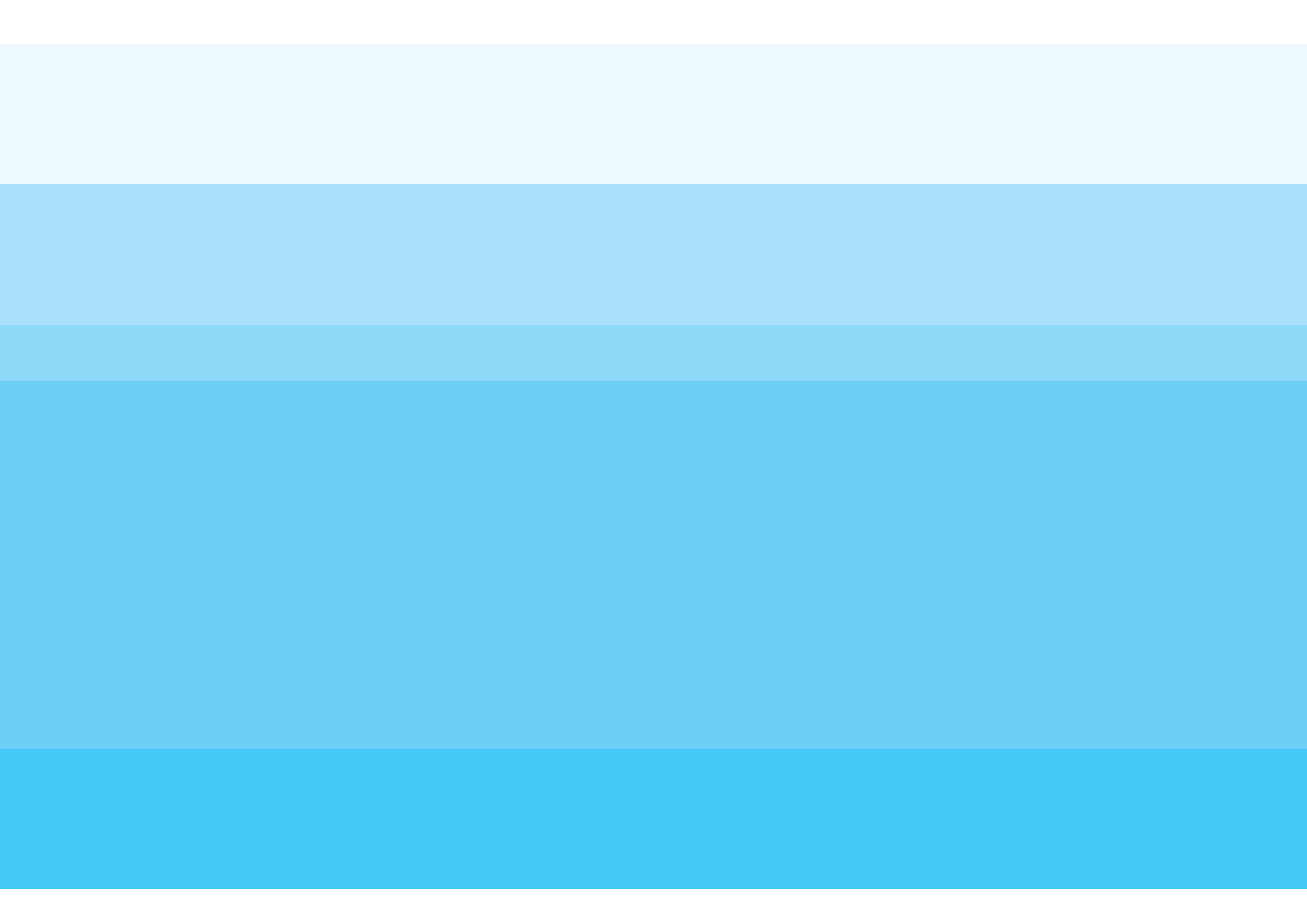


**Vostok
Nafta
Investment
Ltd**

**Three
Months
Report**

**January–
March
2012**



- Net result for the period was USD 44.47 million (mln) (January 1, 2011–March 31, 2011: 67.93). Earnings per share were USD 0.46 (0.67).
- The net asset value of the company was USD 523.60 mln on March 31, 2012 (December 31, 2011: 492.08), corresponding to USD 5.39 (December 31, 2011: 4.93) per share. Given a SEK/USD exchange rate of 6.6209 the values were SEK 3,466.68 mln (December 31, 2011: 3,406.84 mln) and SEK 35.70 (December 31, 2011: 34.12), respectively.
- The group's net asset value per share in USD increased by 6.41% over the period January 1, 2012–March 31, 2012. During the same period the RTS index increased by 18.52% in USD terms.
- The number of outstanding shares at the end of the period was 95,404,657. During the first quarter 2012, Vostok Nafta repurchased 3,065,543 SDRs (shares).
- The reported net asset value per share of Vostok Nafta as of April 30, 2012 was USD 5.33 (SEK 35.83).
- In May 2012, two equity transactions, in Avito for USD 75 million, and in Tinkoff Credit Systems for USD 50 million, were completed. These transactions are expected to increase the net asset value of the company by approximately 10% as compared to the net asset value of April 30, 2012.

