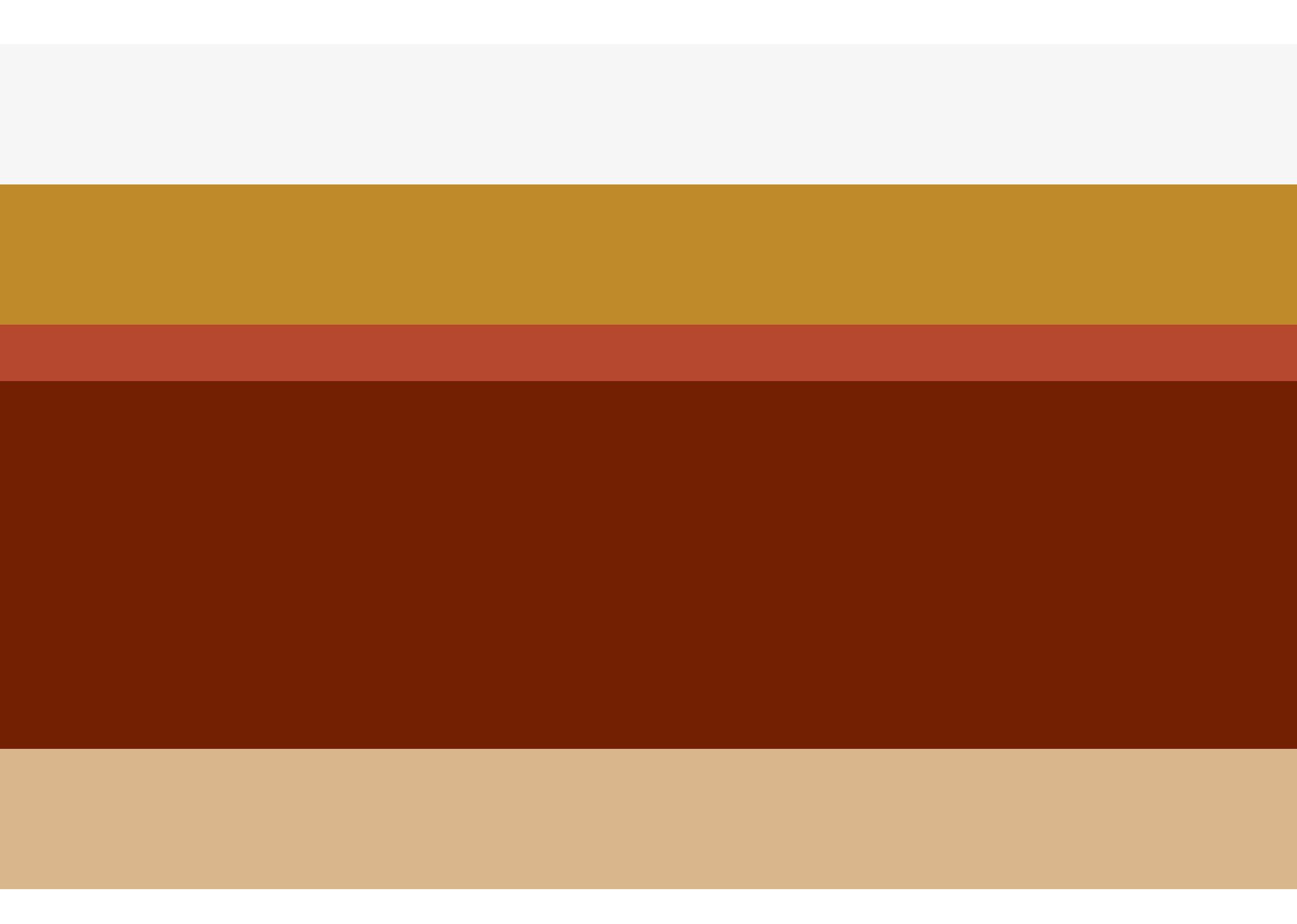


**Vostok
Nafta
Investment
Ltd**

**Twelve
Months
Report**

**January
–December
2013**



- Net result for the period was USD 364.63 million (mln) (January 1, 2012–December 31, 2012: 119.74). Earnings per share were USD 4.10 (1.29). Net result for the quarter was USD 390.07 mln (82.47). Earnings per share for the quarter were USD 4.34 (0.92).
- The net asset value of the Company was USD 633.97 mln on December 31, 2013 (December 31, 2012: 329.58), corresponding to USD 7.05 (December 31, 2012: 3.67) per share. Given a SEK/USD exchange rate of 6.5084 the values were SEK 4,126.10 mln (December 31, 2012: 2,147.43 mln) and SEK 45.89 (December 31, 2012: 23.94), respectively.
- The group's net asset value per share in USD increased by 91.96% or by 110.21% excluding the effect of the distribution of holdings in Black Earth Farming and RusForest over the period January 1, 2013–December 31, 2013. During the same period the RTS index decreased by 5.52% in USD terms. During the quarter October 1, 2013–December 31, 2013 the group's net asset value per share in USD increased by 161.34% (RTS index: 1.42%).
- The number of outstanding shares at the end of the period was 89,903,020.
- A Special General Meeting in Vostok Nafta held on October 17, 2013 re-elected Per Brilioth and Lars O Grönstedt and elected Josh Blachman and Keith Richman to the Board of Directors. Lars O Grönstedt was appointed as Chairman of the Board.
- On October 25, 2013, Vostok Nafta sold a total of 13,824,381 shares in TCS Group Holding PLC for a total purchase price of USD 232.25 million after applicable fees.
- The investment in Avito was revalued as per December 31, 2013 based on an ongoing transaction in the company. The founders of Avito are selling 10% of their holdings, which corresponds to approximately 1.7% of the total number of shares in Avito. The pricing in the transaction equals SEK 255 per underlying Avito share, which equates to a valuation of approximately USD 1.8 bln for the whole company. As a result of this transaction, Vostok Nafta will increase its shareholding in Avito from 13.3% to an indicative 13.7% on a fully diluted basis.
- The reported net asset value per share of Vostok Nafta as of January 31, 2014 was USD 4.86 (SEK 31.74), excluding the effect of the revaluation of Avito per December 31, 2013. Including the effect of the revaluation of Avito based on a transaction in February, 2014, the net asset value per share of Vostok Nafta as of January 31, 2014 was USD 6.56 (SEK 42.83).

