

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 3rd (Third) Quarter of 2003

*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*

Acting President _____ **E. Y. Poltorak**

13 November 2003

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 "Сибнефт"**

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) 777-3127**

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 placed securities

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**

Data on placed share issues

The authorized capital of the Company is equal to 7,586,079.4224 rubles and has been formed by placing two issues of registered ordinary shares conferring on their holders equal rights. All the placed shares are voting shares.

Securities circulation data

The shares are included in the quote list A1 of the Moscow Interbank Currency Exchange (<http://www.micex.ru/>). Search by SIBN code. The shares are included in the quote list A1 of the RTS Stock Exchange (<http://www.rtsnet.ru/>). Search by SIBN code. 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 depositary 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 Регистрар 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.rrost.ru/>

E-mail address: rost@rrost.ru

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

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**
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

Full corporate name of the credit organization: *ZAO Raiffeisenbank Austria, Moscow*

Business address: *Moscow*

Taxpayer Identification Number: *7744000302*

BIK: *44525700*

Correspondent account of the credit organization: *30101810200000000700*

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 elected by a General Meeting of Shareholders by a majority vote. The Board of Directors offers the Meeting of Shareholders its recommendations on several candidates on the basis of the Audit Committee's opinions.

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.

2. Basic Information About the Issuer's Financial and Economic Condition

2.1. The indicators of the financial and economic activities of the issuer, given herein according to the data contained in the unconsolidated financial statement for the 3rd quarter of 2003, drawn up in accordance with Russian standards:

Issuer's net asset value, rubles	Russian MinFin and FSC Order № 10H/03-6/ПЗ of January 29, 2003	19 305 763 000
Ratio of borrowings to capital and reserves (%)	L590+690 f1/L490 f1 x 100%	742.08%
Ratio of short-term obligations to capital and reserves (%)	L690f1/L490f1x100%	466.64%
Turnover of net assets, times	L010 form2/NA	2.954
Accounts payable turnover, times	L020 form2/ 620 form1	2.24 times
Receivables turnover, times	L010f2/(L230+L240f1-L244f)1	2.051times
Share of tax profit in profit before taxation (%)	L150 f2/L140 f2x100%	37.66 %

2.2. Market capitalization

The maximum weighted average price, as calculated from the ten largest transactions made at the RTS Stock Exchange for the month of August 2003, was 2.4557 dollars. Capitalization amounted to 11 643 209 523 rubles.

2.3. The commitments of the issuing company

2.3.1. Credit indebtedness according to data from the unconsolidated financial statement drawn up according to Russian standards:

IV. LONG TERM LIABILITIES	Line code	'000 rubles
Loans and credits (92, 95)	510	53 712 493
credits of banks repayable more than 12 months after date of account	511	53 712 493
loans repayable more than 12 months after date of account	512	
Other long-term liabilities	520	
TOTAL for Section IV	590	53 712 493
V. SHORT TERM LIABILITIES		
Loans and credits (90, 94)	610	28 612 590
credits of banks repayable within 12 months after date of account	611	3 979 547
loans repayable within 12 months after date of account	612	24 633 043
Credit indebtedness	620	30 469 871
suppliers and contractors (60, 76)	621	28 664 847
bills payable (60)	622	26 803
indebtedness to subsidiary and dependent companies (78)	623	
indebtedness to company staff (70)	624	19699
indebtedness to state off-budget funds (69)	625	3 721
indebtedness to the budget (68)	626	751 207
advances received (64)	627	1 001 702

other creditors	628	1 892
Incomes payable to members (founders) (75)	630	31916 120
Deferred incomes (83)	640	8
Reserves for deferred expenses (89)	650	
Other short term liabilities	660	
TOTAL for Section V	690	90 998 589

The largest creditors are:

Credits repayable in more than 12 months

Creditor	Sum of indebtedness as on 01.10.20034 ('000 rubles)	Debt incurred when	Date of repayment	Credit conditions
Salomon Brazers	15 928 900	03.12.2002	January 2009	10.75%
Salomon Brazers	12 379 670	13.02.2002	February 2007	11.50%
West LB AG	8 303 456	04.07.2002	January 2006	Libor+2.15%
West LB AG	2 403 723	24.10.2002	April 2006	Libor+3.15%
Raiffesen Zentrabank Oesterreich	4 608 321	10.12.2002	December 2005	Libor+3.25%
BNP Paribas S.A., London Branch	4 388 268	25.07.2002	July 2007	Libor+3%
Societe Generale SA	3 667 907	20.12.2001	May 2005	Libor+3.8%

Those credits formed more than 10% of the value of the Company's net assets as on October 1, 2003

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

Security to third parties was not provided.

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

2.5. Risks involved in the acquisition of placed emission securities

No share issues have been effected over the last five years.

3. Detailed information on the issuer

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

AO 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 stages of success:

- Sibneft was the first among Russian corporations to issue Eurobonds in August 1997.
- It was the first among the companies of Russia to adopt a Corporate Governance Code in July 1998.
- As also the first among Russian companies to receive a large credit from western banks after the financial crisis in Russia in September 1998.
- It was the first among vertically integrated Russian oil companies to issue a consolidated financial statement in accordance with the international US GAAP standard.
- It was the first among Russian oil companies to work out business planning, budgeting and monitoring techniques which make it possible to assess the efficiency of investments at the level of individual fields.
- And the first among Russian oil companies to set up a modern center of modeling where geological and hydrodynamic field development simulation models are constructed.
- In August 2001 года the largest dividends in the history of Russian corporations were paid out to its shareholders.
- In January 2002 the company placed Eurobonds to the amount of \$400 million, and in December, \$500 m - these being the largest issues of corporate bonds in Russian history.

Expansion in oil production volume

The program for the growth of oil production was launched by the company in 2000. In the spring 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 Sugmutszkoye Field. The international service company Schlumberger provided Sibneft with state of the art technologies.

In 2001 Sibneft goes 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 the Yugraneft company a joint venture, Sibneft - Yugra, was set up, 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 company's output 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, possessing a license to develop the Meretoyakhinskoye Field in the Yamalo-Nenets Area (reserves - 121 million tons).

The expansion of the company's 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, with an installed capacity of 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 Omsk Refinery modernization program an alkylation plant was completed in 2001, for which the French engineering group Technip had supplied the equipment. The reconstruction is now under way of the catalytic reforming plant with the use of the equipment being supplied by Eurotechnica Contractors and Engineers, an Italian firm. The catalytic cracking unit was reconstructed and a fully automatic automobile oils loading line was installed, for which the Swiss firm SIG Blowtec had 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 - up to 12 thousand tons a month) and thus become the second largest producer of motor oils in Russia. In 2002 the total capacity of the oil block was 20 thousand tons a month.

The growth of the marketing network

The growth of crude oil refining volumes has determined the expansion of the marketing network of Sibneft, which has extended its selling operations far beyond the Omsk Region, where OAO Sibneft-Omsknefteprodukt holds the leading position. A strategy which 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 oil refining products via ZAO Kuzbassnefteprodukt, OAO Sibneft-Barnaulnefteprodukt, OAO Tyumennefteprodukt, OAO Sverdlovsknefteprodukt, OAO Yekaterinburgnefteprodukt, and OAO Novosibirsknefteprodukt (on a parity basis with the oil company Yukos), controlling more than 1,100 gas stations. In June 2002 an agreement was reached to acquire a marketing network in the Tomsk Region, where Sibneft expects to take up 20% of the market of automobile gasoline. A dealer network is being formed in Krasnoyarsk Territory. Finally, Sibneft has opened a network of gas stations in Moscow. During 2002, the number of gas stations controlled by the company rose by more than 300, and the volume of retail and petty wholesale realization of automobile gasolines and diesel fuel in the home market went up by more than 18%, reaching 2.7 million tons. Sibneft is carrying out a large-scale reconstruction of gas stations and tank farms, the construction of new gas stations, and the promotion of its brand.

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: **OAO "Sibneft"**

Data on changes in the name and the institutional form of the issuer: **there have been no changes.**

3.1.2. Data on the state registration of the issuer and on what licenses it has

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

Number of the certificate of state registration (or other document confirming the state registration of the issuer):

38606450

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

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

Main state registration number: **1025501701686**

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

3.1.3. Information on the Creation and Development of the Issuer

Sibneft is a vertically integrated company actively expanding in the fields of oil exploration and production and the manufacture and realization of oil products. It was formed in 1995 and is currently the fastest growing oil company of the country. The priority geographical region: Russia and the CIS. The expertise and production resources of Sibneft enable securing a higher return on capital invested than in other countries.

The Company's mission

The mission of Sibneft is to be a confident leader in the sectors of oil exploration and production and the manufacture and realization of oil products by using its own potential and acquiring new assets, and to ensure long term and profitable business growth with a view to increasing the value of its shares and the income of its shareholders.

Exploration and production

OAo Noyabrskneftegaz is the main producing enterprise of Sibneft and one of the largest producing enterprises in the Russian Federation. Founded in April 1981. Production is being run on its fields in the Yamalo-Nenets and Khanty-Mansi Autonomous Areas of western Siberia.

OAo Noyabrskneftegazgeofizika is a service geophysical enterprise. Its primary activity involves the performance of service works on the fields of Noyabrskneftegaz: well logging, perforation, seismic data preparation. In the future Sibneft plans to make Noyabrskneftegazgeofizika an independent service company.

OAo Meretoykhaneftegaz – since 2002 Sibneft owns 67% of the authorized capital of this company. This enterprise is developing the Meretoyakhinskoye Field north of the main zone of activity of Noyabrskneftegaz.

OOO Sibneft-Yugra is a joint venture with OAo Yugraneft. Set up in 2000 to develop the Palyanovskoye Field and the southern part of the Priobskoye Field in western Siberia.

Refining, marketing and sales

Omsk Refinery is the main oil refining enterprise of Siberia. The refinery began work in 1955. As a result of its continual modernization the Omsk Refinery currently has the largest and technologically most perfect capacities in the Russian Federation.

Sibneft is continually expanding its wholesale and retail network for the sale of oil products. For the most part this is being done in western Siberia. OAo Sibneft-Omsknefteprodukt is a marketing enterprise carrying on large-scale wholesale, small-scale wholesale and retail sales of Omsk Refinery products in the Omsk Region. Sibneft owns more than ten oil product supply enterprises, including the network of gas stations in Moscow and the Moscow Region:

- 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-Tomsknefteprodukt

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

The unit for relations with investors - Victor Mishnyakov e-mail: victorm@sibneft.ru

The address of the corporate site on the Internet: www.sibneft.ru

3.1.5. Taxpayer identification number. INN 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

The main kinds of OAO Sibneft activity:

- **oil and gas exploration and production;**
- **oil refining;**
- **sale of oil and oil products.**

Based on data from the unconsolidated financial statement drawn up in accordance with US GAAP standards:

Operating loss for the first half of 2003 (Line.140 f2): **-606 973 000 rubles**

Operating loss for the first nine months (Form2 Line140): **- 531 820 000 rubles**

Change in the amount of the financial result: **a decrease of loss by 75 153 000 rubles**

The seasonal character of primary activity: (season): among the activities OAO Sibneft carries on there are no activities of a seasonal character.

3.2.3. The main types of products (works, services)

The main types of products are:

- oil, associated gas;
- oil refining products.

The dynamics of change of the disbursing price during the quarter of account: **there were no price changes of 10% and more, compared to the previous quarter.**

	Totale	Oil	Oil products
Volume of production, '000 tons		345.467	4 255.292
Average price (9 months), rubles		4 244	6 071
Proceeds, '000 rubles.	34 291 583	7 032 978	27 135 035
Share in total sales volume		20.5%	79.1%
Producer's price index 3rd quarter, %		101.2%	112.2%

Cost structure	100.0%	100.0%	100.0%
Supplies	47.8%	0.0%	60.6%
Purchased goods	16.9%	69.4%	2.4%
Works and services performed by outside org.	9.8%	3.3%	11.6%
Fuel	0.0%	0.0%	0.0%
Energy	0.0%	0.0%	0.0%
Pay for work	0.5%	0.5%	0.5%
Interest on credits	8.5%	2.0%	10.4%
Rent	0.0%	0.0%	0.0%
Social contributions	0.0%	0.0%	0.0%
Depreciation of fixed assets	0.2%	0.5%	0.2%
Taxes included in cost	1.0%	2.4%	0.6%
Other expenses	15.3%	21.9%	13.7%
Net proceeds	100.3%	100.1%	100.4%

Pattern of product sales		100.0%	100.0%
Direct sales		100.0%	69.0%
Own trade network		0.0%	26.0%
Controlled trade network		0.0%	5.0%
Other		0.0%	0.0%

3.2.5. Sales markets for the issuer's products

Sales markets for the issuer's products (works, services):

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, OOO Sibneft - AZS Servis 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.

