

Press release

October 25 2005

West Siberian Resources wins Timano-Pechora licenses -significant oil reserves added at low \$ per barrel cost

West Siberian Resources Ltd won two oil production licenses at yesterday's license auction in the Timano Pechora region. The company will pay a total of \$67 million for the licenses that were won in competition with Sibneft and Surgutneftegas. The license areas contain total proven and probable oil reserves of 91.5 million barrels under Russian classification.

Following yesterday's license auction held by the Russian Federal Agency of the Interior of the Earth Use (Rosnedra), West Siberian Resources will be awarded the production licences for the North Kharyaga and the Lek-Kharyaga fields located in the Timan Pechora Region in northern Russia. Under Russian classification, the North Kharyaga proven plus probable recoverable oil reserves amount to 73.3 million barrels and the Lek Kharyaga to 18.2 million barrels.

The fields, which are located 12-15 kilometers from the recently acquired Middle Kharyaga field, were discovered in the 60's. Since then a total of 17 exploration wells have been drilled and considerable 2D seismic data has been acquired in both fields. Production is expected to commence in 2006, benefiting from Middle Kharyaga production infrastructure already in place.

West Siberian will pay \$61 million for the North Kharyaga license and \$6 million for the Lek Kharyaga license. The total amount of \$67 million will be paid within 60 days of the auction. Initially, the licenses will be financed from existing cash and the assumption of short term debt. The board is reviewing long term financing options for the acquisition and the development of the fields.

"These licences complements our recent acquisition and Entry into the Timano-Pechora region. We add significant reserves and long term development potential at an attractive per barrel price and will be able to utilise Middle Kharyaga production facilities" Maxim Barski, West Siberian's Managing Director stated following the auction.

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West Siberian Resources Ltd is an independent oil company active in Western Siberia, Russia. West Siberian's depository receipts are traded on Nya Marknaden of the Stockholm Stock Exchange under the symbol WSIB.