WEST SIBERIAN
Resources Ltd

West Siberian Resources Limited: Interim report for the quarter and the nine months ended September 30, 2006

- **The quarterly net result amounted to MUSD 17.9 (MUSD 4.8)* and the nine months net result amounted to MUSD 31.8 (MUSD 7.3).**
- **EBITDA amounted to MUSD 33.1 (MUSD 9.7) for the quarter and to MUSD 67.2 (MUSD 17.1) for the nine month period.**
- **Oil production increased by 208% to 2,363,271 barrels for the quarter and by 225% to 5,537,876 barrels for the nine month period.**
- **Total revenue increased by 237% to MUSD 84.0 (MUSD 24.9) for the quarter and by 297% to MUSD 183.3 (MUSD 46.1) for the nine months.**
- **Earnings per share amounted to USD 0.02 (USD 0.01) per share for the quarter and to USD 0.03 (USD 0.01) per share for the nine month period.**
- **MUSD 115 acquisition of Northoil in the Timano-Pechora region completed after the reporting period.**
- **Preparations started for listing at the Nordic Exchange in Stockholm.**

**Comparisons reflect the quarter and the nine months ended September 30, 2005*

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

Results – the Group

Group revenue for the quarter ended September 30, 2006 was MUSD 84.02 (MUSD 24.93) and MUSD 183.26 (MUSD 46.14) for the nine month period.

Production costs for the quarter were MUSD 40.93 (MUSD 12.40) and for the nine months production costs were MUSD 92.42 (MUSD 23.65).

For the quarter, the depletion and depreciation charge was MUSD 17.75 (MUSD 1.53) and MUSD 42.18 (MUSD 3.63) for the nine months period.

Revenues, production costs and depletion and depreciation charges increased as a result of significantly higher production volumes following recent years' acquisitions and extensive development activities. Increased depletion charges per produced barrel of oil also contributed to higher depletion and depreciation charges.

Selling and administration expenses amounted to MUSD 10.13 (MUSD 2.75) for the quarter and MUSD 23.90 (MUSD 4.96) for the nine months. The selling expenses included in the Selling and administration expenses amounted to MUSD 6.39 (MUSD 1.29) for the quarter and MUSD 15.28 (MUSD 2.63) for the nine months period. The charge related to the global share option plan amounted to MUSD 1.01 for the quarter and MUSD 2.63 for the nine month period.

The gain on the disposal of the shares in the fully owned subsidiary "Reimpex Samara Neftepromysel" ("Reimpex") amounted to MUSD 5.84.

EBITDA amounted to MUSD 33.09 (MUSD 9.69) for the quarter and to MUSD 67.18 (MUSD 17.09) for the nine month period.

The operating result for the quarter was a profit of MUSD 21.18 (MUSD 8.07) and a profit of MUSD 30.84 (MUSD 13.38) for the nine month period.

Net finance expenses were MUSD 2.70 (MUSD 1.57) for the quarter and MUSD 10.45 (MUSD 2.44) for the nine month period.

Currency exchange rate gains amounted to MUSD 3.16 (loss MUSD 0.74) for the quarter and to MUSD 17.10 (loss MUSD 2.63) for the nine month period. These unrealised currency exchange rate gains resulted from the substantial devaluation of the US Dollar against the Russian Rouble and were derived from recalculating external and inter-company loans of the subsidiaries.

Tax charges for the quarter were MUSD 3.76 (MUSD 0.99) and MUSD 5.73 (MUSD 0.95) for the nine months.

For the quarter ended September 30, 2006 the Group reports a net result after tax of MUSD 17.88 corresponding to USD 0.02 per share (MUSD 4.77 and USD 0.01 per share, respectively). The net result for the nine months ended September 30, 2006 was MUSD 31.77 corresponding to USD 0.03 per share (MUSD 7.35 and USD 0.01 per share, respectively, for the nine months of last year).

