

SCALE

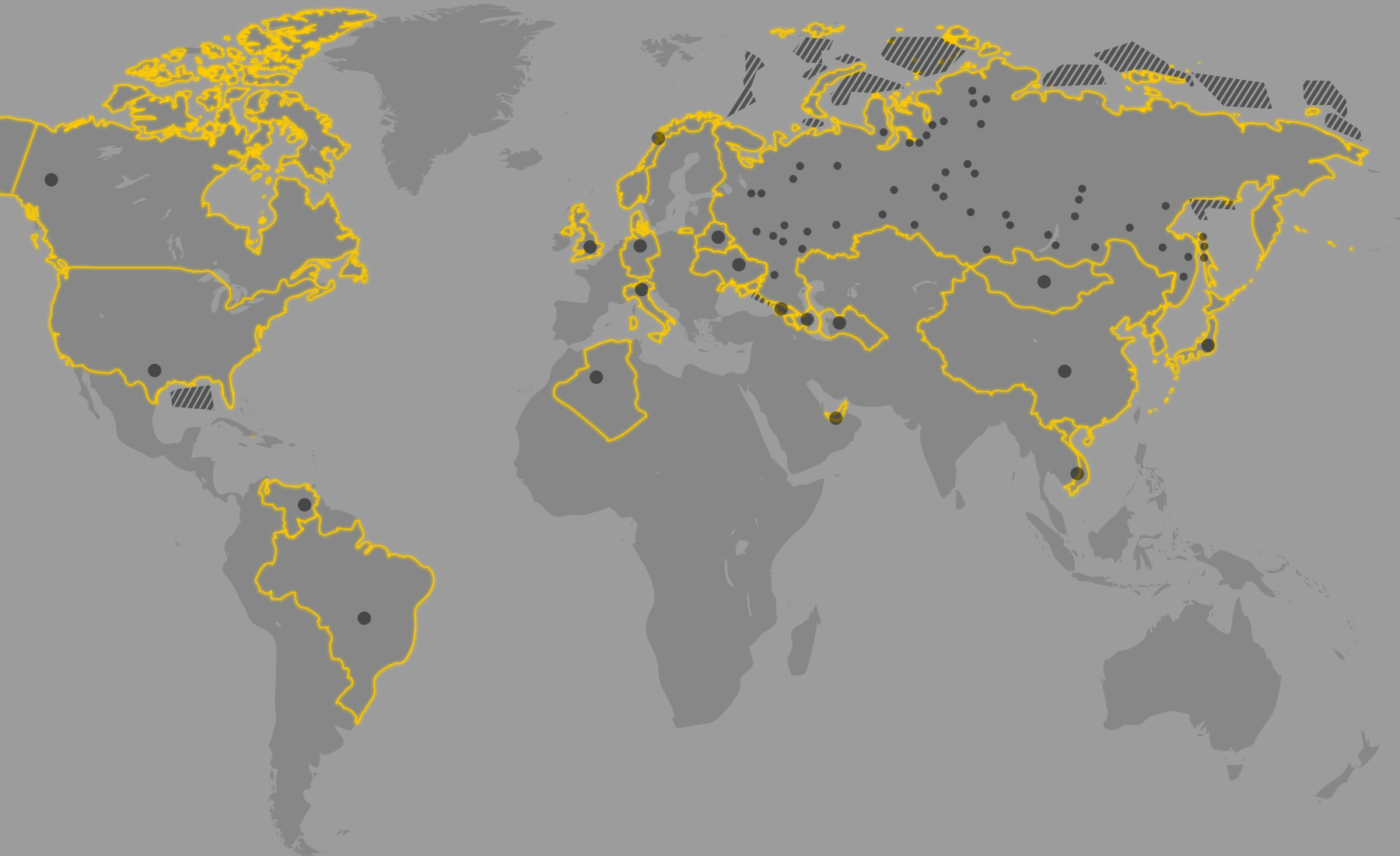
Rosneft is the Russian oil industry champion and the world's biggest public oil and gas company by proved hydrocarbon reserves and production. Unique portfolio of upstream assets. Leading positions for offshore development. Growing role in the Asia-Pacific markets.

TECHNOLOGY

Rosneft is the champion of qualitative modernization and innovative change in the Russian oil and gas industry. Proprietary solutions to improve oil and synthetic liquid fuel production performance. Establishing R&D centers in a partnership with global leaders in technology development and application.

RESPONSIBILITY

Rosneft is the biggest taxpayer in the Russian Federation. Active participation in the social life of the regions of operations. Creating optimal conditions for professional development and high standards of social security and healthcare for the employees. Unprecedented program for land remediation.



Scale
Technology
Responsibility



OUR RECORD ACHIEVEMENTS



551

RUB BLN
RECORD NET INCOME

+51%

Page 136



4,694

RUB BLN
RECORD REVENUES

+52%

Page 136



85

RUB BLN
RECORD DIVIDENDS
PAID IN 2013

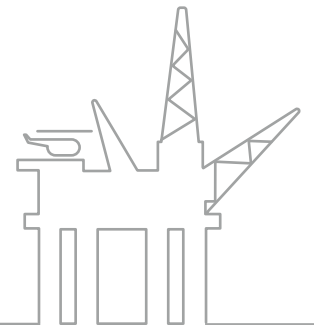
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4,873

KBOED
RECORD HYDROCARBONS
PRODUCTION

+80.3%*

Page 28

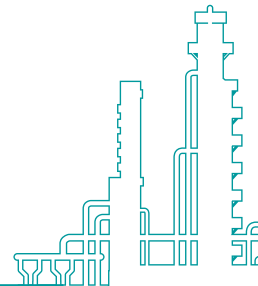


90.1

MLN TONS*
RECORD OIL
REFINING VOLUMES

+46%

Page 46



42.1

BCM**
GAS PRODUCTION,
RUSSIA'S THIRD LARGEST
GAS PRODUCER

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References to Rosneft Oil Company, Rosneft, or the Company are to either Rosneft Oil Company or Rosneft Oil Company, its subsidiaries and affiliates, as the context may require. References to TNK-BP, TNK-BP company are to TNK-BP Group. The information in this Annual Report 2013 is as of December 31, 2013, unless otherwise stated.

* TNK-BP assets accounted for from the date of acquisition.
** Pro forma data. (TNK-BP assets accounted for starting January 1, 2013)



ROSNEFT

OIL COMPANY

ANNUAL REPORT 2013

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Rosneft is the leader of Russia's petroleum industry and the world's largest publicly traded petroleum company.

Rosneft activities include hydrocarbon exploration and production, upstream offshore projects, hydrocarbon refining, and crude oil, gas and product marketing in Russia and abroad.

ANNUAL REPORT WITH INTEGRATED REPORTING ELEMENTS

Rosneft's Annual Report 2013 contains elements of integrated reporting as defined in the «International Integrated Reporting Standard» published by the International Integrated Reporting Council (IIRC). It aims to present Company financial results and achievements in the area of sustainable development, highlighting the existing relationships among the competitive environment, Company strategy, business model, risk management structure and a clear corporate governance structure. Since 2012, Rosneft has been part of the IIRC pilot program intended to clearly define international standards of integrated reporting.

Visit our website: www.rosneft.com



MESSAGE OF THE CHAIRMAN OF THE BOARD OF DIRECTORS



Dear shareholders,

The 2013 results are further proof that Rosneft remains the unfailing leader of Russia's oil industry, and a reliable source of revenues for the national budget. Our Company has become notably more active in its international projects, confidently occupying leading positions on the global oil and gas market.

During the reporting period, Rosneft closed a record number of major acquisitions in the areas of oil and gas production, oil refining, and infrastructure facilities. As the result of these deals, including 100% integration of the acquired TNK-BP assets, Rosneft has become the world's largest public oil and gas company. Successful consolidation of these new assets has allowed our Company to achieve sizeable synergies.

Based on the results of the hydrocarbon reserves audit conducted by DeGolyer & MacNaughton, the Company confirmed its status of the world's leading public oil company in terms of proven hydrocarbon reserves and resources. Rosneft's proven hydrocarbon reserves replacement ratio has come close to 287%* according to the SEC and the Company's proven reserves life is 19 years, including 16 years in oil and 36 years in gas. Reserves replacement was supported by, among other things, efficient exploration activities, which received investments of RUB 38 billion in 2013. As a result of the completed program of exploration activity, 6 fields and 70 new deposits were discovered. Besides, Rosneft, jointly with its strategic partners – ExxonMobil, Eni and Statoil – undertook an unprecedented offshore

exploration program in the Arctic. It included, first of all, the entire complex of scientific hydrological and meteorological studies, analysis of ice conditions, exploration and appraisal. Concurrently, Company management has been highly successful in securing tax incentives for offshore and tight oil developments.

Special note should be made of the policy pursued by Rosneft management, under the leadership of Company CEO I.I. Sechin, which aims to build a system of long-term contracts. In 2013, Rosneft made record additions to the portfolio of these contracts across all indicators – this is true as regards the sheer number of such contracts, but also supply timings and volumes. Besides, the majority of long-term contracts provide for advance payments which allows the Company to conduct its business efficiently.

In 2013, following the acquisition of TNK-BP assets, Rosneft's shareholding structure changed. OJSC ROSNEFT-EGAZ, wholly owned by the government, remains its major shareholder (69.50%). Following the deal, 19.75% is held by BP, one of the oil majors, with another 10.75% being in free float. In 2013 and current year, Rosneft shares were bought by Company CEO and Vice-Presidents and many top managers increased their shareholdings, which is in line with the world's best practices, and broadcasts confidence in Rosneft's continued successful development and shareholder value growth.

Setting a high benchmark in the standards of corporate governance and demonstrating an example of responsible attitude to every shareholder, the

Board of Directors of OJSC Oil Company Rosneft, in pursuance of an assignment of the Chairman of the Government of the Russian Federation, adopted a resolution on September 29, 2013 to acquire the common and preferred shares of an OJSC Oil Company Rosneft subsidiary, OJSC RN Holding, by sending to the shareholders of OJSC RN Holding a voluntary proposal to acquire all of the shares in their ownership. The voluntary proposal was accepted by 7,195 private individuals and 208 legal entities including international financial funds. As a result, OJSC Oil Company Rosneft has consolidated almost 100% of the shares of OJSC RN Holding. For the veteran shareholders who received some TNK-BP shares upon initial offering at the time of privatization, a mechanism was offered for them to subsequently buy the shares of OJSC Oil Company Rosneft for the money they receive from the sale of their shares of OJSC RN Holding. The aforesaid mechanism was also used by several hundreds of people. The ongoing activities shall lead to the consolidation of 100% shares of OJSC RN Holding in the ownership of OJSC Oil Company Rosneft in 2014.

In 2013 Rosneft confirmed its status as a socially responsible company by signing a number of bilateral agreements with 10 subjects of the Russian Federation aimed at creating favorable economic, legal and institutional conditions for the development of social infrastructure of the subjects, implementing social projects on their territory, developing investment activity and meeting the demand in the key oil products and natural gas.

In 2013 Rosneft's management pursued prudent and responsible investment

and financial policies in the areas of cost control, liquidity improvements, timely debt repayment and dividend distributions. Our Company's successes in 2013 underpin the effectiveness of our strategy, the relevance of our defined priorities and suggest that one may count on Rosneft's sustainable development for the benefit of its shareholders going forward.

A handwritten signature in black ink, appearing to read 'Alexander Nekipelov', written in a cursive style.

Kind regards,
Chairman of the Board of Directors
Rosneft Oil Company
Alexander Nekipelov

* Pro forma data.

MESSAGE OF THE PRESIDENT AND THE CHAIRMAN OF THE MANAGEMENT BOARD



Dear shareholders,

2013 was a record and pivotal year for Rosneft – both in the sense of our high operational and financial achievements, and in terms of delivery on our strategic initiatives that set the pace for the development of our Company and the industry as a whole for decades to come.

Our Company completed a number of key acquisitions, producing the aggregate synergetic effect in excess of RUB 27 bln.

Much work was done in the reporting period to successfully integrate into the Rosneft perimeter the acquired assets of TNK-BP, ITERA Oil and Gas Company LLC and OJSC Sibneftegaz. These efforts have brought Rosneft to the position of the world's largest public oil and gas company. Over 2013, Rosneft Group grew notably more active in its international projects; at present, we operate in Belarus, Ukraine, Kazakhstan, Turkmenistan, China, Vietnam, Mongolia, Germany, Italy, Norway, Algeria, Brazil, Venezuela and UAE, in Canada and the USA (the Gulf of Mexico).

Based on 2013 results, Rosneft demonstrated record financial performance, notwithstanding the deteriorating macroeconomic environment. Our Company continues to generate cash flows that cover its investment demands. Free cash flow increased 4.7 times, while leverage is gradually decreasing – Rosneft has repaid some of the loans taken to finance TNK-BP acquisition. In 2013, the dividend amount was increased to RUB 85 billion, and RUB 2.7 trillion was paid to the budget of the Russian Federation,

which reasserts our Company's status of Russia's largest taxpayer.

In several key positions, Rosneft's 2013 indicators became industry's the best not only in our country, but globally as well. We once again demonstrated the largest production volumes, high proven reserves replacement ratio and lowest lifting costs. In particular, liquids production reached a record high of 207* mln tons, hydrocarbon reserves additions through efficient exploration activities was 250 mln tons, with lifting costs remaining at \$4.3/bbl, which is the best per unit level among the world's public oil companies. Gas production grew more than twofold against the backdrop of expanding our Company's gas market footprint. Based on the reporting period outcomes, Rosneft became Russia's third largest gas producer. The Company plans to produce 100 bcm per year by 2020, doubling its domestic gas market share.

Rosneft also leads the offshore developments in the Russian Arctic. By the end of 2013, our Company held 46 Russian offshore licenses with resources in excess of 43 billion tons of oil equivalent (according to DeGolyer & MacNaughton estimates), and Rosneft is significantly ahead of the exploration deadlines according to license obligations.

In the reporting period, our Company strengthened its leading positions in the areas of high-quality oil product manufacturing to international standards. Following the refinery upgrade program, outputs of Euro-4 and Euro-5 gasoline and diesel fuel at Rosneft's Russian refineries amounted to some 15 million tons. Every seventh vehicle in Russia is

refueled at Rosneft retail sites. On a general note, the Company's Russian and overseas refineries refined 90.1 million tons of crude oil, with domestic refining volumes accounting to almost one-third of the country's total refining output. Rosneft leads the market in terms of jet fuel sales with a 34% share and is present at 26 Russian airports.

At the same time, the Company was active in developing the export path in 2013 including advanced business development formats such as prepaid long-term contracts. Thus, the long-term oil supply agreement with the China National Petroleum Corporation they signed in 2013 for a period of 25 years with a total price of USD 270 bln was unprecedented in the global business practice. Within its effective period, the contract with the Chinese partners will provide 12 trillion rubles in contributions to the state budget of the Russian Federation. They also signed a series of long-term contracts for westward supplies by the Druzhba oil pipeline to Poland and Germany and with Glencore, Vitol and Trafigura.

In 2014, we carry on with improving our business efficiency, preparing for new major project launches and securing sustainable returns for our shareholders. Our confidence in our company's performance, successful development in the longer term and shareholder value growth is evidenced by the fact that the overwhelming majority of Rosneft's executive management (including members of the Board), became Company shareholders in 2013. Share acquisitions were equity- as well as debt-financed. Rosneft's activities are highly acclaimed by international

institutes and rating agencies. On December 17, 2013, Moody's international ratings agency, noting strong operational results and sustainable financial performance, as well as the Company's predictable future financial position, confirmed Rosneft's credit rating in line with the sovereign rating. Earlier, another agency, Standard & Poors, set our Company rating at the equivalent level, reconfirming the stable outlook at year end. I am confident that the chosen development strategy and commitment to the highest international standards of doing business is an effective, transparent and reliable way to raise Rosneft's capitalization.

A handwritten signature in black ink, appearing to be 'Igor Sechin', written in a cursive style.

*Kind regards,
President and the Chairman
of the Management Board
Rosneft Oil Company
Igor Sechin*

* Pro forma data.

STRATEGY OF EFFICIENT DEVELOPMENT

EXPLORATION

The Company is expanding its resource base successfully conducting on- and offshore exploration projects.



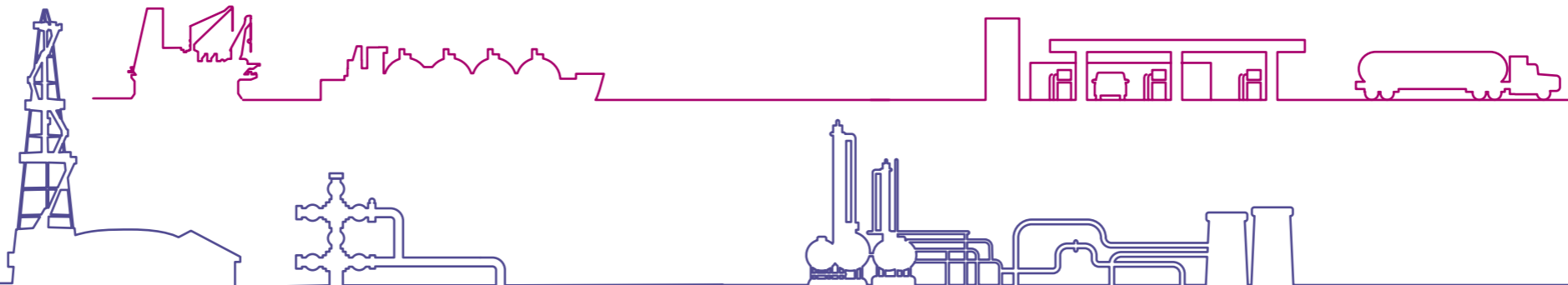
OIL PRODUCTION

In its onshore operations Rosneft pursues the following strategic goals: to maintain production and maximize the outputs of existing fields, to implement new projects in a lean manner ensuring sustainable production profiles and maximizing recovery rates as well as to economically develop unconventional and challenged reservoirs.



GAS PRODUCTION

The Company aspires to boost the total value of its integrated gas business by increasing production and signing direct sale contracts.



REFINING

Rosneft is Russia's leading oil refiner. The Company operates 11 refineries located in Russia's key regions. In 2013 they refined 97.7 mln tons, a third of oil refined in Russia. The Company is implementing a massive refineries modernization program.

MARKETING AND SALES

Rosneft delivers the oil it produces to the Company's refineries in Russia and Germany and sells it in Russia, the CIS and in the international market. The Company exports the oil that is incremental to the volumes necessary to fill up the Company's refineries. Rosneft operates a large and developed infrastructure for servicing the domestic fuel market. The infrastructure includes a number of marketing subsidiaries wholesaling and retailing oil products as well as offering oil product storage, transportation and handling services.

PETROCHEMICAL BUSINESS

Rosneft's core petrochemical facility is the Angarsk Polymer Plant (the petrochemical area of the Angarsk Refinery). In addition, other Rosneft refineries produce simple petrochemical products.

Key Medium-Term Value Drivers

1. Maintaining positive oil production momentum

- stabilizing oil output at West Siberian brownfields, complemented by concurrent oil production growth in Volga-Urals
- progressing as planned on new projects
- developing unconventional and stranded oil production

2. Growing reserve base through successful onshore and offshore exploration

- strengthening organizational capability and access to best technologies, to secure high exploration success ratio

- acquire licenses in high-potential areas and areas with developed infrastructure
- strategic partnerships with industry leaders to secure successful offshore exploration activities

3. Increasing the value of integrated gas business due to incremental production and direct sales contracts

- growth in organic gas production and efficient integration of new assets
- increasing the effectiveness of gas monetization and growing the share of long-term contracts

- developing the LNG project to enhance access to gas exports and increase sales margins

4. Focus on cost controls and capital discipline

- "zero inflation" of business plan parameters
- cost structure optimization
- efficient investment governance and approval of only those projects that meet corporate Internal Rate of Return guidelines

5. Strong liquidity position and gradual de-leveraging

- sustainable cash flow generation
- use of most efficient financing tools
- gradual de-leveraging

6. Sustainable dividend payout

- stable dividend payouts at 25% of IFRS Net Earnings
- sustaining dividend yields in line with best industry practices

7. Continuous improvement of integrated downstream business returns

- refinery upgrade program delivery on time and within budget
- supporting strong brand and flexible marketing policy
- developing advanced forms of oil and oil products trading

8. Improving standard of information disclosure and investor relations

- primary attention to improvement of relationships with shareholders and investors

* Pro forma data.

Delivering on Plans

2013 Plans

2013 Results

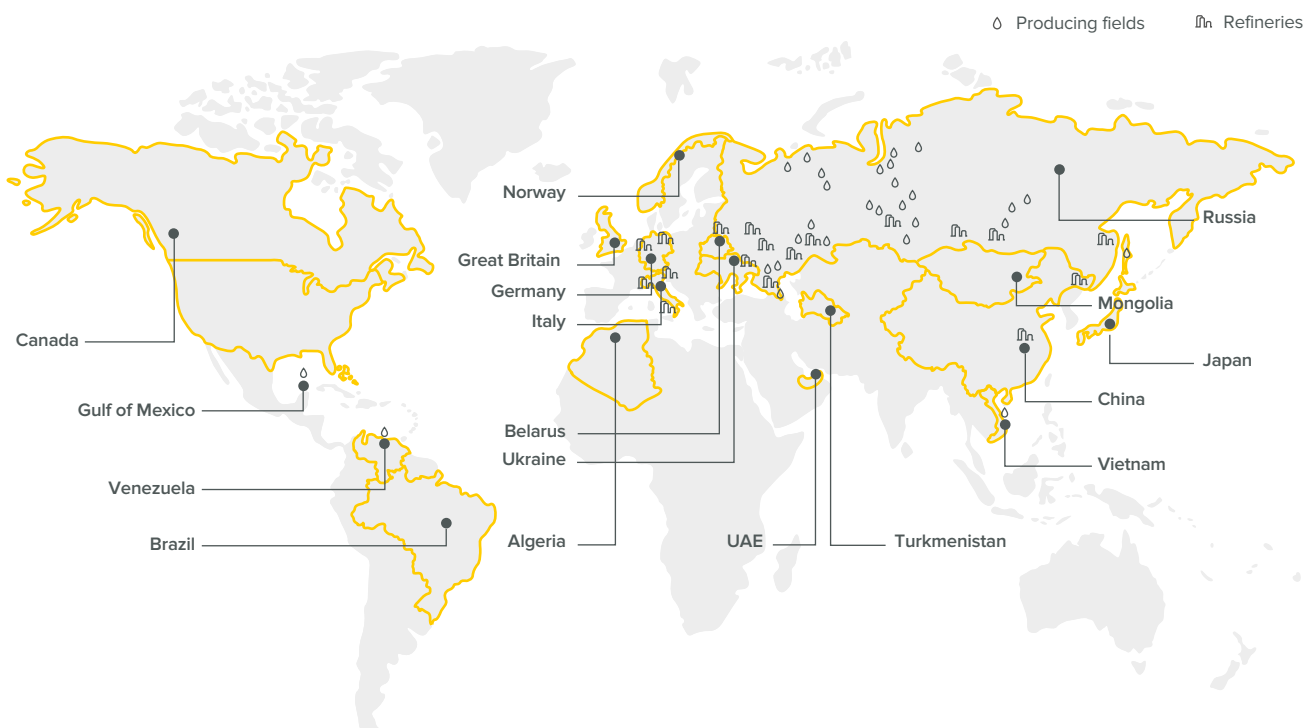
2014 Plans

Assure production growth	Production growth with acquisitions amounted to +72% (organic growth was 1%)	Carry on growing production volumes at least by 1% a year
Assure hydrocarbon reserves replacement ratio at above 100%	The SEC hydrocarbon reserves replacement ratio was 287% in 2013	Carry on growing reserves, replacing over 100% of production with new reserves
Implement refinery modernisation program as scheduled	Tuapse refinery upgrade phase one completion: crude distillation capacity increased to 12 mmta	Carry on with the refinery upgrade program, including launch of isomerization units at the Samara group of refineries
Grow company gas business by organic production ramp-up and new acquisitions	Gas production growth with acquisitions amounted to 133%. Consolidation of ITERA Oil and Gas Company LLC and OJSC Sibneftegaz.	Continued gas production growth through increased associated petroleum gas (APG) utilization level and implementation of natural gas production projects.
Holding back CAPEX while keeping the at planned level	Efficient capital investment program management allowed to keep capital construction project delivery at planned levels, sustainable resource base growth and upgrade program implementation, while achieving a 4%* CAPEX reduction.	CAPEX reduction without disruption to capital construction schedule
Strong financial position and gradual de-leveraging	In 2013, notwithstanding the adverse macroeconomic environment, the Company managed to achieve free cash flow growth. In the end of 2013 the Company repaid (and prepaid) some of the loan taken to finance asset acquisitions, total of \$5.1 bln (RUB 166.9 bln)	Gradual de-leveraging

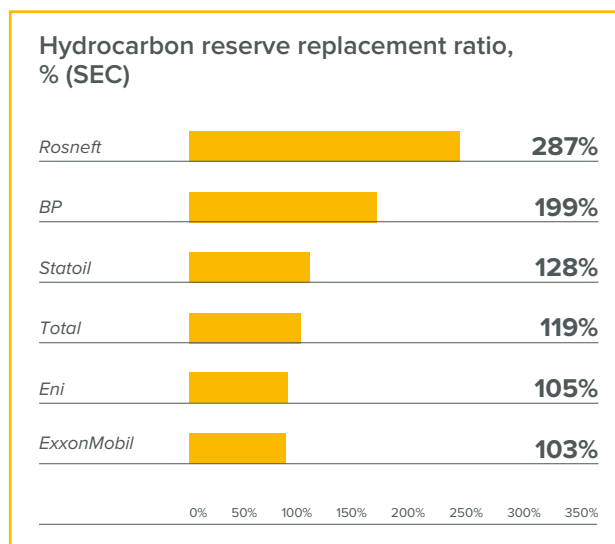
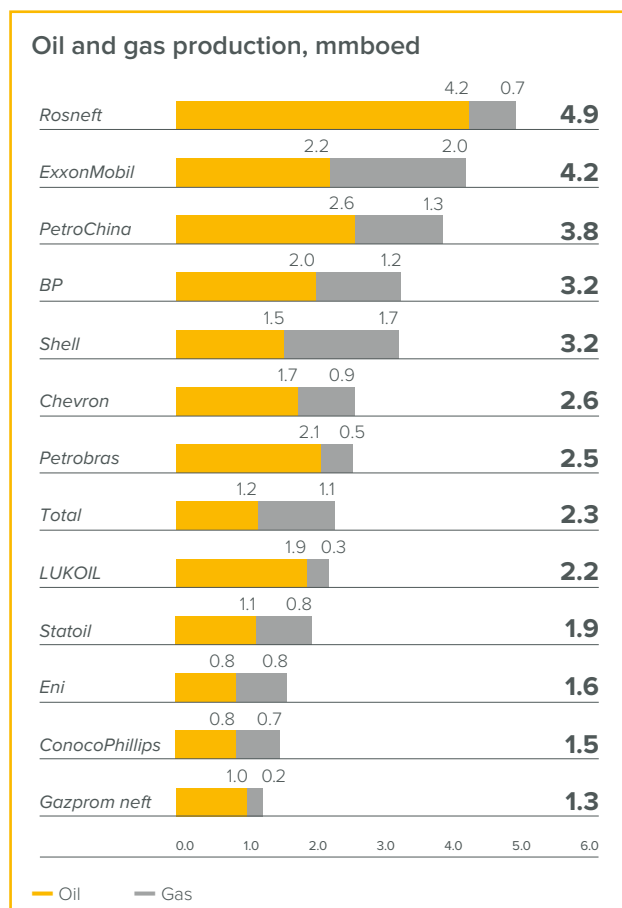
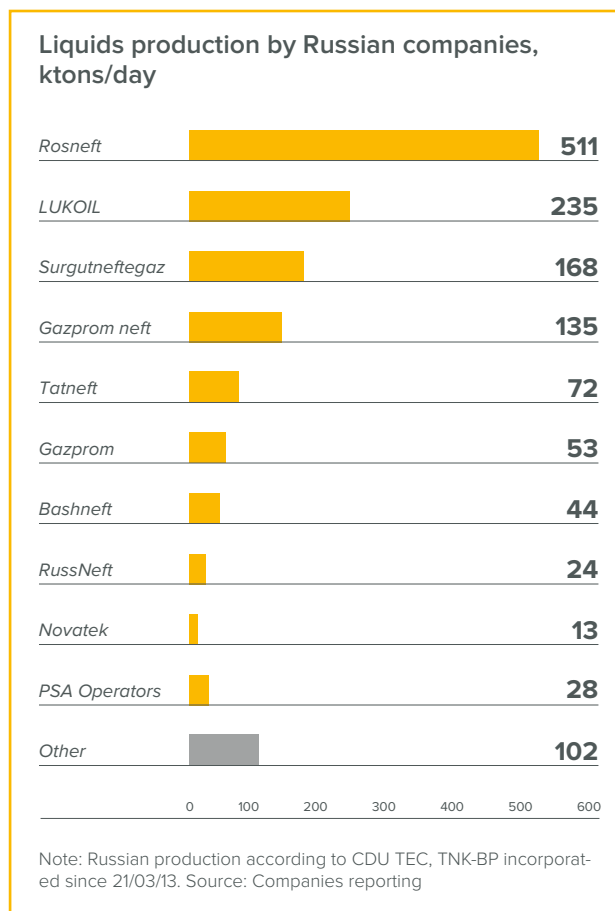
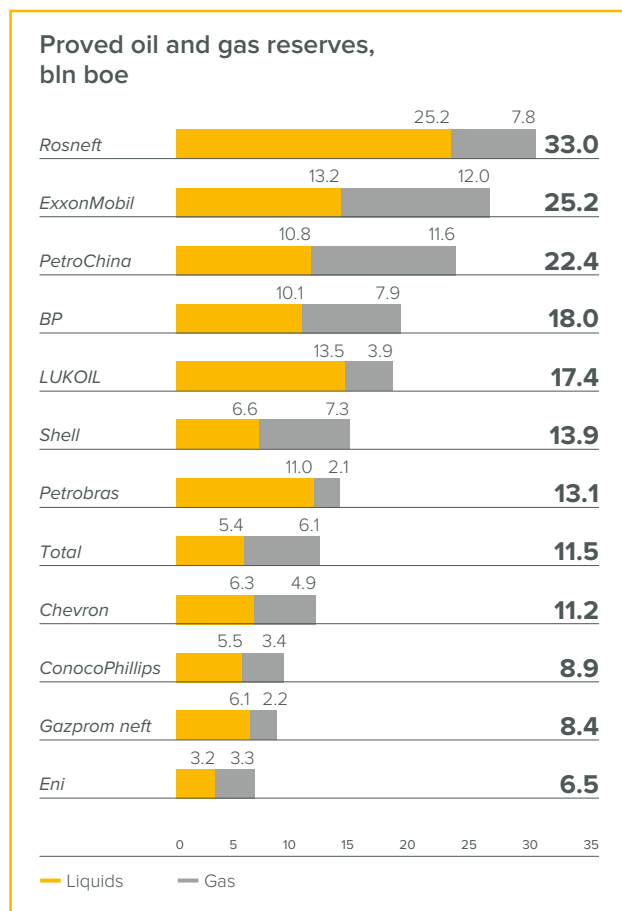
Creating shareholder value through generation of sustainable cash flow and stable returns

* Based on pro forma data.

Rosneft Geography of Operations



Industry position (benchmarking against the global peer group)



OJSC ROSNEFT IN THE HISTORY OF THE RUSSIAN OIL INDUSTRY

Exploration followed by commercial production on the Sakhalin island launched by a company set up by retired midshipman G.I. Zotov



First commercial crude oil in the Orenburg region
Development launched in the Volgo-Urals oil province

1936

Establishment of the Kuybyshevneft production association, predecessor to OJSC Samaraneftgas, a subsidiary of Rosneft

1961

Production start at the Ust-Balykskoye oil field

1963

Establishment of the Orenburgneft production association

1969

Production start of at the super giant Samotlor oil field in West Siberia

1980

The Samotlor oil field reaches a production peak of 158.9 mln tons of crude oil per year

1977

Establishment of the Yuganskneftegas production association, a predecessor to LLC RN-Yugansneftegas

1993

Rosneft is established



Rosneft becomes a party to the crude oil production-sharing agreement in Sakhalin

2006

Rosneft holds an IPO at the London Stock Exchange for the amount of USD 10.7 bln, which becomes the world's fifth largest and first largest among Russian companies

Rosneft, the largest oil company in the Russian Federation, produced 110 mln tons of crude oil

2009

Production launch at the giant Vankor oil field

2011-2012

Rosneft signs partnership agreements with ExxonMobil, Eni and Statoil on joint exploration and development of hydrocarbons in the Russian Arctic

Rosneft, the largest global publicly-traded company, produces 207 mln tons of liquids

1889

First oil field in the Chechen republic on the acreage belonging to oil producer Akhverdov

1930-40s

First oil well in Kuban

1950s

Production under way in the Volgo-Urals oil province accompanied by construction of the pipeline network which connected the region with Moscow

1960s

The USSR becomes the 2nd largest oil producer in the world
Construction under way of the Druzhba oil pipeline which linked oil fields with the USSR western border

1970s

1974
The USSR becomes the world leader in oil production

1980s

1988
The Soviet Russia reaches peak oil production
The title of the largest oil producing region goes to West Siberia

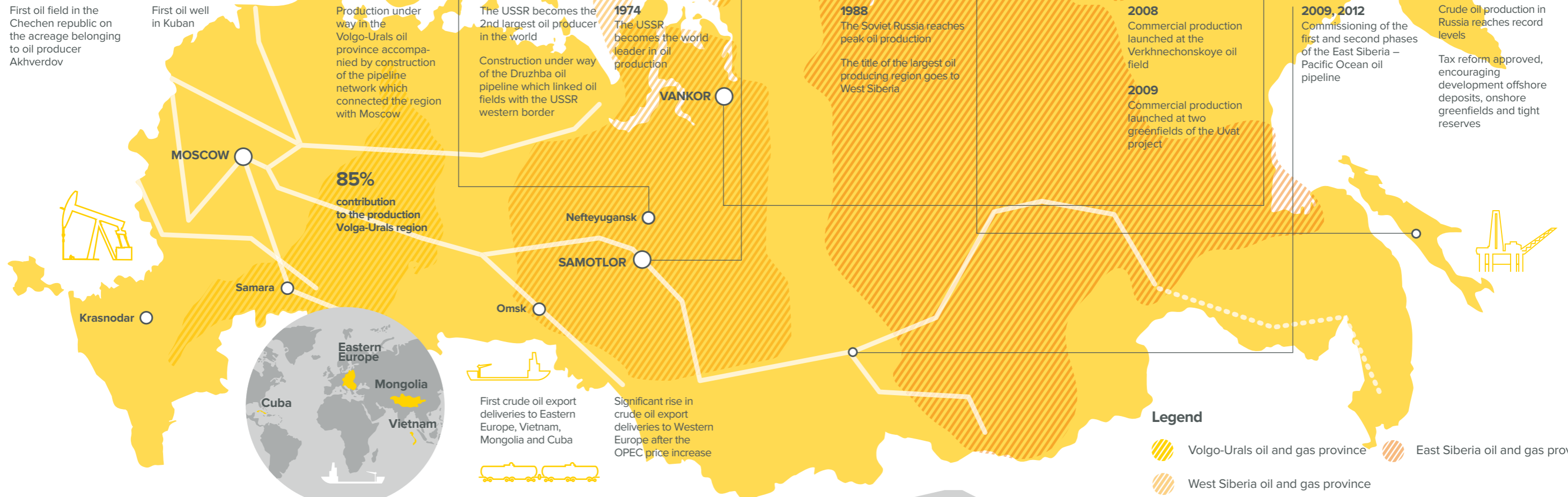
1990s

2000s

2008
Commercial production launched at the Verkhnechonskoye oil field
2009
Commercial production launched at two greenfields of the Uvat project

2013

Crude oil production in Russia reaches record levels
Tax reform approved, encouraging development offshore deposits, onshore greenfields and tight reserves



CRUDE OIL PRODUCTION IN RUSSIA

200
MLN
TONS

569
MLN
TONS

303
MLN
TONS

488
MLN
TONS

523
MLN
TONS

FINANCIAL, OPERATING AND SUSTAINABLE DEVELOPMENT HIGHLIGHTS

Operating highlights	2013	2012	Change, %	2011
PRMS proven oil reserves (mmt)	4,161	2,513	65.6%	2,519
SEC proven oil reserves (mmt)	3,398	1,999	70.0%	1,960
PRMS proven gas reserves (bcm)	1,867	992	88.2%	850
SEC proven gas reserves (bcm)	1,329	753	76.5%	566
PRMS reserves life (years)	24	25	-4.0%	25
Oil, gas condensate and liquids production (mmt) ²	206.9*	122.0	69.6%	118.7
Gas production (bcm)	42.1*	16.4	156.7%	12.8
Oil export (mmt)	97.3	66.4	46.5%	63.9
Oil refining (mmt)	90.1	61.6	46.3%	57.9
Oil refining and petrochemicals (mmt)	87.1	59.6	46.2%	55.9
Oil product exports (mmt)	50.6	33.7	50.1%	30.9
Oil product retail sales (mmt)	10.2	6.8	50.0%	6.5
Rosneft's share of Russian aggregates				
Oil production ⁵	38.9%	23.6%	–	23.2%
Gas production (after flaring)	6.3%	2.5%	–	1.9%
Oil exports	34.0%	22.8%	–	21.7%
Oil refining	28.5%	19.1%	–	19.8%
Financial highlights				
Sales revenues and income generated by affiliate companies (RUB bln)	4,694	3,089	52.0%	2,718
EBITDA (RUB bln)	947	618	53.2%	662
EBITDA margin	20%	20%	–	24%
Net earnings (RUB bln)	551	365	51.0%	335
Net earnings margin	12%	12%	–	12%
Return on average capital employed (ROACE)	11.9%	11.4%	–	16.0%
Return on average equity (ROAE)	20%	17%	–	17%
CAPEX (RUB bln)	560	473	18.4%	391
Upstream CAPEX per ton of oil equivalent (RUB)	1,708	2,158	-20.9%	2,026
Production OPEX per ton of oil equivalent (RUB)	1,009	666	51.5%	600
Free cash flow (RUB bln) ³	201	43	367%	99
Net debt (RUB bln)	1,860	591	214.7%	440
Net debt to capital employed multiple	37.01%	20.3%	–	17.3%
Net debt to EBITDA multiple	1.79**	0.96	–	0.66
Dividends per share (RUB) ⁴	12.85	8.05	59.6%	7.53
Year-end share price at London Stock Exchange (US Dollars)	7.62	8.91	-14.5%	6.60
Sustainability highlights				
Year-end headcount ¹ (thousand persons)	228.0	166.1	37.3%	160.8
Number of retirees and veterans receiving corporate pensions (thousand persons)	57.6	54.5	5.7%	39.9
Social program implementation costs (RUB bln)	29.7	22.4	32.6%	20.3
Lost Time Incident Frequency Rate (per 1 mln hours)	0.19	0.16	18.8%	0.19
Fatality Incident Frequency Rate (per 100 mln hours)	2.33	2.02	15.3%	2.68
Investments and ongoing costs of environmental activities (RUB bln)	60.2	22.1	172.4%	17.5

* Pro forma data.

** With ITERA EBITDA starting from 01/01/13.

1. With TNK-BP starting from 21/03/13.

2. For reference: in 2013, the tons to barrels conversion ratio was 7.362; in 2012 and 2011, the ratio of 7.315 was used.

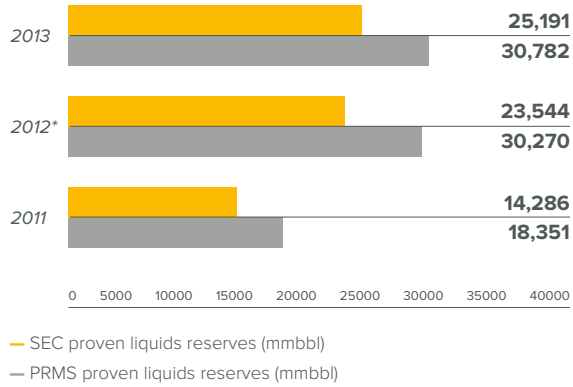
3. Adjusted by prepayments under long-term oil supply contracts, RUB 470 bln in FY2013.

4. Recommended by the Board of Directors amount of dividends on the 28th of April 2014.

5. Oil production includes oil, gas condensate and other liquids production if applicable.

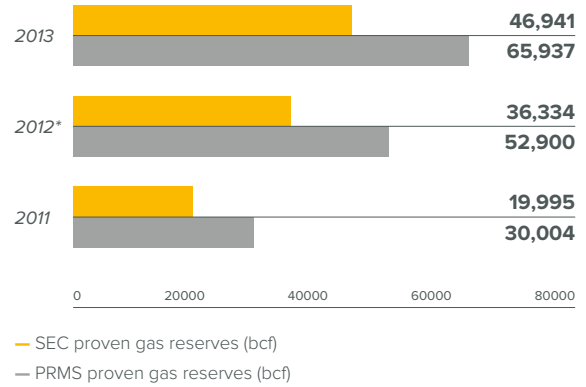
Operating indicators

Proven oil reserves, mmbbl



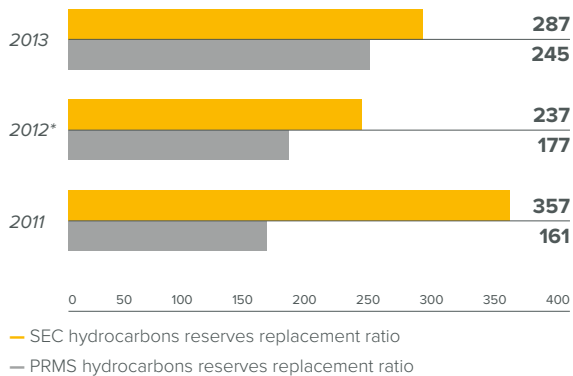
* Pro forma data.

