SIBIR ENERGY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

REGISTERED NUMBER 3204093

CONTENTS

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of Sibir Energy Limited (the "Company") for the year ended 31 December 2013

The directors have taken advantage of the small companies exemption from preparing a Strategic Report within part 15 of the Companies Act 2006

Principal activities

The Company's principal activity is that of holding investments in group companies which are mainly engaged in oil exploration and production in the Russian Federation as well as the operation of a head office function

Review of the business

The Company's results in key financial and other performance indicators during the year were as follows

	For the year ended 31 December 2013 $000	For the year ended 31 December 2012 $000	Change %
Operating profit	179	92,312	(99 81)
Profit after tax	10,968	109,236	(89 96)

	As at 31 December 2013 $000	As at 31 December 2012 $000	Change %
Shareholders' funds	208,493	197,525	5 55

Operating profit decreased from a profit of $92 3 million to a profit of $179,000 The operating profit for the current year includes a net foreign exchange gain of $5 6 million (2012 $28 4 million) offset by amounts written off investments of $2 7 million (2012 $44 0 million)

Profit after tax decreased from $109 2 million to $11 0 million as a result of the reasons noted above and also due to exceptional items which went through in 2012 such as income from shares in group undertakings of $166 4 million, offset by the Villa Maria Irina case provision of $56 0 million

As at 31 December 2013, the Company's net current assets have increased by $11 0 million to $208 5 million mainly reflecting the increase in the loans to Sibvil and Maritime in 2013 Total assets less current liabilities decreased by $11 1 million for the year ended 31 December 2013 as a result of this also

There were no non-current liabilities as at 31 December 2013 (2012 nil) Shareholders' funds increased by 5 55 per cent

Management expects the activities of the Company as a holding company and a head office function to continue

Financial risk management

In its ordinary course of business, the Company is exposed to a variety of risks, the most significant of which are market risk, foreign currency risk, interest rate risk, credit risk and liquidity risk The Company monitors and manages these risks through various procedures

Market risk

Market risk is the risk of loss that results from changes in market prices (commodity prices, foreign exchange rates, interest rates and equity prices) The level of market risk to which the Company is exposed at a point in time varies depending on market conditions, expectations and/or market rate movements and the composition of the Company's physical asset portfolios

Currency risk

Currency risk is the risk that the Company suffers financial loss as a result of changes in the value of an asset or liability or in the value of future cash flows due to movements in foreign currency exchange rates

The Company's objectives in managing the currency exposures arising from its net investments overseas are to match, to the extent practical, receipts and payments in the same currency and by following a range of commercial policies to minimise exposure The Company does not hold or issue derivative financial instruments to manage foreign exchange risks

Credit risk

Credit risk is the risk that the financial benefits of contracts with a specific counterparty will be lost if the counterparty defaults on its contractual obligations Significant financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and debtors Cash, primarily composed of deposits and investments in money market funds, are maintained with a number of major financial institutions in the regions that the Company operates in The Company performs ongoing credit evaluations of its debtors and regularly monitors exposures and concentrations of credit risk

DIRECTORS' REPORT (CONTINUED)

The provision for any credit losses on balances receivable from counterparties is based on a review of balances determined to be impaired at the balance sheet date In determining whether amounts due are impaired, management considers quantitative factors such as the period of time past due as well as qualitative factors including changes in business environment and changes to the credit worthiness of counterparties

Interest rate risk

Interest rate risk is the risk that the Company suffers financial loss due to changes in the value of an asset or liability or in the value of future cash flows due to movements in interest rates Any financial asset or liability on which interest is paid or received will be subject to interest rate risk The Company does not hold or issue derivative financial instruments to manage interest rate risks

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient funds to meet its obligations as they come due

The Company actively maintains a mixture of long-term and short-term committed facilities that are designed to ensure that the Company has sufficient available funds for operations and planned expansions

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital

The Company does not have a target debt to equity ratio but has a policy of maintaining a flexible financing structure Debt facilities are maintained in amounts that are sufficient to meet contractual debt obligations arising in the ordinary course of business

The Company sets the amount of capital in proportion to risk The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt

Results and dividends

The profit for the financial year was $11 0 million (2012 $109 2 million) Accumulated profit as of 31 December 2013 was $121 4 million (2012 $110 4 million) During 2013 no dividend was paid (2012 $1,030 million)

Disposals and impairments of investments

In January 2013 the Company fully impaired its investment in Glafeta Holdings Limited of $144,671

In December 2013 the Company fully impaired its investment in Dexford Holdings Limited of $2,496 It has also impaired the loan, the interest on the loan and the intercompany balance with Dexford Holdings Limited of $2,576,142

In December 2013 the Company fully impaired its investment in Visini Holdings Limited of $2,234

In 2013 the Company disposed of its investment in Fortune Oil plc of $11,286

Directors of the Company

The directors who held office during the year and up to the date of signing the financial statements are given below

E Ilyukhina (Chairman)
D Ivanov
M Abramova

Directors' qualifying third party indemnity provisions

The Articles of Association of the Company require the Company to indemnify the directors or alternate directors of the Company (including directors and alternate directors of the Company's associated companies) against any costs and liabilities incurred by such directors in defending certain third party claims against them in relation to their duties as directors, to the extent permitted by law The qualifying third party indemnity provision remains in force as at the date of approving the Directors' report The Company also maintains a Directors and Officers insurance policy to cover the directors and officers against liability in respect of proceedings brought by third parties

Creditors' payment policy

It is the Company's policy that payments to suppliers are made in accordance with those terms and conditions that are agreed between the Company and its individual suppliers, provided that all trading terms and conditions have been complied with

DIRECTORS' REPORT (CONTINUED)

Disclosure of information to the auditors

The directors who were members of the Board at the time of approving the Directors' report are listed above Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirm that, so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he (she) ought to have taken as a director in order to make himself (herself) aware of relevant audit information and to establish that the Company's auditors are aware of that information This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006

Appointment of auditors

In accordance with section 489 of the Companies Act 2006, the Company will consider the appointment of auditors The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their appointment will be proposed at the General Meeting at which these financial statements will be laid

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue its operations for at least a 12 month period from the date of signing of the financial statements For this reason, they continue to adopt the going concern basis in preparing the financial statements

On behalf of the Board

ELENA ILYUKHINA

Director
13 May 2014

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting 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 the 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 2006 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

The directors are responsible for the maintenance and integrity of the Company's website Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Independent auditors' report to the members of Sibir Energy Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

This opinion is to be read in the context of what we say in the remainder of this report

What we have audited

The financial statements, which are prepared by Sibir Energy Limited, comprise

- Balance Sheet as at 31 December 2013,
- Profit and Loss Account for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates In making such estimates, they have made assumptions and considered future events

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)") An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed,
- the reasonableness of significant accounting estimates made by the directors, and
- the overall presentation of the financial statements

In addition, we read all the financial and non-financial information in the Directors' Report and Financial Statements (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion

- we have not received all the information and explanations we require for our audit, or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns

We have no exceptions to report arising from this responsibility

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made We have no exceptions to report arising from this responsibility

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report We have no exceptions to report arising from this responsibility

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view
Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

Richard French (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
13 May 2014

PROFIT AND LOSS ACCOUNT

	Note	For the year ended 31 December 2013 $000	For the year ended 31 December 2012 $000
Administrative expenses		(8,352)	(5,629)
Exceptional item amounts written off investments	2	(2,726)	(44,017)
Foreign exchange gain		5,605	28,351
Exceptional item Villa Maria Irina case provision	2	-	(55,993)
Other operating income	2	5,652	3,232
Exceptional item income from shares in group undertakings	2	-	166,368
Operating profit	3	**179**	**92,312**
Interest receivable and similar income	4	11,349	18,186
Interest payable and similar charges	5	(560)	(1,262)
Profit on ordinary activities before taxation		**10,968**	**109,236**
Tax on profit on ordinary activities	8	-	-
Profit for the financial year	16	**10,968**	**109,236**

All of the activities of the Company are classified as continuing

There are no recognised gains and losses for the current or prior year other than the profit presented above Accordingly a statement of total recognised gains and losses has not been presented

There are no material differences between the profit on ordinary activities before taxation and the profit for the financial years stated above and their historical cost equivalents