Twelve Months Report Covering the Period January 1, 2013–December 31, 2013

Management report

General thoughts

The sentiment around Vostok Nafta has been poor since the start of 2014. I would put this down to:

- 1) the sell-off amongst emerging market currencies due to fears of a slow down in China on the back of their continued attempts to control credit in that country as well as further fears of tapering in the US;
- 2) the consequential decrease in value of the ruble by 6 percent versus USD since the beginning of 2014 (our equity holdings are basically all ruble assets; and
- 3) perhaps interrelated to the first point a sell-off amongst internet companies across the board.

None of the above reasons make me worried. The Russian ruble gets sold off hard amongst other emerging market currencies because it is viewed as risky currency to be in. Whilst Russia is a messier place to do business in than, say, Sweden... AND its institutions are not as developed AND its macro situation has deteriorated over the past year, it is STILL a bastion of strength compared to pretty much the rest of the emerging market universe. Anyone who has visited Russia lately has gotten a feel for a real exchange rate that seems expensive (certainly for Moscow) and that a downward adjustment was in order, but it is hard to see an uncontrollable sell-off with both the budget and current account in good shape and a large currency reserve in hand.

I believe especially TCS has suffered on the back of the fear of a ruble in free fall as its assets are ruble-based and at least part of its liabilities are denominated in hard currencies (although admittedly also hedged...). Most of all though I think when the ruble heads south the market heads away from local consumer plays (both our holdings) and into the exporter

space. Consumer stocks in Russia have taken a beating. The darling of the Russian consumer space, the food retailer Magnit, posted somewhat slower growth in December leading to fears that the consumer growth play in Russia was over. In reality though, revenue growth guidance at Magnit for 2014 has gone down from 25% to 23%, natural given that its base is now higher than before. Although we are not at the early stages of the Russian consumer story anymore one must note that even the most mature parts of the Russian consumer sector have yet to approach the lower mature growth rates of developed markets.

There are of course still segments of the Russian consumer sector that are unpenetrated and provide excellent growth prospects and hence investment opportunities. We will endeavor to build upon our long standing presence in the market to get exposure to the ones that provide us with very good risk reward situations.

On the global internet space I am not the right person to say if things have been overvalued or not, but regardless of fundamentals some stocks have risen in a way where I would not rule out sentiment-driven investors having jumped on the band wagon. These guys and girls also head for the door the fastest because they don't understand what they have exposed themselves to. And hence, as often happens in broad sell-offs, everything gets beaten with a near complete disregard for the actual fundamentals of the business models. Online classified operators get treated in the same way as e-commerce, software, social media, online casinos etc. We are talking our book here but would of course strongly argue that online classified operators who have achieved strong market leadership and where competition is weak are a far less risky place to be compared to some of the other spaces.

Finally, we would not be short the strong trend of rapid proliferation of smartphones among emerging market consumers – something which is also evident in Russia, where smartphone penetration is only some 25% and growing fast. We are long it with Avito positioned at the forefront in terms of development of mobile platforms in Russia.

Transaction in Avito

The founders of Avito have used their right to sell 10% of their holdings (roughly 1.7% of the company) by initiating a sale at a company value of USD 1.8 bln. We are keen buyers at this price and whilst we are guaranteed our pro-rata share of this offering we will act to try to buy as much as possible.

As you will note in this report we also use this valuation of Avito as our new mark for our holding in Avito in our balance sheet at the end of last year. Even though the transaction above closes in early 2014 we believe a market transaction like this is the best reflection of the objective value of Avito at year end.

The company continues to operate well. In this report we will for the first time reproduce the information that Avito has signed off for public release, this time around the figures for the third quarter of 2013. Although these figures will be a quarter late we believe they will provide our shareholders with a good and reliable data point from which to follow the evolution of Avito. Revenues in the third quarter amounted to RUB 632 mln which is up some 173% compared to the same period last year. Whilst growth will naturally slow from this kind of growth rates as the base gets higher, we remain very excited what this company can deliver long term.

As a measure of the development at Avito we found the result of a survey of a few thousand Russian online users performed by Morgan Stanley together with AlphaWise interesting. The chart

below shows websites that Russians like for shopping in November last year. It shows that Avito is the second most popular after Ozon (selling predominantly new products like books, CDs, DVDs, etc., Ozon is often described as the Amazon of Russia) and the most popular amongst classifieds (in fact it is basically the only classified on the list). Avito has risen from about the fifth position when the survey was done earlier in 2013.

According to LiveInternet.ru, Avito is the largest website in the goods and services category and fifth largest website in Russia overall behind VKontakte, Odnoklassniki, Pluso.ru and Mail.Ru measured by unique monthly visitors.

At Vostok Nafta we certainly see no reason to stray away from our conviction that Avito is superbly positioned in the long term to capture a revenue equating to a EUR 10 per internet population in Russia which with an internet population of 100 million would result in a revenue base of some EUR 1 bln. Equally at the EBIT level we also do not see any reason not to stick to our belief that margins at the company will stabilize in the 50–75% range that we see amongst strong incumbent in other parts of the world. Avito remains unchallenged as the strongest operator to achieve this kind of unthreatened market leadership.

This revenue base will require strong market leadership in each of the so called hero categories

of cars, jobs and real estate. Although there is competition within these categories we believe there is a consensus that it is best described as weak.