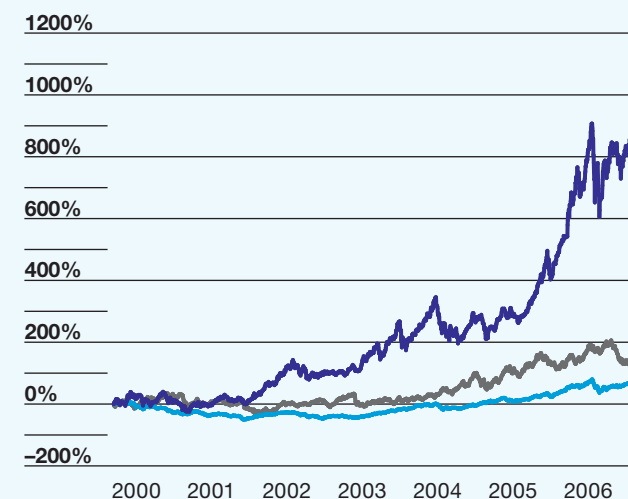
Management report

Finally the election cycle is over. Putin is President and Medvedev is Prime Minister. The key positions in the new Government will be presented over the coming weeks. They will likely be made up of a combination of key people in Putin's Government as well as personnel from the Presidential staff around Medvedev. It does not really matter though. What matters is that the election cycle is over and that this can reignite a period of reforms in Russia. Reforms have stalled for obvious reasons during the past years and are now long overdue and constitute one of the three main drivers of valuations at an index level in Russia. The second one is a rising oil price. Long term we believe in a rising oil price but over the shorter term the gloomy economic picture in the world does not paint a too rosy picture for a rising price from where we are today. Even if perhaps unlikely a reduction in geopolitical tensions in the Middle East would probably result in a softer oil price over the short term. The third driver is global risk appetite. Many argue that Russia is just a high beta play on global risk. Russia is certainly risky and certainly long duration. I would as always argue though that the risk perception of Russia is overdone.

I am always a little skeptical when someone is trying to prove a point only with the help of price curves. You can pretty much show anything you like by choosing the right starting point. However... I think the importance of reforms on the performance of the Russian equity market is indeed very clear by comparing the development of the Russian index compared to the global emerging market index and to the price of oil. *Graph #1* shows the performance of the Russian equity market versus global emerging markets and the oil price from the 2000 up until 2007. The main driver here was reform. Oil prices did increase and global risk appetite was good as well but the outperformance of Russia was very clear. Putin had come to power and starting delivering on a reform agenda which created stability and this in turn growth. Profits accelerated and the risk premium came down, both in turn driving valuations.

Graph #1

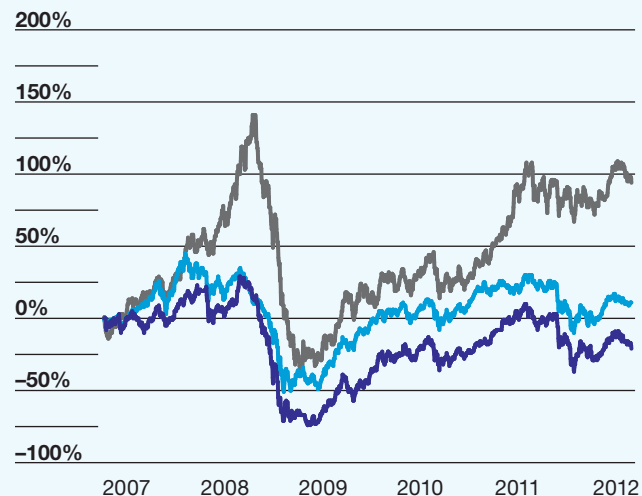
Percent. RTS Index MSCI EM Index Brent Crude Index



Three Months Report Covering the Period January 1, 2012–March 31, 2012

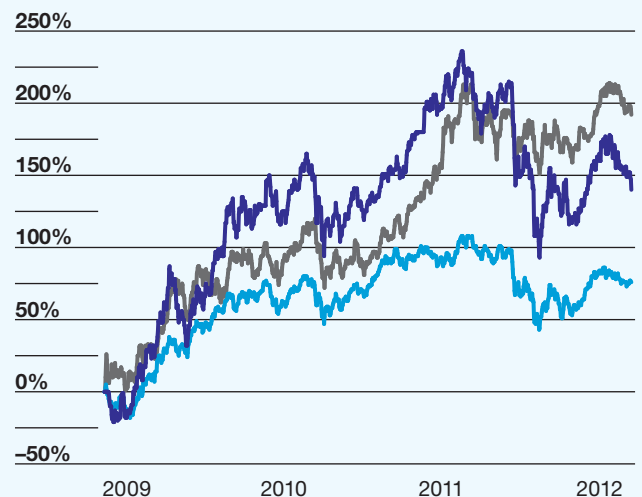
Graph #2

Percent. RTS Index MSCI EM Index Brent Crude Index



Graph #3

Percent. RTS Index MSCI EM Index Brent Crude Index



Graph #2 shows the period from 2007 up until today. Graph #3 uses the low point of the crisis in 2009 as the starting point. Russia underperformed pretty much everything on the downside in the crisis and has since failed to make up for lost ground compared to other emerging markets and even more so compared to the price of oil. In fact the oil price seems to be the main driver as of late and Graph #3 shows the hard linkage of the Russian market. This is consistent with the investor community's view on Russia. The price of oil at which the budget balances has crept upwards during the past years and this has reaffirmed the notion that you buy Russia when the oil price is going up and vice versa. This is understandable during an election period like the one that we have just come out of. The reforms required to diversify the economy are not at the top of the agenda hence visibility into something that will break the oil linkage is very low.

With the elections out of the way though I believe there are good reasons to believe that reforms will yet again be on the agenda. Medvedev as President has indeed been pro-reform and will likely continue this drive at his new Government. The demonstrations witnessed over the past months have been demanding reforms, with political reforms at the forefront, and could very well accelerate a reform process at the Medvedev administration. Even being a Russia optimist I do not expect a return to the 2000–2007 period.

Portfolio

Back on our own portfolio activity has been high. We used the opportunity of the strong start of 2012 to exit some of our financial holdings. There is likely more upside in many of these names but higher valuations has deteriorated the risk-reward ratio to a level where we opted to exit. As per our last NAV report the cash stood at USD 146.99 mln on April 30.

