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#### NOTICE TO US INVESTORS

THE RIGHTS OFFERING TO ACQUIRE NEW SHARES IN JSC RUSHYDRO (THE "RIGHTS ISSUE") IS MADE FOR THE SECURITIES OF A COMPANY ORGANIZED IN THE RUSSIAN FEDERATION. ACCORDINGLY, THE OFFER IS SUBJECT TO THE DISCLOSURE REQUIREMENTS AND PRACTICES APPLICABLE IN RUSSIA, WHICH ARE DIFFERENT FROM THOSE OF THE UNITED STATES. FINANCIAL INFORMATION INCLUDED HEREIN HAS BEEN PREPARED IN ACCORDANCE WITH ACCOUNTING PRINCIPLES APPLICABLE IN RUSSIA, AND THUS MAY NOT BE COMPARABLE TO FINANCIAL INFORMATION OF US COMPANIES OR COMPANIES WHOSE FINANCIAL STATEMENTS ARE PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN THE UNITED STATES.

IT MAY BE DIFFICULT FOR INVESTORS TO ENFORCE THEIR RIGHTS AND ANY CLAIM THEY MAY HAVE ARISING UNDER THE US SECURITIES LAWS. JSC RUSHYDRO IS A RUSSIAN COMPANY, AND SOME OR ALL OF ITS OFFICERS AND DIRECTORS ARE RESIDENTS OF COUNTRIES OTHER THAN THE UNITED STATES. INVESTORS MAY NOT BE ABLE TO SUE A NON-US COMPANY OR ITS OFFICERS OR DIRECTORS IN A NON-US COURT FOR VIOLATIONS OF THE US SECURITIES LAWS. IT MAY BE DIFFICULT TO COMPEL A NON-US COMPANY AND ITS AFFILIATES TO SUBJECT THEMSELVES TO A US COURT'S JUDGMENT.

IN ACCORDANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT OF 1933, AS AMENDED, PROVIDED BY RULE 801 THEREUNDER WITH RESPECT TO THE NEW SHARES TO BE OFFERED IN CONNECTION WITH THE RIGHTS ISSUE, JSC RUSHYDRO WILL SUBMIT TO THE US SECURITIES AND EXCHANGE COMMISSION ANY INFORMATIONAL DOCUMENT IT PUBLISHES OR OTHERWISE DISSEMINATES TO HOLDERS OF JSC RUSHYDRO SHARES RELATED TO THE RIGHTS ISSUE.

From: JSC “RusHydro” (the *Company*)

To: Holders and Former Holders of (i) Global Depositary Receipts (Rule 144A Cusip: 466294204) (*GDRs*), and (ii) American Depositary Shares (Cusip: 466294105) (including temporary American Depositary Shares (Cusip: 782183123)) (the *ADSs*, and together with the *GDRs*, collectively, the *DRs*) each representing 100 ordinary shares (each, a *Share*) of the Company

Date: December 27, 2012

Re: Pre-emption Rights Notice and Information Extract

Dear Sir or Madam:

This information notice is being sent today to holders and former holders of the *GDRs* and *ADSs* in connection with the statutory registration on December 3, 2012 by the Federal Financial Markets Service of the Russian Federation (the *FFMS*) of an issuance by the Company of 110,000,000,000 ordinary registered non-documentary shares of the Company each having a nominal value of RUB 1 (the *Additional Shares*), to be placed through an open subscription and in connection with the commencement of the period for the exercise of pre-emption rights by the shareholders of the Company to purchase Additional Shares (the *Pre-emption Rights*). The issuance of the Additional Shares is registered with the *FFMS* under state registration number 1-01-55038-E-041D together with a statutory Russian prospectus for the Additional Shares (the *Russian Prospectus*).

Pursuant to the registered issuance documents, the placement of the Additional Shares commenced on December 19, 2012.