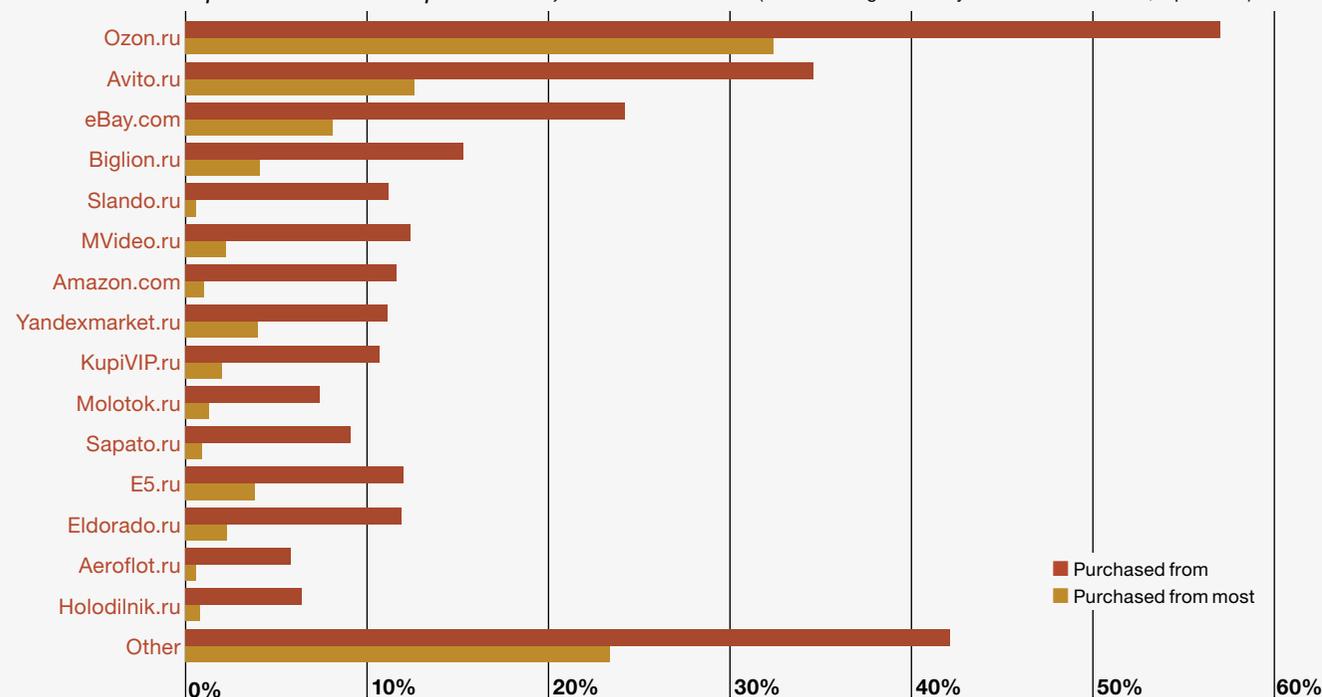
Share buy backs in Vostok Nafta

With these future prospects of Avito in mind we believe there is a potentially significant upside to the current market value of Avito. This upside belief is shared by a range of banks who follow Avito through their coverage of other listed Avito shareholders like Kinnevik and Naspers. The average of the values put on Avito by these banks is roughly USD 3 bln.

Against this background, the Board of Directors of Vostok Nafta has decided to give the management a mandate to repurchase up to 10% of the outstanding shares in Vostok Nafta in the market. Once shares are repurchased they are automatically canceled, hence reducing the number of shares outstanding. Purchases of our own shares will continuously be evaluated in the light of the prospects for Avito, the liquidity at Vostok Nafta and alternative investment opportunities.

February 2014,
Per Brilioth

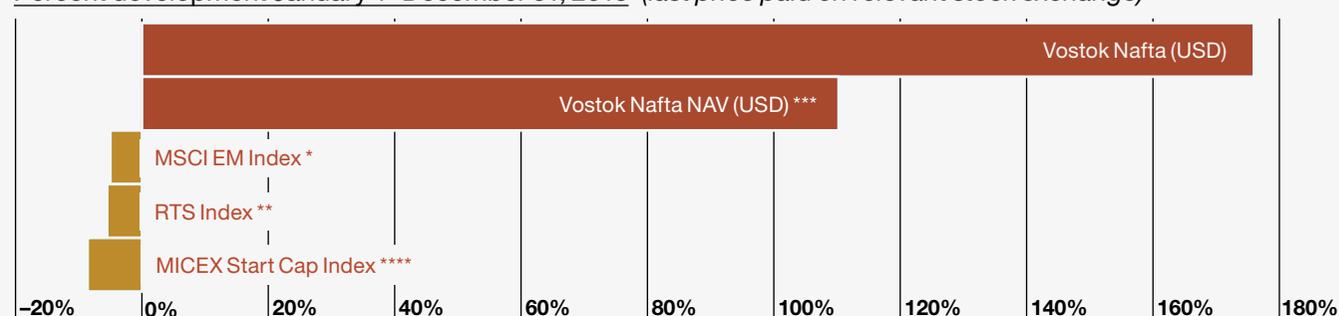
Websites where products/services purchased, November 2013 (Source: Morgan Stanley Investment Research, AlphaWise)



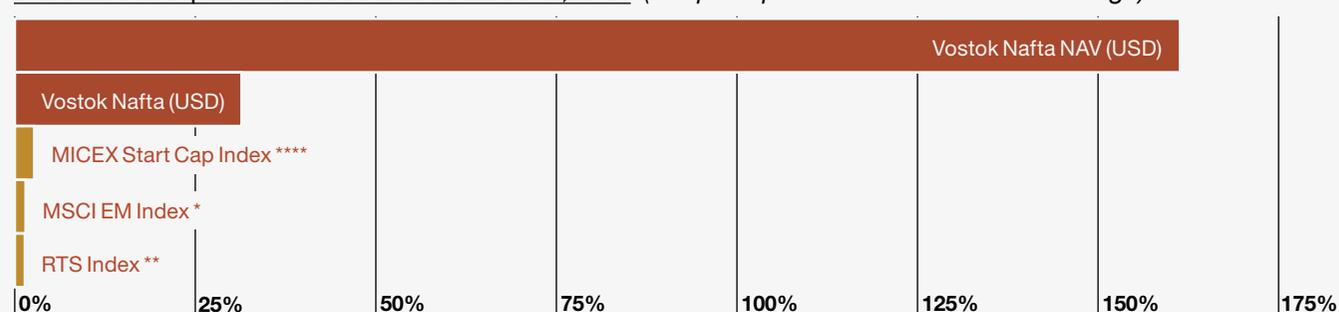
Vostok Nafta's portfolio development

The group's net asset value per share in USD increased by 91.96% or by 110.21% excluding the effect of the distribution of its holdings in Black Earth Farming and RusForest over the period January 1, 2013–December 31, 2013. During the same period the RTS index decreased by 5.52% in USD terms. During the quarter October 1, 2013–December 31, 2013 the group's net asset value per share in USD increased by 161.34% (RTS index: 1.42%).

Percent development January 1–December 31, 2013 (last price paid on relevant stock exchange)



Percent development October 1–December 31, 2013 (last price paid on relevant stock exchange)



* The MSCI Emerging Markets Index is a free float weighted equity index that consists of indices in 26 emerging economies.