Proven gas reserves, bcm

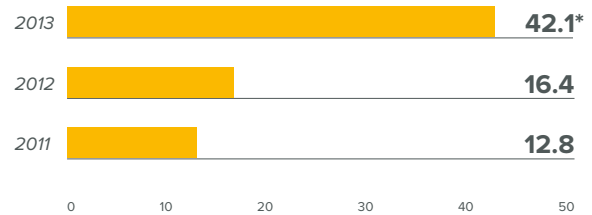


* Pro forma data.

Hydrocarbon gas reserves replacement ratio, %

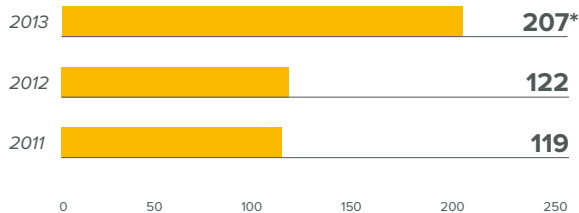


Gas production (bcm)



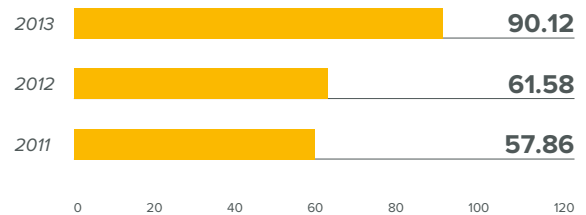
* Pro forma data.

Crude oil, gas condensate, liquids production, mmt

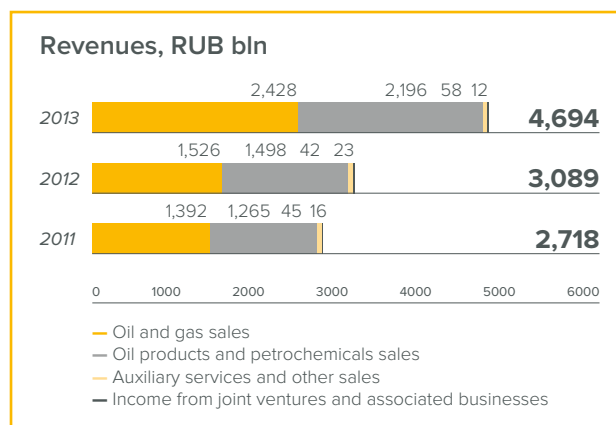
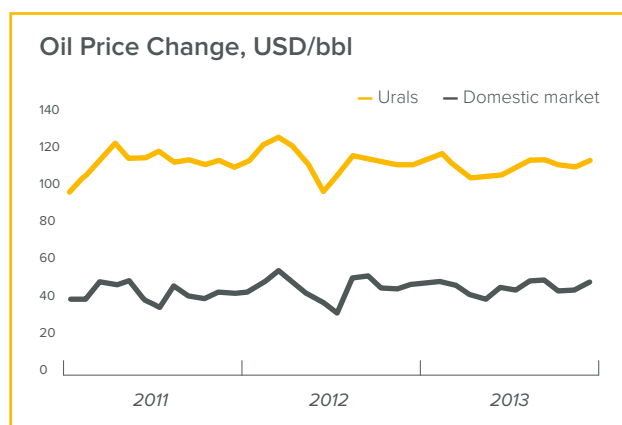
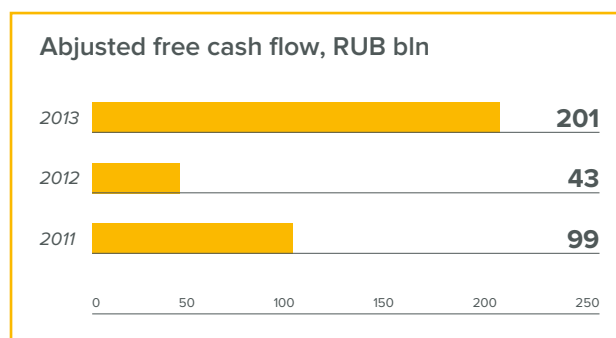
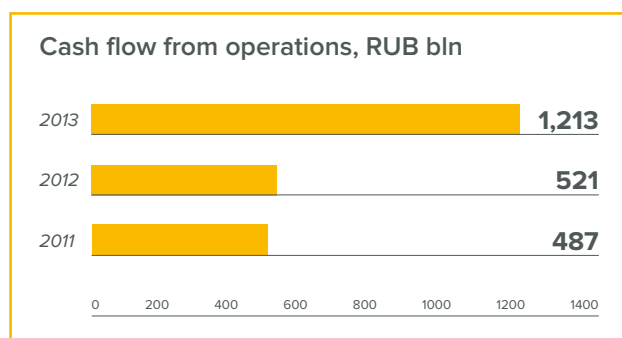
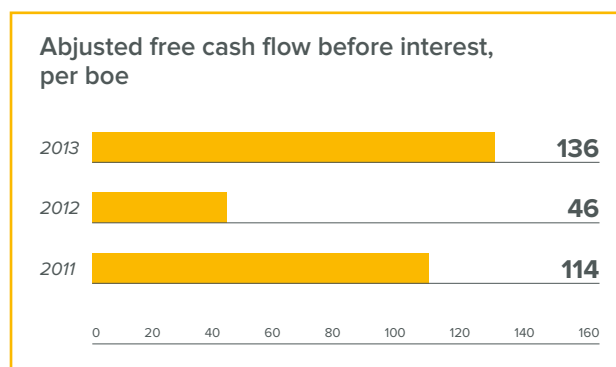
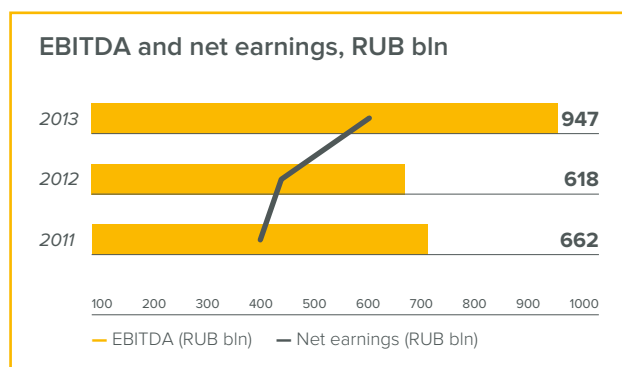


* Pro forma data.

Crude oil feedstock refining volumes, mmt



Financial indicators



In 2013, IFRS-based Earnings before Interest, Taxation, Depreciation & Amortisation (EBITDA) growth was +53.2%. Notwithstanding the adverse macroeconomic factors, including plunging global oil prices, growing transport and electricity tariffs, EBITDA growth was assured by growing operating volumes, effective cost control and synergies brought about by new assets integration. Net Income grew 51% in line with EBITDA.

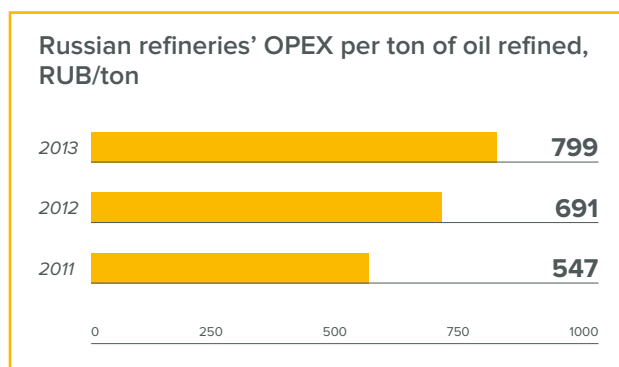
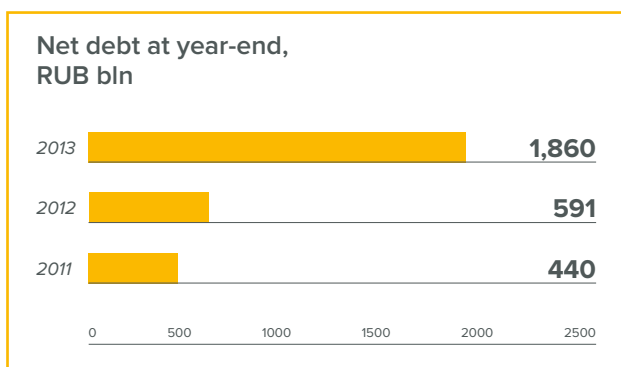
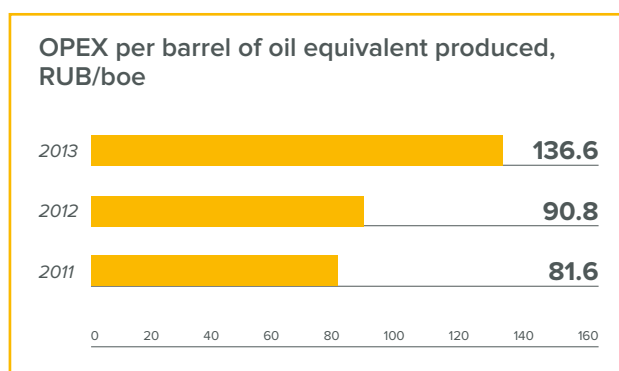
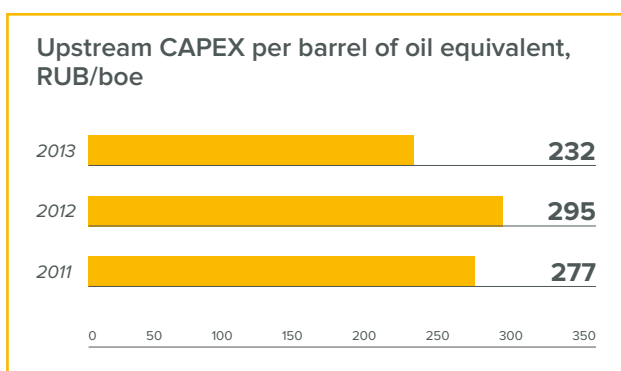
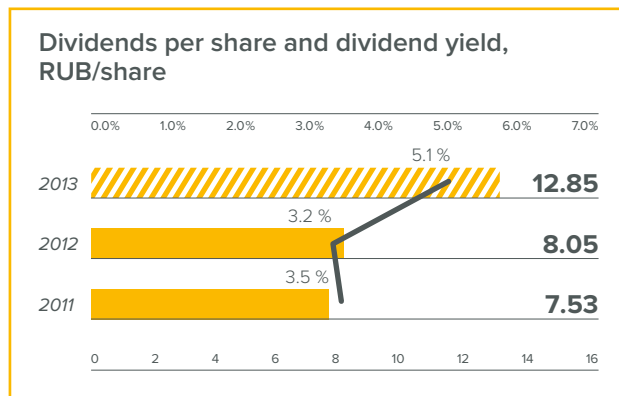
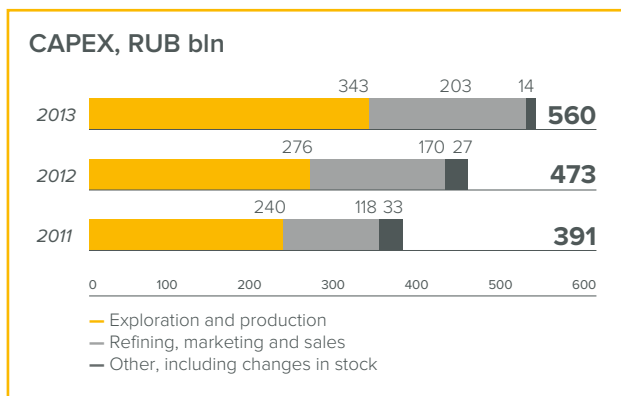
In 2013, our Company received a record RUB 1,297 bln in net operating cash flow before tax, with prepayments of RUB 470 bln received under long-term contracts. Tax payments of RUB 2.7 trln became the largest cash outflow item. The change in operating cash flows in 2013 was affected by a RUB 103 bln increase in the working capital, primarily related to activities aimed at growing the oil and oil products export margin by increasing payment lags offered to certain buyers.

Adjusted free cash flow per boe amounted to RUB 201 bln in 2013, having increased 4.7 times year-on-year.

CAPEX amounted to RUB 560 bln in 2013, up 18.4% from 2012. The Company manages its capital investment program efficiently, which has enabled it to achieve the following:

- capital construction project launches in 2013 above 100%, worth approx. RUB 315 bln
- sustainable production growth and resource base replacement
- on-track refinery upgrade program delivery

CAPEX per boe of production amounted RUB 232 in 2013 compared to RUB 295 in 2012. At the end of 2013, Company net debt was RUB 1,860 bln and net debt to EBITDA multiple was 1.79. Debt growth is largely explained by raising financing (in



bank loans) early in 2013 to acquire new assets. Our Company is committed to gradual de-leveraging. In 2013, the Company paid off some of the loans taken to finance TNK-BP asset acquisitions, a total of RUB 166.9 bln.

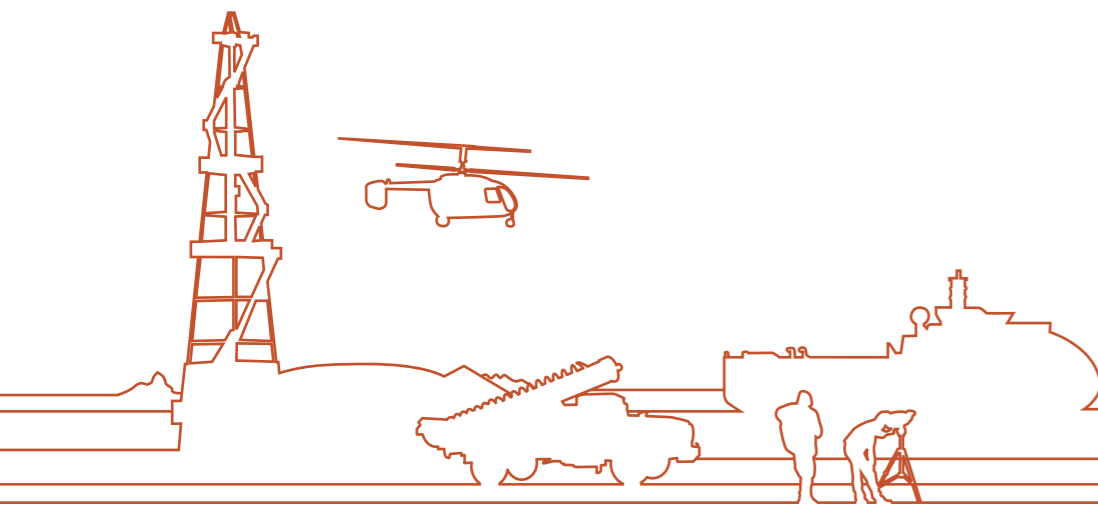
Company operating expenses grew to RUB 136.6 per boe from RUB 91 per boe in 2012. At the same time, Rosneft continues to lead in terms of lowest production OPEX. Cost growth vs. the previous period relates to the recognition of the costs of newly acquired assets, and the launch of gas program facilities. The organic growth in such expenses per boe was 11.7%* in 2013 yoy, and was caused by increased electricity tariffs, growing auxiliary materials and fuel/lubricant prices and other factors. At the same time, the Company carried on with its efforts aimed at increasing the efficiency of, and control over, production operating expenses.

In 2013, the expenses of our Company's Russian refineries grew by 63.5%, to RUB 57.46 bln vs. RUB 35.14 bln in 2012, mostly as the result of new refining assets' cost recognition. Russian refineries' OPEX in 2013 amounted to RUB 799 per ton vs. RUB 691 per ton in 2012. The organic growth of per-unit refining costs was 10.1%* yoy. Such expense growth was mainly driven by growing feedstock and materials costs associated with the Euro-4/Euro-5 class products manufacturing ramp-up and certain other factors.

* Pro forma data.

EXPLORATION AND PRODUCTION

Rosneft Oil Company's strategic E&P goal onshore is maintaining production and fully tapping the potential of brownfields, prudent execution of greenfield projects to ensure a sustainable production profile, maximum hydrocarbon recovery factor, and economic development of unconventional and challenging reservoirs.



Vankor oilfield

EXPLORATION AND RESERVES REPLACEMENT

Rosneft has a major resource base of hydrocarbons onshore and offshore. Our strategic priority is consistent replacement of over 100% of production with new reserves, as well as improving the quality of reserves. In 2013, the Company replaced over 179% of its oil and gas condensate production with new reserves (according to SEC) – the best performance among international oil and gas majors.

In 2014, Rosneft will continue efficient appraisal of brownfields and exploration in new regions of East Siberia and Yamal-Nenets Autonomous District.

RESERVES AND RESOURCES

As of 1 January, 2014, Rosneft's recoverable reserves of the ABC1+C2 category (within the perimeter of IFRS subsidiaries and affiliates) amount to 11.4 bln t (incl. 3.6 bln t of C2) of oil and condensate and 6.5 tcm of gas (incl. – 2.3 tcm of C2)

ABC1 reserves additions resulting from E&A efforts (on a net participation basis) are as follows:

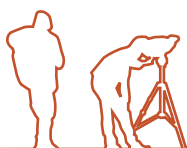
- oil + condensate – 250 mmt;
- gas – 77 bcm.

ABC1 oil and condensate reserves replacement in 2013 was 242 mmt

(excl. acquired stakes in Taas-Yuriakh and ITERA).

The exploration program has delivered 6 field discoveries (2 in the Samara Region, 1 in the Orenburg Region, and 3 in the Tyumen Region) with the ABC1+C2 reserves of oil and condensate equal to 10.5 mmt and of gas equal to 1.4 bcm, and also 70 new plays (in Udmurt Republic, Khanty-Mansi, Yamal-Nenets, Nenets Autonomous Districts, Irkutsk, Orenburg, Samara Regions, Krasnoyarsk Territory) with 27.3 mmt of oil and condensate reserves (ABC1+C2 category) and 38.1 bcm of gas reserves.

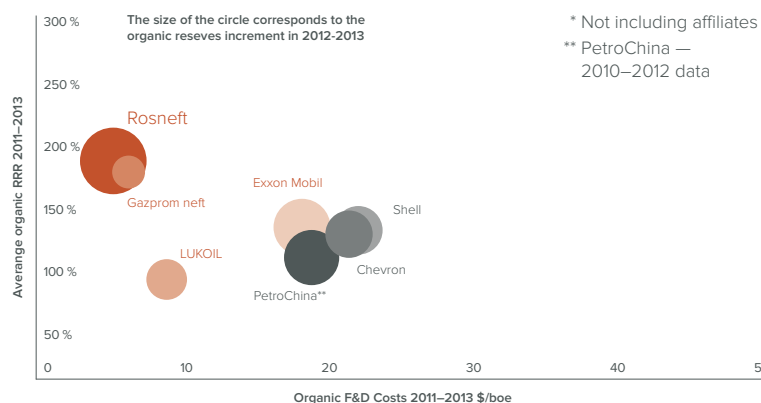
6 FIELDS AND 70 NEW PLAYS WERE DISCOVERED WITHIN THE COMPANY'S EXISTING ASSET BASE



E&A KEY PERFORMANCE INDICATORS, 2011–2013 (ON NET PARTICIPATION BASIS)

	2011	2012	2013
DRILLING			
Completed exploration wells, pcs	32	48	68
Success rate, %	76	84	76
SEISMIC			
2D (line km)	3,482	3,968	610
3D (sq. km)	4,636	5,250	7,029

Finding and Development (F&D) costs and oil and gas reserves replacement ratio (RRR)





Seismic study in Timan-Pechora province

2013 E&A Main Achievements Onshore

- The success rate of exploration drilling was 76%. The high success rate was achieved due to reviews of unsuccessful wells drilled in past years and application of advanced technologies for seismic interpretation and well testing;
- 6 fields and 70 new deposits were discovered;
- E&A efforts delivered reserve additions of the ABC1 category (Russian classification, on net participation basis): oil and gas condensate – 250 mln t; gas – 77 bcm;
- 10 licenses were acquired worth 58 mln t of oil reserves (ABC1+C2), 71 bcm of gas reserves, also 26 mln t of oil and gas condensate and 61.5 bcm of natural gas in resources.

76%

SUCCESS RATE OF EXPLORATION DRILLING IN 2013 THE LEADING METRIC OF EXPLORATION DRILLING AMONG INTERNATIONAL MAJORS

E&A Synergies from New Acquisitions

Acquisition of new assets increased the number of licenses from 588 to 846, resulting in the Company expanding its resource potential and E&A scope in key regions – West and East Siberia, Volga-Urals and Timan-Pechora.

License block management was redistributed among the subsidiaries,

providing for maximum efficiency in E&A planning and performance management in key regions;

In order to improve E&A planning and performance, efforts were made toward subsidiaries taking charge of the corporate R&D centers.

ROSNEFT RESOURCE BASE



Legend

ABC1+C2 reserves distribution

- Oil and condensate, bln tons
- Gas, tcm

70

NEW PLAYS WERE DISCOVERED WITH ABC1+C2 RESERVES OF 27.3 MMT OF OIL AND CONDENSATE AND 38.1 BCM OF GAS

1. NORTH CAUCASUS AND SOUTHERN FEDERAL DISTRICTS INCLUDING SOUTHERN SEAS SHELF

As of 1 January, 2014, recoverable reserves of the ABC1+C2 category (within the perimeter of IFRS with affiliates) amount to 0.11 bln t (incl. 0.02 bln t of C2) of oil and condensate and 0.2 tcm of gas (incl. 0.07 tcm of C2).

2. VOLGA-URALS REGION

As of 1 January, 2014, recoverable reserves of the ABC1+C2 category (within the perimeter of IFRS with affiliates) amount to 0.99 bln t (incl. 0.1 bln t of C2) of oil and condensate and 0.1 tcm of gas (incl. 0.02 tcm of C2).

Three fields were discovered: Volchiye

and Gaurovskoye in the Samara Region and Rubtsovskoye in the Saratov Region with 2.2 mmt of oil and condensate reserves (ABC1+C2) and 1 bcm of gas reserves.

3. TIMAN-PECHORA

As of 1 January, 2014, recoverable reserves of the ABC1+C2 category (within the perimeter of IFRS with affiliates) amount to 0.18 bln t (incl. 0.03 bln t of C2) of oil and condensate and 0.009 tcm of gas (incl. 0.001 tcm of C2).

A new play with reserves of 0.1 mmt was discovered on the territory of the Nenets Autonomous District.

4. CONTINENTAL SHELF OF ARCTIC SEA

As of 1 January, 2014, recoverable reserves of the ABC1+C2 category (within the perimeter of IFRS with affiliates) amount to 0.12 bln t (incl. 0.05 bln t of C2) of oil and condensate and 0.08 tcm of gas (incl. 0.06 tcm of C2).

5. WEST SIBERIA

As of 1 January, 2014, recoverable reserves of the ABC1+C2 category (within the perimeter of IFRS with affiliates) amount to 7.5 bln t (incl. 2 bln t of C2) of oil and condensate and 4.3 tcm of gas (incl. 1.2 tcm of C2).

Three fields were discovered on the territory of the Khanty-Mansi Autonomous District and the Tyumen Region with 8.2 mln t of oil and condensate reserves (ABC1+C2) and 0.4 bcm of gas reserves, also 6 new plays with 7.9 mmt of oil and condensate (ABC1+C2) reserves and 0.3 bcm of gas reserves.

In 2013, 7 new deposits were discovered on the territory of the Yamal-Nenets Autonomous District with 0.7 mmt of oil and condensate (ABC1+C2) reserves and 8.3 bcm of gas reserves.

6. SOUTH OF EAST SIBERIA*

As of 1 January, 2014, recoverable reserves of the ABC1+C2 category (within the perimeter of IFRS with affiliates) amount to 1.3 bln t (incl. 0.9 bln t of C2)

of oil and condensate and 0.87 tcm of gas (incl. 0.6 tcm of C2). Rosneft is conducting exploration in the Irkutsk Region and Evenkia. Exploration in the Irkutsk Region has delivered 4 discoveries of new plays with 5.4 mmt of oil and condensate reserves (ABC1+C2) and 13.2 bcm of gas reserves.

7. EAST SIBERIA BLOCKS AROUND VANKOR FIELD

As of 1 January, 2014, recoverable reserves of the ABC1+C2 category (within the perimeter of IFRS with affiliates) amount to 0.9 bln t (incl. 0.3 bln t of C2) of oil and condensate and 0.6 tcm of gas (incl. 0.3 tcm of C2).

The E&A effort of LLC Tagulskoye resulted in 4 discoveries of gas accumulations with the ABC1 reserves of 15.7 bcm.

8. FAR EAST**

As of 1 January, 2014, recoverable reserves of the ABC1+C2 category (within the perimeter of IFRS with affiliates) amount to 0.2 bln t (incl. 0.06 bln t of C2) of oil and condensate and 0.3 tcm of gas (incl. 0.05 tcm of C2).

*VSNK, Irkutsk blocks, VCNG, Bratskecogaz, Vostok-Energy, SN-Krasnoyarskneftegaz.
**Taas-Yuriakh LLC, Sakhalin, Sea of Okhotsk offshore Licenses.

RESERVES AND RESOURCES (SEC AND PRMS)

287%

**OF HYDROCARBON
PRODUCTION HAS BEEN
REPLACED WITH NEW
RESERVES – THE BEST
PERFORMANCE AMONG
INTERNATIONAL PUBLICLY
TRADED MAJORS**

According to the DeGolyer & MacNaughton audit, using the SEC classification, which stipulates economic life of the field evaluation, as of 31 December 2013, Rosneft's proved hydrocarbon reserves amount to 33,014 mln boe, including liquid hydrocarbon reserves (oil, condensate, natural gas liquids) of 25,191 mln boe (3,398 mmt) and gas reserves of 46,941 bcf (1,329 bcm). Thus, in 2013, the oil reserves replacement ratio was 179%. The Company's hydrocarbon reserves, year-on-year, have grown by 11% (including liquid hydrocarbon reserves – by 6%, gas reserves – by 29%). Reserves additions are mainly the result of the successful delivery of the E&A program, drilling and putting on stream new blocks of the Company's core fields, well interventions aimed at maintaining base production, as well as increased stakes in LLC Taas-Yuriakh Neftegazodobycha and ITERA Oil & Gas Company.

Also, DeGolyer & MacNaughton has audited Rosneft's reserves using the PRMS classification. As of 31 December 2013, the proved hydrocarbon reserves (1P) amount to 41,771 mln boe, including 30,782 mln boe (4,161 mln t) of liquid

hydrocarbons (oil, condensate, NGL) and 65,937 bcf (1,867 bcm) of gas. Thus, as of the year end, Rosneft has 24 years of proven reserves life, including 20 years of oil and 50 years of gas.

The proven reserves volume is largely based on the results of the development of existing fields based on their geology and the technology potential. At the same time, the Company is active getting ready to put on stream from 2016–2019 large new fields in East and West Siberia, including Suzunskoye, Tagulskoye, Lodochnoye, Yurubcheno-Tokhomskeye, Russkoye, and the Kynsko-Chaselskaya group of fields. Implementation of new technologies, specifically, drilling wells with long horizontal boreholes and using multi-stage hydraulic fracturing, will enable, mid-term, development to start on significant oil reserves, including tight reserves (shale oil). Thus, the potential of probable reserves, which are over 70% of proven hydrocarbon reserves, will be confidently involved in development.

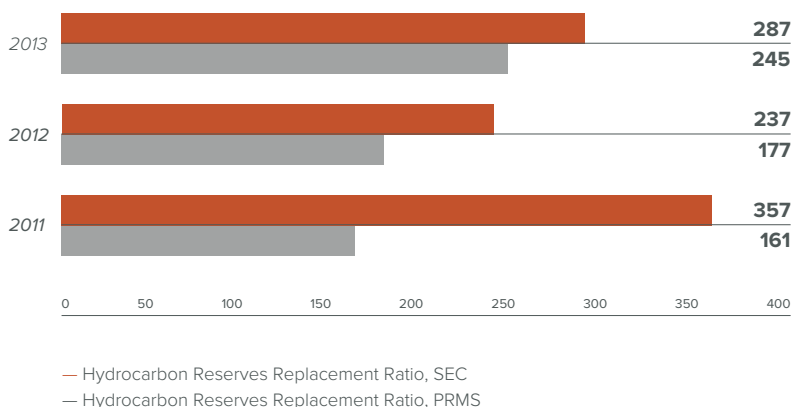
DeGolyer & MacNaughton has audited Rosneft's reserves, and as of 31 December 2013, the Company's average

Hydrocarbon Reserves Replacement Ratio*

Rosneft	287%
BP	199%
Statoil	128%
Total	119%
Eni	105%
ExxonMobil	103%

* SEC-based Reserves Replacement Ratio (RRR). Rosneft's RRR is a proforma estimate. BP's RRR includes its share in the Rosneft reserves. Eni data is based on preliminary results.

Hydrocarbon Reserves Replacement Ratio, (SEC, PRMS) %





RN-Yuganskneftegaz LLC

prospective recoverable hydrocarbon resources are estimated at 339 bln boe (46 bln toe), which is nearly 70% more, year-on-year. Resource additions are the result of exploration and appraisal work in the Kara, Laptev, and Black Seas, as well as the 2013 acquisition of new licenses for offshore blocks in the Barents, Pechora, Kara, East Siberian, Chukchee and Laptev Seas.

E&A IN 2013: MAIN REGIONS AND RESULTS (ON 100% OWNERSHIP BASIS)

West Siberia

Rosneft's E&A efforts in West Siberia are focused on the Khanty-Mansi Autonomous District (KhMAO), Yamal-Nenets Autonomous District (YaNAO), the Tomsk Region (conducted by OJSC Tomskneft VNK, a joint venture between Rosneft and Gazpromneft).

In 2013, on the territory of KhMAO and the south of the Tyumen Region, in order to better define the geological structure of the fields, 2,718 sq. km of a 3D seismic survey was done and 39 exploration wells were drilled with the success rate of 87%. As a result of these efforts on

the territory of KhMAO, 153 mmt of oil reserves were added, 6 new deposits and 3 fields were discovered.

In 2013, 16 exploration wells were drilled on the territory of YaNAO, with a success rate of 81%, and 457 sq. km of 3D seismic were acquired. Reserves additions amounted to 33 mmt of oil and 46 bcm of gas, and 7 new plays were discovered.

In 2013, on the territory of the Tomsk Region, 480 sq. km of a 3D seismic survey was done and 3 successful exploration wells were drilled. Reserves additions amounted to 7 mln t of oil and 3 bcm of gas.

East Siberia


Blocks around Vankor Field

The reporting year saw 276 sq. km of 3D and 350 line km of 2D seismic surveys done and 4 wells tested.

Construction of two appraisal wells was completed: Yakovlevskaya-2 (Baikalovskiy license block), Kystytakhs-kaya-1 (Samoyedskiy license block),

41.8

BLN BOE OF PROVED PRESERVES (PRMS) AS OF 31 DECEMBER, 2013





RN-Yuganskneftegaz LLC

339

**BLN BOE OF ESTIMATED
AVERAGE PROSPECTIVE
RECOVERABLE RESOURCES,
70% HIGHER, YEAR-ON-YEAR**

and CDP-2D seismic was done on the Ondodominskiy license block.

The E&A effort on the Tagulskoye LLC blocks resulted in OJSC Suzun discovering 4 new hydrocarbon deposits in the Suzun and Gorchinskiy fields. Two wells were tested to 50 targets. 3D field seismic was shot on the Gorchinskiy, Zapadno- and Vostochno-Suzunskiy license blocks.

Reserves additions from the Vankor project amounted to 12 mmt of oil and 27 bcm of gas.

South of East Siberia

Rosneft is conducting exploration in the Irkutsk Region and Evenkia.

In 2013, 190 line km of 2D and 1,251 sq. km of 3D field seismic surveys were done in the Irkutsk Region, as well as 6 exploration wells drilled.

Drilling and testing of well N°10 on the Mogdinskiy license block and well 73 on the Danilovskiy license block resulted in the discovery of three new accumulations. Total reserves additions resulting from the E&A work in Irkutsk Region

amounted to 14 mmt of oil and 15 bcm of gas, as well as the discovery of 4 new accumulations.

A 3D seismic survey was done on 350 sq. km of the Yurubcheno-Tokhomskeye field.

The fast-track reserve estimates show 4 mmt of oil and 2 bcm of gas reserves added.

Far East

In the Far East, Rosneft conducted E&A operations on 5 License blocks onshore.

The reporting year saw one well drilled on the Kurungskiy license block (well N°1), which will be tested in 2014, and 20 sq. km of 3D seismic shot on the Monghi license block.

The fast-track reserves estimates show 1.8 mmt of oil and 0.7 bcm of gas reserves added.

Timan-Pechora

E&A operations in the Timan-Pechora region (Komi Republic and Nenets Autonomous District) are performed by

LLC RN-Severnaya neft, LLC Kompaniya Poliarnoye Siyaniye (Polar Lights – a JV with ConocoPhillips) and OJSC Nyaganeftgaz.

In 2013, 63 sq. km of a 3D seismic survey was done in the region, 2 appraisal wells were successfully constructed, construction of well 21P Nertsetinskaya of the Berganty-Myl'skiy license block began with the objective of delineating oil and gas accumulations in the Lower and Upper Devonian, and Lower Silurian. Drilling and testing will be completed in 2014.

In 2013, construction of exploration well N°174 of the Vostochno-Veyakskoye field was completed, and it showed commercial flow rates of hydrocarbons. Construction of well 1 Labaganskaya was also completed discovering a new accumulation.

On the territory of Timan-Pechora, 1.6 mln t of oil reserves was added and a new play was discovered.

Volga-Urals Region

In 2013, 1,349 km of 2D and 2,583 sq. km of 3D seismic surveys were done on the territory of Orenburg, Samara, and Saratov Regions, and the Republic of Udmurtia, including 625 sq. km of seismic in the fields that are being operated. Testing of 17 exploration wells was completed.

As a result of successful E&A efforts, commercial reserves were confirmed in the Pokrovskoye, Vostochno-Malakhovskoye, Vostochno-Radovskoye, Morgunovskoye, Skvortsovskoye, and Vakhitovskoye fields (7 exploration wells were successfully drilled with an average flow rate of 65 t/day).

Three fields were discovered: Volchiye and Gaurovskoye in the Samara Region and Rubtsovskoye in the Saratov Region.

Reserves additions in the region amounted to 49.4 mmt of oil, 48 new deposits were discovered.

North Caucasus and Southern Federal Districts

In the south of the European part of Russia, Rosneft is conducting E&A operations in the Chechen Republic, the

Republics of Ingushetia and Dagestan, Stavropol and Krasnodar Territory.

In 2013, drilling was completed on well N°1016 with a TD of 5700 m in the Upper Cretaceous. The well was drilled on the Andreevskiy license block of the Chechen Republic. Drilling began of exploration well N°32 Severniye Braguny to lower targets (K1) with a TD of 5800 m.

2D (40 line km) and 3D (100 sq. km) seismic surveys were done on the Vostochno-Groznenskiy license block, which will add the required level of detail to the structure of the Goit-Kortovskoye oil and gas field that is being developed and clarify the presence and character of the projected Avturinskaya structure located within the Vostochno-Groznenskiy license block boundaries.

Processing and interpretation was done of 2D seismic data acquired in the coastal area of the Caspian Sea (Izberbash field) on the territory of Dagestan. Preparatory work began to deepen the exploration well to the design target in the Safaralinskaya area. The well will be drilled and tested in 2014.

In Stavropol Territory, comprehensive review and interpretation of the 3D seismic data from Rosneft's Russkiy Khutor Severniy, Nadezhdinskoye, Ba-idjanovskoye, Vostochno-Bezvodnenskiy license blocks was completed in order to identify development targets and the location of wells to be drilled. Drilling of exploration well N° 400 Zimniaya Stavka was completed and testing will be completed in 2014.

CRUDE OIL PRODUCTION

Rosneft is a world leader in liquid hydrocarbon production. In 2013, the Company produced 207* mln t of oil¹ (including production from the new assets accounted for starting from 1 January, 2013). Natural gas production over the same period was ca. 42* bcm, which made Rosneft number 3 gas producer in Russia.

The Company has a unique portfolio of assets in terms of the size and recoverability of reserves. In 2013, oil produced from its brownfields amounted to around 80%. A lot of credit goes to the Company's experts for reducing the natural liquid production decline rate in West Siberia brownfields by 3%. In 2013, growth was shown by the Samaraneftegaz brownfields in the Volga-Urals region (2.9%), active greenfields in East Siberia – Vankor (17.8%) and

Verkhnechonskoye (7%), and the Uvat group of fields in the south of the Tyumen Region (18.4%).

The target the Company set for 2014 is to achieve further stabilization of brownfield production and planned production increases from greenfields, as well as preparing Vankor-based greenfields for commercial operation.

Rosneft is producing oil via its twenty nine subsidiaries and joint ventures in West and East Siberia, Timan-Pechora, Central Russia, the south of the European part of Russia, and in the Far East. The Company owns a 20% stake in the Sakhalin-1 project and 50% stake in Tomskneft, included in the reporting statements based on proportional consolidation, and produces oil and gas via three joint ventures accounted for based on its participatory interest therein:

Udmurtneft – 49.54%, Poliarnoye Siyaniye (Polar Lights) – 50.0%, and Slavneft – 49.94%. On top of that, the Company has a stake in joint ventures on the territory of Venezuela, Vietnam, Canada, Brazil, Norway, Algeria, UAE, and USA.

In 2013, the Company's efforts were focused on:

- maintaining brownfield production in West Siberia and the Volga-Urals region, including by rolling out new technologies;
- growing production and developing greenfields (Uvat group, Vankor and Verkhnechonsk) according to the plan;
- opex and capex optimization, including by executing programs aimed at energy efficiency improvement;
- integrating assets TNK-BP.

207

MILLION TONS* OF LIQUIDS – OUR PRODUCTION IN 2013

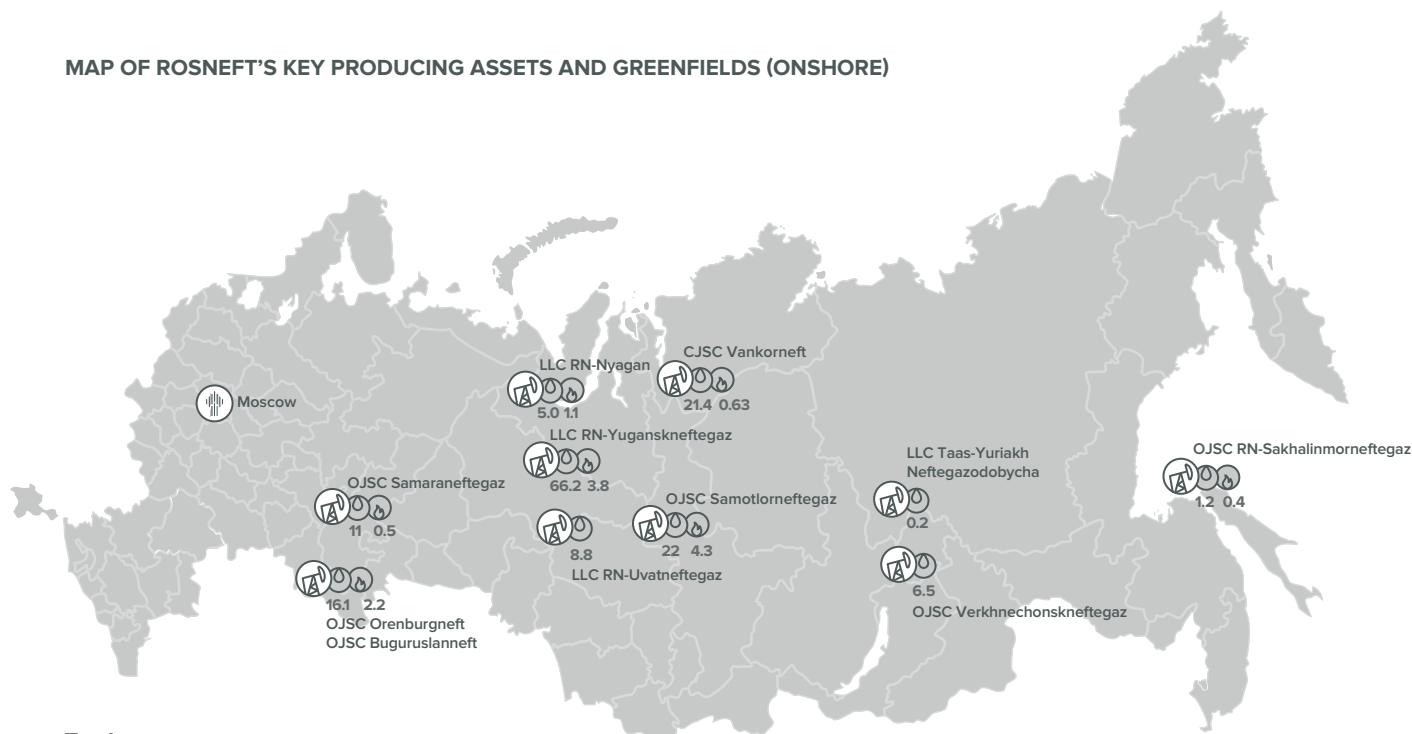
2013 Oil and Gas Production Achievements

1. Successful integration of new assets.
2. 14 October, 2013, deals were closed on consolidating a 100% stake in Taas-Yuriakh Neftegazdobycha LLC engaged in a comprehensive development of the Srednebotuobinskoye oil gas and condensate field on the territory of the Republic of Sakha (Yakutia), one of the largest fields in East Siberia.
3. Growing production from greenfields – Vankor, Verkhnechonsk and Uvat projects, – where average annual growth, year-on-year, was 15.6%.
4. Growing production in a mature region: OJSC Samaraneftegaz increased production from its brownfields by active application of hydraulic fracturing and delivering a 2.9% growth, year-on-year.
5. The Company was the first in Russia to drill 6 mln meters (including affiliated companies) with horizontal wells making up 23.5%.
6. The associated gas utilization program at Company brownfields and Vankor, a major field and the hub of a new petroleum province in East Siberia, continued aiming to increase the utilization level. Pursuant to the field development design solutions, gas injection to maintain reservoir pressure began in 4Q.
7. Rolling out the horizontal multi-fracked well drilling technology in the Company's key assets.

