

**Vostok
Nafta
Investment
Ltd**

**Three
Months
Report**

**January–
March
2013**



- Net result for the period was USD 23.79 million (mln) (January 1, 2012–March 31, 2012: 44.47). Earnings per share were USD 0.27 (0.46).
- The net asset value of the company was USD 348.73 mln on March 31, 2013 (December 31, 2012: 329.58), corresponding to USD 3.95 per share (December 31, 2012: 3.67). Given a SEK/USD exchange rate of 6.5162 the values were SEK 2,272.36 mln (December 31, 2012: 2,147.43 mln) and SEK 25.76 (December 31, 2012: 23.94), respectively.
- The group's net asset value per share in USD increased by 7.62% over the period January 1, 2013–March 31, 2013. During the same period the RTS index decreased by 4.38% in USD terms.
- The number of outstanding shares at the end of the period was 88,210,000. During the first quarter 2013, Vostok Nafta repurchased 1,509,279 SDRs (shares).
- The reported net asset value per share of Vostok Nafta as of April 30, 2013 was USD 3.73 (SEK 24.23).
- After the end of the period, on May 7, 2013 the Board of Directors of Vostok Nafta has resolved to convene a Special General Meeting of the Company to be held on May 24, 2013 to consider approval of the distribution of shares held in Black Earth Farming Ltd and RusForest AB through a share split in a combination with a mandatory redemption programme. Under the Board's proposal, each SDR will be divided into three SDRs, of which two will be redeemed. Altogether, the proposal means that shares representing a value of approximately USD 84 million will be distributed to SDR holders.

Three Months Report Covering the Period January 1, 2013–March 31, 2013

Management report

Avito

The main event in our portfolio during the first quarter was the closing of the new issue in Avito. As also stated in our last publication, the 2012 annual report issued in late March, Avito purchased all the shares in the second largest online classified operator in Russia, Slando, from its owner Naspers of South Africa. Naspers also invested some USD 50 mln in cash taking its post deal stake in Avito to just under 19%.

The interest for Avito has increased materially since this transaction as it established Avito as the dominant online general classified operator in Russia. The earnings potential of Avito does indeed rise over the coming years (Avito management stated recently that USD 100 mln EBIT in 2015 is achievable) but the real valuation boost from the Slando transaction is that the risk of not reaching this kind of profitability goes down and the marketing spend needed is substantially reduced.

Black Earth Farming (BEF) and RusForest (RF) spin off

As announced on May 7th the Board of Directors of Vostok Nafta has decided to propose an EGM to spin off the holdings in Black Earth Farming and RusForest to its shareholders. This is really a continuation of the actions of 2012: our efforts to concentrate the portfolio on assets that are difficult for shareholders to replicate exposure to. Last year we took the opportunity to distribute part of our portfolio through a redemption share for cash in order to build a portfolio with an exposure profile that would drive value through discount reduction.

Since our last redemption, the interest of our shareholders has continued to focus on our two truly unlisted holdings of TCS and Avito. Also, BEF

and RF have successfully closed their financings. Furthermore, BEF has for a long time had a strong shareholder alongside Vostok Nafta in Kinnevik, who possesses a similar stake to ours, and RF has in its financial restructuring got a new dominant shareholder in Nova Capital. Neither company needs Vostok Nafta as a shareholder to ensure a continuation of improving operations and ultimately value for their shareholders.

Thus, despite the potential upside left in BEF and RF, they likely currently act as drags to where Vostok Nafta trades in relation to its NAV, hence the rationale to remove them from the portfolio. Also in contrast to the portfolio of listed holdings that was sold during the course of last year and then distributed to our shareholders in the form of cash, we feel the potentially large upside left in BEF and RF and their favourable risk reward profile, merits continued exposure to them. Hence our proposal of a distribution in kind of these two holdings, rather than an exit and a consequent distribution of cash.

