

CONCLUSION of SPECIALIST

Prepared by Kevin F. Dages

“COMPASS LEXECON”

April 20, 2011

I. INTRODUCTION

A. SPECIALIST'S RIGHTS

1. I, Kevin F. Dages, prepared this "Conclusion of Specialists" (hereinafter "Conclusion") in response to attorney request #18 from attorney K.E. Rivkin, "Kaganer and Partners", dated April 5, 2011 (hereinafter "Attorney Request") regarding criminal case #1-23/10. A copy of Attorney Request is attached as Appendix A.

2. My rights and responsibilities under Statue 58 of the Russian Federation Criminal Code have been explained to me and are listed below:

1. Specialist is a person possessing special knowledge who is requested to participate in legal process established by the current Code in order to assist in discovery and review of case materials; in compilation of questions for expert; and in explaining to each side of the case as well as the Court questions that fall under specialist's professional competency.

2. Request to appear and rules of participating in court process is governed by Statues 168 and 270 of the current Code:

3. Specialist has the right to:

1) refuse to participate in court process if he/she does not possess relevant special knowledge;

2) question the other participants of investigation with permission from investigator, prosecutor, and the court;

3) review transcripts of investigation process in which the specialist participated in and make statements and comments that must be included in the transcripts;

4) submit complaints regarding the activity (or inactivity) and decisions of investigator, prosecutor, and the Court that limit the specialist's rights.

4. Specialist does not have the right to refuse appearance in front of investigator, prosecutor, or the Court. Specialist does not have to right to disclose any information contained in materials of preliminary investigation that the specialist reviewed in connection with participation in the court process, if the specialist has been informed about non-disclosure as is required by Statue 161 of the current Code. If the specialist disclosed information from preliminary investigation files, the specialist is liable under Statue 310 of the Russian Federation Criminal Code.

B. QUALIFICATIONS AND MATERIALS REVIEWED

3. I, Kevin F. Dages, am a Senior Vice President with Compass Lexecon, a consulting firm that applies economic analysis to legal and regulatory matters. I have been accepted as an expert and testified in United States Federal and State Courts and arbitrations involving matters relating to accounting, valuation, mergers and acquisition disputes, securities fraud, and shareholder/management fraud. I have a B.B.A. in Accounting from the Notre Dame University and am a Certified Public Accountant. My professional qualifications as set forth in more detail in my Curriculum Vita and my diploma, copies of which are attached herein as Appendix B.

4. In preparing this report, I have relied on the following materials: verdict, indictments for Lebedev and Khodorkovsky, report of crime, announced by Lebedev P.L. during court proceeding, select case materials, transcripts of trial testimony, transcripts of closing arguments and publicly available documents and information. A detailed list of materials I relied upon in preparing this report is attached as Appendix C.

C. ISSUES ADDRESSED AND SUMMARY OF CONCLUSIONS

5. The qualifications and experience listed above and outlined in Appendix A allow me to provide an answer to the questions contained in the Attorney Request. I was asked to provide a written answer to the following questions:

- 1) Do the case materials and trial record support the conclusions made by the Judge concerning the volumes of the oil “embezzled” from OAO “Tomskneft” VNK during 1999-2000?*
- 2) If the case materials and trial record do not support the Court’s conclusions, what are the reasons for the discrepancies?*
- 3) Do these discrepancies affect the ultimate conclusions made in the Verdict about the total amounts of “embezzled” oil during 1998-2000 period?*

6. As the evidence and trial materials detailed below demonstrate, the conclusions expressed in the Court's Verdict¹ regarding the volume of oil "*embezzled*"² from OAO "Tomskneft" VNK during the years 1999-2000 are both internally inconsistent and at odds with the case materials, the trial record and publicly available documents. The text of the Verdict contains inconsistent data: the data contained in the summary part of the Verdict listing the total amounts of "*embezzled*" oil from TN during 1999-2000³ is inconsistent with the "detail findings" part of the Verdict⁴ which lists the details of the contracts for sale and purchase of oil between OAO NK Yukos and OAO "Tomskneft" VNK, i.e. the Judge in the Verdict contradicts his own findings. This discrepancy exists because the Judge conflated the volume of "commercial oil" with the volume of "product" (which contains water and other additives) in determining the volume of oil "*embezzled*" from OAO "Tomskneft" VNK in 1999 and 2000. As such, the overstatement errors in volumes of oil are the following: for February 1999 – 1.4 mln. tonnes, for March 1999 – 1.7 mln. tonnes, for April 1999 – 1.7 mln. tonnes, for May 1999 – 1.8 mln. tonnes, for June 1999 – 1.7 mln. tonnes, for July 1999 – 1.7 mln. tonnes, for August 1999 – 1.8 mln. tonnes, for September 1999 – 1.7 mln. tonnes, for October 1999 – 1.8 mln. tonnes, for November 1999 – 1.8 mln. tonnes, for December 1999 – 1.9 mln. tonnes. Total error in the amount of oil in 1999 is 19 million tonnes. In other words, the total amount of oil sold by OAO "Tomskneft" VNK in 1999 was 10.3 million tonnes and not 29.3 million tonnes. For the year 2000 the error in the amount of "*embezzled*" oil from OAO "Tomskneft" VNK is 1.8 mln. tonnes. In other words, the total amount of oil sold by OAO "Tomskneft" VNK in 2000 was 11 mln. tonnes and not 13 mln. tonnes. In total for the years 1999 and 2000 the discrepancy in the oil amounts is 21 million tonnes. Based on this, the Judge in his Verdict significantly inflates (by almost 100%) the total amount of oil "*embezzled*" from OAO "Tomskneft" VNK in 1999-2000. The total amount of "*embezzled*" oil from OAO "Tomskneft" VNK during this time period should be 21.3 million tonnes and not 42.3 million tonnes as written in the Verdict. Consequently, this discrepancy significantly affects the total amount of oil "*embezzled*" from all three oil producing OAO NK

¹ Verdict of Khamovnicheskiy Moscow District Court, dated December 27, 2010 re Case No. 1-23/10 (hereinafter "Verdict"), p. 3.

² My use of the word "embezzled" in this Conclusion does not mean I agree with the Judge that the oil was embezzled.

³ "Summary" is Court's recap of aggregate amount of oil embezzled by M. Khodorkovsky and P. Lebedev as listed on pages 15-17 of the Verdict.

⁴ "Detail findings" are Court's recap of purchase-sale contracts and other documents as listed on pages 203-242 of the Verdict.

Yukos subsidiaries during 1998 – 2000 time period. The correct amount of oil “*embezzled*” from OAO Yuganskneftgas, OAO Samaraneftegaz and OAO “Tomskneft” VNK during 1998-2000 should be 126.2 million tonnes, and not 147.2 million tonnes.⁵

7. My conclusions are supported by the following documents:

- The Court’s Verdict itself, which is internally inconsistent between the detailed references to the underlying contracts for sale and purchase of oil between OAO NK Yukos and OAO “Tomskneft” VNK and the total amounts of “*embezzled*” oil;
- Select case materials, including the monthly contracts for purchase and sale of oil which identify the amount of “commercial oil” as distinct from “product” that was purchased by OAO NK Yukos from OAO “Tomskneft” VNK in 1999 and 2000 and do not support the Judge’s final summary opinion regarding the volume of oil purchased during that time period;
- Trial testimony from fact witnesses which does not support the Judge’s final summary opinion regarding the volume of “*embezzled*” oil;
- Publicly-available documents, which were available contemporaneously (1998-2000) and during the court hearings (2009-2010), including OAO NK Yukos’ audited financial statements, OAO “Tomskneft” VNK’s financial accounting statements, press releases, research reports from market analysts, ratings agency reports, and information on OAO “Tomskneft” VNK’s website – all of which do not support the Judge’s final summary opinion regarding the volume of oil “*embezzled*” from OAO “Tomskneft” VNK during 1999 and 2000; and

⁵ Verdict, p. 73. (126.2=147.2-21). See also Appendix D.

- The prosecutors’ own closing argument which conceded discrepancies between the allegations and the evidence regarding volume of oil purchased by OAO NK Yukos in 1999 and 2000 and requested a modification of charges of embezzlement, specifically a reduction to the 1999 and 2000 OAO “Tomskneft” VNK volumes of oil, as a result of these discrepancies.

II. INTRODUCTION

8. During the court hearings the representatives of the court process have been introduced multiple times to the various technical concepts and characteristics of oil, specifically the terminology that is widely used in the oil industry and the difference between “commercial oil” and “production oil” or “oil liquid”⁶. For example, on September 7, 2010 P.L. Lebedev in his testimony to the Court explained the difference between “oil” and “oil liquid”, citing to the Russian Standards documents (GOST):

“In the reality the issue here is about conflating the two terms: oil that is contained in the oil liquid, which gets extracted from the shaft, and oil that complies with GOST standards, which is what the oil industry generally calls “commercial oil”. Your Honor, in reality, the oil liquid that comes out of the oil head can hardly be called by one word – oil.

In the oil industry, Your Honor, we use the standard, it’s called GOST R 51365-99 (ISO 10423-94), where the term “oil liquid” is clearly defined. It is really just the liquid that comes out of the oil head. ... And here, you can see we divided up the process of oil transformation from oil liquid to commercial station of oil count at Transneft. Here it has to meet GOST R 51858-2002 standard. ... This definition “commercial oil” sounds as following: “Oil, ready for customer delivery in accordance with the requirements of existing parameters and technical documentation.””⁷

⁶ In this report I use the terms “production oil” and “oil liquid” interchangeably.

⁷ See Lebedev’s Testimony, September 7, 2010.

GOST standard documents were accepted into the case materials on April 13, 2010. In the remainder of this Conclusion, I use the definitions of these terms as they are defined in the GOST documents:

“**Oil liquid** – Liquid, gas and its mixtures, contained in oil well between oil stope and oil head”⁸

“**Commercial Oil (or oil)** – oil, that has been prepared for shipment to consumer in accordance with requirements of existing norm and technological documents, accepted according to established rules.”⁹

III. THE CONCLUSIONS MADE BY THE JUDGE IN HIS VERDICT REGARDING THE VOLUME OF OIL ARE INCONSISTENT AND ARE NOT SUPPORTED BY THE EVIDENCE.

