

# Q U A R T E R L Y R E P O R T

of

## ISSUER OF EMISSION SECURITIES

**The Open Joint Stock Company "Siberian Oil Company"**

*Issuer's Code: 00146-A*

**for the 1st (First) Quarter of 2004**

*Business address: 85 Oktyabrskaya St., Lyubinsky Workers' Settlement, Lyubinsky District,  
Omsk Region 646160*

*Mailing address: 4 Sadovnicheskaya St., Moscow 115035*

*Information contained in the present quarterly report is subject to disclosure in accordance  
with the laws of the Russian Federation on securities*

President \_\_\_\_\_ **E. M. Shvidler**

13 May 2004

Chief Accountant \_\_\_\_\_ **E. N. Sukharkova**

L. S.

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## INTRODUCTION

The full corporate name of the issuer:  
**The Open Joint Stock Company "Siberian Oil Company"**

The shortened name: **ОАО "Sibneft"**

The business address and mailing address of the issuer and contact telephone numbers

Business address: **85 Oktyabrskaya St., Lyubinsky Workers' Settlement, Lyubinsky District, Omsk Region 646160**

**Mailing address: 4 Sadovnicheskaya St., Moscow 115035**

Tel.: **(095) 777-3126** Fax: **(095) 77731-27**

E-mail address: **annaK@sibneft.ru**

The address of the Internet page on which the full text of the report is published: **www.sibneft.ru**

### Main data on securities placed

Category and type: **registered ordinary shares**

State registration number **1-01-00146-A of 17.06.2003**

Nominal value of one security of the issue: **0.0016 ruble**

The issue's number of securities: **4 741 299 639 pieces**

Size of the issue: **7,586,079.4224 rubles**

#### Note:

Based on the Federal Commission for Securities (FKCB) Instruction No. 03-1129/p of 17.06.2003, a unification of issues was done on 07.07.2003, thus annulling previously registered issue numbers (52-1п-0796 of 17.10.1995 and 1-02-00146-A of 16.12.1998) with the simultaneous assignment to the unified issue of the number 1-01-00146-A of 17.06.2003.

### Securities circulation data

The shares are included in the following quote lists:

LIST "B," Moscow Interbank Currency Exchange (<http://www.micex.ru/>).

LIST "B," RTS Stock Exchange (<http://www.rtsnet.ru/>).

The shares are also in circulation at the St. Petersburg Stock Exchange (<http://www.spbex.ru/>).

### American Depositary Receipts

A Level I American Depositary Receipt (ADR) Program was carried out in April 1999. The program enables placing in ADRs 8.4% of the total number of shares. One ADR is equivalent to ten shares and the depository bank is The Bank of New York. The ADRs are trading in the Frankfurt Stock Exchange (<http://www.ip.exchange.de/>) and the Berlin Stock Exchange (<http://www.berlinerboerse.de/>). Additional information is available from the Moscow Office of The Bank of New York at +7 (095) 967-3110 (<http://www.bankofny.com/>).

### The Register Holder

#### ОАО Registrar ROST

**Physical address:** 18 Stromynka St., Bldg. 13, Moscow, Russia

**Mailing address:** 18 Stromynka St., Bldg. 13, PO Box 9, Moscow 107996

**Telephone:** +7 (095) 771-7335, +7 (095) 771-7337

**Fax:** +7 (095) 777-73-34

**Internet:** <http://www.rost.ru/>

**E-mail address:** [rost@rost.ru](mailto:rost@rost.ru)

## **I. Brief data on the members of the issuer's managing bodies, and data on the issuer's bank accounts, auditor, appraiser and financial consultant**

### **1.1 The members of the managing bodies**

#### **THE BOARD OF DIRECTORS:**

- 1. Vice President Potapov, Konstantin Nikolayevich** (the Chairman of the Board of Directors)  
Year of birth: 1956
- 2. Independent Director Vinchel, Mikhail Genrikhovich**  
Year of birth: 1961
- 3. Independent Director Gavrikov, Albert Alexeyevich**  
Year of birth: 1970
- 4. Independent Director Tyryshkin, Ivan Aleksandrovich**  
Year of birth: 1973
- 5. President Shvidler, Yevgeny Markovich**  
Year of birth: 1964
- 6. Vice President for Finance Breyeva, Tatyana Alexeyevna**  
Year of birth: 1951
- 7. Vice President Oif, Valery Aleksandrovich** (*Ceased functions as a Board member and Vice President for Processing and Marketing from March 18, 2004, on his appointment as the representative of the Omsk Regional Government in the Federation Council*)  
Year of birth: 1964
- 8. Vice President Poltorak, Yevgeny Yakovlevich**  
Year of birth: 1947
- 9. Head of the Corporate Policy Department Novikov, V. I.**  
Year of birth: 1945

**THE ONE-MAN EXECUTIVE BODY: President Shvidler, Yevgeny Markovich**

#### **THE COLLECTIVE EXECUTIVE BODY: Management**

Consisting of:

- 1. President Shvidler, Yevgeny Markovich**  
Year of birth: 1964
- 2. Vice President for Finance Breyeva, Tatyana Alexeyevna**  
Year of birth: 1951
- 3. First Vice President Korsik, Aleksandr Leonidovich**  
Year of birth: 1956

### **1.2. Data on the issuer's bank accounts**

- 1.2.1 Full corporate name: ZAO Raiffeisenbank Austria, Moscow**  
Shortened corporate name: **ZAO Raiffeisenbank Austria, Moscow**  
Business address: **17/1 Troitskaya St., Moscow 129090**  
Taxpayer Identification Number: **7744000302**  
BIK: **44525700**  
Correspondent account number: **30101-810-2-0000-0-000700**
- 1.2.2 Full corporate name: ZAO Mezhdunarodny Moskovsky Bank (International Moscow Bank)**  
Shortened corporate name: **ZAO Mezhdunarodny Moskovsky Bank**  
Business address: **9 Prechistinskaya Embankment, Moscow 119034**  
Taxpayer Identification Number: **7710030411**  
BIK: **44525545**  
Correspondent account number: **30101-810-3-0000-0-000545**
- 1.2.3 Full corporate name: Bank WestLB Vostok (Closed Joint Stock Company)**  
Shortened corporate name: **Bank WestLB Vostok (ZAO)**  
Business address: **23 Povarskaya St., Bldg. 4, Moscow 121069**  
Taxpayer Identification Number: **77040373527**  
BIK: **44525247**  
Correspondent account number: **30101-810-2-0000-0-000247**

- 1.2.4 Full corporate name: **Joint Stock Commercial Savings Bank of the Russian Federation (OAO)**  
Shortened corporate name: **Sberbank Russia**  
Business address: **19 Vavilova St., Moscow 117997**  
Taxpayer Identification Number: **7707083893**  
BIK: **44525225**  
Correspondent account number: **30101-810-4-0000-0-000225**
- 1.2.5 Full corporate name: **Joint Stock Bank "Sodeistviye obshchestvennym initsiativam" OAO**  
Shortened corporate name: **OAO Sobinbank**  
Business address: **15 Rochdelskaya St., Bldg. 56, Moscow 123022**  
Taxpayer Identification Number: **7722076611**  
BIK: **44525487**  
Correspondent account number: **30101-810-4-0000-0-000487**
- 1.2.6 Full corporate name: **Foreign Economic Activity Bank USSR**  
Shortened corporate name: **Vnesheconombank**  
Business address: **9 Akademika Sakharova Prospekt., Moscow 101999**  
Taxpayer Identification Number: **7708011796**  
BIK: **44525060**  
Correspondent account number: **30101-810-5-0000-0-000060**
- 1.2.7 Full corporate name: **ZAO KB Citybank**  
Shortened corporate name: **ZAO KB Citybank**  
Business address: **8-10 Gasheka St., Moscow 125047**  
Taxpayer Identification Number: **7710401987**  
BIK: **44525202**  
Correspondent account number: **30101-810-3-0000-0-000202**
- 1.2.8 Full corporate name: **Open joint stock company TRUST Investment Bank (OAO)**  
Shortened corporate name: **TRUST Investment Bank (OAO)**  
Business address: **4/4 Kolpachny Per., Moscow 101990**  
Taxpayer Identification Number: **7705283015**  
BIK: **44525703**  
Correspondent account number: **30101-810-1-0000-0-000703**
- 1.2.9 Full corporate name: **AKB Moskovsky Delovoi Mir (OAO)**  
Shortened corporate name: **OAO MDM Bank**  
Business address: **3 Sadovnicheskaya St., Moscow 115035**  
Taxpayer Identification Number: **7706074960**  
BIK: **44525466**  
Correspondent account number: **30101-810-9-0000-0-000466**
- 1.2.10 Full corporate name: **ZAO BNP Paribas Bank**  
Shortened corporate name: **ZAO BNP Paribas Bank**  
Business address: **1 Bolshoi Gnezdikovskiy Per., Bldg. 2, Moscow 125009**  
Taxpayer Identification Number: **7744002405**  
BIK: **44525185**  
Correspondent account number: **30101-810-1-0000-0-000185**
- 1.2.11 Full corporate name: **ZAO Kommerzbank (Eurasia)**  
Shortened corporate name: **ZAO Kommerzbank (Eurasia)**  
Business address: **14/2 Kadyshevskaya Embankment, Moscow 119017**  
Taxpayer Identification Number: **7710295979**  
BIK: **44525105**  
Correspondent account number: **30101-810-3-0000-0-000105**
- 1.2.12 Full corporate name: **OAO Alfa Bank**  
Shortened corporate name: **OAO Alfa Bank**  
Business address: **27 Kalanchevskaya St., Moscow 107078**  
Taxpayer Identification Number: **7728168971**  
BIK: **44525593**  
Correspondent account number: **30101-810-2-0000-0-000593**

1.2.13 Full corporate name: **ING Bank (Eurasia) ZAO (Closed Joint Stock Company)**

Shortened corporate name: **ING Bank (Eurasia) ZAO**

Business address: **31 Krasnaya Presnya, Moscow 123022**

Taxpayer Identification Number: **7712014310**

BIK: **44525222**

Correspondent account number: **30101-810-5-0000-0-000222**

1.2.14 Full corporate name: **KAB Bank Societe General Vostok (ZAO)**

Shortened corporate name: **ZAO BSGV**

Business address: **2 Yakimanskaya Naberezhnaya, Moscow 119180**

Taxpayer Identification Number: **7703023935**

BIK: **44525957**

Correspondent account number: **30101-810-6-0000-0-000957**

1.2.15 Full corporate name: **ABN AMRO Bank A. O.**

Shortened corporate name: **ABN AMRO Bank A. O.**

Business address: **17 Bolshaya Nikitskaya St., Bldg. 1, Moscow 125009**

Taxpayer Identification Number: **7703120329**

BIK: **44525217**

Correspondent account number: **30101-810-9-0000-0-000217**

### **1.3. Data on the issuer's auditor**

Name: **ZAO Ernst & Young Vneshaudit**

Business address: **20/12 Podsosensky Per., Moscow 103062**

Tel.: **(095) 7559700** Fax: **(095) 7559710**

Data on the auditor's license:

License number: **004768**

Issuance date: **8.02.2002**

Expiration date: **8.02.2005**

Issuing authority: **The Ministry of Finance of the Russian Federation**

The financial year (years) for which an auditor has run an independent check:

***This auditor has audited the annual financial statement (drawn up in accordance with Russian standards) for the year 2002, the annual and semiannual consolidated financial statements drawn up in accordance with US GAAP standards for 2002, and the semiannual consolidated financial statement for the first half of 2003, drawn up in accordance with US GAAP standards.***

***Earlier, accounts auditing had been carried out by ZAO Arthur Andersen for the years 1999, 2000 and 2001.***

Auditor selection procedures:

***Under the Company's Charter, an independent auditor is to be selected by a General Meeting of Shareholders by a majority vote. A holder or holders of at least 2 (two) percent of the voting shares shall have the right to nominate an auditor for approval by the Annual General Meeting of Shareholders. Should there be no such proposals the Board of Directors is entitled to include questions in the General Meeting agenda or candidates in the list of candidacies at its discretion. The Board of Directors shall provide the Meeting of Shareholders with its recommendations on several candidates on the basis of the Audit Committee's opinion.***

***In accordance with the Regulations of the Audit Committee: the terms ensuring the independence of an auditor are the following restrictions:***

- ***the size of the fee to be paid for audit services provided to the Company has to constitute less than 10% of the income of the auditing firm;***
- ***the Company's auditor may not be a firm of auditors that might earlier have provided it with services for re-establishing book records and drawing up financial statements.***

The procedure for fixing the amount of remuneration:

***A decision of the Board of Directors on the auditor's remuneration shall be adopted by the majority, on the basis of its Audit Committee's advice.***

The existence of significant interests linking the auditor (the auditor's officers) to the issuer (the issuer's officers): ***none of such interests.***

The existence of any shares of the auditor (the auditor's officers) in the authorized capital (joint stock or share fund) of the issuer: ***the auditor possesses no shares in the authorized capital of the issuer.***



The provision of any borrowed funds to the auditor (the auditor's officers) by the issuer: ***the issuer provided no borrowed funds to the auditor.***

The existence of any close business relations (participation in promoting the issuer's products (services), participation in joint entrepreneurial activities, and so on) or of any family ties: ***the aforesaid relationships nonexistent between the issuer and auditor.***

Data on the issuer's officers who are at the same time the auditor's officers (or an auditor): ***such persons do not exist.***

#### **1.4. Data on the issuer's appraiser:**

Name: **Closed Joint Stock Company "International Valuation Center"**

Shortened name: **ZAO International Valuation Center**

Business address: **21 Novaya Basmannaya St., Bldg. 1, Moscow 107078, Russian Federation**

Tel.: **(095) 261 91 10, Fax: (095) 267 99 36**

E-mail address: **invacent@dol.ru**

License number: **000002**

Issuance date: **06.08.2001**

Expiration date: **06.08.2004**

Issuing authority: **Ministry of Property Relations of the Russian Federation**

Information on appraisal services being provided (already rendered) by the appraiser: **there was no market value appraisal of the OAO Sibneft shares in the reporting quarter. Earlier, this appraiser had been providing services for value appraisal of the shares for the adoption by Board of Directors of a decision on the buyout price of shares (stakes) during a reorganization by way of the incorporation of oil traders' companies into OAO Sibneft.**

#### **1.5 Data on the issuer's consultants: There is no financial consultant with the company.**

## II. Principal Information on the Issuer's Financial and Economic Condition

### 2.1. Indicators of financial and economic activity of the issuer by unconsolidated financial statement data

Indicator	Methods of Calculation	Formula	1999	2000	2001	2002	2003
Issuer's net asset value (million rubles)	In accordance with the procedure laid down by the Ministry of Finance of the Russian Federation and Federal Commission for Joint Stock Companies (the MinFin and FKCB Order No. 10n/03-6/pz of January 29, 2003)	$110+120+130+140+150+210+220+230+240+250+260+270+450+510+610+620+630+660+670$	7 629.3	7 242.2	7 210.9	43 801.5	16 056.8
Ratio of borrowings to capital and reserves (%)	Year end Short-term and Long-term Obligations/ Capital and reserves at end of period x 100	$\frac{LineF1(590 + 690)}{LineF1(490)} \times 100\%$	202.7	297.4	593.7	200.7	791.5
Ratio of short-term obligations to capital and reserves (%)	Short-term obligations, end of period/ Capital and reserves, end of period, x 100	$\frac{LineF1(690)}{LineF1(490)} \times 100\%$	146.1	209.6	341.1	51.4	515.0
Cover of debt service payments (rub/1 rub of debt)	(Net profit for current period + Depreciation charges for current period - Dividends) / (Obligations to be discharged in current period + Interest payable in current period)	$\frac{NP + LineF5(640) - LineF4(210)}{LineF1(690) + LineF2(070)}$	0.01	0.11	-0.83	-0.07	-0.71
Level of overdue indebtedness (%)	Overdue indebtedness, end of period / (Long-term Obligations, end of period + Short-term Obligations, end of period) x 100	$\frac{LineF5(231 + 241)}{LineF1(590 + 690)} \times 100\%$	20.3	9.0	0.2	0.2	0.0
Turnover of net assets (times)	Earnings minus VAT, excises and other such taxes and compulsory contributions / net asset value	$\frac{LineF2(010)}{NA}$	5.3	9.0	7.9	1.9	7.0
Accounts payable turnover (times)	Cost of goods, products, works and services sold, commercial and managerial expenses not included / accounts payables, end of period	$\frac{LineF2(020)}{LineF1(620)}$	3.5	6.3	4.7	3.3	2.3
Receivables turnover (times)	Earnings minus VAT, excises and other such taxes and compulsory contributions / (receivables, end of period - participants' arrears of contributions to authorized capital, end of period)	$\frac{LineF2(010)}{LineF1(230 + 240 - 244)}$	5.0	5.0	2.4	1.3	3.1
Share of tax profit in profit before taxation (%)	Tax on profit / profit before taxation	$\frac{LineF2(150)}{LineF2(140)} \times 100\%$	56.6	26.4	44.6	33.7	32.3

In the five years since 1999 the Company has been actively growing, its annual turnover has nearly trebled. At this rate of growth the Company maintains high indicators of activity effectiveness for the given industry, and a rational balance sheet structure.

The Company actively attracts borrowings, successfully applying the effect of financial leverage for increasing the profitability of capital. With the rate of crediting at 6%, the profitability of its own funds is on a level of 13%.

In spite of the increased dependence on external sources of financing, asset growth has been going at an outstripping rate. The positive dynamics in the increase of net assets remain.

In 2002 and 2003 the Company actively invested in the development of its subsidiary enterprises by increasing their authorized capital, which led to a five-fold rise in financial investments. In addition, a restructuring of the debit indebtedness of the subsidiary enterprise Sibneft NNG 4 was carried out in 2003, entailing an increase of financial investments and a decrease of debit indebtedness.

As of the start of 2003, considerable funds had been accumulated for participation in the auction for the sale of the oil company Slavneft. This led to a marked growth of the amount of circulating assets and appropriate indicators. The reduction in turnover of net assets in 2003 was due to the purposive accumulation of funds, and does not reflect the real situation. In 2003 these indicators returned to the usual level. The magnitude in turnover of net assets is testimony to their efficient use.

The reduction in turnover of debit indebtedness stems from the growth of the debts of the subsidiary enterprises, which are being eliminated upon consolidation. External debit indebtedness is decreasing, and the period of capital turnover is becoming shorter accordingly. There markedly dwindled the share of overdue debit indebtedness from 20% in 1999 to a practically zero level in 2003. After the restructuring of the subsidiary enterprises' indebtedness in 2003, the turnover of debit indebtedness rose.

Starting with 2001, the Company has been paying dividends out of the funds in excess of its investment financing requirements. According to accounting standards applicable in the Russian Federation, profit obtained as a result of the incorporation of traders is not reflected in the profit and loss account. Therefore in the calculation of the cover of debt service payments since 2001 the values of the coefficient are negative. But if the said profit is accounted for in the calculation of this coefficient, its dynamics will acquire a positive tendency.

The stable growth of equity capital and net profit and the high level of coefficients of business activity and financial stability attest to the financial soundness of OAO Sibneft in the short and medium term.

## 2.2. Market capitalization:

Information on the issuer's market capitalization for the last five complete financial years at the date of the end of each financial year:

1999 – 1,592,583,583 US dollars

2000 – 1,281,525,879 US dollars

2001 – 3,154,353,460 US dollars

2002 – 9,653,428,303 US dollars

2003 – 12,248,957,965 US dollars

The capitalization was calculated as the product of the number of ordinary shares into the weighted average price of one share, calculated from the ten largest transactions made through the NP RTS Stock Exchange for each of the five complete financial years according to data for the month of December.

## 2.3. The commitments of the issuing company

### 2.3.1. Credit indebtedness according to data of unconsolidated financial statement:

Name of indicator	As of 01.01.2000	As of 01.01.2001	As of 01.01.2002	As of 01.01.2003	As of 01.01.2004	As of 01.04.2004
<b>Short-term (thous. rub)</b>	10 556 599	9 646 869	10 564 442	20 290 685	39 152 406	38 877 805
Including overdue	3 188 531	1 972 522	89 442	133 807		
of which that of more than 3 months duration	3 188 311	250 123	52 720	88 080		

### The structure of long- and short-term credit indebtedness according to data of unconsolidated financial statement

Name of liability	As of 01.01.2000	As of 01.01.2001	As of 01.01.2002	As of 01.01.2003	As of 01.01.2004
<b>Long term borrowings (thous. rub)</b>	4 376 060	6 508 204	18 702 097	65 393 077	44 397 479
credits of banks repayable more than	4 376 060	6 508 204	18 702 097	64 707 929	

12 months after date of account					
other loans repayable more than 12 months after date of account				685 148	
Deferred tax liabilities					7 432
Other long term borrowings					167 870
<b>TOTAL (thous. rub)</b>	<b>4 376 060</b>	<b>6 508 204</b>	<b>18 702 097</b>	<b>65 393 077</b>	<b>44 572 781</b>

<b>Name of liability</b>	<b>As of 01.01.2000</b>	<b>As of 01.01.2001</b>	<b>As of 01.01.2002</b>	<b>As of 01.01.2003</b>	<b>As of 01.01.2004</b>
<b>Short term loans and credits (thous. rub)</b>	<b>669 616</b>	<b>4 471 459</b>	<b>8 755 993</b>	<b>2 211 315</b>	<b>40 813 194</b>
credits of banks repayable within 12 months after date of account	669 602	3 097 600	5 877 300	892 283	
loans repayable within 12 months after date of account	14	1 373 859	2 878 693	1 319 032	
<b>Credit indebtedness (thous. rub)</b>	<b>10 556 599</b>	<b>9 646 869</b>	<b>10 564 442</b>	<b>20 290 685</b>	<b>39 152 406</b>
suppliers and contractors	3 543 865	6 650 825	9 150 202	19 158 793	33 441 616
bills payable	5 118 702	1 945 798	72 535	25 910	
indebtedness to subsidiary and dependent companies					
indebtedness to company staff	4 737	5 524	14 611	19 233	17 077
tax and levy arrears					1 749 750
indebtedness to state off-budget funds	9 860	1 938	10 034	7 450	3 199
indebtedness to the budget	90 702	77 524	84 073	162 788	
advances received	1 550 981	769 099	1 232 744	914 469	3 920 856
other creditors	237 752	196 161	243	2 042	19 908
<b>Incomes payable to members (founders) (thous. rub)</b>		<b>1 411 388</b>	<b>5 859 545</b>	<b>6 021</b>	<b>2 724 647</b>
Deferred incomes		8	8	8	8
Reserves for deferred expenses					
Other short term liabilities					
<b>TOTAL (thous. rub)</b>	<b>11 226 215</b>	<b>15 529 724</b>	<b>25 179 988</b>	<b>22 508 029</b>	<b>82 690 255</b>

According to data of unconsolidated financial statement for 1st quarter of 2004

<b>LONG TERM LIABILITIES (thous. rub)</b>	<b>At 01.01.2004</b>
Loans and credits	38 965 127
Deferred tax liabilities	34 485
Other long term liabilities	167 870
<b>TOTAL</b>	<b>39 167 482</b>

<b>SHORT TERM LIABILITIES (thous. rub)</b>	<b>At 01.01.2004</b>
Loans and credits	42 161 056
Credit indebtedness	38 877 805
Suppliers and contractors	35 021 528
to company staff	25 483
to state off-budget funds	6 316
tax and levy arrears	2 890 490
advances received	916 819
other creditors	17 169
Incomes payable to members (founders)	1 112 905
Deferred incomes	8
Other short term liabilities	
<b>TOTAL</b>	<b>82 151 774</b>

### 2.3.2. The credit history of the issuer

The large credits that the issuer borrowed in the period from 1999 to 2003 for a period of more than six months:

Creditor	Principal as of date of conclusion of credit agreement (contract of debt) (thous. rubles)	Date of conclusion of credit agreement	Credit conditions	Effective date of repayment
<b>For 1999</b>				
Credit Lyonnaise Bank	678 242.8	March 1999	Libor+5,0 0%	Repaid September 1999
Raiffeisenbank	214 355.8	October 1998	9,00%	Repaid April 1999
Raiffeisenbank	536 480.0	December 1999	Libor + 4.5 %	Repaid May 2000
<b>For 2000</b>				
Natexis Bank	4 964 777.8	August 2000	Libor+4.5 %	Repaid September 2001
West LB AG	2 773 000.0	August 2000	Libor+5 %	Repaid September 2001
<b>For 2001</b>				
Societe General Vostok	5 050 499.2	March 2001	Libor+4.5 %	Repaid February 2003
Societe General Vostok	5 297 000.0	December 2001	Libor+3.8 %	Repaid November 2003
<b>For 2002</b>				
Societe General Vostok	1 532 907.5	December 2001	Libor+3.8 %	Repaid November 2002
Salomon Brazers	15 804 654.5	December 2002	11%	TIME FOR REPAYMENT <b>January 2009</b>
Salomon Brazers	12 261 599.4	February 2002	11,50%	TIME FOR REPAYMENT <b>February 2007</b>
Raiffeisenbank	4 779 000.0	December 2002	Libor+3.25 %	TIME FOR REPAYMENT <b>December 2005</b>
West LB	9 457 664.0	July 2002	Libor+3.5 %	TIME FOR REPAYMENT <b>November 2004</b>
BNP Paribas S.A., London Branch	2 351 532.5	30.05.2002	Libor+ 3.25 %	<b>Repaid ahead of time 22.07.2002</b>
BNP Paribas S.A., London Branch	4 723 304.7	25.07.2002	Libor+ 4.1 %	TIME FOR REPAYMENT <b>July 2007</b>
<b>For 2003</b>				
Sibneft Oil Trade	9 231 593.8	10.06.2003	Noninterest bearing credit	Time for repayment June 2004
Sibneft Oil Trade	6 591 874.0	10.06.2003	Noninterest bearing credit	Time for repayment June 2004

**The following are the largest creditors as on 01.04.2004:**

**Credits repayable in more than 12 months**

<b>Creditor</b>	<b>Sum of indebtedness as on 1.04.2004 (thous. rub)</b>	<b>Origination of indebtedness</b>	<b>Date of repayment</b>	<b>Credit conditions</b>
Salomon Brazers	14 251 200	03.12.2002	January 2009	10.75%
Salomon Brazers	11 400 960	13.02.2002	February 2007	11.50%
West LB AG	5 823 734	04.07.2002	January 2006	Libor+2.15%
Raiffeisen Zentrabank Oesterreich	3 206 520	10.12.2002	December 2005	Libor+3.25%
BNP Paribas S.A., London Branch	3 788 015	25.07.2002	July 2007	Libor+3%

### **2.3.3. Commitments of the issuing company arising from the security provided to third parties:**

During the course of the first quarter of 2004, the issuer provided security to Noyabrskneftekombank for OAO "Sibneft-Noyabrskneftegaz credits for the sum of 5 billion rubles each month (January, February, March) to meet current expenses. As on 01.04.2004, OAO "Sibneft-Noyabrskneftegaz had fully repaid the debts to the creditor (Noyabrskneftekombank ) and to the security (OAO Sibneft).

As on 01.04.2004, the Company has no commitments to provide security to third parties, including in the form of a mortgage or security, constituting no less than 5 percent of the assets' book value.

### **2.3.4. Other commitments of the issuing company**

The issuer has no commitments, agreements among them, including forward transactions, not reflected in its balance sheet, that might substantially affect the financial condition of the issuer, its liquidity, sources of financing and the conditions of their use, the results of activity and expenses.

## **2.4. The aims of an issue and the areas in which to use the funds obtained as a result of the placing of emission securities:**

**no issues of shares were effected during the past five years.**

## **2.5. Risks involved in the acquisition of placed emission securities:**

### **2.5.1. Sectoral risks**

This group of risks is determined by the competitive struggle, by the processes taking place in domestic and foreign sectoral markets, by the internal and external prices of raw materials, services and products, and by the dynamics of the company and its rivals.

The stable and dynamic growth of the company has enabled it to take and keep a firm and confident position among the industry's leaders in the domestic market as well as to raise to 40% its share of exports in the total output, which brings down to an acceptably safe level the potential adverse effect of the risks listed above.

A determining impact on the financial position, profit and investment vigor of the company is exerted by the prices of raw materials and products in domestic and foreign markets, which is beyond the company's control.

The steadily high oil prices in external markets and the absence of a glut of oil and products on the domestic market do not portend a worsening of the situation in the industry in the near future. But if a worsening of the situation in the markets does occur, it is possible to set off the adverse impact by a change in the volume of production, exports and domestic market sales (depending on the fluctuation of prices in the home and foreign markets).

Analysis has shown that a critical decline in world prices of Russian oil for the industry to 16 US dollars a barrel is not likely to cause a failure by the company to discharge its obligations for securities.

A limited adverse impact may be exerted by an increase in the cost of energy carriers, services and the transportation of raw materials and products, which is practically beyond the company's control. To diminish the effect of these risks the company is building up the share of the use of its own sources of energy and using long-term contracts and the optimal redistribution of transport flows by type of transport (pipeline, railway, sea transport).

The actions of the company with respect to sectoral risks depend on a particular situation in each particular case and are aimed at the unconditional ensuring of performance by the company of its securities-related obligations.

### **2.5.2. Country and regional risks**

The country risks of the company are determined by Russia's intrinsic current social, political and economic risks as well as by the international financial rating of Russia, which is beyond the company's control.