3.2.6. Practices followed with respect to circulating capital and stocks

The company is pursuing a policy aimed at the optimization of the volume of circulating capital and stocks.

3.2.7. Raw materials

Sources of raw materials, supplies and services:

The company Sibneft and its subsidiary enterprise OAO Sibneft-Noyabrskneftegaz have licenses to develop hydrocarbon deposits on the territory of the Yamalo-Nenets and Khanty-Mansi Autonomous Areas and the Omsk Region.

For the production process OAO Sibneft both attracts its own subsidiary enterprises and employs the services of a number of Russian and foreign contractors. Its suppliers of material and technical resources are Russian and foreign producers.

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

3.2.8. Major competitors

The major competitors of the oil company OAO Sibneft are the vertically integrated Russian oil companies, with which its competition is concentrated for the most part in the sales markets of oil refining products.

3.2.9. Information on the availability of licenses

Date of state registration of the issuer: **August 21, 2002**

Number of the certificate of state registration (or other document confirming the state registration of the issuer): **1025501701686**

Authority that effected the state registration: **The Inspectorate of the Russian Federation Ministry of Taxes and Levies for the Lyubinsky District of the Omsk Region (OAO Sibneft was registered on October 6, 1995, by the Omsk City Registration Chamber of the Omsk City Administration, № 38606450)**

Licenses:

Number: **CJIX № 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 CJIX 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 CJIX 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 CJIX 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.*

3.2.12 The main kinds of activity of OAO Sibneft are: prospecting for, and the development of oil and gas fields, oil and gas production, oil and gas processing, the manufacture of oil products, and the realization

of oil and oil products

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 constituted 27.4% and reached a level of 26.344 million tons (including the fields of OAO Sibneft, OAO Sibneft-Noyabrskneftegaz, OAO Sibneft-Yugra and OAO Meretoyakhaneftgaz). Production in 2003 is targeted for 33 million tons of oil, an increase of more than 25% on 2002.

The Company's development strategy 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, 23 fields were being developed, including the Krapivinskoye (OAO Sibneft) and the Priobskoye and the Palyanovskoye (OAO Sibneft - Yugra). In 2002 the number rose to 24, with the Meretoyakhinskoye Field, belonging to OAO Meretoyakhaneftgaz, in which OAO Sibneft and friendly structures control 67% of the stock since April 2002.

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 2002 came to more than 19.1 tons per well, and that of the new wells to about 84.9 tons per well.

The Company possesses a strong resource base for the expansion of production. According to an audit by the US company Miller & Lents, its proved recoverable oil reserves amounted to 644 million tons at January 1, 2002.

The acquisition by friendly structures of control over a nearly 50% parcel of OAO Slavneft shares will greatly increase the production, reserves and value of the Company.

Refining and sales

The overall volume of refining at the Omsk Refinery in 2002 constituted 13.26 m tons, up 0.04% on the previous year. While maintaining the overall volume of refining, the Company in 2002 increased the output of white products to 71.26%. The depth of refining in comparison with 2001 rose by 1,8% and stood at 83,2%.

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

The proportion of oil product exports in 2002 was 20,6% (2.527 m t). The remaining share of oil products (79,4%) falls on domestic wholesale and retail sales through the Company's own subsidiary oil product supply enterprises.

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% is delivered 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.

The total number of sales enterprises of the Company is more than ten.

OOO Sibneft AZS - Servis was set up in December 2001 to run the gas stations being acquired by the Company in Moscow and its suburbs.

By the end of 2002 the number of own gas stations run by OOO Sibneft AZS - Servis reached 26. The retail sales of this enterprise over the year came to 20.5 thousand tons.

In 2003 Sibneft expanded its activity on the markets of the European part of Russia, primarily in the markets of Moscow, St. Petersburg and Nizhny Novgorod. The acquisition by friendly structures of 38% of the stock of the Moscow Refinery has markedly strengthened the positions of the Company as a major oil refiner.

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 priority 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, Baker Hughes and Deutag (horizontal well drilling, hydraulic fracturing of formations, sidetracking);
- supplementary exploration of oil reserves by exploratory drilling, the conduct of 3D seismic surveys;
- 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.

The draft 2003 business plan envisages further developing the priority lines of the main kinds of activity of the Company, increasing oil producing assets and a maximum return on fixed assets, raising efficiency and cutting down expenses.

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*

3.6. 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 100% of the voting shares of 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-Omsknefteproduct
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."	Rotterdam, Netherlands	Financial activity	OAO Sibneft exercises direct control via actual possession of 100% of the voting

	(no operations within the territory of the Russian Federation)			shares in the authorized capital of the company Sib Finance B. V.
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 69.12% 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 Rulytegina 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	1 Zaozyorny Per., Tomsk 634009,	Operation of filling	OAo Sibneft exercises direct control via actual possession of 100% of the shares in

	"Sibneft-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 78.49% of the voting shares of OAO Sibneft-Tyumennefteprodukt
25	OOO Fin Trade	19 Novomytishchinsky Prospekt, Mytishchi, Moscow Region 141008	Wholesale and retail trade	OAo Sibneft exercises direct control via actual possession of 100% of the stakes in OOO Fin Trade
26	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"
27	OOO "Sibneft-St. Petersburg"	10 Sovetsky Prospekt, St. Petersburg 197706, Russia	Sale of oil products	OAo Sibneft exercises direct control via actual possession of 53.99% of the voting shares of OOO Sibneft-St. Petersburg

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

FIXED ASSETS	Initial (replacement) value (rubles)	Residual (net of amortization) value before revaluation (rubles)
Plots of land and resource use facilities	16 345 676.54	16 345 676.54
Buildings	207 702 911.28	197 264 214.47
Structures	2 669 565 207.76	2 461 126 777.72
Machinery and equipment	323 954 184.96	276 658 585.52
Transport vehicles	140 097 226.54	97 023 957.62
Production and household implements	75 399 896.61	55 720 658.20
Draft cattle	0	0

Productive stock	0	0
Perennial plantings	0	0
Other kinds of fixed assets	704 726 852.92	657 609 581.36
Total (sum of lines 360 - 369)	4 137 791 956.61	3 761 749 451.43
including: productive	3 905 999 470.47	3 639 969 827.84
Nonproductive	231 792 486.14	121 779 623.59
TOTAL	4 137 791 956.61	3 761 749 451.43

3.7.2. Value of the immovable property

The overall value of the immovable property: (lines 361 и 362 form 5/3) **2 877 268 119.04 rubles**

The amount of accrued depreciation: (line 395 notes to form форме 5/3) **218 877 126.85 rubles**

4. 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 as per unconsolidated financial statement drawn up in accordance with Russian standards:

Name of indicator	Method of calculation	Value
Revenue, rubles	line010 form2	85 135 794 000
Gross profit, rubles	line010-line020 form2	16 834 330 000
Loss, rubles	line190 form2	-732 106 000
Labor productivity, rubles/man	line010form2/number of employees	112 279 319.48
Output-capital ratio, %	line010 form2 / line120 form1x100%	2 263
Product profitability (return on sales), %	line050 form2 / net-line010 form2	0.095
Amount of uncovered loss as on date of account, rubles	line465 +line475 form1	1 424 152 000
Ratio of uncovered date-of-account loss to currency of balance sheet	line465+475 form1 / line300 form1	0.0086

4.2. The issuer's liquidity as per unconsolidated financial statement drawn up in accordance with Russian standards:

Name of indicator	Recommended method	
Own circulating assets, rubles	line 490-455+640-190-230 form 1	- 49 287 533 000
Leverage ratio	line 590+690-640 / 490-450+640 form 1	7.495
Coefficient of autonomy of own funds	line 490-450+640 / line300 form 1	0.1175
Permanent asset index	line 190+230 form 1 / line490-450+640 form 1	3.53
Current ratio	line 290-230 form1 / стр.690-640 form 1	1.048
Quick ratio	line 290-210-220-230 form 1 / line.690-640 form 1	0.98

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

4.3.1. The issuer's capital and circulating assets - amount and structure

1. the amount of authorized capital (line 410 form 1) **7 586 thousand rubles**

2. the number of shares of the issuer bought back for subsequent resale (transfer): **5 307 pieces**

3. the balance book of the issuer's shares bought back by the issuer for subsequent resale (transfer): **297 thousand rubles**

4. the above shares' proportion of the placed shares of the issuer (ratio of the number of redeemed shares to the number of placed shares): **5 307 / 4 741 299 639 = 0.00000111**

5. the amount of reserve capital of the issuer, made up of deductions from the issuer's profit (line 430 form 1): **1 084 thousand rubles**
6. the amount of additional capital of the issuer, reflecting the increase in value of the net assets, identified by the results of revaluation, as well as the amount of the difference between the selling price and nominal value of Company shares owing to their being sold at a price exceeding the nominal value (line 420 form 1): **7 807 598 thousand rubles**
7. the margin of undistributed net profit of the issuer (line 460+470 form1): **43 447 609 thousand rubles**
8. the size of special funding resources (line 450 form 1): **194 883 thousand rubles**
9. the total amount of capital (line 490 форма 1) **19 500 638 thousand rubles**

4.3.2. The sufficiency of capital and circulating assets

Average daily operating expenses in the 2nd quarter of 2003r **328 393 thousand rubles**
 Own circulating assets as on October 1, 2003 **4 424 952 thousand rubles**

4.3.3. Cash

Cash requirements for the fourth quarter: **30 billion rubles**
 Sources of cash - sales proceeds: **35 billion rubles**
 Blocked accounts: **there are no such accounts**

4.3.4. Financial investments by the issuer

For placement in securities:

The financial investments that make up more than 10% of all the financial investments of the company at the date of end of the quarter of account

Type of security	Registered ordinary shares
Name of issuer	ОАО Sibneft-Noyabrskneftegaz
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	75
Overall nominal value of the securities owned	6 194 621 250.00
Total book value	8 930 537 754.53
Size of preference dividend	Dividends not being paid
Size of declared ordinary dividend, payout time	Dividends not declared

Type of security	Registered preference shares
Name of issuer	ОАО Sibneft-Noyabrskneftegaz
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

For other financial investments:

Object of financial investment	Loan without interest
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Name of organization	OOO 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

Name of group of intangible assets	Full value (rubles)	Amount of accrued depreciation (rubles)
Intellectual (industrial) property rights	900 000.00	97 500.00
Rights to use discrete natural areas	255 339 687.32	29 831 590.88
Reorganization expenses	0	0
Goodwill	0	0
Other	36 574 834.96	14 666 404.00

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 cut-downs 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.

5. Detailed data on the persons who are members of the managing bodies of the issuer, of the bodies of the issuer for control over its financial and economic activities and brief information on the executives (employees) of the issuer

5.1. Information on the structure and competence of the managing 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 make transactions involving the acquisition, alienation or the possibility of alienation by the Company directly or indirectly of property the value of which forms 10 percent and more of the book value of the Company's assets, with the exception of transactions made as part of routine economic activities, as well as any other transactions for which the Federal Law on Joint Stock Companies and the present 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 of office and the remuneration of the services of the President of the Company are to be determined by a contract the President concludes 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 GOVERNANCE

ADOPTED IN 1998 (remains as then worded)

Principles

Sibneft strives to implement a principle which the Company intends to adhere to, notably the principle of bona fide management. The Company recognizes the value of the contribution which it makes to the cause of creating an environment for long-term business prosperity, of ensuring accountability to its shareholders and of developing and maintaining effective mutual relations with shareholders at the appropriate level.