9. In a Verdict dated December 27, 2010, presiding judge of the Khamovnichesky District Court of the City of Moscow, V.N. Danilkin found Mikhail Khodorkovsky and Platon Lebedev guilty of oil embezzlement and money laundering. In its Verdict, the Court found that Khodorkovsky and Lebedev “did in the course of 1998-2003 commit theft by way of embezzlement of property – oil – entrusted to them.”¹⁰ In detailing its ruling on the embezzlement charges as they relate to oil purchased from OAO “Tomskneft” VNK in 1999-2000, the Judge further stated:

“In 1999, the acquisition of oil by OAO NK Yukos at prices understated many-fold was executed under sale-and-purchase agreements entered into with a periodicity of ... every month on the basis of general agreement No. Yu-8-4-01/1888A of 04 November 1998, 29,292,767.000 tonnes of oil for an overall sum of RUB 3,339,616,039.99 from OAO Tomskneft VNK.”¹¹

⁸ GOST 28996-91

⁹ GOST R 51858-2002.

¹⁰ Verdict, p.3.

¹¹ Verdict, p. 15.

“Thus, in January 2000, the acquisition of oil by OAO NK Yukos at prices understated many-fold was executed ... under sale-and-purchase agreement No. Yu9-4-01/1946(01-20-621) of 30.12.1999 within the framework of general agreement No. Yu8-4-01/1888A of 4.11.1998, 2,732,479 tonnes of oil for an overall sum of RUB 633,006,085.14 from OAO Tomskneft VNK.”¹²

“In all in 2000, M.B. Khodorkovsky and the other members of the organised group did commit theft by way of embezzlement of 51,389,747.563 tonnes of oil belonging to OAO Samaraneftegas, OAO Yuganskneftegas and OAO Tomskneft VNK under the guise of transactions between NK Yukos and these oil production joint-stock companies in an overall sum of RUB 275,720,048,232.46, including from OAO Samaraneftegas - 8,123,311.00 tonnes, from OAO Yuganskneftegas - 30,287,971.00 tonnes and from OAO Tomskneft VNK – 12,978,465.563 tonnes.”¹³

Taken together, the Judge thus ruled that for the period of 1999-2000, the total oil “*embezzled*” from OAO “Tomskneft” VNK in 1999-2000 period was 42.3 mln. tonnes.¹⁴

My review of case materials, trial testimony, and publicly available documents demonstrates that these summary volumes are incorrect, overstated and contradicted by the actual detail contracts – even those summarized earlier by the Judge in its own Verdict. The actual amount of oil sold by OAO “Tomskneft” VNK for this time period is 21.3 mln. tonnes. The amount of oil listed in the Verdict as “*embezzled*” from OAO “Tomskneft” VNK in 1999 and 2000 is thus overstated by 21 mln. tonnes or 98%.¹⁵

A. INTERNAL INCONSISTENCY IN THE TEXT OF THE VERDICT

10. The text of the Verdict itself is internally inconsistent in its summary and detail findings regarding the volume of oil “*embezzled*” from OAO “Tomskneft” VNK in 1999 and 2000. In its recap of the evidence in support of the Verdict, the Court summarizes monthly contracts for the purchase and sale of oil which report the volume of commercial oil purchased over this time

¹² Verdict, p. 17.

¹³ Verdict, p. 30.

¹⁴ $29,292,767 + 12,978,466 = 42,271,233$ tonnes.

¹⁵ $(42,271,233 - 21,295,000)/21,295,000 = 98\%$.

period. For example, the Court describes the contract between OAO NK Yukos and OAO “Tomskneft” VNK for the purchase and sale of oil in December 1999 as follows:

- Contract on purchase and sale of products (rendering services) No. 01-20-557 of 26 November 1999, signed by the same persons, under which OAO Tomskneft VNK undertook to supply in December 1999 890,000 tonnes of crude marketable oil;
(vol. 144 c.f.s. 156)¹⁶

11. However, despite clearly pointing to and describing these contracts and the amounts of “commercial oil” or “marketable oil”, the Verdict ignores the volume of oil they document, instead apparently basing its volume conclusions in the summary on other documents - registers of asset purchases - which indicate substantially larger volumes but not volumes of “commercial oil” rather volumes of “product oil” (which includes water and other additives). For example, the Court describes a register for the purchase of assets by OAO NK Yukos in 1999 as follows:

a register of tangible asset purchasing transactions of OAO NK Yukos with a breakdown by counter-agents for the capitalisation period from 01.01.99 to 31.12.99 taken out during a seizure from OOO Yukos FBC, from which it follows that in 1999 OAO NK Yukos has also purchased 28,404,789 tonnes of oil for a total amount of RUB 3,546,638,500. 38 from OAO Tomskneft VNK;
(vol. 59 c.f.s. 92)¹⁷

As I will explain below, these registers do not report the volume of “commercial oil” purchased and instead report the volume of “product”, which contains water and other additives.

Apparently based on these registers, the Court inflated the amount of oil “*embezzled*” from OAO Tomskneft VNK in 1999 and 2000 – counting a total of 42,3 million tonnes of oil. By referencing and describing the actual underlying purchase contracts but ignoring their resulting volume totals, the Verdict itself is internally inconsistent and contradictory and, by itself, does not support the Court Verdict’s summary ruling regarding the volume of oil “*embezzled*” from OAO Tomskneft VNK in 1999 and 2000.

¹⁶ Verdict, p. 220-221.

¹⁷ Verdict, p. 221.

B. EVIDENCE FROM THE CASE MATERIALS

12. In order to calculate the volume of oil sold by OAO “Tomskneft” VNK in 1999 and 2000, I reviewed the actual purchase and sale contracts between OAO “Tomskneft” VNK and its buyers from the case materials. During this time period, OAO NK Yukos purchased oil from its production subsidiaries through purchase and sale contracts on a regular basis. These transactions were typically carried out based on a general agreement, which formed the basis for monthly contracts detailing the specific volume of oil and the price for purchases in a given month. From 1999 to 2000, OAO NK Yukos’s purchases from OAO “Tomskneft” VNK were governed by general agreement No. Yu-8-4-01/1888A.¹⁸ In the “Terminology” section, the general agreement defines the following terms:

- **“Commercial oil”** means oil that correspond to requirements of GOST [All Union State Standard] 9965-76 or <non-legible> 39-1623-93 (the standard is specified in contracts (agreements) on sale and purchase of products concluded periodically by the Parties in the framework of the present Agreement (hereinafter referred to in the text as the “Contract”, “Contracts”).
- **“Product”** is commercial oil that contains water and other admixtures, obtained as a result of production of oil. Products are the primary product for preparation (primary processing).¹⁹

In its monthly purchase and sale contracts with OAO “Tomskneft” VNK, OAO NK Yukos included specific references to the volume of “commercial oil” being purchased as well as references to the volume of “product”, from which the commercial oil would be produced. For example, for January 2000, the monthly purchase-sale contract differentiates between the volume of “product” to be purchased and the volume of “commercial oil” that product represents:

“Seller will deliver in January 2000, product and provide services, pursuant to the Agreement, and Buyer will accept them and pay under the following circumstances:

¹⁸ Vol. 49, pp. 33-37. (General Agreement No. Yu-8-4-01/1888A between OAO “Tomskneft” VNK and OAO NK Yukos dated November 4, 1998).

¹⁹ Vol. 49, p. 33, (General Agreement No. Yu-8-4-01/1888A between OAO “Tomskneft” VNK and OAO NK Yukos dated November 4, 1998), p. 1.

Volume of Product (approximate) **2 740 000** (Two Million Seven Hundred and Forty Thousand) tonnes.

872 000 (Eight Hundred and Seventy Two Thousand) tonnes of commercial oil”²⁰ (*Emphasis added*)

13. The “Terminology” section contained in the general agreement between OAO NK Yukos and OAO “Tomskneft” VNK is completely missing from the general agreements with other oil producing subsidiaries²¹. The monthly contracts with these entities, however, specifically state that the Seller (i.e. either Samaraneftegas or Yuganskneftegas) is responsible for delivering and bringing the oil to the standard of commercial quality and list only a single amount for oil volume – the amount of “commercial oil”. For example:

“The Seller promises from 1 January 1999 to 15 January 2000 to deliver and bring to commercial quality oil that is contained in the raw oil in the volume of production from all of its working oil heads, and the Buyer will accept it and will pay under the following circumstances:

- 1) Quantity (approximate) of oil:
 - 1 125 000 (One Million and One Hundred and Twenty Five Thousand) tonnes...”²²

14. My review of the monthly purchase and sale contracts between OAO “Tomskneft” VNK and OAO NK Yukos for the years 1999 and 2000 and the oil registers shows that the total discrepancy in the amount of oil is 21 million tonnes. See Table 1. Table 1 lists all months where discrepancies were found.

²⁰ Vol. 49, p. 38. (Monthly Contract for Purchase-Sale of Products (and Services) No. 01-20-621 between OAO “Tomskneft” VNK and OAO NK Yukos dated December 30, 1999).

²¹ See e.g., Vol. 49, pp. 24-28 (General Agreement No. Yu-21/610 between OAO “Samaraneftegas” and OAO NK Yukos dated July 31, 1996) and Vol. 49, pp. 43-47 (General Agreement No. Yu-21/612 between OAO “Yuganskneftegas” and OAO NK Yukos dated July 31, 1996).

²² Vol. 49, p. 48 (Monthly Contract for Purchase-Sale of Oil No. 83/Yu-21/612 between OAO “Yuganskneftegas” and OAO NK Yukos dated December 31, 1999). Similar language can be found in the monthly contacts between OAO “Samaraneftegas” and OAO NK Yukos. See, e.g. Vol. 49, p. 29 (Monthly Contract for Purchase-Sale of Oil No. 18E/Yu-21/610 between OAO “Samaraneftegas” and OAO NK Yukos dated December 31, 1999).

