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**Press Release
February 13, 2008**

**Vostok Nafta Investment Ltd.
Twelve Months Report
Covering the Period
January 1, 2007–December 31, 2007**

- Net result for the period was USD 282.77 mln (Jan 1, 2006–Dec 31, 2006: 69.63). Earnings per share was USD 6.14 (1.51). Net result for the quarter was USD 178.87 mln (Oct 1, 2006–Dec 31, 2006: 69.24). Earnings per share for the quarter was USD 3.89 (1.50).
- The net asset value of the company was USD 803.95 mln (Dec 31, 2006: 385.04) on December 31, 2007, corresponding to USD 17.47 (8.37) per share. Given a SEK/USD exchange rate of 6.4683 the corresponding values were SEK 5,200.22 mln and SEK 113.00, respectively.
- The group's net asset value per share in USD increased by 108.72% (excluding effect from proceeds from new share issue: +51.29%) over the period January 1, 2007–December 31, 2007. During the same period the RTS-index increased by 19.23% in USD terms. Over the period October 1, 2007–December 31, 2007 the Group's NAV per share increased by 28.64% (RTS-index +10.60%).
- The number of outstanding shares at the end of the period was 46,020,901.
- The net asset value per share of Vostok Nafta as of January 31, 2008 was USD 19.47 (SEK 124.03).



Background

In order to highlight the value of the non-Gazprom-related holdings of Old Vostok Nafta, offer more direct and transparent exposure to Vostok Nafta's portfolio of assets, and meet different investors' risk preferences, the shareholders in Vostok Gas Ltd approved the board of directors' proposal for the Restructuring of Old Vostok Nafta at an extraordinary General Meeting on May 24, 2007.

The Restructuring entailed spinning off the non-Gazprom-related part of Old Vostok Nafta's portfolio into a new company, New Vostok Nafta. As a result of this Restructuring, Old Vostok Nafta changed its name on May 24, 2007 to Vostok Gas Ltd, and New Vostok Nafta took over the name Vostok Nafta Investment Ltd.

The board of directors that was elected at the General Meeting in Vostok Gas on March 30, 2007, will continue to work in Vostok Nafta. Furthermore, the current corporate management of Vostok Gas continues to manage both Vostok Nafta and Vostok Gas following the Restructuring.

For further information on accounting principles applied in and financial effects from the Restructuring; see notes 1 and 2 on page 23.

Vostok Nafta – legal structure

Vostok Nafta Investment Ltd was incorporated in Bermuda on April 5, 2007 with corporate identity number 39861. A change of name from Vostok Nafta Holding Investment Ltd was made effective in June 2007.

As at December 31, 2007 the Group consists of one Bermudian parent company, one wholly owned Bermudian subsidiary, one wholly owned Cypriot subsidiary, one wholly owned Russian Subsidiary and one wholly owned Swedish subsidiary. The Swedish Depositary Receipts of Vostok Nafta (SDB) are from July 4, 2007, listed on the OMX Nordic Exchange Stockholm (previously the Stockholm Stock Exchange), Mid Cap segment, with the ticker VNIL SDB.

The financial year is January 1–December 31.

Group – results for the period and net asset value

During the period, the result from financial assets at fair value through profit or loss amounted to USD 157.58 (61.91) mln. Result from investments in associated companies was USD 124.52 (–) mln. Dividend income was USD 10.09 (12.54) mln.

Operating costs were USD –5.71 (–3.44) mln.

Net financial items were USD –2.16 (0.61) mln.

Net result for the period was USD 282.77 (69.63) mln.

Total shareholders' equity amounted to USD 803.95 (385.04) mln on December 31, 2007.



Group – results for the quarter

During the quarter, the result from financial assets at fair value through profit or loss amounted to USD 118.02 (57.21) mln. Result from investments in associated companies was USD 64.02 (2.17) mln. Dividend income was USD 0.54 (11.75) mln.

Operating costs were USD –2.39 (–1.22) mln.

Net financial items were USD –0.50 (1.19) mln.

Net result for the quarter was USD 178.87 (69.24) mln.

Parent company

The parent company will finance the Cypriot subsidiary's operations on market terms. The net result for the period April 5, 2007–December 31, 2007 was USD 3.22 mln.

Liquid assets

The liquid assets of the group, defined as cash and bank deposits adjusted for concluded but not yet settled share transactions, amounted to USD 30.70 (-2,50) mln on December 31, 2007.

Management's summary

Markets

Enough has been written about the effects on the global economy from the subprime crisis in the US to eliminate any need to cover it at length here. Will it lead to slower US growth (and possibly negative growth) during the next couple of quarters? Yes. Will it lead to a collapse in global demand? Not likely. The lately so beaten down theory about business cycles seems to be back in fashion and we are in for a softer patch – which will take its toll on typically cyclical industries which have seen some very good years. However we see limited risk of a prolonged downturn, if any at all, for the price situation for many commodities – including oil, copper and zinc. This is driven by supply issues in all of these commodities which are to an extent being addressed by investments into new production capacities. However, these are yet to deliver real production results yet. Demand for oil for example would have to not only not grow, but also actually contract for existing supply sources to keep up.

Against this backdrop we do see Russia holding up well. A short term softer commodity pricing outlook (for example oil falling to USD 65–70 per barrel in a momentum driven by a very bearish short term environment trying to discount an outright collapse in demand) could bring down Russian GDP growth rates to 5% – from current levels of around 8%. This might actually have a positive effect on the difficult fight against inflation in the country. Several years of 7–8% GDP growth rates have brought it signs of over-heating, most notably in the inflation figures (at 12.6% year-on-year in January 2008).



However, domestic savings in Russia, especially of the public kind, are large enough to cushion against short-to-medium term gloominess in the developed markets.

In general terms a higher inflation does erode the margins of commodity exporters requiring a more selective approach to stock picking within these sectors. Companies with a domestic focus not only on costs, but also revenues will obviously benefit in relative terms. Another clear implication of the heated macro situation in Russia is the strengthening rouble. The reluctance of the Central Bank of Russia to use an appreciating currency as an anti-inflationary tool stems from the concern on competitiveness of domestic industries. Come the new President in March 2008 we could perhaps expect more dramatic measures on the appreciation of the rouble, maybe even coupled with renewed efforts on the structural reform side.

Will there be such renewed efforts? The general perception at the moment is that Dmitry Medvedev is now only a temporary replacement of President Putin, and that President Putin is most likely to return as the President in 2012. Therefore things are not going to change after the March elections, and President Putin's position as the leader of the United Russia party that won the Duma elections and his intention to become the future prime minister only reinforces that view.

