

**OJSC "SURGUTNEFTEGAS"**

**INTERIM CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED)  
PREPARED IN ACCORDANCE WITH IAS 34**

**30 JUNE 2013**

## Contents

Interim condensed consolidated statement of financial position .....	3
Interim condensed consolidated statement of income and other comprehensive income .....	4
Interim condensed consolidated statement of cash flows .....	5
Interim condensed consolidated statement of changes in equity .....	6
Notes to the interim condensed consolidated financial statements .....	7
1 General information .....	7
2 Basis of preparation.....	7
3 Significant accounting policies and new financial reporting standards.....	7
4 Subsidiaries .....	8
5 Segment information.....	9
6 Related party transactions .....	12
7 Cash and cash equivalents.....	13
8 Deposits placed .....	14
9 Receivables .....	16
10 Advances issued.....	17
11 Inventories .....	17
12 Property, plant and equipment.....	18
13 Loans granted.....	20
14 Investments in associates.....	20
15 Payables and accrued liabilities .....	20
16 Other tax liabilities .....	21
17 Provisions for liabilities and charges.....	21
18 Other financial liabilities .....	21
19 Export customs duty .....	21
20 Operating expenses.....	21
21 Finance income and expenses .....	22
22 Exchange differences .....	22
23 Earnings per share .....	23
24 Dividends.....	23
25 Fair value of the financial instruments .....	23
26 Subsequent Events.....	24

**OJSC “Surgutneftegas”**  
**Interim condensed consolidated statement of financial position**  
*(in millions of Russian rubles, unless otherwise stated)*

Note	As of 30 June 2013 (unaudited)	As of 31 December 2012
<b>ASSETS</b>		
<b>Current assets</b>		
7	43,138	40,964
	642	664
8	254,665	327,533
13	3,496	4,814
	7,231	2,979
9	81,564	79,742
11	51,144	52,534
10	19,968	28,067
	6,815	6,930
	11	4,606
	12	149
	<b>468,686</b>	<b>548,982</b>
<b>Non-current assets</b>		
12	996,814	920,476
	8,343	8,319
8	738,456	552,072
	9,089	7,950
	6,235	9,806
	687	639
13	25,531	17,458
9	899	1,160
	3,000	4,101
	<b>1,789,054</b>	<b>1,521,981</b>
	<b>2,257,740</b>	<b>2,070,963</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
15	62,493	36,688
18	20,987	18,322
	8,425	9,947
16	28,017	29,963
	6,919	31
	146	240
17	4,054	2,923
	<b>131,041</b>	<b>98,114</b>
<b>Non-current liabilities</b>		
17	70,000	67,611
18	10,556	8,498
	95,524	81,791
	1,395	1,601
	<b>177,475</b>	<b>159,501</b>
<b>Equity</b>		
	154,666	154,666
	(111)	(111)
	57,809	57,809
	1,736,582	1,600,926
	101	(111)
	<b>1,949,047</b>	<b>1,813,179</b>
	177	169
	<b>1,949,224</b>	<b>1,813,348</b>
	<b>2,257,740</b>	<b>2,070,963</b>

\_\_\_\_\_  
V.G.Barankov

First Deputy Director General of  
OJSC “Surgutneftegas”  
on Finance and Taxation  
29 August 2013

\_\_\_\_\_  
A.V.Druchinin

Chief Accountant  
OJSC “Surgutneftegas”  
29 August 2013

*The accompanying notes are an integral part of these interim condensed consolidated financial statements.*

**OJSC "Surgutneftegas"****Interim condensed consolidated statement of income and other comprehensive income***(in millions of Russian rubles, unless otherwise stated)*

<b>Note</b>	<b>Six months ended 30 June 2013 (unaudited)</b>	<b>Six months ended 30 June 2012 (unaudited)</b>	
5	<b>Sales</b>	631,735	645,384
19	less: export duties	(239,412)	(229,429)
5	<b>Total sales revenue:</b>	<b>392,323</b>	<b>415,955</b>
	sale of crude oil	235,895	227,632
	sale of oil products	137,847	168,295
	sale of gas and gas products	11,194	12,442
	sale of other products and finished goods	3,930	3,537
	other sales	3,457	4,049
20	<b>Operating expenses</b>	<b>(293,575)</b>	<b>(303,369)</b>
	<b>Operating income</b>	<b>98,748</b>	<b>112,586</b>
21	Finance income	25,653	20,218
21	Finance expenses	(2,797)	(1,648)
22	Exchange differences	77,270	18,662
14	Gain / (loss) on sale and other disposal of financial assets	2,364	(33)
	Share of profit / (loss) of associates	36	(287)
	Other income / (expenses)	(205)	(65)
	<b>Profit before tax</b>	<b>201,069</b>	<b>149,433</b>
	<b>Income tax</b>	<b>(35,464)</b>	<b>(27,341)</b>
	<b>Net income</b>	<b>165,605</b>	<b>122,092</b>
	<b>Other comprehensive income / (expense) that may be reclassified subsequently to profit / (loss)</b>		
	Changes in fair value of available-for-sale financial assets	88	20
	<b>Other comprehensive income / (expense) that may not be reclassified subsequently to profit / (loss)</b>		
	Remeasurements of post employment benefit obligations	(551)	(1,168)
	<b>Total other comprehensive income (expense)</b>	<b>(463)</b>	<b>(1,148)</b>
	<b>Total comprehensive income</b>	<b>165,142</b>	<b>120,944</b>
	<b>Net income</b>		
	attributable to shareholders	<b>165,600</b>	<b>122,082</b>
	attributable to non-controlling interests	<b>5</b>	<b>10</b>
	<b>Total comprehensive income</b>		
	attributable to shareholders	<b>165,134</b>	<b>120,934</b>
	attributable to non-controlling interests	<b>8</b>	<b>10</b>
	Net earnings attributable to shareholders per ordinary share (RUB)		
23	basic and diluted	4.64	3.42

*The accompanying notes are an integral part of these interim condensed consolidated financial statements.*

**OJSC “Surgutneftegas”**  
**Interim condensed consolidated statement of cash flows**  
*(in millions of Russian rubles, unless otherwise stated)*