Table 1
List of Discrepancies re Oil Sold by OAO “Tomskneft” VNK
1999-2000

Month	Volume per Contract		Volume per oil register document	Discrepancy Between the Actual Volume of Commercial Oil and data in oil register documents	
	Commercial Oil (tonnes)	Product (tonnes)	Oil (tonnes)	(tonnes)	(%)
Jan-99	758,067		754,495	(3,572)	0%
Feb-99	1,080,475	2,400,000	2,478,511	1,398,036	129%
Mar-99	810,000	2,700,000	2,534,250	1,724,250	213%
Apr-99	800,000	2,400,000	2,542,817	1,742,817	218%
May-99	815,000	2,540,000	2,627,320	1,812,320	222%
Jun-99	815,000	2,519,000	2,518,974	1,703,974	209%
Jul-99	829,000	2,580,000	2,577,328	1,748,328	211%
Aug-99	836,500	2,620,000	2,614,291	1,777,791	213%
Sep-99	827,500	2,560,000	2,552,076	1,724,576	208%
Oct-99	873,000	2,700,000	2,697,715	1,824,715	209%
Nov-99	842,000	2,600,000	2,610,510	1,768,510	210%
Dec-99	890,000	2,780,000	2,784,480	1,894,480	213%
Jan-00	872,000	2,740,000	2,732,479	1,860,479	213%
Total	11,048,542	31,139,000	32,025,246	20,976,704	190%

15. Assuming an entity cannot sell more oil than it produces in a year, additional documents within the case materials support my conclusion that the correct volume of oil purchased in the years 1999-2000 is 21.3 million tonnes and not 42.3 million tonnes. First, a document prepared by OAO NK Yukos’ auditor PwC summarizing the company’s consolidated results in 1999 reported the following regarding the company’s production of oil²³:

	1998	1999
Tomskneft OJSC	10.5	10.3

²³ Vol. 195, p. 96-104, at 99. (Review of 1999 Consolidated Operations).

PwC thus reported that OAO “Tomskneft” VNK’s total production of oil in 1999 was 10.3 million tonnes. This calls into question the feasibility of OAO NK Yukos purchasing 29.2 million tonnes from OAO “Tomskneft” VNK over that time period while only producing 10.3 million tonnes. The discrepancy is further demonstrated in a press release from OAO NK Yukos’ website detailing the company’s production totals for the year 2000. The press release stated the following with regards to OAO “Tomskneft” VNK’s production: “Production by OAO Tomskneft grew by 700,000 tonnes and reached 11 million tonnes.”²⁴

C. TRIAL TESTIMONY

16. Testimony contained within the trial record also indicates that the volume of oil ruled by the Court as “*embezzled*” from OAO “Tomskneft” VNK was substantially overstated. First, witness Gurami Avalishvili, the former Deputy General Director and Chief Economist of OAO “Tomskneft” VNK, testified that it was not possible for OAO “Tomskneft” VNK to have produced nearly 30 million tonnes of oil in 1999:

Lebedev: You spoke about the period of 1997-1998, sometimes you even mentioned the period of 1999. Did I understand you correctly? I mean regarding the circumstances connected with the activity of Tomskneft.

Witness Avalishvili: Yes, some of the circumstances when I worked in the Tomsk Oblast administration.

Lebedev: Tell us, please, could Tomskneft produce in 1999 something like 30,000,000 [tonnes of oil]?

Witness Avalishvili: At that time, it could not.²⁵

Avalishvili is not an alleged member of the “organized group” and his testimony on this question reflects his experience as a former manager of OAO “Tomskneft” VNK, as a former deputy governor of the Tomsk region, and as a former Deputy Minister of Fuel and Energy of the Russian Federation.

²⁴ Vol. 131, p. 293, (Results of Activity in 2000 – OAO NK Yukos). If one subtracts 700 thousand tonnes of oil from 11 million produced by TN in 2000, one would get that TN produced 10.3 million tonnes in 1999 and not 29.2 million tonnes.

²⁵ See Avalishvili Testimony, October 6, 2009.

17. Avalishvili's testimony was supported by the trial testimony of witness Leonid Filimonov, the former President and General Manager of VNK, and a former General Director of OAO "Tomskneft" VNK. Filimonov testified:

Lebedev: I will now try to shape up the following question. Leonid Ivanovich, back in 1998, 1999 and 2000 you had relation to Tomskneft and during this time period for a while you were the Chairman of the Board of Directors?

Witness Filimonov: Yes, yes. True too that there was a lot of other work but I acted as the Chairman of the Board as well.

Lebedev: I am not talking about the details; so far I refer to general data.

Witness Filimonov: Yes.

Lebedev: Tell us please, could it have happened that Tomskneft in 1999 produced 30,000,000 tonnes of oil?

Witness Filimonov: Of course not. And the issue is not even that. Even if we turned Earth's axis, the issue is that Tomskneft's reserves, well, normal ... not normal but existing rules of technology: are 4, maximum 5 percent of the existing reserves, well, Americans in some places produce 6%. Say, 600 mln. times 4 is, well, 24. But then one would have needed to drill three times as much, and so on, and so forth. That was impossible. Second, cost of production, well, itself was so high that we chose, say, production sites carefully, and devices, and so on. Tomsk oil is expensive.²⁶

Taken together, the testimony of witnesses Avalishvili and Filimonov provide clear evidence that the volume of oil inconsistently summarized by the Verdict to have been purchased from OAO "Tomskneft" VNK in 1999 is not only overstated, but impossible.

D. PUBLICLY AVAILABLE DOCUMENTS

18. In addition to reviewing case materials and the trial record, I have also reviewed publicly available documents in order to determine whether the volume of oil inconsistently discussed and summarized by the Court in its Verdict to have been purchased by OAO NK Yukos from OAO "Tomskneft" VNK in 1999 and 2000 is overstated. To check the amounts I looked for oil production data for OAO "Tomskneft" VNK, assuming that a company whose business is to

²⁶ See Filimonov Testimony, July 27, 2010.

produce oil would not be able to sell more oil than it produces. My analysis of documents and information that was contemporaneously available during the time of oil purchase deals (1998-2003) and available during the court hearing, as well as currently available, shows that the Judge did overstate the amount of “*embezzled*” oil from TN since the production numbers available in these public sources for this entity are much lower.

19. Russian financial statements for OAO “Tomskneft” VNK for the year 2000 clearly states that the total amount of oil produced in 2000 was 11 million tonnes, and that this production was 702 thousand tonnes more than in 1999. This indicates that the 1999 production was 10.3 million, in line with what was reported in other publicly available sources, and inconsistent with the data used by the Judge and again points to the fact that OAO “Tomskneft” VNK could not sell 29.3 million tonnes of oil in 1999 – more oil than its total production for 1999.

“For Year 2000, OAO Tomskneft VNK produced 11 001, 1 thousand tonnes of oil, which is 702 thousand tonnes of oil higher than the previous year, or by 106.8%.”²⁷

20. In addition to the financial statements, multiple public documents from major Western investment banks and credit ratings agencies also contradict the Court Verdict’s final summary and confirm my findings. Research analysts from HSBC, Inc. released a coverage initiation report on OAO NK Yukos on December 13, 2000 which concluded that in 1999, OAO “Tomskneft” VNK’s annual production totaled 10.3 million tonnes, consistent with my findings, the case materials and other already cited publicly available sources:²⁸

²⁷ Financial accounting statement for 2000, OAO “Tomskneft” VNK, p. 29.

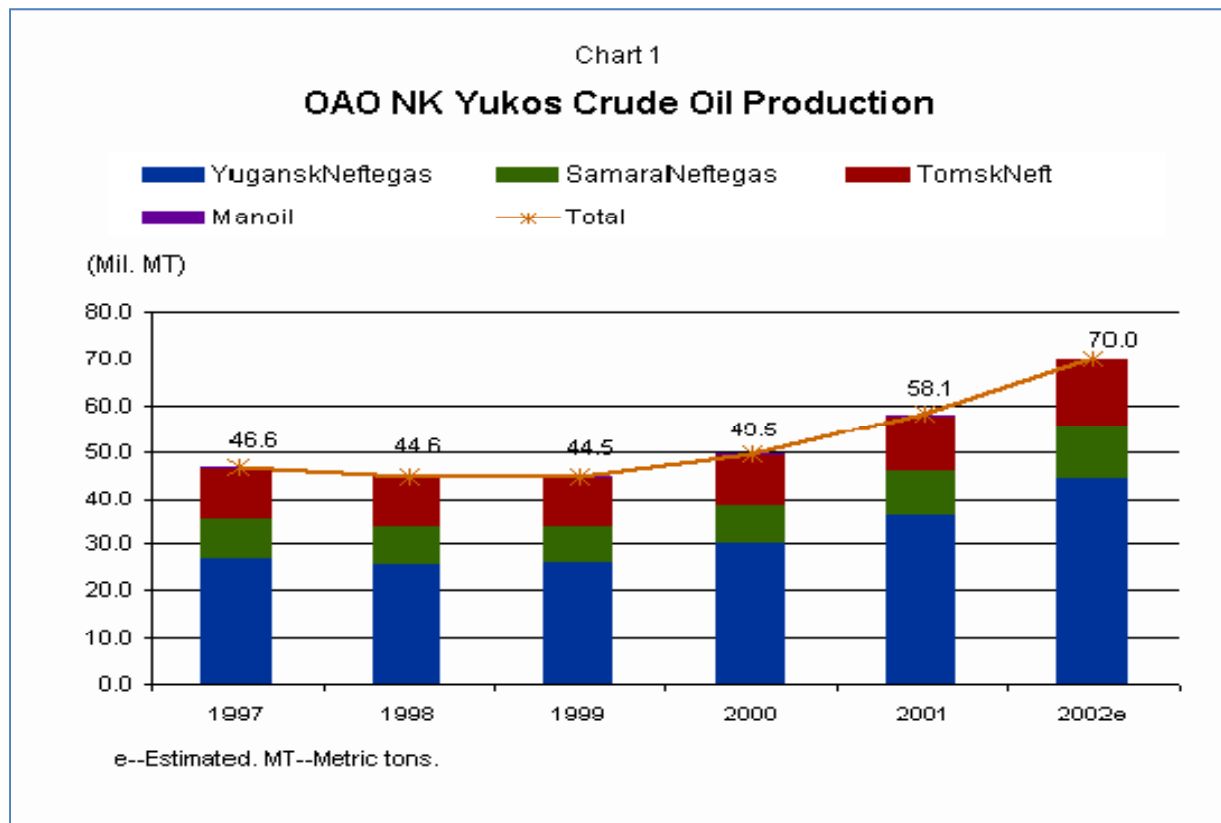
²⁸ HSBC, “Yukos: Inexpensive Growth,” December 13, 2000, p. 6.