* Pro forma data.

1. Hereinafter oil production means oil, gas condensate and liquids production, where applicable.

MAP OF ROSNEFT'S KEY PRODUCING ASSETS AND GREENFIELDS (ONSHORE)



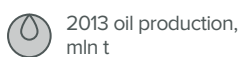
Explanatory notes



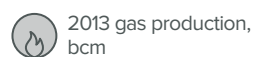
Head Office



Exploration and production



2013 oil production, mln t



2013 gas production, bcm

In the reporting year, the Company produced 207* mln t of liquid hydrocarbons, which is a 69.6% increase, year-on-year. The growth was primarily due the integration of new assets, increased production from the Vankor and Verkhnechonsk fields in East Siberia, and high efficiency of well stimulation operations in the fields of Central Russia and West Siberia.

In 2013, natural and associated gas production grew considerably, year-on-year, and amounted to 42.1* bcm. The

growth is associated with the consolidation of new assets and consolidation of ITERA, also, RN-Yuganskneftegaz and Vankorneft delivering programs aimed at prudent utilization of associated petroleum gas, and RN-Krasnodarneftegaz efficiently stimulating gas wells to improve recovery.

In 2013, 150 horizontal multi-fracked wells were commissioned. Their flow rates are 2-3 times higher than those of conventional directional wells drilled in

a similar geological environment. This technology is especially valuable as an enabler for developing tight oil reserves inaccessible to other technologies.

In total, in 2013, organic production growth from the Vankor, Verkhnechonsk and Uvat projects, year-on-year, was 15.6%*; 300* new wells with an average flow rate of 137.7 t/day were put on stream to boost production.

2013 Synergy Effect from New Asset Integration

1. The 2013 capex synergy effect for the Yamal projects is estimated at RUB 1.8 bln, including by contractor services optimization, such as Suzun engineering & design costs and construction & assembly costs, and project execution schedule optimization based on shared infrastructure use.

2. Resulting from the new asset integration, the Company achieved unification of approaches to doing business in all key subsidiaries. It conducted internal benchmarking of

well workover, transportation and road repair and maintenance rates used by subsidiaries, as well as of a number of non-core services. Application of best business practices in 2013 resulted in OPEX synergies estimated on the order of RUB 1.9 bln. OPEX synergy effects are expected to continue in 2014.

3. Change management in order to improve performance. Development and approval of the Company Standard for Major Project (Development Program) Management in Exploration

& Production, as part of the work done by the Working Subgroup on Change Management led by the Company First Vice President in accordance with the plan approved by the Vice President-Chief of the President's Staff. The draft Internal Regulatory Documents have been developed incorporating the best Russian and foreign practices of major project execution to be piloted in major Upstream and Gas Stream projects (Russkoye, Lodochnoye, Tagulskoye, and Suzunskoye fields, and Rospan full field development).

* Pro forma data.

PRODUCTION IN KEY REGIONS OF COMPANY OPERATIONS IN RUSSIA

2

BILLIONTH TON OF OIL PRODUCED BY RN-YUGANSKNEFTEGAZ LLC ON 3 OCTOBER, 2013

WEST SIBERIA

Khanty-Mansi Autonomous District – Yugra (KhMAO – Yugra)

The Khanty-Mansi Autonomous District is the main region in which Rosneft is present where major producing assets operate, such as LLC RN-Yuganskneftegaz and OJSC Samotlorneftegaz. It is there that one of Rosneft's largest fields, Priobskoye, is located, accounting for 13% of its total production.

RN-Yuganskneftegaz LLC

In 2013, RN-Yuganskneftegaz produced 66.2 mmt, which is 26% of the total KhMAO-Yugra production and 13% of the total Russian Federation production. Gas production was 3.8bcm. The company has been maintaining stable production levels in excess of 65 mmt per year over the past 6 years.

Credit for such high operating performance goes to efficient handling of base production well stock and a large scope and the high efficiency of development drilling.

In 2013, 964 new wells were commissioned, incl. 38 horizontal multi-fracked wells. Large-scale implementation of these technologies significantly expands

the company's potential to bring in tight reserves.

OJSC Samotlorneftegaz

The Samotlor field is one of the Company's strategic assets. Since the beginning of its development in 1969, 2.7 bln t of oil has been produced.

The field is more than 70% depleted. Most of its residual reserves are hard-to-recover and are concentrated in the AB1-2 Ryabchik formation.

Two license blocks are being produced. In 2013, the Company produced 22.0 mmt of oil at Samotlor and 4.3bcm of gas.

The key success drivers are:

- Stabilization of base production, reduction of the decline rate by improving the quality of well stock and reservoir management;
- Scaling up the multi-stage hydraulic fracturing and sidetracking program (113 wells/sidetracks), which in 2013, brought about 243 kt of incremental oil production.

2.7

BILLION TONS OF OIL HAVE BEEN PRODUCED AT SAMOTLOR SINCE THE BEGINNING OF ITS DEVELOPMENT

West Siberia brownfield production stabilization





OJSC Samaraneftgaz

SOUTH OF TYUMEN REGION

Uvat group of fields

LLC RN-Uvatneftgaz is the operator of the Uvat project which is essentially a group of 14 license areas, with 12 of these being located in the southern Tyumen Region, over 400 km from the City of Tyumen, two in the Khanty-Mansi Autonomous District – Yugra. Total project area is 26.6 thousand square kilometers.

The Uvat project produced its first oil in 2007 on the Urnskoye and Ust-Tegusskoye fields, the largest ones of those discovered by geologists in Uvat.

At present, production is ongoing at seven fields, Kalchinskoye, Yuzhno-Petyegskoye, Urnskoye, Ust-Tegusskoye, Tyamkinskoye, Severo-Kachkarskoye, and Radonezhskoye. In 2013, two new fields were discovered, Severo-Keumskoye, and Kirilkinskoye.

In 2013, 8,847.6 thousand tons of oil was produced, up 26% year-on-year. Average well flow amounted to 59.7 tons/day in 2013.

The primary source of growth were 139 newly drilled wells, including 16 horizontal

wells with aggregate production of 1,867.4 thousand tons. These wells feature high starting debits, above 100 tons/day.

Actual incremental oil production in 2013 brought by 157 well interventions amounted to 2,035.7 thousand tons.

VOLGA-URALS REGION

Samara Region

In 2013, Samaraneftgaz fields produced over 11.0 mln t of oil and 0.5 bcm of gas. The reporting period shows a 2.9% increase in oil production, 409 well interventions delivering 1.5 mmt of incremental production, 46 new wells commissioned with an average flow rate of 65.3 t/day. The average flow rate of the newly commissioned wells is higher than the 2012 level, despite the general trend toward deteriorating quality of reserves being drilled in mature regions. In addition to that, the fracking program for recompleting wells has been expanded. In 2013, 70 wells were commissioned vs. 44 in 2012; also, there were 172 recompletions for commingled production vs. 157 in 2012.

2.9%

**PRODUCTION GROWTH IN
OJSC SAMARANEFTGAZ
FIELDS**



CJSC Vankorneft

70

MILLION TONS OF OIL PRODUCED AT VANKOR FIELD SINCE THE BEGINNING OF ITS COMMERCIAL DEVELOPMENT ON 21 AUGUST 2009

20

MILLIONTH TON OF OIL PRODUCED AT VERKHNECHONSKOYE OIL FIELD IN JULY 2013

Vankor field at the center of an emerging oil and gas province of international significance

Vankor field is one of the five largest global discoveries over the past 20 years. It accounts for 4% of Russia's total oil production.

In 2013, Vankor oil production grew by 17%, year-on-year, and amounted to 21.4 mln t.

In 4Q, 2013, the Company reached in Vankor a historical peak production rate of 59.3 kt/day. 105 new wells were commissioned with the average flow rate of 180 t/day. The Company continued its program of improving associated gas utilization and in 4Q, 2013 began gas injection as a method of enhancing oil recovery.

In November, 2013, CJSC Vankorneft was chosen as the operator of the region's greenfields, Suzunskoye, Tagulskoye, and Lodochnoye, and was given the task of developing the Vankor cluster with the total production potential of 50 mmt per annum.

The Suzunskoye, Tagulskoye, and Lodochnoye fields being located in close proximity to Vankor will significantly boost their development efficiency, which, in particular, means:

- sharing of oil transportation capacities
- optimization of equipment and personnel delivery logistics
- sharing of power capacities (creation of a single power hub)
- mobilization of drilling contractors
- joint field infrastructure and operation management

The total synergy effect from creating the Vankor cluster is estimated at \$ 1.5 bln.

In 2014, Vankorneft will continue preparation of the Suzunskoye, Tagulskoye, and Lodochnoye fields for commercial operation. Development drilling, surface facility construction, and drilling of one exploration well are planned to begin in Suzunskoye. Two exploration wells will be tested in the Tagul license block, and drilling on two exploration wells will begin in the Lodochnoye field. The Company will continue looking for new hydrocarbon reserves in the nearby blocks. The Vankor cluster fields are planned to start being put on stream in 2017.



Verkhnechonskoe field

Orenburg Region

In 2013, the Orenburg assets (OJSC Orenburgneft and Buguruslanneft LLC) produced 16.1 mmt of oil and 2.2 bcm of gas. Comprehensive interventions aimed at reducing base production decline rates reversed the trend toward production decline due to depletion and high watercut which began in 2011.

112 new wells were commissioned with an average flow rate of 66.0 t/day. Drilling scope and efficiency were maintained at the 2012 level despite more wells drilled on reservoir edges with poorer geological properties.

Pilot programs began testing multi-stage acid treatments of horizontal wells in the Pronkinskoye field.

On top of that, higher incremental production was achieved by sidetracking and hydraulic fracturing in recompleted wells due to a good selection of candidate wells.

EAST SIBERIA

Verkhnechonskoye Field

Verkhnechonskoye field (VCNG) is the second largest field in East Siberia

(second to Vankor). Commercial production from this field in the Irkutsk Region began in October 2008. In 2013, it produced 6.5 mln t of oil.

The field is being drilled with high-tech horizontal wells ensuring high flow rates. In 2013, 56 wells were commissioned after drilling, with 131 t/day of average incremental production (1.8% flow rate increase, year-on-year) resulting in 994 kt of incremental production, overall.

Sergei Yeroschenko, Irkutsk Region Governor, when visiting the VCNG field noted that OJSC Verkhnechonskneftegaz (VCNG, field Operator) was a positive example for enterprises operating in the region, both from the perspective of its corporate culture and commitments under socio-economic cooperation agreements with the regional government.

REPUBLIC OF SAKHA (YAKUTIA)

Srednebotuobinskoye Field

LLC Taas-Yuriakh Neftegazodobycha owns licenses for the development of Tsentralniy and Kurungskiy blocks of the Srednebotuobinskoye (SB) oil, gas and condensate field. The C1+C2 reserves of the blocks are estimated at 133.7 mmt of

oil and 154.8 bcm of gas. In terms of the reserve size, the field belongs to subsoil blocks of the federal level and is one of the largest in East Siberia.

SB was discovered in 1970. Until 2013, it had been operated in pilot production mode. On 11 October, 2013, stock-tank oil began to be pumped via own 169 km oil pipeline for custody transfer at the tie-in point to Transneft's East Siberia-Pacific Ocean (ESPO) pipeline system (near the town of Lensk).

2013 oil production was 216.8 kt, with the stock of active wells reaching 29 wells by year end.

HARD-TO-RECOVER RESERVES

In 2013, the President and Government of the Russian Federation approved a number of important tax initiatives that will create conditions for developing key projects aimed at future hydrocarbon production. On 23 July, 2013, Russia passed the Federal Law (N213-FL) on Amending Chapters 25 and 26, Part 2, of the Russian Federation Tax Code and Article 3.1 of the Customs Tariff Law providing tax incentives and stability guarantees for 'hard-to-recover' oil reserve development projects. The total amount of discovered recoverable reserves in the regions where Rosneft operates is in excess of 1.4 bln tons.

BAZHENOV AND ACHIMOV FORMATIONS

As part of a joint project on studying the possibility of commercial production from tight Achimov and Bazhenov formations, a second final agreements package on creating a JV with ExxonMobil was signed 17 December, 2013. The purpose of the JV is joint implementation of pilots in West Siberia. On 18 December 2013, ExxonMobil made its first payments toward covering agreed amounts of historical costs and 2013 Pilot Program costs (RUB 1,171 mln and RUB 586 mln, respectively).

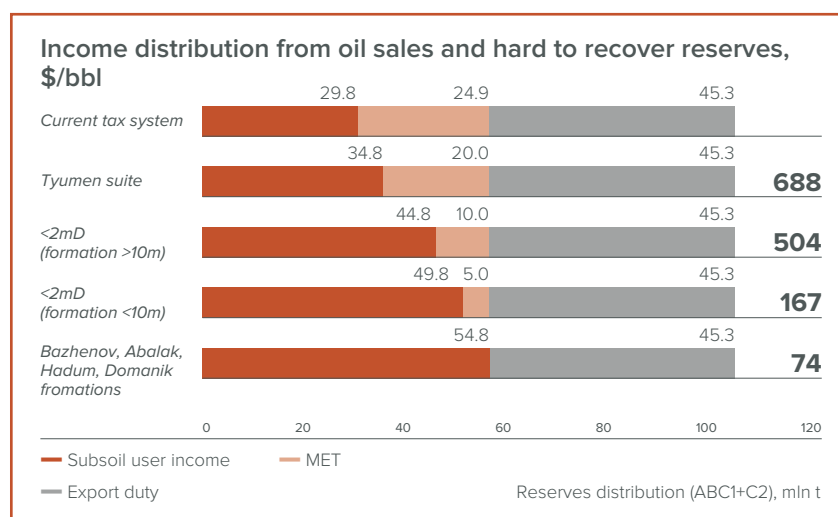
As part of complying with agreement commitments, a joint Rosneft-ExxonMobil group of experts developed a 2014 Pilot Work Program for the Trizneft-Pilot JV. The Program includes drilling up to 4 horizontal multi-fracked wells and a number of vertical well investigations (coring and core testing, logging, hydraulic fracturing, reactivation of exploration wells). The work will be paid for by the ExxonMobil carry arrangement.

Based on the Pilot Program results, in 2016 the parent companies will make a decision on whether development of tight Achimov and Bazhenov formations on the territory of RN-Yuganskneftegaz operations is economically feasible.

DOMANIK PROJECT

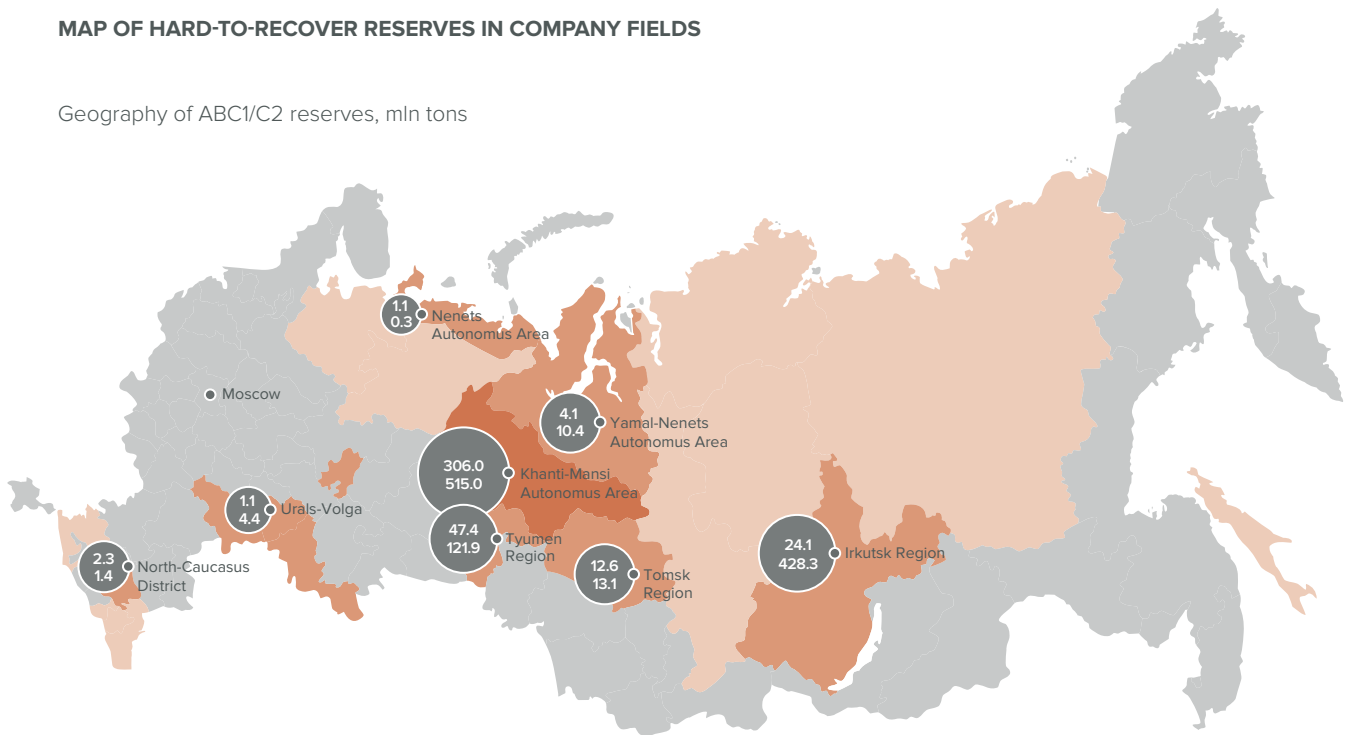
21 June, 2013, Rosneft and Statoil signed Heads of Agreement regarding tight hydrocarbon reserves of the Domanik formations in the Volga-Urals basin. Statoil will provide carry financing for the Pilot Work Program, as well as technologies and experts. If the Domanik development proves to be feasible, Statoil will provide additional carry for the Commercial Development Phase.

On 6 December 2013, the parties signed Shareholder and Operating Agreement setting the principles of joint Domanik Pilot Program execution, creation of a joint Operator company, Operator corporate governance principles and Project funding procedures. The parties plan to execute the Final Agreements and create the JV by end of 2014.



MAP OF HARD-TO-RECOVER RESERVES IN COMPANY FIELDS

Geography of ABC1/C2 reserves, mln tons



LOW-PERMEABILITY RESERVOIRS

Full-scale drilling began on the YuK2-9 Tyumen formations in the Em-Egovskiy block. The next step will be development of analogue YuK2-9 Tyumen accumulations in the adjacent Talinskiy block of Krasnoleninsk oilfield with the number of drilling rigs and drilling scope involved to be gradually increased.

Horizontal wells with multi-stage fracking began to be drilled in the Severo-Khokhriakovskoye field. Previously, there had been a few attempts to begin active development of the field, but they failed due to low economic efficiency.

The multi-stage hydraulic fracturing technology gave a new impetus to asset development. During the first pilot, 22 wells are planned to be drilled with the project set to be expanded gradually to cover all blocks of the field. In total, over 200 multi-fracked wells are intended to be drilled.

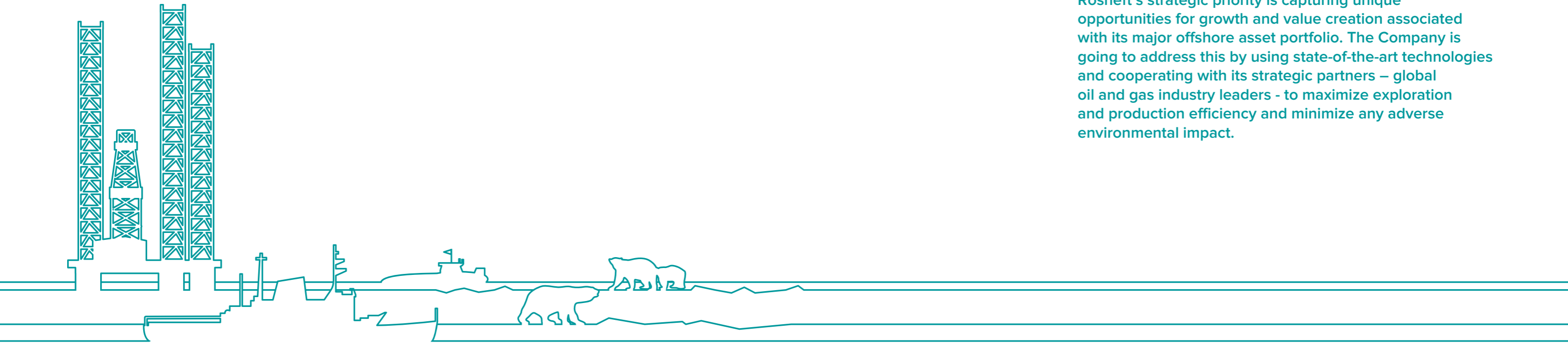
Multi-stage hydraulic fracturing technology has been used in RN-Yuganskneftegaz fields since 2012, with the main targets being Tyumen and Achimov formations. The average initial flow rate in 38 horizontal multi-fracked wells drilled in 2013 was 161 t/day.

>1.4

**BLN TONS – COMPANY
TOTAL DISCOVERED HARD-
TO-RECOVER RESERVES**

OFFSHORE PROJECTS DEVELOPMENT – THE FOREFRONT OF THE WORLD ENERGY SECTOR

Rosneft's strategic priority is capturing unique opportunities for growth and value creation associated with its major offshore asset portfolio. The Company is going to address this by using state-of-the-art technologies and cooperating with its strategic partners – global oil and gas industry leaders - to maximize exploration and production efficiency and minimize any adverse environmental impact.



The Orlan platform in the Sea of Okhotsk

PROJECTS ON THE RUSSIAN CONTINENTAL SHELF

Rosneft is the leader of Russia's continental shelf development. The Company has 46 license blocks with total hydrocarbon resources of over 43 bln toe in the Arctic, Far East, Black and Caspian Seas and the Sea of Azov in the south of Russia. Rosneft has strategic partnership agreements with major IOCs who have advanced expertise in offshore project development.

In 2013, the Company carried out an unprecedented amount of E&A work, geological surveys and environmental and fishery studies in the Russian Arctic and Far Eastern continental shelf.

In 2014, Rosneft is planning to begin wildcat offshore drilling in the Arctic and drill the first well in the Kara Sea.

2013 ACHIEVEMENTS IN OFFSHORE DEVELOPMENT

1. Acquisition of licenses for offshore prospects

In 2013, the Company acquired 17 License blocks in the Arctic and Far Eastern shelf of the Russian Federation (Zapadno-Prinovozemelskiy, Russkiy, Severo-Pomorskiy-1, Yuzhno-Prinovozemelskiy, Zapadno-Matveevskiy, Anisinsko-Novosibirskiy, Severo-Karskiy, Ust-Lenskiy, Ust-Olenekskiy, Severo-Vrangelevskiy-1, Severo-Vrangelevskiy-2, Yuzhno-Chukotskiy, Albanovskiy, Varnekskiy, Vostochno-Sibirskiy-1, Vostochno-Pribrezhniy, and Amur-Limanskiy) with the total hydrocarbon resources of over 23.3 bln toe.

2. Signing of agreements with strategic partners:

- Parent Company, Shareholder and Operating Agreements were signed with ExxonMobil on projects in 7 new license blocks in the Kara, Chukchee and Laptev Seas.
- Final agreements were signed with the following strategic partners: ExxonMobil (Kara and Black Sea projects), Eni and Statoil (joint work on the Russian continental shelf). Joint operating companies were established.
- A cooperation agreement was signed with INPEX on offshore projects in the Sea of Okhotsk (Magadan-2 and 3 license blocks).

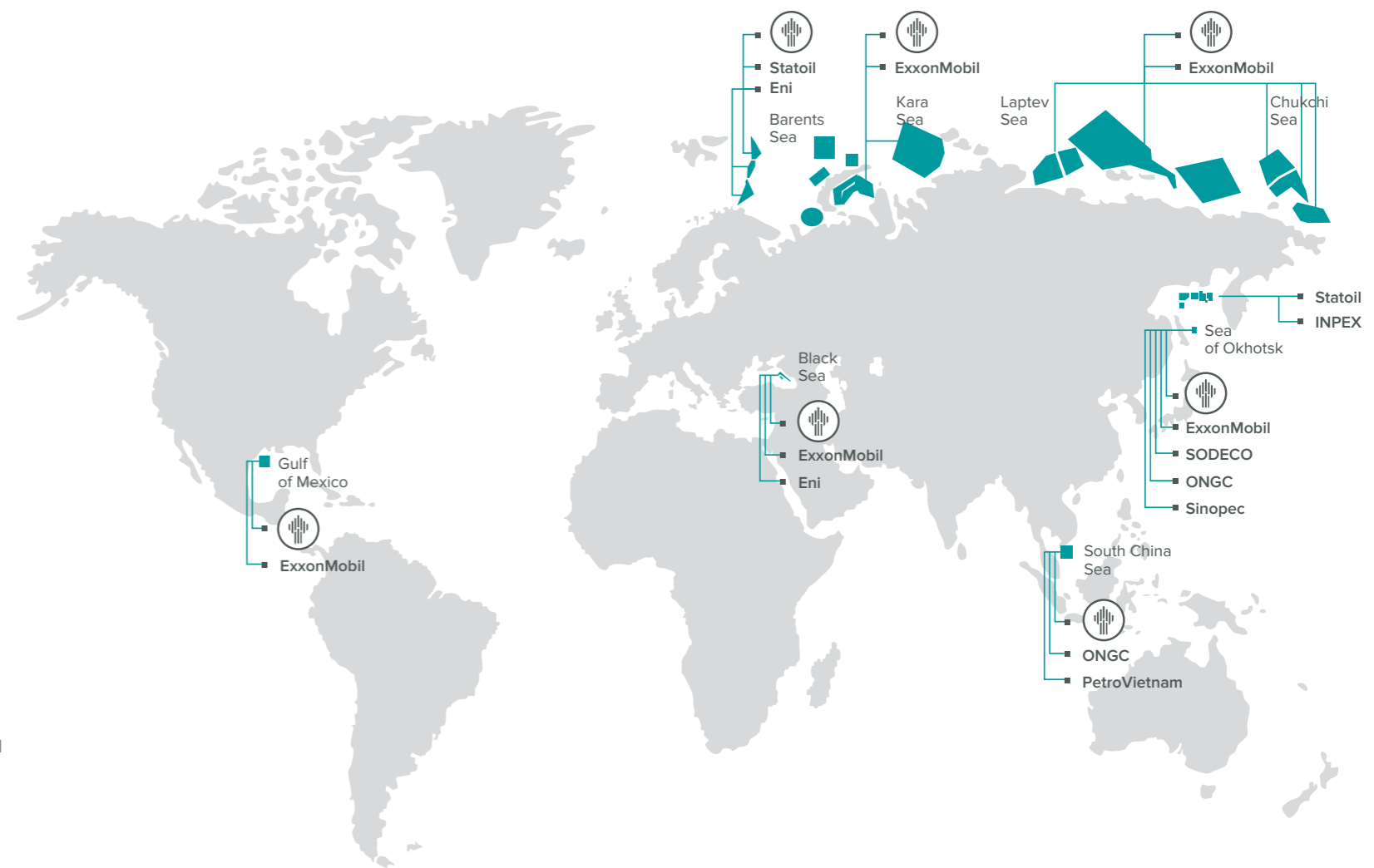
3. Delivery of a large-scale E&A program for license blocks in the Barents, Pechora, Kara Seas and the Sea of Okhotsk:

- 2D seismic survey of 32.5 th. line km
- 3D seismic survey of 2.6 th. sq. km
- Surveys of 11 sites to identify drilling locations
- Environmental and fishery studies on 11 license blocks

4. Identifying the location for drilling the first exploration well in the Universitetskaya structure of Vostochno-Prinovozemelskiy Block-1 in the Kara Sea a year ahead of the deadline specified by the license.

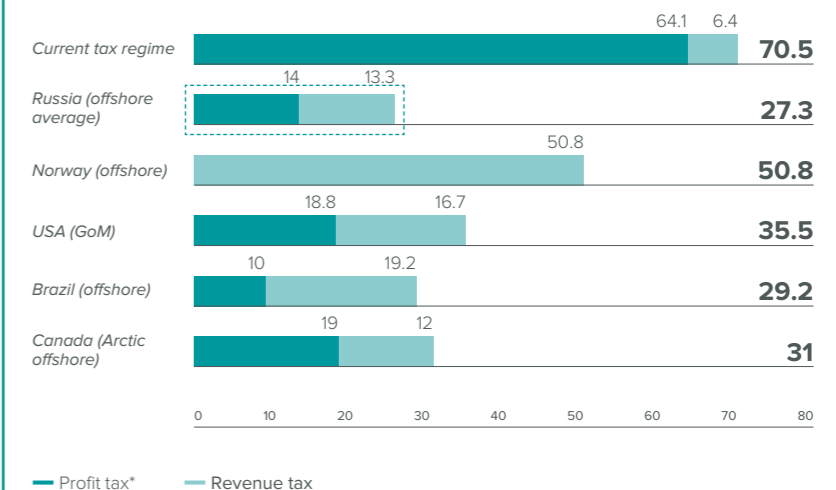
- Performing a comprehensive set of HSE actions compliant with best international standards by way of getting ready for exploration well drilling in the Kara Sea, including:
 - investigation of the ice situation and organization of an ice protection system;
 - organization of a metocean monitoring system;
 - provision for installing additional blowout prevention equipment units;
 - development of a marine operations plan to support offshore drilling;
 - development of oil spill response plans.
- Jointly with ExxonMobil, work began on assessing and preparing a short list of new drilling platform concepts to be operated in the Arctic conditions, both in shallow and deep-water blocks. 14 drilling platform designs of all existing types developed by the world's leading designers are being reviewed.

ROSNEFT'S KEY OFFSHORE PROJECTS



- The demand for supply and support vessels to be used for drilling operations in the Company's license blocks has been assessed. The types and number of vessels have been determined and an estimate of potential demand for vessels has been made.
- The main types of vessels and offshore facilities required for the Company's offshore projects have been identified. Functional specifications for each type have been developed.
- Work has commenced to develop an offshore field development concept for the varying natural/climate and mining/geological environments of the Russian continental shelf.

Russian offshore taxation is one of the world's most attractive



OFFSHORE PROJECTS: MAIN RESULTS

Arctic Offshore Projects

In 2013, Rosneft operated on 25 subsoil blocks in the areas of the Barents, Pechora, Kara, Laptev, East-Siberian, and Chukchee Seas.

Liquid hydrocarbon resources of 25 Arctic offshore blocks amount to 18,811 mmt according to DeGolyer & MacNaughton end of 2013 estimates, gas resources – to 21,473 bcm. In addition, the Company has estimated, on a preliminary basis, the East-Siberia-1 license area resources, 1,367 mmt of oil and 1,166 bcm of gas. There were previous field discoveries in three Pechora blocks – Severo-Guliayevskoye, Pomorskoye, Medynskoye-More, and Varandeyevskoye-More, with total C1+C2 category oil and condensate reserves of 117 mln t, gas – 79 bcm.

Seismic and geological data of the past years were acquired for the new blocks and preparation began for 2014 field surveys.

In 2013, 6,535 line km of 2D seismic was done on Vostochno-Prinovozemelskiy-1, 2, 3 license blocks, and 1,844 sq. km of 3D seismic on Vostochno-Prinovozemelskiy-2. Four sites were surveyed for drilling and geochemical analysis was done on Vostochno-Prinovozemelskiy-1, 2.

In 2013, 1,060 line km of 2D seismic and 387 sq. km of 3D seismic were done on the Yuzhno-Russkiy license block. One site was surveyed for drilling.

In 2013, 219 sq. km of 3D seismic was done on the Medynsko-Varandeyevskiy license block.

In 2013, 6,750 line km of 2D seismic was done on the Fedynskiy license block.

In 2013, 3,200 line km of 2D seismic was done on the Tsentralno-Barentsevskiy license block.

Russian Southern Seas Offshore Projects

Rosneft holds the following licenses in the southern part of European Russia: the Tuapse Trough, Zapadno-Chernomorskiy block and Yuzhno-Chernomorskiy block (Black Sea shelf), Severo-Kaspiyskiy block and Zapadno-Rakushechnoye field in the Caspian Sea, Temriuksko-Akhtarskiy block and Novoye field in the Sea of Azov. The Company is developing some of these areas on its own and some are being developed in partnership with major Russian and foreign companies.

The blocks in the Black and Caspian Seas and in the Sea of Azov have huge resource potential; their projected recoverable resource is 3.5 bln t of liquids and 81.2 bcm of gas; ABC1+C2 recoverable reserves (the IFRS perimeter, with affiliates) of the two fields amount to 6.9 mmt of oil and condensate, 0.8 bcm of gas. The Black Sea in that area is quite deep (1-2km), therefore development requires a big investment. On the Tuapse Trough block, Rosneft is working with ExxonMobil, on Zapadno-Chernomorskiy block – with Eni, and is now looking into the possibility of involving partners in the Yuzhno-Chernomorskiy license block.

In 2013, preparation work continued for exploration drilling in the Southern Seas of Russia.

Processing of 4,800 sq. km of the Tuapse license block's 3D seismic data was completed; the upper part of the 3D seismic cube (2,400 sq. km) was processed to support site surveys, and three sites were surveyed as potential candidates for drilling.

The upper part of the Zapadno-Chernomorskiy license block 3D seismic cube (800 sq. km) was processed; three sites were surveyed as potential candidates for drilling.

Processing of the Yuzhno-Chernomorskiy license block 2D seismic acquired in 2012 was completed.

Site N°1 of the Zapadno-Rybachiya structure (Severo-Kaspiyskiy block) was surveyed for artificial island construction. A license for hydrocarbon exploration

and production was acquired for the Zapadno-Rakushechnoye field in the Caspian Sea.

Site surveys began on the Temriuksko-Akhtarskiy license block (Sea of Azov), specifically at a drilling site for appraisal well Geologicheskaya-1.

A license for hydrocarbon exploration and production was acquired for the Novoye field in the Sea of Azov, preparations for development are underway.

Russian Far Eastern Offshore projects

In the Far East, Rosneft is operating on 14 license blocks on the Sea of Okhotsk shelf. The recoverable resources of oil and condensate on the blocks were 1,784 mmt according to DeGolyer & MacNaughton estimates as of the end of 2013, of gas – at 2.3 tcm; the recoverable reserves of discovered fields (including Sakhalin-1 project) are 264 mln t of oil and condensate and 496 bcm of gas, of which Rosneft's net share is 74 mln t of oil and condensate and 104 bcm of gas.

At the end of 2013, licenses for Sakhalin-3 (Veninskiy block) and Sakhalin-5 (Kaigansko-Vasiukanskiy block) expired. Applications were filed for production licenses in relation to the Severo-Veninskoe gas condensate field, and for exploration and production licenses at the Kaigansko-Vasiukanskiy Sea. In late 2013, new licenses were acquired for Vostochno-Pribrezhniy, and Amur-Limanskiy blocks.

In 2013, Rosneft was active in 6 E&A offshore projects (Sea of Okhotsk) – Astrakhanovskoye More–Nekrasovskiy, Lisianskiy, Kashevarovskiy, Magadan-1, 2, 3. The Company is doing some of these projects on its own and some are being done in partnership with Statoil and INPEX. In 2013, Rosneft was working on another 5 blocks – Lebedinskoe field, Sakhalin-3 (Veninskiy block), Sakhalin-5 (Kaigansko-Vasiukanskiy block), Northern part of the Chaivo field, and Northern end of the Odoptu-More field, including R&D work, design survey, preparation of technical design documentation, recovery feasibility document, Engineering and Procurement.



Seismic studies in the Sea of Okhotsk

Sakhalin-1 Project

In 2013, execution of the Sakhalin-1 project (Rosneft stake – 20%) continued efficiently. Rosneft’s partners on the project are ExxonNeftegaz Limited, SODECO (Japan) and ONGC (India).

In 2013, the project delivered a total of 7.009 mln t of oil and gas condensate, which is 18.6% above the plan set by the Company; 2.364 bcm of gas (+7.6% to plan) was supplied to consumers in the Russian Far East.

The Chaivo and Odoptu fields, part of the Sakhalin-1 project, were operated using state-of-the-art technologies and work management methods. A new drilling record was set in drilling extended-reach wells (Yastreb rig): the longest well in the world, Z-42 (12,700 m) was drilled, completed and commissioned.

Successful operating performance was achieved against the background of opex savings of 11% and CAPEX savings of 20% vs. planned.

2014 is expected to see a third field, Arkutun-Daghi, put on stream. During the summer season, the Berkut ice-resistant

offshore fixed platform top structure is going to be transported and installed. Then development drilling will begin. All preparatory work, including setting the platform gravity base, was completed in 2012-2013.

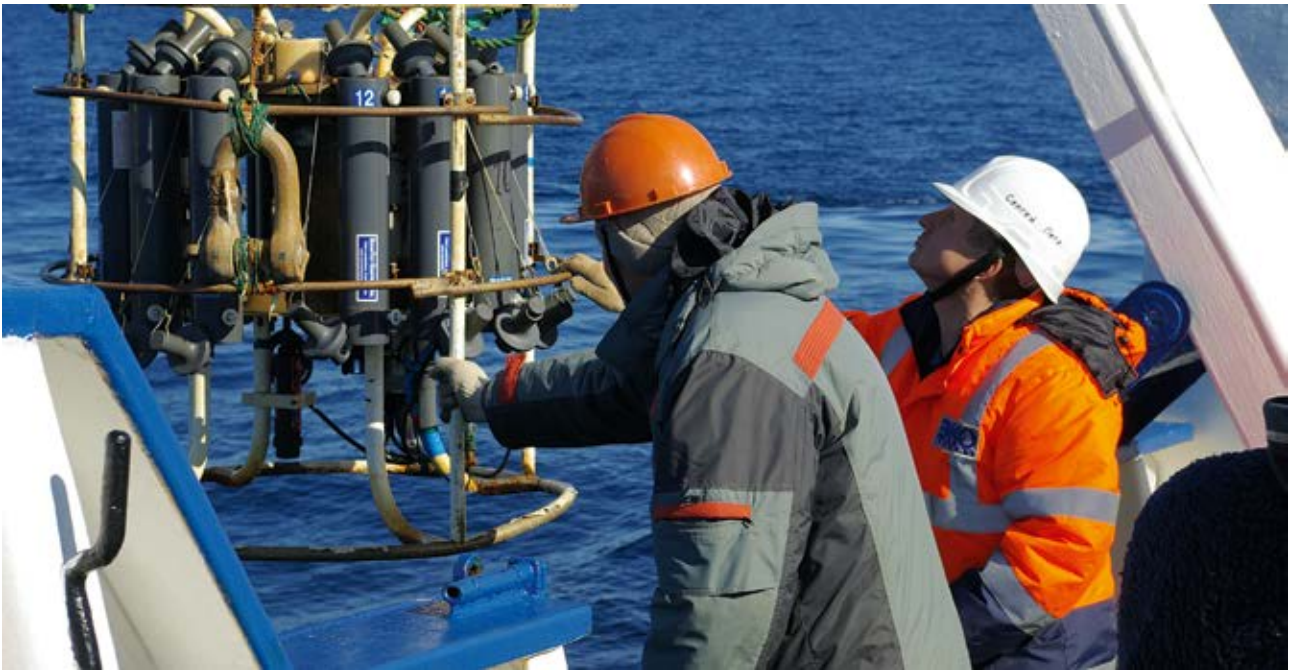
Severnoye Chaivo Project

In 2013, an active phase of the project focused on the northern tip of the Chaivo field began. Rosneft acquired a license for the block in December 2011.

ExxonNeftegaz Limited (Sakhalin-1 Operator) and Rosneft prepared and submitted in November 2013 to the Central Development Commission with the Federal Agency for Subsoil Use a design document entitled “Supplement to the Chaivo Field Technological Development Scheme” (FDP). The CDC issued a positive opinion of the joint document, which envisions the use of extended-reach well technologies to develop Severnoye Chaivo. As is known, these technologies proved very effective in developing Sakhalin-1 fields.

