OAO AK TRANSNEFT
CONSOLIDATED INTERIM FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) FOR THE THREE MONTHS ENDED 31 MARCH 2007

CONTENTS

STATEMENT OF DIRECTORS' RESPONSIBILITIES
To the Shareholders of OAO AK Transneft

1. We have prepared the consolidated interim financial statements for the three months ended 31 March 2007 which give a true and fair view of the financial position of the OAO AK Transneft (the "Company") and its subsidiaries (the "Group") at the end of the period and of the results of operations and cash flows for the period then ended. Management of the Group is responsible for ensuring that the Group entities keep accounting records which disclose with reasonable accuracy the financial position of each entity and which enable them to ensure that the consolidated financial statements comply with International Financial Reporting Standards and that their statutory accounting reports comply with Russian laws and regulations. Management also has a general responsibility for taking such steps as are reasonably available to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

2. Management considers that, in preparing the consolidated financial statements set out on pages 5 to 27, the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that appropriate International Financial Reporting Standards have been followed.

3. None of the directors held any shares in Group companies during the three months ended 31 March 2007.

4. The consolidated financial statements, which are based on the statutory consolidated accounting reports for the three months ended 31 March 2007, approved by management in May 2007, have been converted in accordance with International Financial Reporting Standards.

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S.M. Vainshtock
President
29 June 2007

OAO AK Transneft
ul. Bolshaya Polyanka, 57
119180 Moscow
Russian Federation

PRICEWATERHOUSECOOPERS

ZAO PricewaterhouseCoopers Audit
Kosmodamianskaya Nab. 52, Bld. 5
115054 Moscow
Russia
Telephone +7 (495) 967 6000
Facsimile +7 (495) 967 6001

REVIEW REPORT OF INDEPENDENT ACCOUNTANTS
To the Shareholders and Board of Directors of OAO AK Transneft

1. We have reviewed the accompanying consolidated interim balance sheet of OAO AK Transneft (the "Company") and its subsidiaries (the "Group") as at 31 March 2007, and the related consolidated interim income statements, of cash flows and of changes in equity for the three months then ended. These consolidated interim financial statements set out on pages 5 to 27 are the responsibility of the Group's management. Our responsibility is to issue a report on the consolidated interim financial statements based on our review.

2. We conducted our review in accordance with the International Standard on Review Engagements 2410. This Standard requires that we plan and perform the review to obtain moderate assurance about whether the consolidated interim financial statements are free of material misstatement. A review is limited primarily to inquiries of group personnel and analytical procedures applied to financial data, and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

3. Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not give a true and fair view of the financial position of the Group as of 31 March 2007, and of the results of its operations and its cash flows for the period then ended in accordance with International Financial Reporting Standards.

Moscow, Russian Federation
06 July 2007

(in millions of Russian roubles)

	Notes	31 March 2007	31 December 2006
ASSETS			
Non-current assets			
Intangible assets		683	582
Property, plant and equipment	6	524,514	497,619
Available-for-sale financial assets	7	1,216	1,217
Total non-current assets		**526,413**	**499,418**
Current assets			
Inventories	8	7,488	8,374
Receivables and prepayments	9	14,330	14,546
VAT assets	9	28,345	23,495
Prepaid profit tax		335	379
Available-for-sale financial assets	7	19	216
Cash and cash equivalents	10	32,965	29,293
Total current assets		**83,482**	**76,303**
Total assets		**609,895**	**575,721**
EQUITY AND LIABILITIES			
Equity			
Share capital	11	307	307
Retained earnings		382,906	366,917
Attributable to the shareholders of OAO AK Transneft		**383,213**	**367,224**
Minority interests	12	18,666	17,912
Total equity		**401,879**	**385,136**
Non-current liabilities			
Borrowings and finance lease obligations	13	35,959	1,681
Deferred profit tax liabilities	14	26,661	26,103
Provisions for liabilities and charges	15	56,669	58,100
Total non-current liabilities		**119,289**	**85,884**
Current liabilities			
Trade and other payables	16	28,224	33,657
Current profit tax payable		1,807	1,844
Borrowings and finance lease obligations	13	58,696	69,200
Total current liabilities		**88,727**	**104,701**
Total liabilities		**208,016**	**190,585**
Total equity and liabilities		**609,895**	**575,721**

Approved on 29 June 2007 by:

S.M. Vainshtock	President
M. D. Mukhamedzhanov	General director of OOO Transneft Finance, a specialized organization, which performs the accounting function for OAO AK Transneft

	Notes	Three months ended 31 March 2007	Three months ended 31 March 2006
Sales	17	54,343	50,845
Operating expenses	18	(31,992)	(26,630)
Net other operating income	18	1,487	1,345
Operating profit		**23,838**	**25,560**
Financial items:			
Exchange gains		281	79
Net interest expense	13	(329)	(88)
Total financial items		**(48)**	**(9)**
Profit before profit tax		**23,790**	**25,551**
Current profit tax expense		(6,416)	(6,876)
Deferred profit tax (expense)/benefit		(558)	19
Profit tax expense	14	**(6,974)**	**(6,857)**
Profit for the period		**16,816**	**18,694**
Attributable to:			
Shareholders of OAO AK Transneft		16,062	16,704
Minority interests	12	754	1,990

Approved on 29 June 2007 by:

S.M. Vainshtock — President

M. D. Mukhamedzhanov — General director of OOO Transneft Finance, a specialized organization, which performs the accounting function for OAO AK Transneft

(in millions of Russian roubles)