** The RTS Index (Russian Trading System Index) is a capitalization-weighted index. The index is comprised of stocks traded on the Russian Trading System and uses free-float adjusted shares.

*** Excluding the effect of the distribution of holdings in Black Earth Farming and RusForest.

**** The MICEX Start Cap Index is a real-time cap-weighted index of 50 stocks of Russian small cap companies.

Portfolio structure

The investment portfolio stated at fair value as at December 31, 2013 is shown to the right.

Number of shares	Company	Fair value, USD December 31, 2013	Percentage weight	Value per share, USD December 31, 2013	Value per share, USD December 31, 2012
8,742,294	Tinkoff Credit Systems (TCS Group Holding PLC) 3	137,254,016	21.6%	15.7	145.13 1
5,975,579	Avito 2	234,124,001	36.9%	39.2	13.21 1
	Other, including cash	264,022,222	41.6%		
	Total	635,400,238	100.0%		

1. This investment is shown in the balance sheet as financial asset at fair value through profit or loss.

2. Private equity investment.

3. The value per share in Tinkoff Credit Systems per December 31, 2012 is calculated based on the number of shares 902,667 per the year-end 2012. Following a share split 1:25 on October 22, 2013 Vostok Nafta owned a total of 22,566,675 shares in the company.

Twelve Months Report Covering the Period January 1, 2013–December 31, 2013

Avito

Avito is the largest and fastest growing online classified platform in Russia, and the number of unique monthly visitors continued to grow at a satisfying pace during 2013. The company has obtained a leading position in terms of visitors and number of ads, distancing itself from its competitors. Once a firm market-leading position is achieved, Avito's business model has great potential in terms of profitability judging by the experience of peers in other countries. Avito is already the leading brand and has the highest brand awareness in Moscow and St. Petersburg and the merger with Naspers-owned Slando.ru and OLX.ru in the beginning of 2013 has significantly reaffirmed this #1 position in the Russian market. Compared to western countries, Russia still has a low proportion of internet users in relation to the large total population. By the end of 2016 the number of internet users in Russia is expected to reach around 100 million, compared to 70–75 million in 2013. The market for internet related services is expected to grow significantly in correlation with an increased internet penetration, and the number of Russians who want to buy things online grew strongly over the past year. The Russian E-commerce market was worth some USD 12 bln in 2012, and is expected to grow to approximately USD 25 bln in 2016 according to Goldman Sachs Investment Research. According to LiveInternet.ru, Avito had 49.4 mln unique visitors during the last 31 days prior to this report measured by unique cookies. Avito also owns and operates the leading classified site in Morocco and has presence in Ukraine and Egypt.

Updated figures from Avito as per 3Q 2013

- Revenues¹ in 9M 2013 were RUB 1.6 bln (USD 49.5 mln²), up 167% compared with 9M 2012 (RUB 0.6 bln). Revenues¹ in 3Q 2013 amounted to RUB 632 mln (USD 19.5 mln²), up 173% compared with 3Q 2012 (RUB 231 mln). The above figures are translated with the USD/RUB rate as per September 30, 2013. Using the average exchange rate for the period revenues in 9M13 amounted to USD 50.5 mln.
- Avito was profitable during the third quarter and during the first 9 months of 2013.
- Page views in September 2013 amounted to 4.1 bln compared to 2.3 bln for the previous year
- Page views for the first 9 months in 2013 amounted to 32.9 bln compared to 17.9 bln for the previous year
- Monthly audience³ in September 2013 according to TNS Russia and the Web Index project was 23.1 mln
- The investment in Avito was revalued as per December 31, 2013 based on a transaction in the company, which was initiated in early January 2014. The founders of Avito are selling 10% of their holdings, which corresponds to approximately 1.7% of the total number of shares in Avito. The pricing in the transaction equals SEK 255 per underlying Avito share, which equates to a valuation of approximately USD 1.8 bln for the whole company. Vostok Nafta is guaranteed its pro-rata share of this offering and has also confirmed its willingness to purchase any additional shares as to which it may be entitled to under the terms of the transaction. The securities offered for sale are

deep in the money warrants in Avito AB, which are exercisable until December 31, 2017 and has a strike of SEK 22.

- During the third quarter, Avito launched a television campaign targeting the jobs and services category. The campaign showed immediate positive results.
- At the end of 3Q13 Avito had more than USD 100 mln in cash, which will be used to further strengthen Avito's position in the hero categories auto, jobs and services and real estate categories.
- Vostok Nafta owns 13.3% of Avito fully diluted as per December 31, 2013. Following the completion of the ongoing transaction, Vostok Nafta will increase its stake in the company to 13.7%.

1. Unaudited figures from Avito.

2. Translated with official FX rate of 32.3451 as of September 30, 2013 quoted by the Central Bank of the Russian Federation.

3. Monthly audience is measured by a regular survey performed by TNS Russia. Details can be found at <http://en.tns-global.ru/services/media/media-audience/internet/description/>.

Avito

Vostok Nafta's number of shares as at December 31, 2013	5,975,579
Total Value (USD)	234,124,001
Share of total portfolio	36.9%
Share of total shares outstanding	13.3%
Value development	
October 1–December 31, 2013 (in USD)	196.6%
Value development	
January 1–December 31, 2013 (in USD)	196.6%

During the fourth quarter 2013 Vostok Nafta purchased 0 shares and sold 0 shares in Avito.

Twelve Months Report Covering the Period January 1, 2013–December 31, 2013

Tinkoff Credit Systems

TCS Group Holding PLC is an innovative provider of online retail financial services operating in Russia through a high-tech branchless platform, which is supported by a “smart courier network that covers around 600 cities and towns in Russia. TCS’s main offering is credit cards and had as of September 30, 2013 USD 2.2 bln in net loans and advances to customers. In addition to a market-leading credit card offering, the Group has developed a successful online retail deposits programme and added Tinkoff Mobile Wallet to its portfolio of innovative online products and services for Russian consumers, including mobile financial services, payment solutions and insurance.

TCS’s senior management consists of a team of experienced professionals formerly employed by Visa, McKinsey and several top Russian banks. By combining a purpose-built platform with dedicated staff, TCS can serve millions of customers. The advanced underwriting process and customer acquisition by invitation only limits the risk of fraud and exposure to less desirable customers, thus reducing the credit risk. The low-cost business model is flexible with a proven ability to rapidly grow and effectively service the credit card portfolio.