Exploration and Production

West Siberian Resources Ltd operates in three Russian regions: Tomsk, Timano-Pechora and Volga-Urals. Total average oil production currently amounts to approximately 27,800 barrels per day. Based on most recent reserve reports and including the acquisition of CJSC "Northoil" which was completed after the reporting period, West Siberian Resources' proven and probable oil reserves under Russian classification amount to 430.9 million barrels. Under SPE[1] classification, proven and probable reserves preliminarily amount to 279 million barrels.

For the quarter ended September 30, 2006, total oil production increased to 2,363,271 barrels (766,534 barrels) and to 5,537,876 barrels (1,701,869 barrels) for the nine months period. Average daily production increased to 25,688 barrels per day (8,332 barrels per day) for the quarter and 20,285 barrels per day (6,234 barrels per day) for the nine month period. During the third quarter, a total of 32

[1] Society of Petroleum Engineers

wells in the Tomsk region, 18 wells in the Timano-Pechora region and 22 wells in the Volga-Urals region contributed to production.

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

	Export	CIS export	Russia	Total
Quarter ended September 30, 2006				
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
Nine months ended September 30, 2006				
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

In the third quarter, non-CIS export duties amounted to USD 29.09 per barrel (for export to CIS countries export duties are not incurred).

The Tomsk Region

The main producing fields in the Tomsk region of Russia are the Middle Nyurola, Khvoinoye and Kluchevskoye which currently produce approximately 9,000 barrels per day. In the third quarter, the development of the Kluchevskoye oil field continued. To date, 10 new wells have been drilled in the field resulting in production growth from zero to current levels of approximately 3,100 barrels per day.

Total production in the Tomsk region in the quarter was 861,052 barrels (538,759 barrels) and 1,938,786 barrels (1,474,094 barrels) for the nine month period. In total, 32 wells contributed to production in the quarter and 3 new wells were drilled and completed.

During the quarter 59.5 thousand barrels (76.2 thousand barrels) were refined at the Alexandrov refinery which generated oil products revenue of MUSD 1.62 (MUSD 1.84).

The Timano-Pechora Region

Since 2005, the company operates four licenses in the Timano Pechora region. The main producing field is the Middle Kharyaga, currently producing approximately 8,200 barrels per day, where activities focused on production enhancement. The North Kharyaga and Lek-Kharyaga fields are under development with infrastructure projects near completion. Exploration activities are progressing at the Liginski block.

Total production in the Timano-Pechora region amounted to 737,594 barrels (227,775 barrels) for the quarter and 2,128,304 barrels (227,775 barrels) for the nine month period. In total, 18 wells contributed to production in the quarter and 1 new well was drilled and completed.

After the reporting period, all outstanding shares of CJSC “Northoil” were acquired. Northoil holds the license to produce hydrocarbons from the Kolvinskoye oil field in the Timano-Pechora region. The Kolvinskoye field is located approximately 200 km from West Siberian’s current operations at the Kharyaga fields. In the field, which was discovered in 1986, a total of 18 wells have been drilled, out of which 8 contained proved hydrocarbons. Production from the field is scheduled to start in 2008. The current development plan projects drilling 34 wells, constructing a pipeline for oil transportation, and establishing an oil processing facility in the field. The Kolvinskoye field is expected to produce approximately 25 000 barrels per day within three years from the production start.

The Kolvinskoye field’s proven and probable oil reserves amount to 138.9 million barrels under Russian classification (C1+C2). Under SPE classification, proven and probable oil reserves amount to at least 103 million barrels according to DeGolyer & McNaughton’s (independent petroleum consultants) preliminarily estimate.

The Volga-Urals Region
The Volga-Urals region was entered through Saneco acquisition in February 2006. Since then, the company operates 3 production licences in the region. Since the acquisition oil production has increased from approximately 5,000 barrels per day to current levels of approximately 10,600 barrels per day.

