West Siberian Resources Limited:
Interim report for the quarter ended March 31, 2008

WSR stand alone interim report excluding Alliance Oil Company

- **Total revenue increased by 131% to MUSD 135.9 (MUSD 58.8)*.**
- **EBITDA amounted to MUSD 40.28 (MUSD 13.64).**
- **Net result amounted to MUSD 24.86 (loss of MUSD 0.9).**
- **Earnings per share amounted to USD 0.02 (loss of USD 0.00).**
- **Oil production increased by 40% to 3,161,174 barrels.**
- **Merger with Alliance Oil Company completed after end of reporting period**
- **Proposed tax changes may have significant positive impact**

Pro forma financial information for the merger with Alliance Oil Company

- **Total revenue amounted to MUSD 685.0**
- **EBITDA amounted to MUSD 124.9**
- **Net result amounted to MUSD 67.0**
- **Earnings per share amounted to USD 0.022**

**Comparisons reflect the quarter ended March 31, 2007.*

West Siberian is a leading independent oil company with vertically integrated operations in Russia and Kazakhstan. Following the merger with Alliance Oil Company, West Siberian Resources has proved and probable oil reserves of 489 million barrels, a production of close to 45,000 barrels per day in the first quarter of 2008, refining capacity of 70,000 barrels per day and a network of 255 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,

West Siberian's operations continued to grow rapidly in the first quarter 2008.

Organic crude oil production increased by 40% as a result of the company's active drilling and development program. Through the merger with Alliance Oil Company, additional upstream production was added resulting in pro forma oil production totaling 4.1 million barrels which is 79% more than in the first quarter last year.

Alliance Oil Company also added significant downstream operations. In the first quarter the Khabarovsk oil refinery processed 6.5 million barrels of crude oil into oil products for the Russian Far East and neighboring export markets. Increasing wholesale and retail demand resulted in higher realized prices for refined products.

The combined operations recorded pro forma revenues of MUSD 685, which is more than ten times higher than the revenues that West Siberian recorded in the first quarter 2007. Pro forma EBITDA and net income were 9 and 73 times higher, respectively.

As the Alliance Oil Company merger was not formally completed until April 10, the first quarter financial statements do not include Alliance Oil's upstream and downstream operations. Financially however, West Siberian's shareholders have the full benefit of cash flows generated by Alliance Oil from the beginning of 2008. From the second quarter, the operations will be consolidated in the financial statements which will then fully reflect the company's vertically integrated oil operations.

Excluding Alliance Oil Company, West Siberian recorded unprecedented revenues of MUSD 136, cash flow from operations of MUSD 30 and net income of MUSD 25.

Operating conditions continued to improve as oil and oil product prices increased further adding to the benefits of volume growth. Gross oil prices received increased from USD 30.83 per barrel in the first quarter 2007 to USD 61.55 per barrel in the first quarter 2008 and netback prices increased from USD 21.72 to USD 39.11. Compared to the fourth quarter 2007 average netbacks were essentially unchanged due to increased export duties. Higher world market oil prices also resulted in additional production tax charges.

In the first quarter 2008, production taxes of MUSD 56 or USD 17.82 per barrel produced were recorded. Russian production taxes is the largest cost item in the upstream segment.

Therefore, it is encouraging that the political leadership in Russia recently has stated that it is time to lower taxation for the oil industry and stimulate investment in oil field development and refinery upgrades.

Specifically, we have reason to expect that our activities in the Timano-Pechora region will qualify for the proposed seven year tax holiday expected to be introduced in 2009. This would mean significant cost reductions, margin improvements and cash flow increases which would imply a large step-up in the value of our reserves in the region. We are also expecting a general lowering of production taxes for Russian oil producers of approximately USD 1.32 per barrel. In the downstream segment, export duties for light oil products will be lowered.