Yukos—upstream production

	1999	Annual growth rate	
	mtpy	1996-9	2000-10
Yuganskneftegaz	23	-4%	
Samaraneftegaz	7.7	-6%	
Tomskneft	10.3	-3%	
Other	0	nm	
Total ex Priobskoye	41	-6%	3%
Priobskoye	3.2		13%
Yukos Group	44.2	-4%	5%

Source: Yukos, HSBC

21. These findings are corroborated by the ratings agency Standard & Poor's, which demonstrated in a report dated February 6, 2003 that the entire production of oil under the consolidated OAO NK Yukos for the year 1999 totaled 44.5 million tonnes. The following chart, taken directly from the S&P report, plots OAO NK Yukos' total crude oil production from 1997-2002, with colored bars depicting the relative portion produced by each production subsidiary:²⁹



²⁹ Standard & Poor's, "OAO NK YUKOS," February 6, 2003, p. 6.

The chart clearly demonstrates that OAO “Tomskneft” VNK’s production in 1999 was roughly 10 million tonnes of oil, not 29.3 million.

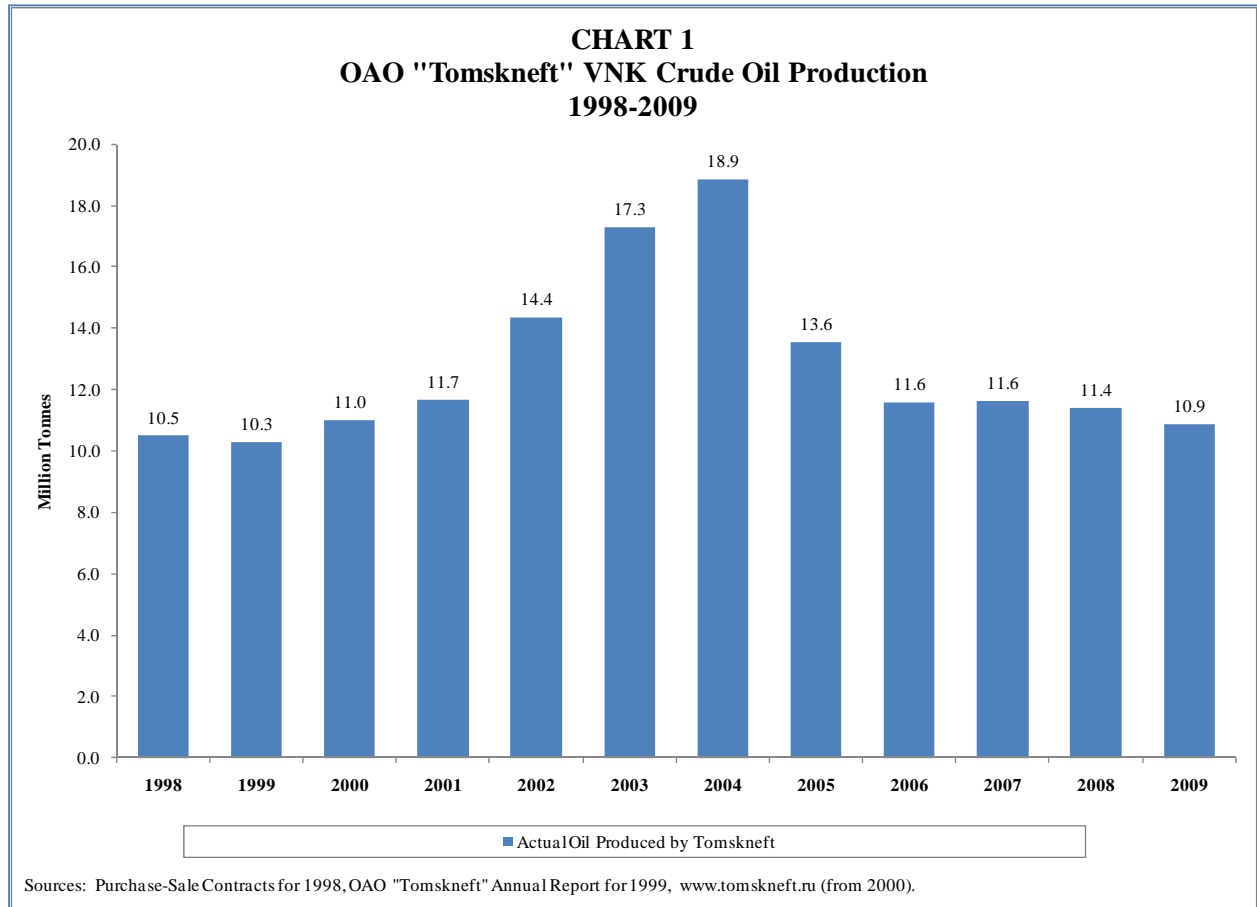
22. Finally, evidence from Rosneft’s annual reports and GAAP financial statements since 2007 confirms that at no point in time from 1999 to present has OAO “Tomskneft” VNK ever produced as much as 30 million tonnes of oil in a single year. Rosneft disclosed in its 2007 annual report [brackets added]:

In Q2 2007, Rosneft won an auction of a 100% stake in OJSC Tomskneft (a former Yukos subsidiary). The company was founded in 1966 to develop oil and gas fields in the Tomsk region. On December 27, 2007, Rosneft sold 50% of Tomskneft to a subsidiary of Gazprom Neft. ... Tomskneft’s production facilities are located in proximity to Rosneft’s Siberian refineries, which ensures lower transportation costs and more efficient supplies. The company reached peak production of about 138 mln barrels of crude [18.8 million tonnes]³⁰ in 2004.³¹

³⁰ Clarification of the Specialist.

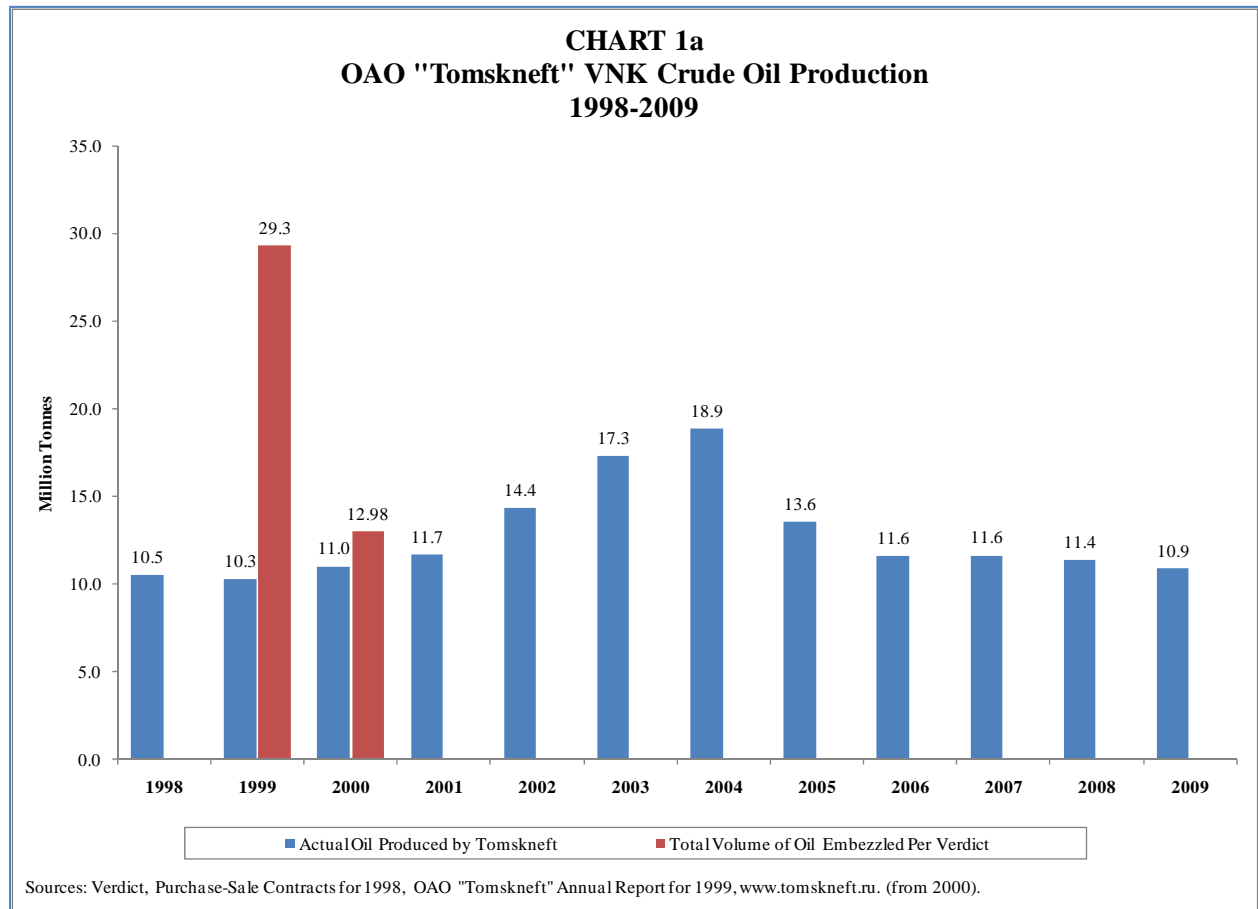
³¹ Rosneft, Annual Report 2007, p. 43. Barrels of crude have been converted to tonnes according to Rosneft’s published conversion factors in its Analyst Databook for the Fourth Quarter of 2010 (accessed at http://www.rosneft.com/Investors/results_and_presentations/analyst_databook/).

23. The following Chart 1 plots the annual production of OAO “Tomskneft” VNK in million tonnes from 1998-2009, and demonstrates that the volume of oil detailed by the Court in its Verdict is contradicted by available evidence:³²



³² Case materials for 1998-1999; “Tomskneft” website for 2000-2009 (accessed at <http://www.tomskneft.ru/production/extraction/>).

24. Chart 1a shows the amounts of oil “embezzled” from OAO “Tomskneft” VNK in 1999 and 2000 as listed in the Verdict and is compared to the total production by OAO “Tomskneft” VNK in those years. Chart 1a indicates the complete implausibility of calculations relied upon by the Court, showing that OAO “Tomskneft” VNK would have had to produce almost 3 times more oil in 1999, and indeed considerably more oil than in another year between 1998 and 2009, in order to make those sales.