There is a different theory however, which to us looks rather credible. According to informed observers, President Putin is in favour of assuming a more non-executive role of influence going forward. This is hardly possible now as he has been unwilling to cede control to a less liberal candidate who could successfully balance interests of various groups of influence while keeping the situation under firm control. At the same time Mr. Medvedev was not ready to assume the powers in full on his own due to his limited experience and track record of a statesman. If that is the case, then Mr. Medvedev has a broader mandate than the consensus view and in case of a successful first term may well stay on if Mr. Putin don't find himself missing the presidential powers and responsibilities too much while maintaining a position of informal influence.

Some key policy elements will certainly stay unchanged, such as working on Russia's greater influence on the international arena and the control over strategic resources – which may occasionally lead to new tensions with the West. However, at the same time one may expect moves to gradually reduce the influence of the siloviki groups, reduce corruption as well as to continue strategically important programmes in national education, healthcare, housing and infrastructure.

Vostok Nafta

At Vostok Nafta we are actively seeking a deal flow along the macro themes that to a certain extent are already present in the portfolio. These themes could be described as follows: oil price, commodities super cycle, Russian energy restructuring, Russian infrastructure upgrade and normalisation (or What works in the West will work in the East).

On top of this we have found ourselves recipients of an accelerating deal flow stemming from our long time presence in the market place. Due to the tighter liquidity situation in global markets we have with gratitude found ourselves a little more lonely on the buy side which valuation wise is certainly more attractive than it was six months ago.



We have increased our focus on private equity over the past years. As described in the last quarterly report our capacity to act within this asset class has been notably strengthened by the new additions to our Moscow office. The weakening public equity market has also given rise to more opportunities within both the trading segment (larger caps) as well as potentially longer term investments amongst small caps.

During the period we have invested into one large cap, but with an extreme illiquidity attached to it – Alrosa. The stock has many of the characteristics of Gazprom under the ring fence constraints. Its fundamentals are described later in this report but we believe a likely trigger for a part revaluation will be the company's restructuring and subsequent IPO (2009).

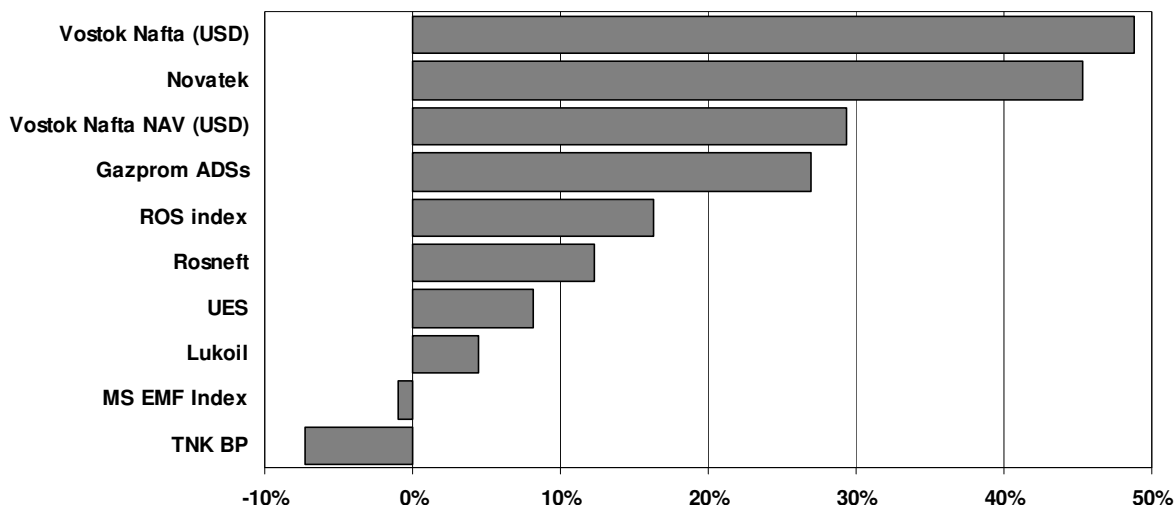
We have also completed a private equity investment into Tinkov Credit Systems (TCS) through a debt and equity unit. Investments into debt are not something we typically seek but in this situation it was nevertheless required to get “a foot in the equity door” of this potentially very attractive company. The unit gives a high yielding debt exposure, as well as roughly 2% of the company. A brief description follows later in this report.

During the first half of 2008 we see ourselves engaging in several new investments, both private and public. These will be financed by a certain turnover in the existing portfolio but also through increased leverage. Our existing debt is due in April and we are currently working on refinancing it and increasing the leverage to more “normal” levels of around 15–20%.

Vostok Nafta's portfolio development

Vostok Nafta's net asset value/share increased by 28.64% during the period October 1, 2007 to December 31, 2007 compared to the RTS index increase of 10.60%.

Percent development, October 1–December 31, 2007





Ukraine

The political fight in Ukraine continues. Although the leading coalition in the parliament had been formed by the end of December (by a slim majority of two votes), it took several heated sessions of the Rada to elect Yulia Tymoshenko as the new Prime Minister. Despite the New Year holiday season, both the parliament and the Cabinet went to work right away.

So far, Ukraine's new government has proved to be much more dynamic than the one that governed the country in 2007. The agenda of the new government is a national breakthrough, which assumes a large amount of law-making work. However, it is still to be seen whether Yulia Tymoshenko and her followers have learned the lessons of 2005. The first signs are quite mixed, with a dedicated push to write new laws on one hand, and still old games in revision of several cases of privatisation (Luhansk Teplovoz and Zaporizhia Ferroalloy Plant as immediate examples) and populism (the move to start payments to depositors of the former USSR savings bank) on the other. The initial signs of the resumed rivalry between President Yushchenko and Prime Minister Tymoshenko also started to show in the form of the president interfering with the moves of the prime minister on the crucial issue of gas supplies (see a more detailed description below), or by calling on the government to revise its privatisation plan only hours after its approval by the cabinet.

Still, privatisation appears to be one of the few credible ways to finance growing budget expenditures, and we see some encouraging signs that it is moving ahead. The long-awaited privatisations of the Odessa Portside Plant and Ukrtelecom (much bigger than the expected 67.79% stake) have finally been announced. The government even made a move to accelerate the privatizations and appointed Andriy Portnov, a member of the governing coalition, as acting chairman of the State Property Fund (SPF), while the parliament, whose approval is required for the top SPF job, remains physically blocked by the opposition deputies. Yet, as the head of the SPF cannot be dismissed without the consent of the Rada, President Yushchenko intervened immediately and annulled the move by the government – a small victory for the rule of law in Ukraine.