Consequently external operating conditions continue to improve. Supported by this, we focus on realizing the benefits of the merger and the integration of our operations in all stages of the oil industry value chain. The first quarter performance reflects important steps towards our objectives to produce 18.6 million and to refine 24.5 million barrels of crude oil in 2008. In order to achieve this, we are proceeding with our investment plans, comprising expected capital expenditures for the combined group of MUSD 403 in 2008. Currently, the merged company is producing approximately 49,000 barrels and refining approximately 70,000 barrels of oil per day.

We are currently operating in an environment with record high crude and products prices while taxation appears to be easing. The merger has been completed, which has created a new platform for growth in the upstream and downstream sectors. The combined group has a solid balance sheet, pro forma equity amounted to MUSD 2,165 at the end of the quarter, and we recently raised an additional MUSD 170 in equity. Consequently, we believe we are well positioned to continue to grow and improve profitability going forward.

May 21, 2008

Maxim Barski
Managing Director

Pro forma results for the merger with Alliance Oil Company

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 operations (downstream). 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 2008, Alliance Oil Company's operations will be 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.

Against this background, first quarter financial information for Alliance Oil Company and proforma information for the merger is presented in this report together with West Siberian Resources Ltd's interim financial statements, which do not include Alliance Oil Company.

Combined Income Statement Pro forma for the quarter ended March 31, 2008

	Quarter ended 31 March 2008			
USD thousand	**WSR**	**Alliance**	**Adjustments**	**Pro-forma Combined**
Revenue	135 933	549 051	-	684 984
EBITDA	40 281	84 597	-	124 878
EBITA	15 195	69 636	- 4 869	79 962
EBIT	15 195	69 636	- 4 869	79 962
Profit before income tax	29 144	69 250	- 4 869	93 525
Profit for the period	24 868	45 850	- 3 701	67 017
Attributable to:				
Minority interest	5	1 089	-	1 094
Shareholders of the parent	24 863	44 761	- 3 701	65 923
Per share data				
Number of shares outstanding at balance sheet date	1 189 027 312	888 000	1 782 652 968	2 972 568 280
Earnings per share, USD	0,021	50,407		0,022
Equity / share	0,58	732,33		0,73

Combined Balance Sheet Pro forma as of March 31, 2008

	31 March 2008			
USD thousand	WSR	Alliance	Adjustments	Pro-forma Combined
Assets				
Fixed assets	1 147 936	666 258	1 073 862	2 888 056
Current assets	88 629	968 407	-	1 057 036
Total assets	**1 236 565**	**1 634 665**	**1 073 862**	**3 945 092**
Shareholders' equity and liabilities				
Shareholders' equity	**697 831**	**650 306**	**816 448**	**2 164 585**
Minority interest	300	25 209	- 313	25 196
Long-term borrowings	294 886	209 959	-	504 845
Other long-term non interest bearing liabilities	148 941	71 220	257 727	477 888
Total long-term liabilities	**443 827**	**281 179**	**257 727**	**982 733**
Short-term borrowings	22 344	409 694	-	432 038
Other short-term non interest bearing liabilities	72 263	268 277	-	340 540
Total current liabilities	**94 607**	**677 971**	**-**	**772 578**
Total shareholders' equity and liabilities	**1 236 565**	**1 634 665**	**1 073 862**	**3 945 092**

The pro forma financial information was based on WSR and Alliance Oil’s interim reports for the quarter ended March 31, 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, 2006 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, 2006 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 charges for 2006, 2007 and quarter ended March 31, 2008 were calculated for WSR affecting the pro forma income statement for the quarter ended March 31, 2008 and the closing balances of oil and gas properties as of March 31, 2008 of the combined entities. The pro forma information will differ from the final cost of combination and allocation of fair values at the completion date mainly due to fluctuations of the WSR share market price, possible changes of WSR’s consolidated net assets’ book values and other potential changes to the purchase price allocation.

Results – the Group, excluding Alliance Oil Company

Group revenue for the quarter ended March 31, 2008 was MUSD 135.93 (MUSD 58.81).