In the third quarter, total production amounted to 764,625 barrels and in the nine month period production amounted to 1,740,097 barrels. Out of this 1,470,786 barrels were consolidated in the financial statements for the nine month period since the acquisition date. In total, 22 wells contributed to production in the quarter and 2 new wells were drilled and completed.

In the Kovalevskoye area, the first exploration well resulted in a new field discovery. The discovery adds proven and probable reserves of approximately 4.5 million barrels in accordance with Russian classification.

At the West Kochevnenskoye field, production remained shut-in during the quarter awaiting license approvals. Recently the production license was received. The field will be returned to production following as soon as necessary approvals of the field development plan have been received.

A successful exploration well was drilled at the Kulturnenskaya prospect. The discovery opens up a new field for future development following further evaluation.

A discovery well was also drilled at the Solnechnoye field, the exploration well was sidetracked. The well confirmed an oil formation capable of producing 300 barrels of oil per day which is now being evaluated. A new production license for the Solnechnoye field has been applied for.

West Siberian Resources has sold the shares in Reimpex, a subsidiary holding the license for the development of the Emelianovskoye oil field in the Volga-Urals region. The Emelianovskoye field, which was a part of the Saneco acquisition, is estimated to contain approximately 0.3 million barrels of proven and 1.1 million barrels of probable oil reserves, according to DeGolyer&McNaughton's estimates.

Investments, Financing and Liquidity

Investments
Net investments in oil and gas assets for the quarter amounted to MUSD 27.27 (MUSD 5.53) were made in the Tomsk (MUSD 7.81), Timano-Pechora region (MUSD 9.37) and Volga-Urals region (MUSD 10.09). For the nine month period total net investments in oil and gas assets amounted to MUSD 71.31 (MUSD 23.38).

In February 2006, upon completion of Saneco acquisition 116 500 000 shares representing 10.6% of the enlarged share capital with a value of about MUSD 115.82 on the closing date, were issued to Saneco's shareholders. In addition, WSR paid MUSD 62.25 in cash and assumed debt of MUSD 8.84 for the acquisition.

In August 2006 all shares of the fully owned subsidiary "Reimpex" were sold. Net income from the sale amounted to MUSD 5.84 (including repayment of intra-company indebtedness).

In November 2006 West Siberian Resources Ltd acquired all outstanding shares of CJSC "Northoil" for a total of MUSD 115, out of which MUSD 90 were paid at completion and MUSD 25 are payable subject to certain legal issues. Northoil holds the license to produce hydrocarbons from the Kolvinskoye oil field in the Nenets Autonomous District in Northern Russia.

Financing
In February 2006 SEK 1,254,408,940 (MUSD 162.40 before placement costs) was raised through a private placement of 190 million common shares. Institutional investors subscribed for 80,097,268 new shares/depositary receipts with a subscription price of SEK 7.25 per share. 109,902,732 shares (10% of enlarged share capital) were issued to Repsol YPF at SEK 6.13 per share. The net proceeds after placement costs amounted to SEK 1,184,389,286 (MUSD 153.05).

In November 2006 BNP Paribas as an arranger for a syndicate of several other banks committed to extend the loan principal up to MUSD 250 with maturity date at September 16, 2007.

The acquisition of CJSC "Northoil" was financed by cash and from BNP Paribas loan. WSR is planning to refinance short term debt of MUSD 150 and the board is therefore reviewing long term financing options.

Liquidity

As at September 30, 2006 the Group liquidity amounted to MUSD 23.30 (MUSD 1.18). Cash flow from operations, before changes in working capital, amounted to MUSD 47.11 (MUSD 18.87) for the nine month period.

Parent company

The parent company's revenue amounted to MUSD 1.20 (MUSD 0.11) for the quarter and MUSD 3.01 (MUSD 0.54) for the nine months.

The parent company's net result before tax for the quarter amounted to MUSD 4.38 (MUSD 0.30) and MUSD 10.49 (MUSD 2.93) for the nine months.

