

ANGLO-SIBERIAN OIL COMPANY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2008

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Anglo-Siberian Oil Company Limited

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Anglo-Siberian Oil Company Limited**Director**

Nikita Tolstikov

Secretary and Registered OfficeComhill Secretaries Limited
St. Paul's House, Warwick Lane, London, EC4M 7BP**Auditors**Moore Stephens LLP
Chartered Accountants
St. Paul's House, Warwick Lane, London, EC4M 7BP**Report of the Directors**

The directors present their annual report and audited financial statements for the year ended 31 December 2008.

Review of Activities

The principal activity of the Company is to act as a holding company for subsidiaries involved in the exploration and appraisal of oil and gas reserves. Following the settlement of the action taken by Total against the company and its subsidiaries the directors are now proceeding with the liquidation of the company and its subsidiaries.

Results and Dividends

The Company's loss on ordinary activities after taxation was U.S.\$12,471,804 (2007 - loss of U.S.\$741,759). The directors do not recommend the payment of a dividend (2007 - \$Nil).

Disclosure of Information to Auditors

So far as the director at the date of approval of this report is aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

Directors

The following directors held office during the year:

S.V Khotochkin	-	resigned on 5 June 2008
R. Sharipov	-	resigned on 5 June 2008
S.A. Gordin	-	appointed on 5 June 2008, resigned on 25 September 2009
N. Tolstikov	-	appointed on 5 June 2008

Auditors

The auditors, Moore Stephens LLP, are willing to continue in office. A resolution for their reappointment and authorising the directors to fix their remuneration will be submitted to the annual general meeting.

By order of the Board



NIKITA TOLSTIKOV
Director

Anglo-Siberian Oil Company Limited**Statement of Directors' Responsibilities
For the year ended 31 December 2008**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Independent Auditors' Report to the Shareholders of
Anglo-Siberian Oil Company Limited**

We have audited the financial statements of Anglo-Siberian Oil Company Limited for the year ended 31 December 2008 which are set out on pages 4 to 10. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2008 and of its results for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.
- the information given in the director's report is consistent with the financial statements.

St. Paul's House
London, EC4M 7BP

19 November 2009

Moore Stephens LLP

MOORE STEPHENS LLP

Registered Auditors
Chartered Accountants

Anglo-Siberian Oil Company Limited

**Profit and Loss Account
For the year ended 31 December 2008**

	<u>Note</u>	<u>2008</u>	<u>2007</u>
		U.S.\$	U.S.\$
Settlement of legal claim	13	3,802,049	707,566
Administrative expenses (refunded)		(15,162)	34,252
Operating Loss		<u>3,786,887</u>	<u>741,818</u>
Impairment of investment		8,687,554	-
Interest receivable and similar income		(2,637)	(59)
Loss on Ordinary Activities	2	<u><u>12,471,804</u></u>	<u><u>741,759</u></u>

Summary of Retained Losses

	<u>2008</u>	<u>2007</u>
	U.S.\$	U.S.\$
At 1 January 2008	150,140,486	149,398,727
Loss for the financial year	12,471,804	741,759
At 31 December 2008	<u><u>162,612,290</u></u>	<u><u>150,140,486</u></u>

There were no recognised gains or losses other than those included in the profit and loss account.


The accompanying notes form an integral part of these financial statements.

Anglo-Siberian Oil Company Limited

Balance Sheet - 31 December 2008

	<u>Note</u>	<u>2008</u>	<u>2007</u>
		U.S.\$	U.S.\$
Fixed Assets			
Investments	4	-	8,687,554
Current Assets			
Debtors	5	16,213,408	13,144,658
Cash at bank and in hand		30,596	1,610
		<u>16,244,004</u>	<u>13,146,268</u>
Creditors, amounts falling due within one year	6	<u>(5,491,788)</u>	<u>(47,549,802)</u>
Net Current Assets/(Liabilities)		<u>10,752,216</u>	<u>(34,403,534)</u>
Creditor, amount falling due after one year	7	<u>(137,373,000)</u>	<u>(88,433,000)</u>
Total assets less current liabilities		<u><u>(126,620,784)</u></u>	<u><u>(114,148,980)</u></u>
Capital and Reserves			
Called up equity share capital	8	18,655,029	18,655,029
Share premium account	9	17,336,477	17,336,477
Profit and loss account		<u>(162,612,290)</u>	<u>(150,140,486)</u>
Equity Shareholders' Deficit	10	<u><u>(126,620,784)</u></u>	<u><u>(114,148,980)</u></u>