Certain events in the political, economic and social life of Russia and the reforms that are being carried out do have an effect on the course of the company's activities now, and may do so in the future. But the sociopolitical situation, which has been stabilizing, the economic growth tendency, the successful servicing by Russia of its foreign debt and the stable international financial rating of Russia reduce the adverse impact of country risks on the operation of the company.

The primary activity of the company is in the Siberian and Central Districts. The economic and social risks, and the growth trends of these districts are set out in the Russian Federation Program of Economic and Social Development for the Medium Term.

Risks of military conflict, popular unrest, strikes and the declaration of an emergency are minimal in the areas where the company operates.

For the company not critical in the regions of its activity are risks that go with natural and climatic features, natural disasters and disruptions of transportation.

Company actions in the event of an adverse impact of a change in the situation in the country and the regions on the operations of the company depend on the factor and degree of impact and will be determined in each particular case by the methods available to the company for reducing that impact to the lowest possible level.

### **2.5.3. Financial risks**

The company is subject to risks of exchange losses and to risks of a change in interest rates because it employs large borrowings, for the most part - on supplies of oil being traded in dollar prices. As a consequence of this the results of its operation are subject to the impact of fluctuations of the ruble's rate of exchange against foreign currencies.

Risks of liabilities for credits, loans and securities are insignificant on the scale of the company. It is carrying out a well-balanced policy in the area of the use of own and borrowed funds and currently has the following credit ratings: Moody's (Ba3) и S&P (B+).

A change in the exchange rate of foreign currencies finds reflection in the items of a cash flow account, including the turnover of foreign currency, in non-turnover income and expenditures (the positive and negative differences in exchange), in export receivables, in indebtedness under credits and loans and, as a consequence, in the profit of the company.

A stronger exchange rate of the ruble, and its real and nominal rate of exchange likewise have an adverse effect on operating profit, this adding to tax liabilities and the aggregate amount of the expenditures of the company.

In addition, negative influence is exerted by a change in the tariffs for the transportation of oil, as also by the tariffs for energy resources and for auxiliary services and by an increase in the tax load, which is practically beyond the company's control.

There is also the adverse effect of a number of restrictions of currency regulation, in particular - the restriction of the conversion of ruble earnings into foreign currencies and back.

To adverse factors belong inflation, which, despite a certain degree of stabilization, tends to cause a rise in expenses and a reduction in revenues of the company. The existing and predicted rates of inflation are far from critical values for the company.

The company does not resort to a hedging of the above risks, but in each particular situation employs its internal instruments and reserves for the management of financial risks, which make it possible to guarantee the discharge by the company of its obligations, including those on securities.

### **2.5.4. Legal risks**

The currency regulation reforms now being carried out in Russia, and those of the banking, judicial, customs and tax systems and of the laws concerning land use, the rational management of nature, subsoil wealth use, the extraction of minerals, and so on have had and will continue to have an implicit effect on the operations of the company.

To the category of substantial risks for the company may be assigned the introduction of new changes to the Tax Code of the Russian Federation, including those providing for a marked increase in the rates of the existing taxes and duties as well as the imposition of new:

- provisions of currency regulation;
- rules in the field of licensing;
- changes to the legislation on mineral resources;
- changes to the legislative acts on a charge for adverse environment impact.

In the period under review, none of the company's licenses has been revoked, and the risk of license revocation or non-extension is minimal.

There have been no changes in judicial practice in the period under review on matters relating to the activities of the company (including the questions of licensing) that might have an adverse effect on its performance.

In the period under review legal risks have had no substantial impact on the company and have not reflected on the discharge by the company of its obligations, including those on securities.

#### **2.5.5. Risks stemming from the issuer's activities**

The company is subject to a risk of lack of diversification of production activity in areas other than prospecting for, and the exploration, extraction, processing and sale of oil and oil products. But this risk is made up for by the stable financial condition of the company, its quality mix of assets and its highly professional managerial team.

The company is subject to risks of production equipment failures and breakdown and has been carrying out in this regard an extensive set of preventive measures to keep the equipment in usable technical condition and a program of renewal of equipment. In addition, the basic production equipment is insured against damage and loss due to fire, explosion, and natural and other hazards.

Oil and product export risks are tolerant on the scale of the company.

Ecology and environment protection risks are insignificant on the scale of the company. The company is carrying out a complex of measures to reduce harmful environment impact, to cut down discharges, to reclaim lands, and to process wastes and complies with the requirements of current legislation in the field of ecology and the protection of the environment.

Since the company and its subsidiary enterprises are large taxpayers, their operations are the object of regular checks on the part of the Russian Federation Audit Chamber, Ministry of Taxes and Levies, and licensing, environmental and other controlling bodies. In this connection the company and its subsidiary enterprises are subject to a risk of claims from controlling bodies and to a risk of getting involved on such claims in legal proceedings.

Current period risks due to the legal processes in which the company is involved are insignificant on the scale of the company.



### **III. Detailed information on the issuer**

#### **3.1. The history of the creation and development of the issuer**

##### **3.1.1 Data on the corporate name of the issuer:**

The full corporate name of the issuer: **The Open Joint Stock Company "Siberian Oil Company"**

The shortened name: **ОАО "Сибнефт"**

Data on changes in the name and the institutional form: **there were no changes.**

##### **3.1.2. Data on state registration**

Date of state registration of the issuer: **October 6, 1995**

Number of the certificate of state registration (other document confirming the state registration of the issuer): **№ 38606450**

Authority that effected state registration: **the Omsk City Registration Chamber of the City Administration of Omsk**

Date of registration with EGRYuR: **August 21, 2002**

Main state registration number: **1025501701686**

Authority that effected state registration: **Russian Federation Ministry of Taxes and Levies' Inspectorate for the Lyubinsky District of the Omsk Region.**

##### **3.1.3. Data on the creation and development of the issuer**

OAO Sibneft was formed in accordance with the Decree of the President of the Russian Federation № 872 of August 24, 1995 and the Resolution of the Government of the Russian Federation № 972 of September 29, 1995. It was registered on October 6, 1995. The state, acting as the founder of Sibneft, set up a vertically integrated company through contributing to its authorized capital the shares of Noyabrskneftegaz, Omsk Oil Refinery, the geophysical enterprise Noyabrskneftegazgeofizika, and Omsknefteprodukt, a marketing unit. The privatization of the company was fully completed in May 1997, and at present OAO Sibneft is a fully private company.

The main activities of OAO Sibneft are: prospecting for, and the development of oil and gas fields, the extraction of oil and gas, the processing of oil and gas, the production of oil products, and the sale of oil and oil products.

The mission of Sibneft is to be a firm leader in the sectors of oil exploration and extraction and of the production and sale of oil products through the use of the company's own capability and the acquisition of new assets, and to ensure a long-term and profitable business growth with a view to increasing the value of the company's stock and the income of the shareholders.

The program for growth of oil production was launched by the company in 2000. In the same year commercial production began at the Yarainerskoye and Romanovskoye Fields and later at the Vostochno-Vyngayakhinskoye and the Vostochno-Pyakutinskoye. Deposits were being worked at the Karamovskoye and Kraineye Fields, and drilling work began again at the immense Sugmutskoye Field. The international service company Schlumberger provided Sibneft with the newest technologies.

In 2001 Sibneft went beyond its principal resource base - the Yamalo-Nenets Area of the Tyumen Region. In May 2001 the first commercial oil was obtained at the Krapivinskoye Field in the Omsk Region.

Jointly with Sibir Energy company there was established a joint venture called Sibneft - Yugra, which is engaged in production in the Khanty-Mansi Autonomous Area.

The results of 2001 brought Sibneft leadership in the Russian oil industry in rates of production volume growth (without regard to the acquisition of new assets). According to Russian Federation Ministry of Energy statistics, the output of the company rose by 20%, compared to 2000, and in 2002 - by 27% against 2001.

In April 2002 Sibneft got control of 67% of the shares of OAO Meretoyakhaneftegaz, in possession of a license for the development of the Meretoyakhinskoye Field, whose known reserves at the end of 2002 were estimated by Miller & Lents at 2.7 million tons.

##### **The development of the processing capacities**

The rapid growth of oil production has been a stimulus for the development of processing. Sibneft incorporates Omsk Refinery, Russia's largest, and one of the world's biggest, the installed capacity of which is 19.5 million tons a year. In depth of crude oil refining the plant holds the first place in the Russian Federation. The leading positions of Omsk Refinery in the industry are being maintained by its constant modernization. Thus, in keeping with the program for its modernization there was completed the alkylation plant in 2001, for which the French engineering group Technip supplied the equipment. The reconstruction is under way of the catalytic reforming plant with the use of the equipment being supplied by the Italian firm Eurotechnica Contractors and Engineers. The catalytic cracking unit was reconstructed and a fully automatic line for the pouring of automobile oils was

installed, for which the Swiss firm SIG Blowtec supplied the equipment.

As a result of the modernization Omsk Refinery has been enabled to start the production of commercial volumes of antiknock gasoline A-98 (the volume of production being up to 12 thousand tons a month) and to turn into the second largest producer of motor oils in Russia. In 2002 the total capacity of the oil block came to 20 thousand tons a month.

#### **The growth of the marketing network**

The growth of volumes of crude oil refining has determined the expansion of the marketing network of Sibneft, which has gone far beyond the Omsk Region, where OAO Sibneft-Omsknefteprodukt holds the leading position. This strategy is completely justified: the retail sale of oil products in the domestic market usually brings in a greater rate of return than do export operations.

Sibneft today sells products of oil refining via ZAO Kuzbassnefteprodukt, OAO Sibneft-Barnaulnefteprodukt, OAO Tyumennefteprodukt, OAO Sverdlovsknefteprodukt, OAO Yekaterinburgnefteprodukt, and OAO Novosibirsknefteprodukt (on a parity basis with the oil company Yukos). As of the end of 2003, the network of own, jobber and dealer gas stations numbered more than 1500. From 2002 Sibneft began to develop the network of gas stations in Moscow through a subsidiary company, Sibneft AZS Servis. During 2003, the number of gas stations in Moscow and the region under the company's control increased by about 100, reaching 30 own and 102 jobber gas stations. The volumes of retail and petty wholesale realization of automobile gasolines and diesel fuel in the domestic market through the subsidiary marketing enterprises went up by more than 27%, reaching 3.7 million tons. Sibneft is carrying out a large-scale reconstruction of gas stations and tank farms, as well as the construction of new gas stations. The volume of sales of oil products via its own retail network of gas stations in 2003 rose by 23% and reached 0.9 million tons.

Sibneft owns more than ten enterprises for the supply of oil products:

- OOO Sibneft-Noyabrsknefteprodukt
- ZAO Kuzbassnefteprodukt
- OAO Sibneft-Barnaulnefteprodukt
- OAO Sverdlovsknefteprodukt
- OAO Yekaterinburgnefteprodukt
- OAO Sibneft-Tyumennefteprodukt
- OOO Sibneft-Krasnoyarsknefteprodukt
- OAO Novosibirsknefteprodukt
- OOO Sibneft AZS Servis
- OOO Sibneft-Tomsk
- OOO Sibneft St. Petersburg

#### **3.1.4. Contact information**

Business address: **85 Oktyabrskaya St., Lyubinsky Workers' Settlement, Lyubinsky District, Omsk Region 646160**

Location of the permanent executive body: **85 Oktyabrskaya St., Lyubinsky Workers' Settlement, Lyubinsky District, Omsk Region 646160**

Mailing address: **4 Sadovnicheskaya St., Moscow 115035**

Tel.: **(095) 777-31-26** Fax: **(095) 777-31-27**

E-mail address: **annaK@sibneft.ru**

The address of the Internet page on which the full text of the report is published: **www.sibneft.ru**

#### **The subdivision of the issuing company for work with shareholders and investors**

Location: 4 Sadovnicheskaya St., Moscow 115035

The securities unit – Andrey Dolgov

Tel.: (095) 777-31-26 Fax: (095) 777-31-27 e-mail: [andreydol@sibneft.ru](mailto:andreydol@sibneft.ru)

The unit for relations with investors - Victor Mishnyakov e-mail: [victorm@sibneft.ru](mailto:victorm@sibneft.ru)

The address of the corporate site on the Internet: [www.sibneft.ru](http://www.sibneft.ru)

#### **3.1.5. Taxpayer identification number**

ИИИ 5504036333

#### **3.1.6. Branch subsidiaries and representation offices**

Name: **Moscow Branch**

Business address: 3 Tolmachevsky Per., Moscow 109017

Mailing address: 4 Sadovnicheskaya St., Moscow 115035  
Head: Marina Alexeyevna Goncharova  
Date of opening: August 16, 1996  
Validity of the power of attorney: April 2, 2005

**Name: Yamal Representation Office**

Business address: 20 Obskaya St., Salekhard, Yamalo-Nenets AO, Tyumen Reg. 626600  
Mailing address: 20 Obskaya St., Salekhard, Yamalo-Nenets AO, Tyumen Reg. 626600  
Head: Vladimir Mikhailovich Lyalin  
Date of opening: April 29, 1996  
Validity of the power of attorney: March 1, 2005

**Name: Noyabrsk Branch**

Business address: Noyabrsk, Yamalo-Nenets Autonomous Area  
Mailing address: Noyabrsk, Yamalo-Nenets Autonomous Area  
Head: Vladimir Aleksandrovich Yelfimov  
Date of opening: September 6, 2000  
Validity of the power of attorney: September 1, 2004

## **3.2. Primary economic activity**

### **3.2.1. Sector identity**

**OKVED codes:**

51.51.2 Wholesale trade in motor fuel, including aviation gasoline  
51.51.3 Wholesale trade in other liquid and gas fuel  
51.12.1 Activity of wholesale fuel trade agents  
23.20 Production of oil products  
11.10.11 Extraction of crude oil and petroleum (associated) gas  
74.13.1 Market research  
74.40 Advertising activity  
22.11.1 Book publishing  
74.84 Provision of other services  
74.14 Consulting on matters of commercial activity and management  
74.20.2 Exploration, geophysical and geochemical work in the field of mineral resources study  
45.12 Exploration drilling  
45.34 Installation of other engineering equipment  
45.21.3 Execution of general construction work in laying trunk pipelines, communication lines and power transmission lines  
11.20.2 Provision of derrick erection, repair and dismantling services  
74.20.35 Engineering survey for construction  
74.20.31 Topographic and geodetic activity  
74.20.32 Cartographic activity, including activity in the field of names of geographic objects  
45.31 Execution of electric wiring works  
45.21.1 Execution of general erection works

### **3.2.2. Primary economic activity**

#### **General information**

##### **Exploration and production**

Efficient management and the use of up to date oil production technologies enabled the company in 2002 to ensure an unprecedented oil production growth in the history of Russian oil companies, which formed 27.4% and reached 26.344 million tons (537,000 barrels a day). In 2003 the volume of production rose by 19.4% to 31.45 million tons (642,000 barrels a day). The company also raised the associated gas output by 42.8% to 2.00 billion cubic meters in 2003.

The development strategy of the company ensures maximum levels of hydrocarbon production and profit all through the period of field development as well as of a continuous rise in the oil recovery ratio. These results are achieved by raising the efficiency in field development and by investing in new technologies.

As at the end of 2001, there were 23 fields in development, including the new - the Krapivinskoye (OAO Sibneft) and the Priobskoye and the Palyanovskoye (OAO Sibneft - Yugra). In 2002 the fields in development were 24, including the Meretoyakhinskoye belonging to OAO Meretoyakhaneftegaz, in which the OAO Sibneft and friendly

structures control 67% of the stock since April 2002. In 2003 the Yety-Purovskoye Field was brought into service. In addition, the company acquired new fields in the Tomsk Region - the Archinskoye, the Urmanskoye and the Shenginskoye.

Recognized oil service leaders - Schlumberger, Pride International, BJ Services, Halliburton, Deutag - are working on the fields of the company. The employment of the best modern field development technologies has enabled the company to secure the lowest production cost in Russia and a high flow rate of the new wells.

The average daily output of the development wells in 2003 came to more than 24 tons per well, and that of the new wells to about 95 tons per well.

The company possesses a strong resource base for the expansion of production. According to the audit by the US company Miller & Lents, its proved recoverable oil reserves amounted to 627 million tons at January 1, 2003.

The disposal of the assets of Slavneft between the companies TNK VR and Sibneft and the subsequent consolidation of Sibneft's stake will help to increase the production, refining and sales of the company's oil products considerably.

### **Refining**

The overall volume of refining at the Omsk Refinery in 2002 constituted 13.26 m tons (265,000 barrels a day), and having regard to refining at the Moscow Refinery, the total volume of oil refined at the facilities of the company will amount to 15.82 m tons (322,000 barrels). In 2003 oil refining went up by 13.5% to 17.96 m tons (360,000 barrels a day), of which 13.83 m tons refined at the Omsk Refinery, 2.98 m tons at the Moscow Refinery, and 1.15 m tons at Yaroslavlnefteorgsintez.

Omsk Refinery is the company's main refining asset. Its continual modernization has been one of the competitive advantages of the company.

About 75-80% of the oil products is transported from the Omsk Refinery in tank cars, 15-18% via a product line, about 4% by river transport and 1% in tank trucks.

Sibneft is carrying out an extensive set of measures to develop its retail network. During 2002, the total number of gas stations of the company, including its own, as well as those working under a franchising scheme and owned by dealers rose by 180 and constituted 1,183 at year-end. In 2003 the total number of gas stations exceeded 1,250.

Retail fuel sales increased by 14%, compared to 2002.

**The oil exports** of the company in 2003 amounted to 12.46 m tons or 39.6% of the total oil output, compared to 10.75 m tons in 2002. **Oil product exports in 2003 rose by 50%** to 5.4 m tons, compared to 3.59m tons in 2002.

In 2004 Sibneft is planning to increase production by about 20% and to maintain the volume of refining at the level of about 18 m tons. Exports are expected to come to more than 40% of the total oil output.

### **In accordance with the Charter the main activities of the company are:**

- Prospecting for oil, gas and other deposits; organizing the extraction, transportation and processing of oil, gas and other mineral resources, the manufacture of oil, petrochemical and other products, including consumer goods and services for the public, oil sales and those of oil products and other products of the refining of hydrocarbon and other raw materials (including sales to the public and for export) by the plants of the company, among other things through the coordination and cooperation of their activities; and the supply of company products to the regions where it operates;
- The conduct of prospecting, geophysical and exploration work with a view to the search of deposits of oil, gas and other mineral resources;
- The extraction, transportation and processing of oil, gas and other mineral resources, the storage and sale (including sale for export) of oil, gas, oil products and other hydrocarbon and other raw materials;
- The use of methods of increasing oil recovery from strata and of intensifying oil production;
- The construction and operation of facilities for the extraction, preparation, transportation and processing of oil and gas and facilities of geophysical and exploratory application.

### **The primary (predominant and having a priority significance for the company) activities are:**

- Oil production
- Sale of oil products in the domestic market
- Export of oil products
- Sale of oil in the domestic market
- Oil exports

**Among the activities of OAO Sibneft there are no activities of a seasonal character.**

**Income from primary activities according to data of unconsolidated financial statement:**

<b>Indicator (thous. rub)</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
<b>Operating income</b> (annual RECEIPTS line 010f2)	40 600 539	64 974 775	57 228 905	82 268 247	112 821 662
Change compared to previous accounting period	-	+24 374 236	- 7 745 870	+25 039 342	+30 553 415
<b>Overall level of income:</b> (Sum receipts + other operating, nonsale and extraordinary income) (010f2+090f2+120f2+170f2)	75 379 174	115 946 590	91 572 366	166 774 899	254 056 821
Share of operating income in the total amount of income	54%	56%	62%	49%	44%

The stable growth of the enterprise's revenue is due to the buildup of production and sales volumes, as well as to the growth of the world and domestic prices for oil and oil products. The fall in revenue in 2001 is to be explained by the reduction of the amount of exported Sibneft oil.

According to data of the financial statement for the 1st quarter of 2004:

Operating income (line 010f2) **37 710 657 thous. rub**

The overall level of income (Sum receipts + other operating and nonsale income (010f2+090f2+120f2)): **62 683 914 thous. py6**

The share of operating income in the total amount of income **60.16%**

**3.2.3. Main types of products (works, services)**

<b>Type of products, works or services</b>	<b>According to unconsolidated financial statement data</b>					
	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>1st quarter of 2004</b>
<b>OIL</b>						
<b>Oil production by OAO Sibneft, not including oil output of subsidiary companies (thous. tons)</b>	-	<b>40.9</b>	<b>328.9</b>	<b>739.5</b>	<b>1 312.9</b>	<b>371.3</b>
Oil export earnings (m rubles)	12 502	17 614	971	7 355	11 175	
Proceeds of the sale of oil on the domestic market (m rubles)	14	0	0	6 497	12 566	
<b>Total net proceeds from the sale of oil* (m rubles)</b>	<b>12 515.9</b>	<b>17 613.7</b>	<b>971.8</b>	<b>13 851.8</b>	<b>23 745.5</b>	<b>15 363.4</b>
Share in total amount of proceeds %	31%	27%	2%	17%	21%	41%
<b>OIL PRODUCTS</b>						
<b>Volume of output of oil products made from oil extracted by OAO Sibneft, not including output of its subsidiary companies (thous. tons)</b>	<b>46.2</b>	<b>2 063.1</b>	<b>6 626.8</b>	<b>9 126.0</b>	<b>17 957.2</b>	<b>4 379.8</b>
Oil product export earnings (m rubles)	6 166	7 236	11 959	18 932	31 820	
Proceeds of the sale of oil products on the domestic market (m rubles)	21 205	39 746	43 366	49 010	56 411	
<b>Total net proceeds from the sale of oil products * (m rubles)</b>	<b>27 370.1</b>	<b>46 991.1</b>	<b>55 336.1</b>	<b>67 942.1</b>	<b>88 226.5</b>	<b>22 075.3</b>
Share in total amount of proceeds %.	67%	72%	97%	83%	78%	59%

<b>OTHER SALES</b>						
Net proceeds of sales*, m rubles	714.4	370.0	921.0	474.3	849.7	271.9
Share in total amount of proceeds	2%	1%	2%	1%	1%	1%

*\*(without VAT, tax on sale of fuel and lubricants, excise tax, and export duties)*

**Marketing system for each of the above types of output as percentage of product sales volume:**

Oil produced by the company and that bought from oil traders is supplied to the domestic market and exported. To carry out an analysis in terms of a "scheme of sales" with the classification of the purchasers of oil into users and intermediaries does not appear possible because of the insufficiency of the data on the acquisitions..

<b>SCHEME OF SALES OF OIL PRODUCTS (as percentage of product sales volume)</b>		<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>1st quarter of 2004</b>
Direct sales	Gasolines	1.12	0.71	1.00	1.02	0.28
	Diesel fuel	7.70	6.76	7.57	5.36	1.38
Own trade network	Gasolines	7.87	8.56	11.86	11.31	8.84
	Diesel fuel	3.88	5.34	7.46	7.18	6.27
Controlled trade network	Gasolines	0.61	0.28			
	Diesel fuel	0.37	0.16			
Other	Gasolines	13.29	11.55	11.66	7.35	5.98
	Diesel fuel	8.90	5.87	7.33	6.50	5.33
Exports	Gasolines	2.13	0.79	1.32	2.88	2.43
	Diesel fuel	15.41	14.56	15.63	13.90	13.40

**Structure of the issuer's expenses on the production and sale of each type of output, which accounts for not less than 10 percent of the total cost of sales:**

<b>According to 2003 unconsolidated financial statement data</b>	<b>Oil</b>	<b>Oil products</b>
<b>Name of item of expenditure</b>		
Cost of materials and supplies	0.0%	79.4%
Cost of purchased goods	89.6%	1.7%
Transport	2.0%	4.2%
Works of an industrial character (by an outside force)	2.8%	10.3%
General economic expenditures, total	2.2%	1.8%
including Pay for Work	0.9%	1.0%
including Deductions	0.1%	0.1%
including Depreciation	0.7%	0.2%
including Other General Economic Expenditures	0.5%	0.6%
Other costs	3.5%	2.6%
<b>Total expenses on production and sale</b>	<b>100%</b>	<b>100%</b>
<b>Proceeds of the sale of products</b>	<b>22.9%</b>	<b>76.7%</b>

<b>According to data of unconsolidated financial statement for the 1st quarter of 2004</b>	<b>Oil</b>	<b>Oil products</b>
<b>Name of item of expenditure</b>		
Cost of materials and supplies	0.0%	73.7%
Cost of purchased goods	89.6%	1.3%
Transport	0.3%	6.0%
Works of an industrial character (by an outside force)	1.6%	12.6%
General economic expenditures, total	2.3%	1.2%
including Pay for Work	0.7%	0.6%
including Deductions	0.1%	0.1%

including Depreciation	1.0%	0.0%
including Other General Economic Expenditures	0.5%	0.4%
Other costs	6.2%	5.1%
<b>Total expenses on production and sale</b>	<b>100%</b>	<b>100%</b>
<b>Proceeds of the sale of products</b>	<b>44%</b>	<b>55%</b>

### 3.2.4. Main suppliers accounting for 10 and more percent of all the supplies of material assets, with the indication of the share in the total volume of supplies

	According to unconsolidated financial statement data			
	For 2003		For the 1st quarter of 2004	
	thous. rubles.	%	thous. rubles	%
<b>Total supplies of material assets</b>	<b>79 228 768.4</b>	<b>100</b>	<b>17 986 010.6</b>	<b>100</b>
Of them:				
Oil	<b>77 474 022.3</b>	<b>98</b>	<b>17 627 890.2</b>	<b>98</b>
<b>Suppliers of oil accounting for more than 10%</b>				
OOO "RuBIKon"	17 998 968.9	23	-	-
OOO "Orion Ltd."	17 363 728.0	22	-	-
OOO "Stamp"	15 815 443.2	20	-	-
OOO "Kretans Holding"	19 053 884.1	24	-	-
OOO "Sibneft-Chukotka"			10 439 999.6	58
OAO "Sibneft-Noyabrskneftegaz"			4 921 449.3	27

### 3.2.5. Sales market for the issuer's products

Oil products made by OAO Sibneft-Omsk Refinery are sold via the subsidiary enterprises of the Sibneft company - OAO Sibneft - Omsknefteprodukt, OAO Sibneft - Barnaulnefteprodukt, ZAO Kuzbassnefteprodukt, OAO Sverdlovsknefteprodukt, OAO Yekaterinburgnefteprodukt, OAO Sibneft - Tyumennefteprodukt, OOO Sibneft - Noyabrsknefteprodukt, and OOO Sibneft - Krasnoyarsknefteprodukt within the territory of a number of regions of the Russian Federation: Omsk Region, Kemerovo Region, Altai Territory, Krasnoyarsk Territory, Tyumen Region (including the Yamalo-Nenets and Khanty-Mansi Autonomous Areas), Novosibirsk Region, Sverdlovsk Region, Tomsk Region, Kurgan Region, Irkutsk Region, and Moscow Region.

Oil and oil products are also exported to the near and far abroad countries.

At the present time oil is exported through a 100 percent subsidiary company, Sibneft Oil Trade (Siboil). Siboil was set up in 2000 in accordance with the strategy for consolidating the business of Sibneft to rationalize export operations and to ensure the transparency of business. The principal directions of oil shipment for export are the seaports of Novorossiisk and Tuapse on the Black Sea as well as Germany and Poland via the Druzhba pipeline. In 2002 Primorsk, a port on the Baltic Sea, also became important in the exports of the company. Small amounts of export supplies are effected by railway to China, as also to Estonia.

### Major users, with which the turnover accounts for no less than 10 percent of the total proceeds of the sale of OAO Sibneft products:

Period		According to unconsolidated financial statement data	
		thous. rubles	%
1999	Total product sales	40 600 539	100
	of which:		
	Oil supplies	12 515 902	31
	Supplies of oil products	27 370 097	67
2000	Total product sales	64 974 775	100
	of which:		
	Oil supplies	17 613 722	27
	Runicom LTD	17 613 72	27
	Supplies of oil products	46 991 088	72

	Runicom LTD	6 972 156	11
2001	Total product sales	57 228 905	100
	of which:		
	Oil supplies	971 798	2
	Supplies of oil products SIBNEFT OIL TRADE	55 336 132 11 622 890	97 20
2002	Total product sales	82 268 247	100
	of which:		
	Oil supplies	13 851 842	17
	Supplies of oil products SIBNEFT OIL TRADE	6 498 241 67 942 143	8 83
2003	Total product sales	112 821 662	100
	of which:		
	Oil supplies	23 745 468	21
	Supplies of oil products SIBNEFT OIL TRADE	9 737 218 88 226 518	9 78
1st quarter of 2004	Total product sales	37 710 660	100
	of which:		
	Oil supplies	15 363 399	41
	Supplies of oil products SIBNEFT OIL TRADE	11 049 723 22 075 333	29 59
	SIBNEFT OIL TRADE	5 377 511	14

### 3.2.6. The practice of activity in respect of circulating capital and reserves

The policies of the company in the field of circulating capital and reserves call for providing the necessary level and structure of circulating assets for uninterrupted production.

### 3.2.7. Raw materials

OAO Sibneft provides no oil refining services.

Oil extracted by the company and its subsidiary enterprises is the main source of raw materials for the oil refining subsidiary enterprise - OAO Sibneft-Omsk Refinery.

### 3.2.8. Major competitors

In this section information is given according to data of the consolidated statement of the companies.