In order to optimize Rosneft’s CAPEX and begin early production, negotiations were conducted with the Sakhalin-1

12,700
METERS
RECORD-LONG Z-42
WELL WAS COMMISSIONED



Oceanographic station setup

Consortium and the Authorized Government Body to consider the possibility of using the Sakhalin-1 infrastructure for production, processing and transportation of oil and gas from the northern tip of the Chaivo field.

A service contract for drilling and testing two wells was executed with the Sakhalin-1 consortium in August 2013. It will help the Company comply with its license commitments regarding commissioning of Severnoye Chaivo. The drilling contract becomes effective after being endorsed by the Authorized Government Body (approval was received in February 2014).

The block is expected to come on stream in late 2014.

Sakhalin-3 Project (Veninskiy Block)

In 2013, the Company, fully and in a timely fashion, complying with its license commitments regarding geological exploration of Sakhalin-3 (Veninskiy block), sent its final geological report to the Russia Geology Agency, Rosgeolfond.

To continue the project, an application was submitted to the Russia Natural Resources Ministry for a hydrocarbon production license for the

Severo-Veninskoye gas and condensate field. The license is expected in 2014.

Preliminary site surveys were done as part of preparing an investment justification document, TEO Investment, as well preparing a technological development scheme (FDP) for the Severo-Veninskoye field.

Analysis was completed of core, drilling cuttings, and fluids from well Severo-Veninskaya N°3 drilled in 2012; also, 3D seismic data were reinterpreted.

Sea of Okhotsk Shelf E&A

In 2013, a total of 15,000 line km of a 2D and 110 sq. km of a 3D seismic surveys were done by Rosneft in the Sea of Okhotsk; also, four wellheads were examined.

In 2013, 110 sq. km of a 3D seismic survey was done on the Astrakhanovskoye More–Nekrasovskiy license block, preparation for 2015 drilling began, and the wellhead of Astrakhanovskaya- More -1 well was examined.

In 2013, 2,658 line km of a 2D seismic survey was done on the Magadan-1 license block, and the wellhead of Khmitievskaya-2 well was examined.

In 2013, 2,200 line km of a 2D seismic survey was done on the Magadan-2 license block, and the wellheads of Magadanskaya-1 and Magadanskaya-2 wells were examined.

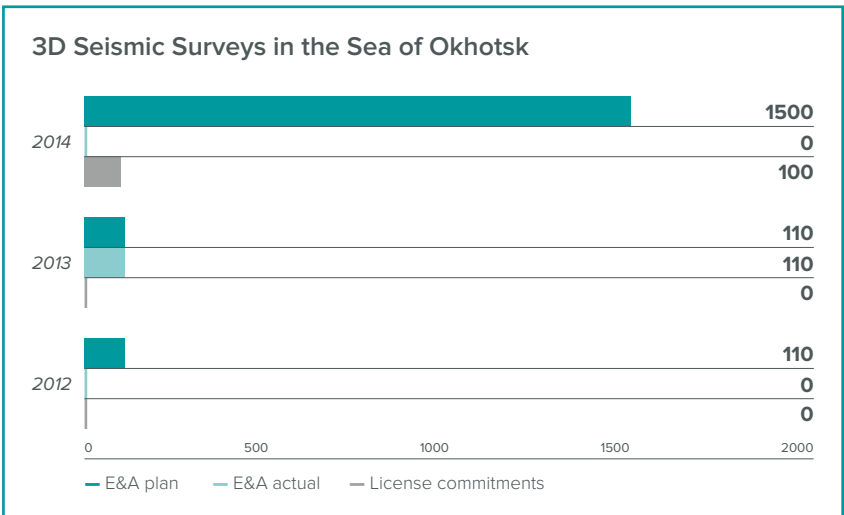
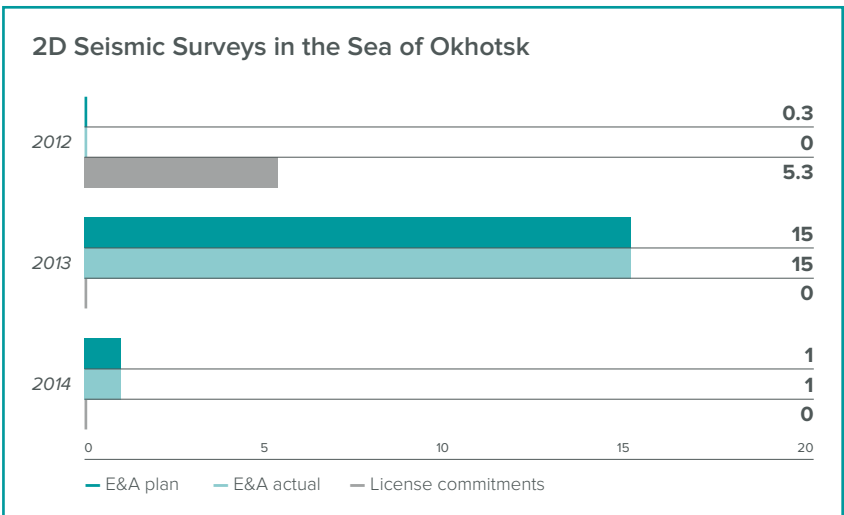
In 2013, 2,800 line km of a 2D seismic survey was done on the Magadan-3 license block.

In 2013, 5,265 line km of a 2D seismic survey was done on the Lisianskiy license block.

In 2013, 2,077 line km of a 2D seismic survey was done on the Kashevarovskiy license block.



Sokol offshore mooring



IMPROVING EFFICIENCY OF CONTRACTOR/SUPPLIER RELATIONS

Rosneft is the biggest consumer of goods, equipment and services among Russian oil and gas companies. In 2013, Russian suppliers and contractors accounted for 87% of contracts in monetary terms.

ROSNEFT STRATEGIC PRIORITIES WITH RESPECT TO SUPPLIERS AND CONTRACTORS

- Regulatory compliance in procurement activities;
- Boosting competition among bidders by increasing their number and involving, among others, small and medium businesses;
- Improving information access for all bidders;
- Development of e-commerce (creation of own electronic trading floor, automation of tender processes);
- Engagement in Russian Government Programs aimed at providing more access to infrastructure monopolies' and government-invested companies' procurement processes for small and medium businesses, and in programs of interaction with related industries.

2013 ACHIEVEMENTS IN PROCUREMENT

Ensuring maximum transparency of the Company's procurement activities by making procurement plans, information about tender plans and results, and reports on awarded contracts publicly available (99.99% of procurement information is published);

2013 savings resulting from competitive buys account for nearly RUB 11,000 mln of the planned amount of competition-based procurement volume (3.9%);

The number of accredited counterparties in the existing data base of potential suppliers that are qualified as meeting Company requirements is now in excess of 3,000;

Reduction of the tender procedures time by 30–50% relative to standard timelines

[Home](#)

Information on Rosneft' and its Subsidiaries' Procurement Operations

"Procurement Information" Section is dedicated to procurement operations of Rosneft and its Subsidiaries. Information on procurement operations is posted on:

- Official site of the Russian Federation for information related to placement of orders for supplies of goods, execution of works and rendering of services (www.zakupki.gov.ru) in volumes and starting from the date contemplated by applicable legislation of Russian Federation;
- This site in "Procurement Register" Sub-section; and
- Relevant E-Trading Platform (in case any e-trading site is involved)

- [Procurement Register](#)
- [Procurement Regulations Register](#)
- [Procurement Plans Register](#)
- [Contract Reports Register](#)
- [Information for Suppliers](#)
- [Русский](#)

Procurement Information

- [Procurement Register](#)
- [Procurement Regulations Register](#)
- [Procurement Plans Register](#)
- [Contract Reports Register](#)
- [Information for Suppliers](#)

Oilfield Services

Sales of Oil, Gas, Gas Condensate and Light Hydrocarbon Multi-Component Mixtures

Sales of Petroleum Products

Construction

R&D in Capital Construction and Development

Maintenance and Repair

Transportation

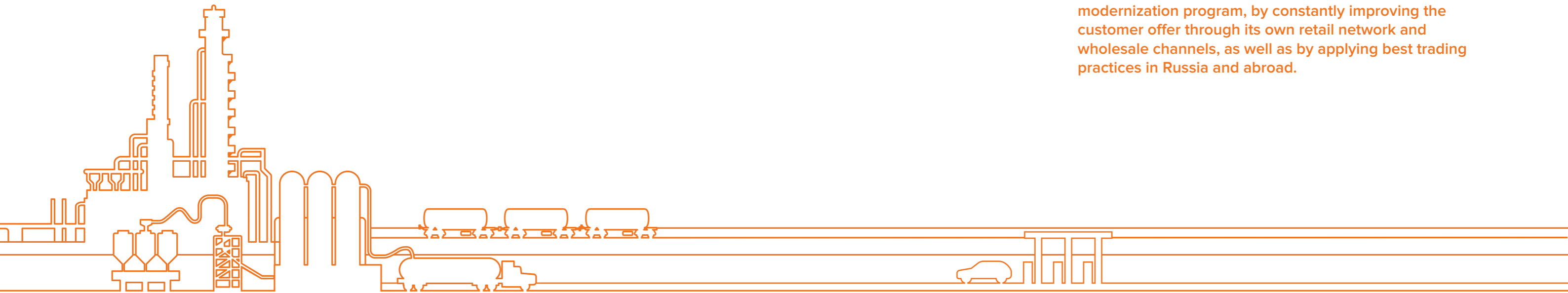
IT Projects and Telecommunications

<http://zakupki.rosneft.com/zakup>

REFINING, COMMERCE AND LOGISTICS

The strategic goal of Rosneft refining, commerce and logistics teams is to ensure the best use of crude oil and gas produced by the Company, and of its petroleum products.

The Company creates added value for the shareholders by successfully implementing a large-scale refinery modernization program, by constantly improving the customer offer through its own retail network and wholesale channels, as well as by applying best trading practices in Russia and abroad.



Fuel station of OJSC Rosneft-Stavropolye

CRUDE OIL REFINING: QUALITY, EFFICIENCY, INDUSTRIAL AND ENVIRONMENTAL SAFETY

Rosneft is the leader of the Russian refining industry. The Company owns and operates 11 refineries in key regions of Russia. In 2013 the total throughput reached 97.7* mln t.

The Company is implementing a large-scale refinery modernization program that will enable it to increase the refining depth up to 81% and ensure compliance with the terms of 4-sided agreements.

* Proforma data

ROSNEFT REFINING ASSETS IN RUSSIA



REFINERIES MODERNIZATION: COMPLETION STATUS

	Tuapse	Ryazan	Syzran	Kuibyshev	Novokuibyshevsk	Achinsk	Effect on oil products output
Vacuum block		●				●	Refining depth
Isomerization	●	●		●	●		Euro-5 gasoline
Cat cracking			●	●			Light product yield
Hydrotreatment	●	●/■	●	■	●	●	Euro-5 motor fuels
Reforming	●		■	■	●		Euro-5 gasoline
Alkylation			●	●			Euro-5 gasoline
Coking ¹	●				■	●	Refining depth
Hydrocracking	●	●			●	●	Light product yield
MTBE		●	●	●			Euro-5 gasoline

1. Note: Delayed coking or flexicoking

	Angarsk	Komsomolsk	Effect on oil products output
Vacuum block			Refining depth
Isomerization			Euro-5 gasoline
Cat cracking			Light product yield
Hydrotreatment	●	●	Euro-5 motor fuels
Reforming		●	Euro-5 gasoline
Alkylation	●		Euro-5 gasoline
Coking ¹			Refining depth
Hydrocracking		●	Light product yield
MTBE	●		Euro-5 gasoline

Exploration note:

- Regions under retail coverage
- Completion in 2014
- Completion in 2015
- Completion in 2016 and beyond
- Upgrade
- 🏭 Producing assets
- 🏭 Refineries
- ⚓ Ports of presence

THE COMPANY'S REFINING CAPACITY IN 2013

Refinery	Design capacity, mln tn	Refinery throughput, mln tn	Light products yield, %
Tuapse	12.0	5.6	52.5
Achinsk	7.5	7.4	55.5
Angarsk Petrochemical Company	10.2	10.1	60.8
Komsomolsk	8.0	7.1	58.2
Ryazan*	18.8	13.5	55.1
Saratov*	7.0	4.7	43.8
Slavneft-YANOS (50%)*	7.5	5.9	55.8
The Samara group:	24.1	22.0	55.4
Novokuibyshev	8.8	8.2	55.7
Kuibyshev	6.8	6.9	55.0
Syzran	8.5	6.9	55.4
LINIK	8.0		
Refineries of JV ROG (Germany)***	11.5	10.6	72.5
Mozyr Refinery (processing arrangement)	–	1.7	
Mini-refineries	5.8	1.48**	31.0

* TNK-BP Holding Group refining volumes incorporated starting from 21/03/13.

** Without returns.

*** Rosneft share.

**** Krasnoleninsk Oil Refinery; Nizhnevartovsk Oil Refining Association; Strezhevskoy Oil Refiner.

STRUCTURE OF PETROLEUM PRODUCT OUTPUT, MLN TONS*

Refinery	Naphta	Gasoline	Jet fuel	Diesel fuel	Fuel oil	Other
Tuapse	1.1	–	–	1.8	2.5	0.1
Achinsk	0.3	1.2	0.2	2.4	2.7	0.3
Angarsk Petrochemical Company	0.3	1.3	0.6	3.4	2.6	0.7
Komsomolsk	0.8	0.5	0.3	2.6	2.8	–
Ryazan**	0.3	2.6	0.9	3.1	4.5	1.5
Saratov**	–	0.7	–	1.2	1.5	1.2
Slavneft-YANOS (50%)**	0.2	0.9	0.4	1.7	1.8	0.6
Refineries of JV ROG (Germany)	0.5	2.1	0.6	4.5	0.3	2.6
The Samara group	0.9	3.0	0.6	7.3	6.9	1.8
Other (inc. mini refineries)	0.7	0.1	–	0.6	–	1.4

* Without 1.6 mmt of Mozyr products (third-party processing).

** TNK-BP Holding Group output volumes incorporated starting from 21/03/13.

STRATEGIC PRIORITIES IN REFINING

- Full compliance with Health, Safety, and Environment standards will enable the Company to:
 - ensure high level of health and safety standards;
 - ensure operations continuity;
 - maintain achieved throughput volume;
- The quality of end products that meet the requirements of the Russian Technical Regulations, will enable the Company to:
 - protect the margin of sales channels in the domestic market;
 - ensure availability of sufficient volume of products for domestic sales channels;
- Increase in the light products yield through optimizing the configuration and developing conversion processes will enable the Company to:
 - ensure competitive advantage of its refining portfolio within the industry;
 - ensure the growth of added value of petroleum products;
 - provide for the development of the sales channels by increasing output of products of stretched balance in Russia (gasoline, jet fuel, winter diesel fuel);
 - reduce costs of products logistics;
 - reduce future operating and capital sustaining costs by implementing new, more efficient process units.

At the same time, an unconditional priority during implementation of the Company's refining strategy is fulfillment of its commitments under the Quadripartite agreement, signed between Rosneft, among other oil companies, and the government agencies, the Federal Antimonopoly Service, Rosstandart and Rostekhnadzor, in regards to execution of investment programs for construction and modernization of Russian refineries and output of petroleum products compliant with the requirements of the Technical Regulations for the period until 2020.

Main achievements in Refining in 2013

Maintaining high standards of product quality is a key priority of Rosneft refining activities.

In 2013 the Company continued to implement at its refineries specific actions to fully switch to production of fuels compliant with the Euro-5 environmental standard. The Company also continued to work on increasing refining depth, improving refining operating efficiency and industrial and environmental safety.

Syzran Refinery

Start of production of Premium-95 gasoline and diesel fuel, both compliant with the requirements of the Euro-5 environmental standard.

Novokuibyshev Refinery:

Implementation of synergies with new assets: production of Regular-92 and Premium-95 (Euro-5) gasoline, using alkylate from the Ryazan Refinery.

Kuibyshev, Achinsk, Angarsk, and Komsomolsk Refineries:

Start of production of gasoline and diesel fuel compliant with the requirements of the Euro-5 environmental standard.

Modernization of the Tuapse Refinery is a key element of Company refining performance improvement by:

- Satisfying growing demand in high quality motor fuels in the south of Russia.

- Expanding the range of alternative options for crude oil export, considering the Company's unique geographical location and transshipment capacity in Tuapse.

Saratov Refinery

Commissioning of the isomerization unit, reconstruction of the second stage of the crude desalter/AVT-6 unit, increasing its capacity up to 7.0 mmtpa; reconstruction of the vacuum tower K-10, expanding the diameter of transfer pipeline, which enabled to increase the output of vacuum gas oil; visbreaker capacity increased to 1 mmtpa.

Komsomolsk Refinery

As part of the efforts to examine the possibility of using alternative feedstock at the Company production facilities, a pilot run with Skovorodino crude oil was completed at the Komsomolsk Refinery.

During the river floods in the Far East region, the specialists of Refining and Petrochemicals Stream were managing and coordinating their actions in real time with the Rosneft central office in order to prevent an escalation of emergency situations at the Company's production facilities. Implementation of urgent measures helped to mitigate the consequences of the emergency, avoid downtime of production facilities of the Komsomolsk Refinery, and deliver the production program.

INCREASED DESIGN PROCESSING CAPACITY OF THE TUAPSE REFINERY WHICH REACHED 12 MMTPA MARKED THE COMPLETION OF THE FIRST STAGE OF THE LARGE-SCALE MODERNIZATION OF THE PLANT

PREMIUM EURO-95 GASOLINE AND EURO DIESEL FUEL PRODUCED BY THE SYZRAN REFINERY PROVE THE COMPLIANCE WITH THE HIGHEST QUALITY LEVEL SET BY THE "RUSSIAN QUALITY" PROGRAM. RESPECTIVE CERTIFICATES AND AN EXPERT REPORT WERE ISSUED BY THE EXPERT PROGRAM CENTER OF THE RUSSIAN ORGANIZATION FOR QUALITY IN 2013

3

BLN RUB IS THE SYNERGY FROM INTEGRATION OF NEW REFINING ASSETS IN 2013, ACHIEVED BY OPTIMIZING THE STRUCTURE OF CAPITAL EXPENSES

Synergies from integration of new assets

The main areas of synergies in oil and gas processing, resulting from integration of new assets, are the following:

- Optimization of planning and execution of refinery turnarounds;
- Optimization of plants' throughput;
- Increased refining efficiency thanks to implementing best practices;
- Savings by eliminating duplicate capital expenses in gas processing.

The major synergy is expected in increased operational efficiency thanks to experience exchange and

implementation of best practices, as well as execution of the following programs:

- energy efficiency improvement at refineries;
- production loss management;
- optimization of process unit operations (introduction of the most appropriate operating mode of the process equipment, audits and implementation of process unit mini-projects to increase the light products yield);
- production costs reduction.

CREATION OF A POWERFUL REFINING CENTER IN EAST SIBERIA AND THE FAR EAST

Rosneft is creating a powerful refining center in East Siberia and the Russian Far East to serve the region's growing need for sufficient volume of high quality fuel at competitive prices. Stable supply of high quality fuel to industrial customers and to the region's retail network will create additional conditions conducive to economic development of the Russian Far East. As a result of the important upgrade of production facilities at the Komsomolsk and Achinsk Refineries and the Angarsk Petrochemical Co., as well as development of the project "The Eastern petrochemical company", the Company will become more competitive for export to the Asia-Pacific markets.

MODERNIZATION OF THE KOMSOMOLSK AND ACHINSK REFINERIES AND THE ANGARSK PETROCHEMICAL COMPANY

Komsomolsk Refinery

Petroleum product output was 7.0 mln tons. The refining depth was 60.7%.

In 2013, the Company carried on with implementing the 3.65 mmtpa VGO hydrocracker / diesel fuel hydrotreater construction project.

In particular, zero cycle construction and assembly for the the complex units were completed; the reactors were delivered and assembled. Assembling of steel work and equipment of the sulphur recovery unit and hydrogen unit is underway, as well as construction of off-site facilities.

Total investments in the Komsomolsk Refinery in 2013 amounted to RUB 17.35 bln.

Achinsk Refinery

In 2013 the Achinsk Refinery processed 7.4 mln tons of crude oil, and manufactured 7.1 mln tons of end products. The refining depth was 61.3%.

The plan for fulfillment of the Quadrupartite agreement on fuel production in compliance with the requirements of the Technical Regulations, was delivered in full across the petroleum product range.

In the period from June to November the reactors for the hydrocracker-hydrotreater were delivered to the refinery site. This delivery set new Russian and European records in transporting a load of over 1,000 tons over the longest distance (203 km) by automotive transport. In December the assembling of reactors

of the VGO hydrocracker – diesel fuel hydrotreater was completed.

Construction and assembly operations are underway at:

- the combined coke production unit with feedstock capacity of 1 mmtpa;
- the 3.65 mmtpa hydrocracker-hydrotreater complex.

Total investments in the Achinsk Refinery in 2013 amounted to RUB 21.14 bln.

Angarsk Petrochemical Company

In 2013, the Angarskaya Petrochemical Company processed 10.1 mmt of oil. The refining depth was 72%.

Construction and installation work is underway at the diesel fuel hydrotreater, the sulfuric acid alkylation complex, the gasoline hydrotreater, the catalytic cracker, and the MTBE production unit.

Total investments in the Angarsk Petrochemical Company amounted to RUB 17 billion in 2013.

The project of construction of a petrochemical complex in the Far East "The Eastern Petrochemical Company" (VNHK)

In 2013 Rosneft made a decision to increase the throughput capacity of the petrochemical complex in the Far East "The Eastern Petrochemical Company" (VNHK) up to 30 mmtpa. The decision was formalized by the Resolution of the Rosneft Board of Directors dated November 8, 2013.

The VNHK project will be executed in three stages:

- I stage (2014-2020) – crude oil refining facilities with crude throughput 12 mmtpa;



Transportation of the reactor to the Achinsk Refinery

- II stage (2014-2022) – petrochemical facilities with feedstock throughput 3.4 mmtpa;
- III stage (Q4 2028) – crude oil refining facilities with crude throughput 12 mmtpa and petrochemical facilities with feedstock throughput 3.4 mmtpa (Construction is subject to favorable market situation).

It is a large-scale complex project that will open new prospects for the Far East region, and the Russian economy as a whole. The VNHK project not only takes into consideration the region's current demand for petroleum products and petrochemicals, but also ensures predictable growth of consumption in the Far Eastern Federal District, as well as responds to the demand of export markets in the Asia-Pacific region.

Construction of the complex will enable the Company to produce simultaneously high quality motor fuels compliant with the requirements of the Technical Regulations and polymer products with high added value.

In 2013, the Company re-assessed the VNHK construction multiplication effect on the regional economy.

In April 2013 Rosneft and Mitsui & Co. Ltd signed a Memorandum of Understanding regarding joint execution of the VNHK project.

Investments in the project in 2013 amounted to RUB 2.4 bln.

203

KM — A NEW RUSSIAN AND EUROPEAN RECORD IS SET FOR TRANSPORTING A LOAD OF OVER 1000 TONS, THE LONGEST HAUL USING AUTOMOTIVE TRANSPORT. DELIVERY OF HYDROCRACKER-HYDROTREATER REACTORS TO THE ACHINSK REFINERY

EFFICIENT SALES OF OIL, GAS AND REFINED PRODUCTS

Rosneft supplies the produced oil to its own refining facilities in Russia and Germany, apart from selling it in Russia, the CIS countries and on the international market. The strategic goal of Company activities in the area of commerce and logistics is to be as efficient as possible in oil, gas and refined product sales through advanced trading practices, optimized marketing policies and development of highly lucrative sales channels for the entire range of Company products.

OIL SUPPLIES AND LOGISTICS

In 2013, the Company supplied 77.8 mln t of oil to its Russian refineries, a 53% growth over 2012 supplies (50.85 mln t), following the integration of the new refineries.

To optimize transportation costs in connection with oil supplies to refineries, Rosneft continued to conduct swaps with other Russian oil companies.

In the first half-year 2013, such supplies amounted to 6.1 mmt, saving the

Company RUB 1.6 billion on oil transportation costs.

Starting with the second half-year, the Company kept the volume of such swaps to a minimum as it continued expanding the geography of its own producing and refining facilities and, consequently, becoming more flexible in its choices of logistical supply routes to own refineries.

In addition to oil supplies sent to its own refineries in the Russian Federation, Rosneft supplied 3.9 mmt of equity

2013 key achievements in commerce and logistics

Oil and oil products trading

Entered into contract, commenced oil supplies to China, received advance payment under a new long-term contract with CNPC entered into advance payment terms.

Expansion of direct cooperation with end consumers along the Druzhba pipeline route:

- PKN Orlen – launch of pipeline supplies to Czech and Polish refineries
- Grupa Lotos – launch of supplies to Gdansk Refinery

Improved effectiveness of domestic oil sales: +\$15/ton above export parity

Rosneft is the leading seller of exchange-based trading in light products. Exchange-based fuel oil sales started in July 2013: 440 ktons sold with a premium of +\$30–50/ton above export parity.

For the first time in history, a river program was set up for the Samara group fuel oil using the corporate fleet

facilities, which significantly improved sales efficiency

Increased FOB-based sales instead of FCA and CPT – through entering into new transshipment contracts in relation to the Novorossiysk, Taman, Nikolaev, Odessa, Sebastopol, Kerch, Yuzhny ports (incremental premium \$5-10/ton).

Regional retail sales

Seven Olympic Format retail sites were launched, with the intention of developing the «A-Café» on these sites under a cooperation project with Autogrill international company.

A Pirelli tire shop and a tire service site opened within a Rosneft retail site in Sochi.

Jet fuel supplies

Expanded the client base of the highly lucrative in-wing sales channel by winning such counterparties as Alrosa, Wizz Air (Hungary), Korean Air (South Korea), Sibir, with geographic coverage being significantly expanded in relation to Lufthansa (Germany),

Turkish Airlines (Turkey), Ural Airlines, Transaero and Aeroflot.

Gained operating control over aircraft fueling sites (TZK) in the following airports: Sheremetyevo, Sochi, Krasnoyarsk, Krasnodar, Anapa, Rostov-on-Don, Abakan.

Storage tickets opened with the metropolitan Domodedovo airport and the Yakutsk airport.

Marine fuel supplies

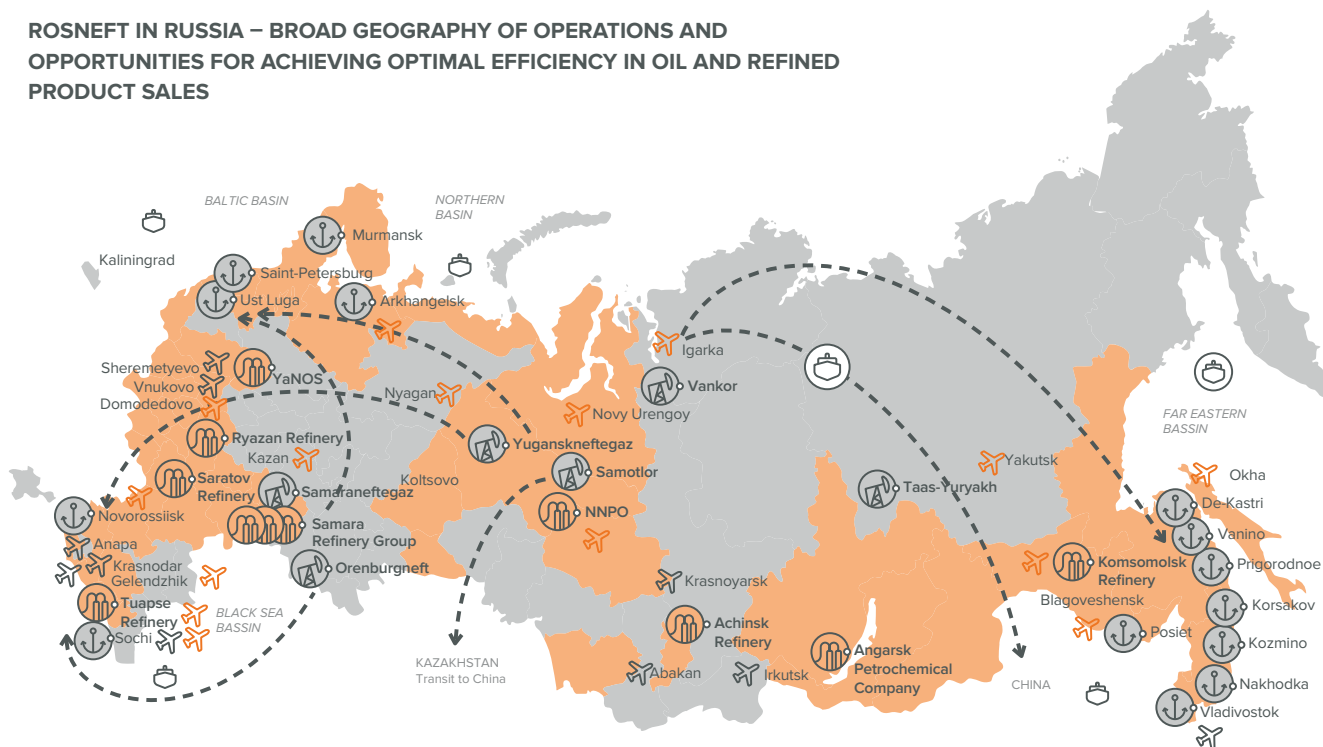
Extended until 2015 long-term contracts with Maersk and CMA CGM major ship owners in the Far East region.

Entered into new contracts with largest container shipping lines, ATP HYUNDAI, NYK, MOL.

Entered into 5-year marine fuel supply contracts with Sakhalin-1 and Sakhalin-2 offshore project operators.

Launched a second bunkering tanker in the Black Sea, RN Olymp.

ROSNEFT IN RUSSIA – BROAD GEOGRAPHY OF OPERATIONS AND OPPORTUNITIES FOR ACHIEVING OPTIMAL EFFICIENCY IN OIL AND REFINED PRODUCT SALES



Legend:

- Regions under retail coverage
- Refineries
- Own fuel-filling complex
- Tanker/fuel vessel
- Commodity oil flow
- Producing assets
- Partner's fuel-filling complex
- Ports of presence

crude to Ruhr Oel GmbH German refineries in 2013, up 11.4% year-on-year.

In 2013, the Company first engaged in processing-based oil refining at the Mozyr Refinery in Belarus (part of Slavneft Group, in which our Company holds 49.9%). Such processing-based supplies amounted to 1.68 mmt. The Company sold some of the products

manufactured at the Mozyr Refinery to non-CIS countries, while some of them were used to satisfy the needs of its own domestic retail assets, and some were sold on the Belarussian and Ukrainian domestic markets.

The economics of all Logistics Subsidiaries were improved (in particular, CJSC Rosneftflot EBITDA grew 200% vs. the

8.2

BLN RUB – TOTAL SYNERGY EFFECT IN COMMERCE AND LOGISTICS IN 2013

Synergy effect from integration of new commerce and logistics assets

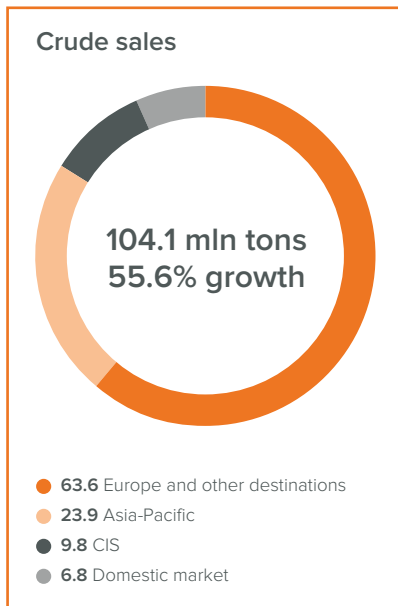
The greatest effect was achieved in logistics (55% of RUB 8.2 bln), trading (19%) and retail business (14%).

The following initiatives produced the greatest effect:

- optimization of inventory levels across the merged Company (RUB 3 bln)
- geographic swaps in relation to light product supplies and optimal allocation of merged Company resources (RUB 2.8 bln)
- card business unification through mutual card acquisition agreement in relation to TNK and Rosneft-branded fuel cards at the Company retail site (RUB 0.9 bln)
- marketing expenses optimization (RUB 0.5 bln)
- unification of contract terms in relation to crude oil and fuel oil exports, including oil exports using the Caspian Pipeline Consortium capacity (RUB 0.26 bln)



Rosneft and China National Petroleum Corporation sign long-term crude oil supply contracts



LONG-TERM PREPAYMENT-BASED OIL SUPPLY CONTRACTS – NEW STANDARD OF MUTUALLY BENEFICIAL RELATIONSHIPS BETWEEN SUPPLIERS AND CONSUMERS

business plan, and CJSC RN-Trans EBITDA grew 38% vs. the business plan).

CRUDE SALES

Crude volumes remaining after feeding own refineries are mainly exported by the Company, both via long-term and short-term contracts as well as tender-based sales.

In 2013, Rosneft entered into long-term oil supply contracts with the largest oil traders and end consumers, which allows us to plan Company investments and development based on guaranteed sales volumes over a long-range horizon, and interact with partners on the basis of permanent and market price-based contracts.

In 2013, our Company succeeded in significantly improving the efficiency of tender-based crude oil sales. By holding tenders in two or more stages, the Company succeeded in raising the weighted average tender premium by 12% as compared to 2012 (to \$0.5/bbl),

which produced an incremental positive effect of \$12 mln on EBITDA.

Total oil sales amounted to 104.1 mln tons in 2013, of which oil exports was 97.3 mln ton, with the balance sold on the domestic market.

The Company exported 63.6 mln tons of oil to North-West, Central and Eastern Europe, Mediterranean countries and other far abroad destinations.

CIS exports amounted to 9.8 mln tons. The growth in exports is driven by the launch of railway deliveries of light oils produced by Orenburgneft.

Supplies to Asia Pacific countries amounted to 23.9 mln tons, in particular, 15.8 mln tons were pipeline deliveries to China under long-term contracts, with the remaining amounts being exported via Kozmino and De-Castri ports. Supplies into Asia Pacific grew by 33% year-on-year, mainly in connection with the consolidation of Verkhnechonskneftegaz.

The majority of Rosneft's export shipments are made via Transneft facilities, including the trunk pipeline network and the ports.

In 2013, exports were made using the following means of transport:

- pipeline transport – 91.9 mln tons, which amounted to 94.5% of total oil exports;
- railway and mixed transport – 5.4 mln tons, or 5.5% of total exports.

LONG-TERM PREPAYMENT-BASED EXPORT CONTRACTS

In 2013, the Company entered into three unique contracts with the largest oil traders for supplies of Urals crude oil via Novorossiysk, Primorsk and Ust-Luga ports, on prepayment basis. These contracts provide a stable and long-term crude oil supply channel, with contract prices corresponding to those obtained by the Company in regular tenders.

The contracts were made for 5 years and provided for the following supply volumes:

- Glencore – 39.2 mln tons;
- Vitol – 16.8 mln tons;
- Trafigura – 10.1 mln tons.

The total amount of money raised on beneficial terms under the contracts was about \$9.8 bln.

SUPPLIES TO CHINA UNDER LONG-TERM CONTRACTS

In 2013, Rosneft continued providing supplies to the China National Petroleum Corporation (CNPC) under a long-term contract signed in 2009. The 2013 supply volumes were 15 mln tons, including those supplied under the contract between Rosneft and Transneft that provides resource backing for the contract between Transneft and CNPC (under this contract, Rosneft sells crude oil to Transneft for subsequent delivery to CNPC).

In June 2013, Rosneft signed a new long-term oil sale and purchase contract with CNPC on prepayment terms, which provides for the supply of 325 mln tons of oil over 25 years. The oil price under this contract corresponds to alternative routes of crude oil supply from eastern

Company fields and is calculated on a monthly basis using Russian oil quotes on Kozmino port terms, which allows us to view the CNPC contract as a profitable and stable oil supply channel on a long-range horizon. Supplies under the new contract amounted to 0.8 mln tons in 2013. It is anticipated that supply volumes will grow to 15 mln tons a year by 2018.

EXPANSION OF DIRECT COOPERATION WITH END CONSUMERS

In 2013, Rosneft made contracts with one of Poland's largest oil concerns, Polski Koncern Naftowy Orlen S.A. (PKN Orlen). The signed contracts imply crude oil supplies to PKN Orlen refineries in Poland and the Czech Republic. On the Polish front, 5.4 mln tons was supplied in 2013, with the contract being valid until the end of 2016 and the maximum amount of supplies being 6.0 mmta. Supplies to PKN Orlen Czech refiner amounted to 1.2 mln tons in 2013, with the contract being valid until mid-2016 and the maximum amount of supplies being 2.4 mmta.

In addition, supplies commenced to the Gdansk refinery, owned by Polish Grupa Lotos. In December 2013, the first 100 thousand tons were supplied and a contract signed for 2014, which provides for the supply of 2.4 mln tons.

GAS SALES

Our Company supplies natural, dry and associated gas to consumers in the Russian Federation. Associated petroleum gas is supplied to the Company's own gas processing plants (GPP), and to the gas processing complex of Sibur Holding. Natural and dry lean gas is supplied to consumers via Gazprom's unified gas distribution system under a gas transportation contract.

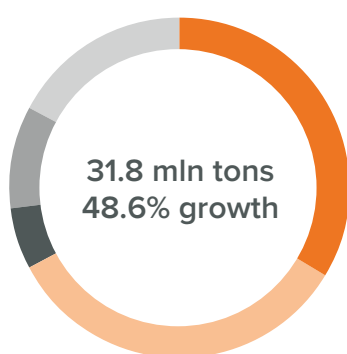
In 2013, the Company sold 39.1 bcm of gas, including 24.0 bcm in West Siberia, 10.4 bcm in European Russia, 3.1 bcm in South Russia, 0.5 bcm in the Far East, and 0.9 bcm outside the Russian Federation. Total sales grew 3.5 times year-on-year, in connection with new assets integration. New long-term contracts with consumers in the Russian Federation also helped to grow gas supplies:

ROSNEFT'S CONTRACT WITH CHINA NATIONAL PETROLEUM CORPORATION IS THE LARGEST CONTRACT FOR THE SUPPLY OF OIL TO THE PEOPLE'S REPUBLIC OF CHINA, THE WORLD'S SECOND LARGEST ECONOMIC POWER

>114

MLN RUB – SYNERGY EFFECT FROM THE INTEGRATION OF THE COMPANY'S NEW ASSETS BROUGHT ABOUT BY GAS SALES VIA HIGH-MARGIN CHANNELS AND TRANSPORTATION COST OPTIMIZATION FOLLOWING THE REDISTRIBUTION OF GAS VOLUMES IN FAVOR OF MORE LUCRATIVE DESTINATIONS

Domestic oil product sales



- 10.7 Diesel fuel
- 10.7 Gasoline
- 1.9 Fuel oil
- 3.1 Jet fuel
- 5.4 Other

ROSNEFT – LEADER IN LIGHT OIL PRODUCT SALES AT RUSSIAN EXCHANGES

- Long-term (five-year) gas supply contract with OJSC Fortum, for the supply volume of 12 bcm;
- Long-term (three-year) contract with E.ON Russia, for the supply volume of 4.65 bcm.

OIL PRODUCT SALES

Rosneft pursues an efficient marketing policy and owns a developed oil product sales infrastructure on the domestic and international markets.

In 2013, the Company sold 85.7 mln tons of oil products (without petrochemicals), up 48% year-on-year. This growth in sales is primarily driven by increased refining volumes in connection with the integration of new refineries.

DOMESTIC OIL PRODUCT SALES

Our Company's strong and developed infrastructure of domestic oil product sales includes a network of marketing subsidiaries engaged in oil product wholesale and retail operations, provision of oil product storage, transportation and transshipment services.

In 2013, 31.8 mln tons of oil products were sold on the domestic market, up 48.6% year-on-year. In the domestic oil product sales mix, 34% falls on gasoline, 34% on diesel fuel, 6% on fuel oil, and 10% on jet fuel. The Company acquired more airport fueling sites and expanded its in-wing jet fuel sales client base (highly lucrative channel) by partnering with major counterparties. As the result, jet fuel sales in 2013 grew almost twofold year-on-year.

OIL PRODUCTS WHOLESALE OPERATIONS

In 2013, oil products wholesale volumes amounted to 21.6 mln tons. Rosneft's wholesale oil product buyers are mostly independent traders and large end consumers (including the Russian Defense Ministry and Russian Railways). These buyers mostly buy fuel oil and diesel fuel.

In 2013, the Company continued selling oil products via Russian exchanges.

The new asset acquisitions enabled the Company to sell a total of 4.1 mln tons via the St.Petersburg International Merchandise Exchange (SPIMEX) and the Oil and Gas Industry Inter-Regional Exchange (OGE) vs. 1.4 mln tons in 2012, or 5.5% of the total oil product output of Company-owned Russian refineries. The year-on-year growth in sales volumes is driven by high premiums offered by this market, and by the launch of exchange-based fuel oil sales.

RETAIL OPERATIONS

At the end of 2013, Rosneft's retail business geography comprised 56 Russian regions, from Murmansk in the north to the North Caucasus in the south, and from Smolensk in the west to Sakhalin in the east. The Company also owns retail networks in Abkhazia, Ukraine and Belarus. Following new asset acquisitions, the Company entered new geographic markets and significantly expanded its oil product retail network.