	Notes	Three months ended 31 March 2007	Three months ended 31 March 2006
Cash flows from operating activities			
Cash receipts from customers		58,636	54,738
Cash paid to suppliers and employees, and taxes other than profit tax		(32,520)	(30,024)
Interest paid		(1,037)	(167)
Profit tax paid		(6,465)	(6,336)
Other cash from operating activities		2,487	6,169
Net cash from operating activities		**21,101**	**24,380**
Cash flows used in investing activities			
Purchase of property, plant and equipment		(39,750)	(16,011)
Proceeds from sales of property, plant and equipment		196	13
Interest and dividends received		54	94
Net cash used in investing activities		**(39,500)**	**(15,904)**
Cash flows used in financing activities			
Proceeds from long and short-term borrowings		57,781	51
Repayment of long and short-term borrowings		(34,232)	(14,262)
Payment of finance lease obligations		(1,543)	(580)
Net cash from/(used in) financing activities		**22,006**	**(14,791)**
Effects of exchange rate changes on cash and cash equivalents		**65**	**(96)**
Net increase/(decrease) in cash and cash equivalents		**3,672**	**(6,411)**
Cash and cash equivalents at the beginning of the period	10	29,293	29,138
Cash and cash equivalents at the end of the period	10	**32,965**	**22,727**

Approved on 29 June 2007 by:

S.M. Vainshtock	President
M. D. Mukhamedzhanov	General director of OOO Transneft Finance, a specialized organization, which performs the accounting function for OAO AK Transneft

	Attributable to the shareholders of OAO AK Transneft				
	Share capital	**Retained earnings**	**Total**	**Minority interest**	**Total equity**
Balance at 31 December 2006	**307**	**366,917**	**367,224**	**17,912**	**385,136**
Losses arising from change in fair value of available-for-sale financial assets	-	(73)	(73)	-	(73)
Net loss recognised directly in equity	-	(73)	(73)	-	(73)
Profit for the period	-	16,062	16,062	754	16,816
Total recognised income for the period	-	**15,989**	**15,989**	**754**	**16,743**
Balance at 31 March 2007	**307**	**382,906**	**383,213**	**18,666**	**401,879**

Approved on 29 June 2007 by:

S. M. Vainshtock — President

M. D. Mukhamedzhanov — General director of OOO Transneft Finance, a specialized organization, which performs the accounting function for OAO AK Transneft

1 NATURE OF OPERATIONS

OAO AK Transneft (the "Company") was established as an open joint stock company and incorporated on 14 August 1993 by the Russian Government Resolution No. 810 under Presidential Decree No. 1403 dated 17 November 1992. The Company's registered office is at 119180 Moscow, ul. Bolshaya Polyanka 57, Russian Federation.

The Company and its subsidiaries (the "Group") described in Note 19 operate the largest crude oil pipeline system in the world totalling approximately 47,865 km. During the period ended 31 March 2007, the Group transported 115.0 million tonnes of crude oil to domestic and export markets (three months ended 31 March 2006 – 111.2 million tonnes), which represents a substantial majority of the crude oil produced in the territory of the Russian Federation during that period.

The Group is considered by management to have a single main activity and therefore one industry and geographic segment.

2 ECONOMIC ENVIRONMENT IN THE RUSSIAN FEDERATION

Whilst there have been improvements in economic trends in the country, the Russian Federation continues to display certain characteristics of an emerging market. These characteristics include, but are not limited to, varying interpretations of tax and customs regulations and relatively high inflation. The Government of the Russian Federation approved amendments to currency regulation that eliminated conversion restrictions on the Russian Rouble as of 1 July 2006.

The future economic direction of the Russian Federation is largely dependent upon the effectiveness of economic, financial, and monetary measures undertaken by the Government together with legal and political developments.

3 BASIS OF PRESENTATION

These consolidated financial statements are prepared in accordance with, and comply with, International Financial Reporting Standards ("IFRS").

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated (see Note 4). The consolidated financial statements of the Group are prepared under the historical cost convention except as described in Notes 4 and 5.

The Company's functional and presentation currency is the national currency of the Russian Federation; the Russian Rouble ("RR"). The official US dollar ("USD") to Russian Rouble ("RR") exchange rates as determined by the Central Bank of the Russian Federation were 26.01 and 26.33 as of 31 March 2007 and 31 December 2006, respectively.

Certain reclassifications and adjustments have been made to previously reported balances to conform to the current period's presentation; such reclassifications and adjustments have no material impact on profit for the period or total equity.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies have been consistently applied by the Group in the preparation of the consolidated interim financial statements for the three months ended 31 March 2007, except for changes resulting from amendments to International Financial Reporting Standards discussed below.

Subsidiary undertakings

Subsidiaries are those companies in which the Group, directly or indirectly, has an interest of more than one half of the voting rights or otherwise has the power to govern the financial and operating policies of the subsidiary.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

consolidated from the date that control ceases. All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Minority interests at the balance sheet date represents the minority shareholders' portion of the fair values of the identifiable assets and liabilities of the subsidiary at the acquisition date, and the minorities' portion of movements in equity since the date of the acquisition. Minority interest is presented within equity in the consolidated financial statements.

Property, plant and equipment

Property, plant and equipment are carried at initial historical cost, including, where appropriate, the net present value of the estimated dismantlement or removal cost of the asset at the end of its estimated useful life, less accumulated depreciation. Assets under construction are carried at historical cost and depreciated from the time the asset is available for use. Depreciation is calculated on the straight-line basis to write down the cost of each asset to its estimated residual value over its estimated useful life as follows:

	Years
Buildings and facilities	8-50
Pipelines and tanks	20-33
Other plant and equipment	5-25

Management approves specific plans for prospective dismantlement or decommissioning of sections of pipeline and related facilities on an annual basis and, at that time, the estimated useful life of the related asset is revised and the annual depreciation charge is amended if applicable.

Renewals and improvements are capitalized and the assets replaced are retired. Maintenance, repairs, and minor renewals are expensed as incurred. Gains and losses arising from the retirements or other disposals of property, plant and equipment are included in the consolidated income statement.

The Group capitalises borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Before 1 January 2007, interest costs on borrowings to finance the construction of property, plant and equipment were expensed as incurred.