TCS was listed on the main list of London Stock Exchange on October 25, 2013. Vostok Nafta sold down its stake in TCS in conjunction with the IPO, which comprised of both primary and secondary equity. Vostok Nafta sold a total of 13,824,381 shares at the offer price of USD 17.50 per share for a total purchase price of USD 241,926,667 before applicable fees. After the IPO, Vostok Nafta owns 4.82% of TCS Group Holding plc.

Company website: www.tcsbank.ru/eng/

- Gross yield in 9M13 at 52% vs. and average cost of funding at 12% and amounted to USD 126.4 mln, up 38.9% yoy
- The gross loan portfolio increased to USD 2.4 bln as of 9M13, up 40.6% YTD. Market share of 7.5% as of September 30, 2013, placing TCS as the #3 credit card issuer in Russia by market share
- Retail deposits increased to USD 1.14 bln as of September 30, 2013, up from 878.1 mln as of 4Q12 and as of September 30, 2013, cash amounted to 13.6% of total assets and 32.3% of retail deposits.
- Listed on the main list of London Stock Exchange (TCS:LI)
- In February 2014, TCS announced the mass market launch of its property insurance products through the Tinkoff Online Insurance platform
- 4Q13 financial results are expected in March 2014

Tinkoff Credit Systems

Vostok Nafta’s number of shares as at December 31, 2013	8,742,294
Total Value (USD)	137,254,016
Share of total portfolio	21.6%
Share of total shares outstanding	4.8%
Value development	
October 1–December 31, 2013 (in USD)	170.5%
Value development	
January 1–December 31, 2013 (in USD)	170.5%

During the fourth quarter 2013 Vostok Nafta purchased 0 shares and sold 13,824,381 shares in TCS.

Investments

During the fourth quarter, gross investments in financial assets were USD 15.49 (19.67) mln and proceeds from sales were USD 243.30 (41.22) mln. Investments concern short term cash placements.

Group – results for the year and net asset value

During the year, the result from financial assets at fair value through profit or loss amounted to USD 389.61 (114.02) mln. Result from investments in associated companies was USD –16.16 (–9.06) mln, coming from the sale of Clean Tech East Holding (Cortus AB) in the amount of USD –0,52 mln and the fair value remeasurement of RusForest and Black Earth Farming up to the date of the distribution to the shareholders in June 2013 in the amount of USD –15,64 mln. Result from loan receivables was USD 0.96 (2.82) mln. Dividend and coupon income, net of withholding tax expenses, was USD 0.60 (14.47) mln.

Net operating expenses (defined as operating expenses less other operating income) amounted to USD –10.36 (–4.77) mln, which includes variable compensation paid to the employees of the Company in the amount of USD 5.39 mln (including social taxes) and an ex-gratie payment to the former General Manager of RusForest AB, Mr. Garrett Soden, in the amount of USD 1 mln.

Net financial items were USD 0.15 (3.60) mln.

Net result for the year was USD 364.63 (119.74) mln.

Total shareholders' equity amounted to USD 633.97 mln on December 31, 2013 (December 31, 2012: 329.58).

Group – results for the quarter

During the quarter, the result from financial assets at fair value through profit or loss amounted to USD 393.62 (70.87) mln. Result from investments in associated companies was USD 0 (14.16) mln. Result from loan receivables was USD 0.07 (0.21) mln. Dividend and coupon income, net of withholding tax expenses, was USD 0.10 (0.18) mln.

Net operating expenses (defined as operating expenses less other operating income) amounted to USD 3.67 (1.38) mln.

Net financial items were USD 0.12 (–1.51) mln.

Net result for the quarter was USD 390.07 (82.47) mln.

On December 10, 2013 the Company authorized the issue of 1,160,000 call options to senior management and employees of the Company. The options were issued out of the remaining 1,295,000 call options authorized under the Company's incentive program, adopted at the Company's May 5, 2010 Annual General Meeting. The call options may be exercised three years after the time of the granting during the period from December 1, 2016 to January 31, 2017 at a strike price of SEK 60.35.

Liquid assets

The liquid assets of the group, defined as cash and bank deposits adjusted for concluded but not yet settled share transactions, amounted to USD 246.57 mln on December 31, 2013 (December 31, 2012: 31.84).

Special General Meeting

A Special General Meeting in Vostok Nafta was held on October 17, 2013. At the meeting, the shareholders approved the Nomination Committee's proposed resolutions.

The SGM adopted a resolution that the Board of Directors shall consist of four Directors.

The SGM re-elected Per Brilioth and Lars O Grönstedt and elected Josh Blachman and Keith Richman to the Board of Directors. Lars O Grönstedt was appointed as Chairman of the Board.

Furthermore it was resolved that remuneration for the Board shall be SEK 1,300,000, of which SEK 800,000 shall be allocated to the Chairman of the Board and SEK 250,000 to each of the other Directors who are not employed by the Company.

(Expressed in USD thousands)	Jan 1, 2013– Dec 31, 2013	Jan 1, 2012– Dec 31, 2012	Oct 1, 2013– Dec 31, 2013	Oct 1, 2012– Dec 31, 2012
Result from financial assets at fair value through profit or loss ¹	389,611	114,023	393,621	70,868
Result from investments in associated companies	-16,159	-9,057	-	14,163
Result from loan receivables ¹	958	2,817	65	208
Dividend and coupon income	627	11,246	105	213
Other operating income	258	436	2	124
Total operating income	375,296	119,464	393,793	85,576
Operating expenses	-10,614	-5,202	-3,671	-1,509
Dividend withholding tax expenses/repayments	-23	3,228	5	-32
Other operating expenses	-	-1,289	-	-
Operating result	364,659	116,202	390,127	84,035
Financial income and expenses				
Interest income	90	1,237	70	1,076
Interest expense	-29	-35	-	-35
Currency exchange gains/losses, net	87	2,397	51	-2,549
Net financial items	148	3,599	121	-1,508
Result before tax	364,807	119,801	390,248	82,527
Taxation	-182	-59	-182	-60
Net result for the financial period	364,626	119,742	390,067	82,467
Earnings per share (in USD)	4.10	1.29	4.34	0.92
Diluted earnings per share (in USD)	4.10	1.29	4.34	0.90

1. Interest on loan receivables which are considered parts of the investment portfolio is presented in the income statement as 'Result from loan receivables' among operating income items. Interest on other loans and receivables is presented in the income statement as 'Interest income' among financial items. Realized and unrealized exchange gains/losses on loan receivables which are considered parts of the investment portfolio are presented in the income statement as 'Result from loan receivables'. Financial assets at fair value through profit or loss (including listed bonds) are carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'Result from financial assets at fair value through profit or loss' in the period in which they arise.

