West Siberian Resources Limited:
Interim report for the quarter and six months ended June 30, 2008

Following the recent merger with Alliance Oil, which was completed in the second quarter 2008, the group announces the consolidated earnings for the integrated operations of the combined group for the first time.

- **Total revenue increased by 126% to MUSD 869.2 (MUSD 385.4)* for the quarter and by 97% to MUSD 1 418.2 (MUSD 719.0) for the six month period.**
- **EBITDA amounted to MUSD 269.4 (MUSD 45.4) for the quarter and to MUSD 352.6 (MUSD 95.9) for the six month period.**
- **The quarterly net result amounted to MUSD 159.4 (MUSD 20.4) and the six months net result amounted to MUSD 205.3 (MUSD 44.3).**
- **Earnings per share amounted to USD 0.05 (USD 0.01) per share for the quarter and to USD 0.08 (USD 0.02) per share for the six month period.**
- **Oil production increased by 31% to 4,266,707 barrels for the quarter and by 32% to 8,317,869 barrels for the six month period.**
- **6,388,642 barrels of oil were refined in the quarter and 12,894,498 barrels were refined in the first six months of 2008.**

**Comparisons reflect Alliance Oil Company financial and other information for the quarter and six months ended June 30, 2007.*

West Siberian is a leading independent oil company with vertically integrated operations in Russia and Kazakhstan. West Siberian Resources has proven and probable oil reserves of 489 million barrels, a production of 50,000 barrels per day, refining capacity of 70,000 barrels per day and a network of 256 gas stations and 24 wholesale oil terminals. West Siberian's depository receipts are traded on the OMX Nordic Exchange Stockholm under the symbol WSIB.

Dear fellow shareholders,

The second quarter of 2008 represents an outstanding milestone in West Siberian's history that brought the company's business to a new level. In April 2008, we announced the successful completion of the merger with Alliance Oil to the group and created a leading independent oil business with vertically integrated operations in Russia and Kazakhstan.

Today we are happy to present our first quarterly report for the enlarged group. The second quarter 2008 consolidated interim financial statements fully reflect the company's vertically integrated oil operations.

In the second quarter of 2008 West Siberian's operations continued to grow rapidly, driven both by the company's active drilling and development program and by the merger with Alliance Oil Company, which added significant downstream operations as new business segments and additional oil reserves and production to our upstream segment.

Refining and marketing of oil products are now the groups' largest business segments. These downstream segments accounted for 76% of group revenues in the second quarter. In the first six months, the Khabarovsk refinery processed 12.8 million barrels into oil products for the Russian Far East and neighboring export markets. The 2008 annual refining volume target of 24.6 million barrels is consequently within reach. Increasing wholesale and retail demand led to higher price realizations and significantly improved margins for refined products. In total, oil products sales increased by 26% in the second quarter of 2008. Average net oil products prices increased by 17.6%. 37% of oil products were exported, 49% sold through wholesales and 14% - through own retail network.

Preparations are underway to upgrade the Khabarovsk refinery to a very modern high complexity refinery intended to produce higher quality oil products for the Far East markets which is expected to be completed by 2011.

In the upstream segment, the company's crude oil production increased by 31.3% to 4.3 million barrels in the second quarter of 2008. The average crude oil production amounted to 46.9 thousands barrels per day in the quarter. Prices for crude oil continued to increase in the second quarter of 2008 which, together with increased upstream production, resulted in crude oil sales growing by 36%. Gross export oil prices increased by 22% from USD 96 per barrel in the first quarter 2008 to USD 117 per barrel in the second quarter 2008 and realized netback prices increased by 46% from USD 39 to USD 57. In the third quarter, lower world market crude prices and higher export duty have reduced realized netbacks. Active production development continued in all operating regions with total of 18 new production wells put into operations in the second quarter of 2008. At the Kolvinskoye field, our major development project in the Timano-Pechora region, we are drilling the first well and preparing infrastructure. Important steps have thus been taken towards reaching this year's production target of 18.6 million barrels and reaching our long-term objective of producing 90,000 barrels per day by 2011.

The combined operations recorded revenues of USD 869.2 million in the second quarter 2008, which is more than 6 times higher than the revenues that West Siberian recorded in the second quarter 2007. The downstream segments benefited from the growth of sales prices even more significantly than the upstream business – recording an increase in EBITDA per barrel of refined oil of 133%, compared to a 64% increase in EBITDA per barrel of crude oil produced.

Integrated upstream and downstream operations resulted in consolidated EBITDA of MUSD 352.6 and net income of MUSD 205.3 – more than 8 and 36 respective times higher compared to West Siberian's results for the first half of 2007. West Siberian's shareholders can also enjoy an increase in EPS by 155% comparing to the first quarter of 2008, to USD 0.051 for the second quarter of 2008.

Looking forward, our Timano-Pechora region activities will benefit from the production tax holiday from January 1, 2009 through significant cost reductions, margin improvements and cash flow increases affecting more than half of our future production. We expect this to affect the size and value of our reserves in the region and we are currently reviewing drilling plans for the region. We will also, together with other Russian oil producers, benefit from the general lowering of production taxes of approximately USD 1.32 per barrel.

We are in the process of integrating West Siberian's and Alliance Oil's operations to realize the benefits of being fully integrated. The combined group's management structure will be reorganized to facilitate business integration, coordination, and realization of synergies.

In conclusion, the enlarged West Siberian group had an encouraging first quarter as a fully integrated oil company benefitting from rapidly increasing oil prices and refining margins. Most external factors continue to be volatile but favorable, volumes are growing and the financial performance is ahead of plans. We are, however, facing upward pressure on costs and capital expenditures. Inflationary pressure, Ruble appreciation and higher oil and product prices lead to higher operating costs and capital expenditures going forward. We have a solid balance sheet, MUSD 1,753.9 of total equity and significant debt capacity. Consequently, we believe we are well positioned to continue to grow profitably going forward.

August 29, 2008

Maxim Barski
Managing Director

Results – the Group

On April 10, 2008 West Siberian Resources completed the merger with Alliance Oil Company. Through the merger, West Siberian Resources Ltd expanded its exploration and production (upstream) operations and added significant oil refining and marketing (downstream) operations. Consequently, the enlarged Group has vertically integrated oil operations in Russia and Kazakhstan, set to capitalize on the benefits of vertical integration in all stages of the oil and gas industry value chain.