Crude oil used for technical operation of the pipeline network (“linefill”) owned by the Group is treated as a separate component of the pipeline class of asset and is not depreciated as it is not physically consumed in the process of providing services to customers. Oil surpluses arising from operations are recognized at market value, deficits – at the weighted average carrying value of linefill and are credited to oil surplus, a component of net other operating expense, in the consolidated income statement.

Disposals of oil surpluses are accounted for as revenues included in sales in the consolidated income statement.

Leased assets

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Plant and equipment acquired by way of finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Each lease payment is allocated between the liability and finance charges so as to achieve a constant effective interest rate on the finance balance outstanding. The property, plant and equipment under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

Inventories

Inventories are valued at the lower of weighted average cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of assets

At each balance sheet date, management assesses whether there is any indication that the recoverable value of the Group's assets has declined below the carrying value. When such a decline is identified, the carrying amount is reduced to the estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The amount of the reduction is recorded in the consolidated income statement in the period in which the reduction is identified. An impairment loss recognised for an asset in prior years is reversed if there has been a change in the estimates used to determine the asset's recoverable amount. Non-financial assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. A reversal of an impairment loss for a cash-generating unit shall be allocated to the assets of the unit pro rata with the carrying amount of those assets.

Financial assets and liabilities

Financial assets and liabilities carried on the consolidated balance sheet include cash and cash equivalents, available-for-sale financial assets, receivables, borrowings, and trade and other payables. These items are initially recognised at fair value adjusted for transaction costs on the date when the Group becomes a party to the contractual provisions of the instrument. Financial assets are de-recognised only when the rights to the separable benefits under the relevant contract are settled, lost, surrendered, or have expired. Financial liabilities are partially or fully de-recognised only when the obligation specified in the relevant contract is discharged, cancelled, or has expired.

Available-for-sale financial assets are re-measured to fair value at each subsequent balance sheet date, other financial assets and financial liabilities are carried at amortised cost.

The fair values of financial assets and liabilities with a maturity date less than three months from the balance sheet date, including trade and other receivables and payables, are assumed to approximate their carrying amounts unless there is an indication of impairment at the balance sheet date. The fair value of all other financial assets and liabilities is based on the amount receivable or payable at the expected settlement date, discounted to net present value using a rate considered appropriate for the asset or liability.

Available-for-sale financial assets

Fair value of available-for-sale securities is determined using the quoted prices on active market. Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Gains and losses arising from changes in the fair value of the investments classified as available-for-sale are recognised in equity. When the investments classified as available-for-sale are sold or impaired, the fair value adjustments accumulated in equity are included in the consolidated income statement as gains and losses from the investments.

At each balance sheet date the Group assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of financial assets classified as available-for-sale, a significant or prolonged decline in the fair value of the financial assets below its cost is considered in determining whether the financial assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the consolidated income statement.

Cash and cash equivalents

Cash and cash equivalents consist of cash, bank balances, and highly liquid investments which are readily convertible to known amounts of cash, subject to an insignificant risk of changes in value, and which have original maturities of three months or less.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

VAT assets

VAT assets primarily relate to VAT incurred on capital construction, operating and export activities. VAT is included in current assets if the amount is expected to be recovered within 12 months after the reporting date.

Borrowings

Borrowings are recognised initially at the fair value of the proceeds received which is determined using the prevailing market rate of interest for a similar instrument, if significantly different from the transaction price, net of transaction costs incurred. In subsequent periods, borrowings are carried at amortised cost, using the effective interest rate method; any difference between fair value of the proceeds (net of transaction costs) and the redemption amount is recognised as interest expense over the period of the borrowings.

Deferred taxes

Deferred taxes are calculated at currently enacted or substantively enacted rates, using the liability method, for all temporary differences between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realised or the liability is settled.

Deferred tax liabilities are recognised in respect of all taxable temporary differences relating to investments in subsidiaries, unless the Company is able to control the timing of the reversal of the temporary difference and it is probable that the difference will not reverse in the foreseeable future.

Deferred tax assets attributable to temporary differences and to unutilised tax losses and credits are recognised only to the extent that it is probable that future taxable profit or temporary differences will be available against which they can be utilised.

State pension fund

The Group makes contributions for the benefit of employees to a State pension fund. The contributions are expensed as incurred.

Provisions (including dismantlement)

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Provisions are reassessed at each balance sheet date, and are included in the consolidated financial statements at their expected net present values using the discount rate appropriate to the Group in the economic environment of the Russian Federation.

Changes in the provisions resulting from the passage of time are reflected in the consolidated income statement each period under financial items. Changes in the provisions resulting from the changes in the discount rate and other changes in provisions, related to a change in the expected pattern or estimated cost of settlement of the obligation, are treated as a change in an accounting estimate in the period of the change by adjusting the corresponding asset or expense.

Pension provision

In addition to contributions to State pension fund, the Group sponsors a defined contribution plan for its employees. The Group's contributions to the defined contribution plan are based upon 12% of accrued annual

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

payroll. The Group's contributions to this plan are expensed when incurred and are included within salaries and pension expense in operating expenses.

The Group also operates a defined benefit plan. Pension costs are recognised using the projected unit credit method. The cost of providing pension contributions is charged to operating expenses in the consolidated income statement so as to spread the regular cost over the service lives of employees. The pension obligation is measured at the present value of the estimated future cash outflows using interest rates of government securities, which have the terms to maturity approximating the terms of the related liability. Actuarial gains and losses are recognised in full as they arise in the income statement.

Environmental provision

The Group recognises separately the estimated cost of crude oil spillages, including the cost of the obligation to restore the environment, and the estimated recoveries under applicable insurance policies, at the date of the spillage.

The Group periodically evaluates its obligations under environmental regulations. As obligations are determined, they are recognised as expenses immediately unless they extend the life of the related property or mitigate or prevent future environmental contamination, in which case they are capitalised.