The Board of Directors is accountable to all the shareholders of the Company and shall bear responsibility for the nature of relations with employees/co-owners of the capital of the Company, customers, suppliers, creditors and local communities and authorities.

The Board is called upon to see to it that the Company is so run as to ensure over the long period maximum value for its shares and to have the interests of all the co-owners of capital duly observed.

Sibneft attaches quite a lot of importance to the appointment of independent directors. They play a major role in enhancing the significance of the adoption of strategic decisions, ensuring the achievement by the Company of successes and controlling the process of its development.

Sibneft adheres to the principle of equal attitude to all its shareholders. As far as possible, the Company will provide equal access to information for all its shareholders.

Sibneft considers that a full openness and transparency of all the kinds of its activity are cornerstones of the process of high-quality management. The character of its external ties will be a reflection of that belief.

The Board of Directors

The Sibneft Board of Directors shall bear responsibility for the choice of guidelines for the strategic development of the Company, for the direction and control of Company activities and for the control of the activities of its executive managers.

No less than 25% of the Board or three of its members, whichever is greater, will be represented by independent directors. They will be independent of the Management of the Company and free from any restraining factors capable of tangibly affecting the expression by them of their independent opinion.

The Board will meet at least six times a year. The Chairman of the Board of Directors will - with the concurrence of the Chief Executive Manager - work out the agenda for each Board meeting.

The Chairman will be responsible for providing a possibility for each Board member to participate fully in all the kinds of its activity.

The General Manager of the Company will implement the management strategy and policies approved by the Board, and in everyday practice will be a different person than the Chairman of the Board.

The Board will present a report containing a well-balanced and clearly stated assessment of the achievements of the Company and of its prospects.

The Board will sustain a reliable and reasonable system of internal regulation of the activities of the Company in order to ensure the safety of the capital invested by its shareholders as well as of the assets of the Company.

The Board will receive information and data in a form and of a quality which will enable it to perform its duties in a most efficient way.

Committees

The Board also will delegate some of its functions to the Committees of the Board, which will be accountable to it. Among the most important Committees of the Board are the Nomination Committee, the Remuneration Committee and the Auditing Commission. The conditions of accountability of each of the Committees will be set by the Board.

Should need arise the Board may wish to set up new Committees, at the head of which it will place members of the Board.

The Chairman of each of those Committees will be appointed by the Board. By agreement with the rest of the members he will determine the periodicity and duration of the meetings of each particular Committee.

The Chairman of each Committee, with the concurrence of the appropriate senior executives and employees of the Company, will work out the agenda for meetings of each of the Committees.

The Committees will receive information and data in a form and of a quality which will meet the requirements for their performance of their duties.

The duties of Directors

All of the Company's directors shall be accountable to the shareholders of the Company and shall bear responsibility for the performance of their duties in a spirit of loyalty, reasonableness and with a high degree of professionalism.

Independent directors

Independent directors shall express their independent opinions. These directors shall have a knowledge and experience of tackling global industrial tasks, work in foreign markets, financial and economic matters and/or other kinds of business information necessary for making the most valuable contribution to the achievement by the Company of successes in its activity.

The Management Promotions and Performance Assessment Committee

The Management Promotions and Performance Assessment Committee will in appropriate cases recommend to the full-strength Board of Directors candidates for the promotion to the posts of Executive and Independent Directors. This Committee will also carry out an assessment analysis at least once a year of the necessary qualification and characteristics of the members of the Board, based on the requirements of current production activity.

Election

All the directors shall have to appear before shareholders for election with regular periodicity, at least once in three years. Apart from the names of the candidates, information on them shall also contain biographical data.

Directors' remuneration

The Company will set up a Remuneration Committee made up of independent directors and acting on the basis of proposals by senior executives of the Company. The Commission will suggest to the Board of Directors appropriate remuneration schemes for the Directors. Directors will not take part in any discussion of the payment of remuneration to them themselves. The size of remuneration will be such as to be attractive and capable of stimulating continued work in his position of a director of the appropriate qualifications and rank.

Accountability to Auditors

The Sibneft company will set up an Audit Committee whose task will be to study Operating Reports and Consolidated Funds Flow Statements. The Committee will be made up of independent directors carrying on their activity jointly with the Chief Accountant and senior executives of the Company.

Its task will also include supervision of the volume of auditing operations and their financial effectiveness as well as assessment of the degree of independence and objectivity of the auditors.

The Audit Committee will also exercise control over financial managers' activity, the management of financial and other risks, compliance with laws and regulatory acts, the drawing up of technical surveys, the preservation of assets and the assessment and consideration of business risks in practical work.

In carrying out its functions the Audit Commission may at its discretion independently get consultations from inside and outside auditors and other relevant organizations.

The Audit Committee will regularly report to the Board of Directors at least once a year.

Shareholders

The Company recognizes the importance of a dialogue between current and potential investors and is committed to long-term work in the market in which it operates.

Its public relations policy stems from the necessity to provide for enhanced information flows between investors and the Company with the aid of all the mass media of information, including electronic media.

The Company also considers itself duty-bound to see to it that regular and systematic contacts and ties exist between the Company and investors in regard to its strategy, the tasks of its operation and a specific solution of these tasks.

Public relations

The Company publishes this document on the Management's corporate policies, and an account of its implementation in its Annual Report and will present it to the participants of the Annual General Meeting of Shareholders.

5.2. Information on the persons who are members of the managing 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 – up to the present** Organization: **OAO Investment Company "Prospekt"**

Position: **General 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 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 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 - up to the present** Organization: **ZAO SKRIN**

Position: **Executive 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**

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: **OAO 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 Year of birth: **1964**

Positions held in the last five years:

Period: **1998 - up to the present** Organization: **OAO 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**

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

Positions held in the last five years:

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

Share in the authorized capital of the issuer: **0.0009%**

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 OAO Сибнефть 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.**

The Collective Managerial Body – Management:

Shvidler, Yevgeny Markovich – Chairman of OAO Sibneft 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.**

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

Positions held in the last five years:

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

Position: **Head of the Department of Strategic Development**

Period: **1999 - up to the present** Organization: **OAO 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: **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.**

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 Company 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 such 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. Staff number data and generalized data on the education and on the composition of the executives (employees) of the issuer, as well as on the changes in staff number

Name of indicator	Reporting period
Average payroll number of employees	758.25
Statistical data on the issuer's staff	
Employees aged less than 25, %	4%
Employees aged 25-35, %	24%
Employees aged 35-55, %	60%
Employees aged over 55, %	12%
TOTAL	100%
of whom: those with secondary or complete general education, %	15%
those with primary or secondary professional education, %	9%
those with higher professional education, %	72%
those with post-college professional education, %	4%

5.8. Information on any obligations of the issuer to its executives (employees)

No option schemes of remuneration are being applied.

6. Information on the issuer's shareholders and affiliated transactions

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

The total number of shareholders (participants): 12 261 personal accounts on the Register of Shareholders

The total number of nominal holders: 20

6.2. Information on the holders of not less than five percent of its authorized capital or not less than five percent of its ordinary shares, as also information on the participants of such persons that hold not less than 20 percent of their authorized capital or not less than 20 percent of their ordinary shares

The shareholders (participants) with not less than five percent of the authorized capital of the issuer or not less than five percent of its ordinary shares:

OOO Deutsche Bank, a nominal holder entered in the register of shareholders as of October 1, 2003

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 holder 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., Neft'yugansk, Khanty-Mansi Autonomous Area 628309

Mailing address: 31A Dubininskaya St., Moscow 115054, Russian Federation

6.3. Information on the share of participation of the state or a municipal entity in the issuer's authorized capital 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.

6.6. Information on the issuer's affiliated transactions

There were no affiliated transactions during the period of account.

6.7. Information on the size of the debts receivable

	Due date	
	Up to one year (rubles)	More than one year
Debts receivable, in all	41 497 473 480	
Overdue, rubles	6 225 343 583	
Buyers and customers	23 819 976 735	
Bills receivable	215 424 948	
Indebtedness of the subsidiary and dependent companies	4 502 620 012	
Participants' debts on contributions to authorized capital	-	-
Advances paid out	8 561 958 689	
Other debtors	4 397 493 096	

Debtors who account for 10% and more of the total sum of indebtedness:

Name	INN	Sum of indebtedness (rubles)	Including overdue (rubles).
ZAO Chukotstroizakazchik	8700000071	6 545 735 622	

SIBNEFT OIL TRADE CO. LTD <i>(control person: OAO Sibneft has indirect control [via actual possession of 100% of the voting shares of Sib Finance B.V.] over 100% of the total number of votes falling on the shares which make up the authorized capital of the person in question)</i>		5 912 909 981	
OAO Sibneft-Noyabrskneftegaz <i>(control person: OAO Sibneft holds a 100% share of participation in the authorized capital of OAO Sibneft-Noyabrskneftegaz)</i>	8905000428	3 870 030 572	
OOO Sibneft-Chukotka <i>(control person: OAO Sibneft holds a 50% share of participation in the authorized capital of OOO Sibneft Chukotka)</i>	8700000346	1 781 837 754	1 760 718 884
OAO Sibneft-Omsknefteprodukt <i>(control person: OAO Sibneft holds a 100% share of participation in the authorized capital of OAO Sibneft-Omsknefteprodukt)</i>	5500000103	1 489 608 049	260 930 357
GUP CAO Chukotsnab	8709008156	1 299 893 716	389 119 392
OOO NK Sibneft - Yugra <i>(control person: OAO Sibneft has control over more than 20 percent of the total number of votes falling on the shares which make up the authorized capital of Sibneft -Yugra)</i>	8601015944	700 405 307	
ZAO Kuzbassnefteprodukt <i>(control person: OAO Sibneft has direct control over 100% of the votes falling on the shares which make up the authorized capital of Kuzbassnefteprodukt)</i>	4217035133	666 808 716	1 738 354
Lucille Sigma S.A.		618 023 014	
GREGORY TRADING S.A.		470 223 637	
OAO Sverdlovsknefteprodukt <i>(control person: OAO Sibneft has control over more than 20 percent of the total number of votes falling on the person in question Sverdlovsknefteprodukt)</i>	6661002209	420 223 637	

7. The issuer's financial statements and other financial information.

7.1. The issuer's annual balance sheet

BALANCE SHEET

as of **January 1, 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.**

	Code
Form 1 OKUD	0710001
Date (Y/M/D)	
OKPO	42045241
INN	5504036333
OKDP	
OKOPF/OKFS	47
OKEI	

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 (04, 05)	110	272 218	258 182
patents, licenses, trademarks (service marks), other similar rights and assets	111	272 218	258 182
organization costs	112		
goodwill	113		
Fixed assets (01, 02, 03)	120	1 258 280	2 764 094
land plots and natural resources	121	6 033	11 800
buildings, plant and equipment	122	1 223 767	2 733 800
Construction in progress (07, 08, 16, 61)	130	1 641 427	2 865 106
Income-bearing investment in tangible assets (03)	135		
assets to be leased out	136		
assets to be leased out under leasing contracts	137		
Long-term financial investment (06,82)	140	11 637 101	20 340 632
investment in subsidiaries	141	11 243 560	12 197 477
investment in dependent companies	142		
investment in other organizations	143	332 553	336 828
loans issued to other organizations for more than 12 months	144	57 766	7 699 164
other long-term financial investment	145	3 222	107 163
Other non-current assets	150		
TOTAL for Section I	190	14 809 026	26 228 014
II. CURRENT ASSETS			
Inventories	210	1 884 154	3 666 437
raw materials, consumables and other similar assets (10, 12, 13, 16)	211	529 024	1 073 472
rearers and fatteners (11)	212		
work in progress (20, 21, 23, 29, 30, 36, 44)	213	87 223	126 134
finished goods and goods for resale (16, 40, 41)	214	532 597	1 050 745
dispatched goods (45)	215	631 929	1 068 870
expenses of future periods (31)	216	37 427	141 164
other inventories and costs	217	65 954	206 052
VAT on purchased assets (19)	220	903 625	2 234 337
Accounts receivable (where payment is due in more than 12 months after the report date)	230		
buyers and clients (62, 76, 82)	231		
bills receivable (62)	232		
due from subsidiaries and affiliates (78)	233		
down payment made (61)	234		
other debtors	235		
Accounts receivable (where payment is due within 12 months after the report date)	240	24 340 958	62 715 058
from buyers and clients (62, 76, 82)	241	9 590 072	20 441 129
bills receivable (62)	242		228
due from subsidiaries and affiliates (78)	243	9 272 872	29 612 209
outstanding contribution by participants (founders) to the authorized capital (75)	244		
down payment made (61)	245	4 284 669	10 038 216

other debtors	246	1 193 345	2 623 276
Short-term financial investment (56,58,82)	250	8 677 946	20 241 155
loans to other organizations for less than 12 months	251	8 601 389	20 180 107
treasury stock	252	478	2
other short-term financial investment	253	67 079	61 046
Cash	260	732 106	16 812 520
cash in hand (50)	261	349	573
settlement accounts (51)	262	320 139	1 311 964
currency accounts (52)	263	28 458	15 464 128
other cash (55, 56, 57)	264	383 160	35 855
Other current assets	270		
TOTAL for Section II	290	36 538 789	105 669 507
BALANCE (line 190 + line 290)	300	51 347 815	131 897 521