The notes on pages 9 to 14 form part of these financial statements

BALANCE SHEET

	Note	As at 31 December 2013 $000	As at 31 December 2012 $000
Fixed assets			
Investments	10	31	214
		31	**214**
Current assets			
Debtors			
amounts falling due within one year	12	137,183	132,188
amounts falling due after more than one year	12	131,150	119,986
		268,333	**252,174**
Cash at bank and in hand		155	1,522
Total current assets		**268,488**	**253,696**
Creditors amounts falling due within one year	13	(60,026)	(56,385)
Net current assets		**208,462**	**197,311**
Net assets		**208,493**	**197,525**
Capital and reserves			
Called up share capital	15	82,021	82,021
Share premium account	16	5,115	5,115
Profit and loss account	16	121,357	110,389
Total shareholders' funds		**208,493**	**197,525**

The financial statements on pages 7 to 14 were approved by the board of directors on 13 May 2014 and signed on its behalf by

E Ilyukhina

Director
Sibir Energy Limited
Company registration number 3204093

The notes on pages 9 to 14 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1 Significant accounting policies

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention in accordance with Companies Act 2006 and applicable UK accounting standards

The financial statements have been prepared for Sibir Energy Limited (the "Company") as an individual company and do not contain consolidated financial information as the parent of subsidiaries The Company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiaries are included by consolidation in the consolidated financial statements of the immediate parent company JSC Gazprom Neft ("GPN")

The Company is a wholly owned subsidiary of GPN and is included in the consolidated financial statements of GPN, which are publicly available Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1 (revised 1996) The Company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the GPN group, provided that such entities are wholly-owned by a member of that group or by GPN For details of parent undertaking see Note 18

The Company has taken advantage of the exemption in paragraph 2D of FRS 29 "Financial Instruments Disclosures" and has not disclosed information required by that standard, as OAO Gazprom (the Company's ultimate parent undertaking)'s consolidated financial statements, in which the Company is included, provide equivalent disclosures for the Group under IFRS 7 "Financial Instruments Disclosures"

The principal accounting policies adopted by the Company are set out below and have been applied consistently through the current and previous year

Investments

Investments in subsidiaries are included in the Company financial statements at cost less provisions for impairment All of the Company's subsidiaries and joints ventures are involved in oil and gas exploration, development and production in the Russian Federation

When there are indicators of impairment of investments, the carrying amounts of investments are compared to their recoverable amounts and, if carrying amounts exceed recoverable amounts, an impairment charge is recorded to decrease the carrying amounts down to the recoverable amounts

An impairment loss recognised in prior periods for an investment is reversed if, and only if, there has been a change in the estimates used to determine the investment's recoverable amount since the last impairment loss was recognised If this is the case, the carrying amount of the investment is increased to its recoverable amount The increased carrying amount of an investment attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the investment in prior years

Trade and other receivables

Trade receivables, which generally have 30 to 90 day terms, are recognized and carried at the lower of their original invoiced value and recoverable amount When the time value of money is material, receivables are carried at amortized cost, using the effective interest method Provision is made when there is objective evidence that the Company will not be able to recover balances in full Balances are written off when the probability of recovery is assessed as being remote

Trade payables

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method

Loans and borrowings

All loans and borrowings are recognized initially at fair value, less directly attributable transaction costs incurred After initial recognition, loans and borrowings are subsequently measured at amortized cost using the effective interest method

Provisions for liabilities

A provision is recognized when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation

Where the effect of the time value of money is material, provisions are discounted

Functional and presentational currency

The Company is domiciled in the UK although the Company's operations are based in the Russian Federation The functional and presentational currency of the Company is the US Dollar

Transactions in foreign currencies during the year are recorded in the functional currency at the rate of exchange ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the

1 Significant accounting policies (continued)

rates ruling at the balance sheet date Any gain or loss arising from a change in exchange rate subsequent to the dates of the transactions is included as an exchange gain or loss in the profit and loss account

The exchange rates applied at the year ended 31 December 2013 was $/£ 1 6491 (2012 $/£ 1 6168), RUR/$ 32 7292 (2012 RUR/$ 30 3727)

Taxation

Current and deferred tax, including UK corporation tax, is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date

Deferred tax is recognized 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 or to receive more, tax, with the following exceptions