Revenue recognition

Revenues from transportation services are recognized when the services are provided as evidenced by the delivery of crude oil to the owner or the owner's customer in accordance with the contract. Revenues from oil sales are recognized upon shipment of goods to the customer, when the goods cease to be under physical control of the Group and risks of ownership have been transferred to the buyer.

Share capital and dividends

Ordinary shares and non-redeemable preferred shares with the right to receive discretionary annual fixed dividends are both classified as equity.

Dividends are recognised as a liability and deducted from shareholders' equity on the date on which they are approved. Dividends proposed at any time, and those approved between the balance sheet date and the date of issuing the consolidated financial statements, are disclosed.

New accounting developments

The Group has adopted all IFRS, amendments and interpretations which are effective 1 January 2007 and which are relevant to its operations. All changes in accounting policies were applied retrospectively with adjustments made to retained earnings of prior periods effects, unless otherwise disclosed below.

- IFRS 7 "Financial Instruments: Disclosures", which is effective for annual periods beginning on or after 1 January 2007. As the application of the Standard only affects disclosure requirements, it will not have an impact on Group's results of operations, financial position or cash flows.
- Amendment to IAS 1 "Presentation of Financial Statements – Capital Disclosures", which is effective for annual periods beginning on or after 1 January 2007. As the amendment of the Standard only affects disclosure requirements, it will not have an impact on Group's results of operations, financial position or cash flows.
- IFRIC 8 "Scope of IFRS 2", which is effective for annual periods beginning on or after 1 May 2006. The interpretation explains that, if the identifiable consideration given appears to be less than the fair value of the equity instruments granted or liability incurred, this typically indicates that other consideration has been or will be received and thus IFRS 2 "Share-based payments" applies. The application of IFRIC 8 does not affect the Group's financial statements.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- IFRIC 9 “Reassessment of Embedded Derivatives”, which is applicable for annual periods beginning on or after 1 June 2006. The interpretation clarifies application of IAS 39 (Amended) for reassessment of the requirement to separate the embedded derivative from the host contract. It states that subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract, in which case reassessment is required. The application of IFRIC 9 does not affect the Group’s financial statements.

The Group has early adopted the following interpretation as of 1 January 2007:

- Amendment to IAS 23 “Borrowing costs”, which is effective for annual periods beginning on or after 1 January 2009. The Standard will eliminate the option of recognizing the borrowing costs immediately as an expense to the extent that they are directly attributable to the acquisition, construction or production of a qualifying asset. The adoption of the amendment resulted in no change in the opening balance of retained earnings and other reserves.

The following new Standards and Interpretations are not yet effective and have not been applied in preparing these IFRS financial statements:

- IFRS 8 “Operating Segments”, which is effective for annual periods beginning on or after 1 January 2009. The application of IFRS 8 is not expected to affect the Group’s financial statements.

- IFRIC 11 “IFRS 2—Group and Treasury Share Transactions” (“IFRIC 11”), which is effective for annual periods beginning on or after 1 March 2007. The Interpretation requires a share-based payment arrangement in which an entity receives goods or services as consideration for its own equity-instruments to be accounted for as an equity-settled share-based payment transaction, regardless of how the equity instruments needed are obtained. The Interpretation also provides guidance on whether share-based payment arrangements, in which suppliers of goods or services of an entity are provided with equity instruments of the entity’s parent, should be accounted for as cash-settled or equity-settled in the entity’s financial statements. The application of IFRIC 11 is not expected to affect the Group’s financial statements.

- IFRIC 12 “Service Concession Arrangements” (“IFRIC 12”) which is applicable for annual periods beginning on or after 1 January 2008. Service concessions are arrangements whereby a government or other public sector entity grants contracts for the supply of public services —such as roads, airports and other facilities—to private sector operators. The interpretation addresses how service concession operators should apply existing IFRSs to account for the obligations they undertake and rights they receive in service concession arrangements. The application of IFRIC 12 is not expected to affect the Group’s financial statements.

5 CRITICAL ESTIMATES IN APPLYING ACCOUNTING POLICIES

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates and judgments. Management also makes certain judgments, apart from those involving estimations, in the process of applying the accounting policies. Judgments that have the most significant effect on the amounts recognised in the financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

Taxation

Russian tax and customs legislation is subject to varying interpretations (see Note 20).

5 CRITICAL ESTIMATES IN APPLYING ACCOUNTING POLICIES (continued)

Impairment of assets and accounting for provisions

At each balance sheet date the Group assesses whether there is any indication that the recoverable amount of the Group's assets has declined below the carrying value. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. When such a decline is identified, the carrying amount is reduced to the recoverable amount. The amount of the reduction is recorded in the consolidated income statement in the period in which the reduction is identified. If conditions change and management determines that the asset value has increased, the impairment provision will be fully or partially reversed.

Accounting for impairment includes provisions against capital construction projects and other long-term assets. The provisions for liabilities and charges primarily include provisions for dismantlement and pension liabilities. The Group records impairment or accrues these provisions when its assessments indicate that it is probable that a liability has been incurred or an asset will not be recovered, and an amount can be reasonably estimated.

The Group's estimates for provisions for liabilities and charges are based on currently available facts and the Group's estimates of the ultimate outcome or resolution of the liability in the future. Actual results may differ from the estimates, and the Group's estimates can be revised in the future, either negatively or positively, depending upon the outcome or expectations based on the facts surrounding each exposure.

Useful lives of property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation. The estimation of the useful life of an item of property, plant and equipment is a matter of management judgment based upon experience with similar assets. In determining the useful life of an asset, management considers the expected usage, estimated technical obsolescence, physical wear and tear and the physical environment in which the asset is operated. Changes in any of these conditions or estimates may result in adjustments to future depreciation rates.