E. PROSECUTION ADMISSIONS

25. The trial record indicates that the prosecution itself admitted that the volume of oil “*embezzled*” from OAO “Tomskneft” VNK in 1999 and 2000 was overstated. In her closing statement on October 15, 2010, prosecutor Ibraghimova admitted to the court multiple times that the charges related to the purchase of oil from OAO “Tomskneft” VNK in 1999 should be revised:

Calculation of the actual amount of oil transferred to the balance-sheet of OAO NK Yukos proceeding from the volume of the transferred output and the size of the cost for bringing that output to the condition of marketable oil billed by Tomskneft VNK to Yukos demonstrates that 9,141,910 tonnes of oil was transferred to the Yukos balance-sheet in February-December 1999, namely: in February – 753,000, in March – 828,000, in April – 809,600, in May – 843,200, in June – 815,500, in July – 828,000, in August – 834,500, in September – 825,000, in October – 872,000, in November – 842,060, and in December – 890,400. Given the amount of the output transferred to Yukos and recorded in its accounting as oil, namely 754,803 tonnes, and pipeline residue purchased by OAO NK Yukos in the amount of 133,175 tonnes of oil (according to Additional Agreement No. 4/1 of 1 February 1999 to the sale-and-purchase agreement of 30 November 1998), the total amount of oil of Tomskneft VNK transferred to Yukos balance-sheet is 10,029,888 tonnes of oil.

In view of this, Your Honour, we would like to draw your attention to the following. **The prosecution believes that the amount of oil acquired by OAO NK Yukos from Tomskneft should be reduced from 28,404,789 tonnes of oil imputed by the investigators to 10,029,888 tonnes**, and the total sum [sic] of oil stolen from Yuganskneftegas, Tomskneft and Samaraneftegas, we believe, should be reduced from 62,826,527.274 tonnes of oil imputed by the investigators to 43,563,648.27 tonnes. [emphasis added]³³

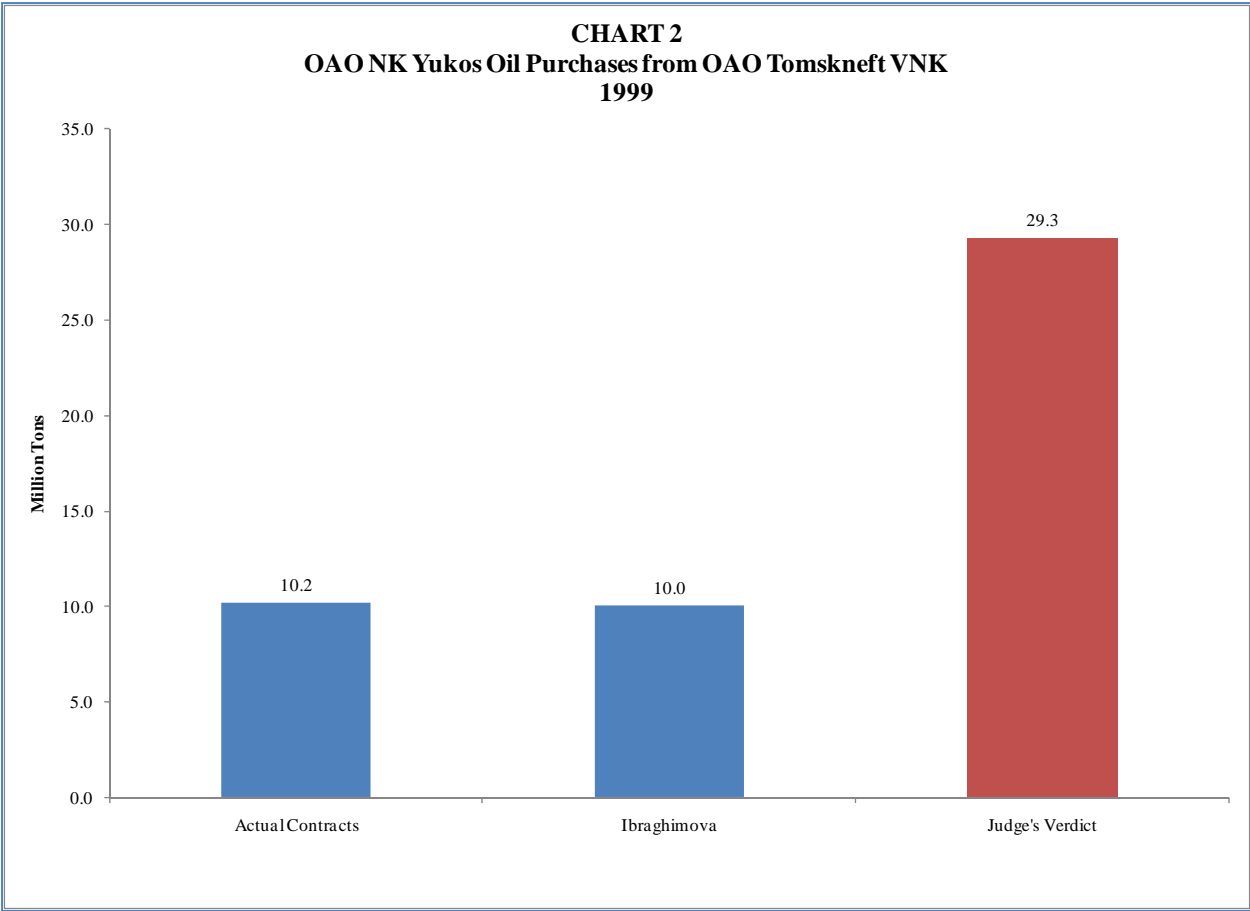
³³ See Prosecutor’s Ibraghimova Closing Statement, October 15, 2010.

Despite prosecutor Ibraghimova's admissions, prosecutor Lakhtin in his closing statement three days later continued to rely upon the erroneous volumes of oil in summarizing the charges, directly contradicting prosecutor Ibraghimova and potentially misleading the Court:

“In 1999, Khodorkovsky, Lebedev and other members of the organised group committed theft by way of embezzlement of 62,826,527.274 tonnes of oil belonging to production companies Samaraneftegas, Yuganskneftegas and Tomskneft worth totally RUB 191,120,861,145.56.”³⁴

In the Court Verdict's final ruling summary the Judge reflects the volumes of oil that completely ignore both its own detailed findings of the underlying contracts and the recommended corrections to the charges suggested by prosecutor Ibraghimova. Chart 2 depicts the volume of oil purchased over 1999 as indicated by my review of the contracts compared to the Court's Verdict, and prosecutor Ibraghimova's closing statement:

³⁴ See Prosecutor's Lakhtin Closing Statement, October 18, 2010.



IV. SUMMARY OF CONCLUSIONS

26. As demonstrated in my report and supported by the evidence and trial materials the conclusions expressed in the Court's Verdict regarding the volume of oil "*embezzled*" from OAO "Tomskneft" VNK during the years 1999-2000 are both internally inconsistent and at odds with the case materials, the trial record and publicly available documents. The text of the Verdict contains inconsistent data: the data contained in the summary part of the Verdict listing the total amounts of "*embezzled*" oil from TN during 1999-2000 is inconsistent with the "detail findings" part of the Verdict which lists the details of the contracts for sale and purchase of oil between OAO NK Yukos and OAO "Tomskneft" VNK, i.e. the Judge in the Verdict contradicts his own findings. This discrepancy exists because the Judge conflated the volume of "commercial oil" with the volume of "product" (which contains water and other additives) in determining the volume of oil "*embezzled*" from OAO "Tomskneft" VNK in 1999 and 2000. As such, the overstatement errors in volumes of oil are the following: for February 1999 – 1.4 mln. tonnes, for March 1999 – 1.7 mln. tonnes, for April 1999 – 1.7 mln. tonnes, for May 1999 – 1.8 mln. tonnes, for June 1999 – 1.7 mln. tonnes, for July 1999 – 1.7 mln. tonnes, for August 1999 – 1.8 mln. tonnes, for September 1999 – 1.7 mln. tonnes, for October 1999 – 1.8 mln. tonnes, for November 1999 – 1.8 mln. tonnes, for December 1999 – 1.9 mln. tonnes. Total error in 1999 is 19 million tonnes. In other words, the total amount of oil sold by OAO "Tomskneft" VNK in 1999 was 10.3 million tonnes and not 29.3 million tonnes. For the year 2000 the error in the amount of "*embezzled*" oil from OAO "Tomskneft" is 1.8 mln. tonnes. In other words, the total amount of oil sold by OAO "Tomskneft" VNK in 2000 was 11 mln. tonnes and not 13 mln. tonnes. In total for the years 1999 and 2000 the discrepancy in the oil amounts is 21 million tonnes. Based on this, the Judge in his Verdict significantly inflates (by almost 100%) the total amount of oil "*embezzled*" from OAO "Tomskneft" VNK in 1999-2000. The total amount of "*embezzled*" oil from OAO "Tomskneft" VNK during this time period should be 21.3 million tonnes and not 42.3 million tonnes as written in the Verdict. Consequently, this discrepancy significantly affects the total amount of oil "*embezzled*" from all three oil producing OAO NK Yukos subsidiaries during 1998 – 2000 time period. The correct amount of oil "*embezzled*" from OAO Yuganskneftegas, OAO Samaraneftegas and OAO "Tomskneft" VNK during 1998-2000 should be 126.2 million tonnes, and not 147.2 million tonnes.

27. My conclusions are supported by the following documents:

- The Court's Verdict itself, which is internally inconsistent between the detailed references to the underlying contracts for sale and purchase of oil between OAO NK Yukos and OAO "Tomskneft" VNK and the total amounts of "*embezzled*" oil;
- Select case materials, including the monthly contracts for purchase and sale of oil which identify the amount of "commercial oil" as distinct from "product" that was purchased by OAO NK Yukos from OAO "Tomskneft" VNK in 1999 and 2000 and do not support the Judge's final summary opinion regarding the volume of oil purchased during that time period;
- Trial testimony from fact witnesses which does not support the Judge's final summary opinion regarding the volume of "*embezzled*" oil;
- Publicly-available documents, which were available contemporaneously (1998-2000) and during the court hearings (2009-2010), including OAO NK Yukos' audited financial statements, OAO "Tomskneft" VNK's financial accounting statements, press releases, research reports from market analysts, ratings agency reports, and information on "Tomskneft" VNK's website – all of which do not support the Judge's final summary opinion regarding the volume of oil "*embezzled*" from OAO "Tomskneft" VNK during 1999 and 2000; and
- The prosecutors' own closing argument which conceded discrepancies between the allegations and the evidence regarding volume of oil purchased by OAO NK Yukos in 1999 and 2000 and requested a modification of charges of embezzlement, specifically a reduction to the 1999 and 2000 OAO "Tomskneft" VNK volumes of oil, as a result of these discrepancies.

