

ОАО НКГК СЛАВНЕФТ И СУБСИДИАРИИ
СОБРАНИЕ ФИНАНСОВЫХ ПОКАЗАТЕЛЕЙ
31 ДЕКАБРЯ 2006

Report of Independent Accountants

To the Board of Directors and Shareholders
of OAO Neftegazovaya Kompania Slavneft:

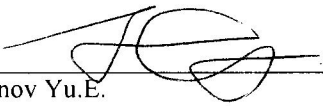
In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of income, changes in shareholders' capital and of cash flows present fairly, in all material respects, the financial position of OAO Neftegazovaya Kompania Slavneft ("OAO NGK Slavneft" or the "Company") and its subsidiaries at December 31, 2006, and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

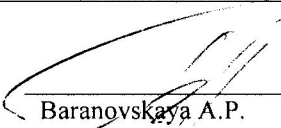
The financial statements of the Company as of December 31, 2005 and for the year then ended were audited by other auditors whose report dated April 5, 2006, (not presented herein) expressed an unqualified opinion on those statements.

ZAO PricewaterhouseCoopers Audit

ZAO PricewaterhouseCoopers Audit
March 30, 2007

	Note	December 31, 2006	December 31, 2005
ASSETS			
Current assets			
Cash and cash equivalents	3	129,086	76,435
Accounts receivable, net	4	395,808	767,511
Inventories	5	213,883	228,213
Deferred income tax assets	12	31,479	24,031
Other current assets	6	212,367	122,796
Total current assets		982,623	1,218,986
Investments	7	28,196	21,869
Property, plant and equipment	8	4,572,702	4,061,078
Deferred income tax assets	12	33,548	15,885
Other non-current assets	9	77,716	187,881
Total assets		5,694,785	5,505,699
LIABILITIES AND SHAREHOLDERS' CAPITAL			
Current liabilities			
Accounts payable		160,469	114,980
Short-term debt and current portion of long-term debt	10	71,438	223,350
Taxes payable	12	240,402	427,190
Dividends payable		56,446	147,671
Other current liabilities	13	92,317	83,157
Total current liabilities		621,072	996,348
Long-term debt	11	148,926	170,858
Asset retirement obligations	8	85,714	43,343
Deferred income tax liabilities	12	452,737	473,597
Other non-current liabilities		13,216	12,132
Total liabilities		1,321,665	1,696,278
Minority interest	14	1,358,380	1,006,868
Shareholders' capital			
Common shares (0.001 Russian ruble par value, 4,754,238,000 shares authorized and issued)		2,201	2,201
Treasury stock, at cost		-	-
Additional paid in capital		1,717,621	1,717,621
Retained earnings		1,294,918	1,082,731
Total shareholders' capital		3,014,740	2,802,553
Total liabilities and shareholders' capital		5,694,785	5,505,699


 Sukhanov Yu.E.
 President
 OAO NGK Slavneft


 Baranovskaya A.P.
 Vice-president on economics and finance
 OAO NGK Slavneft

*OAO NGK Slavneft
 Consolidated Statements of Income
 (All amounts in thousands of USD, except for share data)*

		Year ended December 31, 2006	Year ended December 31, 2005
	Note		
Revenues			
Sales (including excise and export duties)		6,568,893	7,287,364
Less: export duties		(7,798)	(771,034)
Less: excise taxes		(212,904)	(184,792)
Other		236,260	244,656
Total revenues		6,584,451	6,576,194
Costs and other deductions			
Operating expenses		(2,166,167)	(1,412,528)
Selling, general and administrative expenses		(236,060)	(610,538)
Cost of other sales		(205,568)	(151,178)
Taxes other than income taxes	12	(2,054,914)	(1,714,815)
Depreciation, depletion and amortization		(322,026)	(259,382)
Exploration expenses		(32,842)	(32,546)
(Loss) on sale of assets, net		(39,992)	(3,823)
Income from operating activities		1,526,882	2,391,384
Interest expense		(15,279)	(7,387)
Currency translation (loss)		(28,648)	(35,423)
Other non-operating gain (loss), net		21,096	(34,284)
Minority interest	14	(351,382)	(366,374)
Income before income taxes		1,152,669	1,947,916
Current income taxes		(480,619)	(753,607)
Deferred income taxes		32,713	42,379
Total income tax expense	12	(447,906)	(711,228)
Net income		704,763	1,236,688

OAO NGK Slavneft
Consolidated Statements of Changes in Shareholders' Capital
(All amounts in thousands of USD, except share data)

	Number of ordinary shares (thousands)	Common shares	Treasury stock	Additional paid in capital	Retained earnings	Total shareholders' capital
Balance as of January 1, 2005	4,754,238	2,201	(11,724)	1,716,983	802,708	2,510,168
Net income		-	-	-	1,236,688	1,236,688
Sales of treasury stock		-	11,724	638	-	12,362
Dividends declared		-	-	-	(956,665)	(956,665)
Balance as of December 31, 2005	4,754,238	2,201	-	1,717,621	1,082,731	2,802,553
Net income		-	-	-	704,763	704,763
Dividends declared		-	-	-	(492,576)	(492,576)
Balance as of December 31, 2006	4,754,238	2,201	-	1,717,621	1,294,918	3,014,740

	Year ended December 31, 2006	Year ended December 31, 2005
Cash flows from operating activities		
Net income	704,763	1,236,688
Adjustments to reconcile net income to net cash provided by operating activities:		
Loss on sale of assets, net	39,992	3,823
Depreciation, depletion and amortization	322,026	259,382
Deferred income taxes	(32,713)	(42,379)
Minority interest	351,382	366,374
Decrease in accounts receivable	293,637	253,251
(Increase) decrease in inventories and other assets	(10,765)	27,080
Increase (decrease) in accounts payable	58,996	(25,309)
Decrease in taxes payable	(174,229)	(4,056)
Decrease (increase) in other current liabilities	(3,016)	38,894
Decrease (increase) in other non-current assets	130,844	(9,402)
Other	(34,034)	(18,874)
Net cash provided by operating activities	1,646,883	2,085,472
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment and long-term investments	42,465	41,539
Purchases of property, plant and equipment and other non-current assets	(871,977)	(874,411)
Purchases of long-term investments	(7,124)	(9,678)
Net cash used in investing activities	(836,636)	(842,550)
Cash flows from financing activities		
Net change in short-term debt	(155,107)	(30,345)
Repayments of long-term debt	(20,796)	(10,219)
Proceeds from sale of treasury stock	-	12,362
Dividends paid	(587,645)	(1,222,987)
Net cash used in financing activities	(763,548)	(1,251,189)
Effect of exchange rate changes on cash and cash equivalents	5,952	(2,194)
Net decrease in cash and cash equivalents	52,651	(10,461)
Cash and cash equivalents at beginning of period	76,435	86,896
Cash and cash equivalents at end of period	129,086	76,435
Supplemental disclosures of cash flow information		
Interest paid	16,064	14,181
Income taxes paid	485,961	719,178