In the merger, Alliance Oil's shareholders contributed the entire share capital of Alliance Oil to WSR in exchange for 1,783,540,968 ordinary shares issued by WSR. In addition, WSR issued warrants to subscribe for 99,682,500 ordinary shares at an exercise price of SEK 6.21 per share as part of the merger agreement.

From the second quarter of 2008, Alliance Oil Company's operations are consolidated in West Siberian Resources Ltd's financial statements using the accounting model prescribed by IFRS 3 "Business combination" for "reversed acquisitions". This accounting treatment requires Alliance to be treated as the accounting acquirer and WSR being presented as the acquiree. WSR will, as the legal parent, continue to be presented as parent company in future financial reports.

Thus, WSR's operations for the first quarter 2008 and 10 days of the second quarter are not consolidated in the group's consolidated financial statements for the six months ended June 30, 2008.

All comparative information refers to Alliance Oil Company's financial statements for the quarter and six months ended June 30, 2007 unless otherwise indicated.

Group revenue for the quarter ended June 30, 2008 was MUSD 869.18 (MUSD 385.39) and MUSD 1,418.23 (MUSD 719.03) for the six month period. The revenues include revenues from sales of oil products and sales of crude oil.

Revenues from sales of crude oil for the quarter were MUSD 209.14 (MUSD 17.00) and MUSD 233.24 (MUSD 30.37) for the six months period. In the second quarter, revenues from export of crude oil amounted to MUSD 125.02, revenues from export to CIS countries amounted to MUSD 30.24 and revenues from domestic sales amounted to MUSD 54.47.

Revenues from sales of oil products for the quarter were MUSD 660.04 (MUSD 368.39) and MUSD 1,184.99 (MUSD 688.66) for the six months period. In the second quarter, revenues from export of oil products amounted to MUSD 186.43 and revenues from domestic sales amounted to MUSD 473.01. No sales of oil products to CIS countries were made in the quarter.

Oil production costs for the quarter were MUSD 107.33 (MUSD 13.76) and for the six months production costs were MUSD 119.78 (MUSD 23.86). Production and other taxes included in the oil production costs amounted to MUSD 83.82 (MUSD 3.35) for the quarter and MUSD 91.39 (MUSD 11.05) for the six month period.

Cost of crude oil purchased for refining for the quarter were MUSD 284.77 (MUSD 199.59) and for the six months these costs were MUSD 538.70 (MUSD 356.46).

Transportation costs for the quarter were MUSD 116.96 (MUSD 74.11) and for the six months transportation costs were MUSD 220.31 (MUSD 140.36). Transportation costs include expenses for crude oil delivery to the Khabarovsk Oil Refinery, oil products transportation to petrol stations and crude oil insurance.

Cost of processing of crude oil for the quarter were MUSD 12.64 (MUSD 9.83) and for the six months these costs were MUSD 22.28 (MUSD 19.73).

For the quarter, the depletion and depreciation charge for upstream and downstream assets was MUSD 36.04 (MUSD 4.40) and MUSD 46.90 (MUSD 13.93) for the six months period. The average depletion rate per barrel of oil produced from upstream assets amounted to USD 8.18 in the second quarter 2008 and to USD 8.36 in the six month period. Depletion charges calculated based on DeGolyer and MacNaughton's (D&M) and Miller & Lents (M&L) Petroleum Resources Management System (PRMS) classification of the company's recoverable proven and probable reserves and estimates of future capital expenditures increased since 2007 as a result of higher production volumes, reclassification of exploration assets to production assets, increasing reserves and higher estimates of future capital expenditures.

The Selling expenses amounted to MUSD 43.38 (MUSD 19.75) for the quarter and MUSD 75.50 (MUSD 49.25) for the six months.

The Administration expenses amounted to MUSD 9.53 (MUSD 4.80) for the quarter and MUSD 18.28 (MUSD 9.02) for the six months. The charge related to the global share option plan amounted to MUSD 4.00 for the quarter and six month period.

EBITDA amounted to MUSD 269.39 (MUSD 45.36) for the quarter and to MUSD 352.63 (MUSD 95.85) for the six month period.

The operating income for the quarter was MUSD 230.90 (MUSD 39.35) and MUSD 300.53 (MUSD 78.01) for the six month period.

Net finance expenses were MUSD 16.44 (MUSD 7.37) for the quarter and MUSD 27.93 (MUSD 15.26) for the six month period.

Currency exchange rate losses amounted to MUSD 1.28 (gains of MUSD 1.69) for the quarter and exchange rate gains amounted to MUSD 9.83 (MUSD 4.31) for the six month period. These mainly unrealised currency exchange rate gains resulted from the devaluation of the US Dollar against the Russian Rouble and were mainly derived from recalculating inter-company loans of the subsidiaries from Russian Roubles to US Dollars. The exchange rates used regarding the Russian Rouble to the USD at June 30, 2007 and June 30, 2008 were 25.82 and 23.46 per to USD.

Tax charges for the quarter were MUSD 53.75 (MUSD 12.45) and MUSD 77.15 (MUSD 19.64) for the six months.

For the quarter ended June 30, 2008 the Group reports a net result after tax of MUSD 157.79 corresponding to USD 0.05 per share (MUSD 19.33 and USD 0.01 per share, respectively). The net result for the six months ended June 30, 2008 was MUSD 202.55 corresponding to USD 0.08 per share (MUSD 42.72 and USD 0.02 per share, respectively).

Total pro forma revenue for the six months including WSR's operations from January 1 2008 amounted to MUSD 1,570.98. Pro forma EBITDA for the six months amounted to MUSD 397.76. The pro forma operating income for the six months of 2008 amounted to MUSD 226.62 .

For detailed pro forma information refer to the Supplement section on page 21.

Exploration and Production (Upstream)

West Siberian Resources Ltd's total oil production, including Alliance Oil Company's oil production for the second quarter of 2008 amounted to 4,266,707 barrels (3,250,395 barrels) and the average daily production for the period increased to 46,887 barrels per day (35,718 barrels per day). The group's total oil production for the first six months of 2008 amounted to 8,317,869 barrels (6,291,508 barrels). The oil production in the end of August 2008 amounts to 50 thousand barrels per day.

From the second quarter of 2008, Alliance Oil Company's operations are consolidated in West Siberian Resources Ltd's financial statements using the accounting model prescribed by IFRS 3 "Business combination" for "reversed acquisitions". This accounting treatment requires Alliance to be treated as the accounting acquirer for the consolidated financial information and WSR being presented as the acquiree. WSR will, as the legal parent, continue to be presented as parent company in future financial reports. Accordingly, total WSR oil production of 3,011,243 barrels was included in the second quarter and six months 2008 consolidated financial statements.