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

	Quarter ended March 31, 2008			
	Export	**CIS**	**Domestic**	**Total**
Sold volume (barrels)	830 389	830 215	1 354 781	3 015 385
Gross price (USD/barrel)	91,37	61,67	44,93	61,55
Net price (USD/barrel)	47,47	49,85	37,81	43,79
Selling expenses (USD/barrel)	5,50	10,93	0,33	4,67
Netback price (USD/barrel)	41,98	38,92	37,48	39,11
	Quarter ended March 31, 2007			
	Export	**CIS**	**Domestic**	**Total**
Sold volume (barrels)	324 329	828 113	1 133 779	2 286 221
Gross price (USD/barrel)	49,13	30,05	26,17	30,83
Net price (USD/barrel)	24,71	29,65	22,13	25,22
Selling expenses (USD/barrel)	3,83	7,31	0,63	3,50
Netback price (USD/barrel)	20,88	22,34	21,50	21,72

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 were MUSD 72.82 (MUSD 33.57). Production and other taxes included in the Production costs were MUSD 56.32 (MUSD 22.87). Production costs (excluding refining costs and production and other taxes) per barrel amounted to USD 4.42 (USD 3.99). Production and other taxes per barrel amounted to USD 17.82 (USD 10.10).

The depletion and depreciation charge was MUSD 25.09 (MUSD 14.78). The average depletion rate per barrel of oil produced increased to USD 7.93 (USD 6.52). Depletion and depreciation charges calculated based on DeGolyer and MacNaughton's (D&M) 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 14.13 (MUSD 8.04). Comparing to 2007 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.

The Administration expenses amounted to MUSD 8.03 (MUSD 3.68). The charge related to the global share option plan amounted to MUSD 2.36 (MUSD 1.22). The Alliance merger related costs amounted to MUSD 1.68.

EBITDA amounted to MUSD 40.28 (MUSD 13.64).

The operating income was MUSD 15.20 (loss of MUSD 1.14).

Net finance expenses were MUSD 3.99 (MUSD 3.75).

Currency exchange rate gains amounted to MUSD 17.93 (MUSD 3.61). 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 March 31, 2007 and March 31, 2008 were 26.01 and 23.52 per to USD.

Tax charges were MUSD 4.28 (tax income of MUSD 0.35).

The Group reports a net result after tax of MUSD 24.86 corresponding to USD 0.02 per share (loss of MUSD 0.92 and USD 0.00 per share, respectively).

Exploration and Production (Upstream)

Oil production reached a new company record of 3,161,174 barrels in the first quarter 2008. Production increased by 40% from 2,264,658 barrels in the first quarter 2007 and the average daily production for the quarter increased to 34,738 barrels per day (25,163 barrels per day). Alliance Oil's crude oil production, which was not consolidated in the first quarter 2008, amounted to 889,984 barrels and pro forma oil production amounted to 4,051,158 barrels or approximately 44,518 barrels per day on average.

In the first quarter 2008, the drilling and development program was initiated and intense field activities limited production growth in all regions.

West Siberian Resources Ltd operates in three Russian regions: Tomsk, Timano-Pechora and Volga-Urals, and Kazakhstan. Based on 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 365.0 million barrels as of August 31, 2007 based on D&M's appraisal. Excluding the production for September-December 2007 the proven and probable reserves as of December 31, 2007 amounted to 361.0 million barrels. Following the merger with Alliance Oil Company, the pro forma proven and probable reserves as of December 31, 2007 amounted to 488.7 million barrels under PRMS classification.

Tomsk region

Total oil production in the Tomsk region for the first quarter 2008 was 1,047,305 barrels (707,285 barrels). A total of 25 wells in the region were subject to workovers or repair activities in the quarter.

Development continued at the Khvoinoye field where a total of 6 wells have been drilled out of which 5 have been hydrofractured and put in production. Shipments of oil produced at the Khvoinoye field to the Transneft pipeline have commenced.

During the quarter, 4 wells in the Puglalymskoye field and 6 wells in the Kluchevskoye field were successfully hydrofractured which increased flow rates.