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only when the replacement assets are sold,

- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable, and

- deferred tax assets are recognized only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

2 Other operating income / (expenses) and Exceptional items

Other operating income / (expenses)	For the year ended 31 December 2013 $000	For the year ended 31 December 2012 $000
Other	5,652	3,232
Total	**5,652**	**3,232**

Exceptional items	For the year ended 31 December 2013 $000	For the year ended 31 December 2012 $000
Exceptional item income from shares in group undertakings	-	166,368
Exceptional item amounts written off investments (i) (note 10)	(2,726)	(44,017)
Exceptional item Villa Maria Irina case provision (ii)	-	(55,993)

(i) In November 2012 Glafeta Holdings Limited sold its main asset ZAO SibGEKO and fully repaid the loan to the Company in the amount $59 million In December 2012 the Company impaired its investments in Glafeta Holdings Limited of $7 9 million as the carrying amount exceeded the recoverable amount of the investment, being the net assets of the investee

In January 2013 the Company fully impaired its investments in Glafeta Holdings Limited of $144,671

In December 2013 the Company fully impaired its investments in Dexford Holdings Limited of $2,496 It has also impaired the loan, the interest on the loan and the intercompany balance with Dexford Holdings Limited of $2,576,142

In December 2013 the Company fully impaired its investments in Visini Holdings Limited of $2,234

(ii) On 18 January 2010, Slocom Trading Limited ("Slocom"), commenced proceedings in the English High Court against the Company and its subsidiary Maritime Villa Holdings SCI ("Maritime") in relation to the Company's acquisition of the Villa Maria Irina Slocom alleged that the acquisition was in breach of various agreements, including Slocom's loan agreement with the seller of the Villa, Tatik Inc ("Tatik"), and a series of agreements between Slocom and the Company Slocom sought injunctive relief to prevent the sale or, alternatively, an order setting the sale aside or, alternatively, damages of approximately €38 million, plus interest and costs

A substantive ruling was delivered in December 2012 The Court declined to set aside the sale, but held that the Company and Maritime were liable for damages The parties returned to Court for a further ruling on 27 February 2013 Judgment and the consequential order was handed down on 10 May 2013 and in the circumstances, the Company considered it was appropriate to make a provision in the full amount indicated in Judgment of €40,156,980 ($53,082,591), plus adverse costs in the full amount claimed of approximately £1,800,000 ($2,910,267) as at 31 December 2012 This was and still is the directors' best estimate of the outcome of the case and accordingly the most appropriate accounting treatment in the 2013 financial statements is to maintain this provision, increased by the level of interest calculated based on the rates included in the 10 May 2013 order

3 Operating profit

Operating profit is stated after charging	For the year ended 31 December 2013 $000	For the year ended 31 December 2012 $000
Wages and salaries	123	323
Social security costs	12	13
Staff costs	**135**	**336**
Services provided by the Company's auditor		
Fees payable for the auditing of financial statements of the company	76	111
Fees payable for other services	23	18

4 Interest receivable and similar income

	For the year ended 31 December 2013 $000	For the year ended 31 December 2012 $000
Bank deposits interest	-	4
Interest receivable from subsidiaries	11,349	17,186
Other interest receivable	-	996
Total interest receivable	**11,349**	**18,186**

5 Interest payable and similar charges

	For the year ended 31 December 2013 $000	For the year ended 31 December 2012 $000
Interest payable to subsidiaries	-	1,261
Other interest payable	560	1
Total interest payable	**560**	**1,262**

6 Directors' emoluments

	For the year ended 31 December 2013 $000	For the year ended 31 December 2012 $000
Aggregate directors emoluments in respect of qualifying services	-	-
Total aggregate directors' emoluments	-	-

The directors did not receive any emoluments in respect of their services to the company (2012 NIL)

7 Employee information

The average monthly number of people (including executive director) employed by the Company during the year was 4 (2012 4)

8 Tax on profit on ordinary activities

The statutory corporation tax rate in the United Kingdom is 23 25% for 2013 (2012 24 5%) The tax on the Company's profit before taxation differs from the theoretical amount that would arise using the statutory tax rate The differences are explained below