As at September 30, 2006 the liquidity of the parent company amounted to MUSD 3.28 (MUSD 0.73).

Investments of the parent company in Saneco and Northoil in 2006 are described above.

In February 2006, the parent company issued 190 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, who were all re-elected and Mr. Nemesio Fernandez-Cuesta, who was appointed at the Annual General Meeting in May 2006.

Share data

The shares of the Company are represented by the Depository Receipts listed on First North of the Stockholm Stock Exchange. Each share carries one vote. The Company plans to apply and has started preparations for a listing of the Depositary receipts at the Nordic Exchange in Stockholm.

In February 2006 as a result of private placement and Saneco deal the share capital of the Company increased by USD 15,325,001 from USD 39,626,365 to USD 54,951,366 and the number of shares increased from 792,527,312 to 1,099,027,312.

As of September, 2006 35,274,000 options were issued and outstanding under the company's Global Share Option Plan. Each option gives the right to subscribe for 1 share of common stock at SEK 6.13. All options are exercisable after 3 years subject to certain conditions and expire in 5 years. The value of the options on the grant date is recognised over the vesting period of 3 years. Charges related to the option plan are recorded as non-cash administration expenses with corresponding entry to retained earnings.

Management discussion

We continue to realize our plans and reach our objectives.

In January 2006, we announced this year's development plans and stated that our "objective remains to reach total daily production rates exceeding 30,000 barrels in 2007". We are almost there already. So far in November, production averaged 27,800 barrels per day which means several days of even higher production.

This also means that we do not expect any significant variances from this years total production target of 8.5 million barrels for all Group subsidiaries. The 2006 production plan includes 270.000 barrels which are not included in the Group's consolidated income statement.

The third quarter was the 9th consecutive quarter of increased oil production, revenue and operational earnings (EBITDA). On several measures, the quarter actually out performed the preceding six month period. High production growth and higher oil prices in all regions continue to drive revenues and cash flow to new records.

We are also reporting record net income for the quarter. In addition to positive developments in operations, we recognized gains on the sale of the Reimpex subsidiary and currency exchange rate fluctuations.

We continue to create value from our assets. The sale of Reimpex, a fully owned subsidiary holding the license for development of the Emelianovskoye oil field in Samara, resulted in a net gain of MUSD 5.8. We acquired the company as a part of the Saneco acquisition earlier in the year, but subsequently determined that it would not be economical to develop the Emelianovskoye field.

And we are realizing our acquisition strategy and adding new opportunities to our long list of development and exploratory projects. A few weeks ago, we acquired Northoil, and more than doubled our proven and probable oil reserves in Timano-Pechora. The Kolvinskoye field represents major long term development opportunities which will keep us occupied for many years to come.

Our growing reserve base allows us to continue to grow production towards a peak of some 75,000 barrels per day into the next decade. In addition, the exploration programs under way will test potential structures that could significantly affect reserve numbers and production targets.

Production growth provides for financial growth which allows us to continue to capitalize on business opportunities. We will continue on this path with a solid balance sheet and financial flexibility. Therefore, we plan to refinance short term debt raised in connection with the recent Northoil acquisition. The board is currenly reviewing long term financing options and evaluating capital market opportunities. The board has also decided to initiate the process to list the shares/depositary receipts at the Nordic Exchange in Stockholm.