At the Kluchevskoye field, new drilling pads for this years' drilling program were completed. 8 wells are being drilled. In order to accommodate further production increases a new pump station is being installed at the Middle Nyurola field.

Timano-Pechora region

Total Timano-Pechora region oil production for the first quarter 2008 increased to 1,175,212 barrels (641,257 barrels). A total of 19 wells in the region were subject to workover or repair activities in the quarter.

At the Kolvinskoye field, a winter road was constructed. A drilling rig has been mobilized to the field and drilling has been started. Test production from one well is in progress.

Two wells were drilled and completed at the Lek-Kharyaga field. Preparations are being made for a 5 wells drilling program from a new drilling pad built in the field.

At the North Kharyaga field, 2 new producing wells were drilled and 4 wells were hydrofractured. A 3 wells drilling program is planned for the field and preparations are under way.

Development of water injection systems have started in the North and Lek-Kharyaga fields in order to maintain formation pressure.

At the Middle Kharyaga field, drilling of one well is in progress.

Volga-Urals region

Total consolidated Volga-Urals oil production for the first quarter amounted to 938,657 barrels (916,116 barrels) for WSR and 1,735,530 barrels including oil production from Alliance Oil Company's subsidiary in Tatarstan.

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

At the Kochevnenskoye field, the sidetrack of well no. 2 was completed and production from the well started. Sidetrack drilling of well no. 21 has started. Production enhancement activities were carried out at 3 wells in the field with positive results. 5 more wells have been stimulated.

At the Novo-Kievskoye oil field, production well no. 821 was successfully drilled and completed.

Drilling of the first exploration well at the Ivanikhinskaya structure was completed. The well tested the Bashkirsky formation which turned out to be water saturated and non-productive.

Drilling preparations are being made at the Kovalevskoye and Solnechoye fields. New drilling equipment has been delivered and a drilling rig is being mobilized. The plan is to drill 3 exploratory and 2 development wells in 2008.

Oil transportation from the Solnechnoye to the Kochevnenskoye field through the internal pipeline has been started to decrease trunk transportation costs.

Total oil production in Kazakhstan in the first quarter amounted to 93,111 barrels.

Refining and marketing (Downstream)

Following the merger with Alliance Oil Company, the group operates the Khabarovsk oil refinery, a 255 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 6,469 thousand barrels in the first quarter 2008. This represents an 8.6% increase in volumes from 5,957 thousand barrels refined in the fourth quarter 2007. In the first quarter 2008 total 6,052 thousand barrels of oil products were sold out of which 3,143 thousand barrels were sold in the wholesale market, 2,012 thousand barrels were sold for export and 897 thousand barrels were sold in the retail market.

Russian average net domestic wholesale prices received increased by 24% to 90.10 USD per barrel (USD 72.90 per barrel) and average net domestic retail prices increased by 12.9% to 126.20 USD per barrel (USD 111.80 per barrel) from the fourth quarter 2007. Net export prices were slightly lower at 53.00 USD per barrel (USD 56.50 per barrel).

Refining and marketing operations were not consolidated in the Group's first quarter 2008 financial statements.

Investments, Financing and Liquidity

Investments

Net investments in oil and gas assets amounted to MUSD 66.00 (MUSD 43.84) and were made in the Timano-Pechora region (MUSD 34.22), Tomsk region (MUSD 20.21), and Volga-Urals region (MUSD 11.57).

Financing

In April 2008, MSEK 1,006.20 (MUSD 169.19 before placement costs) was raised through a private placement of 258 million common shares. The net proceeds after placement costs amounted to approximately MSEK 978.85 (MUSD 164.60).

Liquidity

As at March 31, 2008 the Group liquidity amounted to MUSD 6.47 (MUSD 6.50). Cash flow from operations, before changes in working capital, amounted to MUSD 30.32 (cash outflow of MUSD 5.73).

Parent company

The parent company's revenue amounted to MUSD 0.00 (MUSD 1.19).

