

Press release

July 3, 2008

## Second quarter 2008 oil production update

West Siberian Resources Ltd's total<sup>1</sup> oil production for the second quarter 2008 amounted to 4,266,707 barrels (3,250,395 barrels) and the average daily production for the period increased to 46,887 barrels per day (35,718 barrels per day). The group's total oil production for the first 6 months 2008 amounted to 8,317,869 barrels (6,291,508 barrels). The 2008 production plan target of 18.6 million barrels in total remains unchanged with further increases in oil production expected throughout the year. Currently production amounts to 47,429 barrels per day.

Average gross oil prices received in the second quarter 2008 increased to approximately USD 83 per barrel from USD 62 received in the first quarter 2008. The increase in gross prices was however partially offset by increased export duties, which resulted in a preliminary improvement of average first quarter netbacks to USD 53.5 per barrel, from USD 39.40 in the first quarter, after transportation costs.

The total oil production came from the Timano-Pechora region (1,203,257 barrels), the Tomsk region (1,184,886 barrels), the Volga-Urals region (1,776,588 barrels) and Kazakhstan (101,975 barrels). A total of 92 wells were subject to workover or repair activities in the quarter. In the second quarter, 10 production wells were drilled.

Following the recent merger with Alliance Oil, the group's public reporting structure has been updated to reflect the adjusted integrated business model. On August 29 2008, the group will announce consolidated earnings for the integrated operations of the combined group for the first time. The group will continue to provide updates on significant operational events both in the upstream (exploration and production) and downstream (refining and marketing) business areas, however quarterly production reports will be discontinued.

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. Accordingly, oil production of 3,904,836 barrels (832,695 barrels) will be consolidated in the second quarter 2008 financial statements. For the first 6 months 2008 oil production of 4,794,821 barrels (1,609,150 barrels) will be consolidated. Based on the production plan target of 18.6 million barrels for 2008, 15.1 million barrels of oil production will be consolidated in the 12 months 2008 financial statements.

### For further information:

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***West Siberian is a leading independent oil company with vertically integrated operations in Russia and Kazakhstan. West Siberian Resources has proved and probable oil reserves of 489 million barrels, a production of above 47,000 barrels per day in the second 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.***

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<sup>1</sup> Total oil production includes Alliance Oil Company's oil production for the respective periods.