The pre-emption rights period will expire on February 26, 2013, being the seventieth calendar day following the date of the performance by the Company of the later of (i) publication of the announcement (notification) of the possibility for the shareholders of the Company to exercise their pre-emptive right to acquire the additional shares in the Company (the *Notice*) in the Russian newspaper “Rossiyskaya Gazeta” or (ii) the disclosure of the Notice on the Company’s website [www.rushydro.ru](http://www.rushydro.ru) and at <http://www.e-disclosure.ru/portal/company.aspx?id=8580>.

Shareholders of the Company registered in the Company’s register as of October 11, 2012, including The Bank of New York Mellon (the *Depositary*) as (i) the *GDR Depositary* under the deposit agreement dated April 14, 2008 between the Company and the *GDR Depositary* for the Regulation S Facility (as defined in the *GDR Deposit Agreement*) and for the Rule 144A Facility (as defined in the *GDR Deposit Agreement*) (the *GDR Deposit Agreement*), and (ii) the *ADS Depositary* under the deposit agreement dated June 30, 2009 between the Company, the *ADS Depositary* and all owners and holders from time to time of *ADSs* issued thereunder representing Shares (the *ADS Deposit Agreement*), have a pre-emption right to purchase Additional Shares pro rata to their shareholding registered as at such time. This right can be exercised within a period of 70 days following the date of the performance by the Company of the later of (i) publication of the Notice in the Russian newspaper “Rossiyskaya Gazeta” or (ii) the disclosure of the Notice on the Company’s website [www.rushydro.ru](http://www.rushydro.ru) and at <http://www.e-disclosure.ru/portal/company.aspx?id=8580>, therefore ending on February 26, 2013. Each of the *GDR Deposit Agreement* and the *ADS Deposit Agreement* is sometimes referred to herein as a *Deposit Agreement* and those agreements are sometimes referred to collectively as the *Deposit Agreements*. Each of the *GDR Depositary* and the *ADS Depositary* is sometimes referred to herein

as a **Depository**, and those depositories are sometimes referred to collectively as the **Depositories**. For the avoidance of doubt, all references to GDRs in this information notice shall be construed as references to the Rule 144A GDRs (as defined in the GDR Deposit Agreement) due to the termination of the Regulation S Facility (as defined in the GDR Deposit Agreement) by agreement between the Company and the GDR Depository and subsequent exchange of all the Regulation S GDRs outstanding at that time into ADSs.

Each holder of ADSs as of October 11, 2012 (the **DR Record Date**) (the **Holder of ADSs**) may subscribe for new ADSs, each representing 100 Additional Shares, on the terms and subject to the conditions set forth by the Company, at a subscription price based on the subscription price for Additional Shares, set forth below, and the currency exchange rate in effect on the day the subscription funds are converted into roubles. Each holder as of the GDR as of the DR Record Date (the **Holder of GDRs**, and together with the Holders of ADSs are collectively referred to herein as the **Holders**) may subscribe for Rule 144A GDRs, each representing 100 Additional Shares, on the terms and subject to the conditions set forth by the Company, at a subscription price based on the subscription price for Additional Shares, set forth below, and the currency exchange rate in effect on the day the subscription funds are converted into roubles. These rights are called the **Rights**. The Rights are personal to the Holders and not transferrable.

The Holders may subscribe for new ADSs or GDRs only in integral multiples of 1 new ADS or GDR; all entitlements to subscribe for new ADSs and GDRs are reduced to the largest integral multiple of 1 new ADS or GDR. The Rights will expire if not exercised by 5:00 p.m., New York time, on February 15, 2013 (the **DR Expiration Date**).

The Pre-emption Rights, the Rights and the Additional Shares, and any Rule 144A GDRs representing Additional Shares, have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, in or into the United States except pursuant to an applicable exemption from the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

Subscriptions for new ADSs and GDRs pursuant to the Pre-Emption Rights must be made through the voluntary offering procedures operated by The Depository Trust Company (**DTC**). The subscription by a Holder will be valid provided that by the DR Expiration Date The Bank of New York Mellon as DR rights agent (the **DR Rights Agent**) has received through DTC's voluntary offering procedures (i) an attached subscription form (the **Subscription Form**) duly completed and signed by or on behalf of that Holder and (ii) payment of the Deposit Amount (as defined below) specified in the Subscription Form for new ADSs or GDRs to be purchased.