All in all our belief is that a shareholder in Vostok Nafta is better off holding his exposure to BEF and RF outside of Vostok Nafta as the discount they bring to the Vostok Nafta share is thus eliminated. Those two companies will continue their progress under the stewardship of the existing large shareholders of Kinnevik in BEF and Nova Capital in RF. I will stay on the board of these two companies for the coming year. The remaining Vostok Nafta portfolio will be strictly private, the rest of the listed investments have been sold during the second quarter, and with its current clear focus on online business models and exposure to the Russian consumer, which in our view will further enhance value for our shareholders.

May 2013,
Per Brilioth

Three Months Report Covering the Period January 1, 2013–March 31, 2013

Vostok Nafta's portfolio development

The group's net asset value per share in USD increased by 7.62% over the period January 1, 2013–March 31, 2013. During the same period the RTS index decreased by 4.38% in USD terms.

Portfolio structure

The investment portfolio stated at market value as at March 31, 2013 is shown on the next page. Vostok Nafta's three biggest investments are Tinkoff Credit Systems (37.6%), Black Earth Farming (27.4%), and Avito (22.6%).

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



* 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.

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

*** 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.

Number of shares	Company	Fair value, USD March 31, 2013	Percent- age- weight	Value per share, USD March 31, 2013	Value per share, USD Dec 31, 2012
51,481,173	Black Earth Farming, equity	95,595,929	27.4%	1.86	1.35 ²
1,071,339	Cortus Energy AB, equity	759,582	0.2%	0.71	1.53* ²
14,817	Cortus Energy AB, BTA	10,392	0.0%	0.70	- ²
902,667	Tinkoff Credit Systems (Egidaco) ⁴	131,000,000	37.6%	145.13	145.13 ¹
140,826,045	RusForest, equity	864,467	0.2%	0.01	0.02 ²
844,956,270	RusForest, BTA	5,186,804	1.5%	0.01	- ²
	RusForest, bridge loan	5,245,000	1.5%		³
	RusForest, Issued call options	-53,627	0.0%		²
5,975,579	Avito ^{4,5}	78,941,797	22.6%	13.21	13.21 ²
	Growth Capital and Private Equity, Total	317,550,344	90.7%		

Number of shares	Company	Fair value, USD March 31, 2013	Percent- age- weight	Value per share, USD March 31, 2013	Value per share, USD Dec 31, 2012
5,364,850	Caspian Services	160,946	0.0%	0.03	0.03 ¹
272,106	Dakor	108,842	0.0%	0.40	0.40 ¹
1,600,000	Kamkabel	96,000	0.0%	0.06	0.05 ¹
2,925,000	Kuzbass Fuel Company	7,961,719	2.3%	2.72	3.25 ¹
2,618,241	Kyrgyzenergo	168,688	0.0%	0.06	0.06 ¹
85,332	Podolsky Cement	104,873	0.0%	1.23	1.24 ¹
1,442,400	Shalkiya Zinc GDR	14,424	0.0%	0.01	0.01 ¹
623,800	TKS Real Estate	15,964	0.0%	0.03	0.03 ¹
15,000	Tuimazy Concrete Mixers	24,647	0.0%	1.64	1.53 ¹
154,334	Varyoganneftegaz Pref	1,427,590	0.4%	9.25	9.10 ¹
	Financial Portfolio Investments, Total	10,083,693	2.9%		
	Other, including cash	22,271,563	6.4%		
	Grand Total	349,905,600	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. Private equity investment.
 5. The shares in Avito are owned through the holding company Vosvik AB
- * Adjusted for reverse stock split.

Vostok Nafta's portfolio as at March 31, 2013

Three Months Report Covering the Period January 1, 2013–March 31, 2013

Black Earth Farming

Black Earth Farming (BEF) is a leading farming company, publicly listed in Stockholm and operating in Russia. The company's main products are wheat, barley, corn, sunflowers and potatoes and sugar beets. Black Earth Farming's initial business concept was to acquire and consolidate zero or low yielding land assets in the Russian Black Earth region. Focus has now shifted to significantly increase productivity in terms of crops yielded per hectare of land, thus increasing the land value by introducing modern agricultural farming practices. As of December 31, 2012, Black Earth Farming held 250,000 hectares of land in full ownership, corresponding to 81% of the total controlled land bank of 308,000 hectares. The current near term focus is on operating improvements and especially on unlocking the potential upside of the recently announced PepsiCo partnership. The partnership comprises a strategic 3 year cooperation agreement. Black Earth Farming will become a significant supplier of potatoes, sunflower and sugar to PepsiCo's Russian operations. By 2015 the PepsiCo contract has the potential to represent some 30% of BEF's total revenues. The PepsiCo agreement and continuously improved operations have further strengthened BEF's long term potential for increased production and profitability.

