West Siberian Resources Limited: Interim report for the quarter and nine months ended September 30, 2007

- **Total revenue increased by 23% to MUSD 103.3 (MUSD 84.0) for the quarter and by 34% to MUSD 245.9 (MUSD 183.3) for the nine months.**
- **The quarterly net result amounted to MUSD 19.4 (MUSD 17.9)* and the nine months net result amounted to MUSD 25.1 (MUSD 31.8).**
- **EBITDA amounted to MUSD 32.7 (MUSD 33.1) for the quarter and to MUSD 73.2 (MUSD 67.2) for the nine month period.**
- **Earnings per share amounted to USD 0.02 (USD 0.02) per share for the quarter and to USD 0.02 (USD 0.03) per share for the nine month period.**
- **Currency exchange gains of MUSD 12.6 (MUSD 3.2) and settlement charges of MUSD 4.6 were recorded in the quarter.**
- **Oil production increased by 20% to 2,824,704 barrels for the quarter and by 36% to 7,507,062 barrels for the nine month period.**
- **The October monthly oil production exceeded 1 million barrels.**
- **Oil prices have continued to rise in the fourth quarter.**

**Comparisons reflect the quarter and the nine months ended September 30, 2006 which included gains of MUSD 5.8 from the disposal of shares in subsidiaries.*

West Siberian Resources Ltd is an independent oil company active in Russia. West Siberian´s depository receipts are traded on the Stockholm Stock Exchange under the symbol WSIB.

Dear fellow shareholders,

We are proud to present West Siberian's best quarter ever. In the third quarter 2007, we produced more oil than ever before which resulted in quarterly revenues exceeding MUSD 100 for the first time. Cash flow and net income also reached unprecedented levels, despite the MUSD 5.8 capital gain that was recorded in the third quarter last year.

Since the end of the quarter, we have been producing oil at rates exceeding 1 million barrels per month. At current rates, we are close to reaching the current production target of 11 million barrels for the year and we expect further growth throughout the fourth quarter. As we continue to increase production and grow at double digit rates we are outperforming most of our peers amongst the Russian independent oil producers.

External factors, primarily higher oil prices and the weaker dollar also contributed to earnings growth. Rising international oil prices in the fourth quarter have lead to a significant increase in Russian export and domestic prices allowing us to realise higher net prices for our oil. Our increased selling expenses primarily reflect that we are transporting larger volumes of oil to markets receiving higher prices. In summary we are selling record volumes of oil at record prices, which provides for further improvement in financial performance going forward.

In the third quarter, we reached our target of keeping internal production costs below USD 4 per barrel. However, production tax charges increased from USD 12.67 to USD 15.30 per barrel as oil prices continued to rise which led to an increase in total production costs. In the quarter, we also recorded a nonrecurring one time charge of MUSD 4.56, following the settlement of a lengthy legal dispute regarding social-economic cooperation under the license agreement for the Middle Kharyaga field in the Timano-Pechora region. Going forward, we will contribute USD 3.5 per ton produced (about USD 0.47 per barrel produced) from this field to the social-economic cooperation in the region.

The rapid increase in oil production results from the successful development activities at our fields in all regions. Our efforts are aimed at increasing reserves and production at low cost and we are now reviewing our long-term production target of 75,000 barrels per day from existing fields by 2011. There are several reasons to revise this target upwards. As our oil reserves are increasing through continued successful development and exploration programs, the production capacity of our fields also increase.

Recent developments in the Timano-Pechora region are certainly encouraging. The Lek-Kharyaga field is already producing ahead of schedule confirming a significant increase in field reserves. At the North Kharyaga, we have experienced completion problems of technical nature at a few wells which have delayed production. More importantly, our recent new insights into the geology of the field are very encouraging.

While we remain confident that our current fields will present growth opportunities for many years to come, we also continue to evaluate external business development opportunities. The rapidly changing Russian oil industry constantly presents new challenges and opportunities for West Siberian Resources.

November 21, 2007

Maxim Barski
Managing Director

Results – the Group

Group revenue for the quarter ended September 30, 2007 was MUSD 103.33 (MUSD 84.02) and MUSD 245.94 (MUSD 183.26) for the nine month period.