Kevin F. Dages

April 20, 2011

APPENDIX A

МОСКОВСКАЯ КОЛЛЕГИЯ АДВОКАТОВ
“КАГАНЕР И ПАРТНЕРЫ”

г.Москва, 107076,
ул.Богородский вал, д.6, корп.1

т.963-03-95

№ 18

5 апреля 2011г

Компания “Компасс Лексекон”
(332 South Michigan Avenue Chicago, IL 60604)

Старшему вице-президенту Кевину Дэйджесу

Уважаемый господин Дэйджес!

В установленном российским законодательством порядке мною осуществляется защита Лебедева П.Л., в отношении которого (вместе с Ходорковским М.Б.) 27 декабря 2010г Хамовническим судом г.Москвы вынесен обвинительный приговор.

Закон предоставляет защите возможность обращаться за помощью к специалистам, которые вправе разъяснять сторонам вопросы, входящие в его профессиональную компетенцию (статья 58 Уголовно-процессуального кодекса РФ). Заключение специалиста относится к числу доказательств по уголовному делу (статья 74 Уголовно-процессуального кодекса РФ).


Учитывая широкую известность компании “Компасс Лексекон” в области экономического анализа и оказания услуг в сфере международного бизнеса, прошу дать письменное заключение по нижеследующим вопросам:

- 1) *Подтверждают ли материалы уголовного дела и протокол судебного заседания сделанные судьей в приговоре выводы в отношении объемов нефти, похищенных у ОАО «Томскнефть» ВНК в период 1999 и 2000 годов?*
- 2) *Если материалы дела и протокол судебного заседания не подтверждают выводы суда, каковы причины таких расхождений?*
- 3) *Влияют ли расхождения на итоговые выводы приговора об объемах похищенной нефти за период 1998-2000гг?*

Приложение: копия материалов уголовного дела №1-23/10, приговор от 27 декабря 2010г, протокол судебного заседания.

С уважением,

Адвокат



К.Е.Ривкин

APPENDIX B

KEVIN F. DAGES
SENIOR VICE PRESIDENT

February 2011

COMPASS LEXECON
332 S. Michigan Ave.
Chicago, IL 60604-4937
(312) 322-0227 (direct)
(312) 322-0218 (fax)
kdages@compasslexecon.com

FIELD OF SPECIALIZATION

Accounting, appraisal and business valuation, securities fraud, and damages.

EDUCATION

B.B.A. Accounting (1979) University of Notre Dame
Certified Public Accountant (1980)

PROFESSIONAL EXPERIENCE

Compass Lexecon (formerly Lexecon), Senior Vice President, 2006 – Present

Chicago Partners, LLC, Principal, 1996 - 2006

Principal in litigation consulting firm. Provided testifying and consulting expert services in a variety of litigation and pre-litigation engagements.

Fort Dearborn Partners, Co-founder and Principal, 1990 – 1995

Co-founder and principal in a financial and management consulting firm specializing in middle market companies and providing business valuation consulting for litigation support.

The Alcar Group Inc., Vice President and Director of Consulting, 1984 – 1990

Vice president and director of consulting for a financial consulting, software, and education firm specializing in shareholder value issues. Alcar clients included over 30% of the Fortune 500, major money center banks, and accounting firms.

Abbott Laboratories, *International Auditor and Diagnostic Sales Representative*, 1981 – 1984 Reviewed accounting and reporting systems at Abbott offices worldwide. Received President's Award for outstanding performance.

Grant Thornton, *Senior Auditor*, 1979 – 1981
Supervised and performed audits in a variety of industries including manufacturing, distribution, financial services, construction, not-for-profit, and government.

PROFESSION AFFILIATION

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS.

SELECT CASE EXPERIENCE

Cede & Co. v. Technicolor, Inc., Case No. 7129—Court of Chancery of the State of Delaware —Appraisal and Fraud Action. Consulting expert on behalf of respondent. Deposed in Appraisal remand trial.

Sheldon Shore, et al v. Laidlaw, Inc., et al., Master File No. 91-CV-1829—United States District Court for the Eastern District of Pennsylvania—10b.5 securities action. Consulting expert on behalf of defendant.

Middleby and Co. v. Hussmann, Inc., Case No. 90-C-2744 and 91-C-3188 —Seventh Circuit Court in Northern Illinois, August 1992 -- Merger price dispute and jury trial. Testifying expert (deposition and trial) on behalf of plaintiff.

The Proctor & Gamble Company v. Mafco Holdings, Inc., Revlon, Inc., Revlon International Corporation, and Max Factor & Co., Arb. No. 13 181 00084 92, before the American Arbitration Association Commercial Arbitration Tribunal, November 18, 1992. Consulting expert on behalf of defendant.

The Employees Retirement Systems of Alabama, et al. v. The May Department Stores Company, Inc., Case No. CV92-2726-R – Circuit Court for the Fifteenth Judicial Circuit, Montgomery County Alabama-- Jury trial involving early redemption of bonds. Consulting expert on behalf of defendant.

Michael D. Wolin, et al. v. National Health Laboratories, Incorporated, et al., Case No. 659511 – United States District Court Southern California – 10b.5 securities action. Consulting expert on behalf of defendant.

In the Matter of the Application of Vision Hardware Group, Inc., Case No. 13385 — Court of Chancery of the State of Delaware - Section 262 Appraisal case, April 1995. Testifying expert (deposition and trial) on behalf of respondent.

John Healy vs. Owens-Corning Fiberglass, et al. No. 83 L 21031 – Circuit Court of Cook County, Illinois County Department – Law Division, May 1994. Testifying expert (deposition and trial) on behalf of plaintiffs regarding defendant's ability to pay measures.

Arbitrium (Cayman Islands) Handels AG and Miklos Vendel v. H. Frederick Johnston, Sandra Spillane and Technicorp International II, Inc., Case No. 13506 – Court of Chancery of the State of Delaware - Section 225 matter. Consulting expert on behalf of plaintiff.

Gus Stathis v. Geldermann, Inc. and Geldermann Securities Inc., Case No. 95-L-509 - Circuit Court of Cook County - Jury trial involving breach of contract, diversion of corporate opportunity and constructive fraud. Consulting expert on behalf of defendant.

SSMC Inc. N.V. Plaintiff/Counterclaim - defendant, v. Singer Furniture Company, et al., Case No. 93-0952-R - United States District Court for the Western District of Virginia Roanoke Division – Fraud action. Consulting expert on behalf of defendant.

Danaher Corporation and WEC Corporation v. Acme - Cleveland Corporation, et al., Case No. C2-96-0247 – United States District Court for the Western District of Ohio Eastern Division - Temporary Restraining Order hearing involving the Control Share Acquisition Act (Ohio) and the Ohio Take-Over Act. Consulting expert on behalf of defendant.

Janet Zimek, et al. v. Centel Corporation, et al., Case No. 92-C-3551 (and related cases) – United States District Court for the Northern District of Illinois Eastern Division – 10b.5 securities action. Consulting expert on behalf of defendant.

NRG Barriers, Inc. v. Frederick T. Jelin, et al., Case No. 15013 - Court of Chancery of the State of Delaware, July 1996 – Fraud action. Testifying expert (deposition and trial) on behalf of plaintiffs.

Arthur Kapit, et al. v. Victor M.G. Chaltiel, et al., Case No. SACV-94-893-LHM (EEX) - United States District Court of Central District of California – 10b.5 securities action on behalf of Abbey Healthcare Group, Inc. Consulting expert on behalf of defendant.

In Re: Checkers Securities Litigation, Case No. 93-1749-CIV.-T-17A - United States District Court, for the Middle District of Florida, Tampa Division, 10b.5 securities action. Consulting expert on behalf of defendant.

Charles L. Grimes v. Vitalink Communications Corporation, Case No. 12334 - Court of Chancery of the State of Delaware, November 1996 – Appraisal action seeking to determine fair value of Petitioners’ shares based on the Corporation’s future cash flows. Testifying expert (deposition and trial) on behalf of respondent.

Carlton Investments, derivatively on behalf of TLC Beatrice International Holdings, Inc. v. TLC Beatrice International Holdings, Inc. , et al., Case No. 13950 – Court of Chancery of the State of Delaware. Derivative action on behalf of the company to recover alleged damages including, a \$22.1 million retroactive “compensation package” paid to the late CEO and principal stockholder. Consulting expert on behalf of plaintiff.

In Re: Woolworth Corporation Securities Class Action Litigation Master File No. 94 Civ. 2217 (RO) – United States District Court Southern District of New York - 10b.5 securities action. Consulting expert on behalf of defendant.

In Re: Arbitration between Vitafort International Corporation and Keebler Company, Case No. 74-488-01081-96, before the American Arbitration Association (San Francisco). Lost profits claim. Consulting expert on behalf of defendant.

State of Wisconsin Investment Board & Cede & Co. v. Corporate Software, Inc., Case No. 13519 – Court of Chancery of the State of Delaware. Appraisal action. Consulting expert on behalf of petitioner.

Richard C. Goodwin v. LIVE Entertainment Inc., et al., C.A. No. 15765 NC – Court of Chancery of the State of Delaware. Breach of fiduciary duty action in a shareholders buyout. Consulting expert on behalf of plaintiff.

Union Pacific Resources Group, Inc. et al. v. Pennzoil Company, et al., Civil Action No. 15755 – Court of Chancery of State of Delaware. Breach of fiduciary duty action resulting from Pennzoil’s refusal to nullify anti-takeover measures aimed at thwarting UPRG’s tender offer and merger. Consulting expert on behalf of plaintiff.