Actual crude oil sales volumes and prices for export and domestic markets (excluding intercompany crude oil sales) are presented in the following table (based on pro forma WSR and Alliance Oil Company results for quarter and six months ended June 30, 2008):

	Export	CIS	Domestic	Total
Six months ended June 30, 2008				
Sold volume (barrels)	3 019 923	1 458 895	2 652 704	7 131 522
Gross price (USD/barrel)	106,40	62,94	50,91	76,87
Net price (USD/barrel)	63,10	51,77	43,25	53,40
Selling expenses (USD/barrel)	4,30	10,54	0,77	4,26
Netback price (USD/barrel)	58,80	41,23	42,48	49,14
Quarter ended June 30, 2008				
Sold volume (barrels)	1 767 634	628 680	1 287 323	3 683 637
Gross price (USD/barrel)	117,07	64,63	57,20	87,19
Net price (USD/barrel)	72,28	54,31	48,97	61,07
Selling expenses (USD/barrel)	4,14	10,02	1,23	4,13
Netback price (USD/barrel)	68,14	44,29	47,74	56,94

The net prices are calculated by deducting VAT (for Russian domestic sales) or export duty (for export far abroad and to CIS countries sales) from the gross prices. The netback prices are calculated by deducting VAT (for Russian domestic sales), railway and pipeline transportation costs or export duty, brokers' commission and certain other costs (for export sales) or transportation, brokers' commission and certain other costs (for CIS countries export) from the gross price.

West Siberian Resources Ltd operates in three Russian regions: Tomsk, Timano-Pechora and Volga-Urals, and in Kazakhstan. Based on the most recent reserve report West Siberian Resources' proven and probable oil reserves under Russian classification amount to 376.4 million barrels. Under PRMS classification, proven and probable reserves amounted to 488.7 million barrels as of December 31, 2007.

Tomsk region

Total production in the Tomsk region in the second quarter was 1,184,886 barrels (844,035 barrels) and 2,232,191 barrels (1,551,320 barrels) for the six month period. Total oil production of 1,053,887 barrels was included in the consolidated financial statements for the second quarter and six months ended June 30, 2008.

A total of 26 wells in the region were subject to workovers or repair activities in the second quarter.

Development continued at the Khvoinoye field, 1 new well has been drilled, 4 wells have been hydrofractured and put in production including 3 wells drilled in the first quarter. The 2008 drilling program was completed.

Drilling continued at the Kluchevskoye field, where 3 wells were drilled. The wells will be fractured and put into production in the third quarter. The 2008 drilling program was completed.

Timano-Pechora region

Total production in the Timano-Pechora region in the second quarter amounted to 1,203,257 barrels (637,778 barrels) and 2,378,470 barrels (1,279,034 barrels) for the six month period. Total oil production of 1,077,185 barrels was included in the consolidated financial statements for the second quarter and six months ended June 30, 2008.

A total of 17 wells in the region were subject to workover or repair activities in the quarter.

At the Middle Kharyaga field, well no. 1004 was sidetracked and will be completed in the third quarter.

At the North Kharyaga field new multilateral well technology was tested and 4x100 m long radial horizontal holes were drilled to the productive formation on 3 existing wells.

Two wells no. 421 and 422 were drilled and completed and put into production at the Lek-Kharyaga field. Another well no 423 was drilled and will be put into production in the third quarter.

With the purpose to increase production the additional 4 wells drilling program started on pad no 63 Lek-Kharyaga field. The first well no. 431 was drilled and tested with a flow rate of 1800 barrels per day.

At the Kolvinskoye field drilling an exploration well no. 100 started. The well will be finished in 3 quarter. In August 2008 the company concluded a 10-year contract with Severnoe Siyanie for pipeline construction which will allow oil pumping to Transneft pipeline system. Total pipeline length is planned to be 87 km with the construction to be completed in 2010. Thus, by production start at the Kolvinskoe field the new transport infrastructure will be completed.

Volga-Urals region

Total production in the Volga-Urals region amounted to 1,776,588 barrels in the second quarter (1,712,140 barrels) and 3,512,122 barrels in the six month period (3,350,260 barrels). Total WSR oil production of 880,171 barrels was included in the second quarter and six months consolidated financial statements.

10 wells in the region were subject to workovers during the quarter.

At the Novo-Kievskoye, Kovalevskoye and Solnechoye fields 3 new wells drilling started. All wells are expected in the third quarter.

At the Kochevnenskoye field sidetrack drilling on well no 21 was finished and the well was put into production.

Production drilling on Stepnoozerskoye oil field in Tatarstan continued. 3 new wells were drilled, 4 put into production including 1 well drilled in the first quarter.

Kazakhstan region

Total production in the Kazakhstan region amounted to 101,975 barrels (56,754 barrels) and 195,086 barrels for the six month period (112,257 barrels).

At the Zhanatalap oil field exploration drilling continued. 3 new wells were drilled, 2 wells were put into production.

Refining and marketing (Downstream)

In the second quarter of 2008 West Siberian Resources completed the merger with Alliance Oil Company, through which it added significant oil refining and marketing operations to the Group's business model. Given the fact that the Company releases its first combined consolidated financial statements which include Refining and marketing segment, the Company do not provide adequate comparison in this segment for the previous periods.

Following the merger with Alliance Oil Company, the group operates the Khabarovsk oil refinery, a 256 Alliance gas station network, and 24 wholesale oil terminals all located in the Russian Far East.

Refining volumes at the Khabarovsk oil refinery amounted to 6,293 thousand barrels for the quarter and 12,762 thousand barrels for the six month period.

The average net oil products price increased by 18.6% in the second quarter of 2008. 37% of oil products were exported, 49% sold through wholesales and 14% - through own retail network.

Sales volumes and prices for oil products for export and domestic markets are presented in the following table:

Six months ended June 30, 2008				
	Export	**Wholesale market**	**Retail market**	**Total**
Sold volume (thousand barrels)	4 356 600	6 428 132	1 783 000	12 567 732
Net price (USD/barrel)	69,67	100,34	132,59	94,29
Quarter ended June 30, 2008				
	Export	**Wholesale market**	**Retail market**	**Total**
Sold volume (thousand barrels)	2 380 700	3 243 332	886 100	6 510 132
Net price (USD/barrel)	78,31	107,91	139,50	101,39

Preparations are underway, and initial investments were made in order to upgrade the Khabarovsk refinery to a very modern high complexity refinery intended to produce higher quality oil products for the Far East markets which is expected to be completed by 2011. [

Investments, Financing and Liquidity

Investments

Net investments in oil and gas assets for the quarter amounted to MUSD 72.04 and were made in the Timano-Pechora region (MUSD 36.38), Tomsk region (MUSD 16.98), Volga-Urals region (MUSD 16.48) and Kazakhstan (MUSD 2.20). For the six month period total net investments in oil and gas assets amounted to MUSD 80.21 (MUSD 21.77). For the six months net investments in refining assets amounted to MUSD 72.73 (MUSD 8.86) and net investments in marketing and sales assets amounted to MUSD 14.58 (MUSD 23.96).