The deposit amount per new ADS or GDR (the **Deposit Amount**) shall be calculated as the sum of (i) the USD equivalent of the Share Subscription Price (as defined below) (based on the official exchange rate of the Central Bank of the Russian Federation as of December 25, 2012) multiplied by 100 and (ii) 15 percent of that amount to cover possible exchange rate fluctuations, currency conversion expense and the fee of the relevant Depository for issuance of new ADSs or GDRs. The fee for issuance of new ADSs or GDRs will be up to USD0.05 per new ADS or GDR. The subscription price for the Additional Shares (the **Share Subscription Price**) was determined by the Company on December 10, 2012 and is equal to RUB 1 per Additional Share.

The number of new ADSs or GDRs indicated in the Subscription Form must correspond to Deposit Amount paid by the subscribing Holder. If the number of new ADSs or GDRs indicated in

the Subscription Form exceeds the Deposit Amount paid by the subscribing Holder, the Subscription Form shall be accepted only with respect to such number of new ADSs or GDRs with respect to which the Deposit Amount has been paid. If the number of new ADSs or GDRs indicated in the Subscription Form is less than the Deposit Amount paid by the subscribing Holder, the Subscription Form shall be accepted only with respect to such number of new ADSs or GDRs as indicated in the Subscription Form, and the DR Rights Agent shall refund the excess U.S. dollars to the relevant subscribing Holder.

If the Deposit Amount was greater than the cost of the RUB subscription price (including currency conversion and other expenses) plus the relevant Depositary's issuance fee, the DR Rights Agent shall refund the excess U.S. dollars to DTC for distribution to the Holders entitled to them. If, due to the possible exchange rate fluctuations, currency conversion expenses and fees of the relevant Depositary, the Deposit Amount is not sufficient to purchase the number of Additional Shares sufficient to issue the full number of new ADSs or GDRs for which the Holders wished to subscribe, the entitlements of all the Holders will be reduced pro-rata to the largest integral number of ADSs or GDRs, as applicable, and the number of new ADSs or GDRs allocated to the Holder will be less than the number requested.

If the obligation of the DR Rights Agent hereunder to make available to Holders the Rights does not become effective as a result of the DR Rights Agent being not satisfied that the distribution of Rights will not contravene any relevant law, rule or regulation, or if the closing of the Offering is not completed for regulatory or other reasons, the DR Rights Agent shall return the Deposit Amount to the relevant Holders.

You are welcome to familiarize yourself with the Russian Prospectus, and other documentation, such as the registered decision on the issuance of shares, or the Company's corporate approvals of the issue, prepared in Russian language, at the Company's offices at the following address: 7, Malaya Dmitrovka Street, Moscow, 127006, Russia, or at the corporate website of the Company [www.rushydro.ru](http://www.rushydro.ru). English translation of the Russian Prospectus, the registered decision on the issuance of shares and the Notice are available on the Company's website at [www.eng.rushydro.ru](http://www.eng.rushydro.ru).

Very truly yours,

JSC "RUSHYDRO"

## JSC “RUSHYDRO” – PRE-EMPTION RIGHTS SUBSCRIPTION FORM

TO: The Bank of New York Mellon, as DR Rights Agent

RE: JSC “RusHydro” - Pre-emption Rights Subscription

Terms and expressions defined in the Pre-emption Rights Notice and Information Extract of the JSC “RusHydro” (the *Company*) to the Holders dated December 27, 2012 have the same meanings when used herein unless otherwise provided or the context otherwise requires.

DR Record Date: October 11, 2012

Entitlements Granted in Respect of Rule 144A GDRs (CUSIP: 466294204) as of the DR Record Date:

Ratio: 1 GDR represents 100 (one hundred) Shares

Rights entitlement: 0.3463 new GDRs for each GDR held.