The tax assessed for the year is lower (2012 lower) than the standard rate of corporation tax in the UK (23%)

	For the year ended 31 December 2013 $000	For the year ended 31 December 2012 $000
Profit on ordinary activities before taxation	10,968	109,236
Profit before taxation at the statutory UK corporation tax rate of 23 25% (2012 24 5%)	2,550	26,763
Effects of		
Expenses not deductible for tax purposes	751	10,817
Notional income receivable	-	3,463
Dividends received from subsidiaries	(254)	(40,760)
Utilisation of previously unrecognized deferred tax assets	-	(283)
Utilisation of losses brought forward	(3,047)	
Total taxation charge in the income statement	-	-

On 17 July 2013 the UK Government substantively enacted a decrease in the main Corporation tax rate from 24 to 23%, effective from 1 April 2013

In addition to the changes in rates of Corporation tax disclosed above, a number of further changes to the UK Corporation tax system were announced in the March 2013 UK Budget Statement A reduction in the UK Corporation tax rate from 23 to 21% (effective from 1 April 2014), and from 21% to 20% (effective 1 April 2015) was substantively enacted on 2 July 2013

The relevant unrecognised deferred tax balances have been re-measured, using a rate of 21%, as this is when the asset is expected to be utilised

9 Dividends

	For the year ended 31 December 2013 $000	For the year ended 31 December 2012 $000
Interim dividend paid	-	1,030,000

During 2013 no dividend was paid (2012 $1,030 million)

10 Investments

Net book value	Shares in subsidiary undertakings and joint ventures $000	Capital contributions to subsidiary undertaking $000	Other investments $000	Total $000
At 1 January 2012	36,220	-	11	36,231
Additions (i)	8,000	-	-	8,000
Disposals and impairments (ii)	(44,017)	-	-	(44,017)
At 1 January 2013	203	-	11	214
Disposals and impairments (iii)	(172)	-	(11)	(183)
At 31 December 2013	31	-	-	31

(i) On 16 February and 13 March 2012 the Company increased its investment in Glafeta Holdings Limited by a total of $8 million
(ii) In 2012 the Company impaired its investment in Hitchens Global S A by $13 7 million on the basis of net assets equating to fair value, it has also impaired its investment of $22 4 million in Eurosov Energy Limited and investment in Glafeta Holdings Limited of $7 9 million on the same basis
(iii) In January 2013 the Company fully impaired its investment in Glafeta Holdings Limited of $144,671
In December 2013 the Company fully impaired its investment in Dexford Holdings Limited of $2,496
In December 2013 the Company fully impaired its investment in Visini Holdings Limited of $2,234
Other investments represented investment in Fortune Oil plc, a Company listed on the London Stock Exchange, which was disposed of during 2013

The directors believe that the carrying value of the investments is supported by their underlying net assets

11 Subsidiary undertakings

The Company's significant subsidiary undertakings at 31 December 2013 are listed below

Held directly	Country of incorporation	Class of share capital held	Proportion held by Company	Nature of business	Liquidation status
Caraline Trading Limited	Cyprus	Ordinary	100%	Oil trading	Expected in 2015
Eurosov Energy Limited	United Kingdom	Ordinary	100%	Dormant	Expected in 2014
Glafeta Holdings Limited	Cyprus	Ordinary	100%	Dormant	Dissolved in 2014
Visini Holdings Limited	Cyprus	Ordinary	100%	Dormant	Dissolved in 2014
Hitchens Global S A	British Virgin Islands	Ordinary	100%	Intermediate holding	Expected in 2015
Dexford Holdings Limited	Cyprus	Ordinary	100%	Dormant	Expected in 2015
SibVil Holdings Sarl	Luxemburg	Ordinary	100%	Investment holding	N/A

Held indirectly	Country of incorporation	Class of share capital held	Proportion held by Company	Nature of business
Maritime Villa Holding SCI	France	Ordinary	100%	Investment property holding
PromRegionCentr	Russia	Ordinary	100%	Dormant

The proportion of voting rights in the subsidiary undertakings held directly by the Company does not differ from the proportion of ordinary shares held