LIABILITIES	Line code	As of the start of the report period	As of the end of the report period
1	2	3	4
III. CAPITAL AND RESERVES			
Charter capital (85)	410	7 586	7 586
Additional paid-in capital (87)	420	7 807 598	7 807 598
Reserve capital (86)	430	1 084	1 084
reserves formed as required by legislation	431		
reserves formed as required by the bylaws	432	1 084	1 084
Social fund (88)	440	818 796	818 796
Directed financing and receipts (96)	450	190 693	194 883
Undistributed profit of prior years (88)	460		
Uncovered loss of past years (88)	465	(1 424 152)	(1 424 152)
Retained earnings of report year (88)	470		36 590 620
Uncovered loss of report year (88)	475		
TOTAL for Section III	490	7 401 605	43 996 415
IV. LONG-TERM LIABILITY			
Loans and borrowings (92, 95)	510	18 702 097	65 393 077
bank loans due in more than 12 months after the report date	511	18 702 097	64 707 929
borrowings with repayment due in more than 12 months after the report date	512		685 148
Other long-term liabilities	520		
TOTAL for Section IV	590	18 702 097	65 393 077
V. CURRENT LIABILITIES			
Loans and borrowings (90, 94)	610	8 755 993	2 211 315
bank loans due in less than 12 months after the report date	611	5 877 300	892 283
borrowings with repayment due in less than 12 months after the report date	612	2 878 693	1 319 032
Accounts payable	620	10 628 567	20 290 685
trade accounts payable (60, 76)	621	9 191 068	19 158 793
bills payable (60)	622	72 535	25 910
debts to subsidiaries and affiliate (78)	623		
accrued payroll (70)	624	14 611	19 233
payable to state non-budgetary funds (69)	625	10 044	7 450
payable to the budget (68)	626	107 458	162 788
prepayment received (64)	627	1 232 744	914 469
other creditors	628	107	2 042
Dividends payable (75)	630	5 859 545	6 021
Deferred income (83)	640	8	8
Reserves for future expenses and payments (89)	650		
Other current liabilities	660		
TOTAL for Section	690	25 244 113	22 508 029
BALANCE (sum total of lines 490 + 590 + 690)	700	51 347 815	131 897 521

**FOR REFERENCE
ASSETS ENTERED INTO OFF-BALANCE SHEET ACCOUNTS**

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 (001)	910	8 375	17 324
including capital lease	911		

Inventory items accepted into custody (002)	920		11 000
Materials accepted for processing (003)	921		40 529
Goods accepted on commission (004)	930	201 707	41 359
Bad debt written off as losses (007)	940	61 453	46 500
Assets received as collateral for liabilities and payments (008)	950	944 730	917 243
Assets pledged as collateral for liabilities and payments (009)	960	502 000	55 043 480
including collateral for loan contracts in line 511	961		54 033 480
Depreciation of housing (014)	970	-	-
Depreciation of fixed assets (010)	980	183	306
Depreciation of public amenities and similar facilities (015)	980		

PROFIT AND LOSS STATEMENT

for 2002

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**

	Code
Form 2 OKUD	0710002
Date (Y/M/D)	
OKPO	42045241
INN	5504036333
OKDP	
OKOPF/OKFS	47
OKEI	

for shipments

Item description	Line code	Period under review	Same period of previous year
1	2	3	4
I. Income and expenses from ordinary activities			
Revenues (net) from the sale of goods, products, works, services (less VAT, excises and similar mandatory payments)	010	82 268 247	57 228 905
including sales of crude oil and petroleum	011	81 793 987	56 516 717
Cost of sales of goods, products, works, services	020	(66 581 703)	(50 167 626)
including sales of crude oil and petroleum	021	(66 174 206)	(49 589 194)
Gross profit	029	15 686 544	7 061 279
Selling expenses	030	(6 122 661)	(3 079 476)
Administrative expenses	040		
Profit (loss) from sales (lines 010 - 020 - 030 - 040))	050	9 563 883	3 981 803
II. Operating income and expenses			
Interest receivable	060	467 836	16 818
Interest payable	070	(3 290 833)	(1 096 033)
Income from equity participation	080		328
Other operating income	090	83 754 223	33 941 415
Other operating expenses	100	(84 602 644)	(34 380 375)
III. Non-sale income and expenses			
Non-sale income	120	752 429	402 046
Non-sale expenses	130	(2 954 039)	(1 115 572)
Profit (loss) before taxation (lines 050 + 060 - 070 + 080 + 090 - 100 + 120 - 130)	140	3 690 855	1 750 430
Profits tax and other similar mandatory payments	150	(1 242 345)	(781 011)
Profit (loss) from ordinary activities	160	2 488 510	969 419
IV. Extraordinary income and expenses			
Extraordinary income	170		
Extraordinary expenses	180		
Net profit (undistributed profit (loss) for the report period) (lines (160 + 170 - 180))	190	2 488 510	969 419
FOR REFERENCE.	201	-	-
Dividends per share:			
preferred stock			
ordinary stock	202	7.72	0.2
Estimated dividends per share during the next report year:			
preferred stock	203		6.11
ordinary stock	204		

GAIN AND LOSS BREAKDOWN

Item description	Line code	For the report period		Same period of previous year	
		gain	loss	gain	loss
1	2	3	4	5	6
Fines, penalties and debts accepted or adjudged by court (arbitration)	210	216	8 489	11 967	3 442
Profit (loss) for previous years	220	191 787	406 747	46 679	74 810
Damages for non-performance or improper performance of commitments	230	68	11		
Foreign exchange rate difference	240	549 053	1 730 082	254 954	968 473
Decrease of cost of facilities and	250				

materials as of the end of report period					
Cancellation of expired accounts payable and receivable	260	(47)	7 751	8 921	24 036

CHANGES IN CAPITAL

for 2002

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**

	Code
Form 3 OKUD	0710003
Date (Y/M/D)	
OKPO	42045241
INN	5504036333
OKDP	
OKOPF/OKFS	47
OKEI	

Item description	Line code	Balance as of the start of the year	In during the report year	Out during the report year	Balance as of the end of the year
1	2	3	4	5	6
I. Capital					
Authorized (share) capital	010	7 586			7 586
Additional capital	020	7 807 598			7 807 598
Reserve fund	030	1 084			1 084
	040				
Undistributed profit of prior years - total	050				
Undistributed profit of the report period	051		36 590 620		36 590 620
including: as a result of legal entity reorganization	052		34 142 109		34 142 109
Uncovered loss of prior years	053	(1 424 152)			(1 424 152)
Social fund	060	818 796			818 796
Targeted funding and receipts - total	070	190 693	4 231	(40)	194 883
including: from the federal budget	071	13	20	(40)	(7)
from the Yamalo Nenetsk budget (funds have been used up, construction is in progress, the amount used has not been included in the sum total for Section I)	072	22 810	4 211	(21 351)	27 021
from investors	073	167 870			167 870
	080				
Total for Section I	079	7 401 605	36 594 851	(40)	43 996 415
II. Reserves for future expenses and payments - total	080				
Total for Section II	089				
III. Assessed reserves - total	090				
Total for Section III	099				
IV. Change in capital					
Capital as of the start of the report period	100	8 834 177			7 401 605
Growth in capital - total	110	22 897			36 594 850
including due to:	111				
additional share issue					
revaluation of assets	112				
addition of assets	113	65			
legal entity reorganization (merger, acquisition)	114				34 142 109
revenue which in line with accounting rules is directly allocated to capital growth	115				2 448 510
Decrease in capital - total	120	(31 318)			(40)
including due to:	121				
decrease in nominal value of shares					
decrease in the number of shares	122				
legal entity reorganization (demerger, split-off)	123				
expenditures which in line with accounting rules are directly allocated to capital decrease	124	(31 318)			(40)
Capital as of the end of the report period	130	8 825 757			43 996 415

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	150	7 210 920		43 801 540	
		from the budget		from extra-budgetary funds	
		for report year	for preceding year	for report year	for preceding year
		3	4	5	6
2) Received for:					
for spending on standard types of activities – total	160	20	20		
including:	161	20	20		
Capital investment in non-current assets	170	4 211	22 810		
including the restoration of the mineral resources base	171	4 211	22 810		

CASH FLOW STATEMENT

for 2002

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**

	Code
Form 4 OKUD	0710004
Date (Y/M/D)	
OKPO	42045241
INN	5504036333
OKDP	
OKOPF/OKFS	47
OKEI	

Item description	Line code	Line code	Including		
			current activities	investment activities	financial activities
1	2	3	4	5	6
1. Cash balance at year start	010	729 022	x	x	x
2. Cash received - total	020	433 189 416	414 498 672	489 823	18 200 921
including for:					
sales of goods, products, works and services	030	84 661 584	84 661 584	x	
sale of fixed assets and other property	040	80 390 288	62 150 565	38 802	18 200 921
prepayment received from buyers (clients)	050	1 221 083	1 221 083	x	
allocations from the budget and other directed financing	060				
donations	070				
bank loans received	080	78 200 328	78 200 328		
other borrowings received	085	5 564 570	5 564 570		
dividends, interest on financial investment	090	451 021	x	451 021	
other	110	182 700 542	182 700 542		
3. Cash allocated - total	120	417 105 918	407 264 135	7 402 222	2 439 561
including for:					
purchase of goods, works, services	130	93 196 833	93 196 833		
payroll expenses	140	606 416	x	x	x
payment to state extrabudgetary funds	150	58 262	x	x	x
imprest cash	160	17 399	17 399		
advance payment	170	8 815 033	8 815 033		
shared construction funding	180		x		x
machinery, equipment and vehicles	190	503 337	x		x
financial investment	200	32 561 142	30 121 581		2 439 561
dividend and interest payment	210	4 336 476	x	4 336 476	
settlements with the budget	220	12 616 556	12 616 556	x	
payment of interest on and principal amount of obtained loans and borrowings	230	46 999 008	46 999 008		
other payments, transfers etc.	250	217 395 456	214 329 710	3 065 746	
4. Cash balance as of the end of the report period	260	16 812 520	x	x	x
For reference:	270	11 287			
from line 020 cash received (except data for line 100) - total					
including for settlements with:					
legal entities	280	1 556			
private individuals	290	9 731			
including using:					
cash registers	291	88			
registered high-security forms	292	9 643			
Cash in hand:					
received from the bank by the organization's cashiers	295	300 802			
given to the bank by the organization's cashiers	296	3 252			

SUPPLEMENT TO THE FINANCIAL STATEMENTS

for 2002

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**

	Code
Form 5 OKUD	0710005
Date (Y/M/D)	
OKPO	42045241
INN	5504036333
OKDP	
OKOPF/OKFS	47
OKEI	

