

## **Background Information on Auditors**

### ***Ernst & Young***

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Ernst & Young is a leading international professional services company with a staff of 103,000 specialists in more than 140 countries. Some 1500 highly qualified specialists work in Russia and the CIS.

Ernst & Young renders services to more than 1000 leading Russian and international companies operating in various sectors of the Russian economy: finance, oil and gas, communications, retail and light industry, automobile manufacturing, heavy industry, transportation and real estate. The company audits 13 of the 35 top Russian companies listed in the Financial Times ranking of the "100 Leading Companies in Eastern Europe".

Company employees have earned higher qualifications working in the largest financial, commercial and energy global centers: Houston, Frankfurt, London, Moscow, New York, Paris and Sydney. Furthermore, they have established numerous networks of contacts in both business and government.

Many Russian experts, managers and company partners have successfully passed standard Certified Public Accountant (CPA) exams from the American Institute of Certified Public Accountants and qualification exams for the British Association of Chartered Certified Accountants (ACCA).

Ernst & Young has an international team of experts in the fuel and energy sector, organized in the form of the World Energy Centers. Situated in Moscow, Houston, London, Sydney, Calgary and Sao Paulo, these centers coordinate the accumulated international experience of the firm with the vast knowledge gained in the energy industry to provide client company with top quality service in any part of the world.

Ernst & Young's operations in the CIS in this field are coordinated through the Moscow Center of the World Energy Group, which gives clients access to a centralized and rationally organized team of experts with global, regional and national experience in auditing, taxation, corporate finance and law, as well as any field in the energy industry.

Ernst & Young's experience in the oil and gas sector includes servicing the largest Russian companies in this field, among lead multinational energy corporations and more than 100 oil and gas companies operating in the CIS. LUKoil Overseas, NAFTA-Moscow, Rosneft, Russia Petroleum Tatneft, BP, Shell, Statoil, Total, Wintershall are among the major companies that are Ernst & Young clients.

The company's main areas of specialty include developing audit reports in accordance with Russian accounting standards and IAS and aiding account consolidation and Russian-standard account conversion. It also offers tax consulting, business consulting and professional training services, legal consulting, corporate finance and asset and business valuation services.

Under the accepted Ernst & Young procedure, a partner independent from the working group checks audit conclusions on fiscal reports along with the execution of other procedures before a final conclusion is made. In addition, every company partner responsible for providing clients with auditing services is subjected to random inspection once in three years.

## *PriceWaterhouseCoopers*

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PriceWaterhouseCoopers is a leading international company offering consulting and auditing services. The company has an expansive office network encompassing all major markets, both established and developing.

The firm's prestigious client list, including some of the world's leading companies such as ExxonMobil, Royal Dutch/Shell, ChevronTexaco, ENI, Petrobras, EnCana, BG Group, Marathon Oil, and Petrochina, is a fundamental advantage and source of pride.

To improve the quality of services rendered to petroleum and energy businesses the world over, PriceWaterhouseCoopers has formed the World Energy Service, with major centers in Moscow, London and Houston. The World Energy Service specializes in three major fields – oil and gas, mining and power generation. The PriceWaterhouseCoopers World Energy Service is the leader in offering services to the international energy industry. The service employs over 3,000 specialists and has about 2,500 energy sector clients.

PriceWaterhouseCoopers is a recognized Russian market leader in providing specialized services to meet the ever-growing demands of oil, gas and mining businesses. Over 250 company specialists, working constantly with oil and gas businesses, have accumulated practical experience that enables the company to offer wide-ranging professional services.

Clients of PriceWaterhouseCoopers include some of the largest companies in Russia, such as YUKOS, Gazprom, TNK, Sidanco, and others.

PriceWaterhouseCoopers took first place in two annual ratings conducted by Expert RA for 2003, confirming its longstanding leadership among audit companies and also taking the top spot in a ranking of major Russian consulting groups.

PriceWaterhouseCoopers provides its clients with the broadest possible range of services, including auditing and consulting in financial and economic activities, legal and taxation services, management information systems, management consulting and corporate transaction support services.

PriceWaterhouseCoopers' gross revenue rose by 19% in 2003 year-on-year, totaling 3.288 billion rubles. The figure includes 1.743 billion rubles from audit services and 1.545 billion rubles from consulting.

