(Incorporated under the laws of Jersey with limited liability)

(Stock Code: 486)

UPDATE ANNOUNCEMENT

This announcement is made by the United Company Rusal Plc (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 9 April 2018, 10 April 2018, 11 April 2018, 12 April 2018, 13 April 2018, 19 April 2018, 4 May 2018 and 21 May 2018. Unless otherwise specified, the terms used herein shall have the same meanings as those defined in the announcement of the Company dated 9 April 2018.

The Company wishes to inform the market that following the announcement by the Office of Foreign Assets Control (“**OFAC**”) of the Department of the Treasury of the United States of America (“**US Treasury**”) made on 6 April, 2018, significant number of counterparties have raised concerns with respect to any new contracts with the companies of the Group and communicated that they are likely to discontinue any existing contracts after 23 October 2018 unless sanctions are lifted or a new license is granted by OFAC to the Company. Some of financial institutions have limited processing of payments for or on behalf of the companies of the Group.

Unless sanctions are lifted or a new license is granted by OFAC to the Company, international financial institutions are likely to discontinue operations with the Group after 23 October 2018, the Company’s production of metal and the sales would be severely impacted.

Reduced sales and additional cost associated with re-arrangement of entire supply chain may result in significant reduction of EBITDA and cash flows of the Group. Opportunities to provide financing to the Group on commercially reasonable terms will be very limited. The Company may not be able to maintain its operating performance at a certain level required to service and repay its indebtedness and that may result in current creditors accelerating repayment.

Some of the infrastructure operators supporting the fungibility and trading in the Company's securities have either stopped or have suspended such functions and that has, in certain instances, resulted in an inability of investors to duly administer their assets.

The Company is taking all available steps, including ongoing discussions with regulators from the USA and other jurisdictions in order to seek to protect the interests of its shareholders, creditors and business partners.

The Company constantly evaluates the impact of the OFAC Sanctions on the Group. At the current stage the Company remains of the same view that the impact may be materially adverse to the business and prospects of the Group.

The Company will make further announcement(s) as soon as possible following further evaluation of the situation. Shareholders and potential investors are advised to exercise extreme caution when dealing in the securities of the Company.

By Order of the Board of Directors of
United Company RUSAL Plc
Aby Wong Po Ying
Company Secretary

24 May 2018

As at the date of this announcement, the executive Directors are Mr. Vladislav Soloviev and Mr. Siegfried Wolf, the non-executive Directors are Mr. Oleg Deripaska, Mr. Maxim Sokov, Mr. Dmitry Afanasiev, Ms. Gulzhan Moldazhanova, Ms. Olga Mashkovskaya, Ms. Ekaterina Nikitina and Mr. Marco Musetti, and the independent non-executive Directors are Mr. Matthias Warnig (Chairman), Dr. Elsie Leung Oi-sie, Mr. Mark Garber, Mr. Dmitry Vasiliev and Mr. Bernard Zonneveld.

All announcements and press releases published by the Company are available on its website under the links <http://www.rusal.ru/en/investors/hkse/>, <http://rusal.ru/investors/info/moex/> and <http://www.rusal.ru/en/press-center/press-releases.aspx>, respectively.