Avito

In the beginning of May 2012, Avito announced that it raised USD 75 mln in new equity bringing in two new shareholders in the ownership structure, Baring Vostok Private Equity and Accel Partners. Baring Vostok is a Russia and CIS dedicated private equity fund which has invested some USD 1.5 bln in 54 companies since its launch in 1994, amongst others Yandex, Ozon and CTC Media. Accel has been around since 1983 and has on a global basis invested in over 300 companies including Facebook, Groupon and Spotify. Needless to say we are very happy to have these new shareholders on board. The broadened shareholder structure as well as the cash raised will further strengthen Avito to become one of the most important companies in the Russian internet sector.

Tinkoff Credit Systems (TCS)

TCS tapped the rouble market with a USD 50 mln issue at the attractive level of 13.25%. This compares to the yield to maturity of 15% in SEK that was placed in December last year. The company continues to perform very well during the first months of 2012. In May 2012, USD 50 million was invested by Baring Vostok Private Equity in Tinkoff Credit Systems to support further growth.

RusForest

RusForest completed its new issue on April 4, 2012, which was oversubscribed by some 37%. Vostok Nafta took its pro rata share of the company.

May 2012,
Per Brilioth

Three Months Report Covering the Period January 1, 2012–March 31, 2012

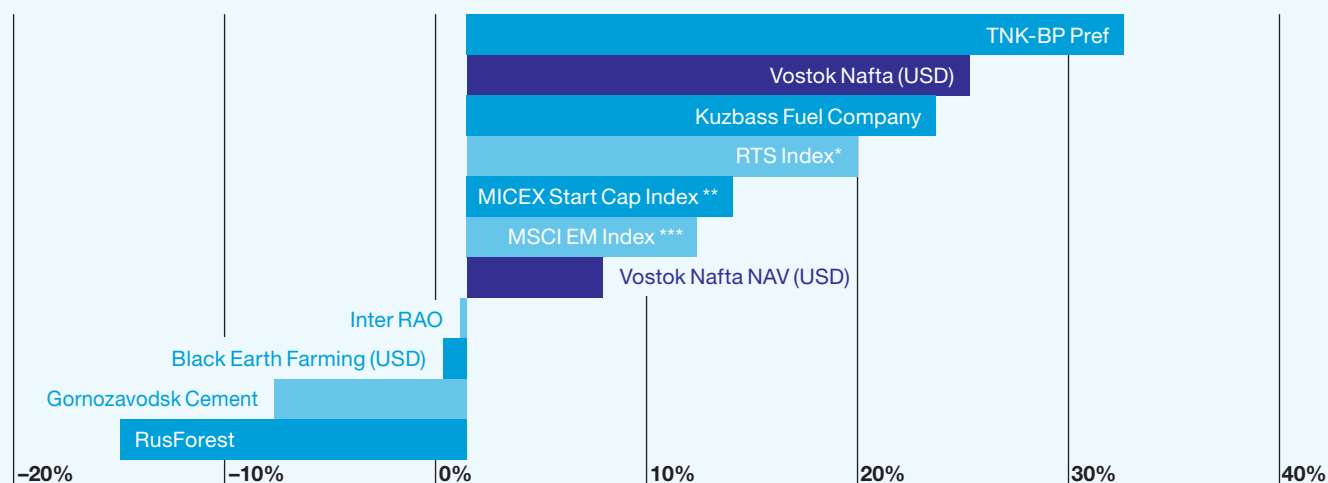
Vostok Nafta's portfolio development

The group's net asset value per share in USD increased by 6.41% over the period January 1, 2012–March 31, 2012. During the same period the RTS index increased by 18.52% in USD terms.

Portfolio structure

The investment portfolio stated at market value as at March 31, 2012 is shown on the next page. Vostok Nafta's three biggest investments are TNK-BP Holding (22.7%), Black Earth Farming (15.3%), and Tinkoff Credit Systems (11.8%).

Percent development January 1–March 31, 2012
(last price paid on relevant stock exchange)



- * 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.
- ** The MICEX Start Cap Index is a real-time cap-weighted index of 50 stocks of Russian small cap companies.
- *** The MSCI EM Index (Morgan Stanley Capital International Emerging Markets Index) is a free float weighted equity index that consists of indices in 26 emerging economies.

Number of shares	Company	Fair value, USD Mar 31, 2012	Percentage-weight	Value per share, USD Mar 31, 2012	Value per share, USD Dec 31, 2011
30,888,704	Black Earth Farming	60,649,383	15.3%	1.96	1.99 2
406,156,995	Clean Tech East Holding	1,226,895	0.3%	0.00	0.00 2
1,006,513	Tinkoff Credit Systems (Egidaco), equity 5	46,551,014	11.8%	46.25	46.25 1
28,165,209	RusForest, equity	6,678,762	1.7%	0.24	0.74 2
	RusForest, Issued call options	-53,627	0.0%		2
	RusForest, bonds	2,411,093	0.6%		1
	RusForest, loan and prepayment for a rights issue	21,102,791	5.3%		3,4
50,000	Vosvik (Avito and Yellow Pages) 5	37,790,026	9.6%	755.80	755.80 2
	Growth Capital and Private Equity, Total	176,356,337	44.6%		
266,760	Acron	11,233,981	2.8%	42.11	41.32 1
1,765,000	Agrowill	431,428	0.1%	0.24	0.18 1
8,000,000	Alrosa	8,449,385	2.1%	1.06	0.95 1
3,654	Bekabadcement	657,720	0.2%	180.00	180.00 1
5,364,850	Caspian Services	123,392	0.0%	0.02	0.08 1
272,106	Dakor	108,842	0.0%	0.40	10.34 1
	Eksportfinans, bonds	17,562,235	4.4%		1
300,000	Fortress Minerals	1,203,120	0.3%	4.01	3.68 1
16,434	Gaisky GOK	6,080,580	1.5%	370.00	275.10 1
63,500	Gornozavodsk Cement	15,875,000	4.0%	250.00	275.00 1
11,509,294,872	Inter RAO	12,351,470	3.1%	0.001	0.001 1
1,600,000	Kamkabel	160,000	0.0%	0.10	0.10 1
3,500,000	Kuzbass Fuel Company	19,250,000	4.9%	5.50	4.50 1
2,618,241	Kyrgyzenergo	168,688	0.0%	0.06	0.06 1
85,332	Podolsky Cement	106,238	0.0%	1.25	1.25 1
3,004,498	Poltava GOK	5,859,182	1.5%	1.95	2.09 1
113,072	Priargunsky Ind Ord	8,480,400	2.1%	75.00	100.00 1