MetalClad Corporation v. The United Mexican States, Case No. ARB(AF)/97/1 – Before the Honorable Tribunal Established Pursuant to Chapter Eleven of The North American Free Trade Agreement (NAFTA). Expert testimony on behalf of the government of Mexico (defendant) in arbitration.

Safety-Kleen Corporation v. Laidlaw Environmental Services, Inc., Docket No. 97 C 8003 – In the United States District Court Northern District of Illinois - Eastern Division. Consulting expert on behalf of plaintiff.

In re Horizon/CMS Healthcare Corporation Securities Litigation, Class Action No. CIV 96-442 BB/LCS – United States District Court for the District of New Mexico. Testifying expert for the single largest shareholder (State of Wisconsin Investment Board) in a 10b.5 settlement regarding a proposed reduction in attorneys' fees.

In Re Waste Management, Inc. Securities Litigation, Master File No. 97 C 7709 – In the United States District Court for the Northern District of Illinois – Eastern Division, 10b.5 securities action and various asset purchase cases. Consulting expert on behalf of defendant.

Daniel R. McLean and Francis I. Butler v. Alloyd Co., Inc., et al., No. 95 CH 1422 – In the Circuit Court of Cook County, Illinois County Department, Law Division. Action for wrongful dismissal. Testifying expert (deposition and trial) on behalf of defendants.

Arthur L. Gustafson, et al. v. Alloyd Co., Inc., et al., No. 93 L 6341 – In the Circuit Court of Cook County, Illinois County Department, Law Division. Purchase price dispute. Testifying expert (deposition and trial) on behalf of defendants (Buyers).

B. Peter Knudson v. Samsonite Corporation, et al., Case No. 98CV2210 – District Court, City and County of Denver, Colorado, 10b.5 securities action. Consulting expert on behalf of defendant.

Merisel, Inc. v. Turnberry Capital Management, L.P., et al., C.A. No. 15906 NC - Court of Chancery of State of Delaware. Testifying expert on behalf of plaintiff (deposition).

In Re: Credit Acceptance Corporation Securities Litigation, Consolidated Master File No. 98-70417 – United States District Court for the Eastern District of Michigan, Southern Division, 10b.5 securities action. Consulting expert on behalf of defendant.

Robert Clark v. National Techteam, Inc., et al., Case No. 97-60248 – United States District Court for the Eastern District of Michigan, 10b.5 securities action. Consulting expert on behalf of defendant.

In Re Mafco Holdings Securities Litigation - United States District Court, Southern District of New York, 10b.5 securities action. Consulting expert on behalf of defendant.

Cantor Fitzgerald, L.P., v. Iris Cantor, et al., C.A. No. 16297 – Court of Chancery of the State of Delaware in and for New Castle County. Consulting expert on behalf of plaintiff.

J.G. Juran, et al. v. Bastion Capital Fund, L.P., et al., C.A. No. 16464 – Court of Chancery of the State of Delaware in and for New Castle County. Testifying expert on behalf of defendants.

United Rentals, Inc. v. Rental Services, Inc. and NationsRent, Inc. – Court of Chancery of the State of Delaware. Expert affidavit regarding break-up fee data on behalf of plaintiff.

In Re: Arbitration between Sara Lee Corporation and totes Isotoner Holdings Corporation. Consulting engagement on behalf of Sara Lee Corporation with regard to sale of the Aris/Isotoner business to totes.

Sungard Recovery Services, Inc. v. Comdisco, Inc. v. Data Assurance Corporation, Case No. 97-WM-389 – United States District Court for the District of Colorado. Testifying expert (deposition) on behalf of defendant.

Carol Kropinski, et al. v. Johnson & Johnson, Docket No. L8886/96 – Superior Court of New Jersey Law Division, Camden County. Consulting expert on behalf of plaintiff.

In Re Sunbeam Corporation Securities Litigation – United States District Court, Southern District of Florida, 10b.5 securities action. Consulting expert on behalf of defendant.

LaSalle National Bank v. R.O. Perelman, et al., No. 97-645 (RRM) – United States District Court of Delaware, Noteholders litigation. Consulting expert on behalf of defendant.

Ronald Cantor, Ivan Snyder, James A. Scarpone, as Trustees of the MAFCO Litigation Trust v. Ronald O. Perelman, Mafco Holdings, Inc., Macandrews and Forbes Holdings, Inc. Andrews Group Inc., William C. Bevins, Donald G. Drapkin. C.A. No. 97-586 (KAJ). United States District Court for the District of Delaware. Breach of fiduciary duty claim involving issuance of notes. Consulting expert for defendants on remand.

Danis v. USN Communications, Inc., et al., No. 98 C 7482 – United States District Court for the Northern District of Illinois Eastern Division, 10b.5 securities action. Consulting expert on behalf of defendant.

Anthony R. Gold, PC Brand, Inc., Software Communications, Inc., v Ziff Communications Company, d/b/a Ziff-Davis Publishing Case No. 01 L 9518 – In the Circuit Court of Cook County, Illinois County Department – Law Division – Breach of contract. Testifying expert (deposition) on behalf of defendant on remand.

Greenlight Capital Qualified, L.P., Greenlight Capital, L.P., and Greenlight Capital Offshore, Ltd., v. Emerging Communications, Inc., Case No. 16415 – Delaware Chancery Court – Appraisal action. Consulting expert on behalf of petitioners.

IBP, Inc., v. Tyson Foods, Inc. and Lasso Acquisition Corporation Case No. 18373 – Delaware Chancery Court- Breach of contract in a takeover/merger. Consulting expert on behalf of defendant (Tyson Foods, Inc.).

Digex, Inc. Shareholders Litigation Case No. 18336 NC -Delaware Chancery Court- Class and shareholder derivative action. Expert affidavit on behalf of plaintiffs concerning value of settlement consideration.

Superior National Insurance Group v. Foundation Health Systems, Inc. and Milliman & Robertson, Inc. Case No. CV-02-5155-PA (MLGx). Fraud and fraudulent conveyance action in the United States District Court for the Central District of California. Consulting expert on behalf of defendant (Foundation Health Systems, Inc.).

Analytical Surveys, Inc. Securities Litigation Case No. IP00-C-0201-M/S – United States District Court for the Southern District of Indiana Indianapolis Division – 10b-5 securities action. Consulting expert on behalf of defendant.

Chesapeake Corporation and Sheffield, Inc., v. Marc P. Shore, Howard M. Liebman, Andrew N. Shore, Leonard S. Verebay, Virginia A. Kamsky, Sharon R. Fairley, R. Timothy O'Donnell, Kevin J. Bannon, William P. Weidner, and Shorewood Packaging Corporation Case No. CV17626 NC – Delaware Chancery Court – Takeover litigation surrounding Chesapeake's bid for Shorewood. Testifying expert (deposition and trial) on behalf of defendants.

JAS Securities LLP v. Merrill Lynch & Co., Inc. Del. Super, Ct., C.A. No. 99C-07-143 (JSS) – In the Superior Court of the State of Delaware in and for New Castle County – Class Action Complaint Non-Arbitration Case. Expert affidavit on behalf of defendant.

Alcatel Alsthom Securities Litigation MDL Docket No. 1263 – In the United States District Court for the Eastern District of Texas Sherman Division – 10b-5 securities action. Consulting expert on behalf of defendant.

Prescott Group Small Cap, L.P., Phil & Jana Frohlich, Phil D. Frohlich, Ira, Leroy Warren Brewer, and Cede & Co., v. The Coleman Company, Inc. C.A. No. 17802 NC – In the Court of Chancery of the State of Delaware In and for New Castle County – appraisal action. Consulting expert on behalf of respondent.

Submissions to the Special Master of the September 11th Victim Compensation Fund of 2001 and to the United States Department of Justice on behalf of the Cantor Fitzgerald, L.P., ESpeed, Inc. and Tradespark, L.P. victims' families. Consulting and testifying (in certain individual hearings) expert on behalf of victims' families.

In Re Sprint Corporation Securities Litigation. Master File No. 01-4080-DES. United States District Court District of Kansas. Securities class action. Consulting expert on behalf of defendants.

Citibank, N.A. and Citibank Canada, v. Itochu International Inc., and III Holding Inc. f/k/a Copelco Financial Services Group, Inc., Case No. 01-CV-6007 (GBD/DF) – United States District Court for the Southern District of New York – transferred to New York State Court. Consulting expert on behalf of plaintiff.

In Re Healthsouth Corp. ERISA Litigation. Consolidated Case No. CV-03-BE-1700-S – In the United States District Court for the Northern District of Alabama Southern Division. Consulting expert on behalf of defendant.

In Re Healthsouth Corporation Stockholder Litigation Case No. CV-03-BE-1501-S – In the United States District Court Northern District of Alabama Southern Division. Consulting expert on behalf of defendant.

In Re Williams Securities Litigation Case No. 02-CV-72H(M) – United States District Court for the Northern District of Oklahoma. Consulting expert on behalf of defendant.

United States Securities and Exchange Commission In the Matter of General Mills, Inc. File No. C-03760-A. Consulting expert on behalf of General Mills, Inc.

In The International Court of Arbitration of the International Chamber of Commerce and In the Matter of an Arbitration BNP Paribas, Arval PHH Holdings (UK) Limited, Arval PHH Holdings and Avis Group Holdings, Inc. and VMS (Bermuda) Holdings Ltd. Consulting expert on behalf of defendant (Avis).

Fuqua Industries, Inc. Shareholder Litigation – C.A. No. 11974. Delaware Chancery Court. Breach of fiduciary duty action. Testifying expert (deposition) on behalf of defendants.

The Litigation Trust of MDIP Inc. (Formerly known as Mosler Inc.) and its Affiliates v. Michel Rapoport, William A. Marquard, Thomas R. Wall, IV, Robert A. Young, III, and Kelso & Co., Inc. C.A. No. 03-CV-779-GMS. United States District Court for the District of Delaware. Breach of fiduciary duty and fraudulent transfer claim. Consulting expert on behalf of defendants.

Donald L. Sturm; Donald L. Sturm Charitable Trust – Donald L. Sturm, TTEE; Sturm Family Foundation; Sturm Family Capital, LLP and Colorado Seminary v. Citigroup, Inc.; Citigroup global Markets, Inc. f/k/a Salomon Smith Barney; and Jack Grubman. NASD Arbitration Nos. 037612 & 037644. Testifying expert (in arbitration) on behalf of defendants.