The parent company's net result before tax amounted to loss of MUSD 2.71 (profit of MUSD 0.42).

As of March 31, 2008 the liquidity of the parent company amounted to MUSD 0.91 (MUSD 5.13).

In April 2008, the parent company issued 258 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 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.

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 March 31, 2008 the total number of options outstanding under the WSR Global Share Option Plan amounted to 66,205,000. 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, 2008 - Mar 31, 2008 3 months	Jan 1, 2007 - Mar 31, 2007 3 months
Revenue			
Revenue from sales of oil and gas	3	132 029	57 660
Revenue from sales of oil products	3	2 460	682
Other income		1 444	472
		135 933	**58 814**
Cost of sales			
Production costs		-72 823	-33 574
Depletion and depreciation	5	-25 086	-14 779
Gross profit		**38 024**	**10 461**
Selling expenses		-14 126	-8 043
Administration expenses	7	-8 028	-3 683
Other operating income/(expenses)		-675	128
Operating income/(loss)		**15 195**	**-1 137**
Finance income/(expenses), net		-3 985	-3 749
Currency exchange gains		17 934	3 612
Result before tax		**29 144**	**-1 274**
Tax	6	-4 276	351
Result for the period		**24 868**	**-923**
Attributable to:			
Equity holders of the parent		**24 863**	**-915**
Minority interests		**5**	**-8**
Earnings per share (USD)	2	0,02	-0,00
Diluted earnings per share (USD)	2,7	0,02	-0,00

GROUP BALANCE SHEET - Condensed

(Expressed in USD thousands)	Note	Mar 31, 2008	Dec 31, 2007
NON-CURRENT ASSETS			
Oil and gas properties and office equipment		1 141 986	1 051 734
Land		13	13
Goodwill and computer software		2 090	1 771
Deferred tax asset		1 588	1 570
Other financial assets		2 259	1 676
		1 147 936	**1 056 764**
CURRENT ASSETS		88 629	77 054
TOTAL ASSETS		**1 236 565**	**1 133 818**
SHAREHOLDERS' EQUITY	7	**698 131**	**646 667**
NON-CURRENT LIABILITIES			
Interest-bearing non-current liabilities	4	294 886	235 937
Deferred tax liability	6	135 276	130 128
Provision for site restoration costs		13 665	11 963
		443 827	**378 028**
CURRENT LIABILITIES	4	94 607	109 123
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1 236 565**	**1 133 818**
PLEDGED ASSETS and SHARES	4	500 000	500 000

GROUP STATEMENT OF CASH FLOW - Condensed

(Expressed in USD thousands)	Note	Jan 1, 2008 - Mar 31, 2008 3 months	Jan 1, 2007 - Mar 31, 2007 3 months
Cash flow from/used in operations			
Operating income/(loss)		15 195	-1 137
Operating cash flow before changes in working capital		**38 805**	**8 182**
Total cash flow from/used in operations		**30 324**	**-5 728**
Total cash flow used for investments		**-66 017**	**-68 953**
Total cash flow from financing	4	**35 717**	**60 136**
Effect of exchange rate changes on cash and cash equivalents		-54	-725
Change in cash and bank		**-30**	**-15 270**
Cash and bank at beginning of period		6 500	32 134
Cash and bank at end of period		**6 470**	**16 864**

STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent company					**Minority interest**	**Total equity**
(Expressed in USD thousands)	**Share capital**	**Other paid in capital**	**Other reserves**	**Retained earnings**	**Total**		
Equity at Dec 31, 2006	**54 951**	**378 385**	**24 637**	**43 764**	**501 737**	**310**	**502 047**
Translation difference for the period	-	-	5 253	-	5 253	-	5 253
Net result for the period Jan 1, 2007 – Mar 31, 2007	-	-	-	-915	-915	-8	-923
Total recognised income and expense for the period	-	-	5 253	-915	4 338	-8	4 330
Private Placement	4 500	73 316	-	-	77 816	-	77 816
Share option plan (Note 7)	-	-	-	1 224	1 224	-	1 224
Equity at Mar 31, 2007	**59 451**	**451 701**	**29 890**	**44 073**	**585 115**	**302**	**585 417**
Translation difference for the period	-	-	26 723	-	26 723	-	26 723
Net result for the period Apr 1, 2007 – Dec 31, 2007	-	-	-	30 821	30 821	-7	30 814
Total recognised income and expense for the period	-	-	26 723	30 821	57 544	-7	57 537
Private Placement	-	-32	-	14	-18	-	-18
Share option plan (Note 7)	-	-	-	3 731	3 731	-	3 731
Equity at Dec 31, 2007	**59 451**	**451 669**	**56 613**	**78 639**	**646 372**	**295**	**646 667**
Translation difference for the period	-	-	24 241	-	24 241	-	24 241
Net result for the period Jan 1, 2008 – Mar 31, 2008	-	-	-	24 863	24 863	5	24 868
Total recognised income and expense for the period	-	-	24 241	24 863	49 104	5	49 109
Share option plan (Note 7)	-	-	-	2 355	2 355	-	2 355
Equity at Mar 31, 2008	**59 451**	**451 669**	**80 854**	**105 857**	**697 831**	**300**	**698 131**

KEY FINANCIAL AND OPERATIONAL RATIOS

	Jan 1, 2008 - Mar 31, 2008 3 months	Jan 1, 2007 - Mar 31, 2007 3 months
Financial ratios		
EBITDA [1], TUSD	40 281	13 642
Return on shareholders' equity [2], %	4%	0%
Return on capital employed [3], %	3%	0%
Debt/equity ratio [4], %	47%	43%
Equity ratio [5], %	56%	58%
Risk-bearing capital [6], %	67%	70%
Interest-coverage ratio [7]	8,04	0,67
Weighted average number of shares for the financial period [8,9,10,11,12,13,14,15]	1 189 027 312	1 170 027 312
Weighted average number of shares for the financial period (diluted) [8,9,10,11,12,13,14,15]	1 189 027 312	1 175 103 050
Number of shares at financial period end [10,11,12,13,14,15]	1 189 027 312	1 189 027 312
Operational ratios		
Production volume, barrels	3 161 174	2 264 658
Oil revenue per barrel (sold), USD/barrel	43,79	25,22
Export (excl. export duty)	47,47	24,71
Export CIS	49,85	29,65
Domestic	37,81	22,13
Operating costs per barrel produced, USD/barrel	30,17	20,61
Production costs (excl. refining costs, production and other taxes)	4,42	3,99
Production and other taxes	17,82	10,10
Depletion and depreciation	7,93	6,52

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 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. 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 March 31, 2008 66,205,000 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, 2007.

In accordance with the considerations presented in the annual report for the financial year 2007, Note 1, 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 financial period ended March 31, 2007 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 March 31, 2008 and 2007 there were no sale of oil products to countries outside Russia.

	Crude oil			Oil products	Group
	Export	Export CIS	Russia	Russia	
Quarter ended March 31, 2008					
Segment revenue	39 422	41 386	51 221	2 460	134 489
Segment result	8 428	6 326	5 551	2 149	22 454
Quarter ended March 31, 2007					
Segment revenue	8 015	24 552	25 093	682	58 342
Segment result	496	2 448	-1 480	481	1 945

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.

						Pledged assets/covenants		
Borrower	**Creditor**	**Denominated in**	**Outstanding amount, TUSD**	**Maturity**	**Interest rate**	**Amount of pledge**	**Description of pledged assets/ covenants**	**Location of pledged assets**
Long-term loans								
West Siberian Resources Ltd	Syndicate of banks	USD	250 000	18.12.2013	3.25% +LIBOR	500 000	100% of shares of Vostok Oil (Cyprus) Ltd, VTK, Khvoinoye, Nikol, Pechoraneft, Saneco, Pechoraneft, VTK and Saneco Guarantee, financial ratio covenants	Moscow Depository "R.O.S.T."; Registrar of companies in Bermuda and Cyprus
			50 000	18.12.2013	3.75% +LIBOR			
TOTAL Long-term loans			**300 000**			**500 000**		
Short-term loans								
Pechoraneft	Unicredit Bank	USD	13 750	09.04.2008	3.5%+LIBOR	-	-	-
Saneco	Unicredit Bank	USD	2 200	02.04.2008	3.5%+LIBOR	-	-	-
TOTAL Short-term loans			**15 950**			-	-	-