Vostok Nafta's portfolio as at March 31, 2012

Number of shares	Company	Fair value, USD Mar 31, 2012	Percentage-weight	Value per share, USD Mar 31, 2012	Value per share, USD Dec 31, 2011
11,709	Priargunsky Ind Pref	468,360	0.1%	40.00	50.00 1
1,442,400	Shalkiya Zinc GDR	100,968	0.0%	0.07	0.07 1
13,454,303	Steppe Cement	5,492,786	1.4%	0.41	0.51 1
623,800	TKS Real Estate	162,477	0.0%	0.26	0.83 1
30,553,600	TNK-BP Holding Pref	89,738,627	22.7%	2.94	2.24 1
1,215,000	Tuimazy Concrete Mixers	2,758,050	0.7%	2.27	2.27 1
154,334	Varyoganneftegaz Pref	1,543,340	0.4%	10.00	11.00 1
	Financial Portfolio Investments, Total	208,366,269	52.7%		
	Short term trades	10,958,461	2.8%		
	Other current loan receivables	44,034	0.0%		3
	Grand Total	395,725,101*	100.0%		

1. These investments are shown in the balance sheet as financial assets at fair value through profit or loss.
 2. These investments are shown in the balance sheet as investments in associated companies.
 3. These investments are shown in the balance sheet as current loan and other receivables.
 4. These investments are shown in the balance sheet as non current loan receivables.
 5. Private equity investment.
- * New valuations of Avito and Tinkoff Credit Systems based on transactions in May 2012 are not included.

Three Months Report Covering the Period January 1, 2012–March 31, 2012

INFORMATION ON SIGNIFICANT HOLDINGS

TNK-BP Holding

TNK-BP is a leading Russian oil company and is among the top ten non-state owned oil companies in the world in terms of crude oil production, accounting for some 16% of oil production in Russia. The company was formed in 2003 as a result of the merger of BP's Russian oil and gas assets and the oil and gas assets of Alfa Access Renova group (AAR). TNK-BP is a vertically integrated oil company with a diversified upstream and downstream portfolio in Russia and Ukraine. As of December 31, 2011, the reserve replacement ratio was 203% under PRMS criteria with total proved reserves of 13.8 bn barrels of oil equivalent. To ensure growth in the production output, TNK-BP concentrates up to 80% of investment in upstream annually. The key trigger for the stock has been a company restructuring in order to improve the free float and trading liquidity. In 2010, TNK-BP received approval from MICEX and RTS for its shares to be traded at these two stock exchanges. This move was clearly positive as it has improved liquidity of TNK-BP Holding's existing shares and acted to the benefit of the company's minority shareholders.

- Vostok Nafta has during the first quarter 2012 divested the common share position in TNK-BP to lock in some of the profits achieved on the back of the recent strong stock performance. The strong performance of the stock, we believe, is on the back of a better liquidity in the stock following its listing on local exchanges, its strong track record of paying out dividends and the strong oil price.
- Senior Russian officials have ordered that charges be brought against TNK-BP over damages caused by oil spills in Siberia. Yury Trutnev, Russia's natural resource minister, says his Ministry plans to file a claim against TNK-BP's Samotlorneftegaz subsidiary for not maintaining interfiled pipelines and spilling oil.
- During the first quarter of 2012, oil and gas production continued to grow, reaching 2,037 mboe/d, up 4.0% y-o-y. EBITDA for 1Q12 amounted to USD 3.6 bn which is 9% lower compared to 1Q11. The positive effects of were offset by the comparative impact of one-off events and the negative effects of lower duty lag benefit. Net profit amounted to USD 2.2 bn, which is 17% lower compared to 1Q11 due to a comparatively higher DD&A expense because of the increase in the share of greenfields production.

TNK-BP Holding

Vostok Nafta's number of shares as at March 31, 2012

Preferred	30,553,600
Total Value (USD)	89,738,627
Portfolio percentage weight	22.7%
Share of total preferred shares outstanding	6.9%
Share development	
January 1–March 31, 2012, Preferred	31.1%

During the first quarter 2012 Vostok Nafta has sold 15,760,237 ordinary shares and 500,000 preferred shares in TNK-BP Holding.