GROUP INCOME STATEMENT

(Expressed in USD thousands)	Note	Jan 1, 2006 - Sep 30, 2006 9 months	Jan 1, 2005 - Sep 30, 2005 9 months	Jul 1, 2006 - Sep 30, 2006 3 months	Jul 1, 2005 - Sep 30, 2005 3 months
Operating income					
Sales of oil and gas	3	178 177	42 259	81 977	22 568
Sales of oil products	3	3 778	3 099	1 624	1 844
Other income		1 301	785	415	515
		183 256	**46 143**	**84 016**	**24 927**
Cost of Sales					
Production costs		-92 415	-23 648	-40 930	-12 400
Depletion and depreciation	5	-42 182	-3 628	-17 748	-1 534
Investment write-off		-	-85	-	-85
Gross Profit		**48 659**	**18 782**	**25 338**	**10 908**
Selling, general and administration expenses	10	-23 896	-4 956	-10 132	-2 751
Gain on disposal of shares in subsidiaries	6	5 843	-	5 843	-
Other operating income/expenses		237	-451	134	-88
Operating result		**30 843**	**13 375**	**21 183**	**8 069**
Finance income/expenses, net		-10 448	-2 441	-2 698	-1 570
Currency exchange gains/losses, net		17 098	-2 633	3 155	-742
Result before tax and minority interests		**37 493**	**8 301**	**21 640**	**5 757**
Tax	8	-5 725	-949	-3 761	-986
Result for the period		**31 768**	**7 352**	**17 879**	**4 771**
Attributable to:					
Equity holders of the parent		**31 764**	**7 347**	**17 877**	**4 766**
Minority interests		**4**	**5**	**2**	**5**
Earnings per share (USD)	2	0,03	0,01	0,02	0,01
Diluted earnings per share (USD)	2,6,7,10	0,03	0,01	0,02	0,01

GROUP BALANCE SHEET - Condensed

(Expressed in USD thousands)	Note	Sep 30, 2006	Dec 31, 2005
NON-CURRENT ASSETS			
Oil and gas properties and office equipment		681 498	381 684
Land		12	-
Goodwill and computer software		746	583
Deferred tax asset		3 012	1 126
Financial fixed assets		1 371	4 214
		686 639	**387 607**
CURRENT ASSETS		77 238	38 242
TOTAL ASSETS		**763 877**	**425 849**
SHAREHOLDERS' EQUITY	6,7,10	**495 330**	**174 323**
LONG TERM LIABILITIES			
Interest-bearing long-term liabilities		784	3 311
Deferred tax liability	8	91 445	38 679
Provision for site restoration costs		8 511	9 762
		100 740	**51 752**
CURRENT LIABILITIES	4	167 807	199 774
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**763 877**	**425 849**
PLEDGED ASSETS and SHARES	4	270 625	175 436
CONTINGENT LIABILITIES	9	1 878	1 878

GROUP STATEMENT OF CASH FLOW - Condensed

(Expressed in USD thousands)	Note	Jan 1, 2006 - Sep 30, 2006 9 months	Jan 1, 2005 - Sep 30, 2005 9 months
Cash flow from operations			
Operating result		30 843	13 375
Operating cash flow after adjustments made before changes in working capital		**47 113**	**18 868**
Total cash flow from operations	6	**41 816**	**11 279**
Total cash flow used for investments	6	**-124 062**	**-147 140**
Total cash flow from financing	4,6,7	**104 373**	**179 942**
Effect of exchange rate changes on cash and cash equivalents		-7	-1 048
Change in cash and bank		**22 120**	**43 033**
Cash and bank at beginning of period		1 183	2 645
Cash and bank at end of period		**23 303**	**45 678**