Dismantlement provision

Provisions are established for the expected cost of dismantling parts of the existing pipeline network based on the average current cost per kilometre of removal according to an estimated plan of replacement over the long term. The provision calculation is based on the assumption that dismantlement activities are expected to cover the same number of kilometres each year over the useful life of the network. Changes in this assumption or assumptions with regard to expected costs, technical change, and discount rate may result in adjustments to the established provisions (see Note 15) and assets.

(in millions of Russian roubles)

6 PROPERTY, PLANT AND EQUIPMENT

	Buildings and facilities	Pipelines and tanks	Other plant and equipment	Linefill	Assets under construction including prepayments	Total
At 1 January 2007						
Cost	61,511	349,020	200,913	50,818	102,011	764,273
Accumulated depreciation	(17,948)	(153,530)	(95,176)	-	-	(266,654)
Net book value at 1 January 2007	**43,563**	**195,490**	**105,737**	**50,818**	**102,011**	**497,619**
Depreciation	(418)	(3,160)	(3,704)	-	-	(7,282)
Additions (including prepayments)	-	-	1,080	183	34,742	36,005
Transfers from assets under construction	123	490	778	-	(1,391)	-
Net change in dismantlement provision (see Note 15)	-	(1,691)	-	-	-	(1,691)
Disposals/retirements at cost	(32)	(110)	(282)	(74)	-	(498)
Accumulated depreciation on disposals/retirements	32	73	256	-	-	361
Net book value at 31 March 2007	**43,268**	**191,092**	**103,865**	**50,927**	**135,362**	**524,514**
At 31 March 2007						
Cost	61,602	347,709	202,489	50,927	135,362	798,089
Accumulated depreciation	(18,334)	(156,617)	(98,624)	-	-	(273,575)
Net book value at 31 March 2007	**43,268**	**191,092**	**103,865**	**50,927**	**135,362**	**524,514**

Property, plant and equipment as of 31 March 2007 is presented net of impairment provision of RR 4,704 (as of 31 December 2006 – net of impairment provision of RR 4,704), against specific pipeline assets and machinery.

Linefill represents 26,877 thousand tonnes of crude oil as of 31 March 2007 (31 December 2006 – 26,872 thousand tonnes) (see Note 4).

During three months ended 31 March 2007 the borrowing costs in the amount of RR 1,234 were capitalised in the cost of assets under construction (see Note 4).

7 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	31 March 2007	31 December 2006
Marketable securities	759	961
Investments in other Russian companies	476	472
	1,235	1,433
Less: short-term available-for-sale financial assets	(19)	(216)
	1,216	1,217

(in millions of Russian roubles)

8 INVENTORIES

	31 March 2007	31 December 2006
Materials and supplies	5,201	5,216
Sundry goods for resale	2,159	3,052
Other items	128	106
	7,488	8,374

Inventories are presented net of provisions for obsolescence of RR 147 as of 31 March 2007 (31 December 2006 – RR 147). Materials are primarily used in the maintenance of pipeline equipment.

9 RECEIVABLES AND PREPAYMENTS AND VAT ASSETS

Receivables and prepayments

	31 March 2007	31 December 2006
Trade receivables (net of a provision for doubtful debts of RR 108 at 31 March 2007 (31 December 2006 - RR 133))	1,532	2,115
Prepayments and advances	10,652	10,488
Other receivables (net of a provision for doubtful debts of RR 56 at 31 March 2007 (31 December 2006 - RR 106))	2,146	1,943
	14,330	14,546

VAT assets

	31 March 2007	31 December 2006
Recoverable VAT related to construction projects	13,536	9,975
Recoverable VAT related to ordinary activity	13,500	10,185
Other VAT receivable	1,309	3,335
	28,345	23,495

10 CASH AND CASH EQUIVALENTS

	31 March 2007	31 December 2006
Balances denominated in Russian roubles	31,442	27,661
Balances denominated in US dollars	1,523	1,632
	32,965	29,293

11 SHARE CAPITAL, RETAINED EARNINGS

Share capital

	Total RR million (historical)	31 March 2007 and 31 December 2006
Authorised, issued and fully paid shares of par value RR 1 each		
Ordinary: 4,664,627 shares	4.7	230
Preferred: 1,554,875 shares	1.5	77
6,219,502 shares	6.2	307

11 SHARE CAPITAL, RETAINED EARNINGS (continued)

The carrying value of the share capital differs from historical cost due to the effect of hyperinflation in the Russian Federation.

The Government of the Russian Federation, through the Federal Agency for the Management of Federal Property, holds 100% of the ordinary shares of OAO AK Transneft.

Rights attributable to preferred shares

Holders of preferred shares shall receive dividends pursuant to the authorization of dividend payments at the general meeting. The amount of dividends to be paid on preferred shares is established as 10 percent of the net profits of the Company for the most recent financial year. Dividends on the preferred shares are not cumulative.

Shareholders that hold preferred shares in the Company shall be entitled to participate in the general meeting of shareholders with the right to vote on the following issues:

- on the reorganization and liquidation of the Company;
- on the introduction of amendments and addenda to the Charter of the Company which limit the rights of shareholders that hold preferred shares, including the determination or increase in the amount of dividends and/or determination or liquidation cost to paid on preferred shares of the previous level of priority;
- on all issues within the competence of the general meeting of shareholders, after an annual general meeting of shareholders where no decision on payment of dividends was adopted or a decision was adopted on partial payment of dividends on preferred shares. This right is terminated from the time of the first full payment of dividends on the indicated shares.

Distributable profits

The statutory accounting reports of the Company are the basis for their respective profit distribution and other appropriations. The statutory profit of the Company was RR 960 for the three months ended 31 March 2007 (RR 1,541 for the three months ended 31 March 2006).

12 MINORITY INTERESTS

Minority interests represent the shares in subsidiary entities held by OAO Soyuzinvetsneftekhim (36% of OAO Severo-Zapadnye MN) and Ministry of State Property of the Republic of Bashkortostan (24.5% of OAO Uralsibnefteprovod) (see Note 19).