1. MOVEMENT IN DEBT FUNDS

Item description	Line code	Balance as of the start of the report year	Received	Repaid	Balance as of the end of the report year
1	2	3	4	5	6
Long-term loans	110	18 702 097	60 098 031	(14 092 199)	64 707 929
including overdue accounts	111				
Long-term borrowings	120		1 737 807	(1 052 659)	685 148
including overdue accounts	121				
Short-term loans	130	5 877 300	23 112 956	(28 097 973)	892 283
including overdue accounts	131				
Short-term borrowings	140	2 878 693	6 615 365	(8 175 026)	1 319 032
including overdue accounts	141				

2. ACCOUNTS RECEIVABLE AND PAYABLE

Item description	Line code	Balance as of the start of the report year	Accrued obligation	Discharged obligation	Balance as of the end of the report year
1	2	3	4	5	6
Accounts receivable:					
short-term	210	24 340 958	779 864 843	(741 490 743)	62 715 058
including overdue	211	2 228 364	31 993 359	(33 464 586)	757 137
of them with duration of more than 3 months	212	1 104 506	12 063 675	(12 382 411)	785 770
long-term	220				
including overdue	221				
of them with duration of more than 3 months	222				
from line 220 debts payments on which are expected in more than 12 months after the report date	223				
Accounts payable:					
short-term	230	10 628 567	529 390 634	(519 728 516)	20 290 685
including overdue	231	245 924	21 513 333	(21 625 450)	133 807
of them with duration of more than 3 months	232	55 866	20 894 617	(20 862 403)	88 080
long-term	240				
including overdue	241				
of them with duration of more than 3 months	242				
from line 240 debts payments on which are expected in more than 12 months after the report date	243				
Collateral:					
received	250	944 730	33 747	(61 234)	917 243
including from third parties	251	944 730	33 747	(61 234)	917 243
given	260	502 000	112 355 984	(57 814 504)	55 043 480
including to third parties	261	502 000	112 355 984	(57 814 504)	55 043 480

NOTE TO SECTION 2

Item description	Line code	Balance as of the start of the report year	Accrued obligation	Discharged obligation	Balance as of the end of the report year
1	2	3	4	5	6
1) Change in bills					
Bills payable	262	72 535	1 017	(47 642)	25 910
including overdue	263	19 550		(19 517)	33
Bills received	264		2 493 355	(2 493 127)	228
including overdue	265				
2) Accounts receivable for supplied products (works, services) at cost	266				

3) List of debtors with biggest debt amounts

Organization	Line code	Balance as of the end of the report year	
		total	including with duration of more than three months
1	2	3	4
OAo Sibneft Noyabrskneftegaz	270	32 250 639	1 351 203
Sibneft Oil Trade	271	20 896 145	
OOO Unicar	272	3 539 859	
ZAO Chukotstroizakazchik	273	3 376 177	
OOO Sibneft Yugra	274	3 275 296	
OOO Sibneft Chukotka	275	1 616 568	
OAo Sibneft Omsk Oil Refinery	276	1 538 007	
OAo Sibneft Omsknefteprodukt	277	1 398 983	
CARROL TRADING S.A.	278	1 385 914	
OGUP Chukotsnab	279	1 224 542	211 486

4 List of creditors with biggest debt amounts

Organization	Line code	Balance as of the end of the report year	
		total	total
1	2	3	4
Salomon Brothers	280	28 605 960	
WEST LB AG	281	13 991 484	
Societe Generale SA	282	6 295 756	
ABN AMRO Bank N.V.	283	5 570 035	
OOO Unicar	284	5 539 586	
Chukotka Autonomous District Economy Department	285	5 006 411	
BNP Paribas SA London Branch	286	4 733 694	
Raiffeisen Zentralbank Oesterreich	287	4 767 660	
OOO Spetsfinance	288	1 316 220	
Eurotecnica Contractors	289	467 464	

3. ASSETS DEPRECIATION AND AMORTIZATION

Item description	Line code	Balance as of the start of the report year	In (commissioned)	Out	Balance as of the end of the report year
1	2	3	4	5	6
I. INTANGIBLE ASSETS					
Rights to intellectual (commercial) property	310	26 908	472		27 380
including the rights originating from: copyright and other contracts for works of science, literature, art and allied rights, computer software,	311	17 954			17 954

databases etc.					
patents for inventions, industrial prototypes, selection patents, certificates for useful models, trademarks and service marks or license contracts for their utilization	312	1 149	472		1 621
rights to know how	313	7 805			7 805
Rights to use separate nature sites	320	258 030			258 030
Reorganization expenses	330				
Goodwill	340				
Other	349	7 404			7 404
Total (sum total of lines 310 + 320 + 330 + 340 + 349)	350	292 342	472		292 814
II. FIXED ASSETS					
Land plots and nature sites	360	6 033	5 767		11 800
Buildings	361	48 308	131 093	(11 281)	168 120
Structures	362	650 362	1 833 611	(17 531)	2 466 442
Plant and equipment	363	127 000	44 678	(31 776)	139 902
Vehicles	364	498 407	18 996	(407 124)	110 279
Fixtures and fittings	365	25 221	5 472	(91)	30 602
Workstock	366				
Productive livestock	367				
Perennial plants	368				
Other fixed assets	369	14 823	1 355	(91)	16 087
Total (sum total of lines 360-369)	370	1 370 154	2 040 972	(467 894)	2 943 232
including:	371	1 344 320	1 901 120	(466 515)	2 778 925
productive					
nonproductive	372	25 833	139 854	(1 380)	164 307
III. INCOME-BEARING INVESTMENT IN MATERIAL VALUES					
Assets for lease	381				
Assets granted under leasing contracts	382				
Other	383				
Total (sum total cymma of lines 381-383)	385				

NOTE TO SECTION 3

Item description	Line code	Balance as of the start of the report year	Balance as of the end of the report year
1	2	3	4
From line 371, columns 3 and 6: leased out - total	387	138 629	331 218
including:	388	36 006	36 006
buildings			
structures	389	86 421	273 185
vehicles	390	16 202	22 027
	391		
mothballed	392		
Assets depreciation and amortization:			
intangible assets	393	20 124	34 633
fixed assets - total	394	111 873	179 137
including:	395	28 441	92 990
buildings and structures			
machinery, equipment, vehicles	396	67 900	57 953
other	397	15 532	28 194
income-bearing investment in material values	398		
For reference:			
Fixed assets revaluation:			
Historical (replacement) value	401		
Depreciation	402		
Collateralized assets	403		
Value of depreciable and amortizable	404	17 795	23 779

assets for which depreciation and amortization is not accrued - total			
including: intangible assets	405		
fixed assets	406	17 795	23 779

4

Item description	Line code	Balance as of the start of the report year	Начислено (образовано)	Использовано	Balance as of the end of the report year
1	2	3	4	5	6
The organization's proprietary funds - total	410		1 713 422	(1 713 422)	
including:					
retained profits	411		1 598 789	(1 598 789)	
depreciation of fixed assets	412		100 125	(100 125)	
amortization of intangible assets	413		14 508	(14 508)	
Borrowed funds - total	420		2 267 012	(2 267 012)	
including:					
bank loans	421		1 287 200	(1 287 200)	
borrowings from other organizations	422				
shared construction funding	423				
from the budget	424				
from extrabudgetary funds	425				
other	426		979 812	(979 812)	
Total proprietary and borrowed funds (sum total of lines 410 and 420)	430		3 980 434	(3 980 434)	
For reference:					
Construction in progress	440	1 581 245	3 026 410	(2 013 705)	2 593 950
Investment in subsidiaries	450	11 243 560	954 024	(107)	12 197 477
Investment in dependent companies	460				

5. FINANCIAL INVESTMENT

Item description	Line 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
Equity interest in other organizations	510	11 576 114	12 534 305		
Bonds and other liabilities	520	57 766	57 766		
Loans granted	530	549 980	7 698 445	8 060 409	20 180 107
Other	540	3 222	3 222	67 079	107 220
For reference: Bonds and other securities at market value	550				

6. SPENDING ON ORDINARY TYPES OF ACTIVITIES

Item description	Line code	Report year	Previous year
1	2	3	4
Material costs	610	64 710 327	51 925 254
including materials and supplies	611	21 787 072	15 122 741
production services provided by other organizations	612	3 748 687	6 884 795
acquisition value of goods	613	39 174 568	30 034 177
Payroll expenses	620	687 557	528 895
Social payments	630	62 598	66 590
Depreciation	640	100 125	68 713
Other costs	650	7 143 757	657 650
including taxes added to production costs	651	933 681	400 230

advertising and audit services	652	55 961	126 069
communications services	653	34 026	29 587
Total for cost items	660	72 704 364	53 247 102
Change (increase [+], decrease [-]) in: construction in progress	670	38 911	776 622
prepaid expenses	680	103 737	26 741
reserves for future expenses	690		

7. SOCIAL PAYMENTS

Item description	Line code	Estimated dues	Spent	Transferred to funds
1	2	3	4	5
Payments to governmental and extrabudgetary funds:				
Social Security Fund	710	7 334	(2 556)	(1 543)
Pension Fund	720	50 655		(53 021)
Employment Fund	730			
medical insurance	740	5 349		(4 655)
Payments to nongovernmental pension funds	750		x	
Payments to nongovernmental pension funds	750			
Contributions under voluntary retirement insurance contracts	755			
Average staff on the payroll	760	657		
Cash remuneration and bonuses unrelated to production, performance of work, provision of services	770	19 375		
Income on shares and investment in the organization's assets	780			

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

BALANCE SHEETS

as of

Organization: AO Sibneft

Taxpayer's identification number

Type of activities:

Organizational legal form/form of ownership:

Measurement unit: **thousand rubles**

Form 1 OKUD

Date (Y/M/D)

OKPO

INN

OKVED

OKOPF

OKEI

Code

0710001

42045241

5504036333

51.51

47

384

ASSETS	Li ne co de	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 (04, 05)	110	258182	248219
organization costs	111		
patents, licenses, trademarks (service marks), other similar rights and assets	112	258182	248219
Fixed assets (01, 02)	120	2764094	3762341
land plots and natural resources	121	11800	16346
buildings, plant and equipment	122	2733800	3745995
Construction in progress (07, 08,)	130	2865106	3577047
Income-bearing investment in tangible assets (03)	135		
assets to be leased out	136		
assets to be leased out under leasing contracts	137		
Long-term financial investment (06,82)	140	20340632	61200572
investment in subsidiaries	141	12197477	12522969
investment in dependent companies	142		198304
investment in other organizations	143	336828	1753551
loans issued to other organizations for more than 12 months	144	7699164	9160421
other long-term financial investment	145	107163	37565327
Other non-current assets	150		
TOTAL for Section I	190	26228014	68788179
II. CURRENT ASSETS			
Inventories	210	3666437	2813398
raw materials, consumables and other similar assets (10, 12, 13, 16)	211	1073472	869405
rearers and fatteners (11)	212		
work in progress (20, 21, 23, 29, 30, 36, 44)	213	126134	178622
finished goods and goods for resale (16, 40, 41)	214	1050745	714591
dispatched goods (45)	215	1068870	586778
expenses of future periods (31)	216	141164	245415
other inventories and costs	217	206052	218587
VAT on purchased assets (19)	220	2234337	2707462
Accounts receivable (where payment is due in more than 12 months after the report date)	230		
buyers and clients (62, 76, 82)	231		
bills receivable (62)	232		
due from subsidiaries and affiliates (78)	233		
down payment made (61)	234		
other debtors	235		
Accounts receivable (where payment is due within 12 months after the report date)	240	62715058	41497474
from buyers and clients (62, 76, 82)	241	20441129	23819977
bills receivable (62)	242	228	215425
due from subsidiaries and affiliates (78)	243	29612209	4502620
outstanding contribution by participants (founders) to the authorized capital (75)	244		
down payment made (61)	245	10038216	8561959
other debtors	246	2623276	4397493
Short-term financial investment (56,58,82)	250	20241155	39546130

loans to other organizations for less than 12 months	251	20180107	34685169
treasury stock	252	2	297
other short-term financial investment	253	61046	4860664
Cash	260	16812520	8859077
cash in hand (50)	261	573	314
settlement accounts (51)	262	1311964	732723
currency accounts (52)	263	15464128	8104514
other cash (55, 56, 57)	264	35855	21526
Other current assets	270		
TOTAL for Section II	290	105669507	95423541
BALANCE (line 190 + line 290)	300	131897521	164211720