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

Nine months ended September 30, 2007				
	Export	**CIS**	**Domestic**	**Total**
Sold volume (barrels)	964 327	2 482 917	3 980 648	7 427 892
Gross price (USD/barrel)	61,28	38,10	35,00	39,45
Net price (USD/barrel)	35,26	35,61	29,49	32,29
Selling expenses (USD/barrel)	4,75	7,40	0,46	3,34
Netback price (USD/barrel)	30,52	28,21	29,03	28,95
Nine months ended September 30, 2006				
	Export	**CIS**	**Domestic**	**Total**
Sold volume (barrels)	1 094 973	1 076 881	3 288 237	5 460 092
Gross price (USD/barrel)	56,26	41,68	35,42	40,84
Net price (USD/barrel)	32,36	37,77	30,82	32,63
Selling expenses (USD/barrel)	5,05	7,06	0,43	2,79
Netback price (USD/barrel)	27,31	30,71	30,39	29,84
Quarter ended September 30, 2007				
	Export	**CIS**	**Domestic**	**Total**
Sold volume (barrels)	382 768	843 514	1 495 418	2 721 700
Gross price (USD/barrel)	69,51	45,62	40,39	46,11
Net price (USD/barrel)	40,33	40,73	33,94	36,94
Selling expenses (USD/barrel)	5,22	7,88	0,40	3,40
Netback price (USD/barrel)	35,11	32,85	33,54	33,55
Quarter ended September 30, 2006				
	Export	**CIS**	**Domestic**	**Total**
Sold volume (barrels)	321 188	649 876	1 399 470	2 370 534
Gross price (USD/barrel)	59,80	39,25	39,55	42,22
Net price (USD/barrel)	31,61	38,93	33,24	34,58
Selling expenses (USD/barrel)	4,43	6,69	0,42	2,68
Netback price (USD/barrel)	27,18	32,24	32,83	31,90

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.

Production costs for the quarter were MUSD 56.16 (MUSD 40.93) and for the nine months production costs were MUSD 132.38 (MUSD 92.42). Production costs (excluding refining costs and production and other taxes) per barrel amounted to USD 3.92 (USD 4.09) for the quarter and USD 4.14 (USD 4.15) for the nine month period. Production taxes included in the Production costs for the quarter were MUSD 43.21 (MUSD 29.94) and MUSD 96.51 (MUSD 66.82) for the nine months period.

Production costs for the quarter ended September 30, 2007 included settlement charges of MUSD 4.56 related to the license agreement for the Middle Kharyaga field in the Timano-Pechora region. Following the significant increase in oil production in the Timano-Pechora region, the group's social responsibilities in the region are increasing. In order to maintain peaceful relationships with the regional authorities including the Administration of the Nenetsk Autonomous Area WSR has accepted to settle the authorities' claim of USD 3.5 for each ton of oil produced (about USD 0.47 per barrel produced) from the Middle Kharyaga oil field. The total amount MUSD 4.56 accrued in the income statement consisted of MUSD 2.12 related to the period March 31, 2004 to September 30, 2005 which was claimed to the court by the Administration of the Nenetsk Autonomous Area and the remaining MUSD 2.44 related to the period from October 1, 2005 till September 30, 2007. The amount of MUSD

2.12 was settled in September 2007 and the remaining MUSD 2.44 will be settled by March 31, 2008 as agreed with the Administration.

For the quarter, the depletion and depreciation charge was MUSD 18.84 (MUSD 17.75) and MUSD 50.53 (MUSD 42.18) for the nine month period. The depletion and depreciation charge increased as a result of higher production volumes. Since 2005, WSR has commissioned DeGolyer and MacNaughton (D&M) for the company's Society of Petroleum Engineers (SPE) classification of recoverable reserves. Based on D&M's 2006 estimates of reserves and future capital expenditures, the average depletion rate per barrel of oil produced decreased to USD 6.66 (USD 7.50) in the third quarter 2007 and to USD 6.72 (USD 7.60) in the nine month period. D&M's estimates of total future capital expenditures still exceed WSR's internally planned investments. As WSR continues to expect that additional reserves will be recovered at lower cost than D&M's projections, depletion of the oil and gas properties is recorded at a higher average rate than may be the case in coming years.

The Selling expenses amounted to MUSD 9.71 (MUSD 6.39) for the quarter and MUSD 25.55 (MUSD 15.28) for the nine month period. Comparing to 2006 the selling expenses increased due to larger volumes of crude oil sold, increased transportation charges per barrel and higher volumes of crude oil sold for far abroad export and export to CIS countries with higher transportation charges per barrel than for domestic sales.

The Administration expenses amounted to MUSD 4.21 (MUSD 3.74) for the quarter and MUSD 13.70 (MUSD 8.62) for the nine months. The charge related to the global share option plan amounted to MUSD 0.96 (MUSD 1.01) for the quarter and MUSD 3.64 (MUSD 2.63) for the nine month period. Costs associated with the listing on the Stockholm Stock Exchange were included in the Administration expenses in the second quarter and amounted to MUSD 0.76.

EBITDA amounted to MUSD 32.71 (MUSD 33.09) for the quarter and to MUSD 73.20 (MUSD 67.18) for the nine month period.

The operating income for the quarter was MUSD 13.88 (MUSD 21.18) and MUSD 22.67 (MUSD 30.84) for the nine month period. Last year, a gain of MUSD 5.84 from the sale of shares in subsidiaries was included in the operating income for the third quarter and the nine month period.