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**	**Unconditional shareholders' contribution**	**Convertible debenture equity component**	**Currency translation difference**	**Retained earnings**	**Total**		
Equity at Dec 31, 2004	**21 452**	**38 665**	**15 000**	**840**	**851**	**-6 508**	**70 300**	**-**	**70 300**
Rights Issue	18 174	86 178	-	-	-	-	104 352	-	104 352
Convertible debenture equity component	-	-	-	-840	-	-	-840	-	-840
Acquisition of subsidiaries with minority interest	-	-	-	-	-	-	-	353	353
Translation difference for the period	-	-	-	-	1 310	-	1 310	-	1 310
Net result for the period Jan 1, 2005 – Sep 30, 2005	-	-	-	-	-	7 347	7 347	5	7 352
Equity at Sep 30, 2005	**39 626**	**124 843**	**15 000**	**-**	**2 161**	**839**	**182 469**	**358**	**182 827**
Translation difference for the period	-	-	-	-	-1 344	-	-1 344	-	-1 344
Net result for the period Oct 1, 2005 – Dec 31, 2005	-	-	-	-	-	-7 115	-7 115	-45	-7 160
Equity at Dec 31, 2005	**39 626**	**124 843**	**15 000**	**-**	**817**	**-6 276**	**174 010**	**313**	**174 323**
Private Placement and Issuance of shares to Saneco shareholders (Notes 6,7)	15 325	253 541	-	-	-	-	268 866	-	268 866
Share option plan (Note 10)	-	-	-	-	-	2 628	2 628	-	2 628
Translation difference for the period	-	-	-	-	17 745	-	17 745	-	17 745
Net result for the period Jan 1, 2006 – Sep 30, 2006	-	-	-	-	-	31 764	31 764	4	31 768
Equity at Sep 30, 2006	**54 951**	**378 384**	**15 000**	**-**	**18 562**	**28 116**	**495 013**	**317**	**495 330**

KEY FINANCIAL AND OPERATIONAL RATIOS

	Jan 1, 2006 - Sep 30, 2006 9 months	Jan 1, 2005 - Sep 30, 2005 9 months	Jul 1, 2006 - Sep 30, 2006 3 months	Jul 1, 2005 - Sep 30, 2005 3 months
Financial ratios				
EBITDA [1], TUSD	67 182	17 089	33 088	9 688
Return on shareholders' equity [2], %	6%	4%	4%	3%
Return on capital employed [3], %	10%	5%	4%	3%
Debt/equity ratio [4], %	29%	79%	29%	79%
Equity ratio [5], %	65%	49%	65%	49%
Risk-bearing capital [6], %	77%	54%	77%	54%
Interest-coverage ratio [7]	4,52	4,24	8,68	4,67
Weighted average number of shares for the financial period [8,9,10,11,12,13]	1 047 229 173	582 542 502	1 099 027 312	703 960 994
Weighted average number of shares for the financial period (fully diluted) [8,9,10,11,12,13,14]	1 051 249 239	582 542 502	1 103 881 920	703 960 994
Number of shares at financial period end [10,11,12,13,14]	1 099 027 312	792 527 312	1 099 027 312	792 527 312
Operational ratios				
Production volume, barrels	5 537 876	1 701 869	2 363 271	766 534
Oil revenue per barrel (sold), USD/barrel	32,63	25,41	34,58	29,42
Export (excl. export duty)	32,36	31,21	31,61	35,48
Export CIS (excl. export duty)	37,77	-	38,93	-
Domestic	30,82	21,91	33,24	26,07
Operating costs per barrel sold, USD/barrel	23,82	15,27	24,25	17,20
Production Costs (excl. refining costs)	4,55	4,35	4,40	4,62
Production Taxes	11,66	8,79	12,36	10,57
Depletion and depreciation	7,60	2,13	7,50	2,00

Key ratio definitions

1. Earnings before interest, tax, depletion and depreciation 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. Two issues of convertible debentures were completed in late May 2002. The conversion price was SEK 6.70 per convertible debenture. The term of the convertible debentures was 3 years and matured on May 31, 2005. On February 17, 2004 by way of the Issue Through Set-off SEK 150,165,272 of convertible debentures 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. After the conversion of the outstanding convertible debentures the number of shares would increase by 1,367,312. 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 January 31, 2006 35,274,000 options were granted with the right to subscribe for 1 share of common stock at SEK 6.13 which have an effect on the average number of shares when calculated on a fully diluted basis.
13. 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.
14. On February 17, 2006 the Group issued 116,500,000 shares to former Saneco shareholders after which the number of shares increased from 982,527,312 to 1,099,027,312.

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, 2005.

Several International Financial Reporting Standards (IFRS) were subject to changes as of January 1, 2006. The amended IFRS have not had any impact on the profit or loss and financial position of West Siberian Resources Limited.