The main competitors of the oil company OAO Sibneft are the vertically integrated Russian oil companies, competition with which is principally concentrated in the sales markets of products of crude oil refining. In 2003 the Russian oil and gas sector achieved record-high levels for the last decade in the production, processing and export of hydrocarbon raw materials, which is due largely to the high level of world energy prices. Exports from Russia in 2003 rose by 12.5%, and oil and gas condensate production also went up by 11%.

#### Oil production

In 2003 oil and condensate production in Russia was 421.3 million tons. The hydrocarbons output has been growing with each passing year: in 1999 the rise in annual output was 0.5%, in 2000 5.9%, in 2001 7.7%, in 2002 9.1%, and in 2003 11%. All the major oil producing companies without exception increased their production levels in the year 2003.

#### Dynamics of oil and gas condensate production, thous. tons

	2002	Share	2003	Share	Rates of growth, 2003
YUKOS	69 388	18%	80 747	19%	16.4%
LUKOIL	75 474	20%	78 870	19%	4.5%
Surgutneftegaz	49 208	13%	54 025	13%	9.8%

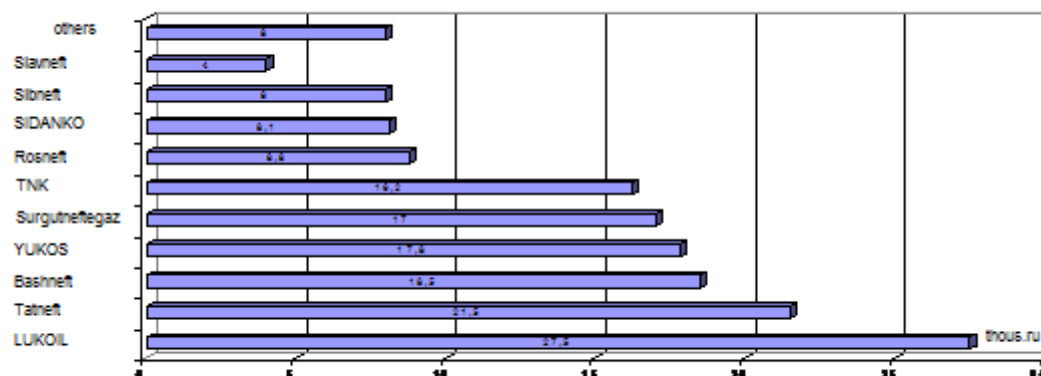


TNK	37 501	10%	42 961	10%	14.6%
<b>Sibneft (consolidated with all the producing subsidiary companies)</b>	<b>26 327</b>	<b>7%</b>	<b>31 394</b>	<b>7%</b>	<b>19.2%</b>
Tatneft	24 612	6%	24 669	6%	0.2%
Rosneft	16 112	4%	19 569	5%	21.5%
SIDANKO	16 263	4%	18 618	4%	14.5%
Slavneft	14 700	4%	18 097	4%	23.1%
Bashneft	12 015	3%	12 046	3%	0.3%
Gazprom	10 791	2,8%	11 022	3%	2.1%
Others	27 238	7,2%	29 329	7%	7.7%
<b>Total for Russia</b>	<b>379 628</b>	<b>100%</b>	<b>421 327</b>	<b>100%</b>	<b>11.0%</b>

As a result of the continuing tendency in 2003 for small and medium-sized enterprises to be taken over by vertically integrated companies the share of independent producers in oil production decreased from 7.2% to 7%.

The well stock

The operating well stock towards the end of 2003 exceeded 155 thousand units. It should be noted that 40% of the wells are on the balance sheets of Tatneft and Bashneft, producing less than 9% of Russian oil.



Russia's operating well stock exceeded 155 thousand units by the end of 2003; 40% of the wells, however, are on the balance sheets of Tatneft and Bashneft, producing less than 9% of Russian oil.

Crude oil refining

The Russian refineries in 2003 were supplied with 217.3 m tons of oil. In a year deliveries went up by 7%.

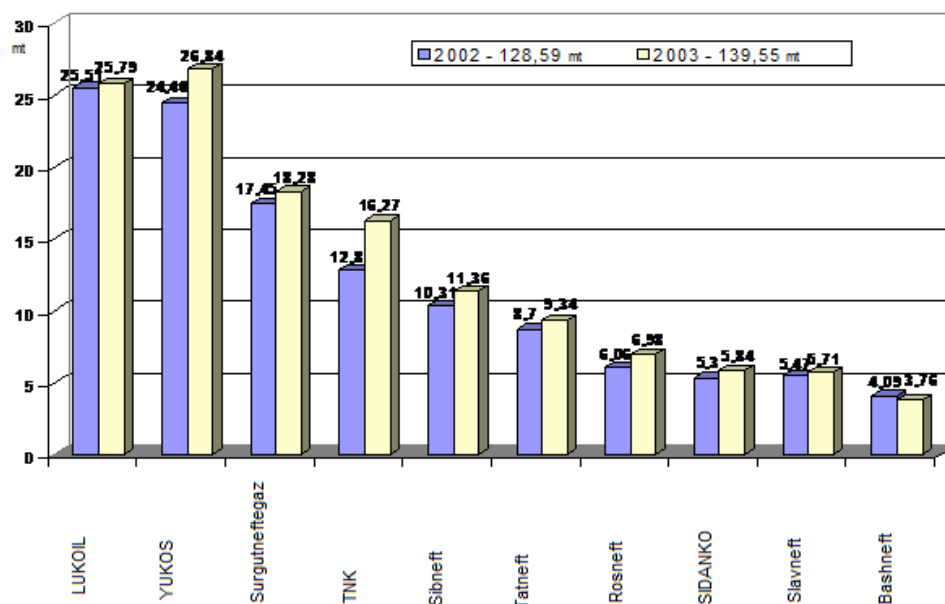
**Supply of oil to the Russian refineries, thous. tons**

	2002	2003	Rate of growth for 2003
YUKOS	40 338	47 150	16.9%
LUKOIL	34 794	36 747	5.6%
Surgutneftegaz	18 254	18 907	3.6%
TNK	15 894	17 437	9.7%
<b>Sibneft (to Omsk Refinery only)</b>	<b>14 068</b>	<b>14 930</b>	<b>6.1%</b>
Slavneft	12 735	13 720	7.7%
Rosneft	8 294	9 502	14.6%
SIDANKO	5 854	6 721	14.8%
Gazprom	6 155	6 141	-0.2%
Others	46 712	46 059	-1.4%
<b>Total</b>	<b>203 098</b>	<b>217 314</b>	<b>7.0%</b>

**Primary oil refining at the plants of Russia, thous. tons**

	2002	Share	2003	Share	Rate of growth for 2003
LUKOIL	33 743	19%	34 024	18%	0.8%
YUKOS	30 859	17%	30 633	17%	-0.7%
Surgutneftegaz	15 183	8%	15 212	8%	0.2%
TNK	14 056	8%	14 318	8%	1.9%
<b>Sibneft</b>					
<b>(to Omsk Refinery only)</b>	<b>13 263</b>	<b>7%</b>	<b>13 832</b>	<b>7%</b>	<b>4.3%</b>
Slavneft	11 800	7%	11 708	6%	-0.8%
Rosneft	8 347	5%	9 528	5%	14.1%
Gazprom	5 020	3%	5 004	3%	-0.3%
SIDANKO	4 636	3%	4 637	3%	0.0%
Moscow Refinery	9 129	5%	9 432	5%	3.3%
Salavatnefteorgsintez	5 808	3%	6 218	3%	7.1%
Nizhnekamsk Refinery	5 086	3%	6 091	3%	19.8%
Khabarovsk Refinery	2 699	1%	3 037	2%	12.5%
Bashneftekhim	19 403	11%	19 150	10%	-1.3%
Others	1 197	1%	1 774	1%	48.2%
<b>Total for Russia</b>	<b>180 233</b>	<b>100%</b>	<b>184 602</b>	<b>100%</b>	<b>2.4%</b>

**Oil export via the Transneft system, million tons**



**Gas recovery by VINK and other nonintegrated oil and gas producing companies of Russia, million cubic meters**

	2002	Share	2003	Share	Rate of growth for 2003
Surgutneftegaz	13 304	19%	13 883	17%	4.3%
Rosneft	6 456	9%	7 012	9%	8.6%

LUKOIL	4 278	6%	4 769	6%	11.5%
TNK	3 643	5%	4 973	6%	36.5%
YUKOS	2 375	3%	3 448	4%	45.2%
<b>Sibneft (consolidated with subsidiary companies)</b>	<b>1 402</b>	<b>2%</b>	<b>1 985</b>	<b>2%</b>	<b>41.6%</b>
SIDANKO	1 136	2%	1 835	2%	61.6%
Slavneftg	1 134	2%	823	1%	-27.4%
Tatneft	718	1%	728	1%	1.4%
Bashneft	365	1%	369	0%	1.1%
Others	36 703	51%	40 322	50%	9.9%
<b>Total for Russia</b>	<b>71 512</b>	<b>100%</b>	<b>80 146</b>	<b>100%</b>	<b>12.1%</b>

### 3.2.9. Information on the licenses belonging to OAO Sibneft

(see 3.2.12 a) for detailed data on the licenses belonging to OAO Sibneft and its producing subsidiary companies).

Number: *CJX № 00562 HЭ*

Date of issuance: *30.12.1998*

Term of validity: *till 29.12.2023*

Issuing authority: *Natural Resources Committee for YNAA of the RF Ministry of Natural Resources, YNAA Administration*

Kinds of activity: *Geological exploration, search for and extraction of oil and gas within the Romanovsky Property*

Number: *OMC 00093 HЭ*

Date of issuance: *28.09.2000*

Term of validity: *till 1.10.2025*

Issuing authority: *RF Ministry of Natural Resources, Tarsky District Administration*

Kinds of activity: *Geological exploration and the extraction of hydrocarbons from discovered and newly identified reservoirs of the southwestern part of the Krapivinsky Field (Omsk Region)*

Number: *00100 OMC HII*

Date of issuance: *13.11.2000*

Term of validity: *till 31.12.2005*

Issuing authority: *Ministry of Natural Resources, Natural Resources Committee for the Omsk Region*

Kinds of activity: *Geological exploration on the Prigranichny Property*

Number: *00948 CJX HP*

Date of issuance: *21.12.2000*

Term of validity: *till 21.12.2025*

Issuing authority: *Natural Resources Committee for YNAA of the RF Ministry of Natural Resources, YNAA Administration*

Kinds of activity: *Geological exploration and hydrocarbon raw materials production within the Valynntoisky Property*

Number: *00946 CJX HP*

Date of issuance: *21.12.2000*

Term of validity: *till 21.12.2025*

Issuing authority: *Committee on Land Resources and Land Management for YNAA of the RF Ministry of Natural Resources, YNAA Administration*

Kinds of activity: *Geological exploration and hydrocarbon raw materials production within the Pyakutinsky Property*

Number: *00947 CJX HP*

Date of issuance: *21.12.2000*

Term of validity: *till 21.12.2025*

Issuing authority: *Committee on Land Resources and Land Management for YNAA of the RF Ministry of Natural Resources, YNAA Administration*  
 Kinds of activity: *Geological exploration and hydrocarbon raw materials production on the Severno-Noyabrsky Property*

Number: *10970 CJIX HII*  
 Date of issuance: *28.12.2000*  
 Term of validity: *till 31.12.2005*  
 Issuing authority: *Ministry of Natural Resources of the Russian Federation*  
 Kinds of activity: *Geological exploration on the Aikhetinsky Property*

Number: *10969 CJIX HII*  
 Date of issuance: *28.12.2000*  
 Term of validity: *till 31.12.2005*  
 Issuing authority: *Committee on Land Resources and Land Management for YNAA of the RF Ministry of Natural Resources, YNAA Administration*  
 Kinds of activity: *Geological exploration of the Vorgensky Property with a view to a search for and an evaluation of the deposits of hydrocarbon raw materials*

Number: *CJIX №00934 BЭ*  
 Date of issuance: *18.12.2000*  
 Term of validity: *till 17.12.2005*  
 Issuing authority: *Natural Resources Committee for YNAA, Ministry of Natural Resources, Russian Federation*  
 Kinds of activity: *Extraction of underground fresh water for domestic and industrial supply for clusters 1 and 2 of the Romanovskoye Oil Field*

Number: *62ЭK №15-1150*  
 Date of issuance: *9.02.2001*  
 Term of validity: *till 9.02.2004*  
 Issuing authority: *Federal Mine and Industrial Supervision Authority of Russia*  
 Kinds of activity: *Operation of oil and gas industry and geological exploration enterprises and facilities by contractors having the appropriate license*

Number: *62 CT №15-1151*  
 Date of issuance: *9.02.2001*  
 Term of validity: *till 9.02.2004*  
 Issuing authority: *Federal Mine and Industrial Supervision Authority of Russia*  
 Kinds of activity: *Right to carry on activities for the construction of oil and gas industry and geological exploration enterprises and facilities by contractors having the appropriate license.*

### 3.2.10. Joint activity of the issuing company

In five complete financial years and over the period of the first quarter of 2004 the company did not engage in any joint activities with other organizations on the basis of contracts of a society in participation (contracts of joint activity).

### 3.2.12. Additional requirements to issuers whose primary activity is the extraction of mineral resources

#### a) Reserves of minerals

The proved reserves of Sibneft (including those of its producing subsidiary enterprises) exceed four billion barrels and aligns it with the world's twenty largest private oil companies.

The independent US company Miller & Lents assesses the reserves of Sibneft in SPE standards:

Million barrels	1997	1998	1999	2000	2001	2002
Proved	4 010	4 130	4 599	4 644	4 646	4 575
Probable	1 083	1 594	2 784	2 086	2 360	1 990

<b>Possible</b>	<b>462</b>	<b>1 013</b>	<b>1 934</b>	<b>1 546</b>	<b>1 269</b>	<b>1 433</b>
<b>Total</b>	<b>5 555</b>	<b>6 736</b>	<b>9 317</b>	<b>8 276</b>	<b>8 275</b>	<b>7 998</b>

Information on reserves as at the start of 2004 will be presented in the report for the 2nd quarter of 2004 after the completion of an audit of reserves.

In 2002 a regular audit was made at the thirty-three deposits of the Noyabrsk Region, whose aggregate proved reserves of oil formed 90% of the reserves of the Russian category ABC1. In addition, the audit covered the reserves of Sibneft-Yugra's deposits, the Priobskoye Field and the Palyanovskaya Area of the Krasnoleninskoye Field; the Meretoyakhinskoye Field of Meretoyakhaneftegaz, as well as the Zapadno-Ozyornoye Gas Field on Chukotka.

The results of the 2002 audit showed the proved reserves of the six largest oil fields of Sibneft to form approximately 55% of the overall proved oil reserves of the company. In the last few years Sibneft has been actively starting to develop new fields, such as the Sugmutskeye and the Sporyshevskoye, the aggregate proved reserves of which at the end of 2002 exceeded 1 billion barrels.

Sibneft is extracting oil and associated gas in the Noyabrsk Region at present. Over 90% of the associated gas produced by Noyabrskneftegaz is sold to Sibur or used by Sibneft for its own needs. Natural gas will be extracted in 2003 at the Zapadno-Ozyornoye Field on Chukotka only, the proved reserves of which make up 49.8 billion cubic feet (1.4 b cu. m).

Sibneft owns 1 442.3 b cu. ft (40.8 b cu. m) of the proved gas reserves, plus 993.5 b cu. ft (28.1 b cu. m) of the probable and possible reserves.

<b>Billion cubic feet</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
<b>Proved</b>	<b>1 383</b>	<b>1 301</b>	<b>1 821</b>	<b>1 519</b>	<b>1 442</b>	<b>860</b>

### **Prospecting for, and the acquisition of reserves**

Exploration work has been conducted within the territory of the Noyabrsk Region of Western Siberia since 1968. By 2001 about 4.1 million per meter runs of rocks were drilled in the Noyabrsk Region, and the construction of over 1,400 prospecting and exploratory wells was completed.

<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
<b>Exploration drilling progress, thous. meters</b>						
<b>111.7</b>	<b>116.1</b>	<b>100.1</b>	<b>27.9</b>	<b>6.2</b>	<b>25.3</b>	<b>15.0</b>
<b>The new exploratory wells total</b>						
<b>42</b>	<b>37</b>	<b>36</b>	<b>20</b>	<b>8</b>	<b>3</b>	<b>3</b>

In 2002 Sibneft increased the volume of seismic work, both at the fields already being developed and on new areas. Seismic survey in the Noyabrsk area covered 3,190 kilometers of Category 2D profiles and 939 sq. km of 3D profiles, which more than trebled the scope of work done in 2001.

	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
<b>2D km</b>	<b>1 459</b>	<b>1 672</b>	<b>1 594</b>	<b>768</b>	<b>1 726</b>	<b>3 190</b>
<b>3D sq. km</b>	<b>150</b>	<b>326</b>	<b>160</b>	<b>205</b>	<b>260</b>	<b>939</b>

In 2001 Sibneft went beyond its principal region of activity, by starting in June to drill a prospecting well in the east of the Chukchi Autonomous Area to obtain geologo-geophysical information on the prospects of the land-shelf transition zone. There was begun a marine seismic survey on the shelf of the Bering Sea.

In the Omsk Region the processing continues of the seismic materials that have been obtained on the Krapivinskoye Licensed Property, and on the Pogranichnaya Area. In 2001 3D seismic exploration work was carried out on the Priobsky Licensed Property.

In 2001 - 2002 Sibneft pursued a vigorous policy of building up its reserves by acquiring independent producing companies' assets. The total proved reserves of the Priobskoye and Palyanovskoye Fields, being developed by the company Sibneft-Yugra, amount to about 200 m tons of oil, and the proved reserves of the Meretoyakhinskoye Field, acquired by the company in 2002, are assessed at around 75 m tons of oil.

**Oil production at the major fields, the rights to use which belong to OAO Sibneft and its subsidiary companies**

<b>Nos.</b>	<b>LICENSE NUMBER</b>	<b>FIELD</b>	<b>Oil production for 1st quarter of 2004 (thous. tons)</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
<b>OAO SIBNEFT-NOYABRSKNEFTEGAZ</b>			
1	<i>CJIX 00719 HЭ</i>	Kholmogorskoye	5
2	<i>XMH 01478 HЭ</i>	Kholmogorskoye	107
3	<i>CJIX 00709 HЭ</i>	Karamovskoye	209
4	<i>XMH 01477 HЭ</i>	Pogranichnoye	63
5	<i>CJIX 00715 HЭ</i>	Zapadno-Noyabrskoye	261
6	<i>CJIX 00727 HЭ</i>	Sredne-Iturskoye	288
7	<i>CJIX 00730 HЭ</i>	Sporyshevskoye	1451
8	<i>CJIX 00720 HЭ</i>	Sugmutskoye	2260
9	<i>CJIX 00713 HЭ</i>	Severo-Pyamaliyakhskoye	16
10	<i>CJIX 00712 HЭ</i>	Muravlenkovskoye	441
11	<i>CJIX 00726 HЭ</i>	Umseiskoye	41
12	<i>CJIX 00724 HЭ</i>	Severo-Yangtinskoye*	
13	<i>CJIX 00716 HЭ</i>	Sutorminskoye	791
14	<i>CJIX 00717 HЭ</i>	Zapadno-Sutorminskoye	73
15	<i>CJIX 00711 HЭ</i>	Kraineye	121
16	<i>CJIX 00714 HЭ</i>	Vyngayakhinskoye	190
17	<i>CJIX 00729 HЭ</i>	Vostochno- Vyngayakhinskoye	1
18	<i>CJIX 00725 HЭ</i>	Vostochno-Pyakutinskoye	23
19	<i>CJIX 00723 HЭ</i>	Yety-Purovskoye*	114
<b>TOTAL</b>			<b>6453</b>
<b>OOO Zapolyarneft (subsidiary company of OAO Sibneft-Noyabrskneftegaz)</b>			
1	<i>CJIX 11767 HЭ</i>	Novogodneye	94
2	<i>CJIX 11769 HЭ</i>	Vyngapurovskoye	515
3	<i>XMH 11871 HЭ</i>	Vyngapurovskoye	133
4	<i>CJIX 11768 HЭ</i>	Yarainerskoye	333
<b>TOTAL</b>			<b>1075</b>
<b>OAO SIBNEFT</b>			
1	<i>CJIX 00562 HЭ</i>	Romanovskoye	276
2	<i>OMC 00093 HЭ</i>	Krapivinskoye	95
<b>TOTAL</b>			<b>371</b>
<b>OOO SIBNEFT-YUGRA</b>			
1	<i>XMH 11064 HЭ</i>	Palyanovskoye	23
2	<i>XMH 11063 HЭ</i>	Priobskoye	296
<b>TOTAL</b>			<b>319</b>
<b>OAO MERETOYAKHANEFTEGAZ</b>			
1	<i>CJIX 10828 HЭ</i>	Meretoyakhinskoye	11
<b>TOTAL</b>			<b>11</b>

Licenses to use mineral resources, received by OAO Sibneft and its subsidiary companies

<b>Holder of licenses OAO Sibneft-Noyabrskneftegaz:</b>											
<b>Nos.</b>	<b>Subject of the Federation</b>	<b>Name of object of licensing</b>	<b>No. of state registr. of current license</b>	<b>Date of registr. of current license</b>	<b>Date of registr. of initial license</b>	<b>Expiration date of current license</b>	<b>Function of works</b>	<b>Grounds for issuance of initial license</b>	<b>Number of re-issues</b>	<b>Grounds for re-issuance</b>	<b>Number of addenda to license agreement</b>
<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	
1	YNAA	Karamovskoye	CJIX 00709 HЭ	14.12.99.	04.08.93	03.08.13.	Search for, exploration and extraction of oil and gas	par. 19, Regulation on Licensing	3	Art. 17-1, sub-par. 2, of RF Subsoil Law	4
2	YNAA	Kraineye	CJIX 00711 HЭ	14.12.99.	03.11.1993	02.11.13.	Search for, exploration and extraction of oil and gas	par. 19, Regulation on Licensing	3	Art. 17-1, sub-par. 2, of RF Subsoil Law	5
3	YNAA	Muravlenkovskoye	CJIX 00712 HЭ	14.12.99.	03.11.1993	02.11.13.	Search for, exploration and extraction of oil and gas	par. 19, Regulation on Licensing	3	Art. 17-1, sub-par. 2, of RF Subsoil Law	4
4	YNAA	Severo-Pyamaliyahskoye	CJIX 00713 HЭ	14.12.99.	03.11.1993	02.11.13.	Search for, exploration and extraction of oil and gas	par. 19, Regulation on Licensing	3	Art. 17-1, sub-par. 2, of RF Subsoil Law	5
5	YNAA	Vyngayakhinskoye	CJIX 00714 HЭ	14.12.99.	03.11.1993	02.11.13.	Search for, exploration and extraction of oil and gas	par. 19, Regulation on Licensing	3	Art. 17-1, sub-par. 2, of RF Subsoil Law	3
6	YNAA	Zapadno-Noyabrskoye	CJIX 00715 HЭ	14.12.99.	03.11.1993	02.11.50.	Search for, exploration and extraction of oil and gas	par. 19, Regulation on Licensing	3	Art. 17-1, sub-par. 2, of RF Subsoil Law	3
7	YNAA	Sutorminskoye	CJIX 00716 HЭ	14.12.99.	03.11.1993	02.11.13.	Search for, exploration and extraction of oil and gas	par. 19, Regulation on Licensing	3	Art. 17-1, sub-par. 2, of RF Subsoil Law	5
8	YNAA	Zapadno-Sutorminskoye	CJIX 00717 HЭ	14.12.99.	03.11.1993	02.11.13.	Search for, exploration and extraction of oil and gas	par. 19, Regulation on Licensing	3	Art. 17-1, sub-par. 2, of RF Subsoil Law	4
9	YNAA	Kholmogorskoye	CJIX 00719 HЭ	14.12.99.	03.11.1993	02.11.13.	Search for, exploration and extraction of oil and gas	par. 19, Regulation on Licensing	3	Art. 17-1, sub-par. 2, of RF Subsoil Law	3
10	YNAA	Sporyshevskoye	CJIX 00730 HЭ	14.12.99.	11.02.1997	10.02.22.	Search for, exploration and extraction of oil and gas	par. 19, Regulation on Licensing	3	Art. 17-1, sub-par. 2, of RF Subsoil Law	3

11	YNAA	Vostochno-Vyngayakhinskoye	СЛХ 00729 НЭ	14.12.99.	24.02.94.	23.02.14.	Oil and gas prospecting and production	par. 19, Regulation on Licensing	3	Art. 17-1, sub-par. 2, of RF Subsoil Law	3
12	YNAA	Sugmutskoye	СЛХ 00720 НЭ	14.12.99.	24.02.94.	23.02.50.	Oil and gas prospecting and production	par. 19, Regulation on Licensing	3	Art. 17-1, sub-par. 2, of RF Subsoil Law	4
13	YNAA	Severo-Karamovskoye	СЛХ 00722 НЭ	14.12.99.	24.02.94.	23.02.14.	Oil and gas prospecting and production	par. 19, Regulation on Licensing	3	Art. 17-1, sub-par. 2, of RF Subsoil Law	1
14	YNAA	Yety-Purovskoye	СЛХ 00723 НЭ	14.12.99.	24.02.94.	23.02.14.	Oil and gas prospecting and production	par. 19, Regulation on Licensing	3	Art. 17-1, sub-par. 2, of RF Subsoil Law	2
15	YNAA	Северо-Янгтинское	СЛХ 00724 НЭ	14.12.99.	24.02.94.	23.02.14.	Oil and gas prospecting and production	par. 19, Regulation on Licensing	3	Art. 17-1, sub-par. 2, of RF Subsoil Law	2
16	YNAA	Vostochno-Pyakutinskoye	СЛХ 00725 НЭ	14.12.99.	24.02.94.	23.02.14.	Oil and gas prospecting and production	par. 19, Regulation on Licensing	3	Art. 17-1, sub-par. 2, of RF Subsoil Law	3
17	YNAA	Umseiskoye	СЛХ 00726 НЭ	14.12.99.	24.02.94.	23.02.14.	Oil and gas prospecting and production	par. 19, Regulation on Licensing	3	Art. 17-1, sub-par. 2, of RF Subsoil Law	4
18	YNAA	Sredne-Iturskoye	СЛХ 00727 НЭ	14.12.99.	24.02.94.	23.02.50.	Oil and gas prospecting and production	par. 19, Regulation on Licensing	3	Art. 17-1, sub-par. 2, of RF Subsoil Law	5
19	YNAA	Yuzhno-Purpeiskoye	СЛХ 00728 НЭ	14.12.99.	24.02.94.	23.02.14.	Oil and gas prospecting and production	Par. 19, Regulation on Licensing	3	Art. 17-1, sub-par. 2, of RF Subsoil Law	1
20	KhMAA	Pogranichnoye	ХМН 01477 НЭ	16.01.01.	18.08.94.	17.08.14.	Oil and gas prospecting and production	Par. 19, Regulation on Licensing	3	Art. 17-1, sub-par. 2, of RF Subsoil Law	3
21	KhMAA	Kholmogorskoye	ХМН 01478 НЭ	16.01.01.	18.08.94.	17.08.14.	Oil and gas prospecting and production	Par. 19, Regulation on Licensing	3	Art. 17-1, sub-par. 2, of RF Subsoil Law	2

Regulation on the Licensing Procedure for Resource Use, as approved by the Resolution of the Russian Federation Supreme Soviet № 3314-1 of July 15, 1992



**Holder of licenses OAO Sibneft:**

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>
<b>Nos.</b>	<b>Subject of the Federation</b>	<b>Name of object of licensing</b>	<b>No. of state registr. of current license</b>	<b>Date of registr. of current license</b>	<b>Date of registr. of initial license</b>	<b>Expiration date of current license</b>	<b>Function of works</b>	<b>Grounds for issuance of initial license</b>	<b>Number of re-issues</b>	<b>Grounds for re-issuance</b>	<b>Number of addenda to license agreement</b>
1	YNAA	Valyntoisky	CJIX 00948 HP	21.12.00.	21.12.00.	2025.	Search for, exploration and extraction of oil and gas	Art. 10-1, par. 3, of RF Subsoil Law	None	None	None
2	YNAA	Pyakutinsky	CJIX 00946 HP	21.12.00.	21.12.00.	2025	Search for, exploration and extraction of oil and gas	Art. 10-1, par. 3, of RF Subsoil Law	None	None	None
3	YNAA	Severo-Noyabrsky	CJIX 00947 HP	21.12.00.	21.12.00.	2025	Search for, exploration and extraction of oil and gas	Art. 10-1, par. 3, of RF Subsoil Law	None	None	None
4	YNAA	Romanovsky	CJIX 00562 HЭ	30.12.98.	30.12.98.	29.12.23.	Search for, exploration and extraction of oil and gas	Art. 10-1, par. 3, of RF Subsoil Law	None	None	2
5	YNAA	Aikhettinsky	CJIX 10970 HII	28.12.00.	28.12.00.	31.12.05.	Geological survey	Art. 10-1, par. 5, of RF Subsoil Law	None	None	None
6	YNAA	Vorgensky	CJIX 10969 HII	28.12.00.	28.12.00.	31.12.05.	Geological survey	Art. 10-1, par. 5, of RF Subsoil Law	None	None	None
7	Omsk Region	Prigranichny	OMC 00100 HII	13.11.00.	13.11.00.	31.12.05.	Geological survey	Art. 10-1, par. 5, of RF Subsoil Law	None	None	None
8	Omsk Region	Krapivinsky	OMC 00093 HЭ	28.09.00.	28.09.00.	01.10.25.	Geological survey	Art. 10-1, par. 3, of RF Subsoil Law	None	None	1