Net finance expenses were MUSD 3.98 (MUSD 2.70) for the quarter and MUSD 11.16 (MUSD 10.45) for the nine month period.

Currency exchange rate gains amounted to MUSD 12.57 (MUSD 3.16) for the quarter and to MUSD 18.74 (MUSD 17.10) for the nine month period. These mainly unrealised currency exchange rate gains resulted from the substantial 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 rate used regarding the Russian Rouble to the USD at December 31, 2006 and September 30, 2007 were 26.33 and 24.95 per to USD.

Tax charges for the quarter were MUSD 3.06 (MUSD 3.76) and MUSD 5.20 (MUSD 5.73) for the nine months.

For the quarter ended September 30, 2007 the Group reports a net result after tax of MUSD 19.43 corresponding to USD 0.02 per share (MUSD 17.88 and USD 0.02 per share, respectively). The net result for the nine months ended September 30, 2007 was MUSD 25.09 corresponding to USD 0.02 per share (MUSD 31.76 and USD 0.03 per share, respectively).

Exploration and Production

West Siberian Resources Ltd's oil production increased to 2,824,704 barrels (2,363,271 barrels) for the quarter and to 7,507,062 barrels (5,537,876 barrels) for the nine months ended September 30, 2007. Average daily production increased to 30,703 barrels per day (25,688 barrels per day) for the quarter and 27,498 barrels per day (20,285 barrels per day) for the nine month period.

During the third quarter, a total of 50 wells in the Tomsk region, 25 wells in the Timano-Pechora region and 32 wells in the Volga Urals region contributed to production.

Oil production increased to 1,049,343 barrels (798,693 barrels), or 33,850 barrels per day (25,764 barrels per day) in October 2007. Successful exploration and production drilling results are yielding production increases and suggest that oil reserves in all regions will be significantly upgraded. The 2007 production target amounts to 11 million barrels.

The Tomsk Region
Total production in the Tomsk region in the quarter was 961,488 barrels (861,052 barrels) and 2,512,808 barrels (1,938,786 barrels) for the nine month period.

At the Kluchevskoye and Puglalymskoye fields, all the license agreements obligations for 2007 have been met following the completion of the 2007 development plan. To date 26 new wells (including 3 injecting wells and 2 water wells) have been drilled and 21 of them were completed and put into production. 20 hydro fracturing works have been successfully performed.

The Kluchevskoye and Puglalymskoye field development activities have resulted in a reassessment of the reservoirs' structure and their size. The areas of the deposits are expected to be significantly larger than previous assessments and net oil pay also largely exceeds prior determinations.

At the Khvoinoye oil field, a 3D seismic survey covering 83 km^2 has been processed. Results from the seismic interpretation are expected to be obtained in the fourth quarter. Preparations for production drilling (including construction of pads, roads, etc.) are being performed at the Khvoinoye field. Drilling was delayed due to weather conditions and is currently scheduled for December 2007.

During the quarter 49.7 thousand barrels (59.5 thousand barrels) were refined at the Alexandrov refinery which generated oil products revenue of MUSD 1.58 (MUSD 1.62).

The Timano-Pechora Region
Total production in the Timano-Pechora region amounted to 924,848 barrels (737,594 barrels) for the quarter and 2,203,883 barrels (2,128,304 barrels) for the nine month period.

Development of the North Kharyaga and Lek-Kharyaga fields is continuing. The 3D seismic and geological model updates for the Lek-Kharyaga and North Kharyaga fields were completed. In the fourth quarter, oil reserve increases and new Devonian prospects with resources will be evaluated by independent petroleum engineers.

At the North Kharyaga oil field, 8 new producing wells have been drilled and 7 wells have been put into operation to date. The oil treatment facilities construction has been completed on the North Kharyaga field. In addition, the high-voltage line (10 kW, 19 km long) has been put into use.

At the Lek-Kharyaga field 3 oil wells have been drilled and 2 of them completed. Field production significantly exceeds expected production.

On the Lek-Kharyaga field, the oil treatment facility and the high-voltage line (10 kW, 26 km long) have been completed and put into operation.

At the Kolvinskoye field, the 190 km^2 3D seismic was processed and the engineering surveys were executed to determine future locations of oil field facilities and pipelines routes for connection to the national Transneft system.

Mr. Alexander Ivanov was appointed as General Director of Pechoraneft, the group's operating subsidiary in the Timano-Pechora region. Mr. Ivanov replaced Vladimir Revyakin and will primarily be responsible for the continued execution of the drilling program and for improving efficiency in the region. Mr. Ivanov previously held positions as Chief Engineer and General Director of several Russian oil and gas companies including TomskNeft, YakutGAZPROM, and Russneft.

The Volga-Urals Region
Total production in the Volga-Urals region amounted to 938,368 barrels (764,625 barrels) for the quarter and 2,790,371 barrels (1,470,786 barrels) for the nine month period.