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. No dilutive potential ordinary shares existed as of December 31, 2005. As of September 30, 2006 there was a dilutive effect on the shares due to options granted.

Note 3 Segment information

In 2006 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 and as a result three secondary segments are identified. Sale of crude oil and oil products to Russia are categorised as domestic and sale of crude oil to countries outside Russia is categorised as export and sale of crude oil to CIS countries is categorized as export to CIS countries. During the quarter ended September 30, 2006 there were no sale of oil products to countries outside Russia.

	Crude oil				Oil products	Group
	Export	Export CIS	Russia	Re-sale of purchased crude oil	Russia	
Quarter ended September 30, 2006						
Segment revenue	10 152	25 300	44 810	1 714	1 624	83 600
Segment result	1 511	5 874	9 207	1 418	1 287	19 296
Quarter ended September 30, 2005						
Segment revenue	9 650	0	12 812	106	1 844	24 411
Segment result	3 632	0	4 173	101	1 125	9 031

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	Maturity	Interest rate	Pledged assets		
						Amount of pledge	Description of pledged assets	Location of pledged assets
West Siberian Resources Ltd	BNP Paribas	USD	132 000	16.09.2007	3.5%+LIBOR	270 625	100% of shares of Vostok Oil (Cyprus) Ltd, VTK, Khvoinoye, Nikol, Pechoraneft and Saneco, Nikol Share Purchase Agreement Assignment, Pechoraneft, VTK and Saneco Guarantee	Moscow Depository "R.O.S.T."
TOTAL			**132 000**			**270 625**		

Note 5 Depletion and depreciation

For the nine months and the quarter ended September 30, 2006 the depletion and depreciation charge amounted to TUSD 42,182 and TUSD 17,748, respectively. The depletion and depreciation increased significantly due to 3 times higher production volumes and accelerated depletion charges. In 2005 WSR has commissioned DeGolyer and MacNaughton (D&M) for the company's first ever Society of Petroleum Engineers (SPE) classification of recoverable reserves. From the fourth quarter 2005, WSR calculate depletion charges based on D&M's estimates of reserves and future capital expenditures. As D&M's projected capital expenditures significantly exceed WSR's internally planned investments for coming years and WSR expects to recover additional reserves, the oil and gas properties are depleted at a higher rate than may be the case in coming years.

Note 6 Acquisitions and disposals

On January 23, 2006 the share purchase agreement was signed for the acquisition of CJSC "Saneco". In accordance with the share purchase agreement the total purchase price of MUSD 140 should be paid by a maximum MUSD 70 in cash (including assumption of debt if any) and MUSD 70 in 116,500,000 West Siberian shares valued at SEK 4.74 per share.

On February 17, 2006, when the acquisition was completed, the share price was SEK 7.85 and the value of 116,500,000 shares was TUSD 115,821. Up to September 30, 2006 WSR paid TUSD 61,159 with assumed debt of TUSD 8,841 to the sellers. The acquisition costs paid up to September 30, 2006 amounted to TUSD 1,092. The assumed debt included dividends payable to former shareholders amounted to TUSD 4,038, the loan payable to NOMOS bank amounted to TUSD 957 and other current liabilities. These liabilities were repaid in full as of September 30, 2006 and were included in the Cash Flow Statement lines "Total cash flow from financing" and "Total cash flow from operations".