<b>Holder of licenses OOO Sibneft-Chukotka</b>											
<b>Nos.</b> <b>1</b>	<b>Subject of the Federation</b> <b>2</b>	<b>Name of object of licensing</b> <b>3</b>	<b>No. of state registr. of current license</b> <b>4</b>	<b>Date of registr. of current license</b> <b>5</b>	<b>Date of registr. of initial license</b> <b>6</b>	<b>Expiration date of current license</b> <b>7</b>	<b>Function of works</b> <b>8</b>	<b>Grounds for issuance of initial license</b> <b>9</b>	<b>Number of re-issues</b> <b>10</b>	<b>Grounds for re-issuance</b> <b>11</b>	<b>Number of addenda to license agreement</b> <b>12</b>
1	Chukchi Autonomous Area	Lagunny	АНД 00915 НЭ	21.05.01.	15.12.94.	31.12.20.	Search for, exploration and extraction of oil and gas	Art. 10-1, par. 3, of RF Subsoil Law	1	Art. 17-1, sub-par. 6, of RF Subsoil Law	None
2	Chukchi Autonomous Area	Telekaisky	АНД 00916 НЭ	21.05.01.	15.12.1994	31.12.20.	Search for, exploration and extraction of oil and gas	Art. 10-1, par. 3, of RF Subsoil Law	1	Art. 17-1, sub-par. 6, of RF Subsoil Law	1
3	Chukchi Autonomous Area	Zapadno-Ozyorny	АНД 00917 НЭ	21.05.01.	15.12.94.	31.12.20.	<b>Gas prospecting and production</b>	Art. 10-1, par. 3, of RF Subsoil Law	1	Art. 17-1, sub-par. 6, of RF Subsoil Law	1
4	Chukchi Autonomous Area	Beringovsky property	ШБР 11134 НП	28.03.02.	28.03.02.	01.04.07.	Geological survey	Art. 10-1, par. 5, of RF Subsoil Law	None	None	None
5	Chukchi Autonomous Area	Tsentralny property	ШБР 11133 НП	28.03.02.	28.03.02.	01.04.07.	Geological survey	Art. 10-1, par. 5, of RF Subsoil Law	None	None	None
6	Chukchi Autonomous Area	Tumansky	ШБР11888 НП	12.11.03.	12.11.03.	10.11.08.	Geological survey	Art. 10-1, par. 5, of RF Subsoil Law	None	None	None

<b>Holder of licenses OOO Sibneft-Yurga</b>											
<b>Nos.</b> <b>1</b>	<b>Subject of the Federation</b> <b>2</b>	<b>Name of object of licensing</b> <b>3</b>	<b>No. of state registr. of current license</b> <b>4</b>	<b>Date of registr. of current license</b> <b>5</b>	<b>Date of registr. of initial license</b> <b>6</b>	<b>Expiration date of current license</b> <b>7</b>	<b>Function of works</b> <b>8</b>	<b>Grounds for issuance of initial license</b> <b>9</b>	<b>Number of re-issues</b> <b>10</b>	<b>Grounds for re-issuance</b> <b>11</b>	<b>Number of addenda to license agreement</b> <b>12</b>
1	Khanty-Mansi AA	Northeastern part of Palyanovskaya Area of Krasnoleninskoye Field	ХМН 11064 НЭ	26.12.01.	26.01.93.	08.12.12.	Oil and gas prospecting and production	Art. 10-1, par. 3, of RF Subsoil Law	2	Art. 17-1, sub-par. 6, of RF Subsoil Law	4
2	Khanty-Mansi AA	Southern part of Priobskoye Field	ХМН 11063 НЭ	26.12.01.	11.03.93.	18.01.13.	Oil and gas prospecting and production	Art. 10-1, par. 3, of RF Subsoil Law	2	Art. 17-1, sub-par. 6, of RF Subsoil Law	4

Holder of licenses OAO Meretoyakhaneftgaz											
Nos.	Subject of the Federation	Name of object of licensing	No. of state registr. Of current license	Date of registr. of current license	Date of registr. of initial license	Expiration date of current license	Function of works	Grounds for issuance of initial license	Number of re-issues	Grounds for re-issuance	Number of addenda to license agreement
1	2	3	4	5	6	7	8	9	10	11	12
1	YNAA	Meretoyakhinskoye	CJIX 10828 HЭ	22.10.99.	18.06.99.	16.06.19.	Search for, exploration and extraction of oil and gas	Art. 10-1, par. 3, of RF Subsoil Law	2	Art. 17-1, sub-par. 6, of RF Subsoil Law	None
2	YNAA	Karasevsko-Tanlovsky	CJIX 00957 HII	17.01.01.	17.01.01.	2006	Geological survey	Art. 10-1, par. 5, of RF Subsoil Law	None	None	None

Holder of licenses OOO Zapolyarneft (subsidiary company of OAO Sibneft-NNG)											
Nos.	Subject of the Federation	Name of object of licensing	No. of state registr. of current license	Date of registr. of current license	Date of registr. of initial license	Expiration date of current license	Function of works	Grounds for issuance of initial license	Number of re-issues	Grounds for re-issuance	Number of addenda to license agreement
1	2	3	4	5	6	7	8	9	10	11	12
1	YNAA	Novogodneye	CJIX 11767 HЭ	01.10.2003	04.08.93.	03.08.2013	Search for, exploration and extraction of oil and gas	par. 19, Regulation on Licensing	4	Art. 17-1, sub-par. 6, of RF Subsoil Law	None
2	YNAA	Vyngapurovskoye	CJIX 11769 HЭ	01.10.2003	04.11.93.	02.11.2013	Prospecting and production	par. 19, Regulation on Licensing	4	Art. 17-1, sub-par. 6, of RF Subsoil Law	None
3	YNAA	Yarainerskoye	CJIX 11768 HЭ	01.10.2003	24.02.94.	23.02.2014	Oil and gas prospecting and production	par. 19, Regulation on Licensing	4	Art. 17-1, sub-par. 6, of RF Subsoil Law	None
4	KhMAA	Vyngapurovskoye	XMH 11871 HЭ	31.10.2003	27.09.94.	26.09.14.	Oil and gas prospecting and production	par. 19, Regulation on Licensing	4	Art. 17-1, sub-par. 6, of RF Subsoil Law	None

Holder of licenses OOO "Shinginskoye"											
Nos.	Subject of the Federation	Name of object of licensing	No. of state registr. of current license	Date of registr. of current license	Date of registr. of initial license	Expiration date of current license	Function of works	Grounds for issuance of initial license	Number of re-issues	Grounds for re-issuance	Number of addenda to license agreement
1	2	3	4	5	6	7	8	9	10	11	12
1	Tomsk Region	Shinginskoye	TOM 00594 HЭ	12.01.01.	16.01.94.	28.01.14.	Search for, exploration and extraction of oil and gas	Art. 10-1, par. 3, of RF Subsoil Law	2	Art. 17-1, sub-par. 6, of RF Subsoil Law	None

Holder of licenses ZAO Archinskoye											
Nos.	Subject of the Federation	Name of object of licensing	No. of state registr. of current license	Date of registr. of current license	Date of registr. of initial license	Expiration date of current license	Function of works	Grounds for issuance of initial license	Number of re-issues	Grounds for re-issuance	Number of addenda to license agreement
1	2	3	4	5	6	7	8	9	10	11	12
1	Tomsk Region	Archinskoye	TOM 00638 HЭ	10.12.01.	01.03.94.	01.03.14.	Search for, exploration and extraction of oil and gas	Art. 10-1, par. 3, of RF Subsoil Law	2	Art. 17-1, sub-par. 6, of RF Subsoil Law	None
2	Tomsk Region	Urmanskoye	TOM 00639 HЭ	11.12.01.	01.03.94.	01.03.14.	Search for, exploration and extraction of oil and gas	Art. 10-1, par. 3, of RF Subsoil Law	2	Art. 17-1, sub-par. 6, of RF Subsoil Law	None

## b) Processing of minerals

The initial installed capacity of Omsk Refinery, founded in 1955, was 3 million tons a year (60,000 barrels a day). Its maximum achieved productivity stood at 28.3 m tons (566,000 barrels a day). After the dismantling of its old atmospheric and vacuum distillation units in 1997, the refinery's capacity settled at a level of 19.5 m tons a year (385,000 barrels a day). But it remains the largest refinery in Russia and one of the largest in the world.

The refineries modernization program being carried out by Sibneft helps to cut costs and raise the share of the yield of white products in the total output. Large investments are directed to enhance the competitiveness of Omsk Refinery, by fully bringing its products into conformity with the future standards of the Russian and international markets.

In 2002 Omsk Refinery worked at 68% of its primary refining capacity, exceeding the average value for Russia (63.3%). The depth of oil refining at the plant constituted 83.2%, which is the highest indicator in Russia and far exceeds the average level for the country (below 70%).

Omsk Refinery has an advantageous geographical position. It is situated at a junction of two major oil products lines, one of which runs to the east towards Novosibirsk, and the other to the west, to Ufa. Thus, Omsk Refinery possesses an advantage in supplying practically all the areas of Western Siberia with its products.

The plant's real volume of refining had been dwindling before 1999, in accordance with the general tendency of those years in Russia. But in the last three years, thanks to the realization of an updating program for the refinery and the growth of demand for oil products, the volume of refining has begun to gradually increase again.

### Dynamics of crude oil refining at Omsk Refinery in 1996-2002:

	1999	2000	2001	2002	2003
<b>Oil refining (m tons a year)</b>	<b>12.46</b>	<b>12.56</b>	<b>13.26</b>	<b>13.26</b>	13.83
<b>Oil refining (thous. barrels a day)</b>	<b>246.1</b>	<b>247.9</b>	<b>261.9</b>	<b>261.9</b>	

Effective technologies, and access to low-density crude oil have determined supplies to users of a wide assortment of high quality products. The output of gasoline, diesel fuel and kerosene at the refinery exceeds the average performance of Russian plants, whereas the share of the output of black oil is below the average.

The application of processes that improve product quality has created a technical base for the output of a full range of varied types of fuel, oils and dopes, aromatic hydrocarbons, catalysts and other products. Omsk Refinery is capable of producing diesel fuel with a low content of sulfur, up to EU standards.

The launching in 1995 of a combined complex for the deep refining of black oil, including a catalytic cracking unit, enabled the Omsk Refinery to increase its output of A-92 gasoline and to begin producing gasoline of the A-96 Extra brand. As market demand grows, the output of these products by the refinery will increase. The Omsk refinery has completely switched to the production of clear gasoline.

In October 2001 Sibneft brought a new alkylation plant into service, this enabling the company to start producing A-98 high-octane gasoline. After the plant comes up to full capacity, the maximum volume of production will be 12 thousand tons per month. The operation of the new plant has made it possible to increase the output of white products and to cut the amount of harmful emissions into the atmosphere.

### The basic oil products output in 1996-2002 at Omsk Refinery

<i>Million tons per year</i>	1999	2000	2001	2002	2003
<b>Gasoline</b>	<b>2.63</b>	<b>2.94</b>	<b>3.02</b>	<b>3.15</b>	<b>3.14</b>
<b>Diesel fuel</b>	<b>4.31</b>	<b>4.28</b>	<b>4.53</b>	<b>4.61</b>	<b>4.60</b>
<b>Kerosene</b>	<b>0.69</b>	<b>0.63</b>	<b>0.62</b>	<b>0.55</b>	<b>0.60</b>
<b>Oil fuel</b>	<b>2.19</b>	<b>1.98</b>	<b>2.28</b>	<b>2.07</b>	<b>1.85</b>

From February 2002 Sibneft began to effect crude oil refining at the Moscow Refinery. In August 2002 Sibneft concluded a contract with the Moscow Refinery for the supply of 350 thousand tons of crude oil every month. The volume of refining of the company's oil at the Moscow Refinery in 2002 came to 2.55 m tons.

**The fixed assets of OAO Sibneft-Omsk Refinery as on April 1, 2004, according to financial accounting data**

<b>Name of plant/unit</b>	<b>Quantity</b>	<b>Initial value (thous. rub)</b>	<b>Accumulated depreciation (thous. rub)</b>	<b>Book value (thous. rub)</b>
ELOU-7	99	17 397.02	16 304.33	1 092.69
ELOU-8	61	12 694.18	12 076.93	617.25
ELOU-9	74	12 732.10	12 080.30	651.79
AVT-6	327	24 668.86	22 956.17	1 712.69
AVT-7	272	48 577.63	38 106.42	10 471.22
AVT-8	244	45 424.24	43 648.19	1 776.05
AT-9	159	44 623.75	42 420.47	2 203.27
AVT-10	634	519 427.34	174 716.57	344 710.76
FSB	141	33 224.51	28 787.97	4 436.54
TEU-1(VT-10)	49	33 152.51	12 425.51	20 726.99
43/103	368	223 036.58	121 069.06	101 967.52
Oxygen production	229	87 543.62	42 743.46	44 800.17
Sulfur production (UAS)	401	39 504.71	7 092.05	32 412.66
ZEOLITE PRODUCTION PLANT	58	3 575.69	2 534.74	1 040.94
G-43-6	679	43 895.61	36 724.45	7 171.15
G-43-7	415	31 503.59	25 770.81	5 732.78
KT-1 unit	1066	375 258.34	170 297.67	204 960.67
36/1-1	103	17 633.34	13 243.83	4 389.50
36/1-3	114	20 891.16	15 071.84	5 819.31
36/3-4	103	14 467.23	11 127.46	3 339.77
37/1-4	184	10 808.97	10 090.79	718.18
37/1-5	306	34 303.13	28 967.95	5 335.18
39/1-2	433	45 492.25	30 488.42	15 003.83
39/6-4	430	42 386.44	34 523.91	7 862.53
39/8-5	391	47 902.53	37 572.59	10 329.94
UKM-2	110	7 844.31	3 991.64	3 852.68
UKM-3	116	8 204.65	5 593.19	2 611.46
UKM-1	184	12 878.93	9 768.75	3 110.18
UKM-4	68	6 347.15	5 783.80	563.35
Lithiums	193	27 241.80	17 215.42	10 026.38
Sulfonation plant	566	83 351.42	72 895.95	10 455.47
Inert gas plant	115	8 955.97	6 960.57	1 995.40
AGFU	136	14 054.51	13 316.60	737.91
GFU-2	305	34 135.20	32 794.63	1 340.56
212-L (POCK)	81	477 811.95	60 838.98	416 972.96
25\12	33	497 767.05	67 448.71	430 318.34
Gas flare plant	340	18 533.47	14 960.84	3 572.62
Gas pumping-over section	30	60 140.25	57 107.35	3 032.91
35/11-600	217	199 104.58	64 247.84	134 856.74
L-24/6	208	27 525.15	25 405.31	2 119.85
L-24/7	206	33 063.89	28 173.92	4 889.97
L-24/9	223	52 769.49	45 138.25	7 631.24
21-10/3M	462	119 389.02	104 808.84	14 580.18
Coke calcination	153	32 852.75	8 667.41	24 185.34
19/3	385	37 260.67	24 895.71	12 364.95
Complex "Aromatica"	1282	2 368 588.52	2 234 279.23	134 309.29

Commodity production	2443	563 311.96	369 781.38	193 530.59
EP and ST control	4043	473 072.03	347 926.34	125 145.69
Water supply management	2650	839 639.12	597 261.30	242 377.82
Technical control laboratory	828	105 963.22	52 154.14	53 809.08
Reagent facilities	102	14 659.36	10 693.75	3 965.60
<b>Total</b>	<b>22819</b>	<b>7 954 591.70</b>	<b>5 272 951.74</b>	<b>2 681 639.96</b>

### 3.4. Plans of future activity

With a view to further sustained development, the enhancement of competitiveness and the building-up of income in the interest of all the categories of shareholders work is being carried out in the following areas:

- the consolidation of capital and the strengthening of the management vertical through the construction of a well-oiled system of business processes;
- the completion of a wide-scale program of restructuring that provides for the conversion of a number of service structures into independent subdivisions, sale of secondary structures, and the transfer of social assets into municipal ownership;
- the augmentation of capital investments in oil production;
- the building up of the oil and gas output;
- the intensification of work at the new fields;
- the employment of the advanced technologies developed and being introduced jointly with the companies Schlumberger, Halliburton (horizontal well drilling, hydraulic fracturing of formations), Baker Hughes (sidetracking, drilling of new wells);
- supplementary exploration of oil reserves by exploratory drilling, the conduct of 3D seismic surveys;
- the enlargement of the resource base of the company through acquiring new licensed areas;
- restoring and increasing the yield of low-efficiency wells and those out of operation;
- upgrading the quality of gasolines and diesel fuels to the level of perspective requirements through introducing sulfuric acid alkylation plants and catalytic reforming plants with a continuous regeneration of the catalyst;
- improving the ecological situation at the industrial plants by the adoption of a technology of cleaning soil and waters from pollution by oil and oil products; and achieving a reduction in energy consumption by the adoption of energy-saving technologies;
- the enlargement of the network of European standard gas stations; and getting into and the strengthening of the positions of the company in new sales markets for oil products.

To the main areas of 2004 company development belong:

The maintenance of a steady growth of oil production.

The building-up of oil production on the basis of the application of advanced technological methods of field development.

The calculation of reserves, and recovery ratio-based feasibility studies for the Romanovskoye and Yarainerskoye Fields. The creation of technical documentation with respect to the Zapadno-Sutorminskoye, Karamovskoye, Sporyshevskoye, Romanovskoye, Novogodneye and Yarainerskoye Fields, and the construction of models of the Kraineye, Muravlenkovskoye, Vyngapurovskoye and Priobskoye Fields.

The carrying out of an analysis of the prospects of a presence of oil and gas on the Arctic and far eastern shelves of the Russian Federation with their ranking by investment attractiveness. Provision is made for the preparation of model exploration projects for three most promising regions of the shelf water areas.

Getting into the gas market

The fullest possible commercialization of associated gas resources by way of its effective processing.

Raising the company's own oil product quality standards.

The implementation of the projects as envisaged by the company's blueprint for the technical re-equipment of OAO Sibneft-ONPZ: the reconstruction of the catalytic reforming plant, to be commissioned in the fourth quarter of 2004; the start of the construction of the plants for the pinpoint filling of oil products with the commissioning of the first stage in 2005; and the beginning of the implementation of the first stage of reconstruction of the AT-9 primary refining plant with commissioning in December 2004.

Switchover to the production of all the oil products according to the ГОСТ P 51105 (analogue of Euro-2) standard.

The development of the company's own marketing network.

Modernizing the current sales network, the construction of European standard gas stations; the development of, and the strengthening of the positions of the company in new sales markets for oil products (Moscow and the Moscow Region, St. Petersburg, Nizhny Novgorod).

Improvement of the quality of services for users of oil products in the retail trade sector; a broadening of the spectrum of retail services; the development and introduction of a uniform service product; the development and

introduction of loyalty programs for corporate customers and individuals on the basis of a mobile map of Sibneft; and the conduct of advertising events.

### 3.5. Participation by the issuer in industrial, banking and financial groups, holdings, concerns and associations

3.5.1 Organization: *"Russian Marketing Association"*

The issuer's place and functions in the organization: *a member of the association*

3.5.2 Organization: *Noncommercial Partnership "Siberian Ice Hockey Corporation"*

The issuer's place and functions in the organization: *a co-founder*

3.5.3 Organization: *Noncommercial Partnership "West Siberian Investment Center"*

The issuer's place and functions in the organization: *a co-founder*

3.5.4 Organization: *Noncommercial Partnership "SK AVANGUARD"*

The issuer's place and functions in the organization: *a co-founder*

### 3.6. Subsidiary and independent business companies of the issuer

№	Name of legal entity, INN and tax inspectorate requisites **	Legal address	Main types of products (works, services) being supplied to the commodity market by the legal entity	Form of control
1	2	3	4	5
1.	The Open Joint Stock Company "Sibneft-Noyabrskneftegaz"	59/87 Lenina St., Noyabrsk 629807	Crude oil production	OAO Sibneft exercises direct control via actual possession of 99% of the voting shares of OAO голосующих акций OAO Sibneft-Noyabrskneftegaz
2.	The Open Joint Stock Company "Sibneft-Omsk Refinery"	1 Gubkina Prospekt, Omsk-40 644040	Oil refining	OAO Sibneft exercises direct control via actual possession of 100% of the voting shares of OAO Sibneft-Omsk Refinery
3.	The Open Joint Stock Company "Sibneft-Omsknefteproduct"	54 Frunze St., Omsk-99 644099	Sale of oil products	OAO Sibneft exercises direct control via actual possession of 100% of the voting shares of OAO Sibneft-Omsknefteprodukt
4.	The Open Joint Stock Company "Sibneft-Noyabrskneftegazgeofizika"	Promzona, Noyabrsk, Yamalo-Nenets Autonomous Area, Tyumen Reg. 626809	Geological study of mineral resources	OAO Sibneft exercises direct control via actual possession of 80.98% of the voting shares of OAO Sibneft-Noyabrskneftegazgeofizika
5.	The Closed Joint Stock Company "Sibneftavia"	34 Verkhnyaya St., Moscow 125040	Air passenger and freight operations	OAO Sibneft exercises direct control via actual possession of 100% of the voting shares of ZAO Sibneftavia
6.	The Open Joint Stock Company "Meretoykhaneftegaz"	Prombaza panel 15, Muravlenko, Purovsky District, YNAA	Crude oil production	OAO Sibneft exercises direct control via actual possession of 33% of the voting shares of OAO Meretoykhaneftegaz
7.	The Open Joint Stock Company "Sibneft-Ural"	73/16 Shaumyana St., Yekaterinburg 620102	Supply of oil products	OAO Sibneft exercises direct control via actual possession of 100% of the voting shares of ZAO Sibneft-Ural
8.	The Company "Sib Finance B. V." (no operations within the territory of the	Rotterdam, Netherlands	Financial activity	OAO Sibneft exercises direct control via actual possession of 100% of the voting shares in the authorized capital of the company Sib Finance B. V.



	Russian Federation)			
9	The Closed Joint Stock Company Kuzbassnefteprodukt	1 Polevaya St., Novokuznetsk, Kemerovo Reg. 654018	Sale of oil products	OAO Sibneft exercises direct control via actual possession of 100% of the voting shares in the authorized capital of ZAO Kuzbassnefteprodukt
10	The Open Joint Stock Company "Sibneft - Barnaulnefteprodukt	124 K. Marx St., Barnaul 656004	Supply of oil products and the storage of fuel and lubricants	OAO Sibneft exercises direct control via actual possession of 93.47% of the voting shares in the authorized capital of OAO Sibneft - Barnaulnefteprodukt
11	The Limited Liability Company Sibneft - Noyabrsknefteprodukt	Promzona, Noyabrsk, Tyumen Reg. 626726	Storage, transportation, processing and sale of oil products	OAO Sibneft exercises direct control via actual possession of 100% of the shares in the authorized capital of OOO Sibneft - Noyabrsknefteprodukt
12	The Closed Joint Stock Company Aeroport - Servis	Airport 4 "Tolmachyovo, Ob-4, Novosibirsk Reg. 633115	Transportation of oil, gas and products, their processing	OAO Sibneft exercises direct control via actual possession of 50% +1 share in the authorized capital of OOO Aeroport - Servis
13	The Limited Liability Company "NiiPP INPETRO"	71 Sadovnicheskaya St., Bldg. 3, Moscow 113035	Production of scientific and technical products in the field of oil and gas field development	OAO Sibneft exercises direct control via actual possession of 51% of the shares in the authorized capital of OOO NiiPP INPETRO
14.	The Limited Liability Company "Sibneft-Yugra"	149 Mira St., Khanty-Mansiisk, KhMAA 628007	Exploration, gas and oil recovery, transportation and processing	OAO Sibneft exercises direct control via actual possession of 50% of the shares in the authorized capital of OOO Sibneft-Yugra
15	The Limited Liability Company "Sibneft-Chukotka"	6 Rultytegina St., Anadyr, Chukchi Autonomous Area	Exploration, gas and oil recovery, transportation and processing	OAO Sibneft exercises direct control via actual possession of 50% of the shares in the authorized capital of OOO Sibneft-Chukotka
16	The Limited Liability Company "Radio ZS"	51 Izyskatelei St., Noyabrsk, YNAA 629810	Establishment and organization of mass media of information	OAO Sibneft exercises direct control via actual possession of 51% of the shares in the authorized capital of OOO Radio ZS
17	The Closed Joint Stock Company "Mediacentr-A7"	98 22 Dekabrya St., Omsk 644015, Russian Federation	Organization of broadcasting and retransmission services and of video and radio program hire and sale	OAO Sibneft exercises direct control via actual possession of 51% of the shares in the authorized capital of OOO Mediacentr-A7
18	The Limited Liability Company "Sibneft-AZS Servis"	38 Bolshaya Kommunisticheskaya St., Bldg. 1, Moscow 109004	Operation of gas stations	OAO Sibneft exercises direct control via actual possession of 100% of the shares in the authorized capital of OOO Sibneft-AZS Servis
19	The Limited Liability Company "Sibneft-	1 Zaozyorny Per., Tomsk 634009,	Operation of filling	OAO Sibneft exercises direct control via actual possession of 100% of the shares in

	Tomsk"	Russian Federation	complexes	the authorized capital of OOO Sibneft-Tomsk
20	The Open Joint Stock Company "Sverdlovsknefteprodukt"	25 8 Marta St, Yekaterinburg 620014, Russian Federation	Supplies of oil products	OAO Sibneft exercises direct control via actual possession of 53.99% of the shares in the authorized capital of OAO Sverdlovsknefteprodukt
21	The Closed Joint Stock Company "Sibneft-Mobilnaya Karta" (Kuzbass)	50 Lenina St., Tashtagod, Kemerovo Reg. 652970, Russian Federation	Information services	OAO Sibneft exercises direct control via actual possession of 75% + 1 share in the authorized capital of ZAO Kompaniya Mobilnaya Karta (Kuzbass)"
22	The Limited Liability Company "Khantos"	149 Mira St., Khanty-Mansiisk 628007, Russian Federation	Prospecting, geophysical, and exploration work	OAO Sibneft exercises direct control via actual possession of 100% of the shares in the authorized capital of OOO Khantos
23	The Limited Liability Company "Sibneft - Krasnoyarsknefteprodukt"	23 G Severnoye Shosse, Krasnoyarsk, Krasnoyarsk Territory 660049, Russian Federation	Operation of filling complexes	OAO Sibneft exercises direct control via actual possession of 100% of the shares in the authorized capital of OOO Sibneft - Krasnoyarsknefteprodukt
24	The Open Joint Stock Company "Sibneft - Tyumennefteprodukt"	81 Respubliki St., Tyumen 625048, Russian Federation	Sale of oil products	OAO Sibneft exercises direct control via actual possession of 93.52% of the voting shares of OAO Sibneft-Tyumennefteprodukt
25	OOO "NTK"	37/7 Prospekt Geroyev, Nizhny Novgorod 603044	Operation of filling complexes and tank farms	OAO Sibneft exercises direct control via actual possession of 100% of the stakes in OOO "NTK"
26	OOO "Sibneft-St. Petersburg"	10 Sovetsky Prospekt, St. Petersburg 197706, Russia	Sale of oil products	OAO Sibneft exercises direct control via actual possession of 100% of the stakes in OOO Sibneft-St. Petersburg
27	OOO "Krasnoyarsk Oil Service"	23 G Severnoye Shosse, Krasnoyarsk 660049	Leasing out equipment	OAO Sibneft exercises direct control via actual possession of 100% of the stakes in OOO Krasnoyarsk Oil Service
28	OOO "Sibneft-Anadyr"	2V Rul'tytegina St., Anadyr, Chukchi Autonomous Area	Trade and procurement commercial activities	OAO Sibneft exercises direct control via actual possession of 100% of the stakes in OOO Sibneft-Anadyr
29	ZAO "Archinskoye" (*)	14 Lenina Ploshchad, Tomsk 634050	Oil production	OAO Sibneft exercises direct control via actual possession of 100% of the shares of ZAO Archinskoye
30	OOO "Shiginskoye" (*)	2 Sovetskaya St., Kargasok, Tomsk Region	Oil production	OAO Sibneft exercises direct control via actual possession of 100% of the stakes in OOO Shiginskoye

(\*) before April 19, 2004, the share of participation of OAO Sibneft in ZAO Archinskoye and OOO Shiginskoye constituted 20%. At the present time the share of participation is increased to 100%.

### **3.7. The composition, structure and value of the fixed assets of the issuer, information on the plans for the acquisition, replacement and retirement of fixed assets, as also on all the facts of encumbrance of the issuer's fixed assets**

#### **3.7.1. Fixed assets**

**Data on the fixed assets according to unconsolidated financial statement data as on April 1, 2004:**

Initial (replacement) value of the fixed assets: **5 460 517 thous. rubles**

Amount of accrued depreciation: **552 013 thous. rubles**

Information on a revaluation of the fixed assets: *there was no revaluation made of the fixed assets and long-lease fixed assets during the five years preceding the year before the end of the quarter of account.*

Information on all the facts of encumbrance of the issuer's fixed assets (with the indication of the character of encumbrance, the moment of origination of the encumbrance, its term of validity and other conditions at the discretion of the issuer): *there are no encumbered fixed assets.*

### **3.7.2. Value of the immovable property of the issuer**

According to unconsolidated financial statement data as on April 1, 2004

The overall value of the immovable property **4 803 539 thous. rubles**

Amount of accrued depreciation **411 299 thous. rubles**

Information on all the valuations of fixed assets made in the period of 2003 and the first quarter of 2004:

Over this period, a valuation of about 30 gas station complexes was made in Moscow, the Moscow Region and the Sverdlovsk Region as part of the policy of the company for building up its marketing network.