Three Months Report Covering the Period January 1, 2012–March 31, 2012

Black Earth Farming

Black Earth Farming (BEF) is a leading farming company, publicly listed in Stockholm and operating in Russia. BEF was among the first foreign financed companies to make substantial investments in Russian agricultural land assets to exploit the large untapped potential. Because of its early establishment, BEF has gained a strong market position in the Kursk, Tambov, Lipetsk and Voronezh regions, all located in the Black Earth areas which holds one of the most fertile soils in the world. The company's main products are wheat, barley, corn, sunflowers and rapeseeds. Black Earth Farming's business concept is to acquire and consolidate zero or low yielding land assets in the Russian Black Earth region. Russian agricultural land is significantly undervalued, both in comparative terms and in relation to its inherent production potential. Unproductive land can currently be acquired at a significant discount in an international comparison, but with large appreciation potential. By introducing modern agricultural farming practices there is also a vast opportunity to significantly increase productivity in terms of crops yielded per hectare of land, thus increasing the land value. As of December 31, 2011, Black Earth Farming held 260,000 hectares of land in full ownership, corresponding to 82% of the total controlled land bank of 318,000 hectares. 40,000 hectares are held under long-term lease. At the same time operating improvements are ongoing with substantial long term potential for increased production and profitability.

- Initial 2011 dry spell damaged wheat, barley & rape yields followed by wet autumn conditions affecting crop quality negatively. Sales revenue for the full year 2011 was USD 64.2 million compared with USD 44.4 million in 2010. Operating loss was USD 25.3 million compared to USD 25.7 in 2010.
- The total 2012 crop area is planned at approximately 230,000 hectares. Some 60,000 tons of 2012 crop are sold forward to lock in current price levels, mainly malting barley as well as some sunflower and rapeseeds.

Black Earth Farming

Vostok Nafta's number of shares as at March 31, 2012	30,888,704
Total Value (USD)	60,649,383
Portfolio percentage weight	15.3%
Share of total shares outstanding	24.8%
Share development January 1–March 31, 2012 (in USD)	-1.1%

During the first quarter 2012 Vostok Nafta has purchased 0 shares and sold 0 shares in Black Earth Farming.

Three Months Report Covering the Period January 1, 2012–March 31, 2012

Avito

Avito is the largest and fastest growing online trading platform in Russia and the number of monthly unique visitors continued to grow at a rapid pace during 2011. The company has obtained a leading position in terms of visitors and number of ads, distancing itself from its competitors. Once market dominance is achieved the business model has great potential in terms of profitability judging by the experience in other countries. Avito is already the leading brand and has the highest brand awareness in Moscow and St. Petersburg, with the goal to achieve close to 100% in the long term. Compared to western countries, Russia has a very low proportion of internet users in relation to the total population. Although the growth rate is significant, the current internet penetration in Russia is low in relative terms but very high in absolute terms. By 2013 internet users in Russia are expected to reach over 90 million, with a penetration rate of 67%. 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 exponentially over the past year. A record 6.1 million Russians made online purchases last year, an increase of 16.5% compared to 5.2 million in 2010. Avito attracts close to 30 million monthly unique users who browse a total of more than 2 billion pages and spend on average one hour a month on the site. More than 6 million new items are added every month by over 3 million users. The valuation as per March 31, 2012 is based on a transaction made in mid-2011.

- Avito's revenue amounted to approximately USD 8.5 million in 2011, compared to approximately USD 1 million in 2010.
- According to TNS Index's research data, 40% of Russia's internet users visit avito.com every month, placing it in the top ten largest online properties in the country.
- In May 2012, Avito announced that it received USD 75 million in new funding from Baring Vostok Private Equity, Accel Partners, and existing investors Kinnevik and Northzone. The new funds will be used to fuel the company's growth throughout Russia. Vostok Nafta did not participate in the new funding. Based on this transaction, we will revalue our stake in Avito upwards in the Net Asset Value report per May 31, 2012 and its value will be disclosed in our second quarter report.

Avito*

Vostok Nafta's number of shares as at March 31, 2012	5,975,586
Total Value (USD)	37,749,590
Portfolio percentage weight	8.3%
Share of total shares outstanding	23.8%
Value development	
January 1–March 31, 2012 (in USD)	0.0%

During the first quarter 2012 Vostok Nafta has purchased 0 shares and sold 0 shares in Avito.

** The shares in Avito are owned through the holding company Vosvik AB.*

Three Months Report Covering the Period January 1, 2012–March 31, 2012

Tinkoff Credit Systems

Tinkoff Credit Systems (TCS) is Russia's first and only dedicated credit card lending institution. Based in Moscow, TCS Bank issues credit cards to customers in all of Russia's regions. TCS's senior management consists of a team of experienced professionals formerly employed by Visa, McKinsey and several top Russian banks. The bank operates a branchless business model using online and direct mail as its main customer recruitment and distribution channels. On the servicing side, TCS's call centre is one of the leaders in Russia. 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. Russian consumer lending is expected to reach new heights due to lower costs of risk and higher consumer spending, and the company is singularly focused on issuing and servicing consumer credit cards. By combining a purpose-built platform with dedicated staff and IT systems, TCS can serve millions of customers. During 2003–07, the Russian credit card market doubled in size every year. After slowing during the 2008–09 crisis, it started growing again in 2010. The valuation as per March 31, 2012 is based on a transaction made in mid-2011.

- Tinkoff Credit Systems has continued to deliver record high financial results in 2011. Retail deposits have increased by 110.8% in 2011, from USD 169.9 mln in 2010 to USD 358.4 mln in 2011. The net loan portfolio increased by 104.2% in 2011, from USD 300.6 mln to USD 613.8 mln. Having delivered on its promise to double its portfolio in 2011, TCS Bank plans to grow it by a further 60–90% in 2012.
- In April 2012, TCS successfully placed a USD 50 mln domestic bond maturing in 2015 with a put option in April 2013. With 72 orders coming from a well-diversified group of investors, the order book ran with an 87% oversubscription. This enabled the company to cut off at a 13.25% coupon rate, down from the initial price guidance of 13.5–14.0%.
- In May 2012, USD 50 million was invested by Baring Vostok Private Equity in Tinkoff Credit Systems to support further growth. Based on this transaction, we will revalue our stake in TCS upwards in the Net Asset Value report per May 31, 2012 and its value will be disclosed in our second quarter report.