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

	Saneco
Date of acquisition	February 17, 2006
Percentage of share capital acquired	100,00%
Oil and gas properties	241 616
Land	11
Office equipment	341
Intangible fixed assets	3
Other financial fixed assets	1 222
Inventories	1 667
Trade and other current receivables	2 778
Short-term investments	35
Cash and bank	847
Provision for site restoration costs	(1 589)
Deferred tax liability	(52 385)
Short-term borrowings	(957)
Trade payables	(3 559)
Accrued expenses	(7 888)
Other current liabilities	(4 044)
Net assets at acquisition date	**178 098**
Minority interest	-
Net assets acquired	**178 098**
Cash and issued shares	178 098
Cash paid by the Company (as of September 30, 2006)	62 251
Less cash of acquired subsidiary	(847)
Cash flow on acquisition, net of cash acquired	**61 404**
Profit since the acquisition date	8 824
Revenue for 9 months 2006 as though the acquisition date had been January 1, 2006	60 858
Profit for 9 months 2006 as though the acquisition date had been January 1, 2006	6 192

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 should be 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”. The income statement of Reimpex for the nine months ended September 30, 2006 is not presented due to absence of operations during the period.

Note 7 Private placement proceeds

In February 2006 a private placement of common shares raising SEK 1,254,408,940 (TUSD 162.40 before placement costs) was completed. Institutional investors subscribed for 80,097,268 new shares/depositary receipts with a subscription price of SEK 7.25. 109,902,732 shares were issued to Repsol YPF at SEK 6.13 (10% of enlarged share capital). The net proceeds after placement costs amounted to SEK 1,184,389,286 (TUSD 153,046).

Note 8 Tax

For the nine months ended September 30, 2006 the deferred tax liability increased from TUSD 38,679 to TUSD 91,445 mainly due to consolidation of Saneco and related increase of oil and gas properties.

For the nine months ended September 30, 2006 the current tax expense amounted to TUSD 12,385 and deferred tax income amounted to TUSD 6,660.

Note 9 Contingent liability

On December 26, 2005 Administration of the Nenetsk Autonomous Area ("Nenetsk") brought a claim to the Arbitrazh of the Arkhangeslk Region requiring Pechoraneft to repay an amount of USD 1,878,200. Nenetsk alleges Pechoraneft owes it 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 licence granted to Pechoraneft. According to these arrangements, Pechoraneft was obliged to settle USD 1,000,000 to the special-purpose budget fund of the Nenetsk Autonomous Area and pay USD 3.5 from each tonne of oil 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 took a position that the obligations under the previous arrangement were no longer valid.

During 2006 several court sittings were held on the above matter and won by Pechoraneft. But Nenetsk has a right to appeal for the last third instance.

Note 10 Share option plan

On January 31, 2006 35,274,000 options were granted and outstanding under the WSR Global Share Option Plan and from the same date the Group follows IFRS 2 “Share based Payment”. Each option gives the right to subscribe for 1 share of common stock at SEK 6.13. All options are exercisable after 3 years subject to certain conditions and expire in 5 years. The fair value of the employee services received in exchange for the grant of the options is recognised 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 period January 31, 2006 – September 30, 2006 the effect amounted to TUSD 2,628 increased the income statement line “Selling, general and administration expenses” and correspondingly the retained earnings.

Note 11 Subsequent events

In November 2006 a share purchase agreement was signed for the acquisition of CJSC “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 should be paid in cash out of which MUSD 90 was paid at completion and MUSD 25 are payable subject to certain legal issues. The acquisition costs amounted to TUSD 55 were incurred. As of the date of the issuance of the report the fair values of the acquired assets and liabilities of Northoil have not been determined.

In November 2006 BNP Paribas as an arranger for a syndicate of several other banks committed to extend the loan principal up to MUSD 250 with maturity date at September 16, 2007.

Next report due

The next financial report for the twelve months from January 1, 2006 to December 31, 2006 will be published on February 28, 2007.

November 29, 2006

West Siberian Resources Limited
The Board of Directors

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Review Report

We have reviewed the interim report for the period January 1 - September 30, 2006 for West Siberian Resources Ltd. Management is responsible for the preparation and 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.

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 (ISA). The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

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

Gothenburg, November 29, 2006
PricewaterhouseCoopers AB

Klas Brand
Authorised Public Accountant

Johan Rippe
Authorised Public Accountant

West Siberian Resources Ltd

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