The Kochevnenskoye field's oil treatment facility is operating at full capacity, which limited and delayed production increases in the third quarter as well. In the quarter, capacity constraints resulted in production reductions of approximately 31,000 barrels of oil with 2 wells shut in. The oil treatment facility is being upgraded: to date capacity has improved from 5.6 to 8.8 thousand barrels per day. The capacity is planned to increase up to 10.8 thousand barrels per day by the end of the year.

At the Kochevnenskoye oil field, well no. 111 was drilled and is expected to be put into production in the fourth quarter. Drilling of well no. 112 has started.

At the West-Kochevnenskoye oil field, well no. 10 was drilled and put into production.
At the Kovalevskoye oil field, the 2 exploration wells were tested for production at flow rates of 750 and 650 barrels per day. A pipeline to Kochevnenskoye oil treatment facility and railway terminal has been completed. The 14 km long back up power supply line for the Kovalevskoye and Kulturnenskoye fields has been completed.

Once the Solnechnoye oil field development plan approval was received from the Central Reserve Commission of Russian Federation in August 2007 the field production was started with 2 wells put into production.

Following the recent interpretation of 3D seismic, the areas of the Kochevnenskoye, West-Kochevnenskoye, Solnechnoye and Kovalevskoye fields have been defined more precisely. The 3D seismic results will be presented to the independent petroleum engineers performing the annual review and upgrade of the group's total oil reserves.

Investments, Financing and Liquidity

Investments

Net investments in oil and gas assets for the quarter amounted to MUSD 49.24 (MUSD 27.27) and were made in the Timano-Pechora region (MUSD 20.42), Tomsk region (MUSD 19.79), and Volga-Urals region (MUSD 9.03). For the nine month period total net investments in oil and gas assets amounted to MUSD 146.78 (MUSD 71.31).

In January 2007, the final settlement of MUSD 25.00 for the acquisition of Northoil, the oil company holding the license to produce the hydrocarbons from the Kolvinskoye field in the Timano-Pechora region, was paid.

Financing

In January 2007, MSEK 562.50 (MUSD 80.36 before placement costs) was raised through a private placement of 90 million common shares. The net proceeds after placement costs amounted to MSEK 544.71 (MUSD 77.82). The placement costs amounting to MUSD 2.54 were mainly paid in April 2007.

In September 2007 the MUSD 250 loan payable to BNP Paribas was extended until mid-March 2008 with interest rate of LIBOR plus 3.5%.

Liquidity

As at September 30, 2007 the Group liquidity amounted to MUSD 1.85 (MUSD 32.13). Cash flow from operations, before changes in working capital, amounted to MUSD 52.75 (MUSD 47.11) for the nine month period.

Parent company

The parent company's revenue amounted to MUSD 1.21 (MUSD 1.20) for the quarter and MUSD 3.59 (MUSD 3.01) for the nine months.

The parent company's net result before tax for the quarter amounted to MUSD 1.97 (MUSD 4.38) and MUSD 3.98 (MUSD 10.49) for the nine months.

As of September 30, 2007 the liquidity of the parent company amounted to MUSD 0.19 (MUSD 9.39).

In February 2007, the parent company issued 90 million shares as described above.

Organisation

The current board of directors consists of Mr. Eric Forss (Chairman), Mr. Maxim Barski, Mr. Claes Levin, Mr. Fred Boling, Mr. Oleg Fomenko, and Mr. Nemesio Fernandez-Cuesta. At the Annual General Meeting in May 2007, Mr. Fernando Martinez Fresneda was elected as an alternate director for Mr. Fernandez-Cuesta.

Share data

The shares of the Company are represented by the Depository Receipts listed on the Stockholm Stock Exchange where they were approved for trading from May 23, 2007. Each share carries one vote.

In January 2007 as a result of a private placement the share capital of the company increased by USD 4,500,000 from USD 54,951,366 to USD 59,451,366 and the number of shares increased from 1,099,027,312 to 1,189,027,312.