Note	Six months ended 30 June 2013 (unaudited)	Six months ended 30 June 2012 (unaudited)
<b>Operating activities</b>		
	201,069	149,433
20	23,891	19,605
	3,264	2,809
	(70,761)	(18,084)
	(2,364)	33
21	2,013	828
21	(25,612)	(19,798)
21	743	400
	2,223	1,751
	66	(44)
<b>Cash flows from operating activities before changes in working capital</b>		
	<b>134,532</b>	<b>136,933</b>
	(2,492)	17,955
	8,099	13,929
	1,124	(2,776)
	650	(387)
	(4,335)	(1,879)
	(1,522)	(4,584)
	22	(80)
	(1,694)	(155)
	(206)	120
<b>Cash from operating activities</b>		
	<b>134,178</b>	<b>159,076</b>
	(10,136)	(25,423)
<b>Net cash from operating activities</b>		
	<b>124,042</b>	<b>133,653</b>
<b>Investing activities</b>		
	(101,356)	(64,087)
	(306,002)	(230,137)
	263,750	155,647
	(48,388)	(9,698)
	42,251	7,182
	22,857	12,278
14	6,007	-
	2,338	584
	(7,763)	(1,011)
	162	173
<b>Net cash used for investing activities</b>		
	<b>(126,144)</b>	<b>(129,069)</b>
<b>Financing activities</b>		
	4,326	2,609
	(442)	(359)
<b>Net cash from financing activities</b>		
	<b>3,884</b>	<b>2,250</b>
<b>Net change in balances of cash and cash equivalents</b>		
	<b>1,782</b>	<b>6,834</b>
	392	(235)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		
	<b>40,964</b>	<b>19,010</b>
<b>Cash and cash equivalents at the end of the reporting period</b>		
	<b>43,138</b>	<b>25,609</b>

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

**OJSC “Surgutneftegas”**  
**Interim condensed consolidated statement of changes in equity**  
*(in millions of Russian rubles, unless otherwise stated)*

	Share capital	Share premium	Treasury shares	Retained earnings	Other reserves	Total	Non-controlling interest	Total equity
<b>Balance as of 31 December 2011</b>	<b>154,666</b>	<b>57,809</b>	<b>(111)</b>	<b>1,458,838</b>	<b>(199)</b>	<b>1,671,003</b>	<b>141</b>	<b>1,671,144</b>
Net income for the period	-	-	-	122,082	-	122,082	10	122,092
Other comprehensive income/ (expense)	-	-	-	(1,163)	15	(1,148)	-	(1,148)
Dividends declared	-	-	-	(37,986)	-	(37,986)	-	(37,986)
<b>Balance as of 30 June 2012 (unaudited)</b>	<b>154,666</b>	<b>57,809</b>	<b>(111)</b>	<b>1,541,771</b>	<b>(184)</b>	<b>1,753,951</b>	<b>151</b>	<b>1,754,102</b>
<b>Balance as of 31 December 2012</b>	<b>154,666</b>	<b>57,809</b>	<b>(111)</b>	<b>1,600,926</b>	<b>(111)</b>	<b>1,813,179</b>	<b>169</b>	<b>1,813,348</b>
Net income for the period	-	-	-	165,600	-	165,600	5	165,605
Other comprehensive income/ (expense)	-	-	-	(678)	212	(466)	3	(463)
Dividends declared	-	-	-	(29,266)	-	(29,266)	-	(29,266)
<b>Balance as of 30 June 2013 (unaudited)</b>	<b>154,666</b>	<b>57,809</b>	<b>(111)</b>	<b>1,736,582</b>	<b>101</b>	<b>1,949,047</b>	<b>177</b>	<b>1,949,224</b>

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

## **1 General information**

Open Joint Stock Company “Surgutneftegas” (the Company), a leading Russian oil company, is one of ten world’s largest private hydrocarbon producers.

The core activities of the Company and its subsidiaries (together, “the Group”) are:

hydrocarbon exploration and production: prospecting, exploration, and operation of oil and gas fields;

manufacturing and marketing of petroleum and petrochemical products, gas processing, crude oil refining and associated petroleum gas processing, production of different types of petroleum and petrochemical products, wholesale and retail sales of fuel and related goods and services.

Other financial and business activities include banking and insurance activities, and provision of other goods, works and services.

## **2 Basis of preparation**

These interim condensed consolidated financial statements for the six months ended 30 June 2013 have been prepared in accordance with IAS 34 “Interim financial reporting” and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2012, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

These interim condensed consolidated financial statements are unaudited and do not include certain information and disclosures required for annual financial statements. Separate disclosures which duplicate the information contained in the annual consolidated financial statements for the year ended 31 December 2012 and as of that date have been omitted or condensed.

## **3 Significant accounting policies and new financial reporting standards**

The accounting policies applied in these interim condensed consolidated financial statements are the same as those applied and described in the Group’s first IFRS consolidated financial statements for 2012, except for new standards and interpretations required for annual periods beginning on 1 January 2013 and calculations of the income tax represented below.

The application of standards IFRS 10 “Consolidated financial statements”, IFRS 11 “Joint arrangements” and IFRS 12 “Disclosure of interests in other entities” has had no material impact on the Group’s consolidated financial statements for the six months ended 30 June 2013.

In addition, the application of IFRS 12 requires additional disclosures in the annual consolidated financial statements.

IFRS 13 “Fair value measurement” (IFRS 13). IFRS 13 measurement and disclosure requirements apply to the end of the year ended December 2013. The application of IFRS 13 has not materially impacted the fair value measurements conducted by the Group. Additional information concerning the fair value is disclosed in Note 25 in accordance with IAS 34.

IAS 19 “Employee benefits” (revised) (IAS 19). Revised IAS 19 amends the accounting for employment benefits. The Group has applied the standard retrospectively in accordance with the transition provisions of the standard.

The interim financial statements are mostly influenced by the following amendments provided by the revised standards:

It introduces a new term – “remeasurements of post-employment benefit obligations” which is made up of actuarial gains and losses. The revised standard requires remeasurements of post-employment benefit obligations to be recognised in other comprehensive income – outside profit or loss. These amendments are applied retrospectively. Remeasurements of post-employment benefit obligations in the interim condensed consolidated statement of financial position and statement of changes in equity are represented in retained earnings.