(in millions of Russian roubles)

13 BORROWINGS, FINANCIAL LEASE OBLIGATIONS AND INTEREST EXPENSE

	31 March 2007	31 December 2006
Unsecured borrowings and loans	90,052	66,504
Finance lease obligations	4,603	4,377
Total borrowings and loans	94,655	70,881
Less: current borrowings and loans and current portion of non-current borrowings and loans and finance lease obligations	(58,696)	(69,200)
	35,959	1,681

Maturity of non-current borrowings and loans and finance lease obligations		
Due for repayment:		
Between one and five years	1,998	1,621
After five years	33,961	60
	35,959	1,681

The fair value of the borrowings and finance lease obligations approximates their carrying amount as obligations are either short-term or bear interest rates approximating market rates as of 31 March 2007.

Interest expense

	Three months ended 31 March 2007	Three months ended 31 March 2006
Interest expense	(393)	(197)
Interest income	64	109
Net interest expense	(329)	(88)

In August 2006, a revolving credit facility amounting to RR 65,000 was made available to a Group company by Sberbank, a state-controlled bank, for the financing of construction of the Eastern Siberia-Pacific Ocean pipeline. The credit facility expires in 2012. In August 2006, as part of this credit facility, the Group completed an agreement to receive a nonrevolving credit line of RR 20,000 due in August 2007, of which the full amount was drawn down. The credit line was repaid in full in March 2007. In October 2006, as part of this credit facility, the Group completed agreements to receive nonrevolving credit lines of RR 35,000 and RR 10,000 due in October 2007, both of which were fully drawn down. The credit line of RR 10,000 was repaid in full in March 2007. A partial repayment of the credit line of RR 35,000 was made in March 2007 of RR 4,093. In March 2007, as part of this credit facility, the Group completed an agreement to receive a nonrevolving credit line of RR 10,000 due in March 2008, of which the amount of RR 9,844 was drawn down. Interest is payable at a fixed rate and is subject to revision if the Central Bank of the Russian Federation increases interest rates by more than 10% of that rate.

In November 2006, a Group company entered into a seven year credit facility with Sberbank, which provided for up to RR 15,000 to be available for the purpose of financing the construction of the Eastern Siberia-Pacific Ocean pipeline. Under this credit facility agreement, two loan agreements have been signed for one year non-revolving credit lines in the amounts of RR 5,000 due in December 2007 and RR 10,000 due in January 2008, of which the full amount was drawn down. Interest is payable on the same terms as the RR 65,000 credit facility discussed above.

The rates on the above RR loans range from 7% to 12%.

In March 2007, the Group issued Eurobonds in the amount of USD 1.3 billion (RR 33,953 as at 31 March 2007) at an interest rate of 5.67% due in 7 years. Proceeds from the loan are to finance the construction of the East Siberia – Pacific Ocean pipeline.

(in millions of Russian roubles)

13 BORROWINGS, FINANCIAL LEASE OBLIGATIONS AND INTEREST EXPENSE (continued)

Finance lease obligations

Finance lease obligations are payable as follows:

	31 March 2007		
	Payments	Interest	Present value of finance lease liability
Less than one year	3,062	422	2,640
Between one and five years	2,234	279	1,955
After five years	13	5	8
	5,309	706	4,603

14 DEFERRED TAX LIABILITIES AND PROFIT TAX EXPENSE

Deferred tax liabilities and assets consist of the following:

	31 March 2007	31 December 2006
Deferred tax liabilities:		
Carrying value of property, plant and equipment in excess of tax base	(40,897)	(40,292)
Other	(298)	(327)
	(41,195)	(40,619)
Deferred tax assets:		
Provisions against inventories, receivables and accruals	757	451
Provisions for dismantlement and other expenses	13,777	14,065
	14,534	14,516
Net deferred tax liability	(26,661)	(26,103)

Differences between the recognition criteria in Russian statutory taxation regulations and IFRS give rise to certain temporary differences between the carrying value of certain assets and liabilities for financial reporting purposes and for profit tax purposes. The tax effect of the movement on these temporary differences is recorded at the statutory rate of 24%.

The following is a reconciliation of theoretical profit tax expense computed at the statutory tax rate to the actual profit tax expense:

	Three months ended 31 March 2007	Three months ended 31 March 2006
Profit before profit tax	23,790	25,551
Theoretical profit tax expense at 24%	5,710	6,132
Increase due to:		
Items not deductible for profit tax purposes	1,264	725
Actual profit tax expense	6,974	6,857

(in millions of Russian roubles)

15 PROVISIONS FOR LIABILITIES AND CHARGES

	31 March 2007	31 December 2006
Dismantlement provision	52,800	54,228
Pension provision	3,757	3,761
Other provisions	112	111
	56,669	58,100

Dismantlement provision

The provision is established for the expected cost of dismantling parts of the existing pipeline network based on the average current cost per kilometre of removal according to an estimated plan of replacement over the long term. The provision calculation is based on the assumption that dismantlement activities are expected to cover the same number of kilometres each year over the useful life of the network. The cost of dismantlement is added to the cost of property, plant and equipment and depreciated over the useful economic life of the pipeline network.

Additional provisions are made when the total length of the network increases and reductions occur when sections of the pipeline are decommissioned. Other changes are made when the expected pattern or unit cost of dismantlement is changed. The expected costs at the dates of dismantlement have been discounted to net present value using a nominal rate of 7% per year (31 December 2006 – 7% per year).

	2007	2006
At 1 January	54,228	6,774
Net change in provision (see Note 6)	(1,691)	113
Accretion of interest	263	-
At 31 March	52,800	6,887

Pension provision

Under collective agreements with the employees, an amount ranging from one to five months final salary is payable upon retirement to those who have worked for the Group for more than five years. Also under collective agreements with the employees, an amount ranging from one to eight months minimal salary is payable on an annual basis until the death of employees to those retired employees who have not entered in an agreement with the Non-state pension fund of OAO AK Transneft. Management has assessed the net present value of these obligations, following the guidelines set out in IAS 19 “Employee Benefits”. Under this method, a provision has been established having regard to employee life expectancy.