- Black Earth Farming reported its first full year net profit of USD 7.2 mln for 2012 compared to the net loss of USD 44.2 mln in 2011. Total revenue for 2012 was USD 229 mln, up 179% from USD 82 mln in 2011. The improved result was driven by higher prices as well as operational improvements. Black Earth Farming will release its 1Q report on May 24, 2013.
- The 2013 crop area will be similar to that of 2012 of approximately 230,000 hectares and some 65,000 tonnes of crops has been sold forward to lock in current price levels.
- On April 24, 2013, BEF announced the appointment of Mr. Erik Danemar as new CFO. He will take over from Alexander Betsky who will remain as a consultant throughout the year.

Black Earth Farming

Vostok Nafta's number of shares as at March 31, 2012	51,481,173
Total Value (USD)	95,595,929
Share of total portfolio	27.4%
Share of total shares outstanding	24.8%
Share development January 1–March 31, 2013 (in USD)	37.5%

During the first quarter 2013 Vostok Nafta purchased 0 shares and sold 0 shares in Black Earth Farming.

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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 2012. 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 the 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 recently announced merger with Naspers-owned Slando.ru and OLX.ru will significantly reaffirm this #1 position in the Russian market. Compared to western countries, Russia has a low proportion of internet users in relation to the large total population. By the end of 2013 internet users in Russia are expected to reach over 90 million, with a penetration of 67% according to the Russian Minister of Communications. 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 is expected to be worth some USD 12 bn in 2012, an increase of 9% compared to USD 11 bn in 2011. In March 2013, Avito attracted over 30 million monthly unique users who browsed a total of more than 3 billion pages and more than 10 million new items were listed.

- On March 12, 2013, Avito announced the closing of the transaction entered in December 2012. The transaction comprised of a merger with Naspers-owned Slando.ru and OLX.ru as well as a previously disclosed USD 50 mln investment. Following this transaction, Avito has further strengthened its #1 position in the Russian online classifieds market and can now focus on increasing monetization.
- Avito continues to grow at a rapid pace, revenues in 2012 were almost at USD 30 million compared to full year 2011 of around USD 10 million. Monthly revenues in March 2013 were approximately USD 6 million.

Avito*

Vostok Nafta's number of shares as at March 31, 2013	5,975,579
Total Value (USD)	78,941,797
Share of total portfolio	22.6%
Share of total shares outstanding	13.8%
Value development January 1–March 31, 2013 (in USD)	0.0%

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

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

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Tinkoff Credit Systems

Tinkoff Credit Systems (TCS Bank) 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. The company is singularly focused on issuing and servicing consumer credit cards. By combining a purpose-built platform with dedicated staff, TCS Bank 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. Russian consumer lending is expected to reach new heights due to a growing middle class and increasing consumer spending. Since 2010, after the financial crisis in 2008-09, the Russian credit card market has grown by 25-40 per cent a year. TCS Bank's focus and unique business model enable the company to tap into this growth and to grow significantly faster than the market. Even though credit card lending is the fastest growing consumer debt category, Russia's current penetration rates are still at a fraction of the levels typical for developed and emerging markets.