12 Debtors

Amounts falling due within one year	As at 31 December 2013 $000	As at 31 December 2012 $000
Owed by immediate parent undertaking	114,053	114,538
Amounts owed by subsidiary undertakings	22,232	16,214
Other debtors	890	1,428
Prepayments and accrued income	8	8
Total	137,183	132,188

Amounts falling due after more than one year	As at 31 December 2013 $000	As at 31 December 2012 $000
Amounts owed by subsidiary undertakings	131,150	119,986
Total	**131,150**	**119,986**

Amounts owed by immediate parent undertaking and by subsidiary undertakings are interest bearing and are repayable on demand

13 Creditors

Amounts falling due within one year	As at 31 December 2013 $000	As at 31 December 2012 $000
Trade creditors	218	205
Amounts owed to subsidiary undertakings	3,169	-
Other taxes and social security costs	3	5
Accruals and deferred income	83	182
Villa Maria Irina case provision	56,553	55,993
Total	**60,026**	**56,385**

For the Villa Maria Irina case, a substantive ruling was delivered in December 2012 The Court declined to set aside the sale, but held that the Company and Maritime were liable for damages The parties returned to Court for a further ruling on 27 February 2013 Judgment and the consequential order was handed down on 10 May 2013 The total exposure to the Company detailed in the judgment was €40,156,980, which was been provided for in full as at 31 December 2012 (see note 2 (ii) The additional interest for the year ended 31 December 2013 has been recognised according to the calculated rate detailed in the 10 May 2013 order

On 2 December 2013 the Court has granted permission to appeal based on the Company's application The outcome of the appeal is expected to be heard in May 2014

14 Deferred taxation

The Company has tax losses of approximately $118 8 million (2012 $125 9 million) in respect of which a corresponding deferred tax asset of $26 9 million (2012 $30 2 million) has not been recognised These losses are available indefinitely for offset against future taxable profits

15 Called up share capital

Authorised	As at 31 December 2013 Number	As at 31 December 2012 Number	As at 31 December 2013 £	As at 31 December 2012 £
Ordinary shares of 10p each (i)	430,000,000	430,000,000	43,000,000	43,000,000
			43,000,000	**43,000,000**

Allotted and fully paid

	Ordinary shares Number (i)	Ordinary shares $000	Share Premium $000	Total $000
At 1 January 2012	298,993,666	82,021	877,457	959,478
Reduction	-	-	(872,342)	(872,342)
At 1 January 2013	**298,993,666**	**82,021**	**5,115**	**87,136**
At 31 December 2013	**298,993,666**	**82,021**	**5,115**	**87,136**

(i) The total authorised number of ordinary shares is 430 million shares (December 2012 430 million shares) with a par value of 10 p (16c) each (December 2012 10p (16c) each) All issued shares are fully paid

The total authorised number of deferred shares is nil as at 31 December 2013 (2012 nil)

16 Reserves

	Capital redemption reserve $000	Share premium account $000	Profit and loss account $000
At 1 January 2012	**27,658**	**877,457**	**131,153**
Profit for the year	-	-	109,236
Reduction	(27,658)	(872,342)	900,000
Interim dividend paid (note 9)	-	-	(1,030,000)
At 1 January 2013	-	**5,115**	**110,389**
Profit for the year	-	-	10,968
At 31 December 2013	-	**5,115**	**121,357**

17 Contingent liabilities and assets

The Company has no contingent liabilities or assets

18 Parent undertaking and controlling party

Sibir Energy Limited is a Company domiciled and incorporated in the United Kingdom The registered office of the Company is Ibex House, 42-47 Minories, London EC3N 1DX

The immediate parent undertaking and controlling party is JSC Gazprom Neft (GPN) which is the parent undertaking of the smallest group to consolidate these financial statements GPN is a Company registered in the Russian Federation The address and registered office of GPN is 5-A Galernaya Street, 190000, Saint-Petersburg, Russia Copies of the financial statements of GPN are available on its website, www gazprom-neft com

The ultimate parent undertaking and ultimate controlling party is OAO Gazprom which is the parent undertaking of the largest Group to consolidate these financial statements OAO Gazprom is a Company registered in the Russian Federation The address and registered office of OAO Gazprom is 16 Nametkina Street, 117997 Moscow, Russia Copies of the financial statements of OAO Gazprom are available on its website, www gazprom com