Financing

In April 2008, MSEK 1,006.20 (MUSD 170.31 before placement costs) was raised through a private placement of 258 million common shares. The net proceeds after placement costs amounted to MSEK 976.53 (MUSD 165.29).

Liquidity

As at June 30, 2008 the Group liquidity amounted to MUSD 483.14 (MUSD 408.37). Cash flow from operations, before changes in working capital, for the six months amounted to MUSD 238.95 (MUSD 65.33).

Parent company

The parent company's net result before tax consolidated in the second quarter and the six months financial statements amounted to MUSD 0.27.

As of June 30, 2008 the liquidity of the parent company amounted to MUSD 0.32.

In April 2008, the parent company issued shares to the shareholders of Alliance Oil Company as described above. In April 2008, the parent company issued 258 million shares as described above.

Organisation

The board of directors consists of Mr. Eric Forss (Chairman), Mr. Maxim Barski (Managing Director), Mr. Claes Levin, Mr. Fred Boling, Mr. Nemesio Fernandez-Cuesta, Mr. Arsen Idrissov and Mr. Raymond Liefooghe. Mr. Fernando Martinez Fresneda is an alternate director for Mr. Fernandez-Cuesta.

Share data

The shares of the Company are represented by the Swedish Depository Receipts listed on the OMX Nordic Exchange Stockholm. Each share carries one vote.

In April 2008 as a result of the merger with Alliance Oil the share capital of the company increased by USD 89,177,048 from USD 59,451,366 to USD 148,628,414 and the number of shares increased by

1,783,540,968 from 1,189,027,312 to 2,972,568,280. As part of the merger WSR issued warrants to subscribe for 99,682,500 ordinary shares at an exercise price of SEK 6.21 per share.

In April 2008, as a result of a private placement the share capital of the company increased by USD 12,900,000 from USD 148,628,414 to USD 161,528,414 and the number of shares increased from 2,972,568,280 to 3,230,568,280.

As of June 30, 2008 the total number of options outstanding under the WSR Global Share Option Plan amounted to 87,284,000. Each option gives the right to subscribe for 1 share of common stock at exercise prices ranging from SEK 4.09 to SEK 7.00. All options are exercisable after 3 years subject to certain conditions and expire in 5 years from issuance. The value of the options on the grant date is recognized over the vesting period of 3 years. Charges related to the option plan are recorded as non-cash administrative expenses with corresponding entry to retained earnings.

GROUP INCOME STATEMENT

(Expressed in USD thousands)	Note	Jan 1, 2008 - Jun 30, 2008 6 months	Jan 1, 2007 - Jun 30, 2007 6 months*	Apr 1, 2008 - Jun 30, 2008 3 months	Apr 1, 2007 - Jun 30, 2007 3 months*
Revenue					
Revenue from sales of oil and gas	3	233 242	30 366	209 144	16 996
Revenue from sales of oil products	3	1 184 989	688 660	660 036	368 389
		1 418 231	**719 026**	**869 180**	**385 385**
Cost of sales					
Production costs – crude oil		-120 918	-23 856	-108 465	-13 757
Production costs – oil products		-842 107	-525 062	-434 063	-286 904
Depletion and depreciation	5	-46 902	-13 927	-36 042	-4 402
Gross profit		**408 304**	**156 181**	**290 610**	**80 322**
Selling expenses		-75 495	-49 520	-43 378	-19 753
Administration expenses	10	-18 284	-9 018	-9 528	-4 801
Depreciation of non-production assets		-5 196	-3 921	-2 455	-1 604
Other operating income/(expenses)		-8 796	-15 716	-4 353	-14 811
Operating income		**300 533**	**78 006**	**230 896**	**39 353**
Finance income/(expenses), net		-27 934	-15 257	-16 443	-7 365
Currency exchange gains/(losses)		9 830	4 307	-1 275	1 685
Share of result in associate		-	6 752	-	6 155
Result before tax		**282 429**	**73 808**	**213 178**	**39 828**
Tax	7,9	-77 151	-19 643	-53 751	-12 453
Result after tax		**205 278**	**54 165**	**159 427**	**27 375**
Expenses from discontinued operations		-	-9 830	-	-6 950
Result for the period		**205 278**	**44 335**	**159 427**	**20 425**
Attributable to:					
Equity holders of the parent		**202 548**	**42 719**	**157 787**	**19 331**
Minority interests		**2 730**	**1 616**	**1 640**	**1 093**
Earnings per share (USD)	2	0.08	0.02	0.05	0.01
Diluted earnings per share (USD)	2,8,10	0.08	0.02	0.05	0.01

* The financial figures represent Alliance Oil Company financial statements for the period.

GROUP BALANCE SHEET - Condensed

(Expressed in USD thousands)	Note	Jun 30, 2008	Dec 31, 2007*
NON-CURRENT ASSETS			
Oil and gas properties		1 755 077	214 544
Refining properties		368 849	331 768
Goodwill and intangible assets		9 907	3 704
Office equipment		16 834	10 860
Advances used for capital construction		92 971	35 925
Deferred tax asset		19 845	11 880
Other financial assets		2 303	471
		2 265 786	**609 152**
CURRENT ASSETS		986 687	880 101
TOTAL ASSETS		**3 252 473**	**1 489 253**
SHAREHOLDERS' EQUITY	6-8,10	**1 753 891**	**606 746**
NON-CURRENT LIABILITIES			
Interest-bearing non-current liabilities	4	495 336	207 025
Deferred tax liability	9	286 591	69 562
Provision for site restoration costs		18 090	3 298
Other long-term liabilities		8 667	10 636
		808 684	**290 521**
CURRENT LIABILITIES	4	689 898	591 986
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**3 252 473**	**1 489 253**

* The financial figures represent Alliance Oil Company financial statements for the period.

