

2007 Annual Results

WEST SIBERIAN
Resources Ltd

February 26, 2008

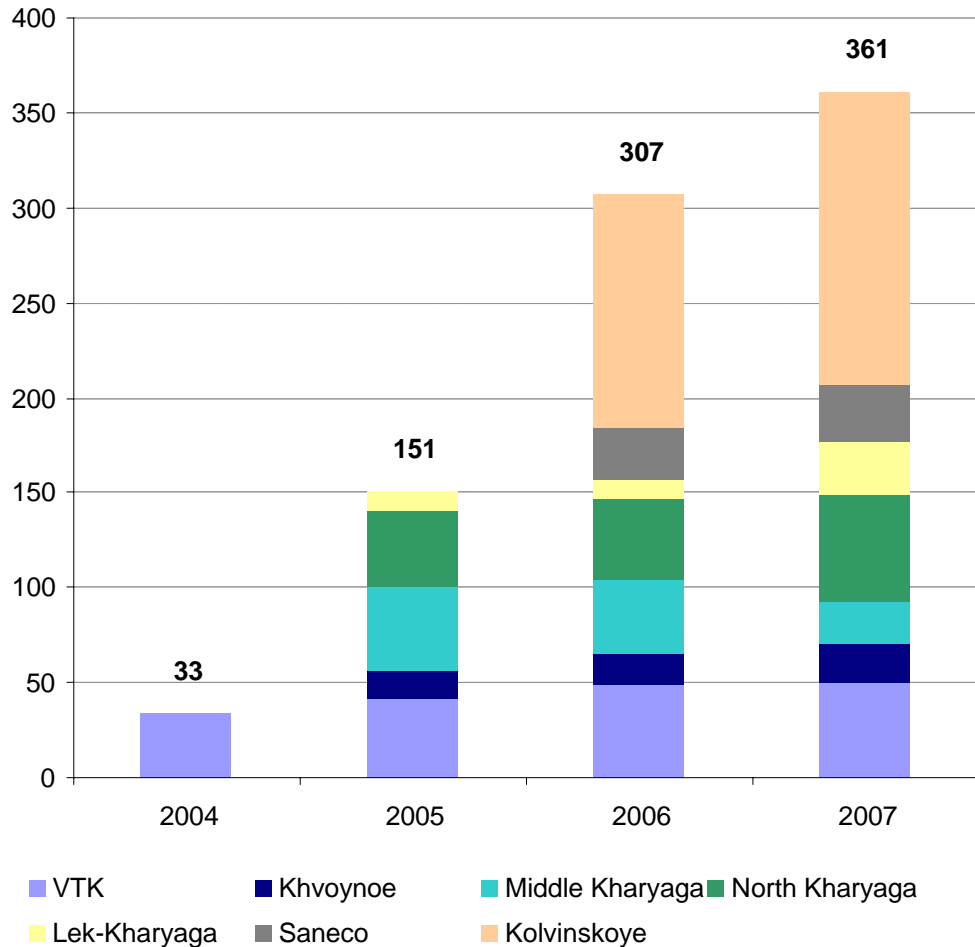
2007 – 2008 Major Events

- Double digit growth of all operating and financials indicators, BEST YEAR IN WSR HISTORY
- Exploration accomplishments and drilling success resulted in 48% organic growth of proven reserves to 163 MMBO and 18% organic growth of proven and probable reserves to 361 MMBO as per new D&M report
- WSR moved to main board of Stockholm Stock Exchange
- WSR to become a vertically integrated oil company: Contribution Agreement with Alliance signed in February 2008
- Strengthen balance sheet: \$80 mln raised through a private placement of 90 mln shares in Jan 07, 6 years \$300 mln debt facility signed and syndicated

Reserve base growth

2P reserves at year end*, MMBO

- 1P reserves grew by more than 9 times within 3 years from 17 to 163 MMBO
- **2P Reserves grew by 11 times within 3 years**
- Before 2007 acquisitions were the major growth driver
- 2007 – purely organic growth in all regions following substantial seismic works, exploration and production drilling