In Re Royal Ahold Securities and ERISA Litigation Case No. 03-MD-01539-CCB – United States District Court for the District of Maryland Northern Division. Consulting expert for plaintiffs. Affidavit in support of the Plan of Allocation.

Venture Industries, et al v. Autoliv ASP, Inc., successor to Morton International. Inc., Autoliv, Inc. and Morton International, Inc. Case No. 99-75354 – United States District Court Eastern District of Michigan Southern Division. Lost profits/breach of contract action. Consulting expert on behalf of defendants on appeal.

Third Avenue Real Estate Value Fund, et al v. Butler Manufacturing Company and BSL Acquisition Corp. Del Ch., C.A. No. 641-N. Delaware Chancery Court Appraisal Action. Testifying (deposition and trial) on behalf of respondents.

Solo Cup Company, v. Dennis Mehiel, as Stockholders' Representative under the Merger Agreement between Solo Cup Company, Solo Acquisition Corp. and SF Holdings Group, Inc. Case No. 51 489 Y 01966 04 – Before the American Arbitration Association. Consulting expert on behalf of plaintiff.

In Re Chiron Shareholders Deal Litigation. Case No. RG 05-230567. Superior Court of the State of California for the County of Alameda. Testifying expert (deposition) on behalf of defendant (Chiron).

In Re CMS Energy Securities Litigation. Civ. No. 02 CV 72004 (GCS). United States District Court Eastern District of Michigan. Securities class action. Testifying expert (deposition) on behalf of plaintiffs.

In Re Worldcom, Inc. Securities Litigation. Master File No. 01 Civ. 3288 (DLC). United States District Court Southern District of New York. IQ Holdings, Inc. sought

compensation under Federal and Texas law for losses suffered on its Worldcom investments. Submitted a rebuttal report on behalf of defendants Citigroup, Inc. and Citigroup Global Markets Inc. (f/k/a Salomon Smith Barney Inc.).

URS Corporation v. The Lebanese Company for the Development and Reconstruction of Beirut Central District, S.A.L., a/k/a/ Solidere. Civil Action No. 06-415-SLR. United States District Court For the District of Delaware. Testifying expert on behalf of plaintiff.

Carpenters Health & Welfare fund, et. al., v. The Coca-Cola Company, et. al. File No. 1:00-CV-2838-WBH. United States District Court Northern District of Georgia Atlanta Division. Securities class action. Testifying expert (deposition) on behalf of defendant The Coca-Cola Company with respect to disclosure and accounting misstatement claims.

Radian International, LLC, The Lebanese Company for Development and Reconstruction of Beirut Central District, S.A.L. (“Solidere”), and URS Corporation. Case No. 14208/EC (C-14236/EC). International Chamber of Commerce International Court of Arbitration. Testifying expert on behalf of URS Corporation.

In re Tyco International Ltd. Securities Litigation (including multiple opt-out cases) MDL Docket No. 02-1335-B. United States District Court, District of New Hampshire, Consulting regarding accounting restatement and audit committee issues on behalf of defendant.

GE Funding Holdings, Inc., a Delaware Corporation, v. FGIC Corporation, C.A. No. 4012-CC. The Court of Chancery of the State of Delaware. Injunction hearing. Consulting expert on behalf of plaintiff.

Broadcom Corporation, et al. v. Fred B. Cox, et al. No. 4536-VSC & No. 4519-VCS. The Court of Chancery of the State of Delaware. Breach of fiduciary duty action involving anti-takeover provisions. Consulting on behalf of plaintiff.

IAC/Interactive Corp and Barry Diller v. Liberty Media Corporation, C.A. No. 3486-VCL. The Court of Chancery of the State of Delaware. Injunction hearing regarding spin-off transactions. Consulting expert on behalf of defendant.

In Re UnitedGlobalCom Shareholders Litigation. C.A. No. 1012-VCS. The Court of Chancery of the State of Delaware. Testifying expert (deposition) behalf of defendant (Liberty Media International) regarding fairness of merger consideration.

Securities and Exchange Commission v. Warren B. Schmidgall and David E Watson.
Case No. 4:08-cv-00677-GAF. United States District Court for the Western District of
Missouri Western Division. Testifying expert (deposition) on behalf of defendant David
E. Watson.

Russian Federation General Prosecutor's Office v. M.B. Khodorkovsky and P.L.
Lebedev , Criminal Case No. 18/432766-07. Khamovnicheskiy District Court, Moscow,
Russia. Filed Specialist's report and participated in trial on behalf of defendants: M.B.
Khodorkovsky and P.L. Lebedev.

In Re The Student Loan Corporation Litigation, Consolidated C.A. No. 5832 - VCL.
The Court of Chancery of the State of Delaware. Affidavit on behalf of Defendant
Citigroup, Inc in preliminary injunction hearing.

Cancer Clinics of Excellence, LLC and CCE Partners, LLC v. McKesson Corporation
and McKesson Specialty Care Distribution Joint Venture LP (Formerly Oncology
Therapeutics Network Joint Venture, LP), Index No. 652124/2010 IAS Part 39.
Supreme Court of the State of New York County of New York. Affidavit on behalf of
McKesson Corporation.

Liberty Media Corporation and Liberty Media LLC v. The Bank of New York Mellon
Trust Company, N.A., as Trustee, C.A. no.: 5702-VCL. In the Court of Chancery of the
State of Delaware. Testifying expert (deposition) on behalf of plaintiffs.

The President, Trustees and Faculty
of the

University of Notre Dame du Lac

to all to whom this present document may come, Greetings:
Through the authority in us vested by the State we make known
and attest that

Kevin Francis Dages

has so well merited as to be proclaimed publicly and solemnly
Bachelor of Business Administration

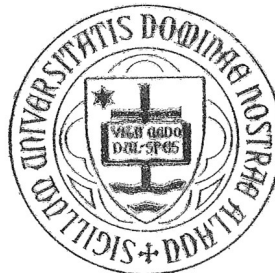
With Honors

In Testimony Whereof we subscribe our names and affix
the seal of the University at Notre Dame, Indiana,

this twentieth day of May, 1979.

Leo V. Ryan, csc.
Dean

Richard Sullivan
University Registrar



Theodore M. Hesburgh, csc.
President

Edmund A. Stephen
Chairman, Board of Trustees

APPENDIX C

Appendix C: Materials Reviewed and Relied Upon

Legal Documents:

Verdict of Khamovnicheskiy Moscow District Court, dated December 27, 2010 re Case No. 1-23/10.

Report of Crime, Announced in Court by P.L. Lebedev

Trial Testimony:

P.L. Lebedev, September 7, 2010.

Gurami Avalishvili, October 6, 2009.

Leonid Filimonov, July 27, 2010.

Prosecutor Ibradhimova, October 15, 2010.

Prosecutor Lakhtin, October 18, 2010.

Case Materials:

General Agreement No. Yu-8-4-01/1888A between OAO “Tomskneft” VNK and OAO NK Yukos dated November 4, 1998, Vol. 49, pp. 33-37.

Monthly Contracts for Purchase and Sale of Products (and Services) between OAO “Tomskneft” VNK and OAO NK Yukos (1999), Vol. 144, pp. 138-156.

Monthly Contract for Purchase-Sale of Products (and Services) No. 01-20-621 between OAO “Tomskneft” VNK and OAO NK Yukos dated December 30, 1999, Vol. 49, p. 38.

General Agreement No. Yu-21/610 between OAO “Samaraneftegaz” and OAO NK Yukos dated July 31, 1996, Vol. 49, pp. 24-28

General Agreement No. Yu-21/612 between OAO “Yuganskneftegas” and OAO NK Yukos dated July 31, 1996, Vol. 49, pp. 43-47.

Monthly Contract for Purchase-Sale of Oil No. 83/Yu-21/612 between OAO “Yuganskneftegas” and OAO NK Yukos dated December 31, 1999, Vol. 49, p. 48.

Monthly Contract for Purchase-Sale of Oil No. 18E/Yu-21/610 between OAO “Samaraneftegaz” and OAO NK Yukos dated December 31, 1999, Vol. 49, p. 29.

Register of Assets Purchased by OAO NK Yukos for the Period from January 1, 1999 to December 31, 1999, Vol. 59, pp. 84-88, 92.

Register of Assets Purchased by OAO NK Yukos for the Period from January 1, 2000 to December 31, 2000, Vol. 59, pp. 121-123.

PwC, Review of 1999 Consolidated Operations, Vol. 195, pp. 96-104.

Press Release, Results of Activity in 2000 – OAO NK Yukos, Vol. 131, p. 293.

Publicly-Available Documents:

GOST 28996-91.

GOST R 51858-2002.

OAO “Tomskneft” VNK, Financial Accounting Statement for 2000.

HSBC, “Yukos: Inexpensive Growth,” December 13, 2000.

Standard & Poor’s, “OAO NK Yukos,” February 6, 2003.

Rosneft, Annual Report 2007.

Rosneft, Analyst Databook for the Fourth Quarter of 2010, (accessed at http://www.rosneft.com/Investors/results_and_presentations/analyst_databook/).

OAO “Tomskneft” VNK, Oil Production Data, (accessed at <http://www.tomskneft.ru/production/extraction/>).

APPENDIX D

Appendix D
Volume of Oil Purchased from Oil Producing Subsidiaries
1998-2000

Time Period	Oil Purchaser	Production Company	Volume Alleged in Verdict (million tonnes)	Correct Volume (million tonnes)	Discrepancy (%)
1998	OAo NK Yukos	OAo Yuganskneftegaz OAo Samaraneftegaz OAo Tomskneft VNK	25.3 7.5 0.2 <u>33.0</u>		
1999	OAo NK Yukos	OAo Yuganskneftegaz OAo Samaraneftegaz OAo Tomskneft VNK	25.9 7.6 29.3 <u>62.8</u>	10.2 <u>43.7</u>	188% 44%
2000	Multiple	OAo Yuganskneftegaz OAo Samaraneftegaz OAo Tomskneft VNK	30.3 8.1 13.0 <u>51.4</u>	11.1 <u>49.5</u>	17% 4%
1998-2000	Multiple	OAo Yuganskneftegaz OAo Samaraneftegaz OAo Tomskneft VNK	81.5 23.2 42.5 <u>147.2</u>	21.5 <u>126.2</u>	98% 17%