During the period we have also noticed a lack of political consolidation and/or public consensus on reforms, which will continue to drag on the government's performance. For example, due to the lack of political resolve and differences in opinions within the ruling coalition, the moratorium on land sale has ended, but still the agricultural land reform has been effectively postponed for another year. The mixture of populist moves and action constraints is coming on the back of deteriorating macroeconomic parameters (especially inflation pressures) globally, so Ukraine, without an active anti-inflationary policy is suffering as well. The latest CPI report confirmed that consumer prices surged again in January, rising 2.9% MoM (following jumps of 2.1% in December and 2.2% in November) and 19.8% YoY, the highest rate since 2000. Food prices again showed the largest growth of 4.3% MoM, while fuel-price inflation slowed to 1.2% during the month – from 3.8% in December and 9.1% in November.

Gas woes continue

The issues related to the gas imports (quite sizeable at 50–55 bcm pa, and also costly) are inevitably at the top of the agenda of the new Ukrainian Cabinet. With the year starting, the focus of the renewed attack is the involvement of RosUkrEnergo and the general principles of gas supplies to Ukraine.



Oleh Dubyna, previously the head of NAK UEC, the Ukrainian state energy holding, became the head of Naftogaz Ukraine and during his first visits to Moscow made a controversial statement that Ukraine would like to substantially increase gas transit tariff for Russian gas heading to Europe - from current \$1.7/mcm/100 km to ~\$7/mcm/100 km. From the standpoint of Mr. Dubyna, this increase would help Ukraine to cope with the soaring gas prices.

Yet, President Yushchenko spoke out against such a move, claiming that this would trigger the response of a matching rise in transportation tariffs for Ukraine-designated gas crossing Russia and, as a result, would cause higher domestic gas prices for Ukraine. A back of the envelope analysis confirms this: Russia transports around 125–127 bcmpa via a 950-1100 km long Ukrainian system to Europe, while 50-55 bcmpa of gas from Central Asia is transported ~2500 km through Gazprom's network to Ukraine. As a result, the transit charges are in parity as long as the transportation tariffs on both sides are linked to one another. For Gazprom such a change in tariffs would be neutral, while Naftogaz Ukraine is perhaps hopeful of improving its finances by pocketing increased transit payments from Russia while passing the increase in transit fees for imported gas to domestic industrial consumers. Given the clear risks of such a move to Ukrainian economic growth, as well as negative effects on the population, President Yushchenko's opposition to this proposal is understandable - and we are sceptical that the transit tariff will be changed.

Following the initial setback, Oleh Dubyna turned his offensive on RosUkrEnergo and requested a permission to buy 50 bcm of gas in 2008 directly from Central Asian producers (mainly Turkmenistan). The practical details of this proposal are unclear, as all of the Turkmen gas has already been committed and the transit capacity has been contracted to RosUkrEnergo, so without an agreement with Gazprom regarding the elimination of this intermediary Dubyna's proposals have no future.

Meanwhile, the cold winter in Central Asia and the diversions of gas to meet increased local demand correspondingly reduced the amount of gas flowing via RosUkrEnergo to Ukrainian consumers. Gazprom filled the gap by supplying Ukraine with its own gas without any contracts and therefore priced at \$314.7/mcm (European levels, as agreed earlier in general principles). In a move intended to prepare proper discussions during the visit of President Yushchenko and Prime Minister Tymoshenko to Moscow on February 12, 2008, Gazprom issued a press release and insisted on Ukraine repaying its gas-related debts of reaching USD 1.5 bln in full.

Ukraine enters the WTO

On a positive note, on February 5 Ukraine's president Viktor Yushchenko and the WTO Secretary General Pascal Lamy signed a protocol to admit Ukraine to the World Trade Organization. This successfully completed over 13 years of negotiations. Within two weeks the accession documents will be passed to the Rada for ratification, the deadline for which is July 4, 2008. The country will officially become a member 30 days after the ratification of the package, therefore, the country's membership should be in full legal force by the summer. Ukrainian officials estimate that joining the WTO could add 1.5%–2.0% in extra GDP growth per year.

The direction of Ukrainian foreign policy remains definitely pro-European and while Russia is still a crucial trading partner and neighbour, it is the gravity towards Europe that is clearly defining the direction of future development.



Poltava GOK share issue

On its EGM on December 7, 2007, Ukrainian iron pellet producer Poltava GOK had approved an increase in its share capital, aimed at financing the expansion plans.

Given the deficiencies of the Ukrainian laws on capital markets, local companies are allowed to issue capital only at the nominal value of their shares (a legal nonsense providing absolutely no incentives to enhance market capitalisation). As a result, Poltava GOK's issue was highly dilutive and pushed the existing shareholders to participate in the closed subscription to avoid substantial dilution in the value of their holdings in the company.

On top of the total authorised capital of 1,149,384,000 hryvnias, the company issued 25,350,000 new shares at 9.96 hryvnias each (around USD2, while the shares were traded in the market above USD16), for a total proceeds of 252,486,000 hryvnias, thus increasing the amount of its outstanding shares by approximately 22%.

The close subscription had been held in two stages:

1st stage: Dec 28, 2007–Jan 22, 2008, pre-emptive pro rata subscription for the existing shareholders

2nd stage: Jan 23, 2008–Jan 25, 2008, shareholders could buy the non-distributed shares on a first come-first served basis (leaving the majority holder London-listed Ferrexpo a likely beneficiary at this stage)

As the subscription had been handled by the company itself, without support from any broker, it had some further deficiencies. First, the subscription could be done only in person at the premises of PGOK in Komsomolsk city, Poltava oblast – no mail, fax or emails were accepted. Second, as the issue had been perceived by the company as an internal Ukrainian matters, no special considerations for GDR holders had been made. Only a timely help from the Bank of New York depositary services department had helped Vostok Nafta Investment (and other GDR holders) to subscribe to this new issue in Poltava GOK.

Coal

Coal prices, both thermal and coking, are booming, in dissonance with the recurring fears of a US recession and its potential effect on global commodities prices. The reasons for this are several, with short-term issues stacking on top of long-term structural changes:

- on the demand side, continuing economic growth in China and India (together with other Asian countries accounting for more than half of global coal consumption) resulted in pressure on global suppliers of coal, especially after China became a net coal importer in early 2007
- this caused substantial infrastructure bottlenecks in Australian and Indonesian (now the biggest exporter of thermal coal) ports, thus exacerbating the supply side long-term structural problems
- on top of this, several developments in early 2008 put even more short- to medium-term pressure on the coal supply, including:
 - In China, snowstorms limited the ability of power plants to source thermal coal as transportation halted and this resulted in China stopping of all export activity until April



- In Australia, heavy rains have flooded coal pits in Queensland, forcing the world's largest exporters of coking coal to declare force majeure
- In South Africa, also a major exporter of thermal coal, power shortages have forced the temporary closure of coal mines

As a result, spot settlements in 2008 started with prices for hard coking coal of USD 210/ton, with the most recent transactions reaching the levels of USD 275/ton. With 40% of the world's electricity and most of its steel and cement production depending on burning coal, thermal coal prices have risen to as much as USD 130/ton. The analysts are currently upgrading their outlook for thermal coal prices by lifting their annual average forecasts to the USD 125/ton levels.