Entitlements Granted in Respect of American Depositary Shares (CUSIP: 466294105) (including temporary American Depositary Shares (CUSIP: 782183123)) as of the DR Record Date:

Ratio: 1 ADS represents 100 (one hundred) Shares

Rights entitlement: 0.3463 new ADSs for each ADS held.

Deposit Amount: USD 3.73 per new ADS or GDR. The Deposit Amount is computed as follows: the sum of (i) the USD equivalent of the Subscription Price (as defined below) (based on the official exchange rate of the Central Bank of the Russian Federation as of December 25, 2012 pursuant to which USD 1 is equal to RUB 30.8046) multiplied by 100 and (ii) 15 percent of that amount to cover possible exchange rate fluctuations, currency conversion expense and the fee of the relevant Depositary for issuance of new ADSs or GDRs (rounding the result to the nearest whole cent). The fee for issuance of new ADSs or GDRs will be up to USD 0.05 per new ADS or GDR. The subscription price for the Additional Shares (the *Share Subscription Price*) was determined by the Company on December 10, 2012 and is equal to RUB 1 per Additional Share.

DR Subscription Period: December 28, 2012 through 5:00 p.m., New York time, on February 15, 2013 (the *DR Expiration Date*).

Delivery Date: New ADSs and GDRs will be delivered to DTC for allocation to DTC participant accounts as soon as practicable after the Additional Shares are credited to The Bank of New York Mellon’s account at its Russian custodian.

If, due to the possible exchange rate fluctuations, currency conversion expenses and fees of the relevant Depositary, the Deposit Amount is not sufficient to purchase the number of Additional Shares sufficient to issue the full number of new ADSs and GDRs, the entitlements of all Holders will be reduced pro-rata to the largest integral number of ADSs or GDRs and the number of new ADSs or GDRs allocated to you will be less than the number requested.

The Holders may subscribe for new ADSs or GDRs only in integral multiples of 1 new ADS or GDR; all entitlements to subscribe for new ADSs or GDRs are reduced to the largest integral multiple of 1 new ADS or GDR.

The new ADSs and GDRs will be separate classes of temporary ADSs or GDRs and will not be

fungible with previously-issued ADSs or GDRs until the expiration of the three-month period after we have filed with the FFMS a notification concerning the results of the issuance of the Additional Shares or the FFMS has registered a statutory report on the results of the issuance of the Additional Shares.

Subscription requests will be irrevocable after this form is submitted and the Deposit Amount is paid.

Please submit the information requested by this form and the Deposit Amount prior to the DR Expiration Date through DTC's voluntary offering procedures to The Bank of New York Mellon, as DR Rights Agent.

*The undersigned understands, acknowledges and represents (or if the undersigned is a broker-dealer, its customer confirms that it acknowledges) that the Pre-emption Rights, the Rights, the Additional Shares and new ADSs and new Rule 144A GDRs representing Additional Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, in or into the United States except pursuant to an applicable exemption from the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.*

*The undersigned acknowledges (or if the undersigned is a broker-dealer, its customer confirms to it acknowledges) that it (i) held the number of DRs indicated below on the DR Record Date and (ii) would like to exercise the Rights to purchase new ADSs or GDRs representing Additional Shares as shown below.*

*We will notify DR Rights Agent promptly if the foregoing ceases to be true prior to the closing of the rights offering.*

FROM: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_

COMPANY: \_\_\_\_\_

DTC PARTICIPANT: \_\_\_\_\_

DTC PARTICIPANT NUMBER: \_\_\_\_\_

DTC ACCOUNT NUMBER: \_\_\_\_\_

DTC PARTICIPANT CONTACT NAME/PHONE / EMAIL: \_\_\_\_\_

NUMBER OF GDRs HELD AS OF OCTOBER 11, 2012: \_\_\_\_\_

NUMBER OF ADSs HELD AS OF OCTOBER 11, 2012: \_\_\_\_\_

NUMBER OF NEW ADSs OR GDRs TO BE PURCHASED: \_\_\_\_\_

TOTAL SUBSCRIPTION FUNDS PAID: USD \_\_\_\_\_