Tinkoff Credit Systems

Vostok Nafta's number of shares as at March 31, 2012	1,006,513
Total Value (USD)	46,551,014
Portfolio percentage weight	11.8%
Share of total shares outstanding	15.8%
Value development January 1–March 31, 2012	0.0%

During the first quarter 2012 Vostok Nafta has purchased 0 shares and sold 0 shares in Tinkoff Credit Systems.

RusForest

RusForest is active within the forestry sector in Eastern Siberia and the Arkhangelsk region of Russia. The company was established in 2006 through the acquisitions of Tuba-Les and PIK-89 in the Irkutsk region. Since then, RusForest has reached a considerable scale, both in terms of forest resources and sawmilling capacity, through strategic acquisitions and brownfield development projects. Through long term lease agreements the company controls approximately 3 million hectares of forest land with an AAC of around 3.6 million m³. Increases in controlled forest land come from the acquisition of NTG in Arkhangelsk, new forest leases in Magistralny as well as two acquired harvesting companies in Boguchany during 2011. RusForest's principal business concept is to refine the prime quality pine, spruce and larch logs from its forest leases into a wide range of sawnwood products of which a smaller share is attributable to planed products, including flooring and other interior products. The Group's total sawmilling capacity, which currently amounts to approximately 350,000 m³ of sawnwood, is expected to, after completion of ongoing investments, gradually increase to 500,000–550,000 m³ of sawnwood. There is significant potential (of up to 800,000–850,000 m³ of sawnwood) within the limit of the maximum allowable harvesting. By increasing its sawmilling capacity as well as adding other value-adding activities RusForest will continue to develop its vast resource and unlock its potential. The aim is to apply Scandinavian best practices to a Russian cost base, which should have the potential of offering among the lowest production costs in the world. RusForest's goal is to develop into a leading independent integrated forestry and sawmilling company in Russia, with an annual harvest of 2.7–2.9 million m³ and an annual sawnwood produc-

tion of 800,000–850,000 m³ during the coming four to five years.

- The new share issue in RusForest, for which the subscription period ended on April 4, 2012, has been fully subscribed. The rights issue will provide RusForest with approximately SEK 452 million before costs related to the rights issue. Following the rights issue the number of shares in RusForest will increase by 383,230,776 shares from 95,807,694 shares to a total of 479,038,470 shares and the share capital will increase by SEK 383,230,776 from SEK 95,807,694 to SEK 479,038,470. Vostok Nafta participated in the rights issue and the share ownership remained unchanged at 29.4%.
- Total turnover for the full year 2011 amounted to SEK 431.8 million, compared to SEK 300.8 million in 2010. The operating loss before financing costs for the period amounted to SEK 284.5 million compared to SEK 165.9 million 2010.

RusForest

Vostok Nafta's number of shares as at March 31, 2012	28,165,209
Total Value (USD)	6,678,762
Portfolio percentage weight	1.7%
Share of total shares outstanding	29.4%
Share development January 1–March 31, 2012 (in USD)*	–16.4%

During the first quarter 2012 Vostok Nafta has purchased 0 shares and sold 0 shares in RusForest. On April 4, 2012, Vostok Nafta's number of shares increased by 112,660,836 to 140,826,045 through participation in the rights issue.

** Adjusted for rights issue.*

Three Months Report Covering the Period January 1, 2012–March 31, 2012

Investments

During the first quarter gross investments in financial assets were USD 36.56 (15.34) mln and proceeds from sales were USD 139.51 (13.58) mln.

Major changes of shares in the portfolio during the first quarter were:

Purchases

No significant purchases during the quarter.

Sales

- 7,250,000 Alrosa
- 134,352,681 Kuzbassrazrezugol
- 15,760,237 TNK-BP Holding Ord
- 7,730 Transneft

Group – results for the period and net asset value

During the period, the result from financial assets at fair value through profit or loss amounted to USD 56.27 (25.99) mln. Result from investments in associated companies was USD –14.13 (29.90) mln. Result from loan receivables was USD 1.80 (1.36) mln. Dividend income, net of withholding tax expenses, was USD 2.91 (11.55) mln.

Net operating expenses (defined as other operating income less operating expenses) amounted to USD –1.07 (–1.20) mln.

Net financial items were USD –0.02 (0.34) mln.

Net result for the period was USD 44.47 (67.93) mln.

Total shareholders' equity amounted to USD 523.60 mln on March 31, 2012 (December 31, 2011: 492.08).

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 119.08 mln on March 31, 2012 (December 31, 2011: 37.67).

Annual General Meeting

An Annual General Meeting in Vostok Nafta Investment Ltd was held on May 9, 2012.

- At the meeting, the shareholders considered a number of items, some of which were the following.
- The profit and loss account and the balance sheet as well as the consolidated profit and loss account and the consolidated balance sheet were adopted, showing total loss for the financial year January 1–December 31, 2011, in the amount of USD 124.10 mln. The directors' proposal that no dividends be paid was approved.
 - All directors were re-elected, namely Al Breach, Per Brilioth, Lars O Grönstedt, C. Ashley Heppenstall, Paul Leander-Engström, Lukas H. Lundin, William A. Rand and Robert J. Sali. Lukas H. Lundin was appointed Chairman of the Board.
 - PricewaterhouseCoopers AB were re-elected as the Company's auditors.