Russia, the world's third-largest coal exporter, is unlikely to boost production to make up for the global shortfalls. However, a widened shortage in China, the major export market for the Russian coal producers, is creating a profitable export opportunity for them and putting upward pressure on domestic coal prices too. This means, for example, that the commencement of operations at the in Listvyazhnaya preparation plant, allowing Belon to upgrade its thermal coal concentrate to the exportable grade, had an extremely good timing.

Black Earth Farming

Black Earth Farming Limited (BEF) was among the first foreign financed companies to make substantial investments in Russian agricultural land assets. BEF has thanks to its early establishment now gained a strong market position in the Kursk, Tambov, Lipetsk, Samara, Voronezh and Ryazan areas of Russia. On December 31, 2007, BEF controlled over 289,000 hectares of the richly endowed farmland in the Black Earth region, an increase of approximately 169,000 hectares since the beginning of the year. Of the total land under control, 247,403 hectares were in the process of ownership registration, 29,126 hectares were in registered ownership and 12,770 hectares was land under long-term lease agreements.

In December 2007, BEF was successfully listed on OMX First North in an offer which was several times oversubscribed. The offer provided BEF with SEK 1,920 million (gross) through an issue of 38,400,000 Swedish Depository Receipts (including over-allotment option). In conjunction with the IPO, BEF also listed its bonds on the OMX Nordic exchange.

The capital raised will be used to continue acquiring farmland and to develop BEF's farming operations. However, BEF has now moved into a new, more refined, land acquisition stage, whereby new acquisitions are primarily targeted by their proximity to existing assets. This proximity is important in order to create logistics efficiencies and other synergies. Extensive capital investments in modern machinery and equipment are also in progress, coupled with other operation enhancing measures such as thorough soil analysis and the education of the local workforce in modern farming techniques.

BEF conducted its first harvest of around 5,900 hectares in 2006. In 2007 BEF harvested approximately 52,000 hectares of crops, predominately wheat. The increase y-o-y of the harvest shows the result of BEF's efforts to continuously, and quickly, make their existing farmland efficiently harvestable after years of under development.



Kontakt East Holding

Kontakt East Holding AB (KEH) is a Swedish holding company which invests in companies active within search and guidance media in Russia and associated markets. KEH currently has investments in the business segments Directory Services and Consumer eCommerce. Directory Services offers its customers both online and offline directories and is operated through a number of subsidiaries which together give KEH a leading market position in Russia. Directory Services publishes directories in Moscow, St. Petersburg and eight other Russian districts. Online services are also provided through the web sites www.yellow-pages.ru, www.yell.ru and www.perm1.ru.

In October, 2007, KEH launched its first consumer e-commerce offering through the subsidiary KEH eCommerce and the website Avito.ru. The site provides an easy and accessible platform for companies and consumers who, through classifieds, wish to buy and sell goods and services over the Internet. In November, of the same year, KEH announced that it had signed a long term agreement with SUP, a leading Russian online media company. The agreement involved Avito.ru becoming an integrated part of one of Russia's top 10 internet sites, Livejournal. Avito.ru had beforehand established itself as Russia's fastest growing online market place, and through the agreement the site has gained significant additional exposure in terms of users and traffic. After energetic Christmas-trading the site now offers over 70,000 objects for sale and has more than 30,000 registered users.

Later in 2007 KEH carried out a fully subscribed new share issue, providing the company with approximately SEK 102 million before issue expenses. KEH has been the leading player within guidance media services in Russia for quite some time, and intends to continue to take a leading role in the consolidation of the market during 2008. In order to do this, further acquisitions of companies operating in major Russian cities may be of interest. Additionally, KEH are planning to launch at least one more platform within the Consumer eCommerce business segment. Vostok Nafta sees great potential in both KEH's existing operations and the Russian search and guidance media market in general. A new share issue was a natural step for the Company to facilitate its future growth and better able investments in product development and marketing. Therefore Vostok Nafta, as one of two major shareholders, was positive to the new share issue and chose to exercise all received subscription rights.

Alrosa

We have during the period invested into the world's second largest rough diamond producer, Alrosa. The company, which is located in Yakutia accounts for 97 percent of Russia's total diamond production, and approximately 25 percent of global rough diamond production. Alrosa operates alluvial-, open pit- and underground mines with an estimated explored reserve life of 25 years, and seven primary ore treatment production plants with an estimated throughput capacity of 30 million tons per year. In 2006 Alrosa produced diamonds for a total value of USD 2,332.2 million and manufactured polished diamonds for USD 141.1 million. Rough diamonds are primarily sold to the jewellery industry but also used for the production of industrial abrasives (non-gem diamonds). The company itself cuts and polishes a small share of its production at the subsidiary Brillianty Alrosa. Beside its Russian operations, Alrosa also has a large interest in a diamond production company in Angola.

Alrosa currently has the form of a closed joint-stock company, and the largest shareholders are the Russian Federation and the Republic of Sakha (Yakutia). However, plans were recently announced for an



IPO in London, Hong Kong or Toronto during 2009, in which the Russian Federation will keep a controlling stake with 50% +1 share.

Tinkoff Credit Systems

Tinkoff Credit Systems (TCS) bank is Russia's first purpose-built monoline credit card issuer. Founded by Oleg Tinkov, a well-know Russian entrepreneur and consumer product specialist, TCS commenced its commercial operations in June 2007, and has an aggressive plan to grow into a leading issuer of credit cards for the Russian market.

TCS is run by a talented team of experienced professionals formerly employed by Visa, Master Card, McKinsey and top Russian banks. TCS's operating model depends entirely on a non-branch-based service and its main channel for attracting clients is direct mail (post). The bank's plan is to distribute cards virtually all over Russia targeting primarily urban customers who live busy active lives. To achieve its ambitious goals TCS has acquired best in class technological platform allowing the company to handle customer acquisitions, servicing and payment collection.

The bank generates interest income charged on the outstanding credit card balance as well as an annual service fee, withdrawal fees and other fees (e.g. late payment fees). Basic rates remain at the level of 36% (average effective percentage rate) both for purchases and cash advances. To achieve payment discipline, in the event of late payment, the percentage rate will be increased to 54% and substantial fees will be charged. TCS is seeking to reach a 3–5% market share by 2010. According to the bank's projection the credit card segment will grow from today's USD 7bln to USD 20–25 blns which allow them to accumulate credit card loan portfolio of USD 1 500 mln.