Its positioning as the top consulting group in Russia provides for the further dynamic growth of PriceWaterhouseCoopers' consulting practice in areas such as legal services, taxation services, facilitating asset transactions, risk management and efficiency management, and corporate training. Consulting services revenue rose 80.4% in 2003 from the previous year.

## ***Deloitte & Touche Tohmatsu***

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Deloitte & Touche Tohmatsu unites firms providing services in almost 150 countries.

Some 120,000 staff members in various countries offer services in four fields: audit, taxation, management consulting and corporate finance. Deloitte & Touche Tohmatsu, including its affiliates, serves more than half of the largest companies in the world, as well as major state-owned companies, government agencies, companies playing central roles in their domestic markets, and rapidly growing international companies.

More than 800 domestic and foreign specialists are working at Deloitte & Touche Tohmatsu's CIS branches. The company's offices are located in Moscow, Saint Petersburg, Kyiv, Minsk, Baku, Tbilisi, Almaty, Astana, Atyrau, Bishkek and Tashkent. Deloitte & Touche Tohmatsu offers a full spectrum of services for both international corporations and domestic firms focused on growth, including audit, accounting assistance, tax consulting, legal consulting, corporate finance and corporate management consulting as well as management consulting.

Since its founding in 1893, the company has successfully developed and can be proud of its more than a century of history. In 2003, annual revenues totaled 15 billion dollars.

Deloitte & Touche Tohmatsu is remarkable for its spotless reputation and the most advanced audit methodology.

Deloitte & Touche Tohmatsu's tax division continues to lead the market, according to analysts from Emerson. In the October-November edition of Emerson's Professional Services Review, there was a special report on Deloitte & Touche Tohmatsu's tax division entitled "New Programs Confirm Deloitte & Touche Tohmatsu's Leadership in Taxation Services". The report highlights that a high level of ethics and quality customer service support the firm's successful marketing strategy and leadership position. Much emphasis in the report is placed on the successful use of new technology to provide busy top executives with useful and timely information.

Deloitte & Touche Tohmatsu is the recognized international leader in offering professional services to the oil and gas sector. The Deloitte & Touche Tohmatsu energy group services 28 of the 41 oil and gas companies on the *Fortune* ranking of the top 1000 companies. In the early stages of privatization of the Russian oil industry, Deloitte & Touche Tohmatsu served two of the seven major integrated oil companies. It currently serves vertically integrated companies, as well as large and small production companies.

Throughout the world, Deloitte & Touche Tohmatsu works actively in the energy sector as a whole, rather than exclusively in the oil and gas sector. This approach also works in Russia, where the process of forming world-class energy companies has just got under way.

Deloitte & Touche Tohmatsu provides audit services, drafts financial reports on a contract basis, offers management consulting services, analysis and re-engineering of business processes, looks for sources of financing, trains personnel and renders legal, risk assessment and prevention, and tax consulting services.

## ***KPMG***

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KPMG Russia is a part of the KPMG International association, a non-commercial organization, registered and acting according to laws of Switzerland. KPMG follows the procedures and the policies of KPMG International.

In Russia and the CIS, KPMG holds a leading position in providing services to the largest companies active in the energy and natural resources sectors, such as Lukoil, NGC Slavneft, TNK-BP, Gazprom, RAO UES, Transneft, Shell, Total, and others. The worldwide headquarters of KPMG's energy and natural resources council is located in Moscow.

KPMG provides complex services to client companies while taking into consideration the specifics of their industry, thus helping to boost its client's competitiveness. KPMG's services include: audit, review and preparation of financial statements in accordance with national and international standards; consulting services on transforming financial statements based on local accounting and legal requirements into IFRS or US GAAP; consulting services for initial public stock offerings, debt issuance and obtaining listings on international stock markets; mergers and acquisitions services; contract support services; preliminary analysis and implementation of SAP R/3 and integrated management systems; analysis and support in monitoring and control of capital expenditures; and training for management specialists and accountants.

Audit methodology is based on the worldwide audit approach of KPMG, adjusted to reflect the client company, the oil and gas sector, and the general economic situation in the Russian Federation.