Amendments to IAS 1 “Presentation of Financial Statements”. Other comprehensive income includes items which are grouped as follows:

**OJSC “Surgutneftegas”****Notes to the interim condensed consolidated financial statement (unaudited)***(in millions of Russian rubles, unless otherwise stated)*

items which will be subsequently reclassified to profit or loss upon fulfillment of certain conditions in compliance with other IFRS standards (changes in fair value of available-for-sale financial assets);

items which will not be subsequently reclassified to profit or loss in compliance with other IFRS standards (remeasurements of post-employment benefit obligations).

For interim periods income tax is calculated based on the rate to be applied to an expected weighted average annual profit or loss.

After the publication of the Group’s annual financial statements for 2012, a number of new standards and interpretations, which are obligatory for the Group’s annual reporting periods beginning on and after 1 January 2014 and which are not accepted by the Group ahead of schedule, had been published. SIC (IFRIC) 21 – “Charges” (issued on 20 May 2013 and effective for annual periods beginning on 1 January 2014), amendments to IAS 36 – “Recoverable Amount Disclosures for Non-Financial Assets” (issued on 29 May 2013 and effective for annual periods beginning on 1 January 2014), amendments to IAS 39 – “Novation of Derivatives and Continuation of Hedge Accounting” (issued on 27 June 2013 and effective for annual periods beginning on 1 January 2014). At present the Group is considering the impact of these amendments on the disclosures and financial statements of the Group.

The Group also did not accept ahead of schedule new standards and interpretations which are disclosed in Note “New standards and interpretations” in the annual financial statements for 2012 and effective for annual periods beginning on and after 1 January 2014.

**Seasonality of operations**

The Group’s operations are not seasonal. Income and expenses are recognised evenly during the year.

**4 Subsidiaries**

The Company has the following subsidiaries registered and doing business in the Russian Federation.

<b>Description</b>	<b>Area of activity</b>	<b>As of 30 June 2013 Ownership interest (%)</b>	<b>As of 31 December 2012 Ownership interest (%)</b>
<i>Oil and gas exploration and production</i>			
OJSC “Surgutneftegas”	Oil and gas exploration and production	Parent company	Parent company
<i>Oil refining</i>			
“KINEF” LLC	Oil refining	100 %	100 %
<i>Oil products sale</i>			
“Novgorodnefteproduct” LLC	Oil products sale	100 %	100 %
“Pskovnefteproduct” LLC	Oil products sale	100 %	100 %
“Kaliningradnefteproduct” LLC	Oil products sale	100 %	100 %
“MA ”Tvernefteproduct” LLC	Oil products sale	100 %	100 %
“KIRISHIAVTOSERVIS” LLC	Oil products sale	100 %	100 %
<i>Other companies</i>			
“Insurance Company “Surgutneftegas” LLC	Insurance	99.976 %	99.976 %
“Insurance Company “Surgutneftegas-Life” LLC	Insurance	99.976 %	99.976 %
Closed Joint Stock Company “Surgutneftegasbank” (ZAO “SNGB”)	Banking operations	97.7591 %	97.7591 %
“Surgutmebel” LLC	Manufacture of wood construction items	100 %	100 %
OJSC “Sovkhoz “Chervishevsky””	Argiculture	94.9996 %	94.9996 %
“Media-invest” LLC	Television broadcasting	100 %	100 %
“Lengiproneftekhim” LLC	Engineering	100 %	100 %



The presented list of subsidiaries is complete; the Group has no subsidiaries outside the Russian Federation.

## **5 Segment information**

The information about the Group is considered by individual executive body represented by director general of the Company and deputies of director general covering different operations to comprise the following operating segments:

“Exploration and production” comprises the Company’s operations in exploration, evaluation, production of oil and gas, and oil sale;

“Refining and sale” includes the Company’s operations in oil and gas processing, and sale of refined products, in addition to subsidiaries of the Group involved in refining and refined products sale, and engineering services;

“Other activity” includes all other non-significant segments having no similar economic performance and represents subsidiaries of the Group engaged in banking operations, insurance and production of other goods, jobs and services. This information was not presented separately as the management does not make allowance for the performance of these segments when making decision regarding resource distribution or the total operating efficiency of the Group.

On a monthly basis the management estimates performance results of the segments based on the revenue, profit and operating expenses to resolve on resource distribution and operating efficiency. This analysis is made under Russian Accounting Standards (RAS). Reconciliation with IFRS consolidated financial statements is performed. Performance results of operational segments in consolidated financial statements under IFRS do not significantly differ from those under RAS.

Results of separate significant operations and a number of adjustments required to bring RAS statements in line with the relevant IFRS amounts are considered by the management across the whole Group without breakdown by segments.

Sales operations among operational segments recorded as “inter-segment sales” are performed based on market prices.

**OJSC "Surgutneftegas"****Notes to the interim condensed consolidated financial statement (unaudited)***(in millions of Russian rubles, unless otherwise stated)*

Performance results of operational segments for the six months ended 30 June 2013 (unaudited):