(Expressed in USD thousands)	Jan 1, 2012– Mar 31, 2012	Jan 1, 2011– Mar 31, 2011
Result from financial assets at fair value through profit or loss 1	56,286	25,985
Result from investments in associated companies	-14,125	29,900
Result from loan receivables 1	1,797	1,357
Dividend income	-	13,592
Other operating income	71	61
Total operating income	44,012	70,895
Operating expenses	-1,141	-1,263
Dividend withholding tax expenses	2,905	-2,039
Other operating expenses	-1,286	-
Operating result	44,489	67,594
Financial income and expenses		
Interest income	14	12
Currency exchange gains/losses, net	-34	316
Other financial income	-	15
Net financial items	-19	343
Result before tax	44,470	67,937
Taxation	-	-2
Net result for the financial period	44,470	67,935
Earnings per share (in USD)	0.46	0.67
Diluted earnings per share (in USD)	0.46	0.67

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, 2012– Mar 31, 2012	Jan 1, 2011– Mar 31, 2011
Net result for the financial period	44,470	67,935
Other comprehensive income for the period		
Currency translation differences	131	127
Total other comprehensive income for the period	131	127
Total comprehensive income for the period	44,601	68,062

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)	Mar 31, 2012	Dec 31, 2011
NON CURRENT ASSETS		
Tangible non current assets		
Property, plant and equipment	34	36
Total tangible non current assets	34	36
Financial non current assets		
Financial assets at fair value through profit or loss	268,287	324,768
Investment in associated companies	106,291	120,416
Loan receivables	9,658	9,102
Deferred tax asset	-	35
Total financial non current assets	384,236	454,321
CURRENT ASSETS		
Cash and cash equivalents	119,076	37,665
Loan receivables	44	-
Receivables from related parties	18	-
Unsettled trades	9,795	-
Tax receivables	313	325
Other current receivables	11,599	1,447
Total current assets	140,845	39,438
TOTAL ASSETS	525,115	493,794
SHAREHOLDERS' EQUITY		
(including net result for the financial period)	523,597	492,078
CURRENT LIABILITIES		
Non-interest bearing current liabilities		
Tax payables	295	424
Other current liabilities	903	907
Accrued expenses	320	386
Total current liabilities	1,518	1,717
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	525,115	493,794

(Expressed in USD thousands)	Share Capital	Additional paid in capital	Other reserves	Retained earnings	Total
Balance at January 1, 2011	100,991	192,029	-924	333,334	625,430
Net result for the period					
January 1, 2011 to March 31, 2011	-	-	-	67,935	67,935
Other comprehensive income for the period					
Currency translation differences	-	-	127	-	127
Total comprehensive income for the period January 1, 2011 to March 31, 2011	-	-	127	67,935	68,062
Transactions with owners:					
Employees share option scheme:					
- value of employee services	-	1	-	-	1
	-	1	-	-	1
Balance at March 31, 2011	100,991	192,030	-797	401,269	693,493
Balance at January 1, 2012					
Balance at January 1, 2012	98,470	185,382	-1,007	209,232	492,078
Net result for the period					
January 1, 2012 to March 31, 2012	-	-	-	44,470	44,470
Other comprehensive income for the period					
Currency translation differences	-	-	131	-	131
Total comprehensive income for the period January 1, 2012 to March 31, 2012	-	-	131	44,470	44,601
Transactions with owners:					
Buy back of own shares					
	-3,066	-10,015	-	-	-13,081
	-3,066	-10,015	-	-	-13,081
Balance at March 31, 2012	95,405	175,366	-876	253,702	523,597

Balance sheets – Group

Statement of Changes in Equity – Group

(Expressed in USD thousands)

Jan 1, 2012– Jan 1, 2011– Jan 1, 2011–
Mar 31, 2012 Mar 31, 2011 Dec 31, 2011**OPERATING ACTIVITIES**

Result before tax	44,470	67,937	-124,239
Adjustment for:			
Interest income	-14	-12	-103
Currency exchange gains/-losses	34	-316	417
Depreciations and write downs	7	30	101
Result from financial assets at fair value through profit or loss	-56,268	-25,985	53,876
Result from investments in associated companies	14,125	-29,900	87,956
Result from loan receivables	-1,797	-1,357	-1,178
Dividend income	-	-13,592	-27,893
Other non-cash items	1,286	16	1,559
Change in current receivables	129	275	266
Change in current liabilities	-81	-438	48
Net cash used in/from operating activities	1,890	-3,342	-9,190
Investments in financial assets	-36,558	-15,343	-102,942
Sales of financial assets	139,513	13,585	116,745
Increase/decrease in loan receivables	-10,248	10,236	5,312
Dividend received	-	13,592	27,893
Interest received	14	12	103
Tax paid	-113	-22	-151
Net cash flow from/used in operating activities	94,498	18,718	37,769

INVESTING ACTIVITIES

Investments in office equipment	-4	-	-
Disposal, Group companies	-	-	40
Net cash flow from/used in investing activities	-4	-	40

FINANCING ACTIVITIES

Buy back of own shares	-13,081	-	-9,180
Net cash flow from/used in financing activities	-13,081	-	-9,180

Change in cash and cash equivalents	81,413	18,718	28,630
Cash and cash equivalents at beginning of the period	37,665	9,448	9,448
Exchange gains/losses on cash and cash equivalents	-1	362	-414
Cash and cash equivalents at end of period	119,076	28,528	37,665

1Q 2012

1Q 2011

Return on capital employed, % (01)	8.76	10.30
Equity ratio, % (02)	99.71	99.80
Shareholders' equity/share, USD (03)	5.39	6.87
Earnings/share, USD (04)	0.46	0.67
Diluted earnings/share, USD (05)	0.46	0.67
Net asset value/share, USD (06)	5.39	6.87
Weighted average number of shares for the financial period	97,108,944	100,990,975
Weighted average number of shares for the financial period (fully diluted)	97,108,944	101,975,975
Number of shares at balance sheet date	95,404,657	100,990,975