As of December 31, 2013, the existing network of Company retail sites included 2,627 own and leased sites, including 150 retail sites in Ukraine, 40 sites in Belarus, and 3 sites in Abkhazia. Own and leased retail sites had in total 1,850 shops, 424 cafés, and 207 car washes. At 91 retail sites, there were small repair and maintenance posts.

At December 31, 2013, Company marketing subsidiaries owned 171 operational oil depots, 2.8 mmcm in total capacity.

In 2013, the Company carried on with its retail network optimization program, which focuses on the reconstruction of existing, and construction of new, retail sites, and on closing inefficient sites. As a result, in 2013 we built 31 retail sites and refurbished 23 existing sites. We also liquidated or mothballed 63 inefficient retail sites.

As the Company is a general partner of the Sochi Olympics 2014, seven Olympic format retail sites were launched during 2013 that allowed the Company to fully cover the needs of the guests and hosts of the Olympic Games. A-Cafés were opened at these retail sites under a franchising agreement with Autogrill (Italy) and they offer



Olympic format retail site in Sochi

European levels of customer service based on the highest standards of catering, food and beverage quality. Also, the first flagship Pirelli tire center was opened at one of these Olympic format retail sites.

Oil product retail volumes grew by 50.0% year-on-year to 10.2 mln tons. Product sales per retail site was 12.1 tons/day on average, up 2% year-on-year. This growth was driven by retail asset quality improvements brought about by the acquisitions of TNK- and BP-branded retail sites, including multifunctional ones, and through the professional marketing policy pursued by the Company.

The Company retail operations include gasoline, diesel fuel, consumer lubricants and liquefied gases.

OVERSEAS OIL PRODUCT SALES

The 2013 overseas oil product sales totaled 50.6 mln tons (with procurement from third parties, but without bunkering operations and sales of petrochemical products), up 50% year-on-year.

Sales growth followed in the wake of new asset acquisitions. In far-abroad countries, 47.5 mln tons of oil products were sold (94% of all exports), including 8.6 mln tons of oil products manufactured at the German refineries (Rosneft share), and 3.1 mln tons in the CIS countries.

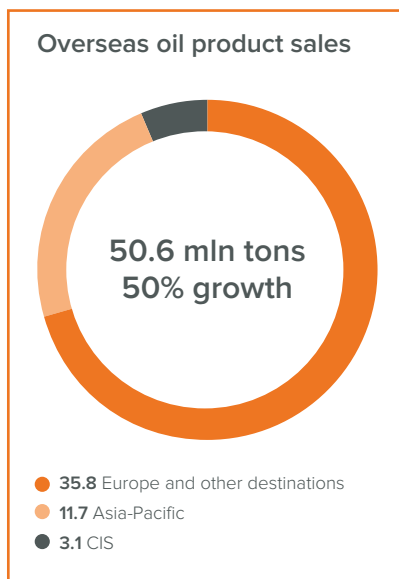
In the non-CIS oil products export mix, fuel oil accounts for 54%, diesel fuel and low-viscosity marine fuel, for 29%; straight-run gasoline, for 11%. The majority of oil product volumes (with bunkering operations and sales of petrochemicals) sold overseas in 2013 was shipped from refineries by rail or using mixed transportation methods (40.4 mln tons, or 73.5% of total volume). Pipeline transport was used to ship 3.9 mln tons of oil products (7.1% of all volumes), and the remaining volumes were shipped from the Tuapse refinery and on a free carrier (FCA) basis from the Samara refineries, where the Company does not bear transportation costs directly, other than cargo throughput and shipment costs (10.7 mln tons, or 19.5%).

2,627

OWN AND LEASED RETAIL SITES IN RUSSIA AND ABROAD



LLC RN-Tuapsenpetroleum sea terminal



SALES OF PETROCHEMICALS

Rosneft sold 3.1 mln tons of petrochemical products in 2013, up 7% year-on-year. This amount includes 2.3 mln tons of petrochemical products sold overseas (with 2.2 mln tons manufactured at the facilities of the JV with Ruhr Oel GmbH), and 0.8 mln tons sold domestically.

WHOLESALE OIL PRODUCTS B2B BUSINESS

Jet fueling business

Rosneft’s activities in the aircraft fueling business covers virtually all regions of the Russian Federation due to the Company’s extensive airport presence (own aircraft fueling sites (TZK) and storage tickets in third-party TZK).

Jet fuel sales grew more than twofold to 3.1 mln tons in 2013, with the growth effect from TNK-BP Holding Group assets acquisition in 2013 amounted to 1.3 mmt.

In 2013, we gained operating control over TZK at Sheremetyevo airport (Moscow), and at the airports of Sochi, Krasnoyarsk, Krasnodar, Gelendzhik, Anapa, Rostov-on-Don, and Abakan. In the reporting period, storage tickets were opened in the airports of Domodedovo, Moscow, and Yakutsk, thereby bringing the number of airports the Company is present at in the Russian Federation to 26.

In 2013, the Defense Ministry of the Russian Federation launched its airfield jet fuel supply project, selecting our Company as the single-source supplier.

The Company significantly expanded its client base by winning such air carriers as Wizz Air (Hungary), Korean Air, Alrosa and Sibir, and significantly increased its coverage by partnering with Lufthansa, Turkish Airlines, and Ural Airlines. Rosneft has expanded the geography of its cooperation with Transaero and Aeroflot, and fuels their aircraft in all areas where the Company is present. The Company also entered into a five-year contract

Participation in infrastructure projects

Rosneft owns subsidiaries or holds interests in oil and product export infrastructure facilities, which improves the planning process and helps to optimize costs.

De-Castri port

De-Castri is one of the largest ports in the Far East that assures efficient oil exports into Asia Pacific.

The De-Castri export terminal with annual capacity of 12 mmta is owned by Sakhalin-1 project consortium, where Rosneft holds a 20% stake.

In 2013, 1.3 mln tons of Company oil was shipped via De-Castri, flat year-on-year.

Caspian Pipeline Consortium

The Caspian Pipeline Consortium (CPC) pipeline runs from the Tengiz oil field in West Kazakhstan to the Novorossiysk sea port. Rosneft has been in the CPC project since 1996 via the Rosneft Shell Caspian Ventures Ltd. joint venture (project share is 7.5%). The Company holds 51% in the joint venture, with Shell holding the remaining 49%.

Rosneft shipped 3.8 mln tons of oil and gas condensate via this pipeline, including toward Russia's quota that is managed by Transneft. Volume growth from 1.7 mln tons in 2012 was mainly driven by the launch of OJSC Orenburgneft's light crude sales.

OJSC RN-Nakhodkanefteprodukt Oil Terminal

OJSC RN-Nakhodkanefteprodukt, a Rosneft Subsidiary, owns an oil loading terminal in the port of Nakhodka, the Maritime Territory. The terminal is mainly used to export oil products manufactured at the Komsomolsk Refinery, the Angarsk Petrochemical Company, and the Achinsk Refinery. The transshipment capacity is about 7 mln tons of oil products a year.

In 2013, the Company shipped 6.96 mln tons of oil products via the Nakhodka terminal (with export and domestic bunkering). This is a record high over the 46 years the terminal has been in operation.

LLC RN-Tuapsenefteprodukt Oil Terminal

LLC RN-Tuapsenefteprodukt, a Rosneft subsidiary, engages in export-bound oil products marine transshipment, oil products loading into railway and truck tanks, oil product deliveries by gasoline trucks. In 2013, the facility celebrated its 85th anniversary.

The capacity of the terminal, located in the direct vicinity of the Tuapse Refinery, is 17 mln tons a year. The terminal is used mainly to export oil products manufactured at the Tuapse, Achinsk and Samara refineries. In June 2012, Rosneft, in the presence of the President of the Russian Federation and Company's President, launched a 7 mmta deep-water berth 1A in the Tuapse port, capable of loading ships with displacement of up to 80 ktons.

In 2013, the Company shipped 8.8 mln tons of oil products via the Tuapse terminal (with export and domestic bunkering), and if transshipment of third-party oil products is factored in, the figure goes up to 10.9 mln tons.

LLC RN-Arkhangelsknefteprodukt Oil Terminal

LLC RN-Arkhangelsknefteprodukt, a Rosneft subsidiary, engaged in export-bound transshipment of third-party oil products and marine fuel transshipment services via the sea terminal, and oil transshipment via the Belokamenka floating storage.

In 2013, oil products transshipment volumes (with bunkering services) via the terminal amounted to 2.8 mmt, and third-party oil transshipment volumes, to 4.5 mmt.

6.96

**MLN TONS – RECORD
TRANSSHIPMENT VOLUME
FOR RN-NAKHODKA-
NEFTEPRODUKT, ACHIEVED
IN 2013**



Fueling of an aircraft in the Vnukovo airport

26

AIRPORTS OF JET FUELLING OPERATIONS – ROSNEFT'S PRESENCE IN RUSSIAN AIRCRAFT FUELING BUSINESS

with Aeroflot for aircraft fueling services at Sheremetyevo airport.

Bunkering business

Rosneft's activities in the bunkering business embrace all major sea and river bunkering ports in Russia, and several overseas destinations.

Marine fuel sales volume grew 18% year-on-year to 3.3 mln tons in 2013.

In 2013, our Company continued steadily growing its presence on Russia's key bunkering markets, having entered into long-term contracts with the largest foreign ship owners, and Sakhalin-1 and Sakhalin-2 offshore project operators.

Furthermore, the following initiatives were undertaken in 2013 to expand Company presence on the bunkering market:

- in the Black Sea, a modern RN-Olymp bunkering tanker was set afloat and it operates in the ports of Novorossiysk, Tuapse, Caucasus, Sochi, Temryuk, Taman;

- bunkering operations were arranged for carrier tankers involved in the Company export program, at the deep-water berth in the Tuapse port;

- as part of the marine fuel manufacturing development at the Komsomolsk Refinery, commercial production of marine fuel oil was launched in accordance with ISO international marine fuel quality standards.

Bitumen product sales

Bitumen materials sales volume grew to 2.0 mln tons in 2013 from 1.2 mln tons in 2012, with the growth effect from TNK-BP Holding Group assets acquisition in 2013 amounting to 0.9 mmt. Domestic market sales amounted to 1.98 mln tons in the reporting period (99% of total volume). In 2013, the share of end consumers in the bitumen products sales structure grew noticeably (from 18% in 2012 to 24% in 2013).

Lubricant sales

The total volume of Company equity lubricant production sales was 740 thousand tons in 2013, with 489 thousand



LLC RN-Nakhodkanefteprodukt sea terminal

tons going to the domestic market (66% of total volume).

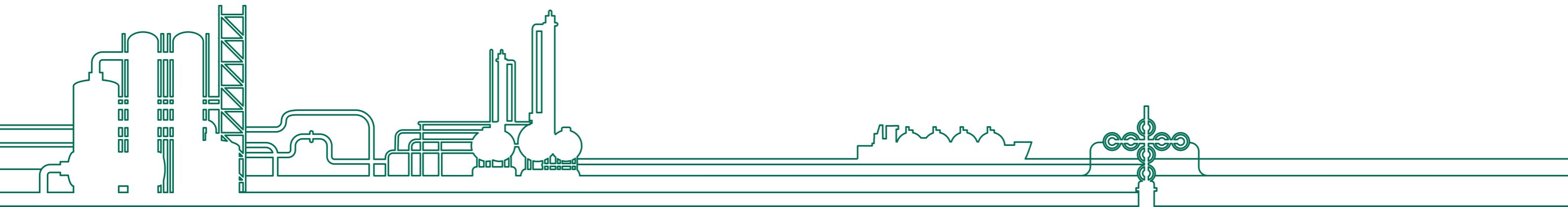
In 2013, lubricant sales grew 32% to 585 thousand tons, primarily through efficient integration of new assets. In the reporting period, 141 thousand tons of consumer lubricants, the top premium product in the lubricant product line, was sold, with equity branded consumer lubricant sales reaching 36.4 thousand tons. The Company's share of the Russian light vehicle motor oils market grew tenfold in 2013, from 0.5% to 5%, following the acquisition of the Magnum sub-brand, which followed the integration of the TNK-BP lubricants business.

In 2013, following new assets integration, the process of harmonizing the product mix across Company's manufacturing sites was launched, and a plan was developed for the transition to the uniform Rosneft lubricant brand.

Furthermore, a joint project with BP Marine (a BP Group Subsidiary) was launched in 2013 to manufacture Castrol-branded marine oils at the Novokuibyshevsk oils and additives plant within the Company perimeter.

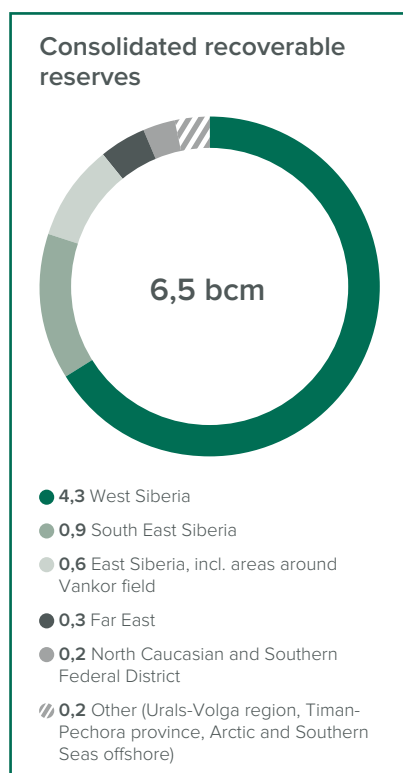
GAS BUSINESS DEVELOPMENT

Rosneft is Russia's third largest gas producer. The Company develops significant gas reserves in West and East Siberia and holds a unique portfolio of licenses for the development of hydrocarbon resources on the Russian continental shelf. Rosneft's strategic goal is to assure efficient development and monetization of gas resources, making sure that gas business plays a much greater role in the Company shareholder value growth.



Central gas gathering plant of LLC RN-Yuganskneftegaz

BUILDING PROFITABLE GAS BUSINESS



In 2013, the Company expanded its gas business to a considerable degree through consolidation of new assets that created notable synergies helping to set up a major gas production hub in the Yamal-Nenets Autonomous Area. The gas industry regulation regime went through revolutionary changes that made it possible to develop tight Turonian gas reserves and implement liquefied natural gas projects with subsequent liquefied natural gas (LNG) exports to global markets.

In 2013, Rosneft gas production reached 42.1* bcm, significantly above

the previous year level. Recoverable natural gas reserves reached 6.5 tcm, including 6.3 tcm in onshore reserves (ABC1+C2), or about 2% of the world's total stock. Natural gas resources of the license areas owned by the Company on the Russian continental shelf are assessed at 24 tcm. In 2014, Rosneft will keep growing its organic gas production, improving the efficiency of sales channels, and preparing for the launch of major projects, aimed at becoming a leader among Russia's independent gas producers.

Gas business development achievements in 2013

- Rosneft became one of Russia's three largest gas producers based on 2013 results.
- Assured increase in 2P reserves by 367 bcm following the consolidation of ITERA and Sibneftegaz.
- Long-term gas supply contracts were signed, including supplies to Fortum and Enel Russian assets.
- Setting up a major gas production hub in YaNAO on the basis of Rospan projects (Novy Urengoy and Vostochny Urengoy licenses), Kharampur field, Kynsko-Chaselsky license area, ITERA and Sibneftegaz gas assets.
- In late 2013, Rosneft Board of Directors approved the integrated project of the Kharampur field gas plays (Senomanian PK1 and Turonian T), holding some of the country's largest gas deposits; the Turonian gas enjoys significant mineral extraction tax benefits.
- Jointly with ExxonMobil, selected contractors for the construction of a liquefied natural gas (LNG) plant construction in the Russian Far East.
- Rosneft is the beneficiary of the most recent legislative changes in the areas of LNG exports liberalization and gas industry taxation in the Russian Federation. The new laws stimulate gas business development and allow for new project implementation to be expedited.

* Pro forma data.

ROSNEFT GAS ASSETS



Legend

-  Rosneft Gas Delivery Regions
-  Shelf Exploration and Appraisal Works
-  E&A and Gas Production Assets
-  Gas Processing Plants and Gas Treatment Units
-  LNG Production Project

1. LLC RN-Krasnodarneftegaz

Mature producing asset.
2013 – APG sales in a premium region

2. LLC RN-Yuganskneftegaz

Mature producing asset.
2013 – ongoing APG utilization rate upgrade program

3. OJSC Sibneftegaz

Mature gas asset with growth potential.
2013 – 100% consolidation

4. LLC Taas-Yuryakh Neftgazodobycha

Promising oil and gas asset, located 140 km from Power of Siberia pipeline.
2013 – 100% consolidation

5. OJSC Varyoganneftegaz

Gas cap monetization potential.
2013 – Gas reserves monetization pilot approved

6. Sakhalin-1 project

Preparations for project Phase 2 (gas phase) design stage.
2013 – gas distribution to households in the Sakhalin Region

7. Rospan International CJSC

Key production growth hub over the nearest 5 years.
2013 – obtained corporate approvals needed to progress to active development stage.

8. Gas processing plants in Samara and Orenburg

High value-added manufacturing hub.
2013 – captured operating synergies with TNK-BP assets.

9. Vankor cluster

Development of a new production hub.
2013 – carried on with the APG utilization improvement targeted program.

10. Kynsko-Chaselskaya group of fields

Source of gas production growth in the medium term.
2013 – completed feasibility study for investments KyCh Group infrastructure development.

11. Yurubcheno-Tokhomskoye group of fields

A group of fields with gas caps and large gas production potential. Company's largest gas reserves in East Siberia.

12. Kharampur field

Long-term gas production growth source.
2013 – secured significant tax breaks for Turonian gas; obtained Board approval for project Phase One (production of up to 9 bcma)

13. Far east LNG

Company's first LNG project.
2013 – plant design work commenced.

14. OJSC Bratskecogaz

2013 – gas distribution to households in the Irkutsk Region.

15. RN-Purneftegaz

Brownfield. In 2013 the Company continued development of gas assets and implementation of APG utilization rate increase program.

42.1

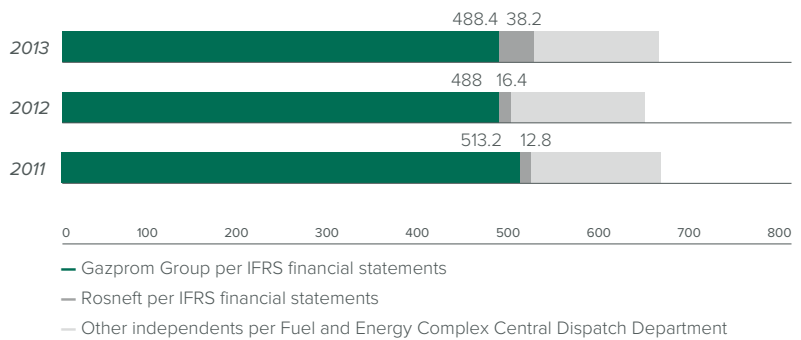
BCM* –
2013 GAS PRODUCTION,
RUSSIA'S 3RD LARGEST
GAS PRODUCER

Synergy effect from new assets integration

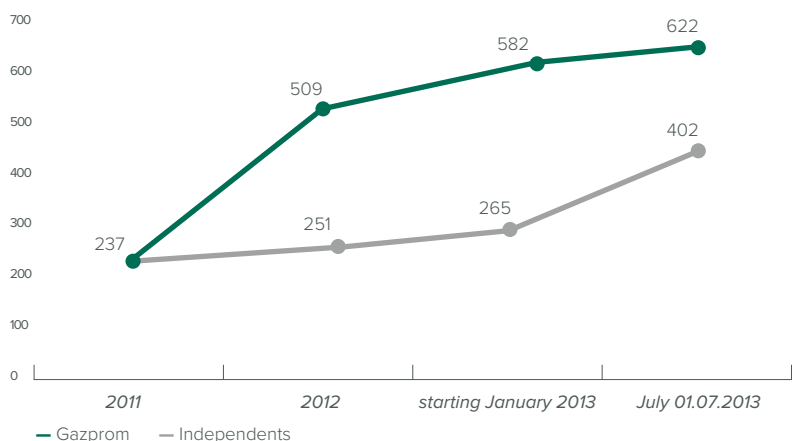
- Rosneft's long-term gas sales contracts allow Rosspan phase two deadlines to be moved up by 2 years and to achieve gas production of 18 bcma by 2018, with capacity to subsequently increase this figure to 19 bcma following the development of additional Achimov reservoirs.
- Access to the Vankor gas export system for the transportation of associated petroleum gas (APG) from the Tagul and Lodochnoe fields, as well as free and associated petroleum gas from the Suzun field.
- APG redirection from Orenburgneft facilities to the Neftegorsk GPP and Otradnensky GPP allowed to abandon construction of further gas processing facilities.
- The consolidation of ITERA gas assets were allowed to improve gas marketing efficiency keeping in mind the increased gas business scale. The existence of fine-tuned marketing schemes that came with the acquired assets allows our Company to secure higher gas sales margin.
- Consolidation of 100% of Sibneftegaz as the result of a asset swap with NOVATEK. Following this deal, Rosneft acquired a gas asset with ongoing gas production of 10 bcma, and capability to grow production to 15 bcma by 2018, subject to minor capital investment.

MARKET ENVIRONMENT

Russian gas production, 2011–2013, bcm



Gas mineral extraction tax, RUB/th.cm



* Pro forma data.



LLC RN-Purneftegaz

POSITIVE CHANGES IN GAS INDUSTRY TAXATION

Rosneft is the beneficiary of the latest legislative changes regarding liberalization of LNG exports and gas business taxation:

- Adopted Federal Law dated November 30, 2013 No. 318-FZ allows Rosneft to export liquefied natural gas (LNG) (amends Article 3 of the Federal Law "On gas export" and Art. 13 and 24 of the Federal Law "On the basics of state regulation of foreign trade activities"). This law allows LNG to be expected from the Far East LNG project and from our Company's other promising Russian offshore projects.
- Adopted Federal Law dated September 30, 2013 No. 263-FZ that proposes a formula-based approach to MET calculation on gas and condensate and takes into account the specific features of field development.

The following benefits are the most significant for Rosneft:

- based on reservoir depth.
Key Company assets benefiting from this tax break: Rospan (factor: 0.5);

Sibneftegaz and Kynsko-Chaselskaya group of fields (factor: 0.64 as regards deposits); Russko-Rechenskoe field (factor: 0.5)

- based on reservoir qualities.
Key Company assets benefiting from this tax break: Kharampur Turonian deposits (factor: from 0.21)
- based on geographic position.
Key Company assets benefiting from this tax break: Vankor group fields (Vankor, Suzun, Tagul, Lodochnoe), fields located in the Irkutsk Region and the Sakha (Yakut) Republic, and Sakhalin fields (factor: 0.1).
- Adopted Federal Law dated September 30, 2013 No. 268-FZ, on stimulation of hydrocarbons production activities on the continental shelf of the Russian Federation. The following benefits are the most significant for Rosneft:
 - 1% MET rate is set in relation to gas production for up to 180 months, but not after March 31, 2042, in relation to license areas lying 50% or more in the Kara Sea, the northern part of the Barents Sea (72°N and farther north), East Arctic (the Laptev Sea, the East Siberian Sea, the Chukchee and Bering Seas);

ROSNEFT IS THE KEY BENEFICIARY OF THE POSITIVE CHANGES IN GAS INDUSTRY TAXATION ADOPTED IN 2013

- 1.3% MET rate is set in relation to gas production for up to 120 months, but not after March 31, 2037, in relation to license areas lying 50% or more in the Black Sea (at depths of more than 100 meters), the northern part of the Okhotsk Sea (55°N and farther north), the southern part of the Barents Sea (south of 72°N);
- these same licenses enjoy exemption from export customs duties until March 31, 2042;
- unlimited tax benefit roll forward period and accelerated depreciation mechanism (for factors not above 3) apply for profit tax base determination purposes;
- The document provides for tax property exemption in relation to the property used for the development of new offshore hydrocarbon production projects.



Kharampur field, LLC RN-Purneftegaz

PROGRESS IN KEY GAS PROJECTS

Kharampur Field (gas component)

The Kharampur field, located in the southern part of the Yamal-Nenets Autonomous District, is one of the largest fields in Russia in terms of natural gas reserves. According to an independent audit by DeGolyer & MacNaughton, as of 31 December 2013, Kharampur total PRMS 3P reserves amounted to 655 bcm of gas and 64 mmt of oil and condensate as of December 31, 2013. The Kharampur development's potential suggests the possibility of reaching 24 bcm per annum of gas production.

The Kharampur field is one of the key growth drivers for the Company's gas business: when the field reaches the designed production level, every fifth cubic meter of Rosneft's gas will be produced from Kharampur.

In 2013, the Rosneft Investment Committee approved the Integrated Kharampur Gas Development Project (Cenomanian, PK1 and Turonian T). Currently, the Company is running a tender to select a contractor for engineering and survey works for the project.

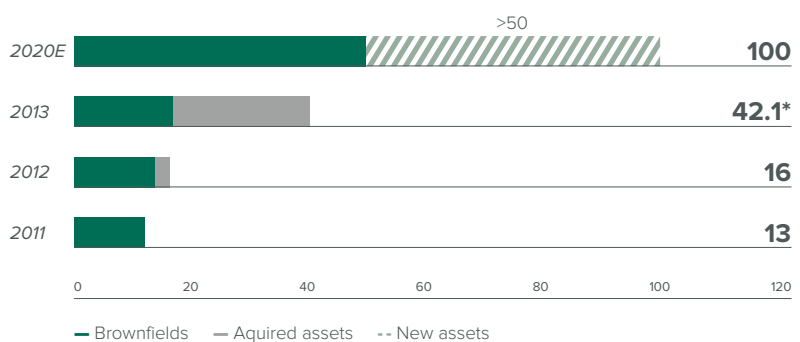
Turonian gas has received a significant MET relief, which has made this project much more attractive. During the early years of production, the 0.21 reducing coefficient will be applied, and after 1% of the reserves have been recovered, it will gradually increase to 1.00 and will be applied for 15 years.

Kharampur full-field development is planned in two phases. Phase 1 assumes over 190 bcm of natural gas production from the Kharampur gas reservoirs. The gas field is planned to be brought on-stream in 2017. The bulk of Phase 1

production will be from the Cenomanian reservoirs (8 bcmpa) with its thick net pay and low gas recovery costs. In addition, 1 bcmpa is planned to be produced from the Turonian reservoir which enjoys great MET benefits. The Kharampur field's further production upside is associated with a full-scale development of Turonian reservoirs.

Based on the results of the pilot development of a tight Turonian sector, the optimum well design and operation technology will be selected. So far, Russia has not seen

Diagram showing gas production reaching 100 bcm by 2020 indicating contribution of major projects





LLC RN-Purneftegaz

commercial production of Turonian gas, and Kharampur development will contribute new technology solutions to the gas industry. In 2018, a decision is expected to be taken on proceeding to Phase 2 to get to 24 bcm of annual production.

Rospan

Rospan is the Company's best developed gas project. In late 2013, the project received all necessary corporate approvals, including the Rosneft Board of Director's endorsement.

As of 31 December 2013, Rospan total PRMS 3P gas reserves were estimated at 793 bcm. In 2013, Rospan (Vostochno-Urengoiskoye and Novo-Urengoyskoye fields) produced 3.7 bcm of gas and 0.84 mm t of condensate. By 2018, production is expected to reach 18 bcm of gas and 4 mm t of condensate per annum. Currently, the Company is active with the projects of building new gas-producing, processing and transportation facilities. For the project to reach the designed production level, over 150 additional producing wells are planned to be drilled.

Kynsko-Chaselskiy License Block

The Kynsko-Chaselskiy license block is located in the Krasnoselkupskiy municipality of the Yamal-Nenets Autonomous District. Hydrocarbon reserves are distributed between six fields and include gas, gas condensate and oil. According to an independent audit, as of 31 December, 2013, the Kynsko-Chaselskiy license block total PRMS 3P reserves amounted to 206 bcm of gas and 39 mmt of oil and condensate.

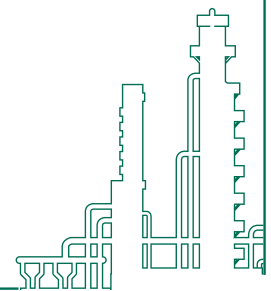
Beginning from 2018, gas production is expected to reach 6 bcmpa. In late 2013, the project was endorsed by the Rosneft Investment Committee. Currently, a sophisticated scheme of gas-producing, processing and transportation facilities is being designed, and a geological appraisal program is being carried out. The design assumes drilling 98 gas wells and 16 oil wells.

OJSC Varyoganneftegaz (gas component)

Rosneft's subsidiary OJSC Varyoganneftegaz is located near the town of Raduzhny of the Khanty-Mansi Autonomous District. According to an independent audit, as of 31 December, 2013,

28.7

BLN RUB – SPENT ON APG UTILIZATION RATE INCREASE PROGRAM IN 2013



the Varyoganneftegaz licensed PRMS 3P reserves amounted to 856 mmt of oil and 342 bcm of gas).

In 2013, the Rosneft Investment Committee endorsed a pilot to monetize 250 bcm of gas reserves spread over three license blocks.

The 2014–2016 Pilot Phase includes defining natural gas and gas condensate reserves and identifying production upside. The maximum gas production potential is estimated at 8 bcmpa.

Vankor Hydrocarbon Production Hub (gas component)

The Vankor cluster is a big oil and gas hub in the north of Krasnoyarsk Territory and Yamal-Nenets Autonomous District with total gas reserves and resources of over 1 tcm. The Vankor cluster includes Vankor, Suzunskoye, Lodochnoye, Tagulskoye and Russko-Rechenskoye fields. To-date, only one field of the cluster, Vankor, has been put on stream, which in 2013 produced 0.6 bcm of natural gas. The Vankor cluster gas production potential is 14 bcmpa.

OJSC Sibneftegaz

27 December 2013, the deal was closed on an asset swap with OJSC NOVATEK resulting in Rosneft swapping a 40%

stake in ArcticRussia B.V. (provides for an indirect ownership of a 19.6% stake in LLC SeverEnergiya) for a 51% stake in OJSC Sibneftegaz owned by NOVATEK. Added to Rosneft's existing stake in Sibneftegaz, the deal consolidates for the Company a 99.94% stake in the subsidiary.

As a result of the transaction, Rosneft acquired a brownfield gas asset with current gas production in excess of 10 bcmpa, with an upside of 15 bcmpa to be reached by 2018 with a relatively low capital investment. The transaction will bring about a significant synergy effect from joint development of the gas assets within the perimeter of the Yamal gas cluster.

Rosneft Gas Investment Program aimed at improving rational utilization of associated petroleum gas

In 2013, Rosneft consolidated a program aimed at rational utilization of associated petroleum gas (APG) in 2013–2018, that factored in acquired assets. The 2013 program costs were amounted to RUB 28.7 bln.

In 2013, program implementation allowed to achieve 95% APG utilization at large West Siberian fields, including Priobskoe (operated by

RN-Yuganskneftegaz) and Kharampur (operated by RN-Purneftegaz).

APG reinjection started at Vankor, construction of gas facilities for gas supplies to Gazprom GTS is progressing.

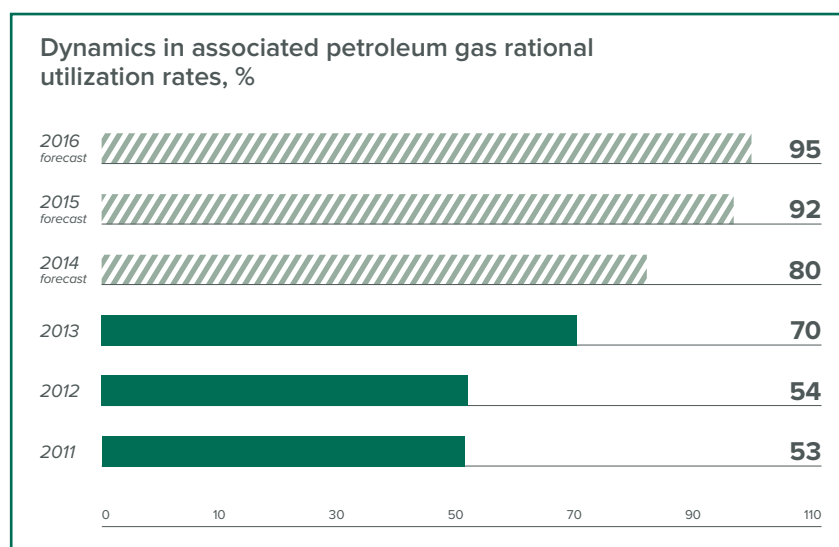
Major gas treatment facilities commissioned in Orenburgneft, including the Pokrovskaya GTF and Phase II of the Zaykinskoe gas processing plant.

In 2013, a 95% APG utilization rate was achieved at 7 producing facilities.

It is expected that RUB 47.8 bln will be spent on rational APG utilization in 2014–2018. It is expected that the 95% APG utilization rate will be achieved across the entire Company by 2016, without greenfields.

Synergies with new assets resulted in the following:

- changes were made to the Orenburgneft Bobrovskaya group of fields development strategy in regard to routing APG supplies to the Neftegorsk GPP,
- changes were made to the gas transportation system development strategy for the Tagul, Suzun and Lodochnoe fields, with the purpose of using the Vankor capabilities for gas export.



Looking into the future

Rosneft Oil Company started implementation of the Russian Far East LNG project

Rosneft Oil Company has commenced natural gas liquefaction plant project implementation – “Russian Far East LNG” – for effective commercialisation of Sakhalin offshore natural gas resources and reserves. LNG plant capacity is 5 mmta with potential for future expansion, start up is planned for 2018-2019.

The resource base for the first train of the plant will be Rosneft's own reserves in the region as well as Sakhalin-1 reserves.

As a result of preFEED two options for site allocation in Sakhalin Island are being considered: the region of Ilyinskiy settlement or Aniva bay.

One of the main advantages of the “RFE LNG” project is economically advantageous location close to premium market of Asian-Pacific region, which will be main LNG delivery direction.

Within the “RFE LNG” marketing work commencement Head of Agreements for LNG purchase were signed with Japanese companies Marubeni and SODECO, as well as international oil and gas trader Vitol during the St Petersburg International Economic Forum in June 2013. In accordance with the signed agreements Rosneft Oil Company plans to deliver LNG starting from 2019 to SODECO in amount of 1 mta,

to Marubeni in amount of 1.25 mmta, in amount of Vitol – 2.75 mmta.

Starting from December 1, 2013 changes to The Federal law “On gas export” have entered into force. These changes allow to export LNG producing from Company's future Russian offshore projects.

Project Agreements

On February 13, 2013, Rosneft and ExxonMobil Development Company signed a MoU to conduct a joint appraisal of construction of LNG plant in the Far East of Russia (hereinafter – Joint Appraisal) by a joint working group before June 14, 2013. Joint working group was set up.

On April 11, 2013 and July 16, 2013 Additional Agreements to Cooperation Agreement dated September 6, 2012, were signed between the Government of Sakhalin Region and Rosneft. These Additional Agreements among other provisions stipulate assistance of the regional government in selection of site for construction of LNG plant as well as line facilities and utility infrastructure.

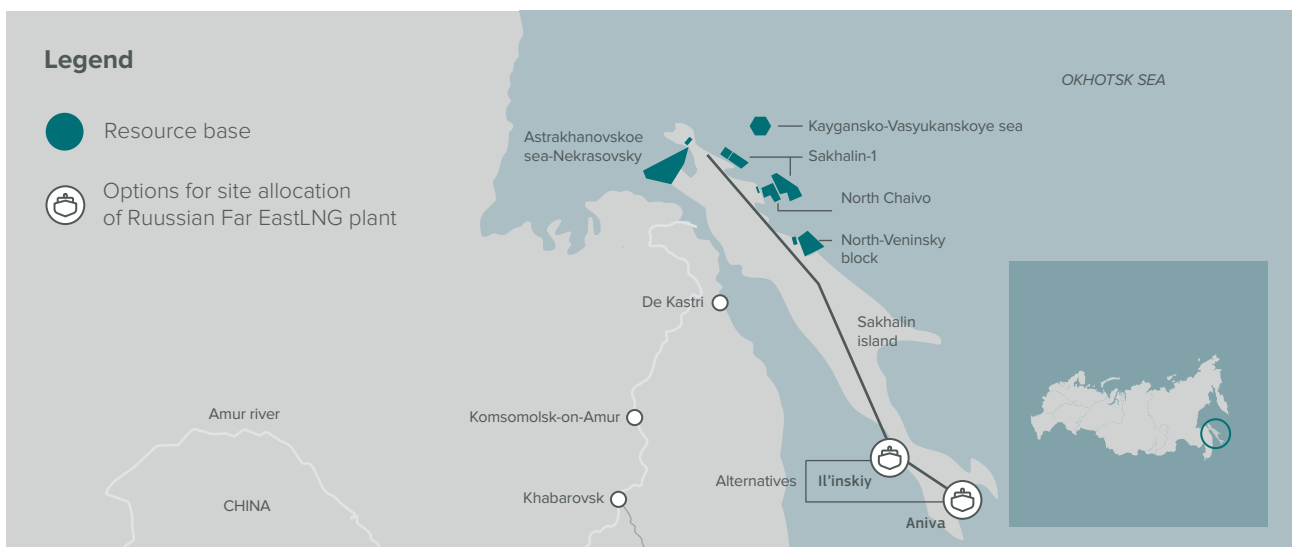
On June 21, 2013, Rosneft and ExxonMobil Development Company

at Saint-Petersburg International Economic Forum signed LNG Project Development Agreement that stipulates completion of pre-FEED stage by end of 2013 and commencement of designing in 2014.

On September 27, 2013, Amended and Restated Agreement (hereinafter – A&R Agreement) regarding a Russian Far East LNG Project development was signed by Rosneft and ExxonMobil Development Company for completion of FEED work. CB&I and FosterWheeler were awarded separate contracts for implementation of the first part of work (concept design, FEED A).

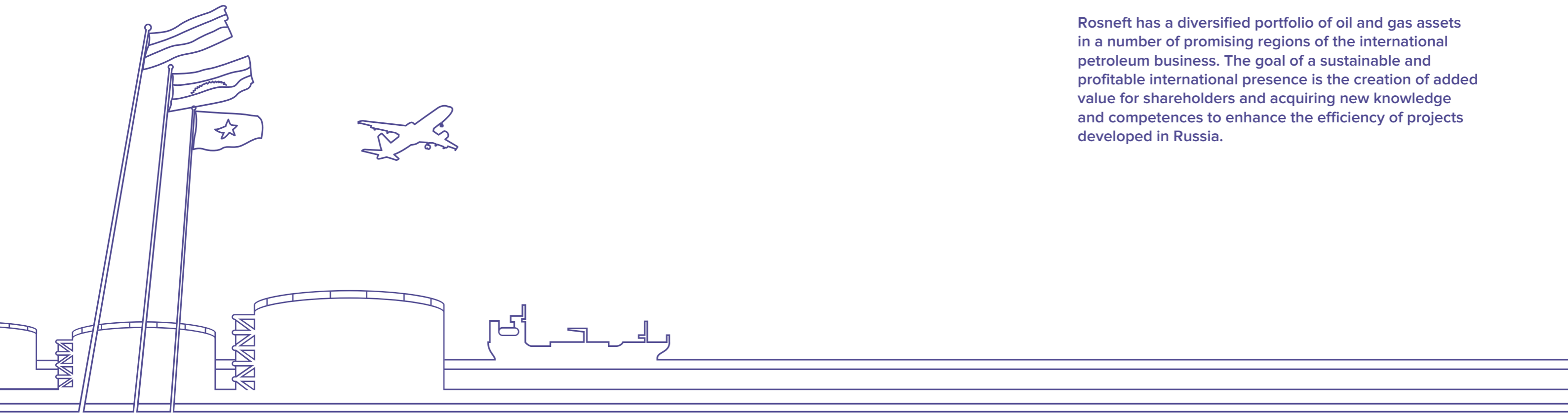
Current Project Status

In accordance with awarded contracts CB&I and FosterWheeler have developed concept designs in order to identify parameters of LNG plant allocation site, liquefaction technology and LNG plant construction methodology. In January 2014 evaluation of technical and commercial proposals for the second stage of FEED works was made jointly with ExxonMobil, the contract is planned to be awarded. After the completion of the design work investors will take the final investment decision on the project implementation.



