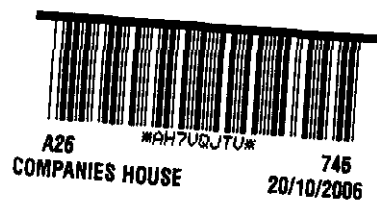


ANGLO-SIBERIAN OIL COMPANY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2005



Anglo-Siberian Oil Company Limited

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Anglo-Siberian Oil Company Limited

Directors

Rashid Sharipov
Sergey Khotochkin
Sergey Alekseev

Secretary and Registered Office

Cornhill Secretaries Limited
St. Paul's House, Warwick Lane, London, EC4M 7BP

Auditors

Moore Stephens
Chartered Accountants
St. Paul's House, Warwick Lane, London, EC4M 7BP

Report of the Directors

The directors present their annual report and audited financial statements for the year ended 31 December 2005.

Principal Activities

The principal activity of the company is to act as a holding company for subsidiaries involved in the exploration and appraisal of oil and gas reserves.

Results and Dividends

The company loss on ordinary activities after taxation was \$347,655 (2004 - profit of \$191,750). The directors do not recommend the payment of a dividend (2004 - \$Nil).

Directors

None of the directors held shares in the company at any time during the year.

Auditors

On 3 October 2005, Moore Stephens, the Company's auditor, transferred its entire business to Moore Stephens LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Directors consented to treating the appointment of Moore Stephens as extending to Moore Stephens LLP with effect from 3 October 2005. A resolution to re-appoint Moore Stephens LLP as the Company's auditor will be put to the forthcoming Annual General Meeting.

By order of the Board



CORNHILL SECRETARIES LIMITED

Secretary

Anglo-Siberian Oil Company Limited

**Statement of Directors' Responsibilities
For the year ended 31 December 2005**

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

We have audited the financial statements of Anglo-Siberian Oil Company Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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

Respective Responsibilities of Directors and Auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

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

Basis of Audit Opinion

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

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

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its results for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

Emphasis of Matter - Litigation

Without qualifying our opinion, we draw attention to note 13 to the financial statements. The financial statements have been prepared on the assumption that no significant liabilities will arise out of the claims filed by Total and TotalFinaElf.

St. Paul's House
London, EC4M 7BP


MOORE STEPHENS LLP

Registered Auditor
Chartered Accountants

18 October 2006

Anglo-Siberian Oil Company Limited

Profit and Loss Account
For the year ended 31 December 2005

	<u>Note</u>	<u>2005</u>	<u>2004</u>
		U.S.\$	U.S.\$
Administrative expenses		(347,763)	(347,680)
Operating Loss		<u>(347,763)</u>	<u>(347,680)</u>
Profit on sale of investment	3	-	537,688
Interest receivable and similar income		108	1,742
(Loss)/Profit on Ordinary Activities	2	<u>(347,655)</u>	<u>191,750</u>

Summary of Retained Losses

	<u>2005</u>	<u>2004</u>
	U.S.\$	U.S.\$
At 1 January 2005	(13,820,681)	(14,012,431)
(Loss)/profit for the financial year	<u>(347,655)</u>	<u>191,750</u>
At 31 December 2005	<u>(14,168,336)</u>	<u>(13,820,681)</u>

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

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

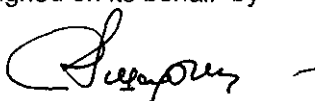
Anglo-Siberian Oil Company Limited

Balance Sheet - 31 December 2005

	<u>Note</u>	<u>2005</u> U.S.\$	<u>2004</u> U.S.\$
Fixed Assets			
Investments	5	8,687,554	8,687,554
Current Assets			
Debtors	6	16,757,874	16,688,099
Cash at bank and in hand		5,898	7,353
		16,763,772	16,695,452
Creditors, amounts falling due within one year	7	(3,628,156)	(3,212,181)
Net Current Assets		13,135,616	13,483,271
Total assets less current liabilities		21,823,170	22,170,825
Capital and Reserves			
Called up equity share capital	8	18,655,029	18,655,029
Share premium account	9	17,336,477	17,336,477
Profit and loss account		(14,168,336)	(13,820,681)
Equity Shareholders' Funds	10	21,823,170	22,170,825

The accompanying notes form an integral part of these financial statements

The financial statements were approved by the Board of Directors on 13 Oct 2006 and signed on its behalf by


RASHID R. SHARIPOV

Director

Anglo-Siberian Oil Company Limited**Financial Statements for the year ended 31 December 2005****Notes****1. Accounting Policies**

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

(a) Basis of accounting

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

(b) Investments

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

(c) Foreign currencies

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

(d) Taxation

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more or a right to pay less tax. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

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

(e) Pensions

The group does not operate a defined benefit or defined contribution scheme.

(f) Going concern

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

Anglo-Siberian Oil Company Limited

Financial Statements for the year ended 31 December 2005

Notes (Continued)

2. (Loss)/Profit on Ordinary Activities

(Loss)/profit on ordinary activities is stated after charging:

	<u>2005</u>	<u>2004</u>
	\$	\$
Foreign exchange loss/(gain)	455	2,494
Auditors' remuneration		
- audit services	20,000	51,689
	<u>20,000</u>	<u>51,689</u>

None of the directors received any emoluments during the year.