GROUP STATEMENT OF CASH FLOW - Condensed

(Expressed in USD thousands)	Note	Jan 1, 2008 - Jun 30, 2008 6 months	Jan 1, 2007 - Jun 30, 2007 6 months*
Cash flow from/used in operations			
Operating income		300 533	71 437
Operating cash flow before changes in working capital		**238 948**	**65 334**
Total cash flow from/used in operations		**-1 351**	**21 754**
Total cash flow from/used for investments	7	**16 772**	**-133 036**
Total cash flow from financing	4,7,8	**41 440**	**76 518**
Effect of exchange rate changes on cash and cash equivalents		17 907	2 151
Cash and cash equivalents on discontinued operations		-	-6 802
Change in cash and bank		**74 768**	**-39 415**
Cash and bank at beginning of period		408 372	125 864
Cash and bank at end of period		**483 140**	**86 449**

* The financial figures represent Alliance Oil Company financial statements for the period.

STATEMENT OF CHANGES IN EQUITY

(Expressed in USD thousands)	Attributable to equity holders of the parent company					Minority interest	Total equity
	Share capital	Other paid in capital	Other reserves	Retained earnings	Total		
Equity at Dec 31, 2006*	**33 656**	**19 304**	**54 566**	**364 455**	**471 981**	**22 025**	**494 006**
Translation difference for the period	-	-	8 450	-	8 450	71	8 521
Net result for the period Jan 1, 2007 – June 30, 2007	-	-	-	42 719	42 719	1 616	44 335
Total recognized income and expenses for the period	-	-	8 450	42 719	51 169	1 687	52 856
Acquisition of additional interest in subsidiaries from parties related by common control, net of tax	-	-	-	-	-	-617	-617
Acquisition of subsidiaries, net of tax, and increase of ownership in subsidiaries	-	-	-	-473	-473	5 331	4 858
Equity at Jun 30, 2007*	**33 656**	**19 304**	**63 016**	**406 701**	**522 677**	**28 426**	**551 103**
Translation difference for the period	-	-	30 686	-	30 686	-71	30 615
Net result for the period Jul 1, 2007 – Dec 31, 2007	-	-	-	20 839	20 839	2 570	23 409
Total recognized income and expenses for the period	-	-	30 686	20 839	51 525	2 499	54 024
Acquisition of additional interest in subsidiaries from parties related by common control, net of tax	-	538	-	-	538	-6 493	-5 955
Disposal of subsidiaries to parties related by common control, net of tax	-	14 878	-	-	14 878	-90	14 788
Disposal of associates to parties related by common control, net of tax	-	-6 919	-	-	-6 919	-	-6 919
Decrease of ownership in subsidiaries due to change of voting power of preference shares	-	-	-	-4 928	-4 928	4 928	-
Acquisition of subsidiaries, net of tax, and increase of ownership in subsidiaries	-	-	-	457	457	-752	-295
Equity at Dec 31, 2007*	**33 656**	**27 801**	**93 702**	**423 069**	**578 228**	**28 518**	**606 746**
Translation difference for the period	-	-	37 392	-	37 392	131	37 523
Net result for the period Jan 1, 2008 – Jun 30, 2008	-	-	-	202 548	202 548	2 730	205 278
Total recognized income and expenses for the period	-	-	37 392	202 548	239 940	2 861	242 801
Disposal of subsidiaries to parties related by common control, net of tax (Note 7)	-	-11 119	-	-	-11 119	-	-11 119
Acquisition of subsidiaries, net of tax, and increase of ownership in subsidiaries	-	-	-	-	-	- 4 366	-4 366
Acquisition of subsidiaries by swap of shares (reverse acquisition) (Note 6)	114 972	828 758	-	-	943 730	-	943 730
Private placement (Note 8)	12 900	152 392	-	-	165 292	-	165 292
Dividends paid (Note 7)	-	-	-	-193 197	-193 197	-	-193 197
Share option plan (Note 10)	-	-	-	4 004	4 004	-	4 004
Equity at Jun 30, 2008	**161 528**	**997 832**	**131 094**	**436 424**	**1 726 878**	**27 013**	**1 753 891**

* The financial figures represent Alliance Oil Company financial statements for the period.

KEY FINANCIAL AND OPERATIONAL RATIOS

	Jan 1, 2008 - Jun 30, 2008 6 months	Jan 1, 2007 - Jun 30, 2007 6 months*	Apr 1, 2008 - Jun 30, 2008 3 months	Apr 1, 2007 - Jun 30, 2007 3 months*
Financial ratios				
EBITDA [1], TUSD	352 632	95 854	269 394	45 359
Return on shareholders' equity [2], %	12%	8%	9%	4%
Return on capital employed [3], %	16%	9%	11%	4%
Debt/equity ratio [4], %	57%	72%	57%	72%
Equity ratio [5], %	54%	47%	54%	47%
Risk-bearing capital [6], %	63%	51%	63%	51%
Interest-coverage ratio [7]	10,28	5,17	13,03	5,21
Weighted average number of shares for the financial period [8,9,10]	2 448 447 744	1 783 540 968	3 089 555 755	1 783 540 968
Weighted average number of shares for the financial period (diluted) [8,9,10]	2 450 739 860	1 783 540 968	3 094 793 028	1 783 540 968
Number of shares at financial period end [10]	3 230 568 280	1 783 540 968	3 230 568 280	1 783 540 968
Operational ratios**				
Crude Oil				
Sales volume, barrels	3 737 324	-	3 304 824	-
Oil revenue per barrel (sold), USD/barrel	62,41	-	63,28	-
Export (excl. export duty)	70,58	-	74,32	-
Export CIS	54,12	-	54,12	-
Domestic	51,06	-	51,06	-
Operating costs per barrel sold, USD/barrel	33,51	-	35,53	-
Production costs (excl. production and other taxes)	5,96	-	5,99	-
Production and other taxes	19,19	-	21,36	-
Depletion and depreciation	8,36	-	8,18	-
Oil Products				
Sales volume, barrels	12 567 732	-	6 510 132	-
Oil products revenue per barrel (sold), USD/barrel	94,29	-	101,39	-
Export (excl. export duty)	69,67	-	78,31	-
Wholesale	100,34	-	107,91	-
Retail	132,59	-	139,50	-
Operating costs per barrel sold, USD/barrel	69,79	-	71,56	-
Cost of processing	1,77	-	1,94	-
Transportation – crude oil for refining	14,90	-	16,22	-
Transportation – oil products	2,63	-	1,75	-
Cost of crude oil purchased for refining	44,96	-	47,79	-
Cost of oil products purchased for re-sale	1,76	-	0,28	-
Taxes	3,20	-	2,98	-
Depreciation and amortisation	0,57	-	0,60	-

* The financial figures represent Alliance Oil Company financial statements for the period.
** Given the fact that the company releases its first combined consolidated financial statements following the merger providing comparison for operational ratios is not relevant.