The interest expense payable by WSR to the syndicate of banks as of March 31, 2008 amounted to TUSD 6,073 included in the balance sheet line 'Current liabilities'.

Note 5 Depletion and depreciation

For the quarters ended March 31, 2008 and 2007 the depletion and depreciation charge amounted to TUSD 25,086 and TUSD 14,779. Depletion and depreciation charges calculated based on DeGolyer and MacNaughton's (D&M) 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.

Note 6 Tax

For the quarter ended March 31, 2008 the deferred tax liability increased from TUSD 130,128 from TUSD 135,276. For the quarter ended March 31, 2008 the current tax expense amounted to TUSD 4,395 and deferred tax income amounted to TUSD 119.

Note 7 Share option plan

In 2006 and 2007 the Company granted options under the WSR Global Share Option Plan. As of March 31, 2008 the number of outstanding options amounted to 66,205,000. 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 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 quarters ended March 31, 2008 and 2007 the charges amounted to TUSD 2,355 and TUSD 1,224 increased the income statement line "Administration expenses" and correspondingly the retained earnings.

Note 8 Subsequent events after the balance sheet date

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 operations (downstream). Consequently, the enlarged Group has vertically integrated oil operations in Russia and Kazakhstan.

In the merger, Alliance Oil's shareholders (mainly the members of the Bazhaev family) 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.

On the completion date the WSR share price was SEK 4.67 and the value of 1,783,540,968 shares, which represent 60% of enlarged share capital, was about MUSD 1,401. The directly attributable merger costs are estimated at MUSD 25. As a result, the total combination cost is preliminary estimated at MUSD 1,426.

After the successful completion of the merger the financial statements will be prepared using the accounting model prescribed by IFRS 3 "Business combination" for "reversed acquisitions" since the shareholders of Alliance own 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, should be recorded at fair value initially in the consolidated financial statements. The assets and liabilities of the legal subsidiary, Alliance Oil, should be recognized and measured in the combined financial statements at their pre-combination carrying amounts. WSR as the legal parent continue to be presented as parent company in future financial reports.

The consolidated WSR and Alliance Oil financial statements will be prepared starting from the second quarter of 2008 using the prescribed accounting model. The total combination costs will be allocated to WSR's assets and liabilities while mainly WSR's oil and gas properties will be adjusted for the fair value. As of the date of the issuance of the first quarter report the fair values to be used in the second quarter financial statements have not been determined. As a result, the merger cannot be completely disclosed in accordance with the requirements of IFRS 3 "Business combinations".

On April 18, 2008 a private placement of common shares raising MSEK 1,006.20 (MUSD 169.19 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 approximately amounted to MSEK 978.85 (MUSD 164.60).

Next report due

The next financial report for the six months from January 1, 2008 to June 30, 2008 will be published on August 29, 2008.

Annual General Meeting

The Annual General Meeting will be held in Stockholm, Sweden, on May 21, 2008.

Conference call

WSR has scheduled a conference call at 12.30 UK time (13.30 Swedish time) on Wednesday May 21, 2008. Information on how to participate is available at www.westsiberian.com.

Alliance Oil Company interim financial statements

Alliance Oil Company's IFRS interim financial statements for the quarter ended March 31, 2008 are available at www.westsiberian.com.

Risk and uncertainties associated with this interim report

The group's risk exposure is presented on pages 92-93 of the 2007 annual report. There are no general changes to this presentation of risk exposure.

May 21, 2008

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

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

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West Siberian Resources Ltd

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