(Expressed in USD thousands)	Jan 1, 2013– Dec 31, 2013	Jan 1, 2012– Dec 31, 2012	Oct 1, 2013– Dec 31, 2013	Oct 1, 2012– Dec 31, 2012
Net result for the financial period	364,626	119,742	390,067	82,467
Other comprehensive income for the period				
Items that may be classified subsequently to profit or loss:				
Currency translation differences	1	1,095	-9	3
Disposals	-	-951	-	-
Total other comprehensive income for the period	1	144	-9	3
Total comprehensive income for the period	364,626	119,886	390,058	82,471

Total comprehensive income for the periods above is entirely attributable to the equity holders of the parent company.

Income statements – Group

Statement of com- prehensive income

(Expressed in USD thousands)	Dec 31, 2013	Dec 31, 2012
NON CURRENT ASSETS		
Tangible non current assets		
Property, plant and equipment	11	23
Total tangible non current assets	11	23
Financial non current assets		
Financial assets at fair value through profit or loss	383,828	142,589
Investment in associated companies	-	151,204
Loan receivables	5,000	-
Total financial non current assets	388,828	293,793
CURRENT ASSETS		
Cash and cash equivalents	246,572	31,841
Loan receivables	-	5,109
Receivables from related parties	1,330	-
Tax receivables	315	218
Other current receivables	76	225
Total current assets	248,293	37,392
TOTAL ASSETS	637,133	331,207
SHAREHOLDERS' EQUITY (including net result for the financial period)		
	633,966	329,584
CURRENT LIABILITIES		
Non-interest bearing current liabilities		
Tax payables	402	288
Other current liabilities	1,998	986
Accrued expenses	766	350
Total current liabilities	3,166	1,624
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	637,133	331,207

(Expressed in USD thousands)	Share Capital	Additional paid in capital	Other reserves	Retained earnings	Total
Balance at January 1, 2012	98,470	185,382	-1,007	209,232	492,078
Net result for the year					
January 1, 2012					
to December 31, 2012	-	-	-	119,742	119,742
Other comprehensive income for the year					
Currency translation differences	-	-	1,095	-	1,095
Disposals	-	-	-	-951	-951
Total comprehensive income for the year					
January 1, 2012					
to December 31, 2012	-	-	1,095	118,791	119,886
Transactions with owners:					
Redemption program	-44,977	-	-	-201,144	-246,121
Employees share option scheme:					
- value of employee services	-	-	-	-	-
Buy back of own shares	-8,634	-27,625	-	-	-36,259
	-8,634	-27,625	-	-	-36,259
Balance at December 31, 2012	44,860	157,757	88	126,879	329,584
Balance at January 1, 2013	44,860	157,757	88	126,879	329,584
Net result for the year					
January 1, 2013					
to December 31, 2013	-	-	-	364,626	364,626
Other comprehensive income for the year					
Currency translation differences	-	-	1	-	1
Disposals	-	-	-	-	-
Total comprehensive income for the year					
January 1, 2013					
to December 31, 2013	-	-	1	364,626	364,626
Transactions with owners:					
Proceeds from shares issued	593	2,749	-	-	3,342
Redemption program	-13,232	-	-	-47,033	-60,264
Employees share option scheme:					
- value of employee services	-	1,322	-	-	1,322
Buy back of own shares	-755	-3,889	-	-	-4,644
	-755	-3,889	-	-	-4,644
Balance at December 31, 2013	31,466	157,939	89	444,472	633,966

Balance sheets – Group

Statement of Changes in Equity – Group

(Expressed in USD thousands)	Jan 1, 2013– Dec 31, 2013	Jan 1, 2012– Dec 31, 2012
OPERATING ACTIVITIES		
Result before tax	364,807	119,801
Adjustment for:		
Interest income	-90	-1,237
Interest expense	29	35
Currency exchange gains/-losses	-87	-2,397
Depreciations and write downs	15	31
Result from financial assets at fair value through profit or loss	-389,611	-114,023
Result from investments in associated companies	16,159	9,057
Result from loan receivables	-958	-2,817
Dividend income	-627	-11,246
Other non-cash items	-	1,289
Change in current receivables	175	86
Change in current liabilities	1,442	28
Net cash used in operating activities	-8,746	-1,393
Investments in financial assets	-27,813	-87,226
Sales of financial assets	252,041	353,351
Increase/decrease in loan receivables	574	-2,963
Dividend and coupon income	707	11,246
Interest received	40	1,237
Interest paid	-29	-35
Tax paid	-107	-106
Net cash flow from operating activities	216,667	274,110
INVESTING ACTIVITIES		
Investments in office equipment	-11	-17
Sale of office equipment	7	-
Net cash flow used in investing activities	-4	-17
FINANCING ACTIVITIES		
Redemption program transaction fees	-627	-
Redemption program	-	-246,121
Proceeds from shares issued	3,342	-
Buy back of own shares	-4,644	-36,259
Net cash flow used in financing activities	-1,929	-282,380
Change in cash and cash equivalents	214,735	-8,287
Cash and cash equivalents at beginning of the period	31,841	37,665
Exchange gains/losses on cash and cash equivalents	-4	2,462
Cash and cash equivalents at end of period	246,572	31,841

	2013	2012
Return on capital employed, % (01)	75.68	29.15
Equity ratio, % (02)	99.50	99.51
Shareholders' equity/share, USD (03)	7.05	3.67
Earnings/share, USD (04)	4.10	1.29
Diluted earnings/share, USD (05)	4.10	1.29
Net asset value/share, USD (06)	7.05	3.67
Weighted average number of shares for the financial period	88,899,415	92,918,593
Weighted average number of shares for the financial period (fully diluted)	88,923,775	92,918,593
Number of shares at balance sheet date	89,903,020	89,719,279

01. Return on capital employed is defined as the Group's result for the period plus interest expenses plus/less exchange differences on financial loans divided by the average capital employed (the average total assets less non-interest bearing liabilities over the period). Return on capital employed is not annualised.
02. Equity ratio is defined as shareholders' equity in relation to total assets.
03. Shareholders' equity/share USD is defined as shareholders' equity divided by total number of shares.
04. Earnings/share USD is defined as result for the period divided by average weighted number of shares for the period.
05. Diluted earnings/share USD is defined as result for the period divided by average weighted number of shares for the period calculated on a fully diluted basis.
06. Net asset value/share USD is defined as shareholders' equity divided by total number of shares.