Reserve base

Reserve base growth in 2007, MMBO

| Region | Field | 2007 | | | 2006 | | | Change in 2P | |
|----------------|-----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|
| | | 1P | 2P | 3P | 1P | 2P | 3P | kbbl | % |
| West Siberia | Middle Nyurola | 8.9 | 28.2 | 34.1 | 10.2 | 29.6 | 42.9 | -1.5 | |
| | Kluchevskoye | 5.2 | 11.3 | 12.7 | 4.5 | 10.1 | 13.6 | 1.2 | |
| | Puglalymskoye | 5.0 | 10.9 | 13.3 | 4.1 | 8.6 | 13.0 | 2.3 | 27% |
| | Khvoinoye | 2.6 | 19.4 | 19.6 | 2.0 | 17.1 | 17.4 | 2.3 | 13% |
| | Total | 21.6 | 69.7 | 79.7 | 20.8 | 65.4 | 87.0 | 4.3 | |
| Timano-Pechora | Middle Kharyaga | 8.7 | 23.4 | 27.2 | 9.7 | 39.3 | 47.2 | -15.9 | |
| | North Kharyaga | 18.1 | 55.9 | 124.0 | 25.3 | 41.7 | 76.9 | 14.3 | 34% |
| | Lek-Kharyaga | 9.2 | 27.6 | 34.2 | 7.0 | 10.7 | 17.5 | 16.8 | 157% |
| | Kolvinskoye | 89.1 | 153.8 | 187.8 | 32.9 | 122.2 | 176.7 | 31.6 | 26% |
| | Total | 125.1 | 260.7 | 373.2 | 74.8 | 213.9 | 318.3 | 46.8 | |
| Volga-Urals | Novo-Kievskoye | 6.8 | 14.8 | 15.3 | 7.9 | 17.4 | 22.2 | -2.6 | |
| | Kochevnskoye | 1.2 | 1.5 | 1.5 | 3.1 | 3.8 | 4.5 | -2.3 | |
| | West Kochevnskoye | 2.5 | 3.7 | 3.7 | 2.4 | 3.2 | 3.9 | 0.5 | |
| | Solnechnoye | 1.0 | 1.2 | 1.2 | 0.2 | 0.2 | 0.2 | 0.9 | |
| | Kovalevskoye | 4.4 | 8.6 | 8.6 | 0.6 | 2.2 | 4.5 | 6.4 | 299% |
| | Borshevskoye | 0.1 | 0.1 | 3.2 | 0.6 | 0.8 | 3.4 | -0.7 | |
| | West Borshevskoye | 0.0 | 0.0 | 1.5 | 0.0 | 0.0 | 0.0 | 0.0 | |
| | Kulturnenskoye | 0.3 | 0.7 | 0.7 | 0.0 | 0.0 | 0.0 | 0.7 | |
| | Total | 16.3 | 30.6 | 35.7 | 14.8 | 27.5 | 38.6 | 3.1 | |
| Total | 162.9 | 361.0 | 488.6 | 110.4 | 306.8 | 443.9 | 54.2 | | |

* Figures of the relevant DeGolyer&McNaughton reports are adjusted for production to bring reserve base to the year end.

4th Quarter 2007 Highlights

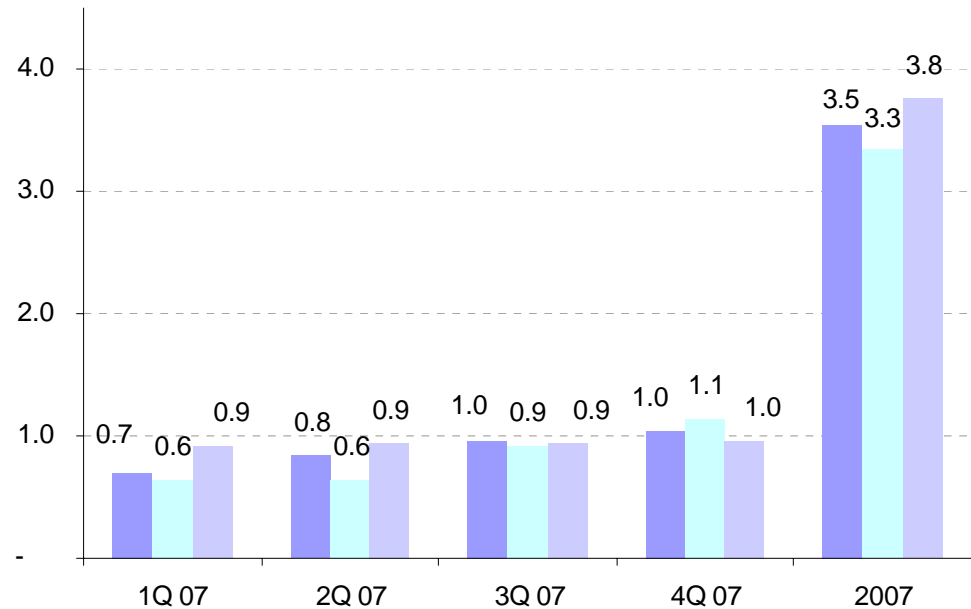
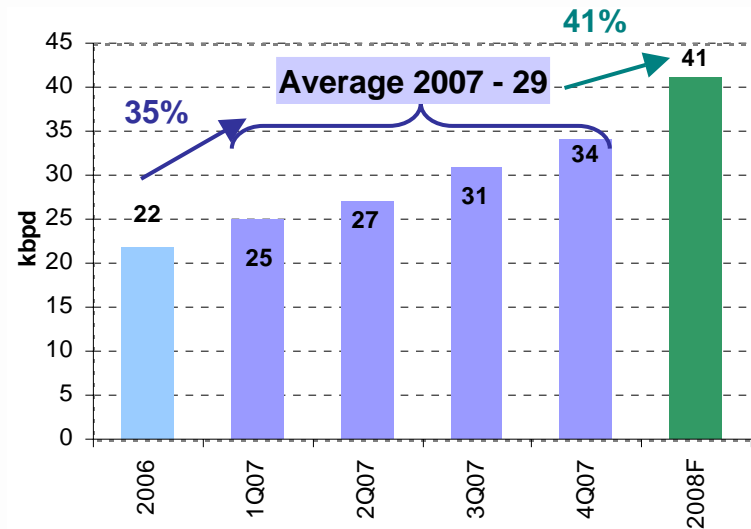
- Average production in Q4 2007 – 34 028 bpd -27% YoY increase
Production in Q4 2007 over 3 mln bbl
- Record quarterly financial indicators
 - Revenue \$134 mln
 - EBITDA \$48 mln
 - Net income \$5 mln
- Development of 6 new fields is continuing: North and Lek-Kharyaga, Kluchevskoye, Puglalymskoye, West Kochevnskoye, Solnechnoye
- Development of Kolvinskoye – first oil produced in December to meet license obligations