3. Profit on Sale of Investment

During the previous year the company disposed of its investment in LLC Eniseyneftegas for a consideration of U.S.\$537,688. The company had not previously recorded the investment in its financial statements as it was not considered to have a value.

4. Taxation

No liability to corporation tax arises on the results for the year or in the previous year as the company has sustained operating losses in both years. The profit on sale of the investment in 2004 did not give rise to a taxation charge as the company had available taxable losses brought forward from earlier years.

The U.K.H.M. Revenue and Customs has enquired into the company's funding of the operations of related undertakings. The directors do not believe a liability to corporation tax will arise from these enquiries but a maximum potential liability of approximately U.S.\$1.9 million could arise.

5. Fixed Asset Investments

	<u>2005</u>	<u>2004</u>
	\$	\$
Cost and net book value		
Subsidiary undertakings	8,687,554	8,687,554
	<u>8,687,554</u>	<u>8,687,554</u>

Anglo-Siberian Oil Company Limited

Financial Statements for the year ended 31 December 2005

Notes (Continued)

5. Fixed Asset Investments (Continued)

The company has investments in the following subsidiary undertakings:

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

Subsidiary of Anglo Siberian Oil Company Holdings Limited:

Anglo Siberian Oil Services Limited	England and Wales	Dormant	100%
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Share capital, reserves and results of the above companies for the year ended 31 December 2005 were:

	<u>Share Capital</u>	<u>Reserves</u>	<u>Loss for the Year</u>
Anglo Siberian Oil Company Holdings Limited	U.S.\$ 8,687,551	U.S.\$ (257,977)	U.S.\$ -
Anglo Siberian Oil Services Limited	£ 2 U.S.\$ 3	£ 101,073 U.S.\$ 174,149	£ 553 U.S.\$ 953

6. Debtors

	<u>2005</u> \$	<u>2004</u> \$
Amounts owed by related undertakings (note 11)	<u>16,757,874</u>	<u>16,688,099</u>

Amounts owed by related undertakings are repayable on demand and are not interest bearing.

7. Creditors, amounts falling due within one year

	<u>2005</u> \$	<u>2004</u> \$
Amounts owed to related undertakings (note 11)	3,583,397	3,182,821
Other creditors	24,759	9,360
Accruals	20,000	20,000
	<u>3,628,156</u>	<u>3,212,181</u>

Anglo-Siberian Oil Company Limited

Financial Statements for the year ended 31 December 2005

Notes (Continued)

8. Equity Share Capital

	<u>2005</u>	<u>2004</u>
Authorised		
200,000,000 ordinary shares of 25p each	£ 50,000,000	£ 50,000,000
Allotted, called up and fully paid		
46,289,820 ordinary shares of 25p each	£ 11,572,455	£ 11,572,455

9. Share Premium Reserves

	<u>Share Premium \$</u>
At 1 January 2005 and at 31 December 2005	17,336,477

10. Reconciliation of Movements in Shareholders' Funds

	<u>2005 \$</u>	<u>2004 \$</u>
(Loss)/profit for the financial year	(347,655)	191,750
Opening shareholders' funds	22,170,825	21,979,075
Closing shareholders' funds	21,823,170	22,170,825

11. Related Party Transactions

Amounts owed by and to related undertakings as shown in notes 6 and 7 are as follows:

	<u>2005 \$</u>	<u>2004 \$</u>
Amounts owed by related undertakings		
Anglo Siberian Oil Company (Cyprus) Limited	11,106,107	11,048,837
Anglo Siberian Oil Services Limited	5,651,767	5,639,262
	16,757,874	16,688,099

Anglo-Siberian Oil Company Limited

Financial Statements for the year ended 31 December 2005

Notes (Continued)

11. Related Party Transactions (Continued)

	<u>2005</u> \$	<u>2004</u> \$
Amounts owed to related undertakings		
Rosneft Investments Limited	2,812,334	2,411,494
Anglo Siberian Oil Company Holdings Limited	771,063	771,327
	<u>3,583,397</u>	<u>3,182,821</u>

Movements in the year relate to funding received by the group from its shareholders as well as exchange movements.

12. Controlling Party

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

13. Contingent Liabilities

In 2002 an option agreement was entered into between the company and Total E&P Vankor (Total) under which Total had a conditional option to buy the company's 60% stake in OOO Taymyrneft which it held through Anglo Siberian Oil Company Limited (Cyprus) (ASOC Cyprus) for U.S.\$1m. Total has obtained injunctions in various jurisdictions to prevent the parent company, Rosneft Investments Limited, from trading in the shares of OOO Taymyrneft. In 2005 Total filed for arbitration under the option agreement requesting legal title to the 60% ownership in OOO Taymyrneft. Total are also requesting right of pre-emption in respect of the 40% interest in OOO Taymyrneft (or not less than U.S.\$430 million in damages). The directors believe that the claim is without merit and the option is not exercisable. Beyond professional fees which could amount to US\$ 2 million, it is unclear whether any liabilities will arise in respect of this claim but the directors do not believe these will be material.

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