(in millions of Russian roubles)

15 PROVISIONS FOR LIABILITIES AND CHARGES (continued)

Movements in the net liability recognised in the balance sheet are as follows:

	2007	**2006**
At 1 January	3,761	2,574
Net expense included in staff costs in the consolidated income statement (see Note 18)	53	194
Benefits paid	(57)	(10)
At 31 March	3,757	2,758

The amounts associated with pension provision recognized in the balance sheet are as follows:

	31 March 2007	**31 December 2006**
Present value of provision (unfunded)	3,757	3,761
Liability	3,757	3,761

Principal actuarial assumptions used (expressed as weighted average):

	Three months ended 31 March 2007
Discount rate (nominal)	7%
Future salary increases (nominal)	7%
Employees average remaining working life (years)	13

16 TRADE AND OTHER PAYABLES

	31 March 2007	**31 December 2006**
Trade payables	11,285	14,647
Advances received for oil transportation services	9,083	13,146
Accruals and deferred income	2,660	2,023
VAT output tax payable	1,113	815
Deferred VAT	75	77
Other taxes payable	1,240	752
Other payables	2,768	2,197
	28,224	33,657

17 SALES

	Three months ended 31 March 2007	**Three months ended 31 March 2006**
Revenues from oil transportation services		
Domestic tariff	20,132	18,347
Export tariff	28,981	27,594
Total revenues from oil transportation services	49,113	45,941
Revenues from oil sales	3,416	2,518
Other revenues	1,814	2,386
	54,343	50,845

(in millions of Russian roubles)

17 SALES (continued)

The Group revenues for oil transportation services on the domestic pipeline network comprise:

- revenues for transportation of crude oil to destinations in the Russian Federation and the Custom Union countries, based on distance-related tariffs denominated and payable in RR and revised periodically after approval by the Federal Tariff Agency ("domestic tariff");

- revenues for transportation of crude oil which is destined for export (outside of the Russian Federation and the Custom Union countries), based on distance-related tariffs denominated in USD and in RR but payable in RR and revised periodically after approval by the Federal Tariff Agency ("export tariff").

Other amounts included in export tariffs are:

- a fixed tariff denominated and payable in USD, under intergovernmental agreements for the transportation of crude oil from Azerbaijan over the territory of the Russian Federation, for export at the port of Novorossiysk;

- a distance-related tariff denominated and payable in USD, set by the Federal Tariff Agency for transit of Kazakhstan crude oil over the territory of the Russian Federation, except for the Makhachkala – Novorossiysk pipeline, and

- a fixed tariff denominated and payable in USD, set by the Federal Tariff Agency for transit of Kazakhstan crude oil through the Makhachkala – Novorossiysk pipeline.

18 OPERATING EXPENSES AND NET OTHER OPERATING INCOME

	Three months ended 31 March 2007	Three months ended 31 March 2006
Operating expenses		
Depreciation	7,035	5,713
Staff costs:		
Salaries and pension expense	5,282	4,693
Unified Social Fund contributions	1,312	1,147
Key management personnel compensation (see Note 21)	38	27
Social expenses	743	550
Energy	5,141	4,300
Materials	2,107	2,105
Cost of oil sold	3,522	2,211
Insurance expense	2,789	1,388
Repairs and maintenance	899	1,639
Administrative expense	825	741
Transport expense	394	393
Taxes other than profit tax:		
Property tax	372	299
Other taxes	34	51
Other	1,499	1,373
	31,992	26,630

(in millions of Russian roubles)

18 OPERATING EXPENSES AND NET OTHER OPERATING INCOME (continued)

Property tax is assessed at a maximum of 2.2% on the average annual net book value of property, plant and equipment. Specific legislation provides for the exclusion of trunk pipelines and related constructions from the taxable base.

Unified Social Fund contributions include Group expenses in relation to the State Pension Fund, which is a defined contribution plan, for the three months ended 31 March 2007 in amount of RR 792 (for the three months ended 31 March 2006 – RR 698).

Salaries and pension expense include Group expenses in relation to the non-state defined contribution plan for the three months ended 31 March 2007 in amount of RR 604 (for the three months ended 31 March 2006 – RR 557).

The following amounts are included in net other operating income:

	Three months ended 31 March 2007	Three months ended 31 March 2006
Oil surplus	2,569	1,578
Loss on disposal of property, plant and equipment	(188)	(117)
Charitable contribution	(894)	(116)
	1,487	1,345

19 CONSOLIDATED SUBSIDIARIES

	Percentage (%) of ownership interest at 31 March 2007
Regional pipeline operators	
OAO Sibnefteprovod	100.0
OAO Chernomortransneft	100.0
OAO MN Druzhba	100.0
OAO Privolzhsknefteprovod	100.0
OAO Transsibneft	100.0
OAO Verkhnevolzhsknefteprovod	100.0
OAO Tsentrsibnefteprovod	100.0
OAO Severnye MN	100.0
OOO Baltnefteprovod	100.0
OAO Uralsibnefteprovod	75.5
OAO Severo-Zapadnye MN	64.0
OOO Vostoknefteprovod	100.0
Other services	
OAO Giprotruboprovod	100.0
OAO Svyaztransneft	100.0
OAO CTD Diascan	100.0
OAO Volzhsky Podvodnik	100.0
ZAO Centre MO	100.0
OOO Trade House Transneft	100.0

(in millions of Russian roubles)

19 CONSOLIDATED SUBSIDIARIES (continued)

	Percentage (%) of ownership interest at 31 March 2007
OAO TsUP Stroineft	100.0
OOO Spetsmornefteport Primorsk	100.0
OOO TransPress	100.0
OOO TsUP VSTO	100.0
OOO Transneft Finance	100.0

All of the consolidated subsidiaries are incorporated in the Russian Federation. There were no material changes in the structure of the Group during the three months ended 31 March 2007.

