

NEWS RELEASE

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BASIC ELEMENT AND ISLAND GLOBAL YACHTING SIGN MEMORANDUM OF INTENT TO OPERATE WORLD-LEADING MARINA IN SOCHI

SOCHI, RUSSIA / FORT LAUDERDALE, FLORIDA (November 2, 2009): Basic Element, Russia's leading diversified investment company, has today signed a memorandum of intent with Island Global Yachting (IGY) to manage a world-leading marina complex in Sochi, paving the way for significant employment and investment opportunities in the region. IGY is also considering an option to become a co-investor in construction of the complex.

The Sochi marina by the Olympic Village, a key part of the legacy of the 2014 Winter Olympics, will be developed on the site of the Sochi cargo port, a major infrastructure project that will handle materials throughout the construction of the Olympic complex. Basic Element's investment in the construction of the cargo port and subsequent marina will see the site transformed into a world-leading marina in 2014.

Under the memorandum, IGY, one of the world's premier marina management companies, will handle the promotion and operation of the marina, providing a full range of technical and lifestyle facilities that will meet even the most demanding standards. The project includes plans for moorings for 600-700 slips, which will support up to the very largest mega-yachts, and a recreation area with restaurants, swimming pool and tennis courts, as well as maintenance and winter storage areas for yachts.

The marina design was created by IGY's strategic partner in the CIS countries – AstraMarinas Company, which specializes in the design and construction of yacht clubs and marinas.

Yury Tyamushkin, managing director of the port business of Basic Element Company, commented "As a long-term investor, we want to see the Sochi development provide real long-term opportunities. This project will create a world-class marina on the Black Sea Coast, bringing significant business to the wider Sochi area. IGY have considerable experience in operating leading marinas around the world and we hope this partnership will see the site become a major landmark of Sochi, and contribute significantly to employment and tourism in the city,"

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“We are truly honored to have been selected as the marina manager for this impressive facility,” said Charles H.F. Garner, president, Island Global Yachting. “The Sochi marina by the Olympic Village is destined to become one of world’s premier nautical lifestyle destinations. We look forward to working with Basic Element, the Russian government and the people of Sochi to operate a highly-successful marina product and to greatly impact area business with increased tourism revenue, employment opportunities and more.”

About Basic Element

Basic Element is Russia's leading diversified investment company striving to conduct business in Russia and around the world in an effective and responsible manner. Basic Element's main assets are concentrated in six economic sectors - Energy, Resources, Manufacturing, Financial Services, Construction and Aviation.

About Island Global Yachting

From the islands of the Caribbean to the azure waters of the Arabian Gulf and other beautiful yachting destinations around the world, IGY is redefining the very idea of luxury marina experiences. Founded in 2005, IGY focuses on acquiring, controlling and/or servicing luxury-yacht marinas and the surrounding upland real estate properties. Island Global Yachting marinas operate under the signature Yacht Haven Grande collection and the IGY series brands, as well as several private labels. Headquartered in Fort Lauderdale, Florida, IGY also has offices in New York, NY; St. Thomas, USVI; Barcelona, Spain and Dubai, UAE. IGY is an affiliate of Island Capital Group LLC, a real estate merchant banking firm led and founded by Andrew Farkas, former chairman of Insignia Financial Group. For more information, please visit www.igymarinas.com.

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