- Tinkoff Credit Systems has continued to deliver record high financial results in 2012. Retail deposits have increased by 143% over the course of 2012, from USD 358.4 mln in 2011 to USD 878 mln in 2012. The net loan portfolio increased by 141% in 2012, to USD 1.7 bn. TCS Bank more than doubled its portfolio in 2012 and delivered a net income of USD 122 mln compared to USD 68 mln in 2011.
- On 21 March 2013, TCS Bank successfully priced its debut USD 50 mln, 12-month Euro Commercial Paper (ECP) at 6.25%. The bond will help reduce funding costs and allows investors shorter term exposure to the bank.
- Also in March 2013, TCS Bank's credit rating was upgraded to B+/Stable by Fitch. Moody's has TCS Bank rated at B2/Stable since 2011.

Tinkoff Credit Systems

Vostok Nafta's number of shares as at March 31, 2013	902,667
Total Value (USD)	131,000,000
Share of total portfolio	37.6%
Share of total shares outstanding	13.1%
Value development January 1–March 31, 2013	0.0%

During the first quarter 2013 Vostok Nafta purchased 0 shares and sold 0 shares in Tinkoff Credit Systems.

RusForest

Since its establishment in 2006, RusForest has increased its forest land and sawmilling capacity both by strategic acquisitions and own development projects. RusForest's principal business concept is to refine the prime quality pine, spruce and larch logs from its long-term 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. Alongside Brazil, Russia has the world's largest forest reserves by a significant margin, and Eastern Siberia is known for its Pine and Larch of good quality, while the Arkhangelsk Region in northwest Russia has high quality spruce and pine forests similar to those found in northern Sweden. The forest resources in this area are of high quality and, provided the right investments in production, well suited for producing high quality sawnwood much appreciated on international markets.

In December, 2012 RusForest announced its proposition to resolve the company's strained financial situation. The proposition from the board consisted of three main steps; debt restructuring including a bond write down and debt to equity swap, a new rights issue of approximately SEK 86 mln with preferential rights to the existing shareholders and finally a directed share issue to Nova Capital, a new Russian strategic partner. The restructuring was completed in March 2013.

- Total turnover for full year 2012 amounted to SEK 564.3 mln compared to SEK 409.4 mln in 2011. The 2012 operating loss before financing costs amounted to SEK 756.2 mln. Earnings per share for 2012 were SEK –2.97 compared with SEK –3.32 in 2011.
- In the end of January 2013, the bondholders agreed to the proposed debt restructuring and on February 1, 2013 the restructuring was approved by the shareholders at an EGM.
- On March 15, RusForest announced that the rights issue to its existing shareholders had been fully subscribed. The company further announced that Anton Bogdanov from Nova Capital will replace Peter Nilsson as COO of RusForest. Peter Nilsson will remain an employee until the AGM in May 2013, at which time Vostok Nafta intends to propose his appointment to the Board of Directors.
- Post the restructuring, RusForest's ownership structure has changed significantly and Vostok Nafta now has an ownership of 7.5%.

RusForest

Vostok Nafta's number of shares* as at March 31, 2013	985,782,315
Total Value (USD)	6,051,271
Share of total portfolio	1.7%
Share of total shares outstanding	7.5%
Share development January 1–March 31, 2013 (in USD)	–60.1%

During the first quarter 2013 Vostok Nafta subscribed for 844,956,270 shares in RusForest.

The new shares (BTAs) were converted into regular shares in April 2013.

** Including BTAs.*

Three Months Report Covering the Period January 1, 2013–March 31, 2013

Investments

During the first quarter gross investments in financial assets were USD 4.49 (36.56 in Q1 2012) mln and proceeds from sales were USD 0 (139.51) mln.

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

Purchases

+ 844,956,270 RusForest BTA

Sales

None

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 –1.51 (56.27) mln. Result from investments in associated companies was USD 25.61 (–14.13) mln. Result from loan receivables was USD 0.67 (1.80) mln. Dividend income, net of withholding tax expenses, was USD 0 (2.91) mln.

Net operating expenses (defined as operating expenses less other operating income) amounted to USD –0.96 (–1.07) mln.

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

Net result for the period was USD 23.79 (44.47) mln.

Total shareholders' equity amounted to USD 348.73 mln on March 31, 2013, (December 31, 2012: 329.58).

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 22.26 mln on March 31, 2013 (December 31, 2012: 31.84).