	<b>Exploration and production</b>	<b>Refining and sale</b>	<b>Other activity</b>	<b>Inter- segment sales</b>	<b>Total segment information</b>
<b>Sales revenue</b>					
Export including	<b>195,087</b>	<b>92,070</b>	-	-	<b>287,157</b>
<i>revenues from crude sales</i>	194,838	-	-	-	194,838
<i>revenues from oil products sales</i>	-	91,228	-	-	91,228
<i>revenues from gas products sales</i>	-	842	-	-	842
<i>other sales</i>	249	-	-	-	249
Domestic market, including	<b>60,160</b>	<b>68,918</b>	<b>1,350</b>	<b>(25,262)</b>	<b>105,166</b>
<i>revenues from crude sales</i>	47,093	-	-	(6,036)	41,057
<i>revenues from oil products sales</i>	-	64,891	-	(18,272)	46,619
<i>revenues from gas and gas products sales</i>	8,615	1,740	-	(3)	10,352
<i>sale of other products and finished goods</i>	1,654	1,681	827	(232)	3,930
<i>other sales</i>	2,798	606	523	(719)	3,208
<b>Total sales revenue</b>	<b>255,247</b>	<b>160,988</b>	<b>1,350</b>	<b>(25,262)</b>	<b>392,323</b>
<b>Operating expenses</b>	<b>188,844</b>	<b>125,614</b>	<b>4,173</b>	<b>(25,056)</b>	<b>293,575</b>
<b>Operating income</b>	<b>66,403</b>	<b>35,374</b>	<b>(2,823)</b>	<b>(206)</b>	<b>98,748</b>
Finance income					25,653
Finance expenses					(2,797)
Exchange differences					77,270
Gain / (loss) on sale and other disposal of financial assets					2,364
Other income / (expenses)					(205)
<b>Share of profit / (loss) of associates</b>					<b>36</b>
<b>Profit before tax</b>					<b>201,069</b>
Income tax					(35,464)
<b>Net income</b>					<b>165,605</b>

**OJSC "Surgutneftegas"****Notes to the interim condensed consolidated financial statement (unaudited)***(in millions of Russian rubles, unless otherwise stated)*

Performance results of operational segments for the six months ended 30 June 2012 (unaudited):

	<b>Exploration and production</b>	<b>Refining and sale</b>	<b>Other activity</b>	<b>Inter- segment sales</b>	<b>Total segment information</b>
<b>Sales revenue</b>					
Export including	<b>179,335</b>	<b>104,427</b>	-	-	<b>283,762</b>
<i>revenues from crude sales</i>	179,248	-	-	-	179,248
<i>revenues from oil products sales</i>	-	104,427	-	-	104,427
<i>revenues from gas products sales</i>	-	-	-	-	-
<i>other sales</i>	87	-	-	-	87
Domestic market, including	<b>67,209</b>	<b>83,586</b>	<b>1,740</b>	<b>(20,342)</b>	<b>132,193</b>
<i>revenues from crude sales</i>	54,542	-	-	(6,158)	48,384
<i>revenues from oil products sales</i>	-	77,060	-	(13,192)	63,868
<i>revenues from gas and gas products sales</i>	8,149	4,296	-	(3)	12,442
<i>sale of other products and finished goods</i>	1,714	1,324	1,053	(554)	3,537
<i>other sales</i>	2,804	906	687	(435)	3,962
<b>Total sales revenue</b>	<b>246,544</b>	<b>188,013</b>	<b>1,740</b>	<b>(20,342)</b>	<b>415,955</b>
<b>Operating expenses</b>	<b>185,080</b>	<b>135,868</b>	<b>3,111</b>	<b>(20,690)</b>	<b>303,369</b>
<b>Operating income</b>	<b>61,464</b>	<b>52,145</b>	<b>(1,371)</b>	<b>348</b>	<b>112,586</b>
Finance income					20,218
Finance expenses					(1,648)
Exchange differences					18,662
Gain / (loss) on sale and other disposal of financial assets					(33)
Other income / (expenses)					(65)
<b>Share of profit / (loss) of associates</b>					<b>(287)</b>
<b>Profit before tax</b>					<b>149,433</b>
Income tax					(27,341)
<b>Net income</b>					<b>122,092</b>

**OJSC "Surgutneftegas"****Notes to the interim condensed consolidated financial statement (unaudited)***(in millions of Russian rubles, unless otherwise stated)*

Sales comprise the following (based on the registration country):

<b>Sales</b>	<b>Six months ended 30 June 2013 (unaudited)</b>	<b>Six months ended 30 June 2012 (unaudited)</b>
export of crude oil - Europe	267,726	246,682
export of crude oil - Asia	84,937	65,739
export of crude oil - CIS, other than Russia	19,419	27,035
export of crude oil - USA	2,608	2,490
domestic sales of crude oil	41,057	48,384
domestic sales of gas	8,665	8,201
<b>Total oil and gas sales</b>	<b>424,412</b>	<b>398,531</b>
export of oil products - Europe	150,120	171,158
domestic sales of oil products	46,619	63,868
export of gas products - Europe	1,510	-
domestic sales of gas products	1,687	4,241
<b>Total oil and gas products sales</b>	<b>199,936</b>	<b>239,267</b>
Other international market sales	249	87
Other domestic sales	7,138	7,499
<b>Total sales</b>	<b>631,735</b>	<b>645,384</b>
less: export duties	(239,412)	(229,429)
<b>Total sales revenue</b>	<b>392,323</b>	<b>415,955</b>

**Information about sales to the main buyers**

The Company has one buyer accounting for over 10 % of total revenues of the Group. Aggregate amount of revenues from this buyer during the six months ended 30 June 2013 and the year of 2012 is RUB 89,175 million and RUB 101,674 million, respectively. Sales revenue for this buyer is included in "Refining and sale".

The management does not believe that the Group depends on any individual buyer.

**6 Related party transactions**

For the purposes of these interim condensed consolidated financial statements, parties are generally considered to be related if one party has the ability to control the other party or can exercise significant influence over the other party in making financial and operational decisions. Management has used reasonable judgments in considering each possible related party relationship with attention directed to the substance of the relationship, not merely to the legal form.

Related parties may enter into transactions, which unrelated parties might not exercise, and transactions between related parties may not be affected on the same terms and conditions as transactions between unrelated parties.

For six months ended 30 June 2013 and the year of 2012, the Group entered into transactions with NPF "Surgutneftegas" to finance pensions of employees retired within the last six months ended 30 June 2013 and the year of 2012, and other related parties.

During the six months ended 30 June 2013 and the year of 2012, the Group contributed to NPF "Surgutneftegas" RUB 558 million and RUB 307 million, respectively.

As of 30 June 2013 and 31 December 2012, the Group had RUB 2,285 million and RUB 2,153 million of loans received from the related parties (funds of ZAO "SNGB" customers).

Information about the employee benefits for the key management personnel will be disclosed in the statements for 2013.

The Group has no significant operations and balances on operations with other related parties.