20 CONTINGENT LIABILITIES, COMMITMENTS AND OTHER RISKS

Contingent liabilities

Legal proceedings

The Group is a party to certain legal proceedings arising in the ordinary course of business.

In the opinion of management of the Group, there are no current legal proceedings threatened or outstanding which could have a material adverse effect on the results of operations or financial position of the Group.

Taxation

Russian tax and customs legislation is subject to varying interpretations and changes which can occur frequently. Management's interpretation of such legislation as applied to the transactions and activity of the Group may be challenged by the relevant regional and federal authorities. Recent events within the Russian Federation suggest that the tax authorities may be taking a more assertive position in their interpretation of the legislation and it is possible that transactions and activities that have not been challenged in the past may be challenged in the future. As a result, significant additional taxes, penalties and interest may be assessed. Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year of review. Under certain circumstances reviews may cover longer periods.

21 RELATED PARTIES AND KEY MANAGEMENT PERSONNEL COMPENSATION

The Government of the Russian Federation, through the Federal Agency for the Management of Federal Property, owns 100% of the ordinary shares of the Company and controls its operations through Board members representing certain Ministries and other Federal bodies. The Government also appoints the members of the Federal Tariff Agency which sets the tariff rates.

The Group's transactions with other state-controlled entities occur in the normal course of business and include, but are not limited to the following: purchase of electricity for production needs, transportation of oil produced by state-owned entities, and transactions with state-controlled banks.

The Group had the following significant transactions and balances with state-controlled entities:

	Three months ended 31 March 2007	Three months ended 31 March 2006
Revenue from oil transportation services	14,003	12,847
Electricity expenses	529	410
Interest expenses	950	78

(in millions of Russian roubles)

21 RELATED PARTIES AND KEY MANAGMENT PERSONNEL COMPENSATION (continued)

	31 March 2007	31 December 2006
Receivables and prepayments	22	20
Cash	1,148	1,157
Advances received for oil transportation services	2,682	3,570
Non-current and current borrowings	55,856	66,260

Transactions with the state include taxes which are detailed in the balance sheet, income statement and Notes 9, 14, 16 and 18.

Key management personnel compensation

Compensation payable to the key management personnel of OAO AK Transneft and its subsidiaries consists of contractual remuneration for their services in full time executive positions. Compensation amounts were as follows:

	Three months ended 31 March 2007	Three months ended 31 March 2006
Salaries and bonuses	33	24
Termination benefits	1	1
Other	4	2
	38	27

22 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign exchange risk, interest rate risk, commodity price risks, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effect on the Group's financial performance.

Foreign exchange risk

The Group's overall strategy is to have no significant net exposure in currencies other than the Russian rouble or the US dollar. Furthermore, the Group does not use foreign exchange or forward contracts.

As a 31 March 2007, if the US dollar had strengthened by 10% against the Russian rouble with all other variables held constant, post tax profit for the three months would have been RR 2,537 (for the three months ended 31 March 2006 – RR 205) lower mainly as a result of foreign exchange losses on translation of US dollar-denominated borrowings.

Interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group obtains borrowings from banks at current market interest rates and does not use any hedging instruments to manage its exposure to changes in interest rates. Changes in interest rates may occur but they are not expected to have a material impact.

Commodity price risk

The Group's main activity requires it to maintain and replace the existing pipeline network and to construct new

22 FINANCIAL RISK MANAGEMENT (continued)

pipelines. This necessitates the purchase of significant amounts of steel pipe each year for new and replacement pipelines and of crude oil as linefill. The Group does not have long-term contracts with the manufacturers of pipe or the producers of crude oil and does not use derivative contracts to manage its exposure to fluctuations in the price of steel or crude oil.

Credit risk and contract performance

The Group does not hold or issue financial instruments for hedging or trading purposes and its trade accounts receivable are unsecured. The Group has no material concentrations of credit risk.

Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and availability of funding from an adequate amount of committed credit facilities. Group maintains flexibility in funding by maintaining availability under committed credit lines.

Capital risk management

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

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

23 POST BALANCE SHEET EVENTS

In April 2007, the President of the Russian Federation signed a decree No. 473 authorising the Company to receive 100% of the ordinary shares of OAO AK Transnefteproduct, which are owned by the Russian Federation in return for additional ordinary shares of the Company. The transaction is expected to be effected by September 2007.

In April 2007, the President of the Russian Federation signed Presidential decree No. 565 authorising the transfer of the 24 per cent. stake in the Caspian Pipeline Consortium-R and Caspian Pipeline Consortium-K stock companies held by the Russian Government to Transneft in trust. In order to execute this decree, the Federal Agency for the Management of Federal Property ("Rosimushchestvo") and Transneft as trustee signed a trust agreement on 22 June 2007.

In June 2007, the Group issued Eurobonds in the amount of USD 0.5 billion at an interest rate of 6.103% and EUR 0.7 billion at an interest rate of 5.381% due in 5 years. Proceeds from the loan are to finance the construction of the East Siberia – Pacific Ocean pipeline.

In June 2007, Sberbank, a state-controlled bank, was selected through a tender process to provide a credit facility for up to RR 145,000 due in 7 years and RR 65,000 due in 1.5 years to be available for the purpose of financing the construction of the Eastern Siberia-Pacific Ocean pipeline and other pipeline projects approved by the Russian Government.

In June 2007, shareholders of the Company approved payment of dividends for 2006 in the amount of RR 823 (ordinary shares – RR 472, preferred shares – RR 351) at the annual general meeting of shareholders. The whole amount of dividends is expected to be paid before 31 December 2007.