Annual General Meeting

An Annual General Meeting in Vostok Nafta Investment Ltd was held on May 7, 2013.

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 a total profit for the financial year January 1–December 31, 2012 in the amount of USD 119.74 mln. The directors' proposal that no dividends be paid was approved.
- The Board of Directors will consist of five Directors. The following directors were elected: Al Breach, Per Brilioth, Lars O Grönstedt, C. Ashley Heppenstall and Lukas H. Lundin. 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, 2013– Mar 31, 2013	Jan 1, 2012– Mar 31, 2012
Result from financial assets at fair value through profit or loss ¹	-1,505	56,286
Result from investments in associated companies	25,612	-14,125
Result from loan receivables ¹	665	1,797
Other operating income	129	71
Total operating income	24,900	44,012
Operating expenses	-1,090	-1,141
Dividend withholding tax return	-	2,905
Other operating expenses	-	-1,286
Operating result	23,810	44,489
Financial income and expenses		
Interest income	4	14
Interest expense	-29	-
Currency exchange gains/losses, net	2	-34
Net financial items	-23	-19
Result before tax	23,786	44,470
Taxation	-	-
Net result for the financial period	23,786	44,470
Earnings per share (in USD)	0.27	0.46
Diluted earnings per share (in USD)	0.26	0.46

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– Mar 31, 2013	Jan 1, 2012– Mar 31, 2012
Net result for the financial period	23,786	44,470
Other comprehensive income for the period		
Items that may be classified subsequently to profit and loss:		
Currency translation differences	-1	131
Total other comprehensive income for the period	-1	131
Total comprehensive income for the period	23,786	44,601

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, 2013	Dec 31, 2012
NON CURRENT ASSETS		
Tangible non current assets		
Property, plant and equipment	26	23
Total tangible non current assets	26	23
Financial non current assets		
Financial assets at fair value through profit or loss	141,084	142,589
Investment in associated companies	181,305	151,204
Total financial non current assets	322,389	293,793
CURRENT ASSETS		
Cash and cash equivalents	22,264	31,841
Loan receivables	5,252	5,109
Tax receivables	238	218
Other current receivables	152	225
Total current assets	27,907	37,392
TOTAL ASSETS	350,322	331,207
SHAREHOLDERS' EQUITY (including net result for the financial period)		
	348,726	329,584
CURRENT LIABILITIES		
Non-interest bearing current liabilities		
Tax payables	288	288
Other current liabilities	993	986
Accrued expenses	316	350
Total current liabilities	1,596	1,624
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	350,322	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 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 at January 1, 2013	44,860	157,757	88	126,879	329,584
Net result for the period January 1, 2013 to March 31, 2013	-	-	-	23,786	23,786
Other comprehensive income for the period					
Currency translation differences	-	-	-1	-	-1
Total comprehensive income for the period January 1, 2013 to March 31, 2013	-	-	-1	23,786	23,786
Transactions with owners:					
Buy back of own shares	-755	-3,889	-	-	-4,644
	-755	-3,889	-	-	-4,644
Balance at March 31, 2013	44,105	153,868	87	150,665	348,726

Balance sheets – Group

Statement of Changes in Equity – Group

(Expressed in USD thousands)