As of September 30, 2007 the total number of options outstanding under the WSR Global Share Option Plan amounted to 66,455,000. Each option gives the right to subscribe for 1 share of common stock at exercise prices ranging from SEK 5.55 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, 2007 - Sep 30, 2007 9 months	Jan 1, 2006 - Sep 30, 2006 9 months	Jul 1, 2007 - Sep 30, 2007 3 months	Jul 1, 2006 - Sep 30, 2006 3 months
Revenue					
Revenue from sales of oil and gas	3	239 819	178 177	100 545	81 977
Revenue from sales of oil products	3	3 738	3 778	1 581	1 624
Other income		2 386	1 301	1 206	415
		245 943	**183 256**	**103 332**	**84 016**
Cost of sales					
Production costs		-132 379	-92 415	-56 160	-40 930
Depletion and depreciation	5	-50 526	-42 182	-18 838	-17 748
Gross profit		**63 038**	**48 659**	**28 334**	**25 338**
Selling expenses		-25 551	-15 280	-9 706	-6 389
Administration expenses	10	-13 699	-8 616	-4 208	-3 743
Gain on disposal of shares in subsidiaries	6	-	5 843	-	5 843
Other operating income/(expenses)		-1 119	237	-545	134
Operating income		**22 669**	**30 843**	**13 875**	**21 183**
Finance income/(expenses), net		-11 160	-10 448	-3 984	-2 698
Currency exchange gains/(losses), net		18 738	17 098	12 565	3 155
Result before tax and minority interests		**30 247**	**37 493**	**22 456**	**21 640**
Tax	8	-5 199	-5 725	-3 056	-3 761
Result for the period		**25 048**	**31 768**	**19 400**	**17 879**
Attributable to:					
Equity holders of the parent		**25 087**	**31 764**	**19 428**	**17 877**
Minority interests		**-39**	**4**	**-28**	**2**
Earnings per share (USD)	2	0,02	0,03	0,02	0,02
Diluted earnings per share (USD)	2,7,10	0,02	0,03	0,02	0,02

GROUP BALANCE SHEET - Condensed

(Expressed in USD thousands)	*Note*	Sep 30, 2007	Dec 31, 2006
NON-CURRENT ASSETS			
Oil and gas properties and office equipment		1 022 550	869 311
Land		12	12
Goodwill and computer software		1 006	847
Deferred tax asset		4 473	3 587
Financial fixed assets		3 031	1 081
		1 031 072	**874 838**
CURRENT ASSETS		67 387	95 368
TOTAL ASSETS		**1 098 459**	**970 206**
SHAREHOLDERS' EQUITY	7,10	**633 080**	**502 047**
LONG TERM LIABILITIES			
Interest-bearing long-term liabilities		46	424
Deferred tax liability	8	132 971	128 581
Provision for site restoration costs		7 828	6 620
		140 845	**135 625**
CURRENT LIABILITIES	4	324 534	332 534
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1 098 459**	**970 206**
PLEDGED ASSETS and SHARES	4	270 625	270 625
CONTINGENT LIABILITIES	9	-	2 124

GROUP STATEMENT OF CASH FLOW - Condensed

(Expressed in USD thousands)	Note	Jan 1, 2007 - Sep 30, 2007 9 months	Jan 1, 2006 - Sep 30, 2006 9 months
Cash flow from operations			
Operating income		22 669	30 843
Operating cash flow before changes in working capital		**52 754**	**47 113**
Total cash flow from operations		**58 881**	**41 816**
Total cash flow used for investments	6	**-172 005**	**-124 062**
Total cash flow from financing	4,7	**83 421**	**104 373**
Effect of exchange rate changes on cash and cash equivalents		-585	-7
Change in cash and bank		**-30 288**	**22 120**
Cash and bank at beginning of period		32 134	1 183
Cash and bank at end of period		**1 846**	**23 303**

STATEMENT OF CHANGES IN EQUITY

(Expressed in USD thousands)	**Attributable to equity holders of the parent company**						
	Share capital	**Other paid in capital**	**Other reserves**	**Retained earnings**	**Total**	**Minority interest**	**Total equity**
Equity at Dec 31, 2005	**39 626**	**124 843**	**-23**	**9 564**	**174 010**	**313**	**174 323**
Translation difference for the period	-	-	17 743	-	17 743	-	17 743
Net result for the period Jan 1, 2006 – Sep 30, 2006	-	-	-	31 764	31 764	4	31 768
Total recognised income and expense for the period	-	-	17 743	31 764	49 507	4	49 511
Private Placement and Issuance of shares to Saneco shareholders	15 325	253 542	-	-	268 867	-	268 867
Share option plan (Note 10)	-	-	-	2 628	2 628	-	2 628
Equity at Sep 30, 2006	**54 951**	**378 385**	**17 720**	**43 956**	**495 012**	**317**	**495 329**
Translation difference for the period	-	-	6 917	-	6 917	-	6 917
Net result for the period Oct 1, 2006 – Dec 31, 2006	-	-	-	-1 536	-1 536	-7	-1 543
Total recognised income and expense for the period	-	-	6 917	-1 536	5 381	-7	5 374
Share option plan (Note 10)	-	-	-	1 344	1 344	-	1 344
Equity at Dec 31, 2006	**54 951**	**378 385**	**24 637**	**43 764**	**501 737**	**310**	**502 047**
Translation difference for the period	-	-	24 526	-	24 526	-	24 526
Net result for the period Jan 1, 2007 – Sep 30, 2007	-	-	-	25 087	25 087	-39	25 048
Total recognised income and expense for the period	-	-	24 526	25 087	49 613	-39	49 574
Private Placement (Note 7)	4 500	73 316	-	-	77 816	-	77 816
Share option plan (Note 10)	-	-	-	3 643	3 643	-	3 643
Equity at Sep 30, 2007	**59 451**	**451 701**	**49 163**	**72 494**	**632 809**	**271**	**633 080**