The financial statements were approved by the Board of Directors on 13 November 2009
and signed on its behalf by



NIKITA TOLSTIKOV

Director

The accompanying notes form an integral part of these financial statements

Company Registration No: 03561414

Anglo-Siberian Oil Company Limited**Financial Statements for the year ended 31 December 2008****Notes****1. Accounting Policies**

A summary of the principal accounting policies which have all been applied consistently throughout the year and the preceding year, is set out below.

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

(b) Basis of Preparation

It is the intention of the directors to arrange for this company to be wound up. The financial statements have therefore been prepared on a basis other than that of a going concern and includes where appropriate, writing down the company's assets to net realisable value. The financial statements do not include any provisions for the future costs of terminating the business of the company except to the extent that such were committed at the balance sheet date.

(c) Investments

Fixed asset investments are shown at cost less provision for any impairment in value.

(d) Foreign currencies

The Company's functional currency is the United States dollar (US\$). Transactions in currencies other than US\$ are recorded at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in currencies other than US\$ at the balance sheet date are reported at the rates of exchange prevailing at that date. All differences are included in the profit and loss account.

(e) Taxation

Corporation tax is provided on taxable profits at the current rate.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more or a right to pay less tax.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the reversal of the underlying timing differences can be deducted.

(f) Group accounts

No group accounts have been prepared as the Company has taken advantage of the exemption conferred by section 249 of the Companies Act 1985 on the basis that the Company satisfied the "small size" group criteria.

Anglo-Siberian Oil Company Limited

Financial Statements for the year ended 31 December 2008

Notes (Continued)

2. Loss on Ordinary Activities

Loss on ordinary activities is stated after charging:

	<u>2008</u>	<u>2007</u>
	\$	\$
Foreign exchange loss	4,878	25,405
Auditors' remuneration - audit services	12,000	20,000
	<u> </u>	<u> </u>

None of the directors received any emoluments during the year.

3. Taxation

No liability to corporation tax arises on the results for the year or in the previous year as the company has sustained operating losses in both years.

4. Fixed Asset Investments

	<u>2008</u>	<u>2007</u>
	\$	\$
Subsidiary undertakings	8,687,554	8,687,554
Provision	(8,687,554)	-
	<u> </u>	<u> </u>
	-	8,687,554

The company has investments in the following subsidiary undertakings:

<u>Subsidiary</u>	<u>Country of Incorporation/ Registration</u>	<u>Principal Activity</u>	<u>Proportion of Ordinary Shares Held</u>
Anglo Siberian Oil Company Holdings Limited	Guernsey	Non-trading	100%

Subsidiary of Anglo Siberian Oil Company Holdings Limited:

Anglo Siberian Oil Services Limited	England and Wales	Dormant	100%
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Anglo Siberian Oil Company Holdings Limited did not trade during the year and had a net deficit of \$1,504,204.

Anglo Siberian Oil Services Limited was dissolved in 2009.