LIABILITIES	Li ne co de	As of the start of the report period	As of the end of the report period
1	2	3	4
III. CAPITAL AND RESERVES			
Charter capital (85)	410	7586	7586
Additional capital (87)	420	7807598	7807598
Reserve capital (86)	430	1084	1084
reserves formed as required by legislation	431		
reserves formed as required by the bylaws	432	1084	1084
Social fund (88)	440	818796	
Directed financing and receipts (96)	450	194883	194883
Undistributed profit of prior years (88)	460	36590620	3177233
Uncovered loss of past years (88)	465	(1424152)	(1424152)
Retained earnings of report year (88)	470		40270376
Uncovered loss of report year (88)	475		-
Premature earnings withdrawal	476		(30533970)
TOTAL for Section III	490	43996415	19500638
IV. LONG-TERM DEBT			
Loans and borrowings (92, 95)	510	65393077	53712493
bank loans due in more than 12 months after the report date	511	64707929	53712493
borrowings with repayment due in more than 12 months after the report date	512	685148	
Other long-term liabilities	520		
TOTAL for Section IV	590	65393077	53712493
V. CURRENT LIABILITIES			
Loans and borrowings (90, 94)	610	2211315	28612590
bank loans due in less than 12 months after the report date	611	892283	3979547
borrowings with repayment due in less than 12 months after the report date	612	1319032	24633043
Accounts payable	620	20290685	30469871
trade accounts payable (60, 76)	621	19158793	28664847
bills payable (60)	622	25910	26803
debts to subsidiaries and affiliates (78)	623		
accrued payroll (70)	624	19233	19699
payable to state non-budgetary funds (69)	625	7450	3721
payable to the budget (68)	626	162788	751207
prepayment received (64)	627	914469	1001702
other creditors	628	2042	1892
Dividends due to shareholders (75)	630	6021	31916120
Deferred income (83)	640	8	8
Reserves for future expenses and payments (89)	650		
Other current liabilities	660		
TOTAL for Section V	690	22508029	90998589
BALANCE (sum total of lines 490 + 590 + 690)	700	131897521	164211720

**FOR REFERENCE
ASSETS ENTERED INTO OFF-BALANCE SHEET ACCOUNTS**

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 (001)	910	17324	16709
including capital lease	911		
Inventory items accepted into custody (002)	920	11000	11000
Materials accepted for processing (003)	930	40529	
Goods accepted on commission (004)	940	41359	59
Bad debt written off as losses (007)	950	46500	46500
Assets received as collateral for liabilities and payments (008)	960	917243	917841
Assets pledged as collateral for liabilities and payments (009)	970	55043480	54041369
including collateral for loan contracts in line 511	971	54033480	54040368
Depreciation of fixed assets (010)	980	306	505
Fixed assets leased out (011)			

PROFIT AND LOSS STATEMENT

2003, 9 months

for
 Organization: AO Sibneft
 Taxpayer's identification number
 Type of activities:
 Organizational legal form/form of ownership:
 Measurement unit: **thousand rubles**

	Code
Form 2 OKUD	0710002
Date (Y/M/D)	
OKPO	42045241
INN	5504036333
OKVED	51.51
OKOPF	47
OKEI	384

Item description	Line code	Period under review	Same period of previous year
1	2	3	4
I. Income and expenses from ordinary activities			
Revenues (net) from the sale of goods, products, works, services (less VAT, excises and similar mandatory payments)	010	85135794	57031542
including sales of crude oil and petroleum	011	84568875	56683085
Cost of sales of goods, products, works, services	020	(68301464)	(44947531)
including sales of crude oil and petroleum	021	(67855775)	(44650428)
Gross profit	029	16834330	12084011
Selling expenses	030	(8710614)	(3876674)
Administrative expenses	040	-	-
Profit (loss) from sales (lines (010 - 020 - 030 - 040))	050	8123716	8207337
II. Operating income and expenses			
Interest receivable	060	719100	290339
Interest payable	070	(3962448)	(2213721)
Income from equity participation	080	-	-
Other operating income	090	106895729	50617890
Other operating expenses	100	(106948710)	(51160701)
III. Non-sale income and expenses			
Non-sale income	120	9655912	540414
Non-sale expenses	130	(15015119)	(2184982)
Profit (loss) before taxation (lines 050 + 060 - 070 + 080 + 090 - 100 + 120 - 130)	140	(531820)	4096576
Profits tax and other similar mandatory payments	150	(200286)	(1153903)
Profit (loss) from ordinary activities	160	(732106)	2942673
IV. Extraordinary income and expenses			
Extraordinary income	170		
Extraordinary expenses	180		
Net profit (undistributed profit (loss) for the report period) (lines (160 + 170 - 180))	190	(732106)	2942673

7.3. US GAAP consolidated financial statements.

Consolidated financial statements from 1996 are available in open access on the company's corporate website: www.sibneft.ru/financials.jsp?lang=2&page=458. This report contains accounts for 2002 and the first half of 2003.

2002

ERNST&YOUNG

INDEPENDENT AUDITORS REPORT

To the Shareholders of OAO Siberian Oil Company:

We have audited the accompanying consolidated balance sheet of OAO Siberian Oil Company, a Russian open joint stock company, and subsidiaries ("the Company") as of December 31, 2002, and the related consolidated statements of income, changes in shareholders' capital and cash flow for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Company as of and for the year ended December 31, 2001, were audited by other auditors who have ceased their operations. Those auditors expressed an unqualified opinion on those financial statements in their report dated June 21, 2002.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company and subsidiaries as of December 31, 2002, and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

As further described in the unaudited Supplemental Oil and Gas Information, the Company has presented proved oil and gas reserve quantities and standardized measure of discounted future net cash flows as of December 31, 2002 only, as comparative information for two previous years is currently unavailable. For the same reason, disclosures of changes in proved oil and gas reserve quantities and changes in standardized measure of discounted future net cash flows for each of two years in the period ended December 31, 2002 have not been presented. Such information is required under Statement of Financial Accounting Standards No. 69 "Disclosures about Oil and Gas Producing Activities", that the Financial Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

May 30, 2003

AO Siberian Oil Company
Consolidated Balance Sheets as of Dec. 31, 2002 and Dec. 31, 2001
(thousand US dollars)

	2002	2001
Assets		
Current assets:		
Cash and cash equivalents	620 875	51 649
Short-term loans receivable	48 668	299 276
Accounts receivable, net (less allowance for doubtful accounts of \$65,620 and \$46,409, respectively)	1 356 787	765 794
Inventories, net	322 340	232 876
Prepaid expenses	31 167	4 581
Total current assets	2 379 837	1 354 176
Long-term investments	1 159 064	930 889
Oil and gas properties, net	3 351 536	2 847 840
Other fixed assets, net	501 876	393 330
Construction in progress	145 344	181 711
Other noncurrent assets	10 799	4 850
Total assets	7 548 456	5 712 796
Liabilities and shareholders' capital		
Current liabilities:		
Short-term loans	148 301	314 864
Accounts payable and accrued liabilities	625 679	233 574
Related party payable	80 518	60 988
Profits tax and other taxes	134 173	140 661
Other current liabilities	22 260	45 092
Current portion of long-term loans	430 414	
Total current liabilities	1 441 345	795 179
Dividends payable	367	194 584
Assets retirement obligation	157 113	76 283
Long-term debt	1 658 079	608 333
Minority interest in subsidiaries		1 682
Total liabilities	3 256 904	1 676 061
Shareholders' capital:		
Common stock (authorized and issued: 4,741,299,639 shares; 0.0016 rubles par value)	1 619	1 619
Additional paid-in capital	858 987	858 987
Reserves	1 867 449	1 867 449
Retained earnings	1 565 068	1 308 680
Accumulated other comprehensive loss	(1 571)	-
Total shareholders' capital	4 291 552	4 036 735

Total liabilities and shareholders' capital	7 548 456	5 712 796

OAo Siberian Oil Company		
Consolidated income statements		
for the years ended Dec. 31, 2002 and Dec. 31, 2001		
	<u>2002</u>	<u>2001</u>
<i>Revenues</i>		
Refined products and oil and gas sales	4 710 679	3 499 145
Other	66 012	126 534
Total	4 776 691	3 575 679
<i>Costs</i>		
Operating expenses	1 205 368	702 292
Selling, general and administrative expenses	819 708	608 965
Cost of other sales	36 720	101 818
Depreciation, depletion and amortization	410 033	313 916
Exploratory expenses	14 792	21 220
Taxes other than income taxes	896 995	422 231
Total	3 383 616	2 710 442
Operating income	1 393 075	1 405 237
<i>Other income/(expense)</i>		
Interest received and other income	8 875	731
Interest paid and other expense	(123 955)	(47 943)
Other non-operating income	148 187	128 764
Other non-operating expense	(115 231)	(81 566)
Minority interest in subsidiaries	9 896	(729)
Currency translation gain	3 690	34 902
Total	(68 538)	34 159
Income before provision for income taxes and cumulative effect of a change in accounting principle	1 324 537	1 439 396
Provision for income taxes	163 087	134 122
Net income before cumulative effect of a change in accounting principle	1 161 450	1 305 274
Cumulative effect of a change in accounting principle, net	(939)	-
Net income	1 160 511	1 305 274
Other comprehensive loss, net	(1 571)	-
Total comprehensive income	1 158 940	1 305 274
Basic and diluted earnings per common share		
Net income before cumulative effect of a change in accounting principle	0,2450	0,3217
Cumulative effect of a change in accounting principle per common share	(0,0002)	-
Basic and diluted earnings per common share	0,2448	0,3217
Average number of common shares outstanding (million)	4 741	4 057

OAo Siberian Oil Company Statement of changes in shareholders' capital for the years ended Dec. 31, 2002 and Dec. 31, 2001 (thousand US dollars)						
	Common stock	Additional paid-in capital	Treasury stock	Reserves	Retained earnings	Comprehensive income
Balance at Dec. 31,2000	1 619	845 498	(541 713)	1 867 449	996 872	
Treasury stock sales	-	30 067	541 713	-	-	
Net income for the year	-	-	-	-	1 305 274	-
Early repayment of Runicom Ltd loan	-	(16 578)	-	-	-	-
Common stock dividends	-	-	-	-	(993 466)	-
Balance at Dec. 31, 2001	1 619	858 987	-	1 867 449	1 308 680	-
Net income for the year	-	-	-	-	1 160 511	-
Common stock dividends	-	-	-	-	(904 123)	-
Other comprehensive expenses	-	-	-	-	-	(1 571)
Balance at Dec. 31, 2002	1 619	858 987	-	1 867 449	1 565 068	(1 571)

OAo Siberian Oil Company Consolidated cash flow statement for the years ended Dec. 31, 2002 and Dec. 31, 2001 (thousand US dollars)		
	2003	2002
<i>Operating activities</i>		
Net income	1 160 511	1 305 274
Reconciliation of net income to net cash provided by operating activities:		
Effect of change in accounting principle	939	-
Accrued equity accounting income	(9 328)	-
Depreciation, depletion and amortization	410 033	313 916
Interest expense on Runicom loan	-	20 628
Retirement obligations accretion expenses	11 637	-
Loss/(gain) on disposal of fixed assets	19 940	(554)
Loss/(gain) on sales of investment	3 319	(5 802)
Impairment of goodwill	20 466	-
Minority interest in subsidiaries	(9 896)	729
Changes in current assets and liabilities:	-	-
(Increase) in accounts receivable	(610 204)	(329 758)
Increase in provision for doubtful accounts	19 211	12 659
(Increase) in inventories	(89 464)	(63 759)
(Increase)/decrease in prepaid expenses	(26 586)	10 245