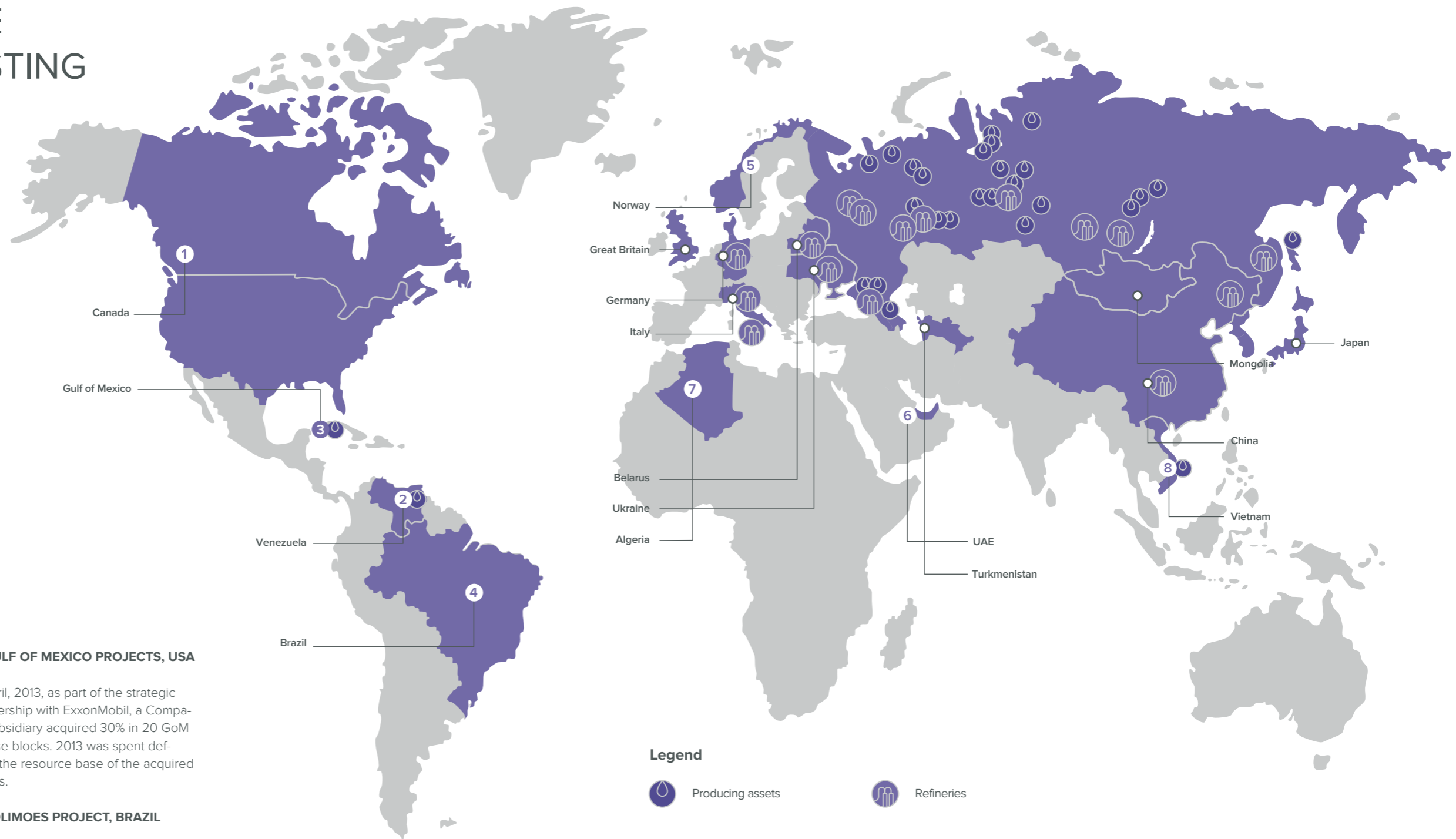
BUILDING INTERNATIONAL BUSINESS

Rosneft has a diversified portfolio of oil and gas assets in a number of promising regions of the international petroleum business. The goal of a sustainable and profitable international presence is the creation of added value for shareholders and acquiring new knowledge and competences to enhance the efficiency of projects developed in Russia.



Drilling in Venezuela

REGIONS OF THE COMPANY'S EXISTING AND POTENTIAL INTERNATIONAL OPERATIONS



1. CARDIUM PROJECT, CANADA

In August 2012, a Company subsidiary acquired 30% from the ExxonMobil share in 108 blocks, part of the tight oil reserves development project, Cardium formation, in the province of Alberta, Canada. The project is at the development stage proceeding to production. In 2013, 31 wells were built and commissioned bringing the total well count to 57 pieces. In 2013, Rosneft net production in Canada was 39 kt of oil and 12.9 mmcm of associated petroleum gas.

2. VENEZUELAN PROJECTS

Rosneft is pursuing 5 projects in Venezuela in partnership with PDVSA. Three projects are in full-scale development stage: Petromonagas JV – an integrated project, produces extra heavy oil of 8.5 API, with Rosneft's share in the project being 16.67%; Petroperija JV – a brownfield, Rosneft's share being 40%; Boqueron JV – a brownfield, Rosneft's share being 26.67%. One project is in the evaluation stage – Petromiranda JV, Rosneft's share being 24%; Petrovictoria JV registration procedures have been completed, with Rosneft's share in the project being 40%. Short- and long-term development prospects of these projects include production and infrastructure development.

3. GULF OF MEXICO PROJECTS, USA

In April, 2013, as part of the strategic partnership with ExxonMobil, a Company subsidiary acquired 30% in 20 GoM license blocks. 2013 was spent defining the resource base of the acquired blocks.

4. SOLIMOES PROJECT, BRAZIL

Rosneft owns 45% in an E&A project in the Solimoes basin, in the vicinity of the Amazon River, Brazil. The remaining 55% belongs to Brazilian HRT, the Operator. The Project includes 19 license blocks with the total area of over 44,000 sq. km.

In 2013, 848 line km of a 2D seismic survey was done and one exploration well was drilled. In November 2013 the Company signed several agreements with HRT on acquiring an additional 6% stake and operatorship of the project. The deal is expected to be closed and operations to be resumed in 2H 2014.

5. PL-713 PROJECT, NORWAY

In June 2013, the Government of Norway ran a 22nd license bid round resulting in Rosneft acquiring 20% in the PL-713 Barents offshore license. The license covers four adjacent blocks with the total area of ca. 1,200 sq. km. Norwegian Statoil (the operator), North Energy and Edison International are partners in this project. 2013 was spent defining the resource potential of the block.

Legend



Producing assets



Refineries

6. SHARJAH PROJECT, UAE

In 2008, we acquired 49% in a concession area in the emirate of Sharjah. Crescent Petroleum (UAE) is a partner in this project. Exploration activities were undertaken in 2008 through 2013. In 2013, 3D seismic data processing was completed and a prospect was identified; preparations were made for drilling one exploration well.

7. 245-SOUTH BLOCK PROJECT, ALGERIA

The project is being developed on the basis of a Production Sharing Agreement. The exploration stage has been completed, three fields were discovered. Russian Stroytransgaz and Algerian Sonatrach are partners in this project. In 2013, studies were made to ascertain reserve volumes and field development parameters. A draft reserve development project was prepared.

8. 05.3/11 BLOCK, VIETNAM

In May 2013, a Production Sharing Agreement on the 05.3/11 Vietnam offshore block was signed. The block lies near to existing Company assets – Block 06.1 and the Nam Con Son pipeline, that have developed infrastructure. The Company is a 100% project owner. The project is in the exploration stage. In 2013, the block was surveyed with 3D seismic covering 1,186 sq. km. Processing of the acquired data has begun.



The Junin-6 Block, PetroMiranda JV, Venezuela

DEVELOPING PROJECTS IN VENEZUELA

Rosneft is one of the largest international investors in the Bolivarian Republic of Venezuela (BRV). The majority of Company projects in BRV are associated with the production of stranded extra heavy hydrocarbons, therefore, application of world-class high technologies is a priority for the Company.

At present, Rosneft cooperates with Venezuelan state oil company PDVSA in relation to the implementation of a whole range of oil and gas projects in various stages. Producing brownfield projects are operated via the following joint ventures:

- Petromonagas, an integrated project, produces extra heavy oil of 8.5 API, Rosneft's share being 16.67%;
- Petroperija, a brownfield, Rosneft's share being 40%;
- Boqueron, a brownfield, peak production reached in 2001, Rosneft's share being 26.67%.

Present short- and long-term plans for these projects include oil production growth and infrastructure development. The largest JV, PetroMiranda, is in the exploration and pilot production stage; Petrovictoria JV registration procedures have been completed.

The Junin-6 Block (operated by PetroMiranda JV) is located in the Orinoco Heavy Oil Belt and possesses a huge resource base, 8.5 billion tons of extra heavy oil with density of 8.2 API. The project includes block appraisal and bringing on-stream, and upgrader construction plans.

The Carabobo project total oil reserves are 2.4–6.5 billion tons. The project is Rosneft's largest overseas asset in terms of production volumes (Company share is 40%). At present, preparations are ongoing for the commencement of the JV operations.

The company has set up a representative office in the country that supports and oversees activities of all JVs.

At the same time, our Company has no intention to stop now. We will continue to expand our Venezuelan business. A cooperation agreement has already been signed that provides for the implementation of offshore projects in Venezuela, with negotiations in progress to create two other JVs for infrastructure construction and provision of oilfield services. Our Company is also actively involved in various social and charitable projects in Venezuela, such as provision of opportunities for Venezuelan students to study at Russian oil universities.

OFFSHORE PROJECTS IN VIETNAM

In 2013, following its strategy of new asset acquisition, the Company acquired a producing business in Vietnam which includes:

- A 35% stake in the Production Sharing Agreement (PSA) for the 06.1 offshore gas condensate block located in the Nam Con Son basin;
- A 32.67% stake in the Nam Con Son gas pipeline (NCSP) which moves hydrocarbons from the 06.1 Block and other fields in the basin first onshore and then to Phu My Power Plants.

06.1 Block Project

Participating in the PSA-based 06.1 Block project are:

- Rosneft Vietnam B.V. (Rosneft's wholly owned subsidiary) – 35%
- PetroVietnam – 20%
- ONGC – 45%

The Project Operator: Rosneft Vietnam B.V.

The PSA block has two gas condensate fields – Lan Tai and Lan Do – with the current remaining reserves of ca. 30 bcm.

The fields are 375 km from the shore, sea depth is 126 m.



Oil processing in Venezuela

Facilities:

The Lan Tai field was put on stream in 2002. The platform has a gas processing and compression facility and living quarters. Production is from 5 wells with subsea trees connected to the platform by a single subsea manifold.

The Lan Do field was put on stream in 2012. It has two wells with subsea trees connected to the Lan Tai platform, the distance from the Lan Tai platform is 28 km.

Gas has been produced from the 06.1 Block since 2002.

In 2013, the total hydrocarbon production from the 06.1 Block was 4.35 bcm of gas and 1.34 mmbbl of condensate.

Gas is sold via a Gas Sale and Purchase Agreement (SPA) between PetroVietnam (Buyer) and Rosneft Vietnam B.V. (Seller). Ca. 98% of gas is supplied to power plants, including to the Phu My farm with 4 power plants, the remaining volume is bought by industrial consumers.

Condensate is sold at market prices via a tender for condensate supplies, which is run twice a year by Rosneft Vietnam B.V. Around 30-40 companies participate in the tender, including international majors – BP, Chevron, Gunvor, Shell, Total, etc.

Nam Con Son Gas Pipeline Project

Project participants:

- Rosneft Pipelines Vietnam B.V. (Rosneft's wholly owned subsidiary) – 32.7%
- PetroVietnam – 51%
- Perenco – 16.3%

Project Operator: PetroVietnam

The project is executed on the basis of a Business Cooperation Contract. The Contract is valid until 2035 and can be extended.

The asset includes:

- two-phase 26" offshore pipeline, 370 km long, from the Lan Tai platform to the onshore terminal;
- Dinh Co onshore gas terminal (condensate separation and gas dehydration);
- 30" onshore gas pipeline, 28 km long, from the gas terminal to the power plant in Hochimin;
- 6" condensate pipeline, 25 km long, to the Thi Vai export terminal.

The pipeline throughput is 21 mmcmd. In 2013, the total Nam Con Son throughput was 6.8 bcm. In order to increase pipeline utilization, an agreement was signed in 2013 on gas evacuation from the 05.2/05.3 Block.

Vietnam Projects Development

In May 2013, the Company signed a Production Sharing Agreement with PetroVietnam on development of the 05.3/11 offshore block in Vietnam adjacent to the Company's producing asset, 06.1 Block, and the Nam Con Son pipeline.

The block is located in a fairly well explored basin, Nam Con Son, with a developed infrastructure and underutilized hydrocarbon transportation capacities.

- Area – 2,044 sq. km
- Sea depth – 80–150 m
- Development target depth – 2,800–5,000 m

Resource potential:

- Gas – 38.4 bcm
- Condensate – 39 mm t

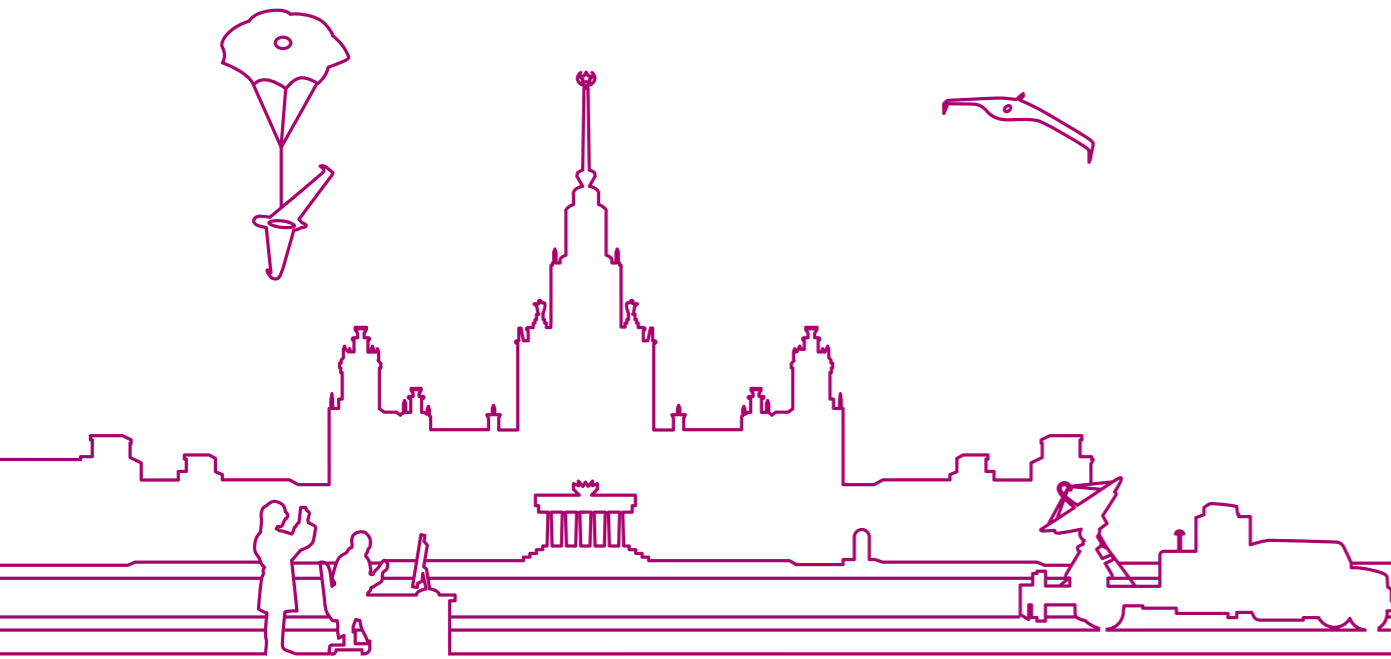
According to the PSA, exploration duration is 7 years, with the possibility of an extension of up to 2 years.

In 2013, 1,186 sq. km of a 3D seismic survey was done and the 3D seismic data reprocessing completed for the PLDD structure.

Rosneft is considering the possibility of expanding offshore projects in Vietnam. In 2013, a Memorandum of Understanding was signed with PetroVietnam on the 15.1/05 Block.

SCIENCE AND INNOVATION

Rosneft is a leader in the process of high-quality modernization and innovative changes in the Russian oil and gas industry. The Company is focusing its efforts on developing the intellectual and technological potential of the industry based on a powerful foundation of Russia's petroleum academic school – one of the best in the world – and in partnership with leading international oil and gas companies.



Seismic studies in the Sea of Okhotsk

SCIENTIFIC INNOVATION AND KNOWLEDGE SHARING

148.1

BLN RUB – ROSNEFT'S
2013 EXPENSES FOR
INNOVATION ACTIVITIES

In 2013, Rosneft continued working on enhancing its intellectual and technological advantage by funding cutting-edge in-house R&D development, supporting Russia's leading universities and R&D centers, and creating joint R&D centers with leading international companies.

The Company's 2013 innovations budget was RUB 148.1 bln. including Research and Advanced Development expenses in the amount of RUB 23.2 bln. Rosneft filed 52 patent applications for inventions, utility models and software to be protected by intellectual property rights, nearly tripling the number of such applications registered in the previous year.

2013 MAIN ACHIEVEMENTS IN KEY PROJECTS

A technology for tight reservoirs development was implemented in LLC RN-Yuganskneftegaz fields, 32 wells were drilled in 2013 delivering incremental production of 167 kt.

Two unique expeditions – KARA-Winter 2013, KARA-Summer 2013 – were carried out to investigate the ice conditions and conduct metocean studies in support of offshore resource E&A and development projects in the south-western part of the Kara Sea.

During the expedition, a number of ice and metocean measurements on 22 ice stations were done, automatic buoys were installed on 14 ice fields and 16 icebergs in order to record their drift, aerial photography of icebergs and hummock ice ridges was done using a helicopter and a drone, as well as subsea photography of hummock and iceberg keels. Aerial photography of 66 iceberg routes was done from a Ka-32 helicopter. Over 2,500 measurements and tests of ice and iceberg cores were made. A remotely operated vehicle

was used to investigate sea bottom scouring.

The data obtained were used to develop recommendations regarding design solutions to ensure offshore structures reliability and strength and equipment protection from adverse environmental impacts.

In 2013, new oil and gas condensate and gas condensate plays were discovered on the territory of the Irkutsk Region, Mogdinskiy license block. An inflow of up to 425 kcm/day of gas and condensate and 90 cm/day of oil was recorded. This was made possible by using an in-house geological model developed by specialists from the Company's Innovations Block.

As a part of technology development for Turonian low permeability gas reservoir management, drilling of wells with different design was completed, including a well with multistage fracturing by specially developed in RN-UfaNIPIneft design. According to the preliminary test results well yield exceeds 200 thousand cubic meters/day. The Company will receive a technology for Turonian deposits development, an important element of the gas Rosneft's gas strategy.

An innovative 3S-separation gas treatment facility with a throughput of 160 mmcma has been developed and will be installed at the Pravdinskaya Compressor Station, RN-Yuganskneftegaz, to ensure the required amount of gas for RN-Yuganskneftegaz own needs and supplies to Poikovskiy village.

The facility will also produce 11 kcmca of stable condensate from associated gas, which is going to be sold to third party consumers at market prices.



The experimental hydrocatalytic processes modeling unit

Strategic Focus of Rosneft's Innovations

Rosneft's innovative efforts are aimed at creating and implementing cutting-edge technologies to achieve the following goals:

Exploration & Production:

- hydrocarbon reserves replacement at least at the level of 100% of current production;
- ensuring maximum permissible hydrocarbon recovery factors from greenfields, developing systemic measures to enhance oil and gas recovery from the producing fields;
- ensuring maximum efficiency in associated gas utilization – 95%;
- developing technologies for making unconventional hydrocarbon reserves development economic.

Refining:

- improvement of crude oil conversion level;
- implementation of new technologies to refine heavy cuts, as well as new petrochemical technologies.

To achieve these goals, Rosneft is carrying out the Innovative Development Program, compliant with the regulatory and planning documents of the national, regional and corporate levels.

The Program contains the following main blocks:

- Target-focused innovation projects;
- Target-focused modernization and operational efficiency improvement programs;
- Actions aimed at innovative activities improvement.

In 2013, the Company, improved the efficiency of its Innovative Development Program by engaging more actively with the Moscow State University Fund "National Intellectual Development" on developing associated petroleum gas fractionation methods.

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TARGET-FOCUSED INNOVATION PROJECTS WERE CARRIED OUT IN 2013 WITH PARTICULAR ATTENTION TO IMPLEMENTING THEIR RESULTS AND MAKING THEM PROPRIETARY VIA INTELLECTUAL PROPERTY RIGHTS

ROSNEFT R&D CENTER IS ONE OF THE KEY RESIDENTS IN THE SKOLKOVO INNOVATIONS CENTER WITH ANNUAL FUNDING OF RUB 350 MLN

The uniqueness of the facility comes from using an associated petroleum treatment technology (3S-separation) based on a low-temperature ultrasonic gas separator that uses state-of-the-art aerodynamic technology.

A patent was issued for a utility model, "A Device for Casing Repair or Selective Reservoir Isolation". The technology will enable reactivation of over 400 idle wells with the total post-reactivation flow rate of over 2,000 t/day.

The first stage of pilot testing of equipment for dual production and injection was done by OJSC Udmurtneft and OJSC Samarateftegaz, candidate wells were selected for each BHA, and test equipment was run in 3 wells, which achieved a steady-state flow. Four patents for 3 dual production assemblies and 1 dual injection assembly were issued. The Company can potentially implement these technologies in 50 wells per annum with incremental oil production of ca. 250 ktpa.

In 2013 new algorithms and software were developed in 15 subsidiaries and 8 corporate R&D and Design Institutes, making it possible to address unique flow modeling and reservoir management issues, including:

- ensuring monitoring and real-time adjustment of horizontal well drilling trajectories based on logging while drilling data;
- application in tight reservoir development (Priobskoye and Prirazlomnoye fields) whose recoverable reserves, are 150 mm t.;
- ensuring optimum well pad designing and field development planning based on the reservoir long-term proxy model.

Jointly with the Catalysis Institute, Siberian Branch of the Russia Academy of Sciences, a technology for pilot fluidized-bed reforming catalyst production was developed. Commercialization of the technology will provide for a 1–2% increase in the reformate yield (high-octane component of motor and jet fuels) vs. known foreign analogues.

As part of looking into alternative energy, the Company, jointly with the Biochemical Physics Institute, Russia Academy of Sciences, and the

Moscow state University, is conducting fundamental and technology-focused research developing and improving 3-rd generation thin-film solar cells based on metal-oxide solar cells (MO SC). Applications for 2 invention patents have been filed, "Bilateral Solar Photo Converter" and "Solar Photo Converter". A test facility was designed and installed on the roof of the Biochemical Physics Institute building, which consists of 5 different types of solar panels.

The ultimate project goal is development of a technology for manufacturing a new type of solar cells and solar panels which could be 2–3 times less expensive than existing analogues

ROSNEFT CONSOLIDATED R&D CENTER – ADVANCED OIL REFINING AND PETROCHEMICAL TECHNOLOGIES

The Company's Innovations Block organization includes the Consolidated Research and Development Center (RN-R&D Center, LLC). The Center has Gas-to-liquids (GTL) technologies and is now completing mini-GTL technology development. It can also offer unique technologies for catalyst production fit for this process.

The corporate RN-R&D Center has developed cutting-edge oil refining and petrochemical technologies:

- a technology for producing a broad variety of synthetic base oils with the 130–170 viscosity index and -50 °C...-60 °C pour point for different applications. This innovative technology can reduce feed and power costs by 10–15 %.
- a new technology, unrivaled in the Russian Federation, has been developed enabling the creation of own feed base to manufacture high-value polymer materials which could replace imported materials.
- new polymer composite materials (glass- and carbon-fiber) have been developed, which on a number of parameters are superior to the best known commercial examples. In addition, their cost is significantly lower due to availability and low price of the feed material, dicyclopentadiene, a product currently not by petrochemical plants.

Knowledge rollout

Setting up a system of continuous summarization and rollout of knowledge and best practices is the vital element of Rosneft Innovative Development Program.

In 2013, our activity in this area included the following:

- quarterly production of our corporate Nauchno-tehnichesky vestnik OAO NK Rosneft ("Rosneft Science Monitor");
- regular publication of articles authored by Company specialists, in leading Russian academic and technical editions;
- participation of Rosneft specialists in national and international conferences.

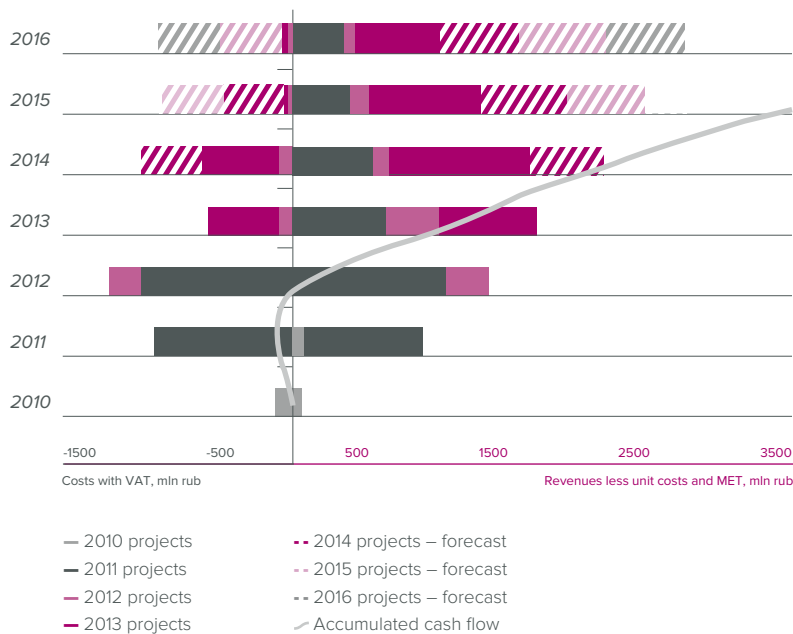
Our Company is implementing a Knowledge Management System (KMS, the iKnow information system).

KMS is a necessary condition for the implementation of innovations and new technologies, enhancement of professional competences, allowing Company employees to share best practices, successful projects, lessons learnt, technical expertise, and laying grounds for professional enhancement and career growth via participation in Professional Communities.

Based on 2013 results, the Knowledge Management System is:

- 14 professional communities (67 experts, over 370 participants);
- 700+ documents uploaded to the iKnow Library;
- about 180 proposals and projects with lessons learnt;
- 1000+ unique users;
- 2000+ search queries.

Cash flow by new technology system projects portfolio, by year





The tomograph with the filtration unit

The new materials are already demanded by the electrical engineering industry. Materials are being developed for oil and natural gas production, refining and transportation – light polymer proppants, materials for exploration and oil production, polymer and polymer composite pipe, fittings and other hydrocarbon-resistant equipment to be used in aggressive environments. Such materials are needed in the aircraft- automobile and shipbuilding industries. New-generation smart materials are needed for micro-electronics, optronics, and medicine.

According to the Company plans, the next few years will see manufacturing of 15–20 kt of advanced polymer composite materials needed by developing innovative technologies.

ADVANCED TECHNOLOGIES ADAPTATION AND IMPLEMENTATION IN 2013

In 2013, as part of developing and executing projects within the New Technologies System (NTS), monitoring, testing, adapting, and implementing new promising technologies developed

by Russian and foreign companies was organized.

In 2013, incremental production from testing new technologies was in excess of 200 kt.

All tested technologies will be evaluated for their economic efficiency, then scaled up and rolled out across the Company.

In 2013, incremental production from implementing previously tested technologies exceeded 1.2 mmt.

INTERNATIONAL COOPERATION AND ACTIVITIES

Our Company’s main strategic foreign trade vector within the Innovative Development Program is participation in international projects, programs and partnerships.

In 2013, Rosneft closed a deal with ExxonMobil establishing the Arctic Research Center (ARC). Pursuant to the work plan of strategic cooperation between Rosneft and ExxonMobil in

the area of offshore exploration and development of the Russian Arctic, ARC will provide full service to Rosneft/ ExxonMobil joint ventures in the areas of academic research and engineering development. Initially, the Arctic Center will work in such areas as safety and environment; ice, weather and geological studies; ice monitoring; development of design criteria, assessment and formulation of field development concepts. The Arctic Center will make use of existing Rosneft and ExxonMobil developments to produce environmentally safe and more efficient technologies.

In 2013–2017, the Arctic Research Center plans to engage in the following activities:

- weather and ice studies, including building a database of accumulated data, development of marine facility design criteria, and creation of new technologies for studying environment and ice parameters, and iceberg drift monitoring;
- sea floor conditions, including building a database of accumulated data, development of marine facility design



“Kara-winter” expedition using Yamal ice-breaker

criteria, and creation of new technologies for studies and survey with a focus on underwater geotechnical drilling technology;

- environmental studies, including regional studies, studies and development of technologies in the area of emergency oil spill response, development of coastal area protection plans, as well as modeling and monitoring of arctic sea ecosystems;
- marine infrastructure conceptual design, in particular, designing a stationary gravitation platform, research and development in the area of natural gas production and transportation, designing underwater production and underwater pipeline systems, as well as designing floating craft for hydrocarbons exploration and production.

Under the Agreement for Strategic Cooperation in the Areas of Science, Technology and Joint Operating Projects between Rosneft and General Electric International, signed on June 21, 2013, the intention is to create a joint Research Center. It is intended that the joint center

will engage in the following types of activity:

- gas monetization activities, oil refining and petrochemicals, marine and underwater development projects, enhanced oil recovery.
- research and experimental studies in the following areas:
 - development of marine and underwater materials, processes and technologies, including, among other things, development of arctic materials and metallurgical processes, hydrodynamic calculations, development of safe arctic drilling processes, underwater/subglacial production and processing, underwater/subglacial power transmission and distribution;
 - new gas and oil refining technologies, including, among other things, gas liquefaction technologies (GTL);
 - development of new technologies, equipment for tight reserves production enhancement (unconventional

oil, gas, heavy oil, etc. production processes);

- development of new polymers and polymer composite materials;
- development of new types of synthetic bio fuel for next generation aircraft.

HEALTH, SAFETY AND ENVIRONMENT

Rosneft is fully aware of and recognizes its social, economic and environmental responsibility wherever it operates and with respect to whatever projects it engages in. In its HSE policy the Company is governed by the requirements of Russian legislation and international law. By using state-of-the-art technologies and advanced operational methods, the Company creates a safe and healthy working environment for its employees, minimizing the risk of emergencies and accidents.



Vankor field

OCCUPATIONAL AND INDUSTRIAL SAFETY

4

BLN RUB – OCCUPATIONAL SAFETY ACTIVITIES FUDING IN 2013

AS PART OF OUR EFFORT TO FOLLOW BEST GLOBAL PRACTICES, SAFETY GOLDEN RULES HAVE BEEN DEVELOPED AND TIMELINES SET FOR DEVELOPING AND UPDATING ROSNEFT'S INTERNAL LABOR & INDUSTRIAL SAFETY DOCUMENTS IN 2014 – 2015

9.2

BLN RUB – THE COMPANY SPENT ON FIRE SAFETY ACTIVITIES IN 2013

THE COMPANY'S STRATEGIC HSE GOALS ARE AS FOLLOWS:

- Continuously improve labor, industrial and environmental safety
- Create a safe and healthy working environment by using in its processes and operations state-of-the-art technologies, equipment and other relevant achievements of contemporary science;
- Consistently reduce injury-at-work and accident rate, as well as adverse environmental impacts;
- Bring the Company's operational sites and facilities to the level of HSE performance demonstrated by its best global peers;
- Improve the HSSE Integrated Management System;
- Minimize adverse effects of newly commissioned facilities on people and environment.

Rosneft's HSE Integrated Management System (HSE IMS) successfully functions, allowing management, monitoring and assessment of the Company's performance in this area.

The HSSE Management System is certified for OHSAS 18001:2007 and ISO 14001:2004 international standards compliance. It was first recognized as compliant on 5 May, 2006. The certificate was issued by an international certification center, Bureau Veritas Certification (BVQI). It is issued for three years and stipulates mandatory annual regulatory audits.

From 4 March through 26 April, 2013, BVQI audited the HSE IMS for compliance with ISO 14001 and OHSAS 18001 international standards. The independent audit findings confirmed that the HSE IMS is successful, conforms to international standards and improves continuously.

The Rosneft President approved a new HSE model organization that makes HSE divisions directly responsible to heads of subsidiaries. This was done to enhance the importance of subsidiaries' contribution to this area.

Rosneft pays special attention to operating safety issues.

The Company routinely develops and implements actions aimed at the prevention and reduction of work-related accidents.



Fire safety training at the tank farm of LLC RN-Nakhodkanefteprodukt

Based on 2013 results, the accident rate at the sites of the Rosneft Group subsidiaries went down 1.6 times, from 8 to 5 instances;

Traditionally, the Company has put strong focus on pipeline transport system reliability assurance. The Company implements a number of critical measures aimed at reducing and avoiding pipeline failures (such as faulty stock replacement and repairs, diagnostics, corrosion protection, cleaning). We continuously seek for most efficient pipe materials, protective coatings assuring the required length of service.

In 2013, the Company took RUB 16 bln worth of actions to improve pipeline system reliability, reducing the field pipeline failure rate by 12%. By way of pipeline integrity management programs, 1,120 km of in-field pipelines were replaced.

In 2013, the decision on creating a Hazardous Facilities Integrity Department with the key objective of implementing a risk-orientated approach to ensuring hazardous facilities safety, improving the effectiveness of actions taken for that purpose and making them more focused to maximize investment efficiency.

In 2013, to establish a uniform approach to, and improve efficiency of, training, the Company developed and made effective a corporate document entitled “Rosneft Oil Company Regulations on Training Company Employees in Fire Safety Measures”.

A systemic approach was organized for checking compliance with notices issued by the Russia Emergency Ministry Fire Safety Inspection Service resulting in 99% of fire safety non-compliance instances taken care of with the response effort requiring no capex.

In 2013, a fire accounting system was drastically changed, which identified systemic gaps in how subsidiaries organized their work on ensuring fire safety of their sites and facilities.

This resulted in the number of fires caused by process violations going down by 50% (3 fires in 2013).

>6

BLN RUB — THE COMPANY SPENT ON KEY INDUSTRIAL SAFETY ACTIVITIES IN 2013

273

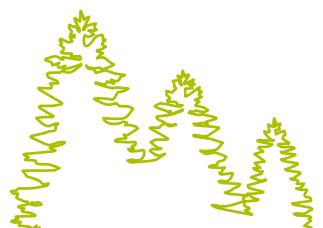
COMPREHENSIVE, DESK-TOP AND SPECIAL-PURPOSE TACTICAL EXERCISES INVOLVING 13,725 PEOPLE WERE CONDUCTED TO PRACTICE EMERGENCY AND FIRE RESPONSE AND CONTAINMENT ACTIONS ON COMPANY SUBSIDIARY SITES IN 2013

CA. 1

BLN RUB WAS SPENT ON BLOW-OUT PREVENTION AND RADIATION SAFETY

ENVIRONMENT PROTECTION

IN 2013, THERE WERE NO BUSINESS DISRUPTIONS WITHIN THE EXTENDED COMPANY PERIMETER FOR REASONS RELATED TO THE IDENTIFICATION OF ENVIRONMENTAL VIOLATIONS



In 2013, the Company successfully integrated new subsidiaries and achieved record-high financial and operational performance. With regard to environment protection, the Company's efforts were focused on providing the required ecological support to the integrated organization.

To achieve compliance with the national and international environmental standards and become a leader in the environmental safety area, Rosneft implements, on a systemic basis and using result-oriented methods, actions and programs aimed at both mitigating the environmental impact of ongoing business operations and liquidating the environmental legacy.

COMPREHENSIVE PREVENTION OF ENVIRONMENTAL IMPACTS FROM ONGOING OPERATIONS. CONSTRUCTION OF ENVIRONMENTAL PROTECTION FACILITIES

To assure comprehensive prevention of environmental impacts, our Company implements organizational, technical and investment actions, in particular, as part of specialized environmental programs.

In particular, our Company's Targeted Environmental Program has enabled construction and commissioning of dozens of environment protection infrastructure facilities (to assure clean waste disposal and sewage treatment).

In 2013, we completed construction of twelve treatment facilities in our

2013 new asset integration synergy effect in environmental safety

- The HSE governance structure and approaches to environmental protection activities were unified. The synergy effect from rolling out best management practices and optimizing environmental protection activities in integrated subsidiaries was approx. RUB 100 mln;
- Large-scale environment protection actions were delivered using a systemic target program-based approach aimed both at minimizing environmental impact from current operations and eliminating 'environmental' legacy (environmental damage accumulated as a result of previous owners' activities);
- In 2013, a large-scale inventory and information update was undertaken in relation to current and legacy pollution, in particular, in integrated subsidiaries. The inventory results provided the basis for the planning of environmental safety actions and priority activities;
- Considering Company business ramp-up, plans have been developed for coordinated increase in the scope of environmental protection activities and "green" investment. A consolidated program of legacy environmental damage cleanup in 2014-2020 has been put together that provides for the remediation of all oil polluted lands "inherited" from past owners;
- In 2013, there were no business disruptions within the extended Company perimeter for reasons related to the identification of environmental violations; this was due to timely completion of comprehensive organizational, technical and investment action aimed at the prevention of negative environmental impact and assurance of environmental compliance.



Well clean up unit, LLC RN-Yuganskneftegaz

LEGACY ENVIRONMENTAL DAMAGE CLEANUP PROGRAM DELIVERY

Type of activity	Unit of measurement	2011A	2012A	2013A	Total 2011-2013
Oil polluted land remediation	hectare	600	424	159	1,183
	RUB mln	475	262	65	802
Oil sludge recycling	cub.m'000	126	185	77	388
	RUB mln	481	740	341	1,562
Drilling waste recycling	cub.m'000	567	543	586	1,696
	RUB mln	1,376	1,395	1,524	4,295

Subsidiaries' presence areas on Sakhalin and in the Nefteyugansk District of KhMAO.

The Company and Subsidiaries in 2013 invested RUB 5.25 bln in the construction and upgrade of treatment facilities in their presence areas.

As part of the Targeted Environmental Program, construction and commissioning of specialized facilities for clean waste dumping and disposal was assured, including the following:

- oil sludge recycling site at the Belozerskoe field (RN-Stavropolneftegaz LLC area of operations);
- dump sites in RN-Yuganskneftegaz area of operations (within Priobskoe and Kinyaminskoe fields)
- specialized dump sites in RN-Purneftegaz LLC area of operations (within Barsukovskoe, Tarasovskoe and Kharrampurskoe fields)
- specialized oily waste recycling sites in OJSC Samaraneftegaz area of operations (including within the Mikhailo-Kohannovskoe field, with annual oil waste recycling throughput of 11 thousand cubic meters);
- sludge pits in RN-Sakhalinmorneftegaz LLC area of operations (Katangli and Odoptu-sea fields).

1,930

MLN RUB. SPENT ON THE LEGACY ENVIRONMENTAL DAMAGE CLEANUP PROGRAM IN 2013



Remediated legacy sludge pit, LLC RN-Yuganskneftegaz

>20

BLN RUB – THE COSTS OF CONSOLIDATED LEGACY ENVIRONMENTAL DAMAGE CLEANUP PROGRAM IN 2014 – 2020

125

BLN RUB – COMPANY ENVIRONMENT PROTECTION EXPENDITURE IN 2009–2013

RUB 5.2 bln was spent on the above-mentioned investment projects within the Company Targeted Environmental Program.

LEGACY ENVIRONMENTAL DAMAGE LIQUIDATION

Since 2010, Rosneft has been implementing a corporate Legacy Environmental Damage Cleanup Program, which is unique for Russia; as a result of this program, 1.5 thousand hectares of legacy polluted and disturbed lands have been remediated, over 2 mln cm of drilling waste and oil sludge has been recycled. RUB 7.2 bln was spent on these activities.

In 2013, Rosneft's spend on the Corporate Legacy Environmental Damage Cleanup Program was RUB 1,930 mln. Besides, RUB 818 mln was spent on environmental legacy cleanup in relation to the assets consolidated in 2013.

As the result of the Legacy Environmental Damage Cleanup Program implementation in Rosneft Subsidiaries' areas of operations, environmental issues left after the past subsoil users of RN-Yuganskneftegaz LLC, RN-Purneftegaz

LLC, RN-Sakhalinmorneftegaz LLC, RN-Stavropolneftegaz LLC, RN-Krasnodarneftegaz LLC were eliminated.

To achieve the best environmental safety results, Rosneft continuously expands its environmental protection activities and "green" investments.

Over the most recent 5 years (2009 through 2013), our Company's total environmental protection expenditure (including related items) exceeded RUB 125 bln.

For the 2014-2016 3-year period, the budget of environmental protection actions and programs exceeds RUB 90 bln, including over RUB 40 bln for the construction of environmental protection infrastructure, and over RUB 50 bln for other environmental protection activities, including legacy damage cleanup.

Implementation of a Consolidated Legacy Environmental Damage Cleanup Program is scheduled for 2014–2020.

It is expected that as part of the Consolidated Program, over 3 thousand hectares of oil polluted lands will be



Rosneft performs ecological monitoring in the Arctic Region

remediated, and 2 mmcm of legacy drilling waste and oil sludge will be recycled.

The Company has proposed that the Russian Ministry of Natural Resources include some of the activities envisaged by the above-mentioned program in the draft Federal Targeted Program “Legacy Environmental Damage Elimination in 2014-2025”.

ENVIRONMENTAL INNOVATIONS

Development and implementation of environment-related targeted investment programs, refinement of technologies used

Rosneft’s strategic goal is to achieve undisputed leadership in environmental protection standards in the Russian oil and gas industry, and in making them compliant with the recognized global practices.

The Company is working on a targeted innovation project that aims at comprehensive disposal of drilling waste and oily waste, which will result in an efficient comprehensive industrial waste disposal

complex being rolled out in Company subsidiaries. In turn, that will allow the issue of oil sludge and drilling waste accumulation and recycling to be resolved.