KEY FINANCIAL AND OPERATIONAL RATIOS

	Jan 1, 2007 - Sep 30, 2007 9 months	Jan 1, 2006 - Sep 30, 2006 9 months	Jul 1, 2007 - Sep 30, 2007 3 months	Jul 1, 2006 - Sep 30, 2006 3 months
Financial ratios				
EBITDA [1], TUSD	73 195	67 182	32 713	33 088
Return on shareholders' equity [2], %	4%	6%	3%	4%
Return on capital employed [3], %	5%	10%	3%	4%
Debt/equity ratio [4], %	44%	29%	44%	29%
Equity ratio [5], %	58%	65%	58%	65%
Risk-bearing capital [6], %	70%	77%	70%	77%
Interest-coverage ratio [7]	3,66	4,52	6,52	8,68
Weighted average number of shares for the financial period [8,9,10,11,12,13,14,15]	1 184 865 568	1 047 229 173	1 189 027 312	1 099 027 312
Weighted average number of shares for the financial period (diluted) [8,9,10,11,12,13,14,15]	1 198 287 703	1 051 249 239	1 194 153 452	1 105 261 750
Number of shares at financial period end [10,11,12,13,14,15]	1 189 027 312	1 099 027 312	1 189 027 312	1 099 027 312
Operational ratios				
Production volume, barrels	7 507 062	5 537 876	2 824 704	2 363 271
Oil revenue per barrel (sold), USD/barrel	32,29	32,63	36,94	34,58
Export (excl. export duty)	35,26	32,36	40,33	31,61
Export CIS	35,61	37,77	40,73	38,93
Domestic	29,49	30,82	33,94	33,24
Operating costs per barrel produced, USD/barrel	23,71	23,82	25,87	24,25
Production costs (excl. refining costs, production and other taxes)	4,14	4,15	3,92	4,09
Production and other taxes	12,86	12,07	15,30	12,67
Depletion and depreciation	6,72	7,60	6,66	7,50

Key ratio definitions

1. Earnings before interest, tax, depreciation and amortisation is defined as the Group's operating result plus depletion and depreciation and gain on disposal of shares in subsidiaires.
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. On February 17, 2004 by way of the Issue Through Set-off SEK 150,165,272 of convertible debentures issued in 2002 were converted into 75,082,636 shares at the conversion price of SEK 2 after which the number of shares increased to 107,262,625. The conversion price of SEK 6.70 was higher than the average market price of the share over the financial period. Therefore, the non-converted part of the convertible debentures did not have an effect on the average number of shares when calculated on a fully diluted basis. The non-converted part of the convertible debentures was redeemed on May 31, 2005.
9. On March 26, 2004 the Group completed the preferential right issue to existing shareholders and debenture holders after which the number of shares increased by 321,787,875 from 107,262,626 to 429,050,500.
10. On April 27, 2005 the Group completed the preferential right issue to existing shareholders after which the number of shares increased by 257,430,300 from 429,050,500 to 686,480,800.
11. On September 14, 2005 the Group completed the private share placement after which the number of shares increased by 106,046,512 from 686,480,800 to 792,527,312.
12. On February 10, 2006 the Group completed the private share placement after which the number of shares increased by 190,000,000 from 792,527,312 to 982,527,312.
13. On February 17, 2006 the Group issued 116,500,000 shares to Saneco former shareholders after which the number of shares increased from 982,527,312 to 1,099,027,312.
14. As of September 30, 2007 66,455,000 options were outstanding with the right to subscribe for 1 share of common stock at exercise prices ranging from SEK 5.55 to SEK 7.00 which have an effect on the average number of shares when calculated on a diluted basis.
15. On January 19, 2007 the Group completed the private share placement after which the number of shares increased by 90,000,000 from 1,099,027,312 to 1,189,027,312.

NOTES

Note 1 Accounting principles

This consolidated interim report is prepared in accordance with 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, 2006.

The company applies the new standard IFRS 7 “Financial instruments: Disclosures and classification”, as well as Amendments to IAS 1 “Presentation of financial statements”. IFRS 7 does not entail any change in the reporting and valuation of financial instruments. On the other hand, certain disclosure requirements have been expanded, compared with earlier requirements under IAS 32, particularly as concerns the exposure and management of risk relating to financial instruments. The Amendments to IAS 1 include expanded additional disclosure regarding elements such as the definition of capital, capital structure and capital management policies. In addition to IFRS and the Amendment to IAS 1, there are four IFRIC interpretations – IFRIC 7 “Applying the Restatement Approach under IAS 29 “Financial Reporting in Hyperinflationary Economies”, IFRIC 8 “Scope of IFRS 2”, IFRIC 9 “Reassessment of Embedded Derivatives”, and IFRIC 10 “Interim Financial Reporting and Impairment”. The application of IFRS 7, Amendment to IAS 1 and IFRIC 7, 8, 9 and 10, has not had any impact on the company’s position or earnings.