Jan 1, 2013–
Mar 31, 2013

Jan 1, 2012–
Mar 31, 2012

Jan 1, 2012–
Dec 31, 2012

OPERATING ACTIVITIES

	Jan 1, 2013– Mar 31, 2013	Jan 1, 2012– Mar 31, 2012	Jan 1, 2012– Dec 31, 2012
Result before tax	23,786	44,470	119,801
Adjustment for:			
Interest income	-4	-14	-1,237
Interest expenses	29	-	35
Currency exchange gains/-losses	-2	34	-2,397
Depreciations and write downs	7	7	31
Result from financial assets at fair value through profit or loss	1,505	-56,268	-114,023
Result from investments in associated companies	-25,612	14,125	9,057
Result from loan receivables	-665	-1,797	-2,817
Dividend income	-	-	-11,246
Other non-cash items	-	1,286	1,289
Change in current receivables	72	129	86
Change in current liabilities	-20	-81	28
Net cash used in/from operating activities	-902	1,890	-1,393
Investments in financial assets	-3,960	-36,558	-87,226
Sales of financial assets	-	139,513	353,351
Increase/decrease in loan receivables	-15	-10,248	-2,963
Dividend received	-	-	11,246
Interest received	4	14	1,237
Interest paid	-29	-	-35
Tax paid	-21	-113	-106
Net cash flow used in/from operating activities	-4,923	94,498	274,110
INVESTING ACTIVITIES			
Investments in office equipment	-11	-4	-17
Net cash flow used in investing activities	-11	-4	-17
FINANCING ACTIVITIES			
Redemption programme	-	-	-246,121
Buy back of own shares	-4,644	-13,081	-36,259
Net cash flow used in financing activities	-4,644	-13,081	-282,380
Change in cash and cash equivalents	-9,577	81,413	-8,287
Cash and cash equivalents at beginning of the period	31,841	37,665	37,665
Exchange gains/losses on cash and cash equivalents	1	-1	2,462
Cash and cash equivalents at end of period	22,264	119,076	31,841

1Q 2013

1Q 2012

Return on capital employed, % (01)	7.01	8.76
Equity ratio, % (02)	99.54	99.71
Shareholders' equity/share, USD (03)	3.95	5.39
Earnings/share, USD (04)	0.27	0.46
Diluted earnings/share, USD (05)	0.26	0.46
Net asset value/share, USD (06)	3.95	5.39
Weighted average number of shares for the financial period (07)	88,344,158	97,108,944
Weighted average number of shares for the financial period (fully diluted)	89,803,658	97,108,944
Number of shares at balance sheet date	88,210,000	95,404,657

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– Mar 31, 2013	Jan 1, 2012– Mar 31, 2012
Operating expenses	-998	-1,068
Operating result	-988	-1,068
Financial income and expenses		
Interest income	454	4,599
Currency exchange gains/losses, net	10	-81
Net financial items	464	4,518
Net result for the financial period	-535	3,450

(Expressed in USD thousands)	Jan 1, 2013– Mar 31, 2013	Jan 1, 2012– Mar 31, 2012
Net result for the financial period	-535	3,450
Other comprehensive income for the period		
<i>Items that may be classified subsequently to profit and loss:</i>		
Currency translation differences	-	-
Total other comprehensive income for the period	-	-
Total comprehensive income for the period	-535	3,450

Income statement – Parent

Statement of com- prehensive income

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

NON CURRENT ASSETS

Financial non current assets		
Shares in subsidiaries	294,507	294,507
Receivables from Group companies	29,952	34,282
Total financial non current assets	324,459	328,788

CURRENT ASSETS

Cash and cash equivalents	147	716
Other current receivables	10	73
Total current assets	157	789

TOTAL ASSETS	324,615	329,577
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SHAREHOLDERS' EQUITY

(including net result for the financial period)	323,809	328,987
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CURRENT LIABILITIES

Non-interest bearing current liabilities		
Liabilities to group companies	468	268
Other current liabilities	105	75
Accrued expenses	234	247
Total current liabilities	807	590

TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	324,615	329,577
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(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 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 December 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 at January 1, 2013	44,860	157,757	126,370	328,987
Net result for the period January 1, 2013 to March 31, 2013	-	-	-535	-535
Other comprehensive income for the period				
Currency translation differences	-	-	-	-
Total comprehensive income for the period January 1, 2013 to March 31, 2013	-	-	-535	-535
Transactions with owners:				
Buy back of own shares	-755	-3,889	-	-4,644
	-755	-3,889	-	-4,644
Balance at March 31, 2013	44,105	153,868	125,835	323,809

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 2012.