Rosneft searches for, selects and initiates projects in the following areas:

- advanced technologies (predominantly biological ones) of oil polluted and disturbed land cleanup and remediation, including sea areas and coastal littoral;
- advanced environmental safety technologies and systems for the Company offshore projects;
- innovative technologies and infrastructure that include testing laboratories and experimental sites for studying oil spill impacts on biogeocenosis of North Siberia and other regions.

STAKEHOLDER ENGAGEMENT

Cooperation with key partners in the area of Arctic safety

In 2013, the Declaration of Environmental Protection and Biological Diversity Preservation in Connection with

Exploration and Development of Mineral Resources on the Arctic Continental Shelf of the Russian Federation, initiated by the Company as a guarantee of strict adherence to the principles and goals of safe Arctic offshore operations, was finally signed by all parties (signed by Rosneft, ExxonMobil, Statoil, Eni – on 23 November 2012, December 7, 2012, 21 June 2013 respectively).

Pursuant to the Declaration, the parties will endeavor to coordinate their activities aimed at the preservation of biological diversity in the Arctic, in particular, as part of the recommendations issued by the Convention on Biological Diversity and the Biological Diversity Task Force of the International Petroleum Industry Environmental Conservation Association. The parties intend to regularly monitor changes in the Arctic natural landscape and seas, develop international cooperation with reference to the Arctic Environment Protection Strategy (AEPS).

To implement the provisions of the Declaration, Rosneft is making preparations for the execution, in 2014, of several cooperation agreements with a number of ministries and agencies of the Russian Federation, the purpose of

COMPANY PERFORMANCE IN THE ENVIRONMENT PROTECTION AREA

Indicator	Measurement unit	2012**	2013	Change, %
Investment in fixed assets allocated for environment protection (financing)	RUB thou.	11,524,856	45,892,496*	298%
Upstream	RUB thou.	5,922,059	28,581,910	383%
Refining	RUB thou.	4,885,589	16,920,822	246%
Business support	RUB thou.	717,208	389,763	-47%
Gross contaminant emissions into atmospheric air	t	1,353,560	1,800,759	33%
Water intake and supply	sq. km	260,800	336,071	29%
Recycled water %	%	45	77	
Total generated waste	t	1,261,130	2,967,759	135%

* Increase in investment in fixed assets is due to both expenditure increases for target programs (gas program, refinery modernization program), and separation of environmental investment associated with/integrated in other projects.

** Without new assets.

which is to create an environment that is conducive to efficient interaction on prevention and coordination of emergency response, environment and biota preservation activities.

The Declaration further sets out the intentions for setting up an Arctic Coordination Center; proposals and a concept for setting up such a Center have been made ready for discussion.

Expanding cooperation with non-governmental environment protection organizations

Rosneft has joined the Non-Profit Partnership "Russian National Committee for Assistance to UN Environment Program (UNEP/COM)" whose mission is to facilitate performance of the Russian Federation's international obligations to the UN Environment Program (UNEP) and other international organizations dealing with these issues.

The key vectors of such interaction lie in the area of resolving environmental safety assurance issues in connection with offshore, international, economically significant projects with partner companies and other industry companies, including international ones, in the area of environmental protection.

President of the Company has signed a Memorandum of Intent with WWF

Russia that provides for joint action in the areas of studying and monitoring certain animal species (polar bear and walrus) entered in the Red Book.

Our Company is drafting a Cooperation Agreement with the Russian Polar Researchers' Association and a research project with Lomonosov Moscow State University for joint Arctic studies which, in particular, envisages development of a method for using a new class of destroyer microorganisms for oil pollution cleanup in northern seas.

Rosneft supports the Global Energy Policy and Energy Security Department of the International Institute of Energy Policy and Diplomacy (MIEP) of the Russian Foreign Ministry's Institute of International Relations; the Department analyses Russian and international technical regulations and guidelines, and legal regulation in the area of industrial and environmental safety assurance in connection with the development of Arctic hydrocarbon resources.

Increasing Company environmental responsibility

Rosneft regularly conducts events aimed at raising the level of Company staff environmental culture and awareness, including the "Environmental Days", information/education competitions aimed at the preservation of wildlife.

Company performance in the environment protection area

In 2013, with the integration of new assets, new facilities were included in the Company perimeter that negatively impact the environment, followed by growth in absolute values that describe the aggregate man-made load caused by the operations pursued at these facilities. At the same time, there have been positive developments in the Company unit impact values; gas program implementation, refining and petrochemical stream facility upgrades, and tank fleet refurbishment have operated to reduce unit effluent rates; reconstruction and construction of new closed-circuit water supply systems enabled a rise in the share of return water in overall water consumption.

EMERGENCY PREVENTION AND RESPONSE

In 2013, Rosneft set up a new structural unit, Crisis Management Center, designed to ensure a unified system of operational management and response to emergencies and incidents based on applicable federal regulatory and legislative requirements, as well as improving the efficiency of the Group liaison with the executive authorities at different levels as part of the Unified State System for Prevention of and Response to Natural and Technogenic Emergencies.

COMPANY PERFORMANCE IN EMERGENCY PREVENTION AND RESPONSE

	2011	2012	2013
Number of emergencies	0	0	0
Number of technogenic emergencies per one thousand hazardous facilities in operation	0	0	0
Expenditure on emergency prevention and response, RUB mln	1,929.6	2,102.6	2,970.0
including financial and material provisions, RUB mln	953	1,068	1,507.8
including professional response & rescue team maintenance, RUB mln	976.6	1,034.6	1,462.2
including emergency response	0	0	0

Note: the increase of funds in 2013 is not associated with new asset integration, it was due to a consistent effort to deliver on the Company President's assignment that financial and material provisions be made in each Rosneft Group subsidiary for emergency prevention and response.

Development of a System of Operational Management and Response to Emergencies and Incidents

The Company is currently engaged in developing a Risk Management Information System to be implemented in the Crisis Management Center.

Rosneft 2013 Performance in Emergency Prevention and Response

In 2013, over 150 desk-top and special-purpose tactical emergency response exercises were run by Company subsidiaries, including oil and product spill (threat of oil and product spill) response, involving over 9 thousand Company employees.

From 17-18 December 2013, a desk-top exercise of the Group scale entitled "Emergency Response on Company Sites in Winter Time" was run for the first time in Rosneft history. The exercise involved all the subsidiaries and affiliates, including in Ukraine, Belarus and Abkhazia.

Despite the Company tightening its operational safety assessment criteria and more assets having been joined to the Rosneft, concerted actions taken in 2013 made it possible to prevent emergencies. Those included additional preventive measures taken across the

Company, such as review of and lessons learned from the previous incidents and incidents along the following lines:

- instant information communication;
- response by Rosneft subsidiaries' management and forces to emergency threats;
- relevant documents made available in a timely manner;
- identification of causes of accidents and incidents;
- taking effective measures to eliminate deficiencies and prevent their recurrence.

The results of such reviews were communicated to Rosneft subsidiaries on a monthly basis, and monitoring of identified deficiencies elimination and preventive measures enforcement was organized.

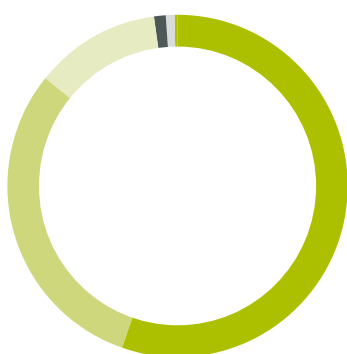
Rosneft Subsidiaries' 2014 Emergency Prevention and Response Plans

In order to further improve the emergency prevention and response system, the Company has developed a series of activities for 2014.

Starting from 2014, training and methodology review events are planned to

THE RISK MANAGEMENT INFORMATION SYSTEM HARDWARE AND SOFTWARE TO BE IMPLEMENTED IN THE CRISIS MANAGEMENT CENTER DOES NOT HAVE ANALOGUES IN RUSSIAN FEDERATION MINISTRIES AND AGENCIES (EMERGENCY MINISTRY, OJSC RUSSIA RAILWAYS (RZHD), DEFENSE MINISTRY). A PATENT WILL BE APPLIED FOR TO MAKE IT THE COMPANY'S PROPRIETARY SYSTEM

2013 Energy Consumption by Business Stream



- 56% Oil and gas production
- 31% Oil refining
- 12% Petrochemicals and gas processing
- 1% Oil products distribution
- 1% Service

be held to review Group subsidiaries' performance in emergency prevention and response. Such assemblies are expected to become regular and will be held on Group subsidiary sites in conjunction with demonstration exercises. They are expected to be attended by senior managers and specialists of key Rosneft subsidiaries and are intended to become a key forum for sharing experience and discussing issues.

Annual competitions are planned to be held to identify the best Rosneft subsidiary in emergency prevention and response. The best performers will be identified in the oil production, oil refining, gas processing, and product supply businesses.

The 2014 Business Plan includes actions toward creating of the 1st phase of the Risk Management Information System as an integrated organizational and functional structure incorporating the Company's information, software, technology, telecommunications and administrative resources.

ENERGY EFFICIENCY IMPROVEMENT AND ENERGY SAVING

The Company considers continuous energy efficiency improvements to be a key driver of its successful development, an inalienable part of efficient business, and a contribution to society's sustainable development.

Fuel and Energy Resource Consumption

Rosneft is the third largest consumer of Russia's fuel and energy resources, taking up over 3% of the country's energy mix.

The Company's total 2013 fuel and energy consumption* was 23,947 kt of fuel equivalent, which, for instance, is comparable to the annual consumption of the Volgograd or Orenburg Regions.

Energy Saving Program

In 2013, the Company completed the 2009-2013 Energy Saving Program

Accident-free Functioning of Subsidiary Facilities during the Far East Autumn Flood

In August-October 2013, the Company set up an ad hoc crisis team to prevent subsidiary facilities from being flooded during the autumn flood in the Far East. The joint efforts of the Rosneft Crisis Team and the teams of the Far Eastern subsidiaries prevented suspension of RN-Komsomolsk Refinery, RN- Sakhalinmorneftegaz and RN-Vostoknefteprodukt operations. To ensure accident-free functioning of the said facilities

and prevent environmental risk, the Company:

- involved 237 people and 50 pieces of equipment;
- acquired RUB 37 mln worth of materials and equipment;
- built 2 km of waterstop dams.

Owing to all those actions, during the flood the Company's subsidiaries operated in a routine mode.

* Data on the assets that are included in the Rosneft Oil Company as of 31 December, 2013.

approved by the Board of Directors in March 2009. The Program addressed efficiency improvement of power and heat utilization and boiler and furnace heating fuel utilization in key operations.

Also in 2013, a methodology was defined for developing a program of energy saving and estimating the actual energy-saving effect from standard measures. Based on the new methodology, the 2014-2018 Energy Saving Program was developed and approved by the Rosneft Board of Directors. The Program covers 93 subsidiaries and is expected to deliver 4,500 kt of fuel equivalent of fuel and energy savings.

Energy Efficiency and Energy Saving Improvement Policy

In 2013, compliant with the GOST R ISO 50001:2012 requirements, the Company management took a decision to implement an Energy Management System for its operations. The decision will help the Company adopt global best practices on reducing energy costs and make

a big change in managing the process of energy efficiency and energy saving improvement.

The methodological and organizational support for this project will be provided by a newly set up Energy Efficiency Commission made up of Headquarters structural unit leaders in charge of the Company's operational and economic performance.

In 2013, the Energy Efficiency Commission approved the 2014 – 2016 Road Map for Energy Efficiency Improvement which will enable certification of the Company's Energy Management System by 2017.

1,868

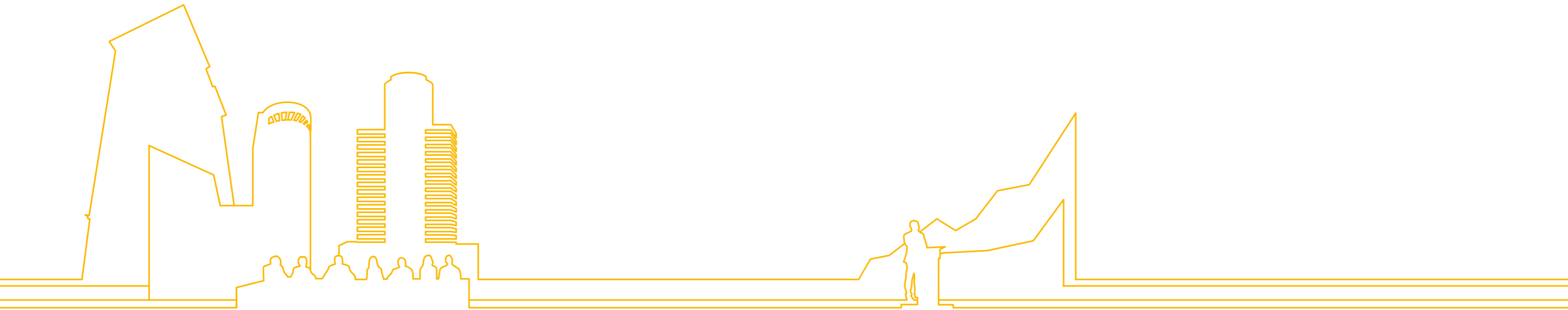
**KT OF FUEL EQUIVALENT
OR RUB 11,877 MLN —
THE TOTAL 5-YEAR FUEL
AND ENERGY SAVINGS**

2013 FUEL AND ENERGY SAVINGS

Key operations	2013 Savings			Kt of fuel equivalent	% of total savings, %
	Power, thou. kWh	Heat, thou. Gcal	Fuel		
Oil and gas production	1,034,239	12	-	338	83.9%
Oil refining	24,025	250	15	65	16.0%
Oil product supply	639	-	-	0.2	0.1%
TOTAL	1,058,903	262	15	402	100%

CORPORATE GOVERNANCE

Rosneft's corporate governance system is designed to assure its shareholders' rights, the successful and sustainable development of the Company, as well as its management making effective and responsible decisions.



CORPORATE GOVERNANCE SYSTEM

Rosneft is consistently improving its corporate governance system in line with the corporate governance principles recognized by the global economic community.

The most meaningful criteria of assessing the effectiveness the Company's corporate governance system are information openness, professionalism and responsibility of its management.

INFORMATION OPENNESS

Rosneft won the annual competition For Active Corporate Policy on Information Disclosure.

Now all Board of Directors Committees have independent directors.

Sixteen public hearings were held in the regions where the Company operates addressing socioeconomic collaboration, labor safety, industrial and environmental safety, charity and sponsorship.

PROFESSIONALISM

The professionalism and high standing of the Board of Directors' members allows them to set the Company's strategic goals in an optimum way, and its highly-skilled management efficiently manages the Company's operations, which is an indication of its growing credibility with shareholders.

The Rosneft Board of Directors is composed of top-notch professionals in the petroleum business, geology and mining, public administration and operational management, finance and banking.

Integration of the TNK-BP assets brought about a good synergy from combining best corporate governance practices.

RESPONSIBILITY

The Company management acknowledges the importance of shareholders' confidence and is fully aware of its responsibility for the Company's performance, observance of shareholder rights and delivery of the Company's social commitments.

In 2013, 28.2% of Rosneft's non-consolidated net income, or RUB 85,315 million, was paid in dividends.

The Company's Board of Directors approved the System of Internal Control and Risk Management, a policy aimed at implementing a system of corporate control aligned with the growing scale and complexity of the Company's business.

THE ROSNEFT GENERAL MEETING OF SHAREHOLDERS

The General Meeting of Shareholders is the Company's supreme governing body, whose terms of reference cover the most significant matters of the Company's activities. The process of convocation, preparation, holding and summarizing the results of the General Meeting of Shareholders is governed by the Regulation on the General Meeting of Shareholders that was approved by the resolution of the General Meeting of Shareholders dated 20 June, 2013 (un-numbered Minutes dated 25 June, 2013 r.) as revised to incorporate amendments in the company law.

The Annual General Meeting of Shareholders

The Annual General Meeting of Rosneft Shareholders was held in St. Petersburg on 20 June, 2013 (unnumbered Minutes 25 June, 2013). The AGM reviewed the

4

INDEPENDENT DIRECTORS ON THE BOARD OF DIRECTORS AS OF 31 DECEMBER 2013

Company's performance in 2012 and was attended by owners of 97.7% of Company shares.

The AGM was televised in Moscow, Krasnodar, Krasnoyarsk, Nefteyugansk, Samara, and Neftekumsk for the benefit of persons who have the right to participate.

The AGM resolution approved the Company's 2012 Annual Report and Financial Accounts, distribution of the 2012 income, and remuneration and compensation of expenses to members of the Company's Board of Directors.

The AGM resolved to pay 85,315 million rubles (RUB 8 and 5 kopeks/per one outstanding common share) in dividends for 2012, which was 25% of the Company's IFRS net income and 6.9% higher than the 2011 dividends.

Decisions were also taken on the election of members of the Board of Directors and of the Audit Commission, on approval of the Company Auditor, on an amendment to the Company Charter, on approval of the Regulation on the General Meeting of Shareholders as amended, and a number of related-party transactions.

As of December 31, 2013, all the decisions taken by the General Meeting of Shareholders had been delivered.

After the AGM, a meeting of the newly elected Board of Directors was held in which the Chairman and Deputy Chairmen were elected. The Board also approved membership of its three committees, each chaired by an independent director.

The Extraordinary General Meeting of Shareholders

In 2013, one Extraordinary General Meeting of Rosneft Shareholders was held.

The EGM held in absentia on 18 June 2013 (unnumbered Minutes dated 21 June, 2013) approved execution of related-party transactions which the Company and Company affiliated entities, ExxonMobil Oil Corporation and its affiliated entities enter into.

THE ROSNEFT BOARD OF DIRECTORS

The Board of Directors is the principal component of Rosneft's corporate governance system. Pursuant to the applicable legislation and the Company's internal documents, the Board of Directors is a body responsible for the overall guidance and strategic governance of the Company's activities.

The Board election process is transparent, the procedure of designating candidates to Board membership is compliant with law and stipulated by the Company Charter and the Regulation on the General Meeting of Shareholders.

The Rosneft Charter gives its shareholders more time than required by law to designate Board candidates and stipulates that the Company, when preparing a General Meeting of Shareholders, provide to the shareholders information about the candidates when the item on Board of Directors election is on the agenda.

Such information will include personal details about the candidate's age and education background, jobs of at least the past 5 years, position occupied when designated as candidate, societal relations, information on whether the candidate has a record of financial,

tax, stock market and similar offences and/ or a criminal record of economic offences and/or offences against state authorities, and whether the candidate has given their written consent to be elected director.

The Board of Directors is accountable to the General Meeting of Shareholders and is responsible for observance and protection of the rights and legitimate interests of Company shareholders. In its activities the Board of Directors is governed by the principles of preventing restrictions of shareholder rights, ensuring a balance of interests of different shareholder groups, ensuring that informed and reasonable decisions are taken in good faith and in the best interests of the Company based on reliable and objective information about the Company's activities.

The principal document that governs the Board of Directors' activities is the Company Charter. Following the Charter's requirements, the General Meeting of Shareholders approved the Regulation on the Board of Directors, a document that regulates the process of the Board of Directors' work.

The Board of Directors' terms of reference include decisions on most significant matters, such as setting the Company's business priorities and developing strategies, creating its executive bodies and oversight of their activities, approving the risk management and internal control system, defining the Company's overall policy with respect to its subsidiaries and other types of affiliated entities, control of corporate governance practices and other matters of priority importance for the Company's development.

In carrying out its functions the Board of Directors, as such and via its Committees, works closely with the Company's management, structural sub-divisions, and officers, as well as with the Company registrar and external auditor.

Maximum efficiency of the Rosneft Board of Directors' work is ensured by the high level of its members' qualification, responsibility for decisions taken, including the personal responsibility of each director, and optimum balance between executive, non-executive and independent directors. The Company provides newly-elected members of the

Board of Directors with all the necessary information for them to properly perform their duties offering them a relevant induction program.

The current Board of Directors is made up of nine members, with four of them being independent directors. The only executive director is Igor Sechin, the Company's President and Chairman of the Management Board. Such composition of the Board of Directors corresponds to the standards set out in the Company's Code of Corporate Conduct.

Board of Directors Membership (as of 31 December, 2013)

From 1 January, 2013 to 20 June, 2013, the powers of the Company's Board of Directors were exercised by members elected by the Extraordinary General Meeting of Shareholders on 30 November, 2012. From 20 June, 2013, the Board of Directors was made up of members elected at the Annual General Meeting of Shareholders on 20 June, 2013.

BOARD OF DIRECTORS MEMBERS

(as of 31 December, 2013)



Alexander Nekipelov

Chairman of the Rosneft Board of Directors, Member of the Strategic Planning Committee

Born in 1951.

In 1973 graduated from the Economics Department of Lomonosov Moscow State University. Doctor of Economics. Member of the Russian Academy of Sciences. Professor. Author of 3 monographs and over 200 papers published in Russia and abroad. Has government and industry awards.

From 1998 to 2001 – Director of the Institute for International Economic and Political Studies, Russian Academy of Sciences.

From 2001 to 2013 – Vice President of the Russian Academy of Sciences, presidium member of the Russian Academy of Sciences.

From 2004 – Director of the Moscow School of Economics, Lomonosov Moscow State University.

From April 2011 – Deputy Chairman of the Board of Directors of Rosneft.

From June 2011 – Chairman of the Rosneft Board of Directors.

Member of the Board of Directors of OJSC "Zarubezhneft".



Igor Sechin

President and Chairman of the Management Board of Rosneft, Deputy Chairman of the Rosneft Board of Directors

Born in 1960.

In 1984 graduated from Leningrad State University. Doctoral Candidate in Economics. Has government and industry awards.

From 2000 to 2004 – Deputy Head of the Russian Federation President's Administration.

From 2004 to 2008 – Deputy Head of the Russian Federation President's Administration, Aide to the President of the Russian Federation.

From 2004 to 2011 – Chairman of the Rosneft Management Board.

From 2008 to 2012 – Deputy Chairman of the Government of the Russian Federation.

From May 2012 – President, Chairman of the Management Board of Rosneft.

From November 2012 – Member of the Rosneft Board of Directors.

From 2013 - Deputy Chairman of the Board of Directors of Rosneft.

From 2013 – President of OJSC RN Management (prior to change of name – OJSC TNK-BP Management (concurrently).

Chairman of the Board of Directors of OJSC ROSNEFTEGAZ, LLC RN-CIR, OJSC Inter RAO, LLC National Oil Consortium; member of the Board of Directors of Rosneft Limited and Saras S.p.A., Chairman of the Supervisory Board of LLC CSKA Professional Hockey Club.



Andrey Kostin

Deputy Chairman of the Rosneft Board of Directors, member of the Audit Committee and of the HR and Remuneration Committee

Born in 1956.

Graduated from Lomonosov Moscow State University. Doctoral Candidate in Economics.

From 2002 – President, Chairman of the Management Board, member of the Supervisory Board of OJSC Bank VTB.

From 2012 – Dean of the Higher School of Management, St. Petersburg University.

From 2006 – President of All-Russian Public Organization «Federation of Gymnastics of Russia».

From 2006 – President of NCP Financial Banking Council of the CIS.

From 2006 to 2009 – member of the Rosneft Board of Directors.

From 2009 to 2012 acted as Deputy Chairman of the Rosneft Board of Directors.

From June 2013 – reelected to the Rosneft Board of Directors, and is Deputy Chairman of the Board of Directors.

Chairman of the Supervisory Board of CJSC VTB 24, PJSC VTB Bank (Ukraine); Chairman of the Board of Directors of OJSC Bank of Moscow; member of the Management Board Bureau of the Russian Union of Industrialists and Entrepreneurs; member of the Supreme Council of All-Russian Political Party «United Russia»; member of the Presidium of NCP National Corporate Governance Board and Association of Russian Banks; member of the Board of Directors of CJSC VTB Capital, CJSC Holding VTB Capital, LLC Congress-Center Konstantinovskiy.

Over a number of years has been a member of the Trustee Boards of Federal State Budgetary Cultural Agency «State Academic Bloshoi Theater of Russia», Friends of the Russian Museum Development Foundation, Russia Physical Culture and Sports Support and Development Foundation, NCP «Center for Problem Analysis and Public Administration Design», and a number of other educational and cultural institutions.



Sergey Chemezov

Deputy Chairman of the Rosneft Board of Directors, member of the Strategic Planning Committee

Born in 1952.

Graduated from Irkutsk National Economy Institute. Doctor of Economics. Professor, member of the Academy of Military Science.

From 2007 – General Director, member of the Rostekhnologii State Corporation Supervisory Board.

From 2007 – President of the All-Russian Industrial Employers Association «Union of Mechanical Engineers».

From 2007 – President of the All-Russian Public Organization «Union of Mechanical Engineers».

In June 2013 was elected member of the Rosneft Board of Directors, Deputy Chairman of the Board of Directors.

Chairman of the Board of Directors of OJSC OPK OBORONPROM, OJSC Corporation VSMPO-AVISMA, OJSC KAMAZ, CJSC AKB NOV/KOMBANK, OJSC Rosoboronexport; Deputy Chairman of the Board of Directors of OJSC AVTOVAZ, LLC National Information and Settlement Systems; member of the Board of Directors OJSC AKB INTERNATIONAL FINANCIAL CLUB, OJSC ROSNANO, OJSC Aeroflot, OJSC GMK Norilsk nikel, OJSC OAK, OJSC OSK.



Robert Dudley

Member of the Rosneft Board of Directors, member of the Strategic Planning Committee

Born in 1955

Graduated from the University of Illinois and Thunderbird School of Global Management

From 2003 to 2008 held senior management positions in OJSC TNK-BP Management (Chairman of the Management Board, President, Chief Executive Officer)

From 2009 – Director and member of the Board of Directors, from 2009 to 2010 – Chairman of the Board of Directors Executive Committee, from 2010 – President of the BP Group plc.

From 2010 – President, Chief Executive Officer of BP's Gulf of Mexico Special Emergency Response Unit

In June 2013 was elected member of the Rosneft Board of Directors

Member of the Trustee Board of All-Russian Public Organization «Russian Geographical Society»



Matthias Warnig

Independent member of the Rosneft Board of Directors, Chairman of the HR and Remuneration Committee, member of the Audit Committee

Born in 1955

In 1981 graduated from the Bruno Leuschner Higher School of Economics (Berlin), majoring in National Economics (qualified as an Economist)

Studied (1993-1995) in Dresdner Bank AG, Bad Homburg (Germany) and London (UK) and was qualified in Crediting and Risk Management

From 1990 to 2006 was in charge of finance aspects of the Dresdner Bank Group, Frankfurt am Main, St. Petersburg, Moscow (held positions of President, Chairman of the Board of Directors, and Chief Coordinator of Dresdner Bank Group AG in Russia)

From 2006 – Managing Director of Nord-Stream AG (Switzerland)

From 2011 – Member of the Rosneft Board of Directors

Independent member of the Supervisory Board of OJSC Bank VTB, member of the Supervisory Board of Verbundnetz Gas Aktiengesellschaft; Chairman of the Administrative Board of GAZPROM Schweiz AG, Chairman of the Board of Directors of OJSC AK Transneft and United Company «Russian Aluminum», and member of the Board of Directors of OJSC AB Russia.



Nikolay Laverov

Independent member of the Rosneft Board of Directors, Chairman of the Strategic Planning Committee

Born in 1930

In 1954 graduated from Moscow Institute of Non-ferrous Metals and Gold named after M. I. Kalinin. Doctor of Geology and Mineral Science. Member of the Russian Academy of Sciences. Professor. Publications include 25 monographs and more than 700 papers in Russia and abroad. Some of his scientific publications and inventions were marked with government and industry awards, and medals and orders of distinction of other countries

From 1991 to 2013 – Vice President of the Russian Academy of Sciences, presidium member of the Russian Academy of Sciences.

From 2013 – member of the Presidium of the Russian Academy of Sciences

From 2012 – member of the Board of Directors of Rosneft, until June 2013 was Deputy Chairman of the Board of Directors.

Member of the OJSC Rosgeologiya Board of Directors



John Mack

Independent member of the Rosneft Board of Directors, Chairman of the Audit Committee, member of the HR and Remuneration Committee

Born in 1944

Graduated from Duke University

From 2005 to 2011 – held top positions at Morgan Stanley (President, Chairman of the Board of Directors)

From 2005 to 2009 – Director of IMG

In June 2013 was elected member of the Rosneft Board of Directors.

Chairman of the Board of Directors of Tri Alpha Energy, Chairman of the Trustee Board of New York Presbyterian Hospital; member of the Advisory Board of China Investment Corporation, Advisor to Morgan Stanley Huaxin Securities, and member of the Board of Directors of Bloomberg Family Foundation, Corinthian Ophthalmic, Enduring Hydro, and Glencore



Donald Humphreys

Independent member of the Rosneft Board of Directors, member of the Audit Committee and of the Strategic Planning Committee

Born in 1948

Graduated from Oklahoma State University; Wharton School; University of Pennsylvania

From 2006 to 2013 – finance aspects of ExxonMobil Corporation (held positions of Senior Vice President, Treasurer, Finance Director, was member of the Governance Committee)

From 2006 to 2013 – Treasurer, member of the Board of Directors of NPO Junior Achievement Worldwide

In June 2013 was elected member of the Rosneft Board of Directors

Member of the Board of Directors of the Texas Parks and Wildlife Foundation, member of the Board of Directors of the Ross Perot Nature and Science Museum

BOD MEMBERS ATTENDANCE OF BOD AND BOD COMMITTEE MEETINGS IN 2013

Board of Directors					Audit Committee	HR and Remuneration Committee	Strategic Planning Committee
BoD member	Executive	Non-Executive	Independent	Attendance			
Persons who were members of the Board of Directors throughout 2013							
Matthias Warnig		X	X	35/35	6/6	8/8	
Nikolay Laverov		X	X	35/35			5/5
Alexander Nekipelov		X		35/35			5/5
Igor Sechin	X			35/35			
Persons who left the Board of Directors 20 June, 2013							
Mikhail Kuzovlev		X		13/13		2/2	2/2
Hans-Joerg Rudloff		X	X	13/13	3/3	2/2	
Sergey Shishin		X	X	13/13	3/3	2/2	
Dmitry Shugaev		X		13/13			2/2
Ilya Shcherbovich		X		13/13			2/2
Persons who joined the Board of Directors on 20 June, 2013							
Robert Dudley		X		21/22			3/3
Andrey Kostin		X		22/22	3/3	6/6	
John Mack		X	X	22/22	3/3	6/6	
Donald Humphreys		X	X	22/22	3/3		3/3
Sergey Chemezov		X		22/22			3/3

Note: the first figure shows the number of meetings which the Director attended; the second figure shows the total number of meetings which the Director could have attended in 2013.

Board of Directors Activities in 2013

In 2013, the Board of Directors held 35 meetings (7 – in presentio, 28 – in absentia) which reviewed and took decisions on various aspects of the Company's business¹.

During the reporting period, the Board of Directors reviewed the following matters² (as falling within the remit of the Board of Directors in accordance with Article 65 of the Federal Law on Joint-Stock Companies, as well as other matters within the Board remit concerning the Company's routine business:

- organization of the Board of Directors' and of the Board Committees' work – 10
- cooperation and execution of business projects – 38
- composition of the Company Management Board and Management Board
- members concurrently holding positions in governance bodies of other organizations – 7
- approval of performance indicators and senior managers' performance – 2
- execution/approval of transactions which fall within the remit of the Board of Directors in accordance with the Company Charter – 49
- placement of bonds and approval of issuance documents (resolutions on issuing securities and listing prospectus) – 1
- approval of performance indicators for and performance of General Directors of key entities of the group – 2
- approval, adjustment, and delivery of the Company business plans – 2
- changes of the organizational structure – 2
- matters related to defining the Company's position with respect to election (appointment) and early termination of the powers of the Sole Executive Body of key entities of the group – 6
- matters related to preparing and holding the Annual and Extraordinary General Meetings of Shareholders – 20
- approval of Company internal regulatory documents – 13
- resolution on amending the Company Charter as regards creation of branches, opening and dissolution of Company representative offices – 1
- participation in companies' charter capital – 2
- joining entities of the group to the consolidated taxpayer group – 1

1. The procedure for convocation and holding of Board of Directors meetings and for taking decisions by voting in absentia is determined by the Regulation on the Rosneft Board of Directors.

2. Meeting date, Minutes number: 25.01.2013 N°8; 11.02.2013 N°9; 18.02.2013 N°10; 04.03.2013 N°11; 05.03.2013 N°12; 21.03.2013 N°13; 31.03.2013 N°14; 30.04.2013 N°15; 06.05.2013 N°16; 28.05.2013 N°17; 31.05.2013 N°18; 15.06.2013 N°19; 19.06.2013 N°20; 20.06.2013 N°21; 19.07.2013 N°22; 02.08.2013 N°23; 30.08.2013 N°24; 12.09.2013 N°25; 18.09.2013 N°26; 22.09.2013 N°27; 26.09.2013 N°28; 29.09.2013 N°29; 30.09.2013 N°30; 11.10.2013 N°31; 16.10.2013 N°32; 18.10.2013 N°33; 31.10.2013 N°34; 08.11.2013 N°35; 12.11.2013 N°36; 30.11.2013 N°37; 06.12.2013 N°38; 10.12.2013 N°39; 12.12.2013 N°40; 20.12.2013 N°41; 24.12.2013 N°42.

- approval of the consolidated list of entities of the group and of the liquidation/reorganization program – 2

Information concerning the most important matters was disclosed by the Company in press releases³ and in the form of communications on material facts⁴.

The Rosneft Board of Directors Committees

An important prerequisite for the Board of Directors' efficient performance is the creation of Board committees charged with preliminary consideration of important issues and preparation of recommendations thereon to the Board of Directors.

The Company has three Board Committees that the Board of Directors relies on in reviewing matters within its remit:

- **the Audit Committee** is designed to assist the Board of Directors in efficiently performing its functions with respect to financial and economic control of the Company's activities;
- **the HR and Remuneration Committee** designed to help create a transparent and effective practice of recruiting high-skilled professionals to manage the Company, as well as creating incentives for their successful performance;
- **the Strategic Planning Committee** is designed to be instrumental in improving the Company's long-term performance. When taking a decision on the creation and composition of its committees, the Board of Directors is governed by the Company Charter and the internal Regulations on the Board of Directors Committees.

As of 31 December, 2013, all the Board of Directors Committees were composed of non-executive directors and chaired by independent directors as stipulated by the Company Charter. Following corporate governance practices, each Board Committee has at least three highly qualified members who have substantial experience in the respective area.

The Committees working in the reporting year were formed by the Board of Directors elected in June 2013.

BOARD COMMITTEES ACTIVITIES IN 2013

The Audit Committee

The Audit Committee worked based on six-month plans. During the reporting period, the Committee met 6 times, including 3 times in presentio and 3 times in absentia.

The Audit Committee carried out quarterly preliminary reviews of Rosneft's consolidated financial accounts (IFRS) and reviewed the findings of the audit or of the overview of the said accounts.

During the reporting period, the Committee also reviewed:

- approval of the Company Policy on the Internal Control and Risk Management System. The Policy sets goals, objectives and principles for the Company's internal control system and allocates powers and responsibilities within the system (the Policy has replaced the Regulation on Internal Control of Rosneft Finances and Business Operations). The Policy is designed to ensure implementation and maintenance of an efficient system of internal control and risk management commensurate to the scale and complexity of the Company's business and following global best practices aimed at helping the Company to achieve its goals. The Committee recommended that the Board of Directors approve the document as compliant with the Russian Federation statutory requirements and the applicable anti-corruption laws of the UK and any other jurisdiction where the Company operates or planning to operate;
- (on a preliminary basis, jointly with the Audit Commission) 2012 Internal Audit Commission findings (including the findings of the audits of Company finances and business operations, annual accounts, and Annual Report data accuracy); recommendations to the Annual General Meeting of Shareholders concerning distribution of the Company income, the amount and procedure of 2012 dividend payment; Rosneft external

auditor's opinion on the 2012 financial accounts (including subdivisions and subsidiaries);

- results of the auditor selection tender giving its opinion of the candidates for auditing Rosneft's and its subsidiaries' financial accounts and consolidated financial accounts in accordance with Russian Accounting Standards (RAS), and making recommendations as to the auditor's fees in 2013;
- and recommended that the Board of Directors set the price for certified non-convertible commercial rated demand bonds. On top of that, the Committee prepared recommendations to the Board of Directors on the following issues: preliminary approval of the 2012 Annual Report and Annual Financial Accounts, the 2012 profit and loss distribution and the amount and process of the 2012 dividends payment.

The Committee Chairman had regular working meetings with Rosneft senior managers, representatives of external auditors, and the Head of the Internal Audit and Control Department.

The HR and Remuneration Committee

The Committee worked based on six-month plans and during the reporting period had eight meetings.

The Committee prepared recommendations for the Board of Directors to take decisions on the following issues:

- approval of senior managers' performance indicators for 2013;
- approval of senior managers' performance and annual remuneration in 2012;
- approval of individual performance indicators for the General Directors of, and collective indicators for, the Key entities of the group for 2013;
- defining the Company's position regarding the size of annual bonuses for the General Directors of the Key entities of the group;
- composition of the Rosneft Business Ethics Board;

3. <http://rosneft.ru/news/pressrelease/>

4. <http://rosneft.ru/investors/information/importantnotices/>

Committee	Membership as of 31 December, 2013	Committee Functions	Committee ensures Board liaison with
Audit Committee	<ul style="list-style-type: none"> • John Mack (Chairman) • Matthias Warnig • Andrey Kostin • Donald Humphreys 	<ul style="list-style-type: none"> • ensuring BoD involvement in exercising financial and operational control of the Company • review of auditor candidates, assessment of the auditor's opinion, audit quality and observance of audit independence • assessment of the efficacy of internal control and risk management procedures and preparing proposals for their improvement • preliminary review of the Company's financial accounts • oversight of the completeness and accuracy of the Company's tax, financial and management accounting • oversight of the efficiency of structural subdivisions which perform internal control and audit functions; 	<ul style="list-style-type: none"> • auditors • Audit Commission • structural subdivisions carrying out internal control and audit functions • executive bodies
HR and Remuneration Committee	<ul style="list-style-type: none"> • Matthias Warnig (Chairman) • Andrey Kostin • John Mack <p><i>Committee members cannot participate in evaluating their own performance and setting their own remuneration</i></p>	<ul style="list-style-type: none"> • ensuring that highly qualified professionals are hired to manage the Company and creating necessary incentives for their successful performance • participation in HR policy formation, in designing principles and criteria for determining the size of remuneration and compensation to Board of Directors and Management Board members, the Company President and senior executives • participation in developing a long-term incentive program for Company employees • reviewing reports on the Company's sustainable development prepared in compliance with international standards • jointly with the HR Department, conducting preliminary assessment of candidates for key positions, and also preliminary approval of the forms and amounts of remuneration, compensation and other payments to the said persons 	<ul style="list-style-type: none"> • structural sub-division responsible for HR policy; • executive bodies
Strategic Planning Committee	<ul style="list-style-type: none"> • Nikolay Laverov (Chairman) • Robert Dudley, Alexander Nekipelov • Donald Humphreys, Sergey Chemezov 	<ul style="list-style-type: none"> • defining the Company's strategic goals and developing its business priorities • ensuring the process of business planning and budgeting, and monitoring their delivery • review and preparation of recommendations to the Board of Directors concerning the Company's strategic development and management • monitoring and assessment of efficiency of Board of Directors-approved strategy delivery • assessment of the efficiency of the Company's collaboration with investors • analysis of and informing the Board of Directors on the main trends in the economic policy of the Russian Government concerning the sector of business where the Company operates • analysis of proposals by structural subdivisions responsible for strategic planning where it concerns approval, amendment, and implementation of the Company development strategy • review of strategic investment projects 	<ul style="list-style-type: none"> • structural subdivisions engaged in strategic planning; • executive bodies

- review of the Rosneft 2012 sustainability report;

- changes in the Rosneft organization structure;

As part of the work on forming the Company's new organization and also as part of the annual performance-based benefits program for the Company personnel, the Committee Chairman had regular working meetings with Rosneft senior managers and the Head of the HR Department.

The Strategic Planning Committee

The Committee worked based on six-month plans and during the reporting period had five meetings.

The Committee prepared recommendations for the Board of Directors to take decisions on the following issues:

- approval of the 2012 report on the Rosneft Innovative Development Program delivery status;
- approval of the Company Policy on Pricing of, and Procedure for, Export and Domestic Sale of Crude Hydrocarbons, Refined Petroleum Products and Petrochemical Products and the Company Standard on Organizing Tenders for Export and Domestic Sale of Crude Hydrocarbons, Refined Petroleum Products and Petrochemical Products. The Policy sets the main pricing principles (algorithm) and a general process for product export and sale on the territory of the Russian Federation. The Policy

is designed to define the main pricing principles and the general sale process enabling efficient export and domestic sales of the Company's crude hydrocarbons and refined products compliant with the applicable legislation of the Russian Federation;

- approval of the Company's Policy on Managing Temporary Funds. The Policy sets goals, objectives and principles of the organizing management of the Company's temporary funds and financial instruments in order to efficiently place such temporary funds.
- approval of the Company Policy on Solvency Management;
- placement of securities;

- expected 1 H 2013 financial and operational performance of the Company; During the reporting period, the Committee Chairman had regular working meetings with the Company's senior managers and heads of structural subdivisions involved in the process of business planning and Company strategy development.
- early termination (from 11 February 2013) of the powers of Gani Gilayev as a Management Board member; appointment of Yuriy Kalinin and Andrey Votinov as new Management Board members from 12 February 2013 (Minutes No. 9, dated 13 February 2013, of the meeting of the Board of Directors on 11 February 2013);

ROSNEFT EXECUTIVE BODIES

Management of Rosneft's current business is the responsibility of the Company's executive bodies: the Management Board (Collegial Executive Body) and the Company President (Sole Executive Body), both accountable to the Company Board of Directors and the General Meeting of Shareholders.