Though starting form a low base, Russian bank loans to individuals have grown 12 times during the last 5 years. Nevertheless, Russian consumers continue to be underlevered by global standards. In 2006 consumer loans made up only 7% of the Russian GDP vs. 12% for Kazakhstan and 17% for the UK. When it comes to credit card lending, today only 1 genuine credit card is issued per 20 people in Russia while in Western Europe there are 2–3 credit cards for every person. With a population of 142 million people and double digit disposable income growth, Russian consumer lending will continue to show strong growth.

In September 2007, Goldman Sachs became a TCS's minority shareholder. In December 2007, Vostok Nafta has entered into a syndicated term loan arrangement whereby it committed to provide RUR 500 million and became entitled to warrants representing slightly below 2% of TCS's equity.



Investments

During the period net investments in financial assets (including change in loan receivables and acquisition of subsidiaries) were USD 151.82 (139.14) mln.

Major changes of securities in the portfolio during the quarter were:

Purchases (shares)

+ 160,429,053 Kuzbassrazrezugol

Sales (shares)

– 57,500 Silvinit Pref

– 177,700 Tatneft ADR

– 10,578,336 Luganskteplovovoz

Portfolio structure

The investment portfolio stated at market value as at December 31, 2007 is shown on next page. Vostok Nafta's three biggest investments are Black Earth Farming (25.11%), Kuzbassrazrezugol (12.04%) and TNK BP Holding Pref (10.34%).



Vostok Nafta portfolio as at December 31, 2007

Number of shares	Company	Market Price, USD	Market Value, USD	Percentage Weight
Oil, Russia				
1,000,000	Bashneft Pref	10.75	10,750,000	1.31%
488,000	Gazprom Neft ADR	21.00	10,248,000	1.25%
5,789,903	Kherson Oil Refinery	0.05	283,705	0.03%
2,025	Orsk Refinery Ord	35.00	70,875	0.01%
538	Orsk Refinery Pref	29.70	15,979	0.00%
27,800	Tatneft ADR	120.00	3,336,000	0.41%
1,200,000	Tatneft Pref	3.60	4,320,000	0.53%
45,468,616	TNK BP Holding Pref	1.87	85,026,312	10.34%
9,378	Transneft Pref	1,980.00	18,568,440	2.26%
Total Oil, Russia			132,619,311	16.13%
Oil, Non Russia				
233,250	Caspian Services Inc.	3.25	758,063	0.09%
Total Oil, Non Russia			758,063	0.09%
Total Oil			133,377,374	16.22%
Gas				
100,000	Yakutgazprom	0.15	15,000	0.00%
Total Gas			15,000	0.00%
Energy				
72,500,000	Dagestan Regional	0.19	13,775,000	1.67%
2,618,241	Kyrgyzenergo	0.06	168,688	0.02%
300,000	Sayano Shushenskaya GES	1.80	540,000	0.07%
20,903,442	Volzhskaya GES	0.97	20,276,339	2.47%
12,570,000	Zeiskaya GES Pref	0.50	6,285,000	0.76%
Total Energy			41,045,027	4.99%



Vostok Nafta portfolio as at December 31, 2007 (continued)

Number of shares	Company	Market Price, USD	Market Value, USD	Percentage Weight
Others				
966	Alrosa Co Ltd	28,000	27,048,000	3.30%
161,952	Armada	20.50	3,320,016	0.40%
929,700	Belon	80.00	74,376,000	9.04%
26,715,404	Black Earth Farming Ltd	7.73	206,510,073	25.11% ¹⁾
272,107	Dakor	26.76	7,282,400	0.89%
31,274	Gaisky GOK	680.00	21,266,320	2.59%
39,000	Gornozavodsk Cement	600.00	23,400,000	2.85%
1,600,000	Kamkabel	5.07	8,112,000	0.99%
375,000	Kemerovo Azot	37.25	13,968,750	1.70%
2,940,000	Kontakt East Holding AB	4.30	12,636,120	1.54% ¹⁾
1,470,000	Kontakt East Holding AB BTA	4.10	6,022,443	0.73% ¹⁾
231,434,053	Kuzbassrazrezugol	0.43	99,053,775	12.04%
1,516,055	Poltavsky GOK GDR	15.06	22,831,788	2.78%
9,000	Priargunsky Industrial Ord	515.00	4,635,000	0.56%
1,200	Priargunsky Industrial Pref	320.00	384,000	0.05%
11,004,813	Rusforest Ltd		21,521,056	2.62% ^{1,3)}
275,000	Shalkiya Zinc	4.00	1,100,000	0.13%
151,000	Sibcement	170.00	25,670,000	3.12%
2,000,000	Sistema	1.64	3,280,000	0.40%
6,167,161	Systemseparation	0.25	1,523,289	0.19%
	Tinkoff Credit System, debt		6,207,844	0.75% ²⁾
	Tinkoff Credit System, WTS		2,000,000	0.24%
1,124,045	Uchalinsky GOK	19.00	21,356,855	2.60%
	Volga – Nash Dom, debt		2,930,000	0.36% ²⁾
523,800	Waymore Holding (TKS)	22.38	11,720,549	1.43%
Total Others			647,956,278	78.79%
Total investments in financial assets			822,393,679	100.00%

1. These investments are shown in the balance sheet as investments in associated companies.

2. These investments are shown in the balance sheet as Loan receivables.

3. This investment is recognized at acquisition cost.



Income statements – Group

(Expressed in USD thousands)	Note	Jan 1, 2007– Dec 31, 2007	Jan 1, 2006– Dec 31, 2006	Oct 1, 2007– Dec 31, 2007	Oct 1, 2006– Dec 31, 2006
Result from financial assets at fair value through profit or loss		157,579	61,908	118,023	57,205
Result from investments in associated companies		124,521	-	64,021	2,170
Dividend income		10,087	12,541	543	11,747
Other operating income	3	325	-	57	-
Total operating income		292,512	74,449	182,641	71,122
Operating expenses		-5,705	-3,441	-2,385	-1,224
Russian dividend withholding tax expenses		-1,499	-1,897	-74	-1,767
Operating result		285,309	69,111	180,183	68,131
Financial income and expenses					
Interest income		1,225	584	416	1,181
Interest expense		-3,709	-	-954	-
Currency exchange gains/losses, net		538	26	96	13
Other financial expenses		-210	-	-57	-
Net financial items		-2,155	610	-498	1,194
Result before tax		283,154	69,721	179,684	69,324
Taxation		-389	-88	-811	-88
Net result for the financial period		282,765	69,633	178,874	69,236
Earnings per share (in USD)		6.14	1.51	3.89	1.50
Diluted earnings per share (in USD)		6.14	1.51	3.88	1.50