Production Highlights

- 10.6 MMBO produced in 2007 (in 2006 – 8.0 MMBO) – 33% YoY increase
- Production level of 40 kbpd was reached at the end of December
- Production target for 2008 – 15.0 MMBO

WSR average daily oil production, kbpd

Quarterly oil production by region, MMBO



■ Tomsk ■ Timano-Pechora ■ Samara

Tomsk Region: Production and Infrastructure

Production 3.5 MMBO for 2007

2007 drilling results:

- ❑ 28 wells drilled including 3 injection wells and 3 water supply wells
- ❑ 20 wells put into production

Q4 2007 achievements:

- Production drilling started on Khvoynoye oil field. 1 production and 1 water well were drilled and completed in the 1Q 2008 after hydro fracturing
- Pressure maintenance system was put into operation in the Kluchevskoye field
- At the Puglalymskoe field the booster pipeline pumping station completed.

Kluchevskoye field



Khvoynoe field



Timano-Pechora Region: Production and Infrastructure

- **Production 3.3 MMBO for 2007**
- Drilling results:
 - ❑ 5 wells drilled in Q4 2007, 16 in 2007
 - ❑ 6 wells put in operations in Q4 2007, 16 in 2007

Q4 2007 achievements:

- At the Kolvinskoye field old exploration well was reactivated and first 50 tons (322 bbl) of oil were produced therefore all license risks eliminated.
- At the Middle Kharyaga field, construction of water and heating supply systems for the central treatment facility was completed.
- 2008 materials and equipment winter supply program initiated upon completion of 10.5 km winter road.

Middle Kharyaga field



Lek Kharyaga field



Volga-Urals Region: Production and infrastructure

- **Production 3.8 MMBO in 2007**
- **Drilling results:**
 - 1 well drilled in 4Q2007, 7 in 2007
 - 2 wells put into production, 8 in 2007

4Q 2007 achievements:

- New 25 year oil production licenses for the Kovalevskoye field was obtained
- The upgrade of the Kochevnskoye field's oil treatment facility was completed increasing capacity to 10,800 barrels per day
- Energy supply for Kovalevskoye field arranged through construction of 19 km power line to local electricity grid
- Drilling of the first exploration well started at the Ivanikhinskaya structure.