The hierarchy and activities of Rosneft governance bodies are regulated by:

- OJSC Rosneft oil company's Charter;
- the Regulation on the Collegial Executive Body (Management Board), approved by Rosneft's General Meeting of Shareholders on 19 June 2009 (unnumbered minutes dated 29 June 2009);
- the Regulation on the Sole Executive Body (President), approved by Rosneft's General Meeting of Shareholders on 19 June 2009 (unnumbered minutes dated 29 June 2009);
- Rosneft's Code of Corporate Conduct, approved by the Company Board of Directors (Minutes No. 6 dated 17 May 2006), as amended and approved by the Board of Directors on 22 May 2007 and 30 December 2011.

THE ROSNEFT MANAGEMENT BOARD

In accordance with clause 12.3 of the Company Charter, members of the Management Board are appointed by the Board of Directors for a period of three years. The procedure for the Management Board's formation and requirements as to the professional qualifications of its members (including education and work experience) are established by the Company's relevant internal documents.

In 2013 the membership of the Company Management Board changed as follows:

- termination (from 19 July 2013) of the powers of Dmitriy Avdeyev as a Management Board member, appointment of Igor Maydannik as a new Management Board member from 19 July 2013 (Minutes No. 2, dated 22 July 2013, of the meeting of the Board of Directors on 19 July 2013);
- from 18 September 2013, increase in the Management Board's membership from 11 to 13 persons, termination of the powers of Eduard Khudainatov as a Management Board member and Deputy Chairman, appointment of Eric Liron and Svyatoslav Slavinskiy as new Management Board members, appointment of Rashid Sharipov as a Management Board member and Deputy Chairman (Minutes No. 6, dated 23 September 2013, of the meeting of the Board of Directors on 18 September 2013).

The President of Rosneft

In accordance with clause 11.3 of the Company Charter, President is appointed by the Board of Directors for a period of three years.

By virtue of the Company Board of Directors resolution (Minutes No. 22 dated 23 May 2012) Igor Sechin was appointed President for a period of three years.

MEMBERS OF THE ROSNEFT MANAGEMENT BOARD*

(as of 31 December 2013)



Igor Sechin

President and Chairman of the Management Board of Rosneft, Deputy Chairman of the Rosneft Board of Directors

Born in 1960.

In 1984 graduated from Leningrad State University. Doctoral Candidate in Economics. Has government and industry awards.

From 2000 to 2004 – Deputy Head of the Russian Federation President's Administration.

From 2004 to 2008 – Deputy Head of the Russian Federation President's Administration, Aide to the President of the Russian Federation.

From 2004 to 2011 – Chairman of the Rosneft Management Board.

From 2008 to 2012 – Deputy Chairman of the Government of the Russian Federation.

From May 2012 – President, Chairman of the Management Board of Rosneft.

From November 2012 – Member of the Rosneft Board of Directors.

From 2013 - Deputy Chairman of the Board of Directors of Rosneft.

From 2013 – President of OJSC RN Management (prior to change of name – OJSC TNK-BP Management (concurrently)).

Chairman of the Board of Directors of OJSC ROSNEFTEGAZ, LLC RN-CIR, OJSC Inter RAO, LLC National Oil Consortium; member of the Board of Directors of Rosneft Limited and Saras S.p.A., Chairman of the Supervisory Board of LLC CSKA Professional Hockey Club.



Rashid Sharipov

Deputy Chairman of Rosneft's Management Board, Vice President, Head of Rosneft President Office

Born in 1968

In 1991 graduated from Moscow State Institute for International Relations, in 1993 from California Western School of Law. Master of Law.

From 2006 to 2013 – Deputy General Director of LLC KFK-Consult
From September 2013 – Vice President, Head of Rosneft President Office, Deputy Chairman of Rosneft's Management Board
From 2013 – President of OJSC RN Holding (concurrently)

Eric Maurice Liron

First Vice President

Born in 1954

In 1980 graduated from the School of Radio Engineering, Electronics and Computer Science (Paris, France)

From 1980 to 2000, held different executive positions at Schlumberger, managing comprehensive projects in the Middle East, Africa and the Asia-Pacific Region

From 2000 to 2005 – Manager of Comprehensive Projects in Russia, Manager of Oilfield Services at Schlumberger Oilfield Services (Russia) for the Sibneft project
From 2006 to 2013 – held various executive positions at OJSC TNK-BP Management, including Vice President, Wells

From April 2013 – Vice President, Drilling, Completions and Oilfield Services, Rosneft
From July 2013 – First Vice President, Upstream, Rosneft
From September 2013 – Member of Rosneft's Management Board

Chairman of the Board of Directors of OJSC Udmurtneft and LLC Taas-Yuriakh Neftegazodobycha

Larisa Kalanda

State Secretary, Vice President

Born in 1964

In 1985 graduated from Sverdlovsk Higher Missile Troops Military Engineering School, in 2003 completed a post-graduate course at the Institute of Philosophy and Law of the Belarus Academy of Sciences. Distinguished Lawyer of the Russian Federation.

From 1997 – Deputy Head of the Legal Division, OJSC TNK and OJSC TNK-BP Management
From 2003 to 2006 – Vice President, Legal, OJSC TNK-BP Management
From 2006 to 2012 – Vice President, Legal Support of Company Business, Rosneft; from February 2011 – Corporate Property and Corporate Governance
From 2007 – Acting General Director of OJSC ROSNEFTEGAZ
From 2009 to May 2012 – Deputy Chairman of Rosneft's Management Board
From May 2012 – Member of Rosneft's Management Board
From December 2012 – State Secretary, Vice President, Government Relations, Rosneft
From 2013 – Senior Vice President, Russian Government Relations, OJSC RN Management (previously OJSC TNK-BP Management) (concurrently)

Member of the Board of Directors of OJSC ROSNEFTEGAZ, OJSC RN Holding, member of the Board of Directors of Rosneft Limited and Taihu Limited

Andrey Votinov

Vice President, Capital Construction

Born in 1971

In 1993 graduated from Krasnodar Higher Missile Troops Military Engineering School, in 2003 completed a post-graduate course at Kuban State University of Technology, in 2009 graduated from Gubkin State Oil and Gas Academy, in 2011 received an MBA degree from Moscow State Institute for International Relations (under the Ministry of Foreign Affairs). Doctoral Candidate of Technical Science.

Recipient of industry awards:

- Commendation from the Russian Ministry of Industry and Energy
- Honorary Certificate from the Russian Ministry of Energy

From 1994 – held various positions at RN-Tuapsenfteprodukt LLC
From 2008 – General Director, LLC RN-Tuapsenfteprodukt
From 2009 – Director of the Krasnodar Regional Representative Office of LLC RN-Bunker
From 2010 – General Director, Chairman of the Management Board of LLC RN-Tuapse Refinery
From December 2012 – Acting Vice President, Rosneft
From March 2013 – Vice President, Capital Construction, Rosneft
From 2013 – General Director of LLC RN-East Siberia, CJSC Krasnoyarskgeofizika and LLC RN-SpetsStroy, and Acting General Director of LLC RN-Stroy
From February 2013 – Member of Rosneft's Management Board

Chairman of the Board of Directors of LLC SamaraNIPneft, OJSC Angarskneftekhimproekt, OJSC Samaraneftekhimpromekt, OJSC SvNIINP, member of the Board of Directors of LLC Krasnoleninsk Oil Refinery, LLC RN-CIR, OJSC TomskNIPneft, OJSC Sakhalinmorneftepromontazh



Yuriy Kalinin

Vice President,
HR and Social

Born in 1946

In 1979 graduated from Kursky Saratov Institute of Law.

Recipient of government and industry awards:

- Order of Service to the Fatherland, Grade II
- Order of Service to the Fatherland, Grade III
- Order of Service to the Fatherland, Grade IV
- Two Orders of Valor
- Order of the Red Banner of Labor
- Labor Veteran Medal
- Distinguished Lawyer of the Russian Federation
- Ivan Kalita Order
- other government and industry awards

From 1992 to 1997 – Head of the Chief Department of Correction, Russian Ministry of Internal Affairs
From 1997 to 1998 – Deputy Department Head, Ministry of Justice of the Russian Federation
From 1998 to 2004 – Deputy Minister of Justice of the Russian Federation
From 2004 to 2009 – Director, Federal Penal Enforcement Service of Russia
From 2009 to 2010 – Deputy Minister of Justice of the Russian Federation
From March 2010 to October 2012 – Representative of the Penza Regional Legislative Assembly in the Federation Council of the Russian Federal Assembly
From December 2012 – Vice President, Rosneft
From March 2013 – Vice President, HR and Social, Rosneft
From February 2013 – Member of Rosneft's Management Board
From 2013 – Senior Vice President, HR and Organizational Development, OJSC RN Management (previously OJSC TNK-BP Management) (concurrently)

Chairman of the Board of Directors of OJSC RN Holding; member of the Board of Directors of Rosneft Limited and Martanco Holdings Co. Limited, member of the Foundation Board of NPF NEFTEGARANT

Didier Casimiro

Vice President,
Commerce and Logistics

Born in 1966

In 1991 graduated with distinction from the University of Ghent (Belgium), in 1992 from the University of Ghent (Belgium)/ University of Lisbon (Portugal). Fluent in seven languages.

From 1996 – held executive positions at BP
From 2005 to 2012 – held executive positions at TNK-BP
In 2010 – Chief Executive Officer, LLC TNK-BP Commerce, Ukraine
In 2010 – Director, member of the Board of Directors of the US Chamber of Commerce in Ukraine
In 2011 – Director, member of the Board of Directors of the UK-Ukraine Chamber of Commerce in Ukraine
From May 2012 – Vice President, Rosneft
From June 2012 – Member of Rosneft's Management Board
From March 2013 – Vice President, Commerce and Logistics, Rosneft

Deputy Chairman, Procurement and Marketing Committee, Ruhr Oel GmbH; Chairman of the Board of Directors of CJSC TZS, LLC RN-Trade, LLC RN-Sheremetyevo, OJSC Buryatnefteprodukt, OJSC NK Rosneft – Altaynefteprodukt, OJSC NK Rosneft – Karachayevovo-Cherkessnefteprodukt, OJSC NK Rosneft – Smolensnefteprodukt, OJSC NK Rosneft – Kubanefteprodukt, OJSC NK Rosneft – Kurganefteprodukt, OJSC NK Rosneft – Artag, CJSC East Siberian Fuel Company, OJSC NK Rosneft – Yamalnefteprodukt; member of the Board of Directors of CJSC ATK, LLC NGK ITERA, LLC RN-CIR, OJSC RN Holding, LLC Krasnoleninsk Oil Refinery, CJSC Company PARKoil, OJSC Murmansknefteprodukt, OJSC NK Rosneft – Stavropolye, OJSC Saratov Oil Refinery, OJSC NGK Slavneft, OJSC Slavneft-YaNOS, Rosneft Limited, Rosneft Trade Limited, TNK Trading International S.A., Rosneft Trading S.A., Rosneft Global Trade S.A., Lanard Holdings Limited, SIA ITERA Latvia

Igor Maydannik

Vice President, Legal
Support of Business

Born in 1965

In 1987 graduated from the Lomonosov Moscow State University
From 1987 to 1991 – held various positions in the Prosecutor's Offices of Moscow and the USSR
From 1996 to 1998 – Head, Legal Service, OJSC Alpha-Eco
From 1998 to 2003 – Director, Legal Department, OJSC TNK
From 2003 to 2013 – Head of the Legal Function, OJSC TNK-BP Management, Executive Vice President, Legal, OJSC TNK-BP Management

From April 2013 – Vice President, Legal Support of Business, Property and Corporate Governance, Rosneft
From September 2013 – Vice President, Legal Support of Business, Rosneft
From 2013 – Deputy Executive Director, Legal Support, OJSC RN Management (previously OJSC TNK-BP Management) (concurrently)
From July 2013 – Member of Rosneft's Management Board

Member of the Board of Directors of OJSC RN Holding

Igor Pavlov

Vice President, Refining and
Petrochemical Business

Born in 1967

In 1995 graduated from Angarsk Technology Institute, in 2001 from Irkutsk State Academy of Economics, in 2011 from Moscow State Institute for International Relations (under the Ministry of Foreign Affairs)

From 1989 to 2008 – began as a process unit operator and rose to Director of the Lubricants Plant, OJSC Angarsk Petrochemical Company
From 2008 to 2012 – General Director, OJSC Achinsk Refinery (Vostochnaya Nefianaya Kompaniya)
From 2012 to 2013 – Acting General Director of OJSC NK Rosneft – KBTk
From March 2012 – Vice President of Rosneft
From March 2013 – Vice President, Offshore Projects, Rosneft
From November 2012 – Member of Rosneft's Management Board
From March 2013 – Vice President, Refining and Petrochemical Business, Rosneft
In 2013 – Chief Executive Vice President, Downstream, OJSC RN Management (previously OJSC TNK-BP Management) (concurrently)

Chairman of the Board of Directors of OJSC Achinsk Refinery (Vostochnaya Nefianaya Kompaniya), LLC Krasnoleninsk Oil Refinery, OJSC Saratov Oil Refinery, OJSC Slavneft-YaNOS, Chairman of the Shareholder Committee of Ruhr Oel GmbH, and member of the Board of Directors of OJSC NK Rosneft – KBTk, OJSC RN Holding, OJSC Angarskneftekhimproekt, OJSC Samaraneftekhimproekt, OJSC RN-CIR, Rosneft Limited

* In 2012 Nail Mukhitov was appointed as the member of the Management Board, Vice President - Head of the Security service of OJSC Rosneft

Zeljko Runje

Vice President,
Offshore Projects

Born in 1954

Graduated with distinction from Alaska State University

From 1979 to 1993 – held various executive positions in Arctic drilling and production projects in Alaska
From 1993 to 1997 – worked on oil projects in Yemen, Algeria, Australia, Thailand, Japan, Angola, Azerbaijan and Turkmenistan
From 1997 to 2012 – held executive positions in the Sakhalin-1 Project and served as Vice President, ExxonMobil Russia Inc.
From October 2012 – Vice President, Rosneft
From March 2013 – Vice President, Offshore Projects, Rosneft
From November 2012 – Member of Rosneft's Management Board
From 2013 – Chief Executive Vice President, Upstream, OJSC RN Management (previously OJSC TNK-BP Management) (concurrently)

Chairman of the Board of Directors of LLC RN-Exploration, OJSC Tomskneft VNK, Chairman of the Supervisory Board of OJSC Rosneft-Sakhalin; member of the Board of Directors of LLC Arctic Research Center, LLC Vostok-Energy, CJSC Rosshelf, OJSC RN Ingushneft, CJSC Arcticshelfneftegaz, OJSC NK Rosneft – Dagneft, OJSC Dagneftegaz, CJSC RN-Astra, CJSC RN-Shelf-Dalniy Vostok, CJSC Sakhalinmorneftegaz-Shelf, LLC Caspian Oil Company, OJSC NGK Slavneft, LLC RN-CIR, RN Nordic Oil AS and Rosneft Limited

Svyatoslav Slavinskiy

Vice President, Economics
and Finance

Born in 1970

In 1994 graduated from Lomonosov Moscow State University, in 1995 from l'Université Paris-Dauphine

From 1995 to 1998 – Director, Société Générale (Paris, Moscow)
From 1998 to 2000 – Senior Analyst, Expert, Salomon Smith Barney (Moscow, London)
From 2000 to 2004 – Expert, Vice President, Investment and Banking, for the Machine Building Industry, Deutsche Bank (London)
From 2004 to 2012 – held executive positions with Citigroup, Head of the Citigroup Petroleum Sector for Europe, Middle East and Africa (EMEA) (London); from 2012 – Head of Citigroup Investment and Corporate Bank, Russia and CIS
From April 2013 – Vice President, Economics and Finance, Rosneft
From September 2013 – Member of Rosneft's Management Board

Chairman of the Supervisory Board of OJSC Russian Regional Development Bank, member of the Board of Directors of OJSC RN Holding

Petr Lazarev

Financial Director

Born in 1967

In 1990 graduated from Plekhanov Moscow Institute of National Economy, majoring in Finance and Credit

From 1990 to 1993 – held various positions at the USSR Ministry of Finance and the Russian Ministry of Economy and Finance
From 1993 to 1995 – held various positions in the Securities Department, International Joint-Stock Bank of Savings Banks
From 1996 to 1999 – held executive positions at the commercial bank AKB Tsent, CJSC Finco-Invest Finance Company and Russian Industrial Bank
From 2000 to 2004 – Head of the Promissory Note and Investment Program Section, Finance Department, Rosneft; Deputy Director and Head of the Securities Section, Finance Department, Rosneft
From June 2004 to 2012 – Head of the Treasury, Rosneft
From 2007 – General Director, LLC Invest-M-com (previously LLC YuKOS-Moscow)
From 2008 – General Director, CJSC YuKOS-M
From June 2011 – Member of Rosneft's Management Board
From February 2012 – Financial Director, Rosneft
From 2013 – Executive Financial Director, OJSC RN Management (previously OJSC TNK-BP Management) (concurrently)
From 2013 – Financial Director, OJSC RN Holding (concurrently)

Chairman of the Board of Directors of OJSC Angarsk Catalyst and Organic Synthesis Plant, OJSC Far Eastern Bank, member of the Board of Directors of Rosneft Limited, Rosneft International Holdings Limited, Rosneft Industrial Holdings Limited, Rosneft SH Investments Limited, Rosneft Finance S.A., TOC Investments Corporation, Taihu Limited, OJSC RN Holding, LLC RN-Trade, LLC NGK ITERA; Chairman of the Supervisory Board of LLC Neftepromleasing; Chairman of the Foundation Board of NPF NEFTEGARANT; member of the Supervisory Board of OJSC Russian Regional Development Bank

BOARD OF DIRECTORS AND MANAGEMENT REMUNERATION

616.4

THOUSAND SHARES
WERE TRANSFERRED
TO MEMBERS OF THE
BOARD OF DIRECTORS AS
REMUNERATION

BOARD OF DIRECTORS REMUNERATION

The Federal Law on Joint-Stock Companies stipulates that members of the Board of Directors may be paid remuneration and/or compensation of their expenses associated with the performance of their functions during the period when they are in office. The Law also stipulates that the size and procedure for payment of such remuneration and compensation shall be established by a decision of the General Meeting of Shareholders.

Remuneration Criteria

Criteria for setting remuneration levels for members of the Board of Directors are established by the Regulation on the Procedure for Calculation and Payment of Remuneration and Compensation of Expenses to Members of the Board of Directors (Regulation).

In accordance with the Regulation, remuneration is paid to members of the Board of Directors who have the status of independent directors, to members of the Board of Directors who are authorized to represent the interests of the Russian Federation on the Board of Directors, except for members of the Board of Directors who have the status of public servants, and to the Sole Executive Body of Rosneft (President).

When setting the final amount of remuneration for directors' work in the reporting period, the following factors are taken into account:

- actual participation in the Board's work as Chairman and member of the Board of Directors;

- actual participation in Board Committee work as Committee Chairman and Committee member.

The Regulation stipulates the maximum level of remuneration for members of the Board of Directors for their work during the reporting period; upon recommendation by the Board of Directors, this level may be reduced, subject to the Company's financial situation.

The Board of Directors also makes recommendations as to whether remuneration will be paid in the form of cash or Company shares.

Rosneft compensates all expenses associated with the performance by Board members of their functions (accommodation, meals, travel, including VIP lounge services, and other payments and tariffs for air and/or rail transport services) as well as expenses incurred by a member of the Board of Directors in connection with a lawsuit brought by third parties (including expenses for court remedy, etc.), if the grounds for such a lawsuit were actions taken by a Board member in the interests of the Company. The Company also compensates expenses which may be incurred by a member of the Board of Directors in connection with administrative, criminal or other proceedings arising from his or her activities as a Board member.

Based on a recommendation of Rosneft's Board of Directors dated 30 April 2013 (Minutes No. 15 dated 6 May 2013), the General Meeting of Shareholders on 20 June 2013 resolved to approve remuneration for the following members of the Board of Directors for the period when they performed their duties by transferring to them the following amounts of Rosneft shares:

- **Matthias Warnig** – 76,373 shares (for the periods from 20 June 2012 to 30 November 2012 and from 30 November 2012 to 20 June 2013);
- **Mikhail Kuzoviev** – 76,373 shares (for the periods from 20 June 2012 to 30 November 2012 and from 30 November 2012 to 20 June 2013);
- **Nikolay Laverov** – 75,009 shares (for the periods from 20 June 2012 to 30 November 2012 and from 30 November 2012 to 20 June 2013);
- **Alexander Nekipelov** – 85,920 shares (for the periods from 20 June 2012 to 30 November 2012 and from 30 November 2012 to 20 June 2013);
- **Hans-Joerg Rudloff** – 79,101 shares (for the periods from 20 June 2012 to 30 November 2012 and from 30 November 2012 to 20 June 2013);
- **Sergey Shishin** – 79,101 shares (for the periods from 20 June 2012 to 30 November 2012 and from 30 November 2012 to 20 June 2013);
- **Dmitriy Shugaev** – 72,282 shares (for the periods from 20 June 2012 to 30 November 2012 and from 30 November 2012 to 20 June 2013);
- **Iliya Shcherbovich** – 72,282 shares (for the periods from 20 June 2012 to 30 November 2012 and from 30 November 2012 to 20 June 2013).

The AGM also approved payment of compensation for expenses incurred in connection with Board members' performance of their functions – specifically, expenses for accommodation, meals, travel (including VIP lounge services) and other payments and tariffs for air and/or railway transport services.

Remuneration to members of the Board of Directors in the form of Company shares helps to align the financial interests of directors with the long-term financial interests of the Company and its shareholders.

ROSNEFT MANAGEMENT REMUNERATION

Remuneration paid to senior management (president, first vice president, vice presidents and officers of equivalent rank) and to the heads of Rosneft's stand-alone subdivisions consists of a monthly salary and an annual bonus.

No additional remuneration is paid to Company managers for their work on Rosneft's governance bodies or its subsidiaries and affiliates (Rosneft's Management Board, boards of directors of subsidiaries).

The size of managers' monthly salary is stipulated in employment contracts entered into when managers are hired.

An annual bonus is paid to managers, subject to a decision by the Board of Directors based on the Company's performance in the reporting year. The bonus consists of two parts: one part relating to the manager's individual performance and the other part relating to team performance (by the relevant business and the Company as a whole). The annual bonus of the Company President is established subject to the achievement of individual performance indicators, which correspond to the key performance indicators of the Company.

Performance indicators are approved and their achievement is reviewed as follows:

- performance indicators are developed on the basis of the Company's development strategy and its objectives in the reporting year;
- team performance indicators and individual performance indicators for senior managers are approved by Rosneft's Board of Directors;
- individual performance indicators for heads of standalone subdivisions are approved by Rosneft's Management Board;
- upon completion of the reporting year, individual and team performance is measured by the appropriate subdivisions, using audited consolidated financial accounts and management accounts;
- bonuses for senior managers are approved by Rosneft's Board of Directors, and bonuses for heads of standalone subdivisions are approved by the Management Board.

The structure of remuneration paid to Company management (ratio of fixed to variable parts) corresponds to generally accepted international practice.

A bonus may be paid to senior managers as well as to other employees for an outstanding contribution to Company development during the reporting period.

INTERNAL CONTROL AND AUDIT

Rosneft has in place a system of control over financial and business activities that includes the Internal Audit Commission, the Board Audit Committee, governance bodies, Company management and the internal audit and control function. The existing subordination and interaction arrangements applicable to the control system elements provide the level of independence required for its efficient functioning and is in line with the best international practices in this area.

5

MEMBERS FORMED
THE INTERNAL AUDIT
COMMISSION
AS OF DEC. 31, 2013

THE INTERNAL AUDIT COMMISSION

The Internal Audit Commission is a key body in Rosneft's system of control over financial and business activities. The Company has in place Internal Audit Commission Regulations, a revised version of which was approved by Rosneft's General Shareholders' Meeting on June 19, 2009 (unnumbered minutes dated June 29, 2009).

An Internal Audit Commission of five members is elected by the General Shareholders Meeting for the period until the next annual general shareholders' meeting. A Company shareholder or any person nominated by a shareholder may be a member of the Internal Audit Commission. Internal Audit Commission members cannot concurrently be members of the Board of Directors or hold other positions in the Company's governance bodies. The Internal Audit Commission's primary function is to exercise control over Rosneft's financial and business operations as well as over Company bodies, officials, units and functions, branches and representative offices.

Reviews of Rosneft's financial and business operations shall be undertaken based on the annual results (scheduled review) or at any time as decided or requested by persons authorized to initiate such a review in accordance with the applicable law/Charter (unscheduled review). An unscheduled review of the Company's financial and business operations may be undertaken at any time at the initiative of the Internal Audit Commission, by decision of the general shareholders' meeting or the Board of Directors, or as requested by a shareholder(s) holding in aggregate at least 10% of the Company's voting stock.

The following shall fall within the Internal Audit Commission's terms of reference:

- review of Company financial documentation, financial statements and property inventory reports as well comparisons of these documents to source accounting documents;
- analysis of the correctness and completeness of financial, tax, management and statistical accounting;
- review of compliance with the Company's financial and business plans, as approved by the Board of Directors;
- review of compliance with the procedure for the distribution of Company profits from the reporting financial year, as approved by the general shareholders meeting;
- analysis of the Company's financial position, solvency, the liquidity of its assets, debt-to-equity ratio, net assets to charter capital ratio, identification of opportunities to improve the Company's economic position, and development of recommendations for governance bodies;
- review to determine whether payments to suppliers of products and services, payments to government budget and non-budgetary funds, dividend accruals and distributions, bond interest and repayment of other obligations are performed in a correct manner;
- confirmation of the accuracy of data included in the Company's annual report, annual financial statements, tax and statistical filings, government filings;
- verification that the CEO has the legal capacity to enter into contracts on behalf of the Company;

- verification that decisions made by the Board of Directors, CEO, Management Board and liquidation committee are valid and conform to the Company Charter and decisions of the general shareholders' meeting;
- analysis of whether the general meeting's decisions are in compliance with the law and the Company charter.

In the reporting period 3 meetings of the Internal Audit Commission were held.

In accordance with the approved 2013-2014 work plan and methodological recommendations on organizing the checking process for the Audit Commission of joint-stock companies with the participation of the Russian Federation, approved by Order No. 254 of the Federal Agency for Management of State Property dated 26 August 2013, the Internal Audit Commission undertook a desktop review of Rosneft's financial and business operations and issued opinions on its review of the annual financial statements and on the accuracy of the data presented in the annual report.

Internal Audit Commission membership (as of December 31, 2013)

By a decision of Rosneft's General Shareholders Meeting dated June 20, 2013, the following persons were elected members of the Internal Audit Commission:

Mikhail Kuzovlev

(Chairman)

Year of birth: 1966

Education: higher

Entity: OJSC Bank of Moscow

Position: CEO and Management Board Chairman, member of the Board of Directors

Oleg Zenkov

Year of birth: 1977

Education: higher

Entity: Federal Agency for Management of State Property (Rosimushchestvo)

Position: Deputy Head of the Regional Agency Oversight Division, Aide to the Deputy Minister – Head of Rosimushchestvo

Aleksey Mironov

Year of birth: 1976

Education: higher

Entity: LLC "БТБ"

Position: General Director

Georgy Nozadze

Year of birth: 1979

Education: higher

Entity: The Executive Office of the President of the Russian Federation

Position: Assistant, Expert Office of the President of the Russian Federation

Alexander Yugov

Year of birth: 1981

Education: higher

Internal Audit Commission members did not receive remuneration in the reporting year for their service on the Internal Audit Commission.

BOARD AUDIT COMMITTEE

The Board Audit Committee's membership and proceedings are governed by the Regulations on Rosneft Board Committee Membership and Proceedings and the Rosneft Board Audit Committee Regulations, approved by decision of the Company's Board of Directors on October 18, 2008 (Minutes No. 5).

In addition to the core functions indicated in the table on Page 110, the Committee also does preliminary reviews of and drafts decisions of Board decisions on the following matters:

- preliminary approval of the Company's annual report;
- determination of the amount of auditor's fees;
- recommendations to the general shareholders' meeting on the procedure for distributing financial year profits and losses and on the share dividend amount and payment procedure;
- agreement of Company internal risk management procedures, analysis of their effectiveness and assurance that they are complied with;
- approval of the regulations governing internal control over Company financial and business operations, including approval of the regulations on internal business control, desktop audits and reviews;
- approval of major transactions in circumstances referred to in the Federal Law "On Joint-Stock Companies" and non-standard transactions or deals (not provided for in the Company's financial

and business plans) that result or may result in adjustments to the Company financial and business plan;

- decisions to have the Company's financial and business activities reviewed by the Internal Audit Commission.

INTERNAL AUDIT AND CONTROL FUNCTION

Pursuant to the issuer's Board of Directors decision (minutes dated March 22, 2013), an internal audit and control function was set up. As of December 31, 2013, this function included an Internal Audit Department and Contracting Control and Compliance Department.

Internal Audit Department and Contracting Control and Compliance Department leader reports directly to the Company President and is operationally subordinate to the Board Audit Committee.

INTERNAL AUDIT DEPARTMENT

The following are the Internal Audit Department's key objectives:

- assessment of the internal control system's efficiency at the corporate level and at the level of business processes;
- control of Company investment project efficiency;
- reviews of the Company's and subsidiaries' (affiliates') financial and business operations;
- review of risk management efficiency and development of recommendations on improving the risk management process;
- assessment of the effectiveness of the Company's and subsidiaries' (affiliates') management processes and development of recommendations for improving them.

In the reporting period, the Internal Audit Department followed the 2013 audit plan approved by decision of the Board of Directors Audit Committee (Minutes No. 4 dated 30 April 2013) and orders of the Company President dated 21 April 2013. As a result, 117 audits were performed. All of the Company's business processes were involved.

Internal audit findings are presented to the Company CEO and the Board Audit Committee for review.

To eliminate any violations and deficiencies identified shall be drafted and risk prevention actions developed jointly with structural unit leaders. At least once a year, the head of Internal Audit and Control notifies the Board Audit Committee to confirm the organizational independence of internal audit.

CONTRACTING CONTROL AND COMPLIANCE DEPARTMENT

The following are the Contracting Control and Compliance Department's key objectives:

- control matrix development, implementation and maintenance of key control procedures in the Company's contracting process (including counterparty accreditation/prequalification, counterparty selection, contract approval, etc.);
- continuous monitoring to ensure that tendering and contract award procedures comply with the requirements of local normative documents;
- maintenance of the master register of contracts entered into by the Company and its subsidiaries (affiliates);
- identifying violations in the Company's contracting processes and ensuring that they are eliminated;
- improving the efficiency of the Company's tendering process in close cooperation with the top manager responsible for tendering arrangements;
- ensuring that the Company-approved pricing methodology is applied in monitored related-party transactions;
- checking the grounds for inquiries by counterparties that participated in a tendering process, drafting opinions of the Conflict Resolution Commission.

In the reporting period the Department of Contracts and Procedures Control developed and implemented the regulation

“Contracts administration in OJSC Rosneft Oil Company” and control procedures for the purchasing/tender process based on a risk list. Control of contract approval and tender and purchasing procedures was also instituted. In the reporting period the Department of Contracts and Procedure Control implemented an automated system of signing and accounting for contracts.

The Control and Compliance Service interacts with the Company's management bodies, the revision committee and external auditors of the Company as well as with revision committees (auditors) and auditors of Company affiliates.

INTERNAL CONTROL DEPARTMENT

In accordance with Russian law¹ and the Code of Corporate Conduct², Rosneft is continuing to develop an effective internal control and risk management system (IC&RMS), which is essentially a set of risk management and internal control processes carried out by IC&RMS bodies on the basis of the existing organizational structure, internal policies and regulations, internal control and risk management procedures and methods used in the Company at all levels of governance and within all functional disciplines³.

The Internal Control Department (ICD), part of Rosneft's Chief of Staff Organization, provided methodological support and assistance to company management by identifying and formulating control procedures in furtherance of IC&RMS development in the reporting period.

In its activities, the ICD is guided by the information letter of the Russian Finance Ministry “Organization and performance, by a business entity, of internal control of business, accounting and reporting facts.”⁴

The ICD is intended to achieve the following objectives:

- methodological support for the design and effective functioning of an

enterprise-wide risk-oriented internal control system in the Company, its subsidiaries and joint ventures (collectively, the Group);

- coordination of the implementation and functioning of a Group-wide risk-oriented internal control system;
- assistance to management in formalizing and enhancing the effectiveness of business processes by formulating requirements with respect to the design of control procedure and their mix in business processes as well as with respect to other features of business processes that affect the control environment;
- development and implementation of a mechanism of interaction and information exchange in matters of internal control and risk management among all Company structural units, subsidiaries and joint ventures – in particular, involving the use of information systems.

By way of delivery on the 2013 work plan, the ICD's main accomplishments in the reporting period were as follows:

- drafted Rosneft's Internal Control Development Strategy 2014-2018;
- drafted the Company Standard on the Enterprise-Wide Risk-Oriented Internal Control System;
- analyzed the design of control procedures in 6 business processes at the level of Rosneft and 9 subsidiaries, which are top priority for the implementation of a risk-oriented internal control system. Based on the outcome of this work, risk matrixes and control procedures were developed for the analyzed business processes; actions aimed to optimize control procedures were proposed to business process owners.

1. Federal Law No. 402-FZ “On accounting” dated December 6, 2011, the FSFM Code of Corporate Conduct, FCSM Russia Decree No. 421/p dated April 4, 2002.

2. Rosneft Code of Corporate Conduct, Minutes No. 6 dated May 17, 2006.

3. “Internal control and risk management system” policy, approved by BoD No. П4-01 П-01 dated May 7, 2013.

4. Russian Finance Ministry Ruling No. П13-11/2013

SHARE CAPITAL

STRATEGIC PARTNER INVESTS IN ROSNEFT SHARE CAPITAL

As of 31 December 2013, Rosneft's authorized charter capital equaled RUB 105,981,778.17, divided into 10,598,177,817 ordinary registered uncertified shares at a par value of RUB 0.01 each.

In accordance with the Charter, Rosneft has the right to place an additional 6,332,510,632 ordinary registered uncertified shares at a par value of RUB 0.01 each and a total par value of RUB 63,325,106.32 (authorized shares). These shares grant the same rights as outstanding ordinary shares of Rosneft. A decision to increase Rosneft's charter capital by placing additional authorized shares, not exceeding 25% of Rosneft's total outstanding shares, through open

subscription is taken by the Board of Directors. In other instances, a decision is taken by the General Meeting of Shareholders.

The state registration number of Rosneft's issue of ordinary shares is 1-02-00122A.

The date of state registration of Rosneft's issue of ordinary shares is 29 September 2005.

In 2013 there were no issues or placements of additional Rosneft shares.

The number of shareholders registered in the Rosneft shareholder register as of December 31, 2013 (without disclosure of information by nominee shareholders) was 30,267 (including 7 nominee

shareholders). The number of nominee shareholders decreased by five year-on-year.

As of December 31, 2013, Rosneft had no preferred shares.

In 2007-2012 and until the closure of the deal for the acquisition of TNK-BP assets, the Russian Government owned a 75.16% stake in OJSC Rosneft Oil Company through OJSC ROSNEFT-EGAZ, which is 100% federally owned. The stake in OJSC Rosneft Oil Company owned directly by the Russian Government (represented by the Federal Agency for State Property Management) was 0.000000009%. The Russian Federation did not have a special right to participate in the management of Rosneft (a "golden share").

ROSNEFT SHAREHOLDERS OWNING MORE THAN 1% OF THE COMPANY'S SHARE CAPITAL

Shareholders	As of 31 December 2012		As of 31 December 2013	
	Number of shares	Stake in share capital, %	Number of shares	Stake in share capital, %
OJSC ROSNEFTEGAZ*	7,965,816,383	75.16	7,365,816,383	69.50
National Settlement Depository Non-Bank Credit Institution and Closed Joint-Stock Company (nominee, Central Depository)**	0	0.00	3,179,709,451	30.00
RN-Razvitiye LLC	1,038,671,642	9.80	0	0.00
OJSC Sberbank of Russia (nominee)	1,079,159,409	10.18	0	0.00
Other legal entities owning less than 1% of shares	139,741,822	1.32	1,590,676	0.02
The Russian Federation, represented by the Federal Agency for State Property Management	1	below 0.01	1	below 0.01
Individuals	53,010,405	0.50	51,061,306	0.48
Shares on the balance sheet of Rosneft ***	321,778,155	3.04	0	0.00
TOTAL	10,598,177,817	100.00	10,598,177,817	100.00

* OJSC ROSNEFTEGAZ is 100% federally owned. The stake in OJSC Rosneft Oil Company owned directly by the Russian Government (represented by the Federal Agency for State Property Management) is 0.000000009% (one share).

** The total number of nominee-held shares is 1,960,449,797 shares, which makes up a 18.50% stake in Rosneft's charter capital owned by BP Russian Investments Limited.

In addition to these shares, BP International Limited, the sole shareholder of BP Russian Investments Limited, is the owner of 132,450,300 Global Depository Receipts (GDRs), certifying the rights of shares which make up 1.25% of Rosneft's charter capital. One GDR certifies the rights of one registered share of Rosneft. BP plc is the beneficiary and legitimate owner of all of BP International Limited's outstanding share capital. Therefore, BP plc has indirect control over BP Russian Investments Limited.

*** Shares purchased at the request of shareholders in 2012 in accordance with Articles 75 and 76 of the Federal Law on Joint-Stock Companies.

5.66%

OF ROSNEFT SHARE
CAPITAL WAS SOLD BY OJSC
ROSNEFTEGAZ TO BP AS
PART OF TNK-BP ACQUISITION
PROCESS

In March 2013, as part of the TNK-BP acquisition process, OJSC ROSNEFTEGAZ sold a 5.66% stake in OJSC Rosneft Oil Company to BP plc. ("BP"). As of December 31, 2013, OJSC ROSNEFTEGAZ owned a 69.50% stake in Rosneft.

During 2013, Rosneft updated information on its corporate website on a monthly basis concerning shareholders who own more than 1% of its charter capital. Rosneft management is not aware of any shareholders with equity stakes exceeding 1% (holders of Rosneft shares with equity stakes exceeding 1% of the total shares outstanding) other than those listed above.

Rosneft shares are traded on an organized securities market in Russia, CJSC MICEX Stock Exchange (B List). The rights of a shareholder (owner of ordinary shares), including the voting right of each voting share of Rosneft, are specified by Article 5.8 of the Company Charter.

Order No. 06-1380/pz-i of the Federal Financial Markets Service dated 20 June 2006 permits the placement and trading of 2,140,000,000 ordinary registered uncertified shares of Rosneft outside the Russian Federation.

In July 2006, Rosneft listed Global Depositary Receipts (GDRs) on the London Stock Exchange. The issue of GDRs, which certify rights in respect of Rosneft's ordinary registered shares in accordance with foreign law, was carried out by J. P. Morgan. One Global Depositary Receipt certifies the rights in respect of one ordinary registered share of

Rosneft. As of December 31, 2013, GDRs had been issued for 937 mln ordinary shares of Rosneft, representing 8.8% of total shares outstanding.

The list of rights enjoyed by owners of Rosneft's ordinary shares is set out in clause 5.8 of the Company Charter posted on the Company website, www.rosneft.ru.

TRANSACTIONS WITH ROSNEFT SECURITIES BY MEMBERS OF THE BOARD OF DIRECTORS AND MANAGEMENT BOARD

The Company Regulation on Insider Information obliges members of the Board of Directors and Management Board and the President to disclose information on their transactions with Rosneft securities to the Company.

In 2013, members of Rosneft's Board of Directors and Management Board carried out transactions with Company securities. Details of such transactions were provided to the Company in compliance with the procedure and time limits stipulated by internal documents and were disclosed to the securities market in compliance with the applicable legislation.

**INFORMATION ON THE OWNERSHIP OF ROSNEFT SHARES
BY MEMBERS OF THE BOARD OF DIRECTORS AND MANAGEMENT BOARD**

Members of the Board of Directors and Management Board	Number of ordinary shares (as of 31 December 2013)	Stake in share capital, %
Matthias Warnig	92,633	0.0009
Andrey Votinov	204,590	0.0019
Robert Dudley	–	–
Larisa Kalanda	2,060,978	0.0194
Yuriy Kalinin	159,580	0.0015
Didier Casimiro	324,590	0.0031
Andrey Kostin	111,876	0.0011
Nikolay Laverov	75,009	0.0007
Petr Lazarev	403,730	0.0038
Eric Maurice Liron	366,460	0.0035
Igor Maydannik	366,460	0.0035
John Mack	–	–
Nayl Mukhitov	–	–
Alexander Nekipelov	85,920	0.0008
Igor Pavlov	267,165	0.0025
Zeljko Runje	244,310	0.0023
Igor Sechin	9,000,000	0.0849
Svyatoslav