## IV. Information on the financial and economic activities of the issuer

### 4.1. The results of the issuer's financial and economic activities

#### 4.1.1 Profits and losses. Based on unconsolidated financial statement data, the indicators characterizing the profit margin and unprofitableness of the issuer:

Name of indicator	Method of calculation	Calculation	1999	2000	2001	2002	2003	1st quarter of 2004
Revenue, thous. rubles	Gross sum of revenue	Line 010 f2	40 600 539	64 974 775	57 228 905	82 268 247	112 821 662	37 710 657
Gross profit, thous. rubles	Revenue – cost	(Line 010-Line 020)f2	3 845 545	4 101 789	7 061 279	15 686 544	24 380 507	16 293 247
Net profit (undistributed profit (uncovered loss), thous. rubles)	Profit (loss) from the usual activities + extraordinary income – extraordinary costs	Line 190 f2	76 503	1 759 457	969 419	2 488 510	2 941 013	9 282 829
Labor productivity, thous. rubles/man	Revenue / average payroll	Line 010f2/number of employees	78 228	116 442	98 841	129 556	146 903	48 848
Productivity of capital, %	Revenue / value of fixed assets	$\frac{Line010F2}{Line120f1} \times 100\%$	315.33	97.20	45.77	29.76	22.91	7.68
Return on assets, %	Net profit / book value of assets	$\frac{Line190F2}{Line300f1} \times 100\%$	0.6124	5.9748	1.903	1.8867	2.0521	6.3295
Return on equity, %	Net profit / capital and reserves – special purpose funding and receipts + deferred income - own shares bought out from shareholders	$\frac{Line190F2}{Line(490-450+640-411)f1} \times 100\%$	0.8514	24.2946	13.4438	5.6813	18.3166	36.6340
Return on sales, %	Profit on sales / sales proceeds	$\frac{Line50F2}{Line010f2} \times 100\%$	5.0528	3.6385	6.9577	11.6252	10.9452	33.9195
Amount of uncovered loss as on date of account, thous. rubles	Uncovered loss of previous years + uncovered current-year loss	(Line 465+ 475)f1	0.00	1 424 151	1 424 151	1 424 152	1 424 152	1 424 152
Ratio of uncovered loss as on date of account to currency of balance sheet	Amount of uncovered loss / book value of assets	$\frac{Line(465+475)F1}{Line300f1}$	0.0000	0.0484	0.0278	0.0108	0.0099	0.0097

## 4.2. The liquidity of the issuer

Based on unconsolidated financial statement data, the indicators characterizing the issuer's liquidity:

Name of indicator	Method of calculation	Calculation	1999	2000	2001	2002	2003	1st quarter of 2004
Own circulating assets, rubles	Capital and reserves (minus own shares bought out from shareholders) - special purpose funding and receipts + deferred income – fixed assets – long-term debts receivable	F1 Line(490-411-450+640-190-230)	-1 846 992	-5 134 813	-7 590 073	17 573 526	-48 845 078	-41 259 004
Leverage ratio	Long term liabilities + short term liabilities (not including deferred income) / capital and reserves (minus own shares bought out from shareholders) - special purpose funding and receipts + deferred income	$\frac{Line(590+690-640)F1}{line(490-411-450+640)f1}$	1.7364	3.0430	6.0855	2.9859	7.9259	4.7878
Coefficient of autonomy of own funds	Capital and reserves (minus own shares bought out from shareholders) - special purpose funding and receipts + deferred income / fixed assets + circulating assets	$\frac{line(490-411-450+640)F1}{line300f1}$	0.7193	0.2459	0.1406	0.3321	0.1120	0.1728
Permanent asset index	Fixed assets + long-term debts receivable / capital and reserves (minus own shares bought out from shareholders) - special purpose funding and receipts + deferred income	$\frac{line(190+230)F1}{line(490-411-450+640)f1}$	1.2056	1.7090	2.0526	0.5988	4.0421	2.6283
Current ratio	Circulating assets - long-term debts receivable / short term liabilities (not including deferred income)	$\frac{line(290-230)F1}{line(690-640)f1}$	1.1127	1.0992	1.4489	1.6159	0.9483	0.9745
Quick ratio	(Circulating assets - reserves - value added tax on acquired assets - long-term debts receivable) / short term liabilities (not including deferred income)	$\frac{line(290-210-220-230)F1}{line(690-640)f1}$	0.7738	0.9225	1.3314	1.5257	0.8878	0.9129

### 4.3. The amount, structure and sufficiency of the issuer's capital and circulating

#### 4.3.1. The amount and structure of the issuer's capital and circulating assets as of April 1, 2004

1. the amount of authorized capital: **7 586 thous. rubles**
2. the number of shares bought out by the issuer: **5 305**
3. the book value of the shares bought out: **297 thous. rubles**
4. the bought out shares' percentage of the total number of placed shares:  
 $5\,305 / 4741299639 \times 100\% = 0.0001\%$
5. the amount of the issuer's reserve capital, formed by additions from profit **379 thous. rubles**
6. the amount of undistributed net profit (line 470 of the accounting balance sheet): **18 948 554 thous. rubles**
7. the aggregate amount of capital (the section 3, Capital and Reserves, of the balance sheet total) **25 339 668 thous. rubles**

#### The structure of equity according to unconsolidated financial statement data (thous. rubles):

	As of 01.01.2000	As of 01.01.2001	As of 01.01.2002	As of 01.01.2003	As of 01.01.2004	1st qr. of 2004
Authorized capital	7 586	7 586	7 586	7 586	7 586	7 586
Own shares bought out from holders					(297)	(297)
Additional capital	8 157 932	7 838 843	7 807 597	7 807 598	7 807 598	7 807 598
Reserve capital	1 084	1 084	1 084	1 084	379	379
Accumulation funds	818 796	818 796	818 796	818 796		
Special purpose funding and receipts	167 883	167 868	190 693	194 883		
Undistributed profit of previous years	-	-	-	-	-	-
Undistributed current-year profit	-	-	-	36 590 620		
Uncovered loss of previous years	x	(1 424 151)	(1 424 151)	(1 424 152)	(1 424 152)	(1 424 152)
Undistributed profit					9 665 726	18 948 554
Uncovered current-year loss	x	-	-	-	-	-
<b>TOTAL</b>	<b>9 153 281</b>	<b>7 410 026</b>	<b>7 401 605</b>	<b>43 996 415</b>	<b>16 056 840</b>	<b>25 339 668</b>

#### The structure of circulating capital according to unconsolidated financial statement data (thous. rubles):

	As of 01.01.2000	As of 01.01.2001	As of 01.01.2002	As of 01.01.2003	As of 01.01.2004	1st qr. of 2004
Reserves	2 110 277	1 558 942	2 055 332	3 666 437	2 213 508	1 945 913
Accounts receivable	8 052 718	12 954 597	24 113 687	62 715 058	35 956 873	38 421 472
Short term financial investments	272 562	698 551	8 677 946	20 241 155	35 446 764	35 805 075
Cash	362 079	671 739	732 107	16 812 520	2 005 148	768 434

#### 4.3.2. The sufficiency of capital to meet short term liabilities and cover current operating expenses according to unconsolidated financial statement data as of April 1, 2004:

#### The sufficiency of the issuer's capital and circulating assets (thous. rubles):

	As of 01.01.2004	1st qr. of 2004
Equity	16 056 840	25 339 668
Circulating assets	75 622 293	76 940 894
Short term liabilities	82 690 255	82 151 774
Current operating expenses	113 400 000	37 700 000
Average daily operating expenses	450 000	608 000
Credit servicing expenses	5 044 222	898 978

#### 4.3.3. Cash

Cash requirement is determined by expenses on production, business and investment activities and will amount to 36,400 million rubles in the 2nd quarter of 2004 by forecast. The potential sources of these funds are the

proceeds of the sale of oil and oil products, as also of other sales. The attraction of money by obtaining bank credits and intra-corporate loans is possible. There are no plans to attract money through an additional issue of securities. The issuer has no blocked accounts, nor any payables in a bank on file.

#### 4.3.4. Financial investments by the issuer

**The money invested in securities makes up more than 10% of all the financial investments of the company as of the date of end of the quarter of account.**

Type of security	<b>Registered ordinary shares</b>
Name of issuer	<b>ОАО Sibneft-Noyabrskneftegaz</b>
Business address of issuer	59/87 Lenina St., Noyabrsk, Tyumen Reg. 629807
Number and date of state registration of the issue of securities	1-04-00109-A of March 13, 2001
Registering authority	Russian Federal Securities Commission
Number of securities owned	74
Overall nominal value of the securities owned	6 112 026 300,00
Total book value	8 811 463 917.80
Size of preference dividend	Dividends not being paid
Size of declared ordinary dividend, payout time	Dividends not declared

Type of security	<b>Registered preference shares</b>
Name of issuer	<b>ОАО Sibneft-Noyabrskneftegaz</b>
Business address of issuer	59/87 Lenina St., Noyabrsk, Tyumen Reg. 629807
Number and date of state registration of the issue of securities	2-03-00109-A of March 13, 2001
Registering authority	Russian Federal Securities Commission
Number of securities owned	25
Overall nominal value of the securities owned	1 178 175 000.00
Total book value	1 378 300 653.97
Size of preference dividend	Dividends not being paid
Size of declared ordinary dividend, payout time	Dividends not declared

**Other financial investments which constitute more than 10% of all the financial investments of the company as on the date of end of the quarter of account:**

Object of financial investment	Loan without interest
Name of organization	ООО Invest Oil
Business address	13 Krupskoi St., Mytishchi, Moscow Region 141002
INN	5029065916
Level of income from object of financial investment	0
Date of disbursement	16.01.04
Potential losses	0

#### 4.3.5. Intangible assets

According to unconsolidated financial statement data as on April 1, 2004:

The initial value of the intangible assets is: **292 838 thous. rubles**

The amount of accrued depreciation: **51 225 thous. rubles**

Nos.	Name of group of intangible assets	Full value (thous. rubles)	Amount of accrued depreciation (thous. rubles <sup>6</sup> )
1	Trade marks	1620	246
2	Licenses	258 058	34 378
3	Program products and data bases	17 560	10 291

No intangible assets were contributed to the authorized capital (joint stock) in the quarter of account.

The accounting standards (rules), in accordance with which the issuer provides information on its intangible assets: Classifiable as intangible assets are objects with no tangible content, but with a value assessment, employed in the economic activities of the enterprise over a long period of time (for more than a year) and bringing in income. The assignment of an asset (property) to intangibles is determined in accordance with the criteria of the Accounting Rules 14/2000 (Accounting of Intangible Assets), approved by the Russian Ministry of Finance Order №91Н of October 16, 2000. The assets of the company, accounted for in the Intangible Assets account 04, are reflected in the ledgers in the amount of the expenditure on their acquisition, including the expenses to bring them up to a condition in which they are suitable for use for the planned purposes. The amount of the depreciation of the intangibles is calculated on a historic-cost basis and with due regard for their useful life (but not to exceed the period of operation of the enterprise). In the ledgers the intangible assets are reflected by residual value.

#### **4.4. Information on the policies and expenditure of the issuer in the field of scientific and technological development and with respect to licenses and patents, new ideas and research**

The main areas of work in the scientific and technological development of OAO Sibneft are:

- participation in the search for promising areas in terms of oil and gas by geophysical methods;
- the conduct of downhole logging in prospecting, exploratory and development wells with a view to a division of the stratigraphic section, the identification of pay horizons, the study of the technical condition of the wells and control over the development of the fields;
- participation in research, testing-and-procedural and development work, directed towards raising the geological and economic effectiveness of geophysical research and perfecting the methods and techniques of its conduct;
- participation in the development, testing and adoption of new technical means and technologies for the study of mineral resources, a second drilling-in, and cutdowns in the expenses on a ton of oil extracted;
- participation in the work on the creation of scientific-technical products: technical documentation, field development and oil recovery plans, techno-economic proposals and feasibility studies, including geological and hydrodynamic models, other documents necessary for the development of new hydrocarbon deposits;
- further upgrading of the methods of planning and regulation of late-stage field development with the construction of permanently operating geologo-mathematical models.

### **V. Detailed data on the persons who are members of the governing bodies of the issuer, of its bodies for control over its financial and economic activities and brief information on the staff of the issuer**

#### **5.1. Information on the structure and competence of the governing bodies**

##### THE GENERAL MEETING OF SHAREHOLDERS

The scope of competence of the General Meeting of Shareholders includes dealing with the following matters:

- 1) introduction of amendments and modifications to the Charter of the Company or approval of a reworded Charter of the Company (excepting cases stipulated in Art. 12, pars. 2-5, of the Federal Law on Joint Stock Companies);
- 2) a reorganization of the Company;
- 3) liquidation of the Company, the appointment of a liquidation commission and the approval of an intermediate and a final liquidation balance sheet;
- 4) election of members of the Board of Directors of the Company and an early termination of their authority;
- 5) election of a president of the Company and an early termination of his authority;
- 6) election of members of the auditing commission of the Company and an early termination of their authority;
- 7) approval of an auditor of the Company;
- 8) determination of the quantity, the nominal value, and the category (type) of declared shares and of the rights provided by these shares;
- 9) increasing the authorized capital of the Company;
- 10) placement of emission securities of the Company, convertible into shares;
- 11) decreasing the Company's authorized capital by reducing the shares' value, through the Company acquiring a part of the shares in order to cut their overall quantity, as also by redeeming the shares acquired and bought out by the Company (the shares at the Company's disposal);



- 12) approval of the annual reports and annual financial statement, including income statements (profit and loss accounts) of the Company, as well as the distribution of profit, including the payout (declaration) of dividends, and of the losses of the Company for the financial year;
- 13) determination of the procedure for the conduct of a General Meeting of Shareholders;
- 14) subdivision and consolidation of shares;
- 15) the passage of resolutions concerning the approval of transactions in the cases provided for in Art. 83 of the Federal Law on Joint Stock Companies;
- 16) the passage of resolutions concerning the approval of major transactions in the cases provided for in Art. 79 of the Federal Law on Joint Stock Companies;
- 17) deciding on participation in holding companies, financial and industrial groups, associations, and other amalgamations of commercial organizations;
- 18) approval of internal documents governing the work of the bodies of the Company, inter alia the Regulations concerning the General Meeting of Shareholders, the Regulations concerning the Board of Directors, the Regulations concerning the President, the Regulations concerning the Management, and the Regulations concerning the Procedure of Auditing Commission Activities;
- 19) passing a resolution on rewards and/or compensation for expenses to the members of the auditing commission of the Company stemming from their performance of their responsibilities at a period when they do so, and fixing the amounts of such compensations and rewards;
- 20) passing a resolution on rewards and/or compensation for expenses to the members of the Board of Directors of the Company stemming from their performance of their respective functions at a period when they do so, and fixing the amounts of such compensations and rewards;
- 21) passing a resolution on compensation out of the Company's funds for the expenses incurred by persons and bodies initiators of an Extraordinary General Meeting of Shareholders in the preparations for, and the holding of that meeting;
- 22) passing a resolution on the transfer of the authority of the single-member executive body of the Company to a profit organization (managing organization) or an individual entrepreneur (manager) under a contract;
- 23) passing a resolution on an early termination of the authority of the managing organization or the manager;
- 24) determination of a list of additional documents that must necessarily be kept at the Company;
- 25) settlement of other matters provided for in the Federal Law on Joint Stock Companies.

The General Meeting of Shareholders shall not have the right to consider and decide on matters not assigned by the law or the Charter of the Company to its competence.

The General Meeting of Shareholders shall not have the right to decide on matters not included in the agenda of the meeting or change the agenda.

## THE BOARD OF DIRECTORS

The Board of Directors of the Company is in overall charge of all its operations, with the exception of matters assigned by federal laws and the Company's Charter to the competence of the General Meeting of Shareholders.

There fall within the competence of the Board of Directors of the Company:

- 1) determination of the priority lines of Company activity, including the determination of strategic aims for its operation, determination of the main activities and of the regions of activity of the Company, the determination of its dividend policy and long- and medium-term development strategy and the approval of its annual business plans;
- 2) calling the annual and an Extraordinary General Meeting of Shareholders, with the exception of the cases contemplated by paragraph 8 of Art. 55 of the Federal Law on Joint Stock Companies;
- 3) approval of the agenda of a General Meeting of Shareholders;
- 4) fixing the date for compiling a list of persons entitled to attend a General Meeting of Shareholders and other matters assigned to the competence of the Board of Directors under the provisions of Chapter VII of the Federal Law on Joint Stock Companies and linked to preparation and holding of the General Meeting of Shareholders;
- 5) preliminary approval of the Company's annual reports and annual financial statement, including the profit and loss statements for the financial year;
- 6) appointment of Management members;
- 7) early termination of the authority of Management members;
- 8) approval of an agreement on the transfer of the authority of the single-member executive body of the Company to a profit organization (managing organization) or an individual entrepreneur (manager);
- 9) taking a decision on the formation of an interim single-member executive body of the Company and on the holding of an Extraordinary General Meeting of Shareholders to decide on an early termination of the authority of the Company's president and on the election of a president of the Company or on the transfer of the authority of the single-member executive body to a managing organization or a manager in the event that the president of the Company or the managing organization (manager) is unable to perform their functions;
- 10) taking a decision on suspension of the authority of the president of the Company or on suspension of the authority of the managing organization or manager. Simultaneously with this decision the Board of Directors of the Company is obliged to take a decision on the formation of an interim single-member executive body of the

Company and on the holding of an Extraordinary General Meeting of Shareholders to decide on an early termination of the authority of the Company's president or the managing organization (manager) and on the election of a president of the Company or on the transfer of the authority of the single-member executive body to a profit organization or a manager;

- 11) placement of bonds and other emission securities not convertible into shares;
- 12) approval of a decision on an issue of securities and of a share issue prospectus, approval of a report on the share issue results, and introduction of amendments and modifications to them;
- 13) determination of the price (money value) of the assets as well as of the price of the placement and redemption of emission securities where the Federal Law on Joint Stock Companies provides for;
- 14) acquisition of shares placed by the Company in accordance with Art. 72, par. 2, of the Federal Law on Joint Stock Companies;
- 15) acquisition of bonds and other securities placed by the Company where the Federal Law on Joint Stock Companies provides for;
- 16) recommendations to the General Meeting of Shareholders as to the amounts of the rewards and compensations to be paid to the members of the auditing committee;
- 17) determination of the amount of payment for the services of the auditor;
- 18) recommendations to the General Meeting of Shareholders as to the size of a dividend on shares and the timing of its payment;
- 19) recommendations to the General Meeting of Shareholders as to the procedure of distribution of the profits and losses of the Company for the financial year;
- 20) utilization of the reserve fund and other funds of the Company;
- 21) approval of internal documents of the Company, with the exception of internal documents governing the activities of the bodies of the Company that have to be approved by a resolution of the General Meeting of Shareholders, as well as of other Company internal documents, the approval of which is assigned by the Charter to the competence of the single-member executive body of the Company, and the introduction of amendments and modifications to these documents;
- 22) establishment and liquidation of affiliates, the opening and liquidation of representation offices of the Company, approval of the statutes on the affiliates and representation offices and the introduction of amendments and modifications to them;
- 23) introduction of amendments to the Charter of the Company associated with the creation of affiliates and the opening of representation offices and with their liquidation;
- 24) approval of major transactions where Chapter X of the Federal Law on Joint Stock Companies provides for;
- 25) approval of transactions envisaged by Chapter XI of the Federal Law on Joint Stock Companies;
- 26) approval of a registrar of the Company and the terms and conditions of a contract with him, as well as the termination of the contract with him;
- 27) adoption at any time of a decision for a check of the financial and economic activities of the Company;
- 28) determination of a person authorized to sign a contract on behalf of the Company with the president (managing organization or manager) and members of the Management;
- 29) approval of the basic conditions of the contracts with the Management members;
- 30) determination of a list of additional documents whose custody at the company is obligatory;
- 31) approval of procedures governing internal control of the financial and economic activities of the Company;
- 32) approval of internal risk-management procedures, the assurance of their observance, analysis of the effectiveness and the perfecting of those procedures;
- 33) other matters provided for in the Federal Law on Joint Stock Companies and in the Charter.

## MANAGEMENT

The scope of competence of the Management, which is the collegial executive body of the Company, includes the following matters in administering the day-to-day operations of the Company:

- 1) the preparation of proposals on overall guidelines for Company activity and development as well as investment, credit and financial, and pricing policies;
- 2) the preparation of proposals on the basic parameters for, and the terms of issues of emission securities, and on dividend policies;
- 3) ensuring a regular conduct of examinations of the Company's financial and economic activities;
- 4) decision making on transactions involving the acquisition, alienation or the possibility of alienation by the Company directly or indirectly of property the value of which at the moment the decision is arrived at constitutes from 10 to 25 percent of the book value of the assets of the Company, with the exception of transactions that are made in the course of the routine economic activities of the Company;
- 5) the preparation of proposals on the organizational structure of the Company;
- 6) decision making on the conclusion by the Company of a Collective Agreement, and the approval of its terms and conditions.

A three-member Management shall be appointed by the Board of Directors of the Company for a term of 5 years unless a different term is fixed by a decision of the Board of Directors. The authority of any member of the Management may be terminated early by the Board of Directors of the Company.  
The functions of a Chairman of the Management shall be exercised by the President of the Company.  
Procedures governing the work and the decision-making process of the Management shall be determined by an internal document of the Company to be approved by the General Meeting of Shareholders.

## THE PRESIDENT

The President of the Company is its single-member executive body, to whose terms of reference belong all the matters pertaining to the administration of the day-to-day operations of the Company, with the exception of matters coming within the competence of the General Meeting of Shareholders, the Board of Directors and the Management of the Company.

The President organizes the implementation of the resolutions of the General Meeting of Shareholders and of the decisions of the Board of Directors and the Management of the Company.

The President without a power of attorney acts on behalf of the Company, inter alia represents its interests, approves a list of staff, issues orders and gives instructions binding upon all the employees of the Company.

The President consummates transactions in the name of the Company, inter alia independently consummates transactions involving the acquisition, alienation or the possibility of alienation by the Company directly or indirectly of property whose value constitutes less than 10 percent of the book value of the assets of the Company, determined from the data of its financial statement as on the last date of account, unless the Federal Law on Joint Stock Companies and this Charter provide for a different procedure for their consummation. The President shall have the right to consummate transactions involving the acquisition, alienation or the possibility of alienation by the Company directly or indirectly of property the value of which constitutes 10 and more percent of the book value of the assets of the Company, with the exception of deals being made in the course of routine economic activities, as well as other transactions for which the Federal Law on Joint Stock Companies and this Charter provide a different consummation procedure, subject to preliminary adoption of an appropriate decision by an empowered managerial body of the Company.

The rights and responsibilities, the term and the amount of the remuneration of the services of the President of the Company shall be determined by a contract to be concluded by the President with the Company. The contract is to be signed on behalf of the Company by the Chairman of the Board of Directors or a person authorized by the Board of Directors of the Company.

The President is to be elected by the General Meeting of Shareholders for a term of 5 years, unless a different term is provided by a resolution of the General Meeting of Shareholders.

## THE CODE OF CORPORATE CONDUCT

**APPROVED IN 1998 (remains as then worded), posted on the corporate site at  
the address <http://www.sibneft.ru/pages.jsp?page=45&lang=2>**

**Information on the changes made to the Charter and internal documents of the company during the 1st quarter of 2004:** There have been no changes to either the Charter or internal documents.

The address of the Internet page on which the Charter and internal documents of the company are all placed in free access: <http://www.sibneft.ru/pages.jsp?page=45&lang=2>

## 5.2. Information on the persons who are members of the governing bodies of the issuer.

### The Board of Directors

The Chairman of the Board of Directors: *Potapov, Konstantin Nikolayevich*  
Members of the Board of Directors:

**Independent Director Vinchel, Mikhail Genrikhovich** Year of birth: 1961

Positions held in the last five years:

Period: 1995 - 2003 Organization: *OAO Investment Company "Prospekt"*

Position: *General Director*

Period: 2003 – up to the present Organization: *OAO Investment Company "Prospekt"*

Position: *Senior adviser to the General Director of OAO Investment Company "Prospekt"*

Share in the authorized capital of the issuer: *Has no share.*

Stakes in subsidiary/dependent companies of the issuer: *Has no stakes.*

Rewards paid for the performance of the functions of a member of the Board of Directors over the quarter of account: **0**

**Independent Director Gavrikov, Albert Alexeyevich** Year of birth: **1970**

Positions held in the last five years:

Period: **1995 – up to the present** Organization: **Investment Group Aton**

Position: **Managing Director**

Share in the authorized capital of the issuer: **Has no share.**

Stakes in subsidiary/dependent companies of the issuer: **Has no stakes.**

Rewards paid for the performance of the functions of a member of the Board of Directors over the quarter of account: **0**

**Independent Director Tyryshkin, Ivan Aleksandrovich** Year of birth: **1973**

Positions held in the last five years:

Period: **1996 - 1998** Organization: **Federal Securities Commission**

Position: **Head of a Department**

Period: **1998 - 2002** Organization: **National Association of Stock Market Participants**

Position: **Chairman of the Board**

Period: **2001 - 2003** Organization: **Noncommercial Partnership "RTS Stock Exchange"**

Position: **President**

Period: **2003** Organization: **ZAO SKRIN**

Position: **Executive Director, adviser to the General Sdirector of the ZAO SKRIN**

Period: **October 2003 – up to the present** Organization: **OOO Russkoye Zerno**

Position: **President**

Share in the authorized capital of the issuer: **Has no share.**

Stakes in subsidiary/dependent companies of the issuer: **Has no stakes.**

Rewards paid for the performance of the functions of a member of the Board of Directors over the quarter of account: **0**

**Shvidler, Yevgeny Markovich** Year of birth: **1964**

Positions held in the last five years:

Period: **1998 - 1999**

Organization: **OAO Sibneft**

Position: **Acting President**

Period: **1999 – up to the present** Organization: **OAO Sibneft**

Position: **President**

Share in the authorized capital of the issuer: **0%.**

Stakes in subsidiary/dependent companies of the issuer: **Has no stakes.**

Rewards paid for the performance of the functions of a member of the Board of Directors over the quarter of account: **0**

**Breyeva, Tatyana Alexeyevna,** Year of birth: **1951**

Positions held in the last five years:

Period: **1997 - 1999** Organization: **OAO Sibneft**

Position: **Head of a Division, Head of the Department of Internal Audit and Enterprise Accounting Methodology**

Period: **1999-2001** Organization: **OAO Sibneft** Position: **Chief Accountant**

Period: **2001 – up to the present** Organization: **OAO Sibneft** Position: **Vice President for Finance**

Share in the authorized capital of the issuer: **0%.**

Stakes in subsidiary/dependent companies of the issuer: **Has no stakes.**

Rewards paid for the performance of the functions of a member of the Board of Directors over the quarter of account: **0**

**Novikov, Vladimir Ivanovich,** Year of birth: **1945**

Positions held in the last five years:

Period: **1996 - 2003** Organization: **OAO Sibneft** Position: **Head of the Department of Corporate Policy**

Period: **2003 – up to the present** Organization: **OAO Sibneft** Position: **Head of the Department of Corporate Policy**

Share in the authorized capital of the issuer: **0%.**

Stakes in subsidiary/dependent companies of the issuer: **Has no stakes.**

Rewards paid for the performance of the functions of a member of the Board of Directors over the quarter of account: **0**

**Potapov, Konstantin Nikolayevich** Year of birth: **1956**

Positions held in the last five years:

Period: **1998– up to the present** Organization: **ОАО Sibneft**

Position: **Vice President**

Share in the authorized capital of the issuer: **0.0121%**.

Stakes in subsidiary/dependent companies of the issuer: **Has no stakes.**

Rewards paid for the performance of the functions of a member of the Board of Directors over the quarter of account: **0**

**Oif, Valery Aleksandrovich (From March 18, 2004, ceased his functions as a member of the Board of Directors and as the Vice President for Refining and Marketing upon being appointed the representative of the Omsk Regional Government in the Federation Council)** Year of birth: **1964**

Positions held in the last five years:

Period: **1998 - 2004** Organization: **ОАО Sibneft** Position: **Vice President**

Period: **2004 – up to the present** Organization: **Federation Council** Position: **Representative of the Omsk Regional Government**

Share in the authorized capital of the issuer: **Has no share.**

Stakes in subsidiary/dependent companies of the issuer: **Has no stakes.**

Rewards paid for the performance of the functions of a member of the Board of Directors over the quarter of account: **0**

**Poltorak, Yevgeny Yakovlevich** Year of birth: **1947**

Positions held in the last five years:

Period: **1997 – up to the present** Organization: **ОАО Sibneft** Position: **Vice President**

Share in the authorized capital of the issuer: **Has no share.**

Stakes in subsidiary/dependent companies of the issuer: **Has no stakes.**

Rewards paid for the performance of the functions of a member of the Board of Directors over the quarter of account: **0**

## **The Single-Member Managerial Body**

**Shvidler, Yevgeny Markovich – President of ОАО Си́бнефть** Year of birth: **1964**

Positions held in the last five years:

Period: **1998 - 1999** Organization: **ОАО Sibneft** Position: **Acting President**

Period: **1999 – up to the present** Organization: **ОАО Sibneft** Position: **President**

Share in the authorized capital of the issuer: **0%**.