**OJSC "Surgutneftegas"****Notes to the interim condensed consolidated financial statement (unaudited)***(in millions of Russian rubles, unless otherwise stated)***7 Cash and cash equivalents**

Cash and cash equivalents represent the following:

	<b>As of 30 June 2013 (unaudited)</b>	<b>As of 31 December 2012</b>
Cash in hand and at current accounts	9,904	12,660
- rubles	5,296	4,656
- foreign currency	4,608	8,004
Deposits with original maturity under contract less than 3 months	33,234	28,304
<b>Total</b>	<b>43,138</b>	<b>40,964</b>

Interest rate range (annual) used to allocate cash and cash equivalents subject to currency rates are presented in the following table:

	<b>As of 30 June 2013 (unaudited)</b>	<b>As of 31 December 2012</b>
<b>Cash at current and correspondent accounts</b>		
US Dollars	0.05% - 1.00%	0.10% - 1.00%
Euro	1.00%	0.10% - 1.00%
Rubles	0.25% - 4.52%	0.10% - 4.52%
<b>Deposits with original maturity under contract less than 3 months:</b>		
US Dollars	0.05% - 0.27%	0.10% - 0.40%
Euro	0.14% - 0.22%	0.20%
Rubles	3.00% - 7.05%	2.70% - 7.75%

As of 30 June 2013, RUB 3,242 million was placed at current (correspondent) accounts with one bank with A+ international rating.

As of 31 December 2012, RUB 6,297 million was placed at current (correspondent) accounts with one bank with A international rating.

As of 30 June 2013 and 31 December 2012, RUB 17,815 million, RUB 11,165 million or 54 %, 39 % of deposits with original maturity under contract less than 3 months, respectively, were placed at current (correspondent) accounts with one bank with BBB international rating.

The analysis of credit quality of the banks used by the Group to allocate cash and equivalents based on external credit ratings assigned to the banks where cash is placed is presented in the table below. The relevant ratings are published by Standard &amp; Poor's and other credit-rating agencies. The ratings are reconciled with classifications of Standard &amp; Poor's:

**OJSC "Surgutneftegas"****Notes to the interim condensed consolidated financial statement (unaudited)***(in millions of Russian rubles, unless otherwise stated)*

	<b>As of 30 June 2013 (unaudited)</b>	<b>As of 31 December 2012</b>
Cash in hand	1,618	1,929
Central bank	5,082	2,854
<i>Commercial banks</i>		
Rating from A- to A+	4,264	9,099
Rating from BBB- to BBB+	26,595	24,450
Rating from BB- to BB+	2,506	1,948
Rating from B- to B+	1,318	276
No rating	1,755	408
<b>Total</b>	<b>43,138</b>	<b>40,964</b>

The carrying amounts of the Group's cash and cash equivalents, as of 30 June 2013 and 31 December 2012, denominated in the following currencies are presented in the table below:

	<b>As of 30 June 2013 (unaudited)</b>	<b>As of 31 December 2012</b>
Rubles	37,484	30,140
US Dollars	3,937	8,847
Euro	1,717	1,977
<b>Total</b>	<b>43,138</b>	<b>40,964</b>

Restricted cash represents obligatory reserves of the Group's bank (ZAO "SNGB") at RF Central Bank accounts.

**8 Deposits placed**

Placed deposits comprise the following:

	<b>As of 30 June 2013 (unaudited)</b>	<b>As of 31 December 2012</b>
Bank deposits:		
short-term	254,665	327,533
long-term	738,456	552,072
<b>Total</b>	<b>993,121</b>	<b>879,605</b>

Deposit interests received at current accounts of the Group for the six months of 2013 and the year of 2012 amounted to RUB 20,909 million and RUB 11,083 million, respectively.

The fair value of deposits is disclosed in Note 25.

**OJSC “Surgutneftegas”****Notes to the interim condensed consolidated financial statement (unaudited)***(in millions of Russian rubles, unless otherwise stated)*

The information about the banks used by the Group to allocate deposits is disclosed in the table below:

	<b>As of 30 June 2013 (unaudited)</b>	<b>As of 31 December 2012</b>
OJSC “Sberbank Of Russia”	499,377	383,921
“VTB Bank” OJSC	237,949	135,597
“Gazprombank” OJSC	114,363	168,813
CJSC Unicredit Bank	105,959	168,891
Other commercial banks of Russia	35,473	22,383
<b>Total</b>	<b>993,121</b>	<b>879,605</b>

The analysis of credit quality of the banks used by the Group to allocate deposits based on external credit ratings assigned to the banks is presented in the table below. The relevant ratings are published by Standard & Poor’s and other credit-rating agencies. The ratings are reconciled with classifications of Standard & Poor’s:

	<b>As of 30 June 2013 (unaudited)</b>	<b>As of 31 December 2012</b>
Rating from BBB- to BBB+	967,753	857,459
Rating from BB- to BB+	24,623	21,365
Rating from B- to B+	745	561
No rating	-	220
<b>Total</b>	<b>993,121</b>	<b>879,605</b>

Since the Group places deposits with high rated banks, there is no evidence of investment impairment related to the mentioned deposits.

Interest rate range (annual) used to place deposits subject to currency rates are presented below.

	<b>As of 30 June 2013 (unaudited)</b>	<b>As of 31 December 2012</b>
US Dollars	3.25% - 6.35%	3.64% - 6.35%
Euro	2.57% - 4.3%	3% - 4.41%
Rubles	5.9% - 9.6%	5.18% - 9.6%

The classification of deposits by currency and time remained till deposit withdrawal as of 30 June 2013 is presented below. Ruble denominated amounts of deposits are presented as of the reporting date.