Key ratio definitions

1. Earnings before interest, tax, depreciation and amortisation is defined as the Group's operating result plus depletion and depreciation, impairment of oil and gas properties if applicable and minus gain on disposal of shares in subsidiaries.
2. Return on shareholders' equity is defined as the Group's net result divided by the shareholders' equity at the end of the financial period.
3. Return on capital employed is defined as the Group's net result after financial items, plus interest expenses, plus/minus exchange-rate differences on financial loans, divided by average total capital employed (the average total assets less non-interest bearing liabilities over the financial period).
4. Debt/equity ratio is defined as the Group's interest-bearing liabilities in relation to shareholders' equity.
5. Equity ratio is defined as the Group's shareholders' equity, plus minority interest, in relation to total assets.
6. The percentage of risk-bearing capital is defined as the total sum of shareholders' equity and deferred tax liabilities (including minority interest), divided by total assets.
7. Interest-coverage ratio is defined as the Group's net result after financial items, plus interest expenses, plus/minus exchange-rate differences on financial loans, divided by interest expenses.

8. As of June 30, 2008 87,284,000 options were outstanding with the right to subscribe for 1 share of common stock at exercise prices ranging from SEK 4.09 to SEK 7.00 which have an effect on the average number of shares when calculated on a diluted basis.
9. On April 10, 2008 the Group completed the merger with Alliance Oil Company issuing 1,783,540,968 shares after which the number of shares increased from 1,189,027,312 to 2,972,568,280.
10. On April 18, 2008 the Group completed the private share placement after which the number of shares increased by 258,000,000 from 2,972,568,280 to 3,230,568,280.

NOTES

Note 1 Accounting principles

This consolidated interim report is prepared in accordance with IFRS and IAS 34. The accounting principles used in this interim report are the same as the ones used in the annual report as of December 31, 2007.

In accordance with the considerations presented in the annual report for the financial year 2007, Note 2, regarding new accounting principles for 2008, three new interpretations from IFRIC take effect as of 1 January 2008: IFRIC 11 'IFRS 2 Group and Treasury Share Transactions'; IFRIC 12 'Service Concession Arrangements' and IFRIC 14 'IAS 19 The limit on a defined benefit asset, minimum funding requirements and their interaction'. IFRIC 11, IFRIC 12 and IFRIC 14 have not had any impact on the Group's financial statements.

Note 2 Earnings per share

The earnings per share have been calculated by dividing the net result by the weighted average number of shares for the financial period. For the six months and quarter ended June 30, 2008 during which the reverse acquisition of West Siberian by Alliance Oil Company (refer to the Note 6 for details) occurred the weighted average number of ordinary shares outstanding included 1,783,540,968 shares issued by West Siberian to the shareholders of Alliance Oil Company for the period from the beginning of the reporting period to the merger completion date of April 10, 2008 and the actual number of WSR ordinary shares outstanding for the period since the merger completion date till June 30, 2008. For the six months and quarter ended June 30, 2008 there was a dilutive effect on the shares due to options granted.

The earnings per share disclosed for the six months and quarter ended June 30, 2007 was calculated by dividing the profit or loss of the legal subsidiary, Alliance Oil Company, attributable to ordinary shareholders in each of those periods by 1,783,540,968, i.e. the number of ordinary shares issued by the legal parent, West Siberian, to the shareholders of the legal subsidiary in the reverse acquisition.

Note 3 Segment information

Following the merger with Alliance Oil Company the Group's management review and evaluate the business basing on operational basis including the following three operating divisions – oil extraction and production, refining and transportation, marketing and sales of oil products. The information on operational segments of the Group is presented below:

	Exploration and production	Refining and transportation	Marketing and sales	Total	Eliminations	Group
Six months ended 30 June, 2008						
Total segment revenue	286 116	1 128 893	697 600	2 112 609	-	-
Inter-segment revenue	52 874	641 177	327	694 378	-694 378	-
Segment revenue	233 242	487 716	697 273	1 418 231	-	1 418 231
Segment result	104 774	205 866	27 274	337 914	-5 105	332 809
Six months ended 30 June 2007						
Total segment revenue	56 695	591 052	399 295	1 047 042	-	-
Inter-segment revenue	26 329	301 172	515	328 016	-328 016	-
Segment revenue	30 366	289 880	398 780	719 026	-	719 026
Segment result	20 143	69 847	16 897	106 887	-225	106 662
Quarter ended June 30, 2008						
Total segment revenue	242 296	613 257	390 591	1 246 144	-	-
Inter-segment revenue	33 152	343 619	193	376 964	-376 964	-
Segment revenue	209 144	269 638	390 398	869 180	-	869 180
Segment result	85 029	144 969	23 501	253 499	-6 266	247 233

Quarter ended June 30, 2007						
Total segment revenue	33 237	288 985	218 234	540 456	-	-
Inter-segment revenue	16 242	138 443	386	155 071	-155 071	-
Segment revenue	16 995	150 542	217 848	385 385	-	385 385
Segment result	15 344	19 633	25 592	60 569	-	60 569

Management review and evaluate the business on a geographical basis as a result three secondary segments are identified. Sale of crude oil and oil products to Russia are categorised as domestic; sale of crude oil and oil products to countries outside Russia are categorised as export; sale of crude oil to CIS countries are categorized as export CIS. During the six months and quarters ended June 30, 2008 and 2007, there were no sales of oil products to CIS countries.

The information on geographical segments of the Group is presented below:

	Crude oil			Oil products		Group
	Export	Export CIS	Russia	Export	Russia	
Six months ended June 30, 2008						
Total segment revenue	149 123	30 243	110 227	303 543	881 935	1 475 071
Inter-segment revenue	-	-	-55 756	-	-1 084	- 56 840
Segment revenue	149 123	30 243	54 471	303 543	880 851	1 418 231
Segment result	62 105	2 930	13 578	62 821	191 376	332 810
Six months ended June 30, 2007						
Total segment revenue	30 366	-	26 329	207 088	481 572	745 355
Inter-segment revenue	-	-	- 26 329	-	-	-26 329
Segment revenue	30 366	-	-	207 088	481 572	719 026
Segment result	2 694	-	-	25 915	78 053	106 662
Quarter ended June 30, 2008						
Total segment revenue	125 024	30 243	90 506	186 434	474 091	906 298
Inter-segment revenue	-	-	-36 035	-	-1 084	-37 118
Segment revenue	125 024	30 243	54 471	186 434	473 007	869 180
Segment result	61 749	2 930	13 578	46 896	122 080	247 233
Quarter ended June 30, 2007						
Total segment revenue	16 996	-	16 242	120 996	247 393	401 627
Inter-segment revenue	-	-	-16 242	-	-	-16 242
Segment revenue	16 996	-	-	120 996	247 393	385 385
Segment result	2 261	-	-	17 473	40 835	60 569

Note 4 Bank loans and related pledged assets

WSR Group long- and short-term loans and related pledged assets are presented in the table below.