Balance sheets – Group

(Expressed in USD thousands)

Dec 31, 2007

Dec 31, 2006

NON CURRENT ASSETS

Tangible non current assets

Office equipment

545

316

Total tangible non current assets

545

316

Financial non current assets

Financial assets at fair value through profit or loss

566,566

294,808

Investment in associated companies

246,690

92,374

Loan receivables

9,138

-

Total financial non current assets

822,394

387,182

CURRENT ASSETS

Cash and cash equivalents

27,528

5,124

Receivables from related parties

4,894

611

Unsettled trades

3,172

-

Other current receivables

699

358

Total current assets

36,293

6,093

TOTAL ASSETS

859,232

393,591

SHAREHOLDERS' EQUITY

(including net result for the financial period)

803,954

385,043

NON CURRENT LIABILITIES

Deferred tax liabilities

1,358

11

Total non current liabilities

1,358

11

CURRENT LIABILITIES

Interest bearing current liabilities

Borrowings

50,438

-

Non-interest bearing current liabilities

Tax payable

106

585

Liabilities to related parties

586

-

Unsettled trades

-

7,626

Other current liabilities

1,818

27

Accrued expenses

972

299

Total current liabilities

53,920

8,537

TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES

859,232

393,591

PLEDGED ASSETS & CONTINGENT LIABILITIES

Pledged assets

822,394

-

Contingent liabilities

-

-



Statement of Changes in Equity – Group

(Expressed in USD thousands)	Share Capital	Additional paid in capital	Retained earnings including net result for the period	Minority interest	Total
Balance at December 31, 2005	-	-	209,035	156	209,191
Profit for the period	-	-	69,633	-	69,633
Total recognized income for the financial year January 1, 2006 to December 31, 2006	-	-	69,633	-	69,633
Transaction between Vostok Gas and Vostok Nafta	-	-	-11,855	-	-11,855
Assets provided through an issue in kind (note 1)	-	-	118,230	-	118,230
Reversal of minority interest arising on business combinations	-	-	-	-156	-156
	-	-	106,375	-156	106,219
Balance at December 31, 2006	-	-	385,043	-	385,043
Profit for the period	-	-	282,765	-	282,765
Total recognized income for the financial year January 1, 2007 to December 31, 2007	-	-	282,765	-	282,765
Employees share option scheme:					
- value of employee services	-	125	-	-	125
Proceeds from issue of warrants	-	-	476	-	476
Assets provided through an issue in kind (note 1)	-	-	-10,903	-	-10,903
Exercise of issued warrants	46,021	-	-46,021	-	-
Proceeds from new share issue, net of transaction costs (note 2)	-	146,351	-	-	146,351
Currency differences	-	-	97	-	97
	46,021	146,476	-56,351	-	136,146
Balance at December 31, 2007	46,021	146,476	611,467	-	803,954



Cash flow statements – Group

(Expressed in USD thousands)

	Jan 1, 2007– Dec 31, 2007	Jan 1, 2006– Dec 31, 2006
OPERATING ACTIVITIES		
Result before tax	283,154	69,721
<i>Adjustment for:</i>		
Interest income	-1,225	-584
Interest expenses	3,709	-
Currency exchange gains	-538	-25
Depreciation	78	40
Result from financial assets at fair value through profit or loss	-157,579	-61,908
Result from investments in associated companies	-124,521	-
Other non-cash items	1,127	-
Change in current receivables	-9,072	4,795
Change in current liabilities	10	18,887
Net cash used in/from operating activities	-4,858	30,926
Investments in financial assets	-354,036	-395,763
Sales of financial assets	219,482	256,622
Increase of loan receivables	-11,081	-
Acquisition of group companies	-6,181	-
Interest received	1,225	2
Tax paid	-606	-
Interest paid	-1,975	-12
Net cash flow used in operating activities	-163,499	-108,225
INVESTING ACTIVITIES		
Investments in machinery and equipment	-307	-264
Net cash flow used in investing activities	-307	-264
FINANCING ACTIVITIES		
Proceeds from borrowings	49,750	-
Proceeds from new share issue	146,350	-
Transactions between Vostok Nafta and Vostok Gas	-	-11,855
Assets and liabilities provided through an owner's contribution	-10,903	118,230
Proceeds from sale of warrants	476	-
Net cash flow from financing activities	185,673	106,375
Change in cash and cash equivalents	21,866	-2,114
Cash and cash equivalents at beginning of the period	5,124	7,212
Exchange gains/losses on cash and cash equivalents	538	26
Cash and cash equivalents at end of period	27,528	5,124



Key financial ratios – Group

	2007	2006
Return on capital employed, % ¹	46.06	20.88
Equity ratio, % ²	93.57	97.83
Shareholders' equity/share, USD ³	17.47	8.37
Earnings/share, USD ⁴	6.14	1.51
Diluted earnings/share, USD ⁵	6.14	1.51
Net asset value/share, USD ⁶	17.47	8.37
Weighted average number of shares for the financial period	46,020,901	46,020,901
Weighted average number of shares for the financial period (fully diluted)	46,020,901	46,020,901
Number of shares at balance sheet date	46,020,901	46,020,901

Until the utilization of the Warrants and the New Share Issue, the Company had only one share issued. The average number of shares used for meaningful key financial ratios is the number of shares outstanding after the conversion of the Warrants to shares.

1. Return on capital employed is defined as the Group's result plus interest expenses plus/less exchange differences on financial loans divided by the average capital employed (the average total assets less non-interest bearing liabilities over the period).
2. Equity ratio is defined as shareholders' equity in relation to total assets.
3. Shareholders' equity/share USD is defined as shareholders' equity divided by total number of shares.
4. Earnings/share USD is defined as result for the period divided by average weighted number of shares for the period.
5. Diluted earnings/share USD is defined as result for the period divided by average weighted number of shares for the period calculated on a fully diluted basis.
6. Net asset value/share USD is defined as shareholders' equity divided by total number of shares.