	<b>US Dollars</b>	<b>Euro</b>	<b>Rubles</b>
with maturity less than 30 days	22,088	-	660
with maturity more than 30 days, but less than 90 days	3,091	5,557	586
with maturity more than 90 days, but less than 180 days	23,516	-	747
with maturity more than 180 days, but less than 270 days	87,704	4	1,158
with maturity more than 270 days, but less than 365 days	108,932	-	622
with maturity more than 365 days	738,438	-	18
<b>Total bank deposits</b>	<b>983,769</b>	<b>5,561</b>	<b>3,791</b>

**OJSC "Surgutneftegas"****Notes to the interim condensed consolidated financial statement (unaudited)***(in millions of Russian rubles, unless otherwise stated)*

The classification of deposits by currency and time remained till deposit withdrawal as of 31 December 2012:

	US Dollars	Euro	Rubles
with maturity less than 30 days	21,778	96,381	216
with maturity more than 30 days, but less than 90 days	12,154	20,354	1,046
with maturity more than 90 days, but less than 180 days	110,160	13,369	1,016
with maturity more than 180 days, but less than 270 days	22,844	5,128	1,161
with maturity more than 270 days, but less than 365 days	21,267	-	659
with maturity more than 365 days	551,976	-	96
<b>Total bank deposits</b>	<b>740,179</b>	<b>135,232</b>	<b>4,194</b>

**9 Receivables**

Accounts receivable include:

	As of 30 June 2013 (unaudited)	As of 31 December 2012
Trade receivables	78,103	77,992
Impairment provision	(254)	(261)
Other receivable	4,782	3,338
Impairment provision	(168)	(167)
<b>Total accounts receivable</b>	<b>82,463</b>	<b>80,902</b>
Financial part of the accounts payable	82,463	80,902

As of 30 June 2013 and 31 December 2012, receivables were denominated in the following currencies:

	As of 30 June 2013 (unaudited)	As of 31 December 2012
Russian ruble	10,888	10,567
US Dollars	71,530	70,293
Euro	45	42
<b>Total</b>	<b>82,463</b>	<b>80,902</b>

As of 30 June 2013 and 31 December 2012, trade receivables to the amount of RUB 77,849 million, RUB 77,730 million respectively are not overdue or impaired. These receivables consist mainly of trade receivables for oil and refined products.

A provision for impairment of trade receivables and other receivables has been estimated based on the individual customers, payment history, debts repaid after the reporting date (on an individual basis).



**OJSC "Surgutneftegas"****Notes to the interim condensed consolidated financial statement (unaudited)***(in millions of Russian rubles, unless otherwise stated)***10 Advances issued**

Advances issued include:

	<b>As of 30 June 2013 (unaudited)</b>	<b>As of 31 December 2012</b>
Export custom duties	12,676	19,354
Oil transport	3,605	4,399
Other advances issued	3,687	4,314
<b>Total</b>	<b>19,968</b>	<b>28,067</b>

**11 Inventories**

Inventories include:

	<b>As of 30 June 2013 (unaudited)</b>	<b>As of 31 December 2012</b>
Oil and refined products	10,046	10,154
Materials and supplies	33,525	35,575
Other reserves	7,301	6,599
Goods for resale	1,152	1,163
Work in progress	1,415	1,067
Gas and gas processing products	53	58
Impairment provision	(2,348)	(2,082)
<b>Total</b>	<b>51,144</b>	<b>52,534</b>

**OJSC "Surgutneftegas"****Notes to the interim condensed consolidated financial statement (unaudited)***(in millions of Russian rubles, unless otherwise stated)***12 Property, plant and equipment**

Flow of property, plant and equipment during the six months ended 30 June 2013:

	<b>Oil and gas exploration and production</b>	<b>Refining and sale</b>	<b>Other properties</b>	<b>Construction in progress</b>	<b>Total</b>
<b>Historical cost as of 31 December 2012</b>	723,945	133,902	94,347	85,782	1,037,976
Construction and proceeds	91,886	1,983	740	18,531	113,140
Reclassifications	-	1,408	3,689	(5,097)	-
Change in provision for liabilities related to disposals of assets	685	-	-	-	685
Disposals, retirements and other movements	(2,098)	(122)	(1,901)	(22)	(4,143)
<b>Historical cost as of 30 June 2013 (unaudited)</b>	814,418	137,171	96,875	99,194	1,147,658
<b>Accumulated depletion, depreciation and amortization as of 31 December 2012</b>	(74,838)	(20,972)	(21,690)	-	(117,500)
Charge for the period	(22,311)	(6,311)	(6,157)	-	(34,779)
Disposals, retirements and other movements	606	41	788	-	1,435
<b>Accumulated depletion, depreciation and amortization as of 30 June 2013 (unaudited)</b>	(96,543)	(27,242)	(27,059)	-	(150,844)
<b>Book value as of 31 December 2012</b>	649,107	112,930	72,657	85,782	920,476
<b>Book value as of 30 June 2013 (unaudited)</b>	717,875	109,929	69,816	99,194	996,814

**OJSC "Surgutneftegas"****Notes to the interim condensed consolidated financial statement (unaudited)***(in millions of Russian rubles, unless otherwise stated)*

Flow of property, plant and equipment during the six months ended 30 June 2012:

	<b>Oil and gas exploration and production</b>	<b>Refining and sale</b>	<b>Other properties</b>	<b>Construction in progress</b>	<b>Total</b>
<b>Historical cost as of 31 December 2011</b>	581,559	110,540	90,693	82,307	865,099
Construction and proceeds	59,195	766	321	14,341	74,623
Reclassifications	-	12,769	2,045	(14,814)	-
Change in provision for liabilities related to disposals of assets	6,352	-	-	-	6,352
Disposals, retirements and other movements	(1,685)	(71)	(1,148)	(220)	(3,124)
<b>Historical cost as of 30 June 2012 (unaudited)</b>	645,421	124,004	91,911	81,614	942,950
<b>Accumulated depletion, depreciation and amortization as of 31 December 2011</b>	(35,070)	(9,143)	(10,767)	-	(54,980)
Charge for the period	(18,553)	(4,748)	(5,681)	-	(28,982)
Disposals, retirements and other movements	160	36	72	-	268
<b>Accumulated depletion, depreciation and amortization as of 30 June 2012 (unaudited)</b>	(53,463)	(13,855)	(16,376)	-	(83,694)
<b>Book value as of 31 December 2011</b>	546,489	101,397	79,926	82,307	810,119
<b>Book value as of 30 June 2012 (unaudited)</b>	591,958	110,149	75,535	81,614	859,256

Construction in progress mainly refers to the process of capital construction. As of 30 June 2013 and the year of 2012, property, plant and equipment included advances for purchase and construction of plant and equipment in the amount of RUB 3,066 million and RUB 1,295 respectively.