Anglo-Siberian Oil Company Limited

Financial Statements for the year ended 31 December 2008

Notes (Continued)

5. Debtors		
	<u>2008</u>	<u>2007</u>
	\$	\$
Amounts owed by group undertakings (note 11)	<u>16,213,408</u>	<u>13,144,658</u>
Amounts owed by group undertakings are repayable on demand and are not interest bearing.		
6. Creditors, amounts falling due within one year		
	<u>2008</u>	<u>2007</u>
	\$	\$
Provision for legal claim (note 13)	-	45,825,787
Amounts owed to group undertakings (note 11)	5,416,100	1,648,327
Other creditors	75,688	54,719
Accruals	-	20,969
	<u>5,491,788</u>	<u>47,549,802</u>
7. Creditor, amount falling due after one year		
	<u>2008</u>	<u>2007</u>
	\$	\$
Loan from OJSC Oil Company Rosneft (see note 13)	<u>137,373,000</u>	<u>88,433,000</u>
8. Equity Share Capital		
	<u>2008</u>	<u>2007</u>
Authorised		
200,000,000 ordinary shares of 25p each	<u>£ 50,000,000</u>	<u>£ 50,000,000</u>
Allotted, called up and fully paid		
46,289,820 ordinary shares of 25p each	<u>£ 11,572,455</u>	<u>£ 11,572,455</u>
	<u>U.S.\$ 18,655,029</u>	<u>U.S.\$ 18,655,029</u>

Anglo-Siberian Oil Company Limited

Financial Statements for the year ended 31 December 2008

Notes (Continued)

9. Share Premium Reserve

	<u>Share Premium</u> \$
At 1 January 2008 and at 31 December 2008	17,336,477

10. Reconciliation of Movements in Shareholders' Funds

	<u>2008</u> \$	<u>2007</u> \$
Loss for the financial year	(12,471,804)	(741,759)
Opening shareholders' funds	<u>(114,118,900)</u>	<u>(113,407,221)</u>
Closing shareholders' funds	<u>(126,590,704)</u>	<u>(114,148,980)</u>

11. Related Party Transactions

Amounts owed by and to group undertakings as shown in notes 5 and 6 are as follows:

	<u>2008</u> \$	<u>2007</u> \$
Amounts owed by group undertakings		
Rosneft Investments Limited	-	13,144,658
Anglo Siberian Oil Company (Cyprus) Limited	<u>16,213,408</u>	<u>-</u>

	<u>2008</u> \$	<u>2007</u> \$
Amounts owed to group undertakings		
Rosneft Investments Limited	4,475,829	-
Anglo Siberian Oil Services Limited	-	171,009
Anglo Siberian Oil Company Holdings Limited	940,771	769,762
Anglo Siberian Oil Company (Cyprus) Limited	-	707,556
	<u>5,416,100</u>	<u>1,648,327</u>

Anglo-Siberian Oil Company Limited**Financial Statements for the year ended 31 December 2008****Notes (Continued)****12. Controlling Parties**

As at the balance sheet date, the Company's immediate parent company is Rosneft Investments Limited, incorporated in Jersey, and its ultimate parent company, and ultimate controlling party, is OJSC Oil Company Rosneft, incorporated in Russia.

13. Claim

In 2002 an option agreement was entered into between the Company and Total E&P Vankor (Total) under which Total had a conditional option to buy the Company's 60% stake in OOO Taymyrneft which it held through Anglo Siberian Oil Company Limited (Cyprus) (ASOC Cyprus) for U.S.\$1m. Total obtained injunctions in various jurisdictions to prevent the parent company, Rosneft Investments Limited, from trading in the shares of OOO Taymyrneft. In 2005 Total filed for arbitration under the option agreement requesting legal title to the 60% ownership in OOO Taymyrneft or alternatively damages in the amount of U.S.\$709 million.

In January 2007 the arbitration tribunal dismissed the Total claim for specific performance but awarded Total damages of U.S.\$116 million plus interest and legal costs. This amount, together with interest and legal costs of U.S.\$18 million has been provided for in these financial statements.

The claim was settled in October 2007 under an agreement whereby the Company acquired 100% of the issued capital of the claimant, E&P Vankor, for a consideration of U.S.\$88.43 million. The Company was also required to settle the claimant's tax liability of U.S.\$49 million arising in respect of the arbitration award.

To finance the settlement, OJSC Oil Company Rosneft has made an interest-free loan of U.S.\$140.31 million to the Company, secured by promissory notes issued by the Company and repayable by 15 October 2010.