Decrease in other noncurrent assets	3 121	4 075
Increase/(decrease) in accounts payable and accrued liabilities	411 635	(88 366)
Increase/(decrease) in profits tax and other taxes	(6 488)	101 363
Increase/(decrease) in other current liabilities	22 832	30 638
Net cash provided by operating activities	1 286 013	1 311 288
<i>Investing activities</i>		
Investments made	(243 738)	(726 107)
Loans receivable redemption	250 608	-
Acquisition of shares in subsidiaries	(20 176)	(10 179)
Proceeds from long-term investments sales	22 098	52 388
Proceeds from disposals of fixed assets	18 596	237
Capital expenditures	(959 432)	(618 717)
Net cash used in investing activities	(932 044)	(1 302 378)
<i>Financing activities</i>		
Net increase/(decrease) in short-term loans	263 851	(90 161)
Net increase in long-term debt	1 049 746	383 599
Dividends paid	(1 098 340)	(849 565)
Treasury stock sales	-	571 780
Net cash provided by financing activities	215 257	15 653
Increase in cash and equivalents	569 226	24 563
Cash and equivalents at beginning of year	51 649	27 086
Cash and equivalents at end of year	620 875	51 649
<i>Supplemental disclosures of cash flow information</i>		
Cash paid for interest, net of interest capitalized	75 044	12 872
Cash paid for income taxes	173 719	107 679

FOR SIX MONTHS ENDED JUNE 30, 2003

OAo Siberian Oil Company Consolidated balance sheets as of June 30, 2003 and Dec. 31, 2002 (thousand US dollars)		
	<u>2003</u> (unaudited)	<u>2002</u>
<i>Assets</i>		
Current assets:		
Cash and cash equivalents	350 860	620 875
Short-term loans receivable	201 472	48 668
Accounts receivable, net (less allowance of doubtful accounts of \$53,205 and \$65,620, respectively)	1 874 611	1 356 787
Inventories, net	338 945	322 340
Prepaid expenses	35 783	31 167
Total current assets	2 801 671	2 379 837
Long-term investments	2 019 722	1 159 064
Oil and gas properties, net	3 495 879	3 351 536
Other fixed assets, net	507 600	501 876
Construction in progress	156 506	145 344
Other noncurrent assets	10 952	10 799
Total assets	8 992 330	7 548 456
<i>Liabilities and shareholders' capital</i>		
Current liabilities:		
Short-term loans	475 496	148 301
Accounts payable and accrued liabilities	776 151	625 679
Related party payable	164 111	80 518
Profits tax and other taxes	167 543	134 173
Other current liabilities	123 807	22 260
Current portion of long term debt	496 610	430 414
Total current liabilities	2 203 718	1 441 345
Dividends payable	161 741	367
Assets retirement obligation	163 354	157 113
Long-term debt	1 435 793	1 658 079
Minority interest in subsidiaries	-	-
Total liabilities	3 964 606	3 256 904
Shareholders' capital:		
Common stock (authorized and issued: 4,741,299,639 shares, 0.0016 rubles par value))	1 619	1 619
Additional paid -in capital	858 987	858 987
Reserves	1 867 449	1 867 449
Retained earnings	2 303 178	1 565 068
Accumulated other comprehensive loss	(3 509)	(1 571)

Total shareholders' capital	5 027 724	4 291 552
Total liabilities and shareholders' capital	8 992 330	7 548 456

OAo Siberian Oil Company
Consolidated income statements
for six months ended June 30, 2003 and 2002
(thousand US dollars)

	<u>2003</u> (unaudited)	<u>2002</u> (unaudited) (modified)
Revenues		
Refined products and oil and gas sales	3 357 106	1 917 961
Other	81 155	66 345
Total	3 438 261	1 984 306
Costs		
Crude oil, petroleum and other products purchased	552 714	177 686
Operating expenses	341 224	302 217
Distribution expenses	338 342	160 111
Selling, general and administrative	200 676	116 113
Depreciation, depletion and amortization	238 601	181 077
Taxes other than the profits tax	846 317	456 693
Write-offs of property and investments	-	20 170
Exploratory expenses	1 194	-
Cost of other sales	62 935	41 359
Total	2 582 003	1 455 426
Operating income	856 258	528 880
Other income/(expense)		
Income from equity in affiliates	225 179	75 454
Income/(expenses) from sales of equity in other enterprises	388 582	(7 168)
Interest received and other income	5 614	5 054
Interest paid and other expenses	(93 423)	(24 691)
Other non-sale expenses, net	(7 117)	(23 460)
Minority interest in subsidiaries	-	2 287
Currency translation gain/(loss)	74 152	(13 228)
Total	592 987	14 248
Income for report period before provision for profits taxes and cumulative effect of a change in accounting principle	1 449 245	543 128
Provision for profits tax	69 591	66 145
Net income before cumulative effect of a change in accounting principle	1 379 654	476 983
Cumulative effect of a change in accounting principle, net	-	(939)
Net income	1 379 654	476 044
Other comprehensive loss, net	(1 938)	-
Total comprehensive income	1 377 716	476 044
Net comprehensive income per common share (dollars)	0,2910	0,1004

Average number of common shares outstanding (million)	4 741	4 741
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OAo Siberian Oil Company
Consolidated cash flow statements
for six months ended June 30, 2003 and 2002
(thousand US dollars)

	<u>2003</u> (unaudited)	<u>2002</u> (unaudited) (modified)
Net income	1 379 654	476 044
Effect of change in accounting principle	-	939
Accrued equity accounting income	(169 500)	-
Depreciation, depletion and amortization	238 601	181 077
Accretion of asset retirement obligation	6 241	-
Loss on disposal of fixed assets	11 945	28 333
(Gain)/loss on sales of investment	(388 582)	82
Minority interest in subsidiaries	-	(2 287)
Changes in current assets and liabilities:		
(Increase) in accounts receivable	(505 409)	(174 179)
(Decrease) in provision for doubtful accounts	(12 415)	(5 115)
(Increase) in inventories	(16 605)	(49 912)
(Increase)/decrease in prepaid expenses	(4 616)	(11 535)
(Increase) in other noncurrent assets	(153)	(387)
Increase/(decrease) in accounts payable and accrued liabilities	234 065	31 985
Increase/(decrease) in profits tax and other taxes	33 370	26 576
(Decrease)/increase in other current liabilities	101 547	(48 767)
Net cash provided by operating activities	908 143	452 854
Investments made	(1 169 783)	(319 662)
Loans redemption	(152 804)	8 422
Acquisition of shares in subsidiaries	-	(19 753)
Proceeds from investments sales	871 421	16 642
Proceeds from disposals of fixed assets	6 606	16 122
Capital expenditures	(424 533)	(430 431)
Net cash used in investing activities	(869 093)	(728 660)
Net increase in short-term loans	393 391	124 632
Net increase/(decrease) in long-term debt	(222 286)	389 241
Dividends paid	(480 170)	(191 383)
Net cash from financing activities	(309 065)	322 490
Increase in cash and equivalents	(270 015)	46 684
Cash and equivalents at beginning of year	620 875	51 649
Cash and equivalents at end of year	350 860	98 333

OAo Siberian Oil Company
Statement of changes in shareholders' capital
for the years ended Dec. 31, 2002 and 2001 and six months ended June 30, 2003
(thousand US dollars)

	Common stock	Additional paid-in capital	Treasury stock	Reserves	Retained earnings	Comprehensive income
Balance at Dec. 31, 2000	1 619	845 498	(541 713)	1 867 449	996 872	
Treasury stock sales	-	30 067	541 713	-	-	
Income for the year	-	-	-	-	1 305 274	-
Effect of early repayment of Runicom loan	-	(16 578)	-	-	-	-
Common stock dividends	-	-	-	-	(993 466)	-
Balance at Dec. 31, 2001	1 619	858 987	-	1 867 449	1 308 680	-
Income for the year	-	-	-	-	1 160 511	-
Common stock dividends	-	-	-	-	(904 123)	-
Other comprehensive loss	-	-	-	-	-	(1 571)
Balance at Dec. 31, 2002	1 619	858 987	-	1 867 449	1 565 068	(1 571)
Income for the year	-	-	-	-	1 379 654	-
Common stock dividends	-	-	-	-	(641 544)	-
Other comprehensive loss	-	-	-	-	-	(1 938)
Balance at June 30, 2003	1 619	858 987	-	1 867 449	2 303 178	(3 509)

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

Export sales in Q3 - **11,115,401,000 rubles**

Share of exports in total sales - **32.3%**

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 OAO Sibneft's assets. During the period under review OAO Sibneft acquired more than 13 service stations in the framework of its retail network development program.

7.6. Data on the issuer's involvement in litigation where such involvement can substantially influence the issuer's financial and economic performance.

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

8. Additional data on the issuer and its issued securities.

8.1. Additional data on the 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.

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 1,083,935 rubles. During the report period, the fund was not used. In line with the company's bylaws, its reserve fund shall amount to at least 5 percent of the authorized capital, i.e. not less than 1,137,912 rubles. The formation of the reserve fund has yet to be completed.

The Company used to have a fund for support of subsidiaries amounting to 818,796,000 rubles. The fund has been liquidated in line with the Board of Directors' decision. In line with the decision by an extraordinary shareholders meeting on September 15, 2003 the balance of account of the liquidated fund for support of subsidiaries (formed from net profits, to an amount of 818,796,000 rubles) remained at OAO Sibneft's disposal as retained earnings of past years.

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 of 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 issuer holds at least 5 percent of the authorized capital or at least 5 percent of ordinary stock.

8.1.5.1 Name: **OOO Fin Trade**

Location: **19 Novomytishchinsky Prospekt, Mytishchi, Moscow Oblast 141008**

Mailing address: **19 Novomytishchinsky Prospekt, Mytishchi, Moscow Oblast 141008**

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

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

Chief executive: **Ye. Shmyrev, General Director**

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

Board of Directors and Company Board: **none**

8.1.5.2 Name: **ZAO Kuzbassnefteprodukt**

Location: **1 Polevaya ul., Novokuznetsk, Kemerovo Oblast, 654018**

Mailing address: **1 Polevaya ul., Novokuznetsk, Kemerovo Oblast, 654018**

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

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

Chief executive: **Sergei Babin, General Director**

The general director's stake in the 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 issuer's stake in the legal entity's authorized capital: **100%**

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

Chief executive: **Anatoly Zhadovsky, General Director**

The general director's stake in the 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 issuer's stake in the legal entity's authorized capital: **100%**

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

Chief executive: **Andrei Shraifogel, General Director**

The general director's stake in the 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 issuer's stake in the legal entity's authorized capital: **100%**

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

Chief executive: **Alexander Grishin, General Director**

The general director's stake in the 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., Yekaterinburg, 620102**

Mailing address: **73/16 Shaumyana ul., Yekaterinburg, 620102**

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

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

Chief executive: **Ivan Neofitidi, General Director**

The general director's stake in the 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 issuer's stake in the legal entity's authorized capital: **100%**

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

Chief executive: **Svetlana Komarova, General Director**

The general director's stake in the 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 issuer's stake in the legal entity's authorized capital: **100%**

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

Chief executive: **Vladimir Baibus, General Director**

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

Board of Directors and Company Board: **none**

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

Location: **????? Amsterdam, the Netherlands**

Mailing address: **????? Amsterdam, the Netherlands**

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

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

Chief executive: **Richard Kreizman???, General Director**

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

Board of Directors and Company Board: **none**

8.1.5.10 Name: **OA O Sibneft Noyabrskneftegaz**

Location: **59/87 Lenina ul., Noyabrsk, Yamalo Nenetsk Autonomous Okrug, Tyumen Oblast, 626726**

Mailing address: **59/87 Lenina ul., Noyabrsk, Tyumen Oblast, 626726**

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

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

Board of Directors:

Olga Kovalchuk Stake in the issuer's authorized capital: **none**

Yuri Link Stake in the issuer's authorized capital: **none**

Reval Mukhametzyanov Stake in the issuer's authorized capital: **0.00167 %**

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

Mikhail Stavsky, General Director. Stake in the 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 issuer's stake in the legal entity's authorized capital: **100%**
The entity's stake in the issuer's authorized capital: **none**
Chief executive: **Alexander Kuzmin, General Director**
The general director's stake in the issuer's authorized capital: **none**
Board of Directors and Company Board: **none**