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 financial periods ended September 30, 2007 and 2006 there was a dilutive effect on the shares due to options granted.

Note 3 Segment information

Since 2005 West Siberian Resources Ltd produces crude oil and oil products. As a consequence, there are two business segments. 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 to countries outside Russia is categorised as export. During the quarters ended September 30, 2007 and 2006 there were no sale of oil products to countries outside Russia.

	Crude oil			**Oil products**	**Group**
	Export	**Export CIS**	**Russia**	**Russia**	
Quarter ended September 30, 2007					
Segment revenue	15 435	34 355	50 755	1 581	102 126
Segment result	3 161	5 057	9 018	186	17 422
Quarter ended September 30, 2006					
Segment revenue	10 152	25 300	46 525	1 624	83 601
Segment result	1 511	5 874	10 625	1 287	19 297

Note 4 Bank loans and related pledged assets

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

Borrower	Creditor	Denominated in	Outstanding amount, TUSD	Maturity	Interest rate	Pledged assets		
						Amount of pledge	Description of pledged assets/covenants	Location of pledged assets
Short-term loans								
West Siberian Resources Ltd	BNP Paribas	USD	250 000	14.03.2008	3.5%+LIBOR	270 625	100% of shares of Vostok Oil (Cyprus) Ltd, VTK, Khvoinoye, Nikol, Pechoraneft, Saneco and Northoil, Nikol Share Purchase Agreement Assignment, Pechoraneft, VTK and Saneco Guarantee, financial ratio covenants	Moscow Depository "R.O.S.T."; Registrar of companies in Bermuda
Pechoraneft	International Moscow Bank	USD	5 725	10.10.2007	3.5%+LIBOR	-	WSR Guarantee	-
Saneco	International Moscow Bank	USD	4 100	October 2007	3.5%+LIBOR	-	WSR Guarantee	-
			2 750	November 2007				
			5 050	March 2008				
TOTAL			**267 625**			**270 625**		

Note 5 Depletion and depreciation

For the nine months ended September 30, 2007 and 2006 the depletion and depreciation charge amounted to TUSD 50,526 and TUSD 42,182, respectively. For the quarters ended September 30, 2007 and 2006 the depletion and depreciation charge amounted to TUSD 18,838 and TUSD 17,748. The reason for the increase was higher production volumes.

Since 2005, WSR has commissioned DeGolyer and MacNaughton (D&M) for the company's Society of Petroleum Engineers (SPE) classification of recoverable reserves. Based on D&M's 2006 estimates of reserves and future capital expenditures, the average depletion rate per barrel of oil produced decreased to USD 6.66 for the quarter ended September 30, 2007 comparing to USD 7.50 for the quarter ended September 30, 2006. The average depletion rate per barrel for the nine months ended September 30, 2007 decreased to USD 6.72 comparing to USD 7.60 for the nine months ended September 30, 2006. D&M's estimates of total future capital expenditures still exceed WSR's internally planned investments. As WSR continues to expect that additional reserves will be recovered at lower cost than D&M's projections, the depletion of the oil and gas properties is recorded at a higher rate than may be the case in coming years.

Note 6 Acquisitions and disposals

On November 2, 2006 the share purchase agreement was signed for the acquisition of Northoil holding the license to produce hydrocarbons from the Kolvinskoye field in the Timano-Pechora region. In accordance with the share purchase agreement the total purchase price of MUSD 115.00 should be paid in cash out of which MUSD 90.00 was paid at completion and MUSD 25.00 was paid in January 2007. The acquisition costs amounted to TUSD 1,095 out of which TUSD 1,050 represented an acquisition related bonus to the WSR business development team.

At the end of August 2006 a share sale agreement was signed for the sale of 100% of CJSC "Reimpex-Samara-Neftepromysel" ("Reimpex"). In accordance with the share sale agreement the total sales price was paid by TUSD 8,515 in cash and TUSD 476 by assumption of debt. The selling costs amounted to TUSD 2,200 were incurred. As of September 20, 2006 the deal was closed and the Company received TUSD 8,991 included in the Cash Flow Statement line "Total cash flow used for investments". Since the net assets of Reimpex as of the disposal date amounted to TUSD 948 the Company recognized a gain on disposal of TUSD 5,843 included in the income statement line “Gain on disposal of shares in subsidiaries”.

Note 7 Private placement proceeds

In January 2007 a private placement of common shares raising SEK 562,500,000 (MUSD 80.36 before placement costs) was completed. Institutional investors subscribed for 90,000,000 new shares/depositary receipts with a subscription price of SEK 6.25. The net proceeds after placement costs amounted to MUSD 77.82. The placement costs amounted to MUSD 2.54.

