

Press release

February 6, 2006

- **Repsol YPF to purchase 10% of West Siberian Resources (WSR)**
- **WSR and Repsol YPF intend to form strategic industrial alliance for future development and growth of WSR in Russia and the CIS**

WSR today announces that it has entered into an agreement under which Repsol YPF will acquire at least 10% of WSR via an issue of new SDRs¹ at SEK 6.13. The issue price exceeds the average closing price for the 20 day period ending on February 3, 2006. Repsol YPF's investment will amount to approximately USD 90 million and the proceeds will be used by WSR to contribute towards the funding of the acquisition of Saneco and towards WSR's future investments in oil and gas properties in Russia. The acquisition is scheduled to close mid-February 2006 and is subject to certain standard conditions.

Following the closing of the share issue Repsol YPF and Alltech, WSR's largest shareholder, intend to enter into a shareholders' agreement according to which Alltech will support the appointment of one Director proposed by Repsol YPF to the Board of Directors of WSR and they will seek consensus on a number of matters coming before the Board and shareholders of WSR. Repsol YPF has agreed to limit its ownership of WSR to below 20% unless otherwise agreed with Alltech. Alltech and Repsol YPF have further agreed that, in the event that either wishes to sell all or part of its holding in WSR, the other shall have a right of first offer in relation to the shares being sold.

"We are pleased to have Repsol YPF as a partner and shareholder at this important stage of WSR's rapid development. Repsol YPF's upstream capabilities and investment will help us deliver on our targets as well as to evaluate new opportunities in the future." Maxim Barski, WSR's Managing Director stated.

Repsol YPF is an international, fully-integrated oil and gas company, operating in more than 25 countries and leaders in the Spanish and Argentine energy sectors. It is one of the ten largest private oil and gas companies in the world, the largest private energy company in Latin America (in terms of assets), and one of the major LNG players in the Atlantic basin.

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West Siberian Resources Ltd is an independent oil company active in Western Siberia, Russia. Daily oil production will amount to approximately 20,000 barrels, following the Saneco acquisition. West Siberian's depository receipts are traded on Nya Marknaden of the Stockholm Stock Exchange under the symbol WSIB.

¹ Swedish Depositary Receipts