Income statement – Parent

(Expressed in USD thousands)	Apr 5, 2007– Dec 31, 2007	Oct 1, 2007– Dec 31, 2007
Operating expenses	-3,464	-1,716
Operating result	-3,464	-1,716
Financial income and expenses		
Interest income	6,735	3,503
Interest expense	0	-
Currency exchange gains/losses, net	-48	-61
Net financial items	6,687	3,442
Net result for the financial period	3,222	1,725



Balance sheet – Parent

(Expressed in USD thousands)

Dec 31, 2007

NON CURRENT ASSETS

Financial non current assets

Shares in subsidiaries 377,695

Receivables from Group companies 150,795

Total financial non current assets 528,490

CURRENT ASSETS

Cash and cash equivalents 113

Receivables from related parties 6

Other current receivables 261

Total current assets 379

TOTAL ASSETS 528,870

SHAREHOLDERS' EQUITY (including net result for the financial period)

527,674

CURRENT LIABILITIES

Non-interest bearing current liabilities

Liabilities to group companies 188

Other liabilities 152

Accrued expenses 855

Total current liabilities 1,195

TOTAL SHAREHOLDERS' EQUITY

AND LIABILITIES 528,870

PLEDGED ASSETS & CONTINGENT LIABILITIES

Pledged assets -

Contingent liabilities -



Statement of Changes in Equity – Parent

(Expressed in USD thousands)	Share Capital	Additional paid in capital	Retained earnings including net result for the period	Total
Profit for the period	-	-	3,222	3,222
Total recognized income for the financial period April 5, 2007 to December 31, 2007	-	-	3,222	3,222
Employees share option scheme:				
- value of employee services	-	125	-	125
Proceeds from issue of options	-	-	476	476
New share issue	0	-	-	0
Exercise of issued warrants	46,021	-	331,479	377,500
Proceeds from new share issue, net of transaction costs	-	146,351	-	146,351
	46,021	146,476	331,955	524,452
Balance at December 31, 2007	46,021	146,476	335,177	527,674



Note 1. Accounting principles

This consolidated interim account is prepared in accordance with IAS 34 Interim Financial Reporting. The same accounting principles and methods of calculations have been applied for the Group as for the preparations of the consolidated accounts for Vostok Nafta Investment Ltd 2006.

The transactions by which Vostok Nafta acquires subsidiaries and non Gazprom related assets, which have been recognized in other companies of the Vostok Gas Group, comprises transactions between companies under joint control. These transactions are being recognized to the same values as they were in the selling company, in accordance with the so called predecessor accounting method.

The items of the income statement that have been recognized in other companies of the Vostok Gas Group than in the completely transferred subsidiaries are non-Gazprom related realized and unrealized profits or losses from financial assets at fair value through profit or loss, results from investments in associated companies, dividend income (including withholding dividend taxes) and operating expenses that relate to non Gazprom assets.

The items of the balance sheet that have been recognized in other companies of the Old Nafta Group than in the completely transferred subsidiaries are non-Gazprom related financial assets at fair value through profit or loss, investments in associated companies, unsettled share trades, and receivables from associated companies. The transfer of the assets has been to shareholders' equity, i.e. as if the spin off of non Gazprom assets was carried out by way of an issue in kind.

Loan receivables

Loan receivables and other receivables are non-derivative financial assets with defined or definable payments and defined maturities that are not listed on an active market. The values established are amortized cost, and the valuation is based on the effective interest method (using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument).

Note 2. Restructuring of Vostok Nafta

In connection with the restructuring of Vostok Gas, Vostok Komi (Cyprus) Ltd (a company of the Vostok Nafta Group) acquired assets from Austro (Cyprus) Ltd (a company of the Vostok Gas Group) for a total amount of USD 377.5 million. Acquired assets were:

- non-Gazprom share portfolio worth of USD 370.7 million
- unsettled trades of USD 1.8 million, and
- cash of USD 5.0 million.

Payment for the acquired assets was made by Vostok Komi through an issue of a promissory note to Austro in the amount of to USD 377.5 million. Interest expense from the note, which carried an interest rate of 9%, amounts to USD 1.2 million. Thereafter, Vostok Nafta sold 46,020,900 Warrants to Vostok Gas for



the corresponding amount. Payment for the acquired Warrants was made by way of a promissory note to Vostok Nafta, by which Vostok Nafta thus had a receivable from Vostok Gas in the amount of USD 377.5 million. This receivable was used for the subsequent settlement of Vostok Komi's liability to Austro.

In addition to the acquired assets as specified above, Vostok Nafta has acquired Vostok Komi (Cyprus) Ltd and its subsidiary Vostok Nafta Sverige AB from Vostok Gas for a total consideration of USD 185 thousand.

After share split in Vostok Gas half of the outstanding shares were redeemed, whereby the consideration for the redemption was Warrants entitling the holder to subscribe for new Depository Receipts in Vostok Nafta. One warrant entitled the holder to subscribe for one new share, represented by a Swedish Depository Receipt, of Vostok Nafta to the subscription price of 22 SEK.

On July 4, 2007, the restructuring of old Vostok Nafta was completed through the listing of new Vostok Nafta on Stockholm Stock Exchange. The proceeds from the new share issue, net after new share issue costs, amounted to approximately USD 146 mln (SEK 990 mln).

Note 3. Related party transactions

During the period Vostok Nafta has been involved in the following related party transactions:

- assets acquired from Vostok Gas, as described in note 2,
- fees for management services provided to Vostok Gas Ltd amounted to USD 268 thousand,
- shared services expenses have been paid by Vostok Gas Sverige AB to Vostok Nafta Sverige AB in the amount of USD 338 thousand,
- rent of Stockholm office space has been paid to Lundin Mining AB in the amount of USD 167 thousand.
- rent of Stockholm office space has been charged to Lundin Mining AB and Kontakt East Holding AB in the amount of USD 114 thousand.

At the end of the period, outstanding liabilities to Vostok Gas amounted to USD 581 thousand.

Operating and sector-related risks

Country-specific risks

The risks associated with Russia and other CIS states are common to all investments in these countries and are not characteristic of any specific portfolio holding. An investment in Vostok Nafta will be subject to risks associated with ownership and management of investments and in particular to risks of ownership and management in Russia and other CIS states.

As these countries are still, from an economic point of view, in a phase of development, investments are affected by unusually large fluctuations in profit and loss and other factors outside the Company's control that may have an adverse impact on the value of Vostok Nafta's adjusted equity. Investors should therefore be aware that investment activity in Russia and other CIS states entails a high level of risk and requires



special consideration of factors, including those mentioned here, which are usually not associated with investment in shares in better regulated countries.

Unstable state administration, both locally and federally, could have an adverse impact on investments. None of the CIS states has a fully developed legal system comparable to that in more developed countries. Existing laws and regulations are sometimes applied inconsistently and both the independence and efficiency of the court system constitute a significant risk. Statutory changes have taken place and will probably continue to take place at a rapid pace, and it remains difficult to predict the effect of legislative changes and legislative decisions for companies. Vostok Nafta will invest in or for market segments that the Company is active in or will be active in. It could be more difficult to obtain redress or exercise one's rights in CIS states than in some other states governed by law.