Currency	Outstanding amount, TUSD	Maturity	Interest rate	Pledged assets	
				Amount of pledge	Description of pledged assets/ covenants
Long-term loans					
USD nominated loans	376 119	2010-2013	2.5% +LIBOR - 10%	510 304	Shares of subsidiaries, financial guarantees provided by subsidiaries, financial ratio covenants
RUR nominated loans	9 790	2010	9.5%	10 197	property, plant and equipment, financial guarantee of subsidiary
RUR nominated bonds	127 379	2011	8.92%	-	-
	513 288			**520 501**	

Currency	Outstanding amount, TUSD	Interest rate	Pledged assets	
			Amount of pledge	Description of pledged assets/ covenants
Short-term loans				
USD Nominated loans	138 237	2.5%+LIBOR - 10.45%	33 836	property, plant and equipment, financial guarantees of subsidiaries
RUR nominated loans	301 905	3.5%+RBA - 14%	44 837	property, plant and equipment, oil products, financial guarantees of subsidiaries
	440 142		**78 673**	

The interest expense payable by WSR as of June 30, 2008 amounted to TUSD 6,072 included in the balance sheet line ‘Current liabilities’.

Note 5 Depletion and depreciation

For the six months ended June 30, 2008 and 2007 the depletion and depreciation charge amounted to TUSD 52,098 and TUSD 17,848, respectively. For the quarters ended June 30, 2008 and 2007 the depletion and depreciation charge amounted to TUSD 38,497 and TUSD 6,006. Depletion charges calculated based on DeGolyer and MacNaughton’s (D&M) and Miller and Lents’ (M&L) Petroleum Resources Management System (PRMS) classification of the company’s recoverable proven and probable reserves and estimates of future capital expenditures.

Note 6 Acquisitions

On April 10, 2008 West Siberian Resources completed the merger with Alliance Oil Company. In the merger, Alliance Oil’s shareholders contributed the entire share capital of Alliance Oil to WSR in exchange for 1,783,540,968 ordinary shares issued by WSR. In addition, WSR issued warrants to subscribe for 99,682,500 ordinary shares at an exercise price of SEK 6.21 per share as part of the merger agreement.

After the successful completion of the merger the financial statements have been prepared using the accounting model prescribed by IFRS 3 “Business combination” for “reversed acquisitions” since the shareholders of Alliance owned 60% of WSR following the transaction. This accounting treatment requires Alliance to be treated as the accounting acquirer for the consolidated financial information and WSR being presented as the acquiree. As a consequence, the assets and liabilities of WSR, being the legal parent, have been recorded at fair value initially in the consolidated financial statements. The assets and liabilities of the legal subsidiary, Alliance Oil, have been recognized and measured in the combined financial statements at their pre-combination carrying amounts. The comparative financial information for the six months and quarter ended June 30, 2008 represent the Alliance Oil Company’s financial statements for these periods. WSR as the legal parent continue to be presented as parent company in future financial reports.

The consolidated WSR and Alliance Oil financial statements have been prepared starting from the second quarter of 2008 using the prescribed accounting model. Since the reversed acquisition model has been used for the consolidated financial statements for the quarter ended June 30, 2008, the cost of combination was determined based on the number of WSR shares existing at the completion date. On April 10, 2008 the fair value of existing 1,189,027,312 WSR shares was equal to TUSD 933,397. The directly attributable merger costs incurred both by WSR and Alliance Oil Company amounted to TUSD 18,235. The fair value of the warrants for

99,682,500 WSR shares issued as a part of the merger included into the cost of combination amounted to TUSD 18,145. As a result, the total cost of combination was estimated at TUSD 969,776.

The total cost of combination has been allocated to WSR's assets and liabilities while mainly WSR's oil and gas properties have been adjusted for the fair value.

The preliminarily evaluated fair values of the acquired assets and liabilities of WSR are presented in the table below.

	WSR
Date of acquisition	April 10, 2008
Oil and gas properties	1 496 032
Refining properties	2 657
Land	13
Goodwill	638
Intangible fixed assets	1 458
Office equipment	4 619
Deferred tax asset	1 593
Other financial fixed assets	2 255
Inventories	17 286
Trade and other current receivables	66 120
Short-term investments	273
Cash and bank	21 706
Long-term borrowings	-300 959
Provision for site restoration costs	-13 676
Deferred tax liability	-222 137
Trade payables	-69 011
Taxes payable	-32 393
Accrued expenses	-5 817
Other current liabilities	-579
Net assets at acquisition date	**970 078**
Minority interest	-302
Net assets acquired	**969 776**
Issued shares	969 776
Cash paid by the Company	6 060
Less cash of acquired subsidiary	-21 706
Cash flow on acquisition, net of cash acquired	**-15 646**
Profit since the acquisition date	1 138
Revenue for 6 months of 2008 as though the acquisition date had been January 1, 2008	294 575
Profit for 6 months of 2008 as though the acquisition date had been January 1, 2008	96 943

During the six months ended 30 June 2008, the Company acquired interests in the following subsidiaries:

	Interest acquired
OJSC Amurnefteprodukt	0.75%
OJSC Primornefteprodukt	5.20%
OJSC Khabarovsknefteproduct	0.32%
OJSC Bamnefteproduct	0.14%

In February 2008 the Group (through Alliance Oil Company) acquired from third parties 44.39% privileged shares of OJSC Khabarovsk Oil Refinery for the reward amounted TUSD 2,676.

In the second quarter 2008 43.11% privileged shares of OJSC Bamnefteproduct were acquired from third parties for the reward amounted to TUSD 123 and 4.51% privileged shares of OJSC Khabarovsknefteproduct from third and the related reward amounted to TUSD 411.