Cash flow statements – Group

Key financial ratios – Group

(Expressed in USD thousands)	Jan 1, 2013– Dec 31, 2013	Jan 1, 2012– Dec 31, 2012	Oct 1, 2013– Dec 31, 2013	Oct 1, 2012– Dec 31, 2012
Result from financial assets at fair value through profit or loss	-225	-	-57	-
Result from investments in associated companies	-8,753	-	-	-
Operating expenses	-10,380	-4,785	-3,619	-1,429
Reversal of write down of shares in subsidiaries	96,463	110,094	96,463	110,094
Dividend and coupon income	130	276	105	-
Operating result	77,236	105,585	92,892	108,665
Financial income and expenses				
Interest income	1,176	12,689	67	1,042
Currency exchange gains/losses, net	190	2,932	51	-2,351
Net financial items	1,366	15,621	118	-1,310
Net result for the financial period	78,601	121,206	93,010	107,355

(Expressed in USD thousands)	Jan 1, 2013– Dec 31, 2013	Jan 1, 2012– Dec 31, 2012	Oct 1, 2013– Dec 31, 2013	Oct 1, 2012– Dec 31, 2012
Net result for the financial period	78,601	121,206	93,010	107,355
Other comprehensive income for the period				
Total other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	78,601	121,206	93,010	107,355

Income statement – Parent

Statement of com- prehensive income

(Expressed in USD thousands) Dec 31, 2013 Dec 31, 2012

NON CURRENT ASSETS

Financial non current assets

Shares in subsidiaries	84,389	294,507
Financial assets at fair value through profit or loss	12,450	-
Loan receivables	5,000	-
Receivables from Group companies	110	34,282
Total financial non current assets	101,949	328,788

CURRENT ASSETS

Cash and cash equivalents	246,434	716
Receivables from related parties	1,330	-
Other current receivables	57	73
Total current assets	247,820	789

TOTAL ASSETS 349,769 329,577

SHAREHOLDERS' EQUITY

(including net result for the financial period) 347,344 328,987

CURRENT LIABILITIES

Non-interest bearing current liabilities

Liabilities to group companies	2,314	268
Other current liabilities	23	75
Accrued expenses	89	247
Total current liabilities	2,425	590

TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES 349,769 329,577

Balance sheet – Parent

(Expressed in USD thousands) Share Capital Additional paid in capital Retained earnings Total

Balance at January 1, 2012 98,470 185,382 206,308 490,160

Net result for the year

January 1, 2012
to December 31, 2012 - - 121,206 121,206

Other comprehensive income for the year

Currency translation differences - - - -

Total comprehensive income

for the year January 1, 2012
to December 31, 2012 - - 121,206 121,206

Transactions with owners:

Redemption program -44,977 - -201,144 -246,121

Employees share option scheme:

- value of employee services - - - -

Buy back of own shares -8,634 -27,625 - -36,259

-8,634 -27,625 - -36,259

Balance at December 31, 2012 44,860 157,757 126,370 328,987

Balance at January 1, 2013 44,860 157,757 126,370 328,987

Net result for the year

January 1, 2013
to December 31, 2013 - - 78,601 78,601

Other comprehensive income for the year

Currency translation differences - - - -

Total comprehensive income

for the year January 1, 2013
to December 31, 2013 - - 78,601 78,601

Transactions with owners:

Proceeds from shares issued 593 2,749 - 3,342

Redemption program -13,232 - -47,033 -60,264

Employees share option scheme:

- value of employee services - 1,322 - 1,322

Buy back of own shares -755 -3,889 - -4,644

-755 -3,889 - -4,644

Balance at December 31, 2013 31,466 157,939 157,939 347,344

Statement of Changes in Equity – Parent

Note 1 Accounting principles

This consolidated interim report is prepared in accordance with IAS 34 Interim Financial Reporting. The same accounting principles and methods of calculations have been applied for the Group as for the preparations of the consolidated accounts for Vostok Nafta Investment Ltd 2012.

Distribution of shares in Black Earth Farming Ltd and RusForest AB are reported according to IFRIC 17 "Distribution of Non-Cash Assets to Owners".

Note 2 Related party transactions

During the period Vostok Nafta has recognized the following related party transactions:

USD thousand	Associated companies	2013 Lundin family and group of companies	Key management and Board of Directors	Associated companies	2012 Lundin family and group of companies	Key management and Board of Directors
Items of the income statement						
Income from loan receivables	305 ¹	–	–	2,178 ¹	–	–
Other operating income	19 ²	181 ²	–	29 ²	406 ²	–
Operating expenses	–	–196 ³	–4,768 ⁴	–	–465 ³	–1,128 ⁴
Interest expenses	–	–	–	–	–	–
Balance sheet items						
Non current loan receivables	–	–	–	–	–	–
Current loan receivables	–	–	–	5,096 ¹	–	–
Other current receivables	–	–	1,261 ⁴	–	–	–
Retained earnings	–	–	–1,253 ⁴	–	–	–
Other current liabilities and accrued expenses	–	–	–41 ⁴	–9 ²	–14 ²	–152 ⁴

1) Loans to associated companies

On June 26, 2013 the Company distributed shares held in RusForest AB through a share split with a mandatory redemption program. RusForest AB was a related party to the Company up to the point when the distribution took place. Vostok Nafta had an outstanding short-term loan receivable from RusForest AB, which was recognized at a book value of USD 5.36 mln as per June 30, 2013. The loan, in the principal amount of USD 5 mln, initially carried a 16 per cent interest rate and would mature on April 30, 2013. On February 8, 2013, the interest rate was changed to 9 per cent and the term was extended to December 31, 2013. On August 14, 2013, the loan was extended to December 31, 2014. The annual interest rate was changed to 11 per cent for the first six months of 2014 and to 13 per cent for the last six months of 2014. Interest is due quarterly. In February 2013, Vostok Nafta extended an additional USD 3.94 mln bridge loan to RusForest at 9 per cent interest which was fully repaid in March 2013. In the Income Statement for the period ended June 30, 2013 Vostok Nafta has recognised interest income from both loans in the aggregate amount of USD 0.30 mln.