Foreign-exchange risk

The Company's investments are made in RUB or USD. The official exchange rate for RUB therefore directly or indirectly affects the value of investments, but it is impossible to quantify this effect as companies have differing foreign-exchange sensitivity. In addition, investors in the Company's Depository Receipts have differing base currencies. The Company's accounts are prepared up in USD as this is the functional currency. Taken together, this means that fluctuations in exchange rates may affect the net worth of the portfolio in various ways that do not necessarily reflect real economic changes in the underlying assets. Each investor is advised to make his or her own analysis of the foreign-exchange risk existing in the Company's portfolio.

Cash flow and fair value interest rate risk

The Group's interest rate risk arises from long term borrowings. Borrowings issued at variable interest rates expose the Group to cash flow interest rate risk. Based on various scenarios, the Group manages its interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Hence, when being used, the interest rate swaps expose the Group to fair value interest rate risk.

Acquisition and disposal risk

Acquisitions and disposals are by definition a natural element in Vostok Nafta's activities. All acquisitions and disposals are subject to uncertainty. The Company's explicit exit strategy is to sell its holdings to strategic investors or via the market. There are no guarantees that the Company will succeed in selling its participations and portfolio investments at the price the shares are being traded at on the market at the time of the disposal. Vostok Nafta may therefore fail to sell its holdings in a portfolio company or be forced to do so at less than its maximum value or at a loss. If Vostok Nafta disposes of the whole or parts of an investment in a portfolio company, the Company may receive less than the potential value of the participations, and the Company may receive less than the sum invested.

Vostok Nafta operates in a market that may be subject to competition with regard to investment opportunities. Other investors may thus compete with Vostok Nafta in the future for the type of investments



the Company intends to make. There is no guarantee that Vostok Nafta will not in the future be subject to competition which might have a detrimental impact on the Company's return from investments. The Company can partially counter this risk by being an active financial owner in the companies Vostok Nafta invests in and consequently supply added value in the form of expertise and networks.

Despite the Company considering that there will be opportunities for beneficial acquisitions for Vostok Nafta in the future, there is no guarantee that such opportunities for acquisition will ever arise or that the Company, in the event that such opportunities for acquisition arose, would have sufficient resources to complete such acquisitions.

Accounting practice and other information

Practice in accounting, financial reporting and auditing in Russia and other CIS states cannot be compared with the corresponding practices that exist in the Western World. This is principally due to the fact that accounting and reporting have only been a function of adaptation to tax legislation. The Soviet tradition of not publishing information unnecessarily is still evident. The formal requirements for Russian companies are to be restrictive in publishing information. In addition, access to external analysis, reliable statistics and historical data is inadequate. The effects of inflation can, moreover, be difficult for external observers to analyse. Although special expanded accounts are prepared and auditing is undertaken in accordance with international standard, no guarantees can be given with regard to the completeness or dependability of the information. Inadequate information and weak accounting standards may be imagined to adversely affect Vostok Nafta in future investment decisions.

Corporate governance risk

Misuse of corporate governance remains a problem in Russia. Minority shareholders may be badly treated in various ways, for instance in the sale of assets, transfer pricing, dilution, limited access to Annual General Meetings and restrictions on seats on boards of directors for external investors. In addition, sale of assets and transactions with related parties are common. Transfer pricing is generally applied by companies for transfer of value from subsidiaries and external investors to various types of holding companies. It happens that companies neglect to comply with the rules that govern share issues such as prior notification in sufficient time for the exercise of right of pre-emption. Prevention of registration of shares is also widespread. Despite the fact that independent authorised registrars have to keep most share registers, some are still in the hands of the company management, which may thus lead to register manipulation. A company management would be able to take extensive strategic measures without proper consent from the shareholders. The possibility of shareholders exercising their right to express views and take decisions is made considerably more difficult.

Inadequate accounting rules and standards have hindered the development of an effective system for uncovering fraud and increasing insight. Shareholders can conceal their ownership by acquiring shares through shell company structures based abroad which are not demonstrably connected to the beneficiary, which leads to self-serving transactions, insider deals and conflicts of interest. The role of the Russian financial inspectorate as the regulator of the equity market to guarantee effective insight and ensure that fraud is uncovered is complicated by the lack of judicial and administrative enforcement instruments.



Deficiencies in legislation on corporate governance, judicial enforcement and corporate legislation may lead to hostile take-overs, where the rights of minority shareholders are disregarded or abused, which could affect Vostok Nafta in a detrimental manner.

Dependence on key individuals

Vostok Nafta is dependent on its senior executives. Its Managing Director, Per Brilioth, is of particular significance to the development of the Company. It cannot be ruled out that Vostok Nafta might be seriously affected if any of the senior executives left the Company.

Investments in growth markets

Investments in growth markets such as Russia entail a number of legal, economic and political risks. Many of these risks cannot be quantified or predicted, neither are they usually associated with investments in developed economies. Prospective investors should also be aware that Russia is undergoing rapid change, which means that the information presented in this Prospectus may become out of date relatively quickly.

International capital flows

Economic unrest in a growth market tends also to have an adverse impact on the equity market in other growth countries or the share price of companies operating in such countries, as investors opt to re-allocate their investment flows to more stable and developed markets. The Company's share price may be adversely affected during such periods. Financial problems or an increase in perceived risk related to a growth market may inhibit foreign investments in these markets and have a negative impact on the country's economy. The Company's operations, turnover and profit development may also be adversely affected in the event of such an economic downturn.

Political instability

Russia has undergone deep political and social change in recent years. The value of Vostok Nafta's assets may be affected by uncertainties such as political and diplomatic developments, social or religious instability, changes in government policy, tax and interest rates, restrictions on the political and economic development of laws and regulations in Russia, major policy changes or lack of internal consensus between leaders, executive and decision-making bodies and strong economic groups. These risks entail in particular expropriation, nationalisation, confiscation of assets and legislative changes relating to the level of foreign ownership. In addition, political changes may be less predictable in a growth country such as Russia than in other more developed countries. Such instability may in some cases have an adverse impact on both the operations and share price of the Company. Since the collapse of the Soviet Union in 1991, the Russian economy has, from time to time, shown

- significant decline in GDP
- weak banking system with limited supply of liquidity to foreign companies



- growing black and grey economic markets
- high flight of capital
- high level of corruption and increased organised economic crime
- hyperinflation
- significant rise in unemployment

It is not certain that the prevailing positive macroeconomic climate in Russia, with rising GDP, relatively stable currency and relatively modest inflation will persist. In addition, the Russian economy is largely dependent on the production and export of oil and natural gas, which makes it vulnerable to fluctuations in the oil and gas market. A downturn in the oil and gas market may have a significant adverse impact on the Russian economy.

Upcoming Reporting Dates

Vostok Nafta's three-month report for the period January 1, 2008–March 31, 2008 will be published on May 21, 2008.

February 13, 2008

Per Brilioth

Managing Director

For further information contact Per Brilioth or Robert Eriksson: tel: +46 8 545 015 50.

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