Note 8 Tax

For the nine months ended September 30, 2007 the deferred tax liability increased from TUSD 128,581 to TUSD 132,971. The current tax expense for the nine months ended September 30, 2007 amounted to TUSD 7,888 and deferred tax income amounted to TUSD 2,689. For the quarter ended September 30, 2007 the current tax expense amounted to TUSD 4,348 and deferred tax income amounted to TUSD 1,292.

Note 9 Contingent liability and license charges

On December 26, 2005 Administration of the Nenetsk Autonomous Area (“Nenetsk”) brought a claim to the Arbitrazh court of the Arkhangeslk Region requiring Pechoraneft to repay an amount of USD 1,878,200. Nenetsk alleges Pechoraneft owes this amount under the Agreement on Social-Economic Cooperation dated October 26, 2001 between Nenetsk and Pechoraneft pursuant to the conditions of the licensing agreement related to the license granted to Pechoraneft. According to these arrangements, Pechoraneft was obliged to pay USD 1,000,000 to the special-purpose budget fund of the Nenetsk Autonomous Area and pay USD 3.5 from each ton of oil produced (about USD 0.47 per barrel produced) starting from the first quarter of 2002. However, when the relevant licence was re-issued to Pechoraneft, the licensing agreement did not provide for such obligation. WSR initially took the position that the obligations under the previous arrangement were no longer valid.

During 2006 several court sittings were held on the above matter and two of them were won by Pechoraneft. The third instance expedited the cause for reconsideration. In April 2007 the first instance reconsidered the case and the case was won by Pechoraneft. In July 2007 the second instance reconsidered the case and the case was failed by Pechoraneft.

Following the significant oil production increase in the Timano-Pechora region where Pechoraneft operates the Middle Kharyaga oil field and two new fields, the North Kharyaga and Lek-Kharyaga, Pechoraneft is becoming an influential company in the region bearing social responsibility. WSR decided to maintain peaceful relationships with the regional authorities including the Administration of the Nenetsk Autonomous Area and not to further proceed with the court consideration and therefore settle the amount the Nenetsk claimed to the court. By that WSR accepted the obligation to pay USD 3.5 from each ton produced (USD 0.47 per barrel produced) from the Middle Kharyaga oil field for the subsequent periods. The amount of TUSD 2,124 claimed by the Nenetsk was settled by Pechoraneft in September 2007 and the remaining TUSD 2,432 will be settled by March 31, 2008 as agreed between WSR and the Nenetsk.

As of December 31, 2006 the total amount of contingent liabilities was increased up to TUSD 2,124 due to the additional fines claimed by the Nenetsk. In accordance with the WSR decision described above in the income statement for the quarter ended September 30, 2007 the license agreement charges were accrued in the amount of TUSD 4,556 and included in the Production costs line. Out of total amount of TUSD 4,556, TUSD 2,124 represented the claimed amount recorded as contingent liability as of December 31, 2006 and the remaining represented the license agreement charges for the period from October 1, 2005 till September 30, 2007.

Note 10 Share option plan

In 2006 and the nine months ended September 30, 2007 the Company granted options under the WSR Global Share Option Plan. As of September 30, 2007 the number of outstanding options amounted to 66,455,000 of which 25,006,000 were granted in February 2007 and 2,000,000 in May 2007. Each option gives the right to subscribe for 1 share of common stock at exercise prices ranging from SEK 5.55 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 nine months ended September 30, 2007 and for the period January 31, 2006 – September 30, 2006 the charge amounted to TUSD 3,643 and TUSD 2,628 increased the income statement line “Administration expenses” and correspondingly the retained earnings. For the quarters ended September 30, 2007 and 2006 the charges amounted to TUSD 960 and TUSD 1,015.

Next report due

The next financial report for the twelve months from January 1, 2007 to December 31, 2007 will be published on February 26, 2008.

Annual General Meeting

The annual general meeting of the shareholders will be held in Stockholm on May 21, 2008.

Risk and uncertainties associated with this interim report

The group’s risk exposure is presented on page 17 of the 2006 annual report. There are no general changes to this presentation of risk exposure.

November 21, 2007

Eric Forss Chairman	Maxim Barski Director and Managing Director
Claes Levin Director	Fred Boling Director
Oleg Fomenko Director	Nemesio Fernandez-Cuesta Director

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Report on Review of Interim Financial Information

Introduction

We have reviewed the accompanying balance sheet of West Siberian Resources Ltd as of September 30, 2007 and the related statements of income, changes in equity and cash flows for the nine month period then ended. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects in accordance with IAS 34.

Gothenburg, November 21, 2007
PricewaterhouseCoopers AB

Klas Brand
Authorised Public Accountant

Johan Rippe
Authorised Public Accountant

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