Note 2 Related party transactions

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

USD thousand	Associated companies	1Q 2013 Lundin family and group of companies	Key management and Board of Directors	Associated companies	1Q 2012 Lundin family and group of companies	Key management and Board of Directors
Items of the income statement						
Income from loan receivables	191 ¹	-	-	1,199 ¹	-	-
Other operating income	5 ²	124 ²	-	6 ²	65 ²	-
Operating expenses	-	-45 ³	-299 ⁴	-	-45 ³	-285 ⁴
Interest expenses	-	-	-	-	-	-
Balance sheet items						
Non current loan receivables	-	-	-	9,658 ¹	-	-
Current loan receivables	5,245 ¹	-	-	-	-	-
Other current receivables	-	-	-	11,499	18	-
Retained earnings	-	-	-	-	-	-
Other current liabilities and accrued expenses	-9 ²	-5 ²	-210 ⁴	-9 ²	-5 ²	-206 ⁴

1) Loans to associated companies

Vostok Nafta has an outstanding short-term loan receivable from RusForest AB, which was recognized at a book value of USD 5.25 mln as per March 31, 2013. The bridge loan of USD 5 mln initially carried a 16 per cent interest rate and would mature on April 30, 2013. On February 8, 2013, the terms of this loan were amended to 9 per cent interest and the maturity term was extended to December 31, 2013. In February 2013 RusForest also secured an additional USD 3.94 mln bridge loan from Vostok Nafta at 9 per cent interest which was fully repaid in March 2013. In the Income Statement for the period ended March 31, 2013 Vostok Nafta has recognised interest income in the amount of USD 0.19 mln from RusForest AB for the both loans.

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 Petroleum AB, 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 and Board of Directors

Compensation paid or payable includes salary and bonuses to the management and remuneration to the Board members.

Three Months Report Covering the Period January 1, 2013–March 31, 2013

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 March 31, 2013.

	Level 1	Level 2	Level 3	Total balance
Financial assets at fair value				
through profit or loss	10,084	131,000	–	141,084
Investments in				
associated companies	102,363	78,942	–	181,305
Current loan receivables	–	5,252	–	5,252
Total assets	112,448	215,194	–	327,641

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
Current loan receivables	–	5,109	–	5,109
Total assets	83,851	215,051	–	298,902

During the first quarter 2013 there have been no transfers between level 1, 2 and 3.

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 LBO valuation, asset based valuation as well as forward looking multiples valuation based on comparable traded companies.

The investments in Vostok Nafta's unlisted financial instruments Tinkoff Credit Systems and Avito are classified as level 2 investments since both investments are valued on the basis of recent transactions

in the companies made at prevailing market conditions in close proximity to the year end 2012. See Vostok Nafta's Annual Report 2012, note 3, p. 38 for details. 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 valuations are adjusted accordingly.

Note 4 Events after the reporting period

On May 7, 2013 the Board of Directors of Vostok Nafta has resolved to convene a Special General Meeting of the Company to be held on May 24, 2013 to consider approval of the distribution of shares held in Black Earth Farming Ltd and RusForest AB through a share split in a combination with a mandatory redemption programme. Under the Board's proposal, each SDR will be divided into three SDRs, of which two will be redeemed. Altogether, the proposal means that shares representing a value of approximately USD 84 million will be distributed to SDR holders.

After the end of the first quarter period there has been a complete liquidation of the holdings in Kuzbass Fuel Company (USD 6.7 mln), as well as the majority of the remaining part of Vostok Nafta's listed financial holdings.

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 March 31, 2013 the Vostok Nafta Investment Ltd Group consists of the Bermudian parent company, one wholly-owned Bermudian subsidiary, one wholly-owned Cypriot subsidiary, one wholly-owned Cypriot subsidiary which is under liquidation, 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 –0.54 (3.45) 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.

Upcoming Reporting Dates

Vostok Nafta's six month report for the period January 1, 2013–June 30, 2013 will be published on August 14, 2013.

May 15, 2013

Per Brilioth

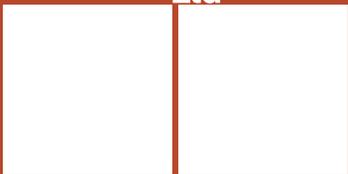
Managing Director

Vostok Nafta Investment Ltd

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

Three Months Report Covering the Period January 1, 2013–March 31, 2013

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