



Independent Auditors' Report

To the Board of directors of
OAO Vostokgazprom

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of OAO Vostokgazprom (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated balance sheet as of 31 December 2008, and the consolidated statement of income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2008, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.


ZAO KPMG

ZAO KPMG
20 March 2009

OAO VOSTOKGAZPROM
IFRS Consolidated Balance Sheet as of 31 December 2008
(in millions of Russian Roubles)

	Notes	31 December 2008	31 December 2007
Assets			
Non-current assets			
Property, plant and equipment	10	11,890	11,053
Exploration and evaluation assets	11	516	83
Deferred income tax assets	25	31	77
Investments in jointly controlled entity	13	3,949	2,385
Other non-current assets	14	182	173
Total non-current assets		16,568	13,771
Current assets			
Cash and cash equivalents	15	717	716
Bank deposits	15	-	720
Prepayments and advances		216	185
Income tax receivable		214	23
Accounts receivable	16	979	844
Inventories	17	358	593
Non-current assets held for sale	12	136	98
Total current assets		2,620	3,179
Total assets		19,188	16,950
Equity and liabilities			
Equity			
Share capital	24	2,276	2,276
Additional paid in capital	24	9,187	9,187
Retained earnings / (accumulated loss)		515	(1,950)
Total equity		11,978	9,513
Liabilities			
Non-current liabilities			
Long-term promissory notes	18	2,752	2,490
Long-term borrowings	19	588	491
Deferred income tax liabilities	25	721	639
Provisions for liabilities and charges	20	686	428
Other long-term liabilities	23	9	16
Total non-current liabilities		4,756	4,064
Current liabilities			
Short-term borrowings and current portion of long-term borrowings	21	1,975	2,026
Accounts payable and accrued charges	22	318	214
Income tax payable		-	575
Other taxes payable	23	161	558
Total current liabilities		2,454	3,373
Total liabilities		7,210	7,437
Total equity and liabilities		19,188	16,950


Vitaly A. Kutepov
President
20 March 2009


Natalia S. Zayka
Chief Accountant
20 March 2009


The accompanying notes set out on pages 8 to 34 are an integral part of these financial statements.


OAO VOSTOKGAZPROM

IFRS Consolidated Statement of Income for the year ended 31 December 2008

(in millions of Russian Roubles)

	Notes	Year ended 31 December 2008	Year ended 31 December 2007
Sales	26	7,632	6,600
Production costs	27	(1,319)	(1,203)
Depreciation of property, plant and equipment	10	(989)	(875)
Exploration expenses		(175)	(174)
Taxes other than on income	28	(1,039)	(795)
Selling and transportation costs	29	(1,101)	(974)
General and administrative expenses	30	(743)	(758)
Reversal of provision for impairment of accounts receivable		84	485
(Loss)/gain on disposal and impairment of property, plant and equipment, net	10	(64)	2,280
Other operating expenses		(59)	(65)
Operating profit		2,227	4,521
Net financial expense	31	(736)	(1,271)
Share of net income of jointly controlled entity	13	1,564	997
Profit before income tax		3,055	4,247
Current income tax		(462)	(947)
Deferred income tax		(128)	44
Income tax expense	25	(590)	(903)
Net profit		2,465	3,344


 Vitaly A. Kutepov
 President
 20 March 2009

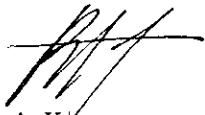

 Natalia S. Zayka
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 20 March 2009

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OAO VOSTOKGAZPROM
IFRS Consolidated Statement of Cash Flows for the year ended 31 December 2008

(in millions of Russian Roubles)

	Year ended 31 December 2008	Year ended 31 December 2007
Profit before income tax	3,055	4,247
Adjustments for:		
Depreciation of property, plant and equipment	989	875
Net financial expense	736	1,271
Reversal of provision for impairment of accounts receivable	(84)	(485)
Provision for tax claims	-	(225)
Loss /(Gain) on disposals and impairment of property, plant and equipment	64	(2,280)
Share of net income of jointly controlled entity	(1,564)	(997)
Other	10	(4)
Net operating cash flow before changes in working capital	3,206	2,402
Decrease / (increase) in inventories	235	(219)
Decrease in accounts receivable and prepayments	47	1,112
(Decrease) /increase in taxes payable other than income tax	(406)	252
Increase/(decrease) in accounts payable and accrued charges	108	(473)
Income tax paid	(1,228)	(202)
Net cash provided by operating activities	1,962	2,872
Cash flows from investing activities		
Capital expenditures	(1,745)	(941)
Purchase of exploration and evaluation assets	(442)	-
Proceeds from disposal of property, plant and equipment	38	3,322
Withdrawal of bank deposits/(placement in bank deposits)	720	(720)
Net cash (used in) / provided by investing activities	(1,429)	1,661
Cash flows from financing activities		
Proceeds from borrowings	3,794	2,660
Repayments of borrowings	(4,108)	(2,695)
Repayments of promissory notes	-	(4,909)
Interest paid	(218)	(227)
Net cash used in financing activities	(532)	(5,171)
Net increase/(decrease) in cash and cash equivalents	1	(638)
Cash and cash equivalents at beginning of period	716	1,354
Cash and cash equivalents at end of period	717	716



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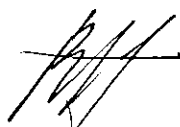


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20 March 2009

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OAO VOSTOKGAZPROM**IFRS Consolidated Statement of Changes in Shareholders' Equity for the year ended 31 December 2008****(in millions of Russian Roubles)**

	Share capital	Additional paid in capital	Retained earnings / (accumulated loss)	Total equity
Balance as of 1 January 2007	2,276	9,187	(5,294)	6,169
Net profit for the year	-	-	3,344	3,344
Balance as of 31 December 2007	2,276	9,187	(1,950)	9,513
Balance as of 1 January 2008	2,276	9,187	(1,950)	9,513
Net profit for the year	-	-	2,465	2,465
Balance as of 31 December 2008	2,276	9,187	515	11,978



Vitaly A. Kutepov
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20 March 2009



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