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Steppe Cement Limited  
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STEPPE CEMENT LIMITED

TAX EXEMPTION

The directors of Steppe Cement Limited ("Steppe" or the "Company" AIM - STCM.L) are pleased to announce that the Company's 100% owned subsidiary, Karcement JSC ("Karcement"), has concluded an agreement with the Ministry of Industry and Trade of the Republic of Kazakhstan regarding the tax incentives covering its capacity expansion project.

The agreement grants a five year income tax and property tax exemption commencing on the date Karcement begins production from the refurbished dry lines and expiring not later than 31 December 2012.

Karcement will undertake the refurbishment of dry lines number 5 and 6 for an estimated total cost of US\$93 million during 2006 and 2007. This will provide the group with additional production capacity of 2.4 million tonnes of cement per annum.

The Company is also discussing possible exemptions from import duties and VAT on imported machinery for the project with the relevant authorities in Kazakhstan. The Company will inform the market as soon as any agreement in relation to this matter has been finalized and approved.

This information is provided by RNS  
The company news service from the London Stock Exchange