On each date of the consolidated financial statements, the management estimates a decline in the recoverable value of the assets below their carrying amount. As of 30 June 2013, no impairment of property, plant and equipment has been identified.

Depreciation of property, plant, and equipment includes the amount capitalized in construction in progress during the six months ended 30 June 2013 and the year of 2012 in the amount of RUB 11,390 million and RUB 9,887 million, respectively.

The cost of oil and gas exploration and production licenses included in property, plant and equipment for exploration and production during the six months ended 30 June 2013 changed as follows:

Cost as of 31 December 2012	28,890
Accumulated depreciation	(1,477)
<b>Book value as of 31 December 2012</b>	<b>27,413</b>
Proceeds	34,722
Disposals	(360)
Depreciation charge	(84)
<b>Book value as of 30 June 2013</b>	<b>61,691</b>

**OJSC "Surgutneftegas"****Notes to the interim condensed consolidated financial statement (unaudited)***(in millions of Russian rubles, unless otherwise stated)*

In February 2013, the Group obtained licenses for subsoil use of the part of the Shpilman field. Total purchase costs equaled RUB 46,200 million. As of 31 December 2012, property, plant and equipment (the cost of oil and gas exploration and production licenses) included advances for purchase of the license in the amount of RUB 14,000 million.

The cost of oil and gas exploration and production licenses included in property, plant and equipment for exploration and production during the six months ended 30 June 2012 changed as follows:

Cost as of 31 December 2011	15,355
Accumulated depreciation	(1,349)
<b>Book value as of 31 December 2011</b>	<b>14,006</b>
Proceeds	20
Disposals	(732)
Depreciation charge	(53)
<b>Book value as of 30 June 2012</b>	<b>13,241</b>

Assets of exploration and evaluation included in the cost of property, plant and equipment as of 30 June 2013 and the year of 2012 equaled RUB 39,060 million and RUB 34,690 million, respectively.

**13 Loans granted**

Long-term and short-term loans granted are represented by loans of the Bank ZAO "SNGB". As of 30 June 2013 and 31 December 2012, the amount of the loans granted was RUB 29,027 million and RUB 22,272 million, respectively. The increasing number of loans granted is due to the changes in the amount of crediting of legal entities and natural persons.

**14 Investments in associates**

In January 2013, the Company disposed its share in amount of 20 % of the charter capital to LLC "National Oil Consortium" by selling. The carrying amount equaled RUB 3,607 million, proceeds from sale amounted to RUB 6,007 million, the profit from sale equaled RUB 2,400 million and is published in the statement of income and other comprehensive income under the item "Gain / (loss) on sale and other disposal of financial assets".

**15 Payables and accrued liabilities**

Accounts payable and accrued liabilities include:

	<b>As of 30 June 2013 (unaudited)</b>	<b>As of 31 December 2012</b>
Accounts payable to employees of the Company	16,759	22,151
Trade payables	8,547	8,006
Accounts payable for acquired fixed assets	6,034	5,302
Other accounts payable	1,461	765
Accounts payable for dividends	29,692	464
<b>Accounts payable and accrued liabilities total</b>	<b>62,493</b>	<b>36,688</b>
Including the financial part of the accounts payable	45,734	14,537

Accounts payable are denominated mainly in rubles.

**OJSC "Surgutneftegas"****Notes to the interim condensed consolidated financial statement (unaudited)***(in millions of Russian rubles, unless otherwise stated)***16 Other tax liabilities**

	As of 30 June 2013 (unaudited)	As of 31 December 2012
Value added tax	1,191	1,825
Property tax	2,572	2,403
Mineral extraction tax	19,607	20,825
Other	4,647	4,910
<b>Other tax liabilities total</b>	<b>28,017</b>	<b>29,963</b>

**17 Provisions for liabilities and charges**

	As of 30 June 2013 (unaudited)	As of 31 December 2012
Liabilities related to disposal of assets	54,341	53,081
Post-employment obligations	16,545	15,382
Other liabilities	3,168	2,071
<b>Total provisions for liabilities and charges</b>	<b>74,054</b>	<b>70,534</b>

**18 Other financial liabilities**

Other current and non-current financial liabilities are current accounts and customer deposits of ZAO "SNGB". As of 30 June 2013 and 31 December 2012, the amount of the liabilities was RUB 31,543 million and RUB 26,820 million, respectively. The growth of financial liabilities is due to the changes in deposit balances of legal entities and natural persons.

**19 Export customs duty**

	Six months ended 30 June 2013 (unaudited)	Six months ended 30 June 2012 (unaudited)
Export customs duty on oil sales	179,852	162,698
Export customs duty on oil and gas products sales	59,560	66,731
<b>Total export customs duty</b>	<b>239,412</b>	<b>229,429</b>

**20 Operating expenses**

	Six months ended 30 June 2013 (unaudited)	Six months ended 30 June 2012 (unaudited)
Taxes excluding income tax	134,710	138,389
Production services	35,652	40,287
Depreciation, depletion and amortization	23,891	19,605
Selling and storage expenses	34,582	30,165
Employee benefits	40,423	36,997
Utility and electricity expenses	10,869	10,392
Goods for resale	3,861	17,570
Supplies	8,415	9,145
Changes in inventory and work in progress	(5,559)	(4,479)
Other expenses	6,731	5,298
<b>Total operating expenses</b>	<b>293,575</b>	<b>303,369</b>

**OJSC "Surgutneftegas"****Notes to the interim condensed consolidated financial statement (unaudited)***(in millions of Russian rubles, unless otherwise stated)*

Employee benefits include:

	<b>Six months ended 30 June 2013 (unaudited)</b>	<b>Six months ended 30 June 2012 (unaudited)</b>
Salary and charges	38,255	33,955
Provision for vacation	484	1,013
Liabilities for benefit plans	1,684	2,029
<b>Total employee benefits</b>	<b>40,423</b>	<b>36,997</b>

Taxes, other than income tax include:

	<b>Six months ended 30 June 2013 (unaudited)</b>	<b>Six months ended 30 June 2012 (unaudited)</b>
Mineral extraction tax	124,192	126,109
Excise	5,009	7,516
Property tax	5,160	4,518
Other taxes	349	246
<b>Total taxes excluding income tax</b>	<b>134,710</b>	<b>138,389</b>

**21 Finance income and expenses**

	<b>Six months ended 30 June 2013 (unaudited)</b>	<b>Six months ended 30 June 2012 (unaudited)</b>
Interest receivable	25,612	19,798
Interest income from discounting	41	420
<b>Total finance income</b>	<b>25,653</b>	<b>20,218</b>

	<b>Six months ended 30 June 2013 (unaudited)</b>	<b>Six months ended 30 June 2012 (unaudited)</b>
Interest expense from discounting	(2,054)	(1,248)
Interest payable	(743)	(400)
<b>Total finance expenses</b>	<b>(2,797)</b>	<b>(1,648)</b>

The amount of discount for placed deposits during the six months ended 30 June 2013 and the year of 2012 in the amount of RUB 1,218 million and RUB 696 million, respectively, is recognized in the item "Interest expense from discounting".

**22 Exchange differences**

For the six months of 2013 and the year of 2012, exchange differences arisen in the result of oil, gas and refined products sales performed in foreign currencies and reflection of the placed deposits in foreign currencies in the statement of financial position equaled RUB 77,270 million and RUB 18,662 million, respectively. The official exchange rates of the RF Central Bank for foreign currencies against the ruble are presented below:

	<b>As of 30 June 2013 (unaudited)</b>	<b>As of 30 June 2012</b>
US Dollars	32.71	32.82
Euro	42.72	41.32

**OJSC "Surgutneftegas"****Notes to the interim condensed consolidated financial statement (unaudited)***(in millions of Russian rubles, unless otherwise stated)*

Average exchange rates for the six months ended 30 June 2013 and the year of 2012 equaled:

	Six months ended 30 June 2013	Six months ended 30 June 2012
US Dollars	31.02	30.64
Euro	40.74	39.74

**23 Earnings per share**

The calculation of rate of basic earnings per share as of 30 June 2013 and the year of 2012 was made on the basis of the profit attributable to ordinary shareholders and the weighted average number of outstanding common shares, which amounted to 35,725,995 thousand shares, as shown below. The Company has no potential ordinary shares that have a dilutive effect.

	2013	2012
Shares outstanding as of 30 June, thousands	35,725,995	35,725,995
Effect of treasury shares, thousands	(650)	(650)
Weighted average number of shares as of 30 June, thousands	<b>35,725,345</b>	<b>35,725,345</b>
Profit for the reporting period attributable to shareholders	165,600	122,082
Amount of dividends payable on preference shares, million rubles *	-	-
Basic and diluted earnings per share, RUB	4.64	3.42

\* The Company neither declared nor paid out any dividend for the six months ended 30 June 2013 and the year of 2012.

**24 Dividends**

On 28 June 2013 the annual general meeting of shareholders of the Company declared dividends for the year ended 31 December 2012 in amount of 0.5 ruble for one ordinary share and 1.48 rubles for one preference share.

On 29 June 2012 the annual general meeting of shareholders of the Company declared dividends for the year ended 31 December 2011 in amount of 0.6 ruble for one ordinary share and 2.15 rubles for one preference share.

**25 Fair value of the financial instruments**

The estimated fair value of financial instruments is determined by the Group with reference to various market information (if any) and other valuation techniques as considered appropriate. The management has used all available market information in estimating the fair value of financial instruments.

Instruments that have no market quotation and the fair value of which cannot be reliably determined are accounted by their historical cost. The management cannot estimate fair value of the financial instruments with sufficient reliability because:

the companies-investees do not publish financial information about their operations;

the active market of these instruments is absent and the information about prices of recent trade deals with these documents is not available in the public sources of information;

there is significant discrepancy between possible estimated fair values, and it is difficult to determine for certain the probability of applying this or that type of fair value estimation.

Set out below is a table where a comparison of the fair values and carrying amounts of deposits and investments held to maturity is presented. The carrying amounts of all the remaining financial instruments do not differ from the fair value.

**OJSC "Surgutneftegas"****Notes to the interim condensed consolidated financial statement (unaudited)***(in millions of Russian rubles, unless otherwise stated)*

	As of 30 June 2013 (unaudited)		As of 31 December 2012	
	Carrying value	Fair value	Carrying value	Fair value
Deposits placed	993,121	1,015,939	879,605	880,165
Investments held-to-maturity	5,016	5,034	1,416	1,424

To classify financial instruments according to the evaluation classes the Group applies assumptions. If the market is active and there is possibility to determine market quotations the financial assets are classified as Level 1. If the market is not active and the fair value is determined on the basis of the mathematical model the financial assets are classified as Level 2. If a fair value evaluation is performed on the basis of non-observable data or observable data which require significant adjustments that evaluation is classified as Level 3.

Hierarchy levels for determining the fair value of financial instruments recorded at fair value as of 30 June 2013 are presented in the table below:

	Quoted prices in active markets (Level 1)	Valuation technique based on observable market data (Level 2)	Valuation technique with a significant amount of not observable data (Level 3)
Financial assets designated at fair value with revaluation results through profit and loss	689	-	1
Financial assets designated available-for-sale	5,098	-	5,516
<b>Total financial assets at fair value</b>	<b>5,787</b>	<b>-</b>	<b>5,517</b>

Hierarchy levels for determining the fair value of financial instruments recorded at fair value as of 31 December 2012 are presented below:

	Quoted prices in active markets (Level 1)	Valuation technique based on observable market data (Level 2)	Valuation technique with a significant amount of not observable data (Level 3)
Financial assets designated at fair value with revaluation results through profit and loss	920	-	1
Financial assets designated available-for-sale	3,099	-	5,493
<b>Total financial assets at fair value</b>	<b>4,019</b>	<b>-</b>	<b>5,494</b>

**26 Subsequent Events**

Significant events, which have influenced or may influence the financial performance, the cash flow and operating results of the Group, did not take place in the period between the reporting date and the date these interim condensed consolidated financial statements of the Group were issued.