Note 7 Disposal of subsidiaries and other related parties transactions

In March 2007 the Board of Directors approved a decision to dispose of Ukrainian enterprises to a related party. On September 4, 2007 this transaction was completed. On April 30, 2008 the supplementary agreement on the sale of LLC NK Alliance-Ukraine shares was signed under which the stated currency rate for the contract selling price was changed. The effect from changing the currency rate amounted to TUSD 11,119 was included in equity.

For the six months and quarters ended June 30, 2008 and 2007 the group was involved in several transactions with related parties including sales of oil products, purchase of goods, obtaining and providing loans, etc. Transactions with related parties were transactions in the ordinary course of business with terms and conditions, similar to transactions with third parties except for interest free loans provided and obtained. All related party balances were unsecured and would be settled in cash under normal commercial credit terms. No guarantees have been given or received in relation to any related party balance.

In the quarter ended June 30, 2008 as a part of the merger agreement a dividend payment was made to the Alliance Oil Company's shareholders in the amount of TUSD 188,998 which was paid back to the company as a repayment of the loans given to the related parties in prior years and proceeds from disposal of subsidiaries and associates.

Note 8 Private placement proceeds

On April 18, 2008 a private placement of common shares raising TSEK 1,006,200 (TUSD 170,314 before placement costs) was completed. Qualified investors subscribed for 258,000,000 new shares/depositary receipts with a subscription price of SEK 3.90. The net proceeds after placement costs amounted to TSEK 976,529 (TUSD 165,292).

Note 9 Tax

For the six months ended June 30, 2008 the deferred tax liability increased from TUSD 69,652 to TUSD 286,591 mainly due to the merger with Alliance Oil Company. The current tax expense for the six months ended June 30, 2008 amounted to TUSD 90,772 and deferred tax income to TUSD 13,621. For the quarter ended June 30, 2008 the current tax expense amounted to TUSD 47,695 and deferred tax expense amounted to TUSD 6,056.

Note 10 Share option plan

Since 2006 the Company granted options under the WSR Global Share Option Plan. As of June 30, 2008 the number of outstanding options amounted to 87,284,000. Each option gives the right to subscribe for 1 share of common stock at exercise prices ranging from SEK 4.09 to SEK 7.00. All options are exercisable after 3 years subject to certain non-market conditions such as the Company's and individual performance and expire in 5 years from issuance. The fair value of the employee services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed over the vesting period of 3 years is determined by reference to the fair value of the options granted excluding the impact of any non-market vesting conditions.

For the six moths ended June 30, 2008 the charges amounted to TUSD 4,004 increased the income statement line "Administration expenses" and correspondingly the retained earnings.

Note 11 Commitments and contingencies

Under the contracts effective at June 30, 2008 and December 31, 2007 future capital expenditures amounted to TUSD 587,515 and TUSD 979,557 (excluding VAT), respectively. At June 30, 2008 TUSD 557,880 of future capital expenditures related to the upgrade of the Khabarovsk Refinery.

The Federal Antimonopoly Service (FAS) of the Russian Federation charged two Alliance Oil Company subsidiaries engaged in oil products distribution with violating the antimonopoly law in relation to the oil products pricing. The FAS charges have not come into force as they were appealed to the court by Alliance Oil Company's subsidiaries. Management evaluates the likelihood that the court proceedings will be successful as high.

WSR signed an option deed in favor of International Finance Corporation ("IFC") under which IFC would be entitled to exercise its options in a future WSR shares offering at the lowest subscription price for the amount not exceeding MUSD 25.

Next report due

The next financial report for the six months from January 1, 2008 to September 30, 2008 will be published on November 28, 2008.

Press conference / Conference call

Time: 09.00 CET
Venue: Room Uppsala, Grand Hotel, Stockholm Sweden
To participate to the conference call please dial:
SE: +46 (0)8 505 598 53
UK and other countries: +44 (0)20 3043 2436
The press conference will be webcasted live at www.westsiberian.com and www.nasdaqomx.com.
The conference will be available at www.westsiberian.com.

Risk and uncertainties associated with this interim report

The group's risk exposure is presented on pages 92-93 and 58-61 of the WSR's and Alliance Oil Company's 2007 annual reports, respectively. There are no general changes to this presentation of risk exposure.

Supplement section

Combined Income Statement Pro forma for the six months ended June 30, 2008

	Six months ended 30 June 2008			
USD thousand	WSR	Alliance	Adjustments	Pro-forma Combined
Revenue	331 522	1 267 293	-27 840	1 570 975
EBITDA	111 804	275 624	10 334	397 762
EBITA	111 804	275 624	5 642	393 070
EBIT	58 639	250 407	5 642	314 688
Profit before income tax	68 183	234 437	5 642	308 262
Profit for the period	54 099	168 234	4 290	226 623
Attributable to:				
Minority interest	37	2 699	-	2 736
Shareholders of the parent	54 062	165 535	4 290	223 887
Per share data				
Number of shares outstanding at balance sheet date	-	-	-	3 230 568 280
Earnings per share, USD	-	-	-	0,069
Equity / share	-	-	-	0,53

The pro forma financial information was based on WSR and Alliance Oil's interim financial information for the six months ended June 30, 2008 prepared in accordance with IFRS and was compiled based on the assumption that WSR acquired 100% of the shares in Alliance Oil as of January 1, 2008 using the accounting model prescribed by IFRS 3 "Business combination" for "reversed acquisitions" as Alliance's shareholders owned 60% of WSR shares following the merger. This accounting treatment requires that the assets and liabilities of WSR, being the legal parent, should be initially recorded at fair value in the consolidated financial statements, while the assets and liabilities of the legal subsidiary, Alliance Oil, should be recognised and measured at their pre-combination carrying amounts. The difference between the cost of combination and consolidated net assets of WSR as of January 1, 2008 was allocated to WSR oil and gas properties and corresponding deferred tax liability. Based on the fair values allocated to the oil and gas properties the new depletion for the six months ended June 30, 2008 were calculated for WSR affecting the pro forma income statement for the six months ended June 30, 2008.

August 29, 2008

The Board of Directors and the Managing Director certify that the interim financial report gives a fair view of the performance of the business, position and profit or loss of the company and the group, and describes the principal risks and uncertainties that the Company and the companies in the Group are exposed to.

Eric Forss Chairman	Maxim Barski Director and Managing Director
Claes Levin Director	Fred Boling Director
Arsen Idrissov Director	Nemesio Fernandez-Cuesta Director
Raymond Liefooghe Director	

This report has not been subject to review by the company's auditors.

For further information:

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