2) Other operating income from associated companies and Lundin companies and other current receivable

Up to June 30, 2013 Vostok Nafta had an office rental agreement with RusForest AB and Lundin Mining AB. Up to June 30, 2013 Vostok Nafta provided head office facilities service to Lundin Petroleum AB

and Investor Relations and Corporate Communication services to Lundin Petroleum AB, Lundin Mining Corporation, Africa Oil Corporation, Etrion Corporation, ShaMaran Petroleum Corp. and Lucara Diamond Corp.

3) Operating expenses: Lundin companies

On May 21, 2013 the Company's largest shareholders, Lorito Holdings Ltd and Zebra Holdings and Investments Ltd sold all of their SDRs in Vostok Nafta. Lundin companies were related parties to the Company up to May 21, 2013. Vostok Nafta bought management and Investor Relations services regarding relations with the stock and financial markets from Namdo Management. The fee amounted to USD 15,000 per month. Vostok Nafta paid USD 78,972 (2012: 195,294) to Mile High Holdings Ltd in respect of aviation services received.

4) Operating expenses: Key management and Board of Directors

Compensation paid or payable includes salary and bonuses to the management and remuneration to the Board members. Total variable compensation (excluding social taxes) paid to the management in 2013 amounted to USD 3.72 mln, of which USD 1.25 relates to a bonus payment which after tax corresponds to 50 percent of the option premium.

Note 3 Fair value estimation

Amendment in IAS34 due to implementation of IFRS13 effective from January 1 2013 requires disclosure in the fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the group's assets that are measured at fair value at December 31, 2013.

	Level 1	Level 2	Level 3	Total balance
Financial assets at fair value				
through profit or loss	149,704	234,124	–	383,828
Investments in				
associated companies	–	–	–	–
Total assets	149,704	234,124	–	383,828

The following table presents the group's assets that are measured at fair value at December 31, 2012.

	Level 1	Level 2	Level 3	Total balance
Financial assets at fair value				
through profit or loss	11,589	131,000	–	142,589
Investments in				
associated companies	72,262	78,942	–	151,204
Total assets	83,851	209,942	–	293,793

During the fourth quarter 2013 the Group's Investment in TCS Group Holding PLC (TCS) was transferred from level 2 to level 1 in connection with

the IPO of TCS on the main list of London Stock Exchange in October 2013. As part of the offering, Vostok Nafta sold a total of 13,824,381 shares at the offer price of USD 17.50 per GDR for a total purchase price of USD 232,249,596 after applicable fees. Any of Vostok Nafta's shares in TCS that remain unsold in the initial public offering are subject to a 180-day lock-up period. No other transfers between level 1, 2 and 3 have been made during the fourth quarter 2013. The Group's Investment in Avito AB was revalued as per December 31, 2013 based on the valuation in an ongoing transaction in the company.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Investments in assets that are not traded on any market will be held at fair value determined by recent transactions made at prevailing market conditions or different valuation models depending on the characteristics of the company as well as the nature and risks of the investment. These different techniques

may include discounted cash flow valuation (DCF), exit-multiple valuation also referred to as Leveraged Buyout (LBO) valuation, asset based valuation as well as forward looking multiples valuation based on comparable traded companies.

The investment in the Group's unlisted holding Avito AB is classified as a level 2 investment as it is valued on the basis of the ongoing transaction in the company. On January 9, 2014 Vostok Nafta and the other shareholders received an offer to purchase warrants in Avito AB from the company's management at an underlying valuation of SEK 255 per Avito share, which translates into a total company valuation of approximately USD 1.8 bln. The details of the offer are governed by the shareholders' agreement in Avito AB and guarantees all current shareholders to purchase its pro-rata share of the total warrants offered for sale in a two-stage process. Vostok Nafta has accepted this offer and will as a result purchase an indicative 183,551 warrants in Avito corresponding to 0.4% of the total number of outstanding shares and warrants, bringing Vostok Nafta's total shareholding in Avito to 13.7%. The transaction will be finalized during February 2014. As this transaction was initiated in such limited time after the fourth quarter ending and no significant company-specific or market related events occurred during this time frame, the underlying valuation of SEK 255 per Avito share is the best fair value estimate of the investment in Avito as per December 31, 2013.

The validity of valuations based on a transaction is inevitably eroded over time, since the price at which the investment was made reflects the conditions that existed on the transaction date. At each reporting date, possible changes or events subsequent to the relevant transaction are assessed and if this assessment implies a change in the investment's fair value, the valuation are adjusted accordingly.

Background

Vostok Nafta Investment Ltd was incorporated in Bermuda on April 5, 2007 with corporate identity number 39861. Since July 4, 2007, the Swedish Depository Receipts of Vostok Nafta (SDB) are listed on the NASDAQ OMX Nordic Exchange Stockholm, Mid Cap segment, with the ticker VNIL SDB.

As of December 31, 2013 the Vostok Nafta Investment Ltd Group consists of the Bermudian parent company, one wholly-owned Cypriot subsidiary, and one wholly owned Swedish subsidiary.

The financial year is January 1–December 31.

Parent company

The parent company finances the Cypriot subsidiaries' operations on market terms. The net result for the year was USD 78.60 (121.21) mln. During 2013 the Cyprus subsidiary repaid back to the parent company the shareholder's contribution in the amount of USD 306.55 mln.

Financial and Operating risks

The Company's risks and risk management are described in detail in note 3 of the Company's Annual Report 2012. After the distribution of holdings in Black Earth Farming Ltd and RusForest AB, non-quoted investments represent a significant part of the Company's assets, which increases financial risks even further.

Upcoming Reporting Dates

Vostok Nafta's three months report for the period January 1, 2014–March 31, 2014 will be published on May 14, 2014.

Annual General Meeting and Annual Report 2013

The annual general meeting is planned to take place on Wednesday, May 14, 2014. The annual report will be available on the company's website (www.vostoknafta.com) from March 28, 2014.

February 12, 2014

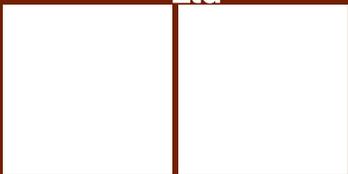
Per Brillioth

Managing Director
Vostok Nafta Investment Ltd

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

**Twelve Months Report Covering the Period
January 1, 2013–December 31, 2013**

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