8.1.5.12 Name: **ОАО Сибнефт Омскнефтепродукт**

Location: **54 Frunze ul, Omsk, 644099**

Mailing address: **54 Frunze ul, Omsk, 644099**

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

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

Board of Directors:

Georgy Alexandrov Stake in the issuer's authorized capital: **none**

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

Olga Kovalchuk Stake in the issuer's authorized capital: **none**

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

Alexander Pokoyev, General Director

Stake in the issuer's authorized capital: **0.000758%**

8.1.5.13 Name: **ОАО Сибнефт Омск Oil Refinery**

Location: **1 Gubkina pr., Omsk, 644040**

Mailing address: **ОАО Сибнефт ONPZ, 1 Gubkina pr., Omsk, 644040**

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

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

Board of Directors:

Georgy Alexandrov Stake in the issuer's authorized capital: **none**

Sergei Martynov Stake in the issuer's authorized capital: **none**

Olga Kovalchuk Stake in the issuer's authorized capital: **none**

Yevgenia Sukharkova Stake in the issuer's authorized capital: **none**

Ildus Sarvarov, General Director

Stake in the issuer's authorized capital: **0.000147%**

8.1.5.14 Name: **ООО Сибнефт Ноябрскнефтепродукт**

Location: **Promzona, Noyabrsk, Tyumen Oblast, 629809**

Mailing address: **Promzona, Noyabrsk, Tyumen Oblast, 629809**

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

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

Chief executive: **Anatoly Pushmin, General Director**

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

Board of Directors and Company Board: **none**

8.1.5.15 Name: **ОАО Сибнефт Ноябрскнефтегазгеофизика**

Location: **Promzona, Noyabrsk, Yamalo Nenetsk Autonomous Okrug, Tyumen Oblast, 629809**

Mailing address: **Promzona, Noyabrsk, Tyumen Oblast, 629809**

The issuer's stake in the legal entity's authorized capital: **80.98%**

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

Board of Directors:

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

Natalya Palekhova Stake in the issuer's authorized capital: **none**

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

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

Rostislav Latysh Stake in the issuer's authorized capital: *none*
Vladimir Svaikin Stake in the issuer's authorized capital: *none*
Mikhail Pasechnik, General Director
Stake in the issuer's authorized capital: *0.000169%*

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

8.1.5.17 Name: **ОАО Sibneft Tyumennefteprodukt**
Location: **28 Uritskogo ul., Tyumen**
Mailing address: **67 Lenina ul., Tyumen, 625000**
The issuer's stake in the legal entity's authorized capital: *70.77%*
The entity's stake in the issuer's authorized capital: *none*
Board of Directors:
Vladimir Baibus Stake in the issuer's authorized capital: *none*
Andrei Komarov Stake in the issuer's authorized capital: *none*
Igor Nasirov Stake in the issuer's authorized capital: *none*
Oleg Chudinov Stake in the issuer's authorized capital: *none*
Vladimir Rid, General Director Stake in the issuer's authorized capital: *none*

8.1.5.18 Name: **ОАО Sibneft Barnaulnefteprodukt**
Location: **124 K. Marksa ul., Barnaul, 656004**
Mailing address: **124 K. Marksa ul., Barnaul, 656004**
The issuer's stake in the legal entity's authorized capital: *69.12%*
The entity's stake in the issuer's authorized capital: *none*
General Director: Oleg Dyakononkov
The general director's stake in the issuer's authorized capital: *none*
Board of Directors:
Vladimir Baibus Stake in the issuer's authorized capital: *none*
V. Deryabin Stake in the issuer's authorized capital: *none*
Andrei Komarov Stake in the issuer's authorized capital: *none*
A. Tokarev Stake in the issuer's authorized capital: *none*
Oleg Chudinov Stake in the issuer's authorized capital: *none*
D. Shelomov Stake in the issuer's authorized capital: *none*
D. Yushchenko Stake in the issuer's authorized capital: *none*

8.1.5.19 Name: **ООО Radio ZS**
Location: **51 Izyskatelei ul., Noyabrsk, Yamalo Nenetsk Autonomous Okrug, 629810**
Mailing address: **PO Box 713, Noyabrsk, Yamalo Nenetsk Autonomous Okrug, 629810**
The issuer's stake in the legal entity's authorized capital: *51%*
The entity's stake in the issuer's authorized capital: *none*
Chief executive: **Sergei Zubanov, General Director**
The general director's stake in the 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 issuer's stake in the legal entity's authorized capital: **51%**

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

Chief executive: **Rafail Kats, General Director**

The general director's stake in the 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 issuer's stake in the legal entity's authorized capital: **51%**

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

Chief executive: **Valentin Ryzhikh, General Director**

The general director's stake in the 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 Oblast, 633115**

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

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

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

Chief executive: **Yuri Shashkov, General Director**

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

Board of Directors and Company Board: **none**

8.1.5.23 Name: **OOO Sibneft Chukotka**

Location: **6 Rulytegina, Anadyr, Chukotka Autonomous Okrug, 689000**

Mailing address: **4 Sadovnicheskaya, Moscow, 113035**

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

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

Chief executive: **Alexei Belebezyev, General Director**

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

Board of Directors and Company Board: **none**

8.1.5.24 Name: **OOO Sibneft Yugra**

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

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

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

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

Chief executive: **Andrei Matevosov, General Director**

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

Board of Directors and Company Board: **none**

8.1.5.25 Name: **OAO Sverdlovsknefteprodukt**

Location: **8.1.5??? ul. 8 Marta, Yekaterinburg, 620014**

Mailing address: **8.1.5??? ul. 8 Marta, Yekaterinburg, 620014**

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

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

Board of Directors:

Andrei Komarov Stake in the issuer's authorized capital: *none*
Igor Nasirov Stake in the issuer's authorized capital: *none*
Tatyana Rumyantseva Stake in the issuer's authorized capital: *none*
Vladimir Baibus Stake in the issuer's authorized capital: *none*
Denis Balalykin Stake in the issuer's authorized capital: *none*
Dmitry Kuranov Stake in the issuer's authorized capital: *none*
Dmitry Ustinov Stake in the issuer's authorized capital: *none*

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

8.1.5.26 Name: **ОАО Меретоякханефтегаз**

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

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

Board of Directors:

Igor Marchenko Stake in the issuer's authorized capital: *none*
Alla Leshko Stake in the issuer's authorized capital: *none*
Andrei Matevosov Stake in the issuer's authorized capital: *none*
Andrei Trukhachev Stake in the issuer's authorized capital: *none*
Pyotr Yanchev Stake in the issuer's authorized capital: *none*
Chief executive: **Alexei Belebezyev, General Director**
Stake in the issuer's authorized capital: *none*

8.1.5.27 Name: **ООО Красноярск Oil Service**

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

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

The issuer's stake in the legal entity's authorized capital: **19.9778%**

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

Chief executive: **Vyacheslav Ilyin, General Director**

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

Board of Directors and Company Board: *none*

8.1.5.28 Name: **ООО Sibneftenergo**

Location: **52 Oktyabrskaya, Novosibirsk, 630099**

Mailing address: **52 Oktyabrskaya, Novosibirsk, 630099**

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

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

Chief executive: **Yevgeny Svistunov, General Director**

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

Board of Directors and Company Board: *none*

8.1.5.29 Name: **ОАО Уралнефтепродукт**

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

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

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

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

Board of Directors:

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

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

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

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

8.1.5.30 Name: **ОАО Yekaterinburgnefteprodukt**

Location: **24 Sibirsky Trakt, Yekaterinburg, 620100**

Mailing address: **24 Sibirsky Trakt, Yekaterinburg, 620100**

The issuer's stake in the legal entity's authorized capital: **14.97%**

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

Board of Directors:

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

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

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

Yelena Kondrykinskaya Stake in the issuer's authorized capital: *none*

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

General Director: **Oleg Korotkikh** Stake in the issuer's authorized capital: *none*

8.1.5.31 Name: **ЗАО TV6 Region**

Location: **33 Dolgorukovskaya, Bldg. 8, Moscow, 103030**

Mailing address: **33 Dolgorukovskaya, Bldg. 8, Moscow, 103030**

The issuer's stake in the legal entity's authorized capital: **12.5%**

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

Chief executive: **Yuli Dubov, General Director**

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

Board of Directors and Company Board: *none*

8.1.5.32 Name: **ОАО Mosnefteprodukt**

Location: **15/7 P Krzhizhanovskogo, Moscow, 117218**

Mailing address: **15/7 P Krzhizhanovskogo, Moscow, 117218**

The issuer's stake in the legal entity's authorized capital: **9.92%**

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

Chief executive: **Oleg Nizyev, General Director**

Board of Directors:

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

I. Giniyatullin Stake in the issuer's authorized capital: *none*

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

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

T. Mardakhiashvili Stake in the issuer's authorized capital: *none*

G. Rovner Stake in the issuer's authorized capital: *none*

Ye. Savostyanov Stake in the issuer's authorized capital: *none*

N. Smagina Stake in the issuer's authorized capital: *none*

R. Khalimov Stake in the issuer's authorized capital: *none*

Company Board:

Natalya Denisova Stake in the issuer's authorized capital: *none*

Alexander Krauze Stake in the issuer's authorized capital: *none*

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

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

Olga Sedletskaya Stake in the issuer's authorized capital: *none*

Sergei Udod Stake in the issuer's authorized capital: *none*

Alexander Fateyev Stake in the issuer's authorized capital: *none*

8.1.5.33 Name: **OOO Sibneft St. Petersburg**

Location: **10 Sovetsky pr., Sestroretsk, St. Petersburg, 197706**

Mailing address: **10 Sovetsky pr., Sestroretsk, St. Petersburg, 197706**

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

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

Chief executive: **Oleg Shalimov, General Director**

The general director's stake in the 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 (groups of interrelated 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 issuer's credit ratings

	1998	1999	2000	2001	2002	2003
Moody's					Ba3	Ba3
S&P					B+	B+
Fitch IBCA	BB+					

8.2. Shares.

Category: **ordinary nominal shares**

Nominal value: **0.0016 rubles**

Shares in circulation as of **October 1, 2003**:

The number of floated shares less the shares on the issuer's balance sheet (4,741,299,639 – 5,307) = 4,741,294,332 ordinary shares.

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

Number of 'declared' shares: **none.**

Number of treasury shares: **5,307 ordinary shares.**

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

8.3. Previous stock issues.

8.3.1. Stock issues that have been cancelled.

8.3.2. Stock issues with stocks in circulation.

ISSUES ONE AND TWO COMBINED			
	State Registration Number of the Issue	Placement Data	Placement Results
1	52-1p-0796 October 17, 1995 (share issue cancelled)	The issue was placed within the period from October 31, 1995 through May 31, 1997. During privatization, the shares were placed through a loan for shares 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 (share issue cancelled)	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/r, issued by the Russian Federal Securities Commission on June 17, 2003, 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 stipulated 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 stipulated by the law and the Charter and to obtain copies thereof for pay;
- to exercise other rights as stipulated 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 authority 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.

8.3.3. Securities issued by the issuer on which it defaulted.

OAO Sibneft has not defaulted on any of its commitments concerning securities.

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 bonds.

8.6. Registrar.

OAO Registrar R. O. S. T.

Physical address: 18 Stromynka, Bldg. 13, Moscow, Russian Federation

Mailing address: 18 Stromynka, 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

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 auditing 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.

None.

8.8. Taxation of incomes on the stock issuer's securities.

Dividends on OAO Sibneft ordinary nominal shares are taxed 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 rates stipulated by those agreements are taken into account.

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

Federal Law on Currency Regulation and Currency Control

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 October 1, 2003, actual payouts totaled 1,422,020,863.67 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 3, 2001	Total of cash facilities disbursed by Sibneft: 17,969,525,631 rubles.	As of October 1, 2003, actual payouts totaled 17,966,952,207.67 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 October 1, 2003, actual payouts totaled 10,997,824,216.21 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 October 1, 2003, actual payouts totaled 32,854,966,826.88 rubles
5	On September 15, 2003, an Extraordinary General Shareholders Meeting resolved to pay dividends, based on the company's first half of 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 October 1, 2003, actual payouts totaled 0 rubles. Payment deadline: May 31, 2004.