**New Treatment facilities
Kochevnskoye field**



**The Volga-
Urals Region**

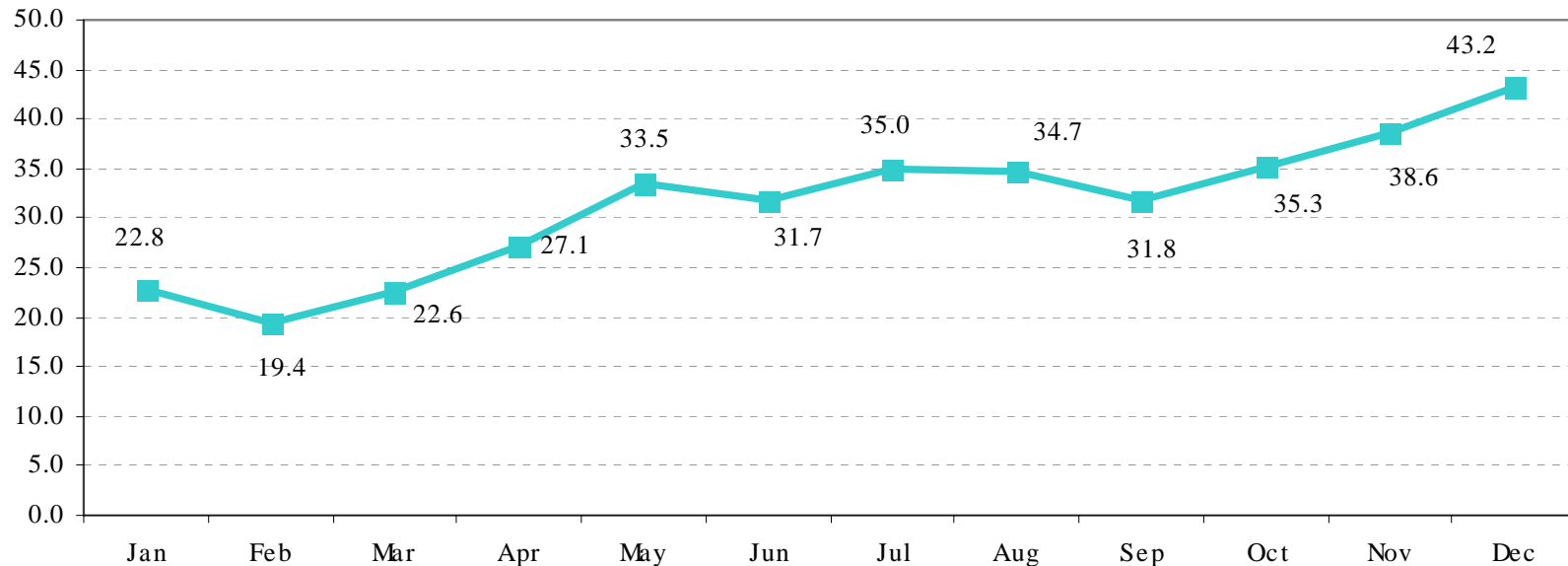


Novo-Kievskoe field

Oil Prices – Netbacks*

- Brent oil price hit record level at \$96/bbl at the end of December, Q42007 average at \$89/bbl
- Q4 average netback over \$38 per bbl, average netback for 2007 is US\$32 per bbl
- Export in 2007 - 48% (including CIS 33 % and far abroad 15%)

Weighted average netback price, US\$/bbl

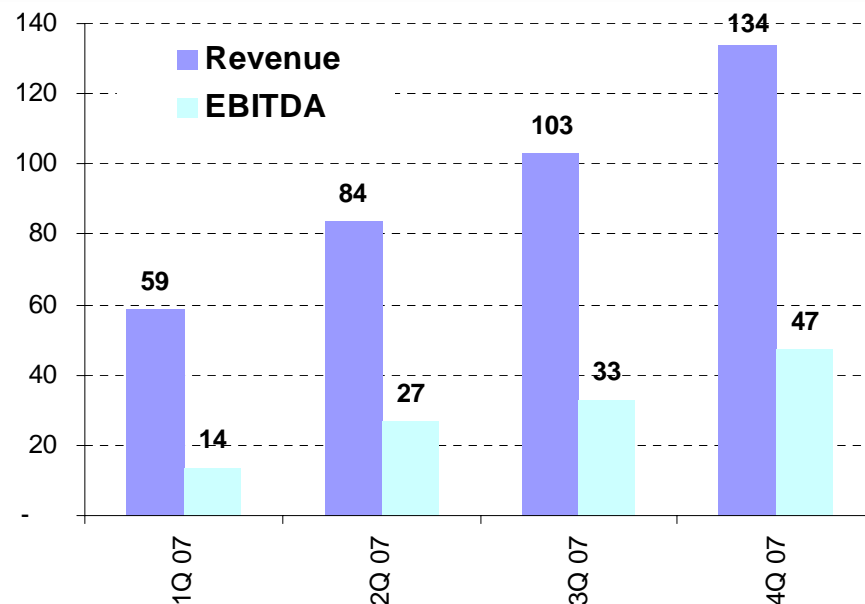


*Netback = Price less VAT/export duty and transportation costs

Financial Highlights

Quarterly Revenue & EBITDA, MUSD

| \$ '000 | 12m | 12m | % Δ |
|---------------------------|---------|---------|------|
| | 2007 | 2006 | |
| Revenues | 380,334 | 245,210 | +55% |
| EBITDA | 120,899 | 81,628 | +48% |
| Net Income/(Loss) | 29,891 | 30,225 | -1% |
| Cash flow from operations | 99,978 | 57,614 | +74% |
| CAPEX | 196,497 | 112,672 | +74% |



- Controllable production costs of \$4 per bbl are within the target
- Depletion, depreciation and amortization charge of \$77.7 mln – increase of depletion charge after new DM report