

**Commentary on the Agenda for the Extraordinary General
Shareholders' Meeting
(March 5, 2014)**

The agenda for Mechel OAO's extraordinary general shareholders' meeting, scheduled for March 5, 2014, comprises one item, and only minority shareholders who are not classified as related parties with respect to the transaction have the right to vote. Insofar as some institutional investors adhere to a policy of abstaining from voting on shareholder meetings, the votes of those shareholders who are not prevented from voting as a matter of policy are of particular importance.

The item presented for voting is approval of a pledge of securities as collateral, with Mechel OAO acting as a pledgor and Sberbank of Russia OJSC acting as a pledgee. A package of 25% plus one share of Mechel Mining OAO's stock is being offered as collateral. This pledge of securities is a related-party transaction and pursuant to Russian securities law must be approved at a shareholders' meeting.

As we reported earlier, on December 19, 2013, Mechel OAO and Sberbank of Russia OJSC concluded several agreements on restructuring a part of Mechel Group's debt to the bank, amounting to 25.5 billion rubles (773.9 million US dollars, based on the Central Bank's rate on December 20, 2013). In addition, one of the agreements stipulates the possibility of the bank offering a new credit line totaling up to 1.1 billion rubles in 2014.

As a result of this restructuring, the short-term debt of the Group's enterprises to the bank was extended for 5 years, with its grace period extended until 1Q2015. The restructuring involved only Mechel Group's existing debt to Sberbank of Russia OJSC and will not increase Mechel Group's total debt position.

Considering that Sberbank of Russia OJSC is one of Mechel Group's main creditors, extending a major part of the Group's debt by 5 years, with a grace period until 1Q2015, is an important factor for the stability of the Group's operations and significantly eases further efforts on optimizing the company's debt leverage. We accordingly urge all Mechel shareholders to exercise their voting rights and to participate in the shareholders' meeting scheduled for March 5, 2014.

Any questions regarding the forthcoming extraordinary general shareholders' meeting may be referred to Mechel OAO's investor relations department at the following address: vladislav.zlenko@mechel.com.

Mechel OAO