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, 2012– Mar 31, 2012	Jan 1, 2011– Mar 31, 2011
Operating expenses	-1,068	-1,093
Operating result	-1,068	-1,093
Financial income and expenses		
Interest income	4,599	5,919
Currency exchange gains/losses, net	-81	49
Net financial items	4,518	5,968
Net result for the financial period	3,450	4,875

(Expressed in USD thousands)	Jan 1, 2012– Mar 31, 2012	Jan 1, 2011– Mar 31, 2011
Net result for the financial period	3,450	4,875
Other comprehensive income for the period		
Currency translation differences	-	-
Total other comprehensive income for the period	-	-
Total comprehensive income for the period	3,450	4,875

Income statement – Parent

Statement of com- prehensive income

(Expressed in USD thousands) Mar 31, 2012 Dec 31, 2011

NON CURRENT ASSETS

Financial non current assets

Shares in subsidiaries	184,412	184,412
Receivables from Group companies	298,123	307,731
Total financial non current assets	482,535	492,143

CURRENT ASSETS

Cash and cash equivalents	165	71
Other current receivables	7	83
Total current assets	172	154

TOTAL ASSETS 482,708 492,297

SHAREHOLDERS' EQUITY

(including net result for the financial period) 480,528 490,160

CURRENT LIABILITIES

Non-interest bearing current liabilities

Liabilities to group companies	1,916	1,833
Other current liabilities	25	8
Accrued expenses	238	297
Total current liabilities	2,179	2,137

TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES 482,708 492,297

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

Balance at January 1, 2011 100,991 192,029 214,152 507,172

Net result for the period

January 1, 2011 to March 31, 2011 - - 4,875 4,875

Other comprehensive income

for the period

Currency translation differences - - - -

Total comprehensive income

for the period January 1, 2011

to March 31, 2011 - - 4,875 4,875

Transactions with owners:

Employees share option scheme:

- value of employee services - 1 - 1

- - 1 - 1

Balance at March 31, 2011 100,991 192,030 219,027 512,048

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

Net result for the period

January 1, 2012 to March 31, 2012 - - 3,450 3,450

Other comprehensive income

for the period

Currency translation differences - - - -

Total comprehensive income

for the period January 1, 2012

to March 31, 2012 - - 3,450 3,450

Transactions with owners:

Buy back of own shares -3,066 -10,015 - -13,081

-3,066 -10,015 - -13,081

Balance at March 31, 2012 95,404 175,367 209,758 480,528

Balance sheet – Parent

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 2011.

Note 2 Related party transactions

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

USD thousand	Vostok Gas	Associated companies	2012 Lundin family and group of companies	Key management	Vostok Gas	Associated companies	2011 Lundin family and group of companies	Key management
Items of the income statement								
Income from loan receivables	-	1,199 ¹	-	-	-	111	-	-
Other operating income	-	6 ²	65 ²	-	-	7	46	-
Operating expenses	-	-	-45 ³	-285 ⁴	-	-	-45	-283
Interest expenses	-	-	-	-	-	-	-	-
Balance sheet items								
Non current loan receivables	-	9,658 ¹	-	-	-	3,992	-	-
Current loan receivables	-	-	-	-	-	1,097	-	-
Other current receivables	-	11,449 ¹	18 ²	-	-	-	-	-
Retained earnings	-	-	-	-	-	-	-	-
Other current liabilities and accrued expenses	-	-9 ²	-5 ²	-206 ⁴	-200	-	-	-217

1) Loans to associated companies

Vostok Nafta has an outstanding long-term loan receivable from RusForest AB, which was recognized at a book value USD 9.66 mln as per March 31, 2012. In the Income Statement for the period ended March 31, 2012 Vostok Nafta has recognised interest income in the amount of USD 1.20 mln from RusForest AB. The major part of this loan was converted into new shares in RusForest on April 4, 2012. The remaining part of the loan per April 5 amounted to USD 1.48 mln. In addition, USD 11.44 mln was prepaid for shares in new rights issue as per March 31, 2012.

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

Vostok Nafta has an office rental agreement with RusForest AB and Lundin Mining AB. Vostok Nafta provides head office facilities service to Lundin Petroleum AB and Investor Relations and Corporate Communication services to Lundin Mining Corporation, Africa Oil Corporation, Etrion Corporation, ShaMaran Petroleum Corp. and Lucara Diamond Corp.

3) Operating expenses: Lundin companies

Vostok Nafta buys management and Investor Relations services regarding relations with the stock and financial markets from Namdo Management. The fee amounts to USD 15,000 per month.

4) Operating expenses: Key management

Key management includes members of the Board of Directors and members of the management of Vostok Nafta. The compensation paid or payable includes salary and bonuses to the management and remuneration to the Board members.

Note 3 Events after the reporting period

In May 2012, Avito announced that it received USD 75 million in new funding from Baring Vostok Private Equity, Accel Partners, and existing investors Kinnevik and Northzone. The new funds will be used to fuel the company's growth throughout Russia.

In May 2012, USD 50 million was invested by Baring Vostok Private Equity in Tinkoff Credit Systems to support further growth.

These transactions are expected to increase Vostok Nafta's Net Asset Value by approximately 10% compared with the Net Asset Value as per April 30, 2012, and their value will be disclosed in our second quarter report.

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 at March 31, 2012 the Vostok Nafta Investment Ltd Group consists of the Bermudian parent company, one wholly owned Bermudian subsidiary, three wholly owned Cypriot subsidiaries 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 period was USD 3.45 (4.87) 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 2011.

Upcoming Reporting Dates

Vostok Nafta's six month report for the period January 1, 2012–June 30, 2012 will be published on August 15, 2012.

May 16, 2012

[Per Brilioth](#)

Managing Director

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