Stakes in subsidiary/dependent companies of the issuer: **Has no stakes.**

## **The Collective Managerial Body – Management:**

**Shvidler, Yevgeny Markovich – Chairman of ОАО Sibneft** Year of birth: **1964**

Positions held in the last five years:

Period: **1998 - 1999** Organization: **ОАО Sibneft** Position: **Acting President**

Period: **1999 – up to the present** Organization: **ОАО Sibneft** Position: **President**

Share in the authorized capital of the issuer: **0%**.

Stakes in subsidiary/dependent companies of the issuer: **Has no stakes.**

**Korsik, Aleksandr Leonidovich** Year of birth: **1956**

Positions held in the last five years:

Period: **1997 – 1999** Organization: **ОАО Sibneft** Position: **Head of the Department of Strategic Development**

Period: **1999 - up to the present** Organization: **ОАО Sibneft** Position: **First Vice President**

Share in the authorized capital of the issuer: **0%**.

Stakes in subsidiary/dependent companies of the issuer: **Has no stakes.**

**Breyeva, Tatyana Alexeyevna,** Year of birth: **1951**

Positions held in the last five years:

Period: **1997 - 1999** Organization: **ОАО Sibneft** Position: **Head of a Division, Head of the Department of Internal Audit and Enterprise Accounting Methodology**

Period: **1999-2001** Organization: **ОАО Sibneft** Position: **Chief Accountant**

Period: **2001 – up to the present** Organization: **ОАО Sibneft** Position: **Vice President for Finance**

Share in the authorized capital of the issuer: **0%**.

Stakes in subsidiary/dependent companies of the issuer: **Has no stakes.**

### **5.3. Information on the amounts of remuneration of the members of the Board of Directors**

In accordance with the Charter of the Company deciding on rewards and/or compensation for expenses to the members of the Board of Directors of the Company incurred while they perform their functions as Board members as well as fixing the amounts of such rewards and compensations come within the competence of the General Meeting of Shareholders

On the basis of the resolutions of the annual General Meetings of June 28, 2002, and of May 15, 2003, there was paid out to each member of the Board of Directors, elected by a resolution of 2002's annual General Meeting of Shareholders, a money reward equivalent to 10,000 US dollars for the period from June 28, 2002, to May 15, 2003, in keeping with the recommendations given by the Board of Directors' Committee on Staff and Rewards. The aggregate amount of the awards for the 9 members of the Board of Directors came to 2,744,595 rubles.

### **5.4. Information on the structure and the terms of reference of the bodies of control over the financial and economic activities of the issuer**

The body responsible for control of the financial and economic activities of the Company is its auditing commission.

17.1. Control over the financial and economic activities of the Company is exercised by the auditing commission. The way the commission is to operate is fixed by an internal document of the Company, to be approved by the General Meeting of Shareholders.

17.2. The auditing commission is elected as a 3-person body by the Shareholders' General Meeting for the period till the next Annual General Meeting of Shareholders.

17.3. The term of office of individual or all of the auditing commission's members may be terminated early by a resolution of the General Meeting of Shareholders.

17.4. A shareholder of the Company as well as any other person may be a member of the auditing commission. But members of the auditing commission may not concurrently be members of the Board of Directors of the Company, nor hold any other positions in its managerial bodies.

17.5. The scope of competence of the auditing commission includes:

an examination of the financial documents of the Company, its bookkeeping records, the findings of the assets inventory commission and a comparison of those documents with primary accounting data;

an analysis of the correctness and completeness of the enterprise, fiscal, management, and statistical accounting records;

an analysis of the financial standing of the Company, its ability to pay, the liquidity of assets, capital gearing, net assets and the authorized capital, the identification of reserves for improving the economic state of the Company and the elaboration of recommendations for the managerial bodies;

a check on the timeliness and correctness of payments to the suppliers of products and services, of contributions to the budget and to the off-budget funds, of dividend accruals and payments, interest on bonds and discharges of other obligations;

a confirmation of the reliability of the data included in the annual reports of the Company, into the annual financial statement, of the income statements (the profit and loss account), of profit distribution and of the reporting documents for taxation and statistical bodies and bodies of state administration;

a check on the legal competence of its President to contract on behalf of the Company;

a check on whether the decisions made by the Board of Directors, the President or the Management of the Company meet competence requirements and if they correspond to the Charter of the Company and the resolutions of the General Meeting of Shareholders;

an analysis of the resolutions of the General Meeting of Shareholders and of their correspondence to the law and the Charter of the Company.

The auditing commission has the right to:

demand a personal explanation from Board of Directors or Management members, the President and Company employees, including any officers, on matters coming within the competence of the auditing commission;

raise before managerial bodies the question of liability of Company employees, including officers, in the event of their violation of the Charter and the regulations, rules and instructions adopted by the Company;

draw specialists not holding any permanent positions in the Company into its work on a contractual basis.

17.6. A check (audit) of the Company's financial and economic activities is made at the year's end, as also at any time on the initiative of the auditing commission or by a decision of the General Meeting of Shareholders or Board of Directors or after being requisitioned by the holder or holders of not less than 10 percent of the voting shares of the Company.

17.7. Upon request from the auditing commission persons holding posts in the managerial bodies of the Company are obliged to present documents on Company financial and economic activities.

Those documents are to be presented within 10 days from the date of a written request.

17.8. The auditing commission has the right to demand the calling of an Extraordinary General Meeting of Shareholders in the manner stipulated by Article 55 of the Federal Law on Joint Stock Companies and by the Charter of the Company.

17.9. The auditing commission has the right to demand that a meeting of the Board of Directors should be called and the Chairman of the Board may not refuse the commission's request for a Board meeting.

## 5.5. Information on the persons who are part of the bodies of control over the financial and economic activities of the issuer

The personal composition of the control body

### **Barabash, Lyudmila Aleksandrovna**

Year of birth: 1951

Education: Izhevsk Mechanical Institute

Positions held in the last five years: July 1996 - up to the present - Deputy Chief Accountant of OAO Sibneft

Share in the authorized capital of the issuer: 0.0000%

Stakes in the subsidiary/dependent companies of the issuer: Has no stakes

### **Leshko, Alla Ivanovna**

Year of birth: 1956

Education: Belorussian State Institute of National Economy

Positions held in the last five years: September 1996 – up to the present - Head of a Division, Planning and Budgetary Department, OAO Sibneft

Share in the authorized capital of the issuer: 0.0000%

Stakes in the subsidiary/dependent companies of the issuer: Has no stakes

### **Sheffer, Igor Yevgenyevich**

Year of birth: 1951

Education: Moscow Institute of Radio Engineering, Electronics and Automation

Positions held in the last five years: September 1998 – up to the present - Leading Division Expert, Department of Internal Audit and Enterprise Accounting Methodology, OAO Sibneft

Share in the authorized capital of the issuer: Has no share

Stakes in the subsidiary/dependent companies of the issuer: Has no stakes

## 5.6. Information on the amounts of remuneration, fringe benefits, and expense compensation for the staff of the body of control over financial and economic activities

In line with the Charter "deciding on rewards and/or compensation for expenses to the members of the auditing commission of the Company incurred while they perform their duties, and fixing the amounts of the rewards and compensations" fall within the competence of the General Meeting of Shareholders.

In the past five years no decisions have been made, nor any rewards or compensation have been paid to the persons who form part of the auditing commission.

## 5.7. Data on the number, on the education and on the composition of the issuer's personnel

**Information on the average number of employees of OAO Sibneft with its affiliates and representation offices for the period from 1999 to 2003:**

As of 01.01.1999	As of 01.01.2000	As of 01.01.2001	As of 01.01.2002	As of 01.01.2003
541	519	558.5	635	768.36

As of March 1, 2004

Average number of employees 772.89

**Statistical data on the issuer's personnel**

Employees aged less than 25, %	4%
Employees aged 25-35, %	26%
Employees aged 35-55, %	60%
Employees aged over 55, %	10%
TOTAL	100%
of whom: those with secondary or complete general education, %	15%
those with primary or secondary professional education, %	8%
those with higher professional education, %	77%

those with post-college professional education, %	8%
---	----

**5.8. Information on any obligations of the issuer to its employees**

No option schemes of remuneration are being applied.



## VI. Information on the issuer's shareholders and affiliated transactions

### 6.1. Information on the total number of shareholders (participants) of the issuer

As of April 1, 2004 the total number of persons entered in the issuer's register of shareholders: **11 993**, including nominal holders: **17**.

### 6.2. Information on the holders of not less than 5 percent of its authorized capital or not less than 5 percent of its ordinary shares and information on the participants (shareholders) of those persons in possession of not less than 20 percent of their authorized capital (joint stock) or not less than 20 percent of their ordinary shares:

OOO Deutsche Bank, a nominal holder entered in the register of shareholders as of January 1, 2004  
 Location: 4 Shchepkina St., Moscow 129090  
 Mailing address: 4 Shchepkina St., Moscow 129090  
 Its share in the issuer's authorized capital: 92.4877%

The real owner of 4, 362,007,182 registered ordinary shares making up 92% of the authorized capital of OAO Sibneft is the Open Joint Stock Company "Neftyanaya Kompaniya YUKOS"  
 Location: 26 Lenina St., Neftuyugansk, Khanty-Mansi Autonomous Area 628309  
 Mailing address: 31A Dubininskaya St., Moscow 115054, Russian Federation  
 Information on the holders of more than 20% of the shares in the authorized capital of OAO NK YUKOS unavailable.

### 6.3. Information on the share of participation of the state or a municipal entity in the issuer's authorized capital (joint stock or share fund) and the existence of a special right ("golden share")

There are neither any shares of the company nor any special right ("golden share") in the federal ownership or that of any subjects of the Russian Federation.

### 6.4. Information concerning restrictions on participation in the authorized capital (joint stock or share fund) of the issuer:

There are no restrictions on participation in the authorized capital of the company.

### 6.5. Information on entities that have been entered in the register of shareholders over the preceding five years according to the register data as at the year's start and as on the date of the end of the accounting period, in whose personal accounts are shown not less than 5% of the ordinary shares of the issuer:

Period	Entity entered in the register of shareholders	Type of personal account	% of ordinary shares	Business address
01.01.2000	ZAO "ABN AMRO BANK A.O."	Nominal holder	19.6022	17 Bolshaya Nikitskaya St., Bldg. 1, Moscow
	OOO "DEUTSCHE BANK"	Nominal holder	19.32	4 Shchepkina St., Moscow
	ZAO "ING BANK (EURASIA) ZAO"	Nominal holder	19.32	31 Krasnaya Presnya, Moscow
	NP «National Depository Center	Nominal holder	15.4213	12 Zhitnaya St., Moscow
	OOO "Refine Oil"		14.289	20 Chayanova St., Bldg. 1, Moscow
01.01.2001	ZAO "ING BANK (EURASIA) ZAO"	Nominal holder	22.1613	31 Krasnaya Presnya, Moscow
	NP «National Depository Center	Nominal holder	21.1099	12 Zhitnaya St., Moscow
	ZAO "ABN AMRO BANK A.O."	Nominal holder	19.5948	17 Bolshaya Nikitskaya St., Bldg. 1, Moscow
	OOO "DEUTSCHE BANK"	Nominal holder	17.4252	4 Shchepkina St., Moscow
	OAO "West Siberian Depository"	Nominal holder	12.2432	10 Kemerovskaya St., Omsk, Omsk Region
01.01.2002	ZAO "ING BANK (EURASIA) ZAO"	Nominal holder	22.296	31 Krasnaya Presnya, Moscow

	NP «National Depository Center	Nominal holder	14.8602	12 Zhitnaya St., Moscow
	ZAO "ABN AMRO BANK A.O."	Nominal holder	19.5475	17 Bolshaya Nikitskaya St., Bldg. 1, Moscow
	OOO "DEUTSCHE BANK"	Nominal holder	12.7851	4 Shchepkina St., Moscow
	OAO "West Siberian Depository"	Nominal holder	21.0889	10 Kemerovskaya St., Omsk, Omsk Region
	ZAO "Depository Clearing Company"	Nominal holder	5.6655	13 1st Tverskaya Yamskaya St., Moscow
<b>01.01.2003</b>	ZAO "ING BANK (EURASIA) ZAO"	Nominal holder	21.5953	31 Krasnaya Presnya, Moscow
	NP «National Depository Center	Nominal holder	14.9496	12 Zhitnaya St., Moscow
	ZAO "ABN AMRO BANK A.O."	Nominal holder	19.7752	17 Bolshaya Nikitskaya St., Bldg. 1, Moscow
	OOO "DEUTSCHE BANK"	Nominal holder	13.8452	4 Shchepkina St., Moscow
	OAO "West Siberian Depository"	Nominal holder	22.9888	10 Kemerovskaya St., Omsk, Omsk Region
<b>01.01.2004</b>	OOO "DEUTSCHE BANK"	Nominal holder	92	4 Shchepkina St., Moscow
<b>01.01.2004</b>	OOO "DEUTSCHE BANK"	Nominal holder	92	4 Shchepkina St., Moscow

#### 6.6. Information on the issuer's affiliated transactions for the 1st quarter of 2004

There were no affiliated transactions during the period of account. (The managerial bodies took no decisions approving what might have been affiliated transactions.)

#### 6.7. Information on the size of the debts receivable according to data of the unconsolidated financial statement:

The structure of the debts receivable:

	1.01.2000	1.01.2001	1.01.2002	1.01.2003	1.01.2004	1.04.2004
<b>Receivables, the payments of which are expected <u>more than 12 months</u> after date of account (thous. rubles)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Receivables, the payments of which are expected <u>within 12 months</u> (thous. rubles) including (thous. rubles):</b>	<b>8 052 718</b>	<b>12 954 597</b>	<b>24 113 687</b>	<b>62 715 058</b>	<b>35 956 873</b>	<b>38 421 472</b>
Stale debts	1 515 219	2 431 157	1 277 303	757 137	7 782 416	14 829 792
of which those more than 3 months overdue	1 070 568	2 131 535	1 104 506	785 770		14 829 792
Buyers and customers	4 311 223	7 133 285	9 679 667	20 441 129	24 354 867	27 465 021
Bills receivable				228		
Indebtedness of the subsidiary and dependent companies	1 634 714	2 294 555	9 294 727	29 612 209	2 065 348	2 549 460
Participants' debts on contributions to authorized capital						
Advances paid out	536 180	1 985 388	3 941 899	10 038 216	7 498 761	6 037 160
Other debtors	1 570 601	1 541 369	1 197 394	2 623 276	2 037 897	2 369 830

#### Debtors, the size of the debt of each of which makes up not less than 10 percent of the total sum of indebtedness:

Period	Name of debtor	Amount of debit indebtedness, (thous. rubles)	Debt's percentage of the total debt amount (%)
As of 01.01.2000	Company RUNIKOM	1 246 960	15.48
	OAO Sibneft-Noyabrskneftegaz (control person)	1 111 978	13.81
	<b>TOTAL:</b>	<b>2 358 938</b>	<b>29.29</b>

As of 01.01.2001	Company RUNIKOM	1 913 570	14.77
	OAo Sibneft-Noyabrskneftegaz (control person)	1 751 304	13.36
TOTAL:		<b>3 664 874</b>	<b>28.29</b>
As of 01.01.2002	OAo Sibneft-Noyabrskneftegaz (control person)	9 436 571	39.13
TOTAL:		<b>9 436 571</b>	<b>39.13</b>
As of 01.01.2003	OAo Sibneft-Noyabrskneftegaz (control person)	32 250 639	51.42
	Sibneft Oil Trade(control person)	20 896 145	33.46
TOTAL:		<b>53 236 784</b>	<b>84.88</b>
As of 10.01.2004	Sibneft Oil Trade(control person)	7 083 848	19.7
TOTAL:		<b>7 083 848</b>	<b>19.7</b>
As of 01.04.2004	Sibneft Oil Trade(control person)	8 061 851	20.98
<b>TOTAL:</b>		<b>8 061 851</b>	<b>20.98</b>

## VII. The stock issuer's financial statements and other financial information

### 7.1. The stock issuer's annual balance sheets

#### Balance sheets

as of **December 31, 2003**

Organization: **Open Joint Stock Company Siberian Oil Company**

Taxpayer's identification number

Type of activities:

Organizational legal form/form of ownership: **open joint stock company**

Measurement unit: **thousand rubles**

Address: 85 Oktyabrskaya, Lyubinsky, Omsk Region, 646160

Form 1

OKUD

Date (Y/M/D)

OKPO

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ASSETS	Line code	As of the start of the report period	As of the end of the report period
1	2	3	4
I. Non-current assets			
Intangible assets	110	258,182	244,929
Fixed assets	120	2,764,094	4,923,947
Construction in progress	130	2,865,106	2,739,807
Income-bearing investment in tangible assets	135		
Long-term financial investment	140	20,340,632	56,771,606
Deferred tax assets	145		
Other non-current assets	150		
TOTAL for Section I	190	26,228,014	64,901,629
II. Current assets			
Inventories	210	3,666,437	2,213,508
raw materials, consumables and other similar assets	211	1,073,472	729,017
work in progress	213	126,134	166,278
finished goods and goods for resale	214	1,050,745	397,760
dispatched goods	215	1,068,870	664,806
expenses of future periods	216	141,164	255,647
other inventories and costs	217	206,052	
VAT on purchased assets	220	2,234,337	2,795,954
Accounts receivable (where payment is due in more than 12 months after the report date)	230		
Accounts receivable (where payment is due within 12 months after the report date)	240	62,715,058	35,956,873
including:			
from buyers and clients	241	20,441,129	24,354,867
Short-term financial investment	250	20,241,153	35,446,764
Cash	260	16,812,520	2,005,148
Other current assets	270		
TOTAL for Section II	290	105,669,505	78,418,247
Balance	300	131,897,519	143,319,876

LIABILITIES	Line code	As of the start of the report period	As of the end of the report period
1	2	3	4
IV. Capital and reserves			
Charter capital	410	7,586	7,586
Treasury shares	411	(2)	(297)
Additional paid-in capital	420	7,807,598	7,807,598
Reserve capital	430	1,084	379
including	431		

Reserves formed as required by the bylaws	432	1,084	379
Retained earnings	470	37,409,416	9,665,726
Uncovered loss of past years	471	(1,424,152)	(1,424,152)
TOTAL for Section IV	490	43,801,530	16,056,840
V. Long-term debt			
Loans and borrowings	510	65,393,077	44,397,479
Deferred tax liabilities	515		
Other long-term liabilities	520	194,883	167,870
Total for Section V	590	65,587,960	44,572,781
VI. Current liabilities			
Loans and borrowings	610	2,211,315	40,813,194
Accounts payable	620	20,290,685	39,152,406
Trade accounts payable	621	19,158,793	33,441,616
Accrued payroll	622	19,223	17,077
Payable to state non-budgetary funds	623	7,450	3,199
Due taxes and levies	624	162,788	1,749,750
Prepayment received	625	914,469	3,920,856
Other creditors	626	27,952	19,908
Dividends payable	630	6,021	2,724,647
Deferred income	640	8	8
Other current liabilities	660		
TOTAL for Section VI	690	22,508,029	82,690,255
Balance	700	131,897,519	143,319,876
<b>Item description</b>	<b>Line code</b>	<b>As of the start of the report period</b>	<b>As of the end of the report period</b>
1	2	3	4
Leased fixed assets	910	17,324	16,682
including capital lease	911		
Inventory items accepted into custody	920	11,000	
Materials accepted for processing	930	40,529	
Goods accepted on commission	940	41,359	493
Bad debt written off as losses	950	46,500	50,224
Assets received as collateral for liabilities and payments	960	917,243	55,702,310
Assets pledged as collateral for liabilities and payments	970	55,043,480	42,410,421
including collateral for loan contracts	971	54,033,480	42,360,321

## PROFIT AND LOSS STATEMENT

for 2003

Organization: OAO Sibneft

Taxpayer's identification number

Type of activities:

Organizational legal form/form of ownership:

Measurement unit: thousand rubles

Address: 85 Oktyabrskaya, Lyubinsky, Omsk Region, 646160

Form 2

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Date (Y/M/D)

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Item description	Line code	Period under review	Same period of previous year
1	2	3	4
<b>Income and expenses from ordinary activities</b>			
Revenues (net) from the sale of goods, products, works, services (less VAT, excises and similar mandatory payments)	10	112,821,662	82,268,247
including sales of crude oil and petroleum	11	111,971,986	81,793,987

Cost of sales of goods, products, works, services	20	(88,441,155)	(66,581,703)
including sales of crude oil and petroleum	21	(87,826,039)	(66,174,206)
Gross profit	29	24,380,507	15,686,544
Selling expenses	30	(12,031,909)	(6,122,661)
Administrative expenses	040		
Profit (loss) from operating activities (lines (010 – 020 – 030 – 040))	050	12,348,598	9,563,883
Operating income and expenses			
Interest receivable	60	1,031,174	467,836
Interest payable	70	(5,044,222)	(3,290,833)
Income from equity participation	80	6,407	
Other operating income	90	125,839,917	83,754,223
Other operating expenses	100	(125,970,791)	(84,602,644)
Non-sale income and expenses			
Non-sale income	120	15,395,242	752,429
Non-sale expenses	130	(19,429,937)	(2,954,039)
Profit (loss) before taxation (lines 050 + 060 – 070 + 080 + 090 – 100 + 120 – 130)	140	4,176,388	3,690,855
including			
Deferred tax assets	141	221,340	
Deferred tax liabilities	142	(7,432)	
Current profit tax	150	(1,562,717)	(1,242,345)
Other mandatory payments	151	113,434	
For reference purposes			
Gain (expenses) on the profits tax (line 191 + line 200)		(1,348,809)	
including:			
contingent income (expenses) on the profits tax	191	(1,002,333)	
permanent tax assets (liabilities)	200	(346,476)	
basic earnings per share (rubles)	201	9.27	7.72
diluted profit (loss) per share	202		

### INCOME AND LOSS BREAKDOWN

Item description	Line code	For the report period		Same period of previous year	
		profit	loss	profit	loss
1	2	3	4	5	6
Fines, penalties and debts accepted or adjudged by court (arbitration)	210	577,305	18,612	216	8,489
Income (loss) for previous years	220	2,322	285,167	191,787	406,747
Damages for non-performance or improper performance of commitments	230	716		68	11
Foreign exchange rate difference	240	5,692,825	1,894,101	549,053	1,730,082
Decrease of cost of facilities and materials	250				
Cancellation of expired accounts payable and receivable	260	14,635	9,373	-47	7,751

### CHANGES IN SHARE CAPITAL

2003

Organization: **Open Joint Stock Company Siberian Oil Company**

Taxpayer's identification number

Type of activities:

Organizational legal form/form of ownership: **open joint stock company**

Measurement unit: thousand rubles

Address: 85 Oktyabrskaya, Lyubinsky, Omsk Region, 646160

Form 3 OKUD

Date (Y/M/D)

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Item description	Line code	Authorized capital	Treasury shares	Additional capital	Reserve capital	Retained earnings	Uncovered loss	Total
1	2	3	4	5	6	7	8	9
Balance as of Dec. 31 of the year preceding the previous year	00	7,586	()	7,807,598	1,084		(1,424,152)	6,392,116
2002 Changes in accounting policy	01	x	x	x	x			
Reassessment of fixed assets	02	x	x		x			
Balance as of Jan. 1 of the previous year	03	7,586	()	7,807,598	1,084		(1,424,152)	6,392,116
Foreign currency translation	04	x			x	x	x	
Net profit	05	x		x	x	3,267,306	()	3,267,306
Dividend	06	x	x	x	x	()	x	
Transfers to reserve fund	07	x	x	x		()		
Growth in capital due to:								
Additional stock issue	08			x	x	x	x	
Increase in nominal value of shares	09			x	x	x	x	
Legal entity reorganization	10			x	x	34,142,110	()	34,142,110
Decrease in capital due to:								
Decrease in nominal value of shares	11	()		x	x	x	x	x
Decrease in the number of shares	12	()		x	x	x	x	()
Legal entity reorganization	13	()		x	x	()	()	()
Balance as of Dec. 31 of the previous year	14	7,586	()	7,807,598	1,084	37,409,416	(1,424,152)	43,801,532
2003 Changes in accounting policy	70			x	x			
Reassessment of fixed assets	80	x	x		x			
Changes in regulatory measures (treasury shares)	90	x	(2)					
Balance as f Jan. 1 of the report year	100	7,586	(2)	7,807,598	1,084	37,409,416	(1,424,152)	43,801,532
Foreign	101	x	x		x			

currency translation								
Net profit	102	x	x	x	x	2,941,013	()	2,941,013
Dividend	103	x	x	x	x	(71,687,892)		(71,687,892)
Transfers to reserve fund	110	x	x	x	(705)	705	()	
Growth in capital due to:								
Additional stock issue	121			x	x	x	x	
Increase in nominal value of shares	122			x	x			
Legal entity reorganization	123			x	x	41,129,668	()	41,129,668
Decrease in capital due to:								
Decrease in nominal value of shares	131	()		x	x	x	x	()
Decrease in the number of shares	132	()		x	x	x	x	()
Legal entity reorganization	133	()		x	x	(127,184)	x	(127,184)
Treasury shares	134		(295)					(295)
Balance as of Dec. 31 of the report year	140	7,586	(297)	7,807,598	379	9,665,726	(1,424,152)	16,056,840

## II. RESERVES

Item description	Line code	Balance	Received	Used	Balance
1	2	3	4	5	6
Reserves formed in line with legislation					
Data for previous year	151			()	
Data for report year	152			()	
Reserves formed in line with instruments of incorporation					
Data for previous year	161	818,796		()	818,796
Data for report year	162	818,796		(818,796)	0
Assessed reserves					
Data for previous year	165			()	
Data for report year	166			()	

## FOR REFERENCE

Item description	Line code	Balance as of the start of the year	Balance as of the end of the year
------------------	-----------	-------------------------------------	-----------------------------------



1	2	3		4	
1) Net assets	200	43,801,538		16,056,848	
		<b>from the budget</b>		<b>from extra-budgetary funds</b>	
		<b>for report year</b>	<b>for preceding year</b>	<b>for report year</b>	<b>for preceding year</b>
		<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
2) Received:		-	20		
for spending on standard types of activities – total		-	20		
including:					
capital investment in non-current assets	220				4,211
including the restoration of the mineral resources base					4,211

### CASH FLOW STATEMENT

2003

Organization: Open Joint Stock Company Siberian Oil Company

Taxpayer's identification number

Type of activities: wholesale trade

Organizational legal form/form of ownership: open joint stock company

Measurement unit: thousand rubles

Form 4

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Date (Y/M/D)

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Item description	Line code	For report period	For the same period of previous year
1	2	3	4
Cash balance at year start	100	15,682,164	729,022
<b>Cash flow related to current activities</b>			
Cash received from buyers, clients	110	185,533,314	85,882,667
Other revenues	120	178,992,719	228,624,652
Cash allocated for (total)	130	(408,099,426)	(337,013,140)
including:			
Purchase of goods, works, services, raw materials and other current assets	150	(135,881,827)	(102,011,866)
Payroll expenses	160	(338,053)	(606,416)
Dividend and interest payment	170	(65,353,121)	(4,336,476)
Tax and levy payment	180	(26,348,067)	(12,674,818)
Other expenses	190	(180,178,358)	(217,383,564)
Net cash from current activities	200	(43,573,393)	(22,505,821)
<b>Cash flow from investing</b>			
Revenue from the sale of fixed assets and other non-current assets	210	700,782	38,802
Earnings from the sale of securities and other financial investment	220	8,959,625	18,200,921
Dividend received	230	10,501	4,129
Interest received	240	247,771	446,892
Loans repaid by other organizations	250	40,264,857	16,226,456
Cash allocated for (total):	260		
including:	270	(47,943,556)	(33,093,771)
Acquisition of subsidiaries	280	(75,449)	(29,291)
Acquisition of fixed assets, income-bearing investment in tangible values and intangible assets	290	(759,203)	(505,337)
Acquisition of securities and other financial instruments	300	(3,129,276)	(2,439,561)

Loans provided to other organizations	310	(39,152,007)	(30,121,582)
Transferred under investment contracts	320	(4,827,621)	
Net cash from investment activities	340	2,239,980	(1,823,429)
<b>Cash flow from financial activities</b>			
Cash from stock issue	350		
Payments on loans and borrowings provided to other organizations	360	83,741,585	83,764,898
Cash allocated for (total):	380	(56,085,188)	(46,999,008)
including:			
Repayment of loans and borrowings (including interest)	390	(56,085,188)	(46,999,008)
Repayment of financial lease liabilities	400	()	()
Payment of interest on loans and borrowings	410	()	()
Net cash from financial activities	430	27,656,397	36,765,890
Net gain (loss) of cash and equivalent values	440	(13,677,016)	16,083,498
<b>Cash balance as of the end of the report period</b>	450	2,005,148	16,812,520
Effect of change in the ruble's exchange rate	460	(1,130,356)	

### SUPPLEMENT TO THE FINANCIAL STATEMENTS

2003

Organization: **AO Siberian Oil Company**

Taxpayer's identification number

Type of activities:

Organizational legal form/form of ownership: **open joint stock company**

Measurement unit: **thousand rubles**

Form 5 OKUD

Date (Y/M/D)

OKPO

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### Intangible assets

Item description	Line code	Start of report period	In	Out	End of report period
1	2	3	4	5	6
Intellectual property (exclusive rights to intellectual property)	010	292,815	23	()	292,815
including:					
Patent holder's right to invention, industrial prototype, useful model	011	1		()	1
Possessor's rights to computer software, databases	012	28,298		()	
Possessor's rights to IC microchip technologies	013	471		()	471
Owner's right to trademark and service mark, name of place of origin of goods	014			()	
Patent holder's right to selection patents	015			()	
Organization costs	020			()	
Goodwill	030			()	
Other	040	264,045	23	()	264,068

Item description	Code	Start of report year	End of report period
1	2	3	4
Depreciation of intangible assets	050	34,633	47,909
including:			
Patent holder's right to invention, industrial prototype, useful model	051		1

Possessor's rights to computer software, databases	052	11,442	12,998
Owner's right to trademark and service mark, name of place of origin of goods	054		47
Other		23,191	34,863

### Fixed assets

Item description	Code	Start of report period	In	Out	End of report period
Buildings	060	195,074	20,581	( )	2125,655
Structures and transfer devices	070	2,372,811	2,175,819	(63,107)	4,485,524
Plant and equipment	080	206,579	240,184	(12,614)	434,149
Vehicles	090	110,279	66,109	(45,038)	131,350
Fixtures and fittings	100	30,602	48,351	(2,439)	76,514
Workstock	110				
Productive livestock	111				
Perennial plants	112				
Other fixed assets	120	16,087	1,041	(2,115)	15,013
Land plots and natural resources	130	11,800	4,546	(11)	16,334
Capital investment in land reclamation	131				
Total:		2,943,232	2,556,631	(125,324)	5,374,539

Item description	Code	Start of report year	End of report period
1	2	3	4
Depreciation of fixed assets	140	179,138	450,591
including:			
Buildings and structures	141	92,990	321,433
Plant, equipment and vehicles	142	57,953	93,527
Other	143	28,195	35,631
Fixed assets leased out - total	150	311,913	568,457
including:			
Buildings	151	310,800	512,371
Structures	152	1,113	56,086
Fixed assets mothballed	153		
Fixed assets leased in - total	154	17,324	16,682
including:			
Buildings	155	9,803	9,188
Structures	156	7,322	7,322
Equipment	157	199	121
Vehicles	158		
For reference:	Code	Start of report year	Start of previous year
Fixed assets revaluation	2	3	4
Historical (replacement) value	171		
Depreciation	172		
Change of fixed assets value due to additional construction, upgrading, restructuring and partial liquidation	Code	Start of report year	Start of previous year
	2	3	4
	173		8,770

### Income-bearing investment in material values

Item description	Code	Start of report year	In	Out	End of report period
1	2	3	4	5	6
Assets for lease	200			()	
Assets granted under leasing contracts	210			()	
Other	220			()	
Total	230			()	
	Code	Start of report year	End of report period		
1	2	3	4		
Depreciation of income-bearing investment in material values	240				

### Spending on research and development

Type of activity	Code	Start of report year	In	Written down	End of report period
1	2	3	4	5	6
Total	310		796	()	796
including				()	
Reserves audit	311		796	()	796

<b>For reference:</b> Spending on R&D in progress or incomplete	Code	Start of report year	End of report year
	2	3	4
	320	1,714	1,714
Spending on R&D that has not yielded positive results entered as non-sale expenses	code	For report period	For the same period of previous year
	321		

### Spending on natural resources development

Item description	Code	Balance as of the start of the report year	In	Written down	Balance as of the end of report period
1	2	3	4	5	6
Spending on natural resources development – total	410		17,569	(1,064)	16,505
including					
Reserves audit	411		1,145	(1,064)	81
Reclamation of forest resources	412		1,524	()	1,524
Seismic surveys	413		14,771	()	14,771
Other	414		129	()	129
<b>For reference:</b> Spending on subsoil areas where prospecting and field appraisal, exploration and/or hydrogeology surveys and other similar activities have not been completed			code	Start of report year	End of report year
			2	3	4
			420		869
Spending on natural resources development during the report period entered as non-sale expenses as having yielded no positive results			430		25,093

### Financial investment

Item description	Code	Long-term		Short-term	
		Start of report year	End of report year	Start of report year	End of report year
1	2	3	4	5	6

Investment in other organizations' authorized (stock) capital - total	510	79,386	94,467		
including in subsidiaries and affiliates	511	75,928	90,929		
State and municipal securities	515	57,766	57,766		
Other organizations' securities - total	520	12,454,919	54,700,083	16,029	53,133
including debt instruments (bonds, promissory notes)	521	-	40,500,000	16,029	53,133
Loans granted	525	7,699,164	881,443	20,180,107	35,328,753
Bank deposits	530				
Other	535	49,397	1,037,847	45,107	64,878
Total	540	20,340,632	56,771,606	20,241,153	35,446,764
From the total amount, financial investment having a current market value: Contribution to authorized (stock) capital of other organizations - total	550				
including in subsidiaries and affiliates	551				
State and municipal securities	555				
Other organizations' securities - total	560				
including debt instruments (bonds, promissory notes)	561				
Other	570				
For reference: For capital investment with a current market value, change in value as a result of value adjustment	580				
For debt securities, the margin between the initial value	590				

and the nominal value is entered in the financial results for the report period					
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### Accounts receivable and payable

Item description	Code	Balance as of the start of the report year	Received
1	2	3	4
Accounts receivable			
Short-term – total	610	62,715,058	35,956,873
including:			
Settlements with buyers and clients	611	20,441,129	24,354,867
Down payment made	612	10,038,216	7,498,761
Other	613	32,235,713	4,103,245
Long-term – total			
including:			
Settlements with buyers and clients	621		
Down payment made	622		
Other	623		
Total:	630	62,715,058	46,956,873
Accounts payable			
including:			
Settlements with suppliers and contractors	641	19,158,793	33,441,616
Down payment received	642	914,469	3,920,856
Taxes and levies	643	170,238	1,752,949
Bank loans	644	892,283	1,767,270
Other borrowings	645	1,319,032	39,045,924
Other	646	47,185	277,909
Long-term – total	650	65,587,960	44,565,349
including:			
Bank loans	651	64,707,929	44,397,479
Other borrowings	652	685,148	
Other	653	194,883	167,870
Total:	660	88,089,960	124,771,783

### Spending on standard types of activities (cost items)

Item description	Code	For report year	For previous year
1	2	3	4
Material costs	710	98,238,720	64,710,327
Payroll expenses	720	900,686	687,557
Social payments	730	77,363	62,598
Depreciation	740	282,740	100,125
Other costs	750	2,026,848	7,143,757
Total for cost items	760	101,526,087	72,704,364
Change (increase, decrease) in construction in progress volumes	765	40,144	38,911
Prepaid expenses	766	114,483	103,737
Reserves for future expenses	767	-	-

### Collateral

Item description	Code	For report year	For previous year
1	2	3	4
Received – total	810	917,243	55,702,310
including:			

Promissory notes	811		
Assets pledged as collateral	820		
including:			
Fixed assets	821		
Securities and other financial assets	822		
Other	823		
Provided – total	830	55,043,480	42,410,421
including:			
Promissory notes	831		
Assets pledged as collateral	840		
including:			
Fixed assets	841		
Securities and other financial assets	842		
Other	843		

### Government support

Item description	Code	For report year	For previous year
1	2	3	4
Received from the budget - total	910		
including:			
Government credit	920		
including:			

### Report on appropriate utilization of received funds

2003

Organization: **OAO Siberian Oil Company**

Taxpayer's identification number

Type of activities: wholesale trade

Organizational legal form/form of ownership: **OAO**

Measurement unit: **thousand rubles**

Form 6 OKUD

Date (Y/M/D)

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Item description	Code	For report year	For previous year
1	2	3	4
Balance as of the start of the year	100	27,014	22,823
Funds received			
Enrolment fee	210		
Membership fee	220		
Voluntary contribution	230		
Revenues from the organization's commercial activities	240		
Other	250		4,231
Total received	260		4,231
Funds spent	310		
including:			
Social aid and charity	311		
Holding conferences, meetings, workshops	312		
Other events	313		
Cost of administrative personnel	320		
including:			
Payroll expenses (including bonuses)	321		
Expenses unrelated to payroll	322		
Business trips	323		
Maintenance of premises, buildings, vehicles and other assets (other than repair)	324		

Repairs of fixed assets and other property	325		
Other	326		
Acquisition of fixed assets, equipment and other property	330		
Spending related to commercial activities	340		
Other	350	(27,014)	(40)
Total spending	360	(27,014)	(40)
Balance as of the end of the report period	370		27,014

## 7.2. The stock issuer's quarterly financial statements for the last ended quarter

### BALANCE SHEETS

as of April 1, 2004

Organization: **Open Joint Stock Company Siberian Oil Company**

Taxpayer's identification number

Type of activities:

Organizational legal form/form of ownership: **open joint stock company**

Measurement unit: **thousand rubles**

Address: 85 Oktyabrskaya, Lyubinsky, Omsk Region, 646160

Form 1

OKUD

Date (Y/M/D)

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ASSETS	Line code	As of the start of the report period	As of the end of the report period
1	2	3	4
<b>I. NON-CURRENT ASSETS</b>			
Intangible assets	110	244,929	241,613
Fixed assets	120	4,923,947	4,909,102
Construction in progress	130	2,739,807	3,006,614
Income-bearing investment in tangible assets	135		
Long-term financial investment	140	56,771,606	58,438,479
Deferred tax assets	145	221,340	2,575
Other non-current assets	150		
TOTAL for Section I	190	64,901,629	66,598,383
<b>II. CURRENT ASSETS</b>			
Inventories	210	2,213,508	1,945,913
raw materials, consumables and other similar assets	211	729,017	754,106
work in progress	213	166,278	149,110
finished goods and goods for resale	214	397,760	275,446
dispatched goods	215	664,806	503,545
expenses of future periods	216	255,647	263,706
other inventories and costs	217		
VAT on purchased assets	220	2,795,954	3,119,647
Accounts receivable (where payment is due in more than 12 months after the report date)	230		
Accounts receivable (where payment is due within 12 months after the report date)	240	35,956,873	38,421,472
including:			
from buyers and clients	241	24,354,867	27,465,021
Short-term financial investment	250	35,446,764	35,805,075
Cash	260	2,005,148	768,434
Other current assets	270		
TOTAL for Section II	290	78,418,247	80,060,541
BALANCE	300	143,319,876	146,658,924

LIABILITIES	Line code	As of the start of the report period	As of the end of the report period
1	2	3	4



IV. CAPITAL AND RESERVES			
Charter capital	410	7,586	7,586
Treasury shares	411	(297)	(297)
Additional paid-in capital	420	7,807,598	7,807,598
Reserve capital	430	379	379
including	431		
Reserves formed as required by the incorporation instruments	432	379	379
Retained earnings	470	9,665,726	18,948,554
Uncovered loss of past years	471	(1,424,152)	(1,424,152)
TOTAL for Section IV	490	16,056,840	25,339,668
V. LONG-TERM DEBT			
Loans and borrowings	510	44,397,479	38,965,127
Deferred tax liabilities	515	7,432	34,485
Other long-term liabilities	520	167,870	167,870
Total for Section V	590	44,572,781	39,167,482
VI. CURRENT LIABILITIES			
Loans and borrowings	610	40,813,194	42,161,056
Accounts payable	620	39,152,406	38,887,805
Trade accounts payable	621	33,441,616	35,021,528
Accrued payroll	622	17,077	25,483
Payable to state non-budgetary funds	623	3,199	6,316
Due taxes and levies	624	1,749,750	2,890,490
Prepayment received	625	3,920,856	916,819
Other creditors	626	19,908	17,169
Dividends payable	630	2,724,647	1,112,905
Deferred income	640	8	8
Other current liabilities	660		
TOTAL for Section VI	690	82,690,255	82,151,774
Balance	700	143,319,876	146,658,924
Item description	Line code	As of the start of the report period	As of the end of the report period
1	2	3	4
Leased fixed assets	910	16,682	16,273
including capital lease	911		
Inventory items accepted into custody	920		
Materials accepted for processing	930		
Goods accepted on commission	940	493	
Bad debt written off as losses	950	50,224	50,224
Assets received as collateral for liabilities and payments	960	55,702,310	55,702,212
Assets pledged as collateral for liabilities and payments	970	42,410,421	42,360,321
including collateral for loan contracts	971	42,360,321	42,360,321

### PROFIT AND LOSS STATEMENT

for Q1, 2003

Organization: **OA O Sibneft**

Taxpayer's identification number

Type of activities:

Organizational legal form/form of ownership:

Organizational legal form/form of ownership:

Measurement unit: **thousand rubles**

Form 2

OKUD

Date (Y/M/D)

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Item description	Line code	Period under review	Same period of previous year
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1	2	3	4
<b>Income and expenses from ordinary activities</b>			
Revenues (net) from the sale of goods, products, works, services (less VAT, excises and similar mandatory payments)	10	37,710,657	28,896,738
including sales of crude oil and petroleum	11	37,438,729	28,710,342
Cost of sales of goods, products, works, services	20	(21,417,410)	(22,654,362)
including sales of crude oil and petroleum	21	(21,249,578)	(22,469,857)
Gross profit	29	16,293,247	6,242,376
Selling expenses	30	(3,501,978)	(1,935,975)
Administrative expenses	040		
Profit (loss) from operating activities (lines (010 – 020 – 030 – 040))	050	12,791,269	4,306,401
<b>Operating income and expenses</b>			
Interest receivable	60	285,107	261,050
Interest payable	70	(898,978)	(1,418,642)
Income from equity participation	80		
Other operating income	90	18,950,784	44,288,635
Other operating expenses	100	(18,934,172)	(44,120,145)
<b>Non-sale income and expenses</b>			
Non-sale income	120	6,022,473	1,722,669
Non-sale expenses	130	(5,673,912)	(4,197,936)
Profit (loss) before taxation (lines 050 + 060 – 070 + 080 + 090 – 100 + 120 – 130)	140	12,542,571	842,032
Gain (spending) on the profits tax (line 141 + line 142 + line 150)			
Including			
Deferred tax assets	141	2,575	
Deferred tax liabilities	142	(34,485)	
Current profit tax	150	(3,042,142)	(378,120)
Other mandatory payments	151	28,218	(3)
Written off deferred tax assets (liabilities)	152	(213,908)	
Net (undistributed) profit (loss) for the report period	190	9,282,829	463,909
<b>FOR REFERENCE PURPOSES</b>			
Gain (expenses) on the profits tax (line 191 + line 200)		(3,074,052)	
including:			
contingent income (expenses) on the profits tax	191	(3,010,217)	
permanent tax assets (liabilities)	200	(63,835)	
basic earnings per share (rubles)	201		
diluted profit (loss) per share	202		

### INCOME AND LOSS BREAKDOWN

Item description	Line code	Report period		Same period of previous year	
		profit	loss	profit	loss
1	2	3	4	5	6
Fines, penalties and debts accepted or adjudged by court (arbitration)	210	44,897	1,015	421,298	1,786
Profit (loss) for previous years	220	30,295	61,037	1,807	26,300
Damages for non-performance or improper performance of commitments	230			18	
Foreign exchange rate difference	240	2,974,217	1,062,765	1,070,498	382,927
Decrease of cost of facilities and materials	250				
Cancellation of expired accounts payable and receivable	260		294		

### **7.3. US GAAP consolidated financial statements**

Since 1996, Sibneft has published its consolidated financial statements on its corporate website <http://www.sibneft.ru/financials.jsp?lang=1&page=458>. Access is free. Consolidated financials for 2003 will be published in the company's Q2 2004 financial statement.

### **7.4. Data on export volumes and the share of exports in total sales.**

The data is provided in paragraph 3.2.3 of Section 3, Main types of products (works, services).

### **7.5. Data on substantial changes in the stock issuer's assets having occurred after the end of the last fiscal year.**

In 2003, no changes (acquisition, sale) occurred in the structure of real estate or other assets whose balance sheet value would amount to or exceed 5 percent of the value of AOA Sibneft's assets.

### **7.6. Data on the stock issuer's participation in litigation if such participation can substantially influence the stock issuer's financial and economic performance.**

Over three years before the reporting period OAO Sibneft was not involved in litigation that could substantially influence the company's financial and economic performance.

## **VIII. Additional data on the stock issuer and its issued securities.**

### **8.1. Additional data on the stock issuer.**

#### **8.1.1. Authorized capital amount and structure.**

The stock issuer's authorized capital totals 7,586,079.4224 rubles.

Authorized capital breakdown by share categories:

Ordinary shares:

Number: 4,741,299,639.

Total amount: 7,586,079.4224 rubles.

Percentage of the authorized capital: 100 percent.

Preference shares: none.

Sibneft shares are traded on the RTS Stock Exchange (quotation list B), the Moscow Interbank Currency Exchange (quotation list B), the St. Petersburg Stock Exchange and off-exchange markets.

#### **American Depositary Receipts**

I. On April 20, 1999 the US Securities and Exchange Commission (SEC) authorized the issue by OAO Sibneft of level-one American Depositary Receipts (ADR). Trading started at 9 a.m. New York time on the same day. A total of 20 million ADR, equivalent to 4.2 percent of Sibneft's total outstanding shares, were placed, one ADR being equivalent to ten shares.

II. On May 26, 2000 US SEC allowed placing another 4.2 percent of Sibneft shares as ADR (20 million ADR). This brought the total number of ADR to 40 million, equivalent to 8.4 percent of OAO Sibneft's authorized capital (one ADR for ten shares).

The Bank of New York has acted as the depository for the ADR program which let foreign investors engage in operations with Sibneft's stocks in foreign markets in line with international standards, thus promoting further development of the company's stock market. ADR are traded at stock exchanges in Frankfurt (Frankfurt Stock Exchange) and Berlin (Berlin Stock Exchange).

#### **8.1.2. Changes in the size of the issuer's authorized capital.**

No changes have occurred in the amount of the company's authorized capital since 1999 when an additional share issue was accomplished.

#### **8.1.3. Data on the formation and utilization of the reserve fund and other funds by the issuer.**

The company's reserve fund amounts to 5 percent of its authorized capital, or 379,000 rubles. The fund was not used during the period under review.

#### **8.1.4. General meetings of shareholders procedures**

The general meeting of shareholders is the top managing body of the Company.

The general meeting of shareholders can make decisions (the forms of holding a general meeting of shareholders) through:

simultaneous presence of shareholders discussing agenda items and deciding on questions put to the vote;

voting by correspondence (without the simultaneous presence of shareholders to discuss agenda items and deciding on questions put to the vote).

The Company is obligated to hold each year an annual general meeting of shareholders not earlier than two months and not later than six months after the end of the fiscal year.

The general meetings of shareholders of the Company, held in the form of simultaneous presence, are convened in the Russian Federation, in the city of Moscow.

Notification on the holding of a general meeting of shareholders must be made at least 30 days in advance. If the proposed agenda for an extraordinary meeting of shareholders contains an item on election of members of the board

of directors, notification on the holding of the general meeting of shareholders shall be made at least 50 days before its due date.

Within the deadlines indicated, notification on the holding of a general meeting of shareholders must be published in the Rossiiskaya Gazeta daily and put on the Internet site of the Company. The Company has the right to additionally inform the shareholders on the holding of a general meeting of shareholders by other means.

The information (materials) subject to distribution to persons eligible to participate in the general meeting of shareholders and in preparations for the general meeting of shareholders includes annual reports, the annual bookkeeping accounts, including the opinion of the auditor, the opinion of the Company's auditing commission on the results of verifying the annual bookkeeping accounts, information on the candidate (candidates) for election as the President of the Company, into the Board of Directors and the auditing commission of the Company, the auditor of the Company, the draft changes and additions tabled to the Company's Charter, or the draft Charter of the Company in a new wording, the drafts of internal documents of the Company approved by the general meeting of shareholders, the drafts of decisions of the general meeting of shareholders and recommendations of the Board of Directors on voting on each agenda item, including the special opinions of the Board of Directors members on each agenda item, an indication to the initiator of each agenda item, as well as other documents provided by the internal documents of the Company and a decision by its Board of Directors.

The documents shall be made available for information purposes to persons eligible for participation in the meeting 30 days before the meeting date at addresses mentioned in the notification on the holding of a general meeting of shareholders. One shall have the right to get acquainted with the documents on the day of application.

Shareholders (shareholder), who together own not less than 2 percent of the Company's voting stock, shall have the right to propose items to the agenda of the annual general meeting of shareholders and nominate candidates to the Board of Directors and the auditing commission of the Company, whose number cannot exceed the composition of the body in question defined in the Company's Charter, as well as a candidate to the position of President. Such proposals must be submitted to the Company at least 70 before the end of the fiscal year.

If the agenda proposed for an extraordinary general meeting of shareholders features an item on election of members of the Board of Directors, shareholders (shareholder) of the Company who together own not less than 2 percent of the Company's voting stock, have the right to propose candidates for election to the Company's Board of Directors, whose number cannot exceed the composition of the Board of Directors as defined in the Company's Charter. Such proposals must be submitted to the Company at least 30 days in advance of the extraordinary general meeting of shareholders.

The proposal to propose items for inclusion in the agenda of the general meeting of shareholders must contain the wording of each item proposed. The proposal to include items on the agenda of the general meeting of shareholders must contain the wording of the decision on each item proposed.

The proposal to nominate candidates must contain the name of each candidate proposed, his main place of work, the position held and the name of the body for the election to which he is proposed.

The proposals to put items on the agenda of the general meeting of shareholders and to nominate candidates are made in writing, indicating the surname (name) of the submitting shareholders (shareholder), the quantity and categories (type) of shares they hold, and must be signed by shareholders (shareholder).

In addition to items, proposed by shareholders for inclusion in the agenda of the general meeting of shareholders, as well as in the event of absence of such proposals, absence or insufficient number of candidates proposed by the shareholders for constituting an appropriate body, the Board of Directors of the Company has the right to include in the agenda of the general meeting of shareholders items or candidates for the list of candidates at its own discretion.

An extraordinary general meeting of shareholders is held by a decision of the Company's Board of Directors, based on its own initiative, the request from the auditing commission, the auditor of the Company, as well as of shareholders (shareholder) who own not less than 10 percent of the Company's voting stock on the date of the submission of the request.

The convening of the extraordinary general meeting of shareholders at the request of the auditing commission, the Company auditor or shareholders (shareholder) who own not less than 10 percent of the Company's voting shares, is carried out by the Company' Board of Directors.

#### **8.1.5. Commercial organizations in which the stock issuer holds at least 5 percent of the authorized capital or at least 5 percent of ordinary shares**

8.1.5.1. Name: *ZAO Kuzbassnefteprodukt*  
Location: *1 Polevaya ul., Novokuznetsk, Kemerovo Region, 654018*  
Mailing address: *1 Polevaya ul., Novokuznetsk, Kemerovo Region, 654018*  
The stock issuer's stake in the legal entity's authorized capital: 100%  
The stock issuer's stake in ordinary shares: 100%  
The entity's stake in the stock issuer's authorized capital: none  
Chief executive: *Sergei Babin, General Director*  
The general director's stake in the stock issuer's authorized capital: none  
Board of Directors and Company Board: none

8.1.5.2. Name: *ZAO Archinskoye*  
Location: *14 Lenina pl., Tomsk, 634050*  
Mailing address: *14 Lenina pl., Tomsk, 634050*  
The stock issuer's stake in the legal entity's authorized capital: (On April 19, 2004 the stake was increased *from 20 percent to 100 percent*)  
The entity's stake in the stock issuer's authorized capital: *none*  
Chief executive: *Gennady Lyubin, General Director*  
The general director's stake in the stock issuer's authorized capital: *none*  
Board of Directors and Company Board: none

8.1.5.3. Name: *ZAO Sibneftavia*  
Location: *34 Verkhnyaya, Moscow 125040*  
Mailing address: *34 Verkhnyaya, Moscow 125040*  
The stock issuer's stake in the legal entity's authorized capital: 100%  
The stock issuer's stake in ordinary shares: 100%  
The entity's stake in the stock issuer's authorized capital: *none*  
Chief executive: *Anatoly Zhadovsky, General Director*  
The general director's stake in the stock issuer's authorized capital: *none*  
Board of Directors and Company Board: none

8.1.5.4. Name: *OOO Sibneft Tomsk*  
Location: *1 Zaozerny per., Tomsk 634009*  
Mailing address: *1 Zaozerny per., Tomsk 634009*  
The stock issuer's stake in the legal entity's authorized capital: 100%  
The entity's stake in the stock issuer's authorized capital: *none*  
Chief executive: *Andrei Shraifogel, General Director*  
The general director's stake in the stock issuer's authorized capital: *none*  
Board of Directors and Company Board: none

8.1.5.5. Name: *OOO Khantos*  
Location: *149 Mira ul., Khanty Mansiysk, 628007*  
Mailing address: *149 Mira ul., Khanty Mansiysk, 628007*  
The stock issuer's stake in the legal entity's authorized capital: 100%  
The entity's stake in the stock issuer's authorized capital: *none*  
Chief executive: *Alexander Grishin, General Director*  
The general director's stake in the stock issuer's authorized capital: *none*  
Board of Directors and Company Board: none

8.1.5.6. Name: *ZAO Sibneft Ural*  
Location: *73/16 Shaumyana ul., Yeketerinburg, 620102*  
Mailing address: *73/16 Shaumyana ul., Yeketerinburg, 620102*  
The stock issuer's stake in the legal entity's authorized capital: 100%  
The stock issuer's stake in ordinary shares: 100%  
The entity's stake in the stock issuer's authorized capital: *none*  
Chief executive: *Ivan Neofitidi, General Director*  
The general director's stake in the stock issuer's authorized capital: *none*  
Board of Directors and Company Board: *none*

8.1.5.7. Name: *OOO Sibneft AZS Servis*  
Location: *38 B. Kommunisticheskaya, Bldg. 1, Moscow, 109004*  
Mailing address: *4 Kursovoi pereulok, Moscow, 119034*  
The stock issuer's stake in the legal entity's authorized capital: 100%

The entity's stake in the stock issuer's authorized capital: *none*  
Chief executive: *Svetlana Komarova, General Director*  
The general director's stake in the stock issuer's authorized capital: *none*  
Board of Directors and Company Board: *none*

8.1.5.8. Name: *OOO NTK*

Location: *37/7 Prospekt Geroev, Nizhny Novgorod, 603044*  
Mailing address: *37/7 Prospekt Geroev, Nizhny Novgorod, 603044*  
The stock issuer's stake in the legal entity's authorized capital: *100%*  
The entity's stake in the stock issuer's authorized capital: *none*  
Chief executive: *Vladimir Baibus, General Director*  
The general director's stake in the stock issuer's authorized capital: *none*  
Board of Directors and Company Board: *none*

8.1.5.9. Name: *Sib Finance B.V.*

Location: *Heyrenhart, 548, 1017CF, Amsterdam, the Netherlands*  
Mailing address: *Heyrenhart, 548, 1017CF, Amsterdam, the Netherlands*  
The stock issuer's stake in the legal entity's authorized capital: *100%*  
The entity's stake in the stock issuer's authorized capital: *none*  
Chief executive: *Richard Kreizman, General Director*  
The general director's stake in the stock issuer's authorized capital: *none*  
Board of Directors and Company Board: *none*

8.1.5.10. Name: *OAO Sibneft Noyabrskneftegaz*

Location: *59/87 Lenina ul., Noyabrsk, Yamalo Nenetsk Autonomous Okrug, Tyumen Region, 626726*  
Mailing address: *59/87 Lenina ul., Noyabrsk, Tyumen Region, 626726*  
The stock issuer's stake in the legal entity's authorized capital: *98.88%*  
The stock issuer's stake in ordinary shares: *99%*  
The entity's stake in the stock issuer's authorized capital: *none*  
Board of Directors:  
*Olga Kovalchuk* Stake in the stock issuer's authorized capital: *none*  
*Yuri Link* Stake in the stock issuer's authorized capital: *none*  
*Reval Mukhametzyanov* Stake in the stock issuer's authorized capital: *none*  
*Andrei Matevosov* Stake in the stock issuer's authorized capital: *none*  
General Director: *Andrei Matevosov* Stake in the stock issuer's authorized capital: *none*

8.1.5.11. Name: *OOO Sibneft Krasnoyarsknefteprodukt*

Location: *23G Severnoye Shosse, Krasnoyarsk, 660049*  
Mailing address: *23G Severnoye Shosse, Krasnoyarsk, 660049*  
The stock issuer's stake in the legal entity's authorized capital: *100%*  
The entity's stake in the stock issuer's authorized capital: *none*  
Chief executive: *Alexander Kuzmin, General Director*  
The general director's stake in the stock issuer's authorized capital: *none*  
Board of Directors and Company Board: *none*

8.1.5.12. Name: *OAO Sibneft Omsknefteprodukt*

Location: *54 Frunze ul, Omsk, 644099*  
Mailing address: *54 Frunze ul, Omsk, 644099*  
The stock issuer's stake in the legal entity's authorized capital: *100%*  
The stock issuer's stake in ordinary shares: *100%*  
The entity's stake in the stock issuer's authorized capital: *none*  
Board of Directors:  
*Georgy Alexandrov* Stake in the stock issuer's authorized capital: *none*  
*Vladimir Baibus* Stake in the stock issuer's authorized capital: *none*  
*Olga Kovalchuk* Stake in the stock issuer's authorized capital: *none*  
*Andrei Komarov* Stake in the stock issuer's authorized capital: *none*  
*Alexander Pokoyev, General Director* Stake in the stock issuer's authorized capital: *0.000758%*

8.1.5.13. Name: *OAO Sibneft Omsk Oil Refinery*

Location: *1 Gubkina pr., Omsk, 644040*  
Mailing address: *1 Gubkina pr., Omsk, 644040*  
The stock issuer's stake in the legal entity's authorized capital: *100%*  
The stock issuer's stake in ordinary shares: *100%*

The entity's stake in the stock issuer's authorized capital: *none*  
Board of Directors:  
*Georgy Alexandrov* Stake in the stock issuer's authorized capital: *none*  
*Sergei Martynov* Stake in the stock issuer's authorized capital: *none*  
*Olga Kovalchuk* Stake in the stock issuer's authorized capital: *none*  
*Yevgenia Sukharkova* Stake in the stock issuer's authorized capital: *none*  
*Ildus Sarvarov*, General Director Stake in the stock issuer's authorized capital: 0.000147%

8.1.5.14. Name: *OOO Sibneft Noyabrsknefteprodukt*  
Location: *Promzona, Noyabrsk, Tyumen Region, 629809*  
Mailing address: *Promzona, Noyabrsk, Tyumen Region, 629809*  
The stock issuer's stake in the legal entity's authorized capital: 100%  
The entity's stake in the stock issuer's authorized capital: *none*  
Chief executive: *Anatoly Pushmin*, General Director  
The general director's stake in the stock issuer's authorized capital: *none*  
Board of Directors and Company Board: *none*

8.1.5.15. Name: *OAO Sibneft Noyabrskneftegazgeofizika*  
Location: *Promzona, Noyabrsk, Yamalo Nenetsk Autonomous Okrug, Tyumen Region, 629809*  
Mailing address: *Promzona, Noyabrsk, Yamalo Nenetsk Autonomous Okrug, Tyumen Region, 629809*  
The stock issuer's stake in the legal entity's authorized capital: 80.98%  
The stock issuer's stake in ordinary shares: 94.18%  
The entity's stake in the stock issuer's authorized capital: *none*  
Board of Directors:  
*Alla Leshko* Stake in the stock issuer's authorized capital: *none*  
*Natalya Palekhova* Stake in the stock issuer's authorized capital: *none*  
*Andrei Trukhachev* Stake in the stock issuer's authorized capital: *none*  
*Igor Marchenko* Stake in the stock issuer's authorized capital: *none*  
*Rostislav Latysh* Stake in the stock issuer's authorized capital: *none*  
*Vladimir Svaikin* Stake in the stock issuer's authorized capital: *none*  
*Mikhail Pasechnik*, General Director Stake in the stock issuer's authorized capital: 0.000169%

8.1.5.16. Name: *ZAO Sibneft Mobilnaya Karta Kuzbass*  
Location: *50 Lenina Ul., Tashtagol, Kemerovo Region, 652970*  
Mailing address: *50 Lenina Ul., Tashtagol, Kemerovo Region, 652970*  
The stock issuer's stake in the legal entity's authorized capital: 75%  
The stock issuer's stake in ordinary shares: 75% + *one share*  
The entity's stake in the stock issuer's authorized capital: *none*  
Chief executive: *V. Chertolyas*, General Director  
The general director's stake in the stock issuer's authorized capital: *none*  
Board of Directors and Company Board: *none*

8.1.5.17. Name: *OAO Sibneft Tyumennefteprodukt*  
Location: *28 Uritskogo ul., Tyumen*  
Mailing address: *67 Lenina ul., Tyumen, 625000*  
The stock issuer's stake in the legal entity's authorized capital: 90.32%  
The stock issuer's stake in ordinary shares: 93.52%  
The entity's stake in the stock issuer's authorized capital: *none*  
Board of Directors:  
*Vladimir Baibus* Stake in the stock issuer's authorized capital: *none*  
*Andrei Komarov* Stake in the stock issuer's authorized capital: *none*  
*Igor Nasirov* Stake in the stock issuer's authorized capital: *none*  
*Oleg Chudinov* Stake in the stock issuer's authorized capital: *none*  
*Vladimir Rid*, General Director Stake in the stock issuer's authorized capital: *none*

8.1.5.18. Name: *OAO Sibneft Barnaulnefteprodukt*  
Location: *124 K. Marksa ul., Barnaul, 656004*  
Mailing address: *124 K. Marksa ul., Barnaul, 656004*  
The stock issuer's stake in the legal entity's authorized capital: 93.52%  
The stock issuer's stake in ordinary shares: 93.47%  
The entity's stake in the stock issuer's authorized capital: *none*  
General Director: *Oleg Dyakonenkov*  
The general director's stake in the stock issuer's authorized capital: *none*



Board of Directors:

*Vladimir Baibus* Stake in the stock issuer's authorized capital: none

*V. Deryabin* Stake in the stock issuer's authorized capital: none

*Andrei Komarov* Stake in the stock issuer's authorized capital: none

*A. Tokarev* Stake in the stock issuer's authorized capital: none

*Oleg Chudinov* Stake in the stock issuer's authorized capital: none

*D. Shelomov* Stake in the stock issuer's authorized capital: none

*D. Yushchenko* Stake in the stock issuer's authorized capital: none

8.1.5.19. Name: *OOO Radio ZS*

Location: *51 Izyskatelei ul., Noyabrsk, Yamalo Nenetsk Autonomous Okrug, 629810*

Mailing address: *PO Box 713, Noyabrsk, Yamalo Nenetsk Autonomous Okrug, 629810*

The stock issuer's stake in the legal entity's authorized capital: 51%

The entity's stake in the stock issuer's authorized capital: *none*

Chief executive: *Sergei Zubanov*, General Director

The general director's stake in the stock issuer's authorized capital: *none*

Board of Directors and Company Board: *none*

8.1.5.20. Name: *OOO NiPP INPETRO*

Location: *71 Sadovnicheskaya, Bldg. 3, Moscow, 113035*

Mailing address: *71 Sadovnicheskaya, Bldg. 3, Moscow, 113035*

The stock issuer's stake in the legal entity's authorized capital: 51%

The entity's stake in the stock issuer's authorized capital: *none*

Chief executive: *Rafail Kats*, General Director

The general director's stake in the stock issuer's authorized capital: *none*

Board of Directors and Company Board: *none*

8.1.5.21. Name: *ZAO Mediatsentr A7*

Location: *98 ul. 22 Dekabrya, Omsk*

Mailing address: *98 ul. 22 Dekabrya, Omsk*

The stock issuer's stake in the legal entity's authorized capital: 51%

The stock issuer's stake in ordinary shares: 51%

The entity's stake in the stock issuer's authorized capital: *none*

Chief executive: *Valentin Ryzhikh*, General Director

The general director's stake in the stock issuer's authorized capital: *none*

Board of Directors and Company Board: *none*

8.1.5.22. Name: *ZAO Aeroport Service*

Location: *Tolmachevo 4 Airport, Ob-4, Novosibirsk Region, 633115*

Mailing address: *Tolmachevo 4 Airport, Ob-4, Novosibirsk Region, 633115*

The stock issuer's stake in the legal entity's authorized capital: 50.0013%

The stock issuer's stake in ordinary shares: *50% + one vote*

The entity's stake in the stock issuer's authorized capital: none

Chief executive: *Yuri Shashkov*, General Director

The general director's stake in the stock issuer's authorized capital: *none*

Board of Directors and Company Board: *none*

8.1.5.23. Name: *OOO Sibneft Chukotka*

Location: *6 Rul'tytegina, Anadyr, Chukotka Autonomous Okrug, 689000*

Mailing address: *4 Sadovnicheskaya, Moscow, 113035*

The stock issuer's stake in the legal entity's authorized capital: 50%

The entity's stake in the stock issuer's authorized capital: *none*

Chief executive: *Alexei Belebezyev*, General Director

The general director's stake in the stock issuer's authorized capital: *none*

Board of Directors and Company Board: *none*

8.1.5.24. Name: *OOO Sibneft Yugra*

Location: *149 Mir ul., Khanty Mansiysk, 628007*

Mailing address: *149 Mir ul., Khanty Mansiysk, 628007*

The stock issuer's stake in the legal entity's authorized capital: 50%

The entity's stake in the stock issuer's authorized capital: *none*

Chief executive: *Andrei Matevosov*, General Director

The general director's stake in the stock issuer's authorized capital: *none*

Board of Directors and Company Board: *none*

8.1.5.25. Name: *OAO Sverdlovsknefteprodukt*

Location: *25 ul. 8 Marta, Yekaterinburg, 620014*

Mailing address: *25 ul. 8 Marta, Yekaterinburg, 620014*

The stock issuer's stake in the legal entity's authorized capital: 40.49%

The stock issuer's stake in ordinary shares: 54%

The entity's stake in the stock issuer's authorized capital: *none*

Board of Directors:

*Andrei Komarov* Stake in the stock issuer's authorized capital: *none*

*Igor Nasirov* Stake in the stock issuer's authorized capital: *none*

*Tatyana Rumyantseva* Stake in the stock issuer's authorized capital: *none*

*Vladimir Baibus* Stake in the stock issuer's authorized capital: *none*

*Denis Balalykin* Stake in the stock issuer's authorized capital: *none*

*Dmitry Kuranov* Stake in the stock issuer's authorized capital: *none*

*Dmitry Ustinov* Stake in the stock issuer's authorized capital: *none*

General Director: *Anatoly Korkin* Stake in the stock issuer's authorized capital: *none*

8.1.5.26. Name: *OAO Meretoyakhaneftegaz*

Location: *Panel 15 Prombaza, Muravlenko, Purovskoi District, Yamalo Nenetsk Autonomous Okrug, 629604*

Mailing address: *Panel 15 Prombaza, Muravlenko, Purovskoi District, Yamalo Nenetsk Autonomous Okrug, 629604*

The stock issuer's stake in the legal entity's authorized capital: 33.05%

The stock issuer's stake in ordinary shares: 33.05%

The entity's stake in the stock issuer's authorized capital: *none*

Board of Directors:

*Igor Marchenko* Stake in the stock issuer's authorized capital: *none*

*Alla Leshko* Stake in the stock issuer's authorized capital: *none*

*Andrei Matevosov* Stake in the stock issuer's authorized capital: *none*

*Andrei Trukhachev* Stake in the stock issuer's authorized capital: *none*

*Pyotr Yanchev* Stake in the stock issuer's authorized capital: *none*

Chief executive: *Alexei Belebezyev*, General Director Stake in the stock issuer's authorized capital: *none*

8.1.5.27. Name: *OOO Krasnoyarsk Oil Service*

Location: *23G Severnoye Shosse, Krasnoyarsk, 660049*

Mailing address: *23G Severnoye Shosse, Krasnoyarsk, 660049*

The stock issuer's stake in the legal entity's authorized capital: 100%

The entity's stake in the stock issuer's authorized capital: *none*

Chief executive: *Vyacheslav Ilyin*, General Director

The general director's stake in the stock issuer's authorized capital: *none*

Board of Directors and Company Board: *none*

8.1.5.28. Name: *OOO Sibneftenergo*

Location: *52 Oktyabrskaya, Novosibirsk, 630099*

Mailing address: *52 Oktyabrskaya, Novosibirsk, 630099*

The stock issuer's stake in the legal entity's authorized capital: 19%

The entity's stake in the stock issuer's authorized capital: *none*

Chief executive: *Yevgeny Svistunov*, General Director

The general director's stake in the stock issuer's authorized capital: *none*

Board of Directors and Company Board: *none*

8.1.5.29. Name: *OAO Uralnefteprodukt*

Location: *69 Narodnoi Voli ul., Yekaterinburg, 620026*

Mailing address: *69 Narodnoi Voli ul., Yekaterinburg, 620026*

The stock issuer's stake in the legal entity's authorized capital: 16.74%

The stock issuer's stake in ordinary shares: 16.74%

The entity's stake in the stock issuer's authorized capital: *none*

Board of Directors:

*Oleg Belousov* Stake in the stock issuer's authorized capital: *none*

*Vladimir Popov* Stake in the stock issuer's authorized capital: *none*

*Andrei Komarov* Stake in the stock issuer's authorized capital: *none*

*Valery Oif* Stake in the stock issuer's authorized capital: *none*

*Viktor Tuflyakov* Stake in the stock issuer's authorized capital: *none*

8.1.5.30. Name: *ОАО Екатеринбургнефтепродукт*  
Location: *24 Sibirsky Trakt, Yekaterinburg, 620100*  
Mailing address: *24 Sibirsky Trakt, Yekaterinburg, 620100*  
The stock issuer's stake in the legal entity's authorized capital: 20.95%  
The stock issuer's stake in ordinary shares: 18.94%  
The entity's stake in the stock issuer's authorized capital: none  
Board of Directors:  
*Vladimir Baibus* Stake in the stock issuer's authorized capital: none  
*Dmitry Kuranov* Stake in the stock issuer's authorized capital: none  
*Andrei Aristarkhov* Stake in the stock issuer's authorized capital: none  
*Yelena Kondrykinskaya* Stake in the stock issuer's authorized capital: none  
*Denis Balalykin* Stake in the stock issuer's authorized capital: none  
General Director: *Alexei Kulikov* Stake in the stock issuer's authorized capital: none

8.1.5.31. Name: *ZAO TV6 Region*  
Location: *33 Dolgorukovskaya, Bldg. 8, Moscow, 103030*  
Mailing address: *33 Dolgorukovskaya, Bldg. 8, Moscow, 103030*  
The stock issuer's stake in the legal entity's authorized capital: 12.5%  
The stock issuer's stake in ordinary shares: 12.5%  
The entity's stake in the stock issuer's authorized capital: none  
Chief executive: *Yuli Dubov*, General Director  
The general director's stake in the stock issuer's authorized capital: none  
Board of Directors and Company Board: none

8.1.5.32. Name: *ОАО Моснефтепродукт*  
Location: *15/7 P Krzhizhanovskogo, Moscow, 117218*  
Mailing address: *15/7 P Krzhizhanovskogo, Moscow, 117218*  
The stock issuer's stake in the legal entity's authorized capital: 9.92%  
The stock issuer's stake in ordinary shares: 4.39%  
The entity's stake in the stock issuer's authorized capital: none  
Chief executive: *Oleg Nizyev*, General Director  
Board of Directors:  
*Vladimir Baibus* Stake in the stock issuer's authorized capital: none  
*I. Giniyatullin* Stake in the stock issuer's authorized capital: none  
*Andrei Komarov* Stake in the stock issuer's authorized capital: none  
*A. Korsak* Stake in the stock issuer's authorized capital: none  
*T. Mardakhiashvili* Stake in the stock issuer's authorized capital: none  
*G. Rovner* Stake in the stock issuer's authorized capital: none  
*Ye. Savostyanov* Stake in the stock issuer's authorized capital: none  
*N. Smagina* Stake in the stock issuer's authorized capital: none  
*R. Khalimov* Stake in the stock issuer's authorized capital: none  
Company Board:  
*Natalya Denisova* Stake in the stock issuer's authorized capital: none  
*Alexander Krauze* Stake in the stock issuer's authorized capital: none  
*Viktor Krotov* Stake in the stock issuer's authorized capital: none  
*Oleg Nizyev* Stake in the stock issuer's authorized capital: none  
*Olga Sedletskaya* Stake in the stock issuer's authorized capital: none  
*Sergei Udod* Stake in the stock issuer's authorized capital: none  
*Alexander Fateyev* Stake in the stock issuer's authorized capital: none

8.1.5.33. Name: *ООО Sibneft St. Petersburg*  
Location: *10 Sovetsky pr., Sestroretsk, St. Petersburg, 197706*  
Mailing address: *10 Sovetsky pr., Sestroretsk, St. Petersburg, 197706*  
The stock issuer's stake in the legal entity's authorized capital: 100%  
The entity's stake in the stock issuer's authorized capital: none  
Chief executive: *Oleg Shalimov*, General Director  
The general director's stake in the stock issuer's authorized capital: none  
Board of Directors and Company Board: none

8.1.5.34. Name: *ООО Shiginskoye*  
Location: *2 Sovetskaya, Kargasok, Tomsk Region*  
Mailing address: *2 Sovetskaya, Kargasok, Tomsk Region*

The stock issuer's stake in the legal entity's authorized capital: (On April 19, 2004 the stake was increased from 20% to 100%)

The entity's stake in the stock issuer's authorized capital: none

Chief executive: Gennady Lyubin, General Director

The general director's stake in the stock issuer's authorized capital: none

Board of Directors and Company Board: none

8.1.5.35. Name: *OOO Sibneft Anadyr*

Location: 2B Rulytegina, Anadyr, Chukotka Autonomous Okrug, 689000

Mailing address: 2B Rulytegina, Anadyr, Chukotka Autonomous Okrug, 689000

The stock issuer's stake in the legal entity's authorized capital: 100%

The entity's stake in the stock issuer's authorized capital: *none*

Chief executive: Yekaterina Mezintseva, General Director

The general director's stake in the stock issuer's authorized capital: *none*

Board of Directors and Company Board: none

### 8.1.6. Data on major deals made by the stock issuer

No deals whose value amounted to 10 percent or more of the stock issuer's assets value were accomplished during the quarter of the year under review.

### 8.1.7. The stock issuer's credit ratings

	1998	1999	2000	2001	2002	2003
<b>Moody's</b>					<b>Ba3</b>	<b>Ba2</b> – basic rating <b>Ba3</b> – bond rating
<b>S&amp;P</b>					<b>B+</b>	<b>B+</b>
<b>Fitch IBCA</b>	<b>BB+</b>					

In 2004 Standard & Poor's reviewed downward Sibneft's rating from B+ to B. It has placed the company's rating on its credit watch list with "developing" outlook.

The international ratings agency Moody's has decided to keep Sibneft ratings on review for downgrade in connection with court injunctions having frozen part of assets of YUKOS which now holds a controlling stake in Sibneft. In the opinion of Moody's, a liquidity crisis YUKOS may face could also impair Sibneft.

Brief description of credit ratings

Moody's ratings definitions:

Moody's fixes its ratings proceeding from a company's financial state and creditworthiness:

best quality: Aaa

acceptable risk level: Aa, A, Baa

high risk level: Ba, B

very high risk level: Caa, Ca

lowest rating: C

Additionally, Moody's also uses figures 1, 2 and 3 to fix ratings inside groups: Aaa1 is the highest rating.

#### Standard & Poor's ratings:

A Standard & Poor's issue credit rating is a current opinion of the creditworthiness of an obligor.

**Long-term issue credit ratings.** Long-term ratings vary from AAA, which is the highest group, to D, which is the lowest one. The ratings from AA to CCC may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

**Short-term issue credit ratings.** Short-term ratings range from A-1 for the highest degree of safety to D for the lowest grade. Within A-1 issues determined to possess extremely strong safety characteristics are denoted with a plus sign (+) designation.

**AAA** – very high ability to timely and fully meet its commitment on the obligation; the highest rating.

**AA** - The obligor's capacity to meet its financial commitment on the obligation is very strong.

**A** - An obligation rated A is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong.

**BBB** - An obligation rated BBB exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.

**BB** - Out of danger in the short run, yet more sensitive to exposure to adverse business, financial, or economic conditions.

**B** - An obligation rated B is more vulnerable to nonpayment than obligations rated BB, but the obligor currently has the capacity to meet its financial commitment on the obligation.

**CCC** - An obligation rated CCC is currently vulnerable to nonpayment, and is dependent upon favorable business, financial, and economic conditions for the obligor to meet its financial commitment on the obligation.

**CC** - An obligation rated CC is currently highly vulnerable to nonpayment.

**C** - The C rating may be used to cover a situation where a bankruptcy petition has been filed or similar action has been taken, but payments on this obligation are being continued.

**SD** - Selective default on a particular obligation while payments continue on other obligations.

**D** - An obligation rated D is in payment default.

AAA, AA, A and BBB are investment grade ratings. Obligations rated BB, B, CC, CC, and C are regarded as having significant speculative characteristics.

## 8.2. Shares

Category: **ordinary nominal shares**

Nominal value: **0.0016 rubles**

Shares in circulation as of April 1, 2004: the number of floated shares less the shares on the issuer's balance sheet (4,741,299,639 – 5,305) = 4,741,294,334

Number of additional shares being placed: **none**

Number of 'declared' shares: **no 'declared' shares**

Number of treasury shares: **5,305 ordinary shares**

Number of additional shares that could be placed: **no stock issue in progress**

ISSUES ONE AND TWO COMBINED			
	State Registration Number of the Issue	Placement Data	Placement Results
1	52-1p-0796 October 17, 1995 <b>(share issue cancelled)</b>	The issue was placed within the period from October 31, 1995 through May 31, 1997. During privatization, the shares were placed through a securities auction and monetary and investment tenders.	The Issue Results Report was registered on August 10, 1998. The total number of shares actually placed was 4,516,396,250.
2	1-02-00146-A December 16, 1998 <b>(share issue cancelled)</b>	The issue was placed through closed subscription from January 14, 1999 through March 16, 1999.	The Issue Results Report was registered on April 26, 1999. The number of shares actually placed totaled 224,903,389.

On the basis of Instruction No. 03-1129/p, issued by the Russian Federal Securities Commission on June 17, 2002, Sibneft combined these two share emissions in its register on July 7, 2003. The registration numbers of the two share issues have been annulled, and both emissions have been assigned the new registration number 1-01-00146-A, June 17, 2003.

Combined Share Issue				
	State Registration Number of the Issue	Number of Shares	Nominal Value	Authorized Capital
1	1-01-00146-A June 17, 2003	4,741,299,639	0.0016 rubles	7,586,079.4224 rubles

### Rights of the holders of each share of the issue:

to alienate the shares held by them without the consent of other shareholders and/or the Company;

the shareholders of the Company shall have priority rights to buy additional shares and issued securities convertible into shares, when they are placed through open subscription, in quantities proportionate to the quantity of the shares of the respective category (type) held by them;

the shareholders of the Company who have voted against the placement by closed subscription of shares or securities convertible into shares or who have not participated in the vote on this matter shall have priority rights to buy additional shares and securities convertible into shares, when they are placed through closed subscription, in quantities proportionate to the quantity of the shares of the respective category (type) held by them. The said right shall not apply to the placement of shares or other securities convertible into shares through closed subscription exclusively among shareholders in the event that shareholders can acquire a whole number of placed shares or other securities convertible into shares in quantities proportionate to the quantity of the shares of the respective category (type) held by them;

to receive a share of net profits (dividends) to be distributed among shareholders as prescribed by the law and the Charter depending on the category (type) of the shares held by him/her;

to receive part of the property of the Company (liquidation quota) remaining after the liquidation of the Company in proportion to the quantity of the shares of the respective category (type) held by him/her;

to have access to the documents of the Company as prescribed by the law and the Charter and to obtain copies thereof for pay;

to exercise other rights as prescribed by the laws, the Charter and decisions passed by the shareholders' general meeting within its authority.

## **Ordinary Shares**

Every ordinary share of the Company has equal nominal value and entitles its holder to an equal amount of rights

Under the Federal Law On Joint-Stock Companies the holders of ordinary shares of the Company can attend the general meeting of shareholders with the right to vote on matters within its authority and also have the right to receive dividends, and in the event of the liquidation of the Company the right to receive part of its property (liquidation quota).

## **Voting Shares**

The voting share shall be a share entitling its holder to the right to vote on all matters within the authority of the general meeting or on individual matters within its authority.

The share carrying the right to vote on all matters within the terms of reference of the general meeting shall be:

a fully paid ordinary share, with the exception of the shares at the disposal of the Company.

The shares carrying the right to vote on all matters within the authority of the general meeting of shareholders shall grant their holder the right:

to participate in voting (including by proxy) at the general shareholders meeting on all questions within its authority;

to nominate candidates for the agencies of the Company under the procedures and terms established by the law and by the Charter;

to make proposals for the agenda of the annual general shareholders meeting under the procedures and terms established by the law and by the Charter;

to request to see the list of persons entitled to attend the general shareholders meeting under the procedures and terms established by the law and by the Charter;

to have access to the accounting records and documents under the procedures and terms established by the law and by the Charter;

to request the convocation of an extraordinary general meeting of shareholders and/or verification of the financial and business operations of the Company by the auditing commission under the procedures and terms established by the law and by the Charter;

to request the buyout by the Company of all or part of his/her shares in cases prescribed by the law.

### **8.3. Data on prior security issues other than share issues**

### **8.4. Data on entities (persons) having provided backing for bonds**

### **8.5. Guarantees for meeting commitments concerning bond issue**

OAO Sibneft has not issued any securities other than those listed in Item 8.2. It does not have any outstanding commitments concerning securities.

### **8.6. Registrar**

#### **OAO Registrar R. O. S. T.**

Physical address: 18 Stromynka Str., Bldg. 13, Moscow, Russian Federation  
Mailing address: 18 Stromynka Str., PO Box 9, Moscow 107996, Russian Federation  
Tel.: +7 (095) 771-7335, +7 (095) 771-7337  
Fax: +7 (095) 777-7334  
Internet: <http://www.rrost.ru/>  
E-mail: [rost@rrost.ru](mailto:rost@rrost.ru)

OAO Registrar R. O. S. T. is a specialized registrar and operates under License No. 10-000-1-00264 issued by the Federal Securities Commission on December 3, 2002.

The company's original name, ZAO Stock Registration Company, changed in 2002 as a result of corporate reorganization. The registrar was founded in 1996 and since then has kept the registers of OAO Sibneft and its subsidiaries.

The registrar provides a full array of services related to the shareholders register and acts as both calculating committee for OAO Sibneft and agent for paying out dividends on Sibneft shares.

### **8.7. Legislation regulating imports and exports of capital which may influence dividend payouts, interest and other payment to non-residents.**

Federal Law on Investment Activities in the Russian Federation in the Form of Capital Investment, No. 39-FZ, dated February 25, 1999  
Federal Law on Foreign Investment in the Russian Federation, No. 160-FZ, dated July 9, 1999  
Tax Code of the Russian Federation (Chapter 25)  
The Russian Government's Ordinance No. 1272 of November 20, 1999, On Foreign Investment in the Russian Economy Using Funds in Special C Accounts of Non-Residents  
Federal Law on Currency Regulation and Currency Control  
The Bank of Russia's instruction No 93-I, dated October 12, 2000, On the Procedure for Opening Accounts with Authorized Banks for Non-Residents in Russian Currency and for Operations Using Those Accounts

### **8.8. Taxation of incomes on the stock issuer's securities.**

Taxation of incomes on securities is regulated by Articles 280, 283, 284, 285, 286, 287, 309, 310, 312 and 329 of Section Two of the Russian Federation Tax Code, dated August 5, 2000, No. 117-FZ.

As a tax agent for dividends on ordinary nominal shares, OAO Sibneft makes payments with taxes deducted at the following rates:

- corporations that are residents of the Russian Federation – 6%
- non-resident corporations – 15%
- individual residents of the Russian Federation – 6%
- non-resident individuals – 30%

\* In the event that there are agreements on avoidance of double taxation with a country whose resident a shareholder is, the rate stipulated by those agreements are taken into account.

## 8.9. Dividend history

1	In 2000, further to the Board of Directors' decision of October 10, 2000, interim dividends were paid in the amount of 0.3 rubles per share.	Deadline for list of dividend recipients: September 30, 2000	Total of cash facilities disbursed by Sibneft: 1,422,389,891 rubles	As of April 1, 2004, actual payouts totaled 1,422,022,109.72 rubles
2	Further to the Board of Directors' decision of August 16, 2001, based on the results of the company's activities in the third quarter of 2001, interim dividends were paid in the amount of 3.79 rubles per share.	Deadline for list of dividend recipients: August 30, 2001	Total of cash facilities disbursed by Sibneft: 17,969,525,631 rubles	As of April 1, 2004, actual payouts totaled 17,967,318,647.61 rubles
3	Further to the Board of Directors' decision of November 12, 2001, based on the results of the company's activities in the fourth quarter of 2001, interim dividends were paid in the amount of 2.32 rubles per share.	Deadline for list of dividend recipients: November 2, 2001	Total of cash facilities disbursed by Sibneft: 10,999,815,162 rubles	As of April 1, 2004, actual payouts totaled 10,998,163,797.19 rubles
4	On May 15, 2003, an Annual General Shareholders Meeting resolved to pay dividends, based on the company's 2002 operating results, in the amount of 7.22 rubles per share.	Deadline for list of dividend recipients: March 28, 2003	Total of cash facilities to be disbursed by Sibneft: 34,232,183,393.58 rubles. Payment deadline: May 31, 2004	As of April 1, 2004, actual payouts totaled 34,217,038,838.10 rubles
5	On September 15, 2003, an Extraordinary General Shareholders Meeting resolved to pay dividends, based on the company's first-half 2003 operating results, in the amount of 6.44 rubles per share.	Deadline for list of dividend recipients: July 31, 2003	Total of cash facilities to be disbursed by Sibneft: 30,533,969,675.16 rubles. Payment deadline: May 31, 2004	As of April 1, 2004, actual payouts totaled 29,959,902,847.72 rubles
6	On November 20, 2003, an Extraordinary General Shareholders Meeting resolved to pay dividends, based on the company's 9 month 2003 operating results, in the amount of 1.46 rubles per share.	Deadline for list of dividend recipients: September 30, 2003	Total of cash facilities to be disbursed by Sibneft: 6,922,297,472.94 rubles. Payment deadline: May 31, 2004	As of April 1, 2004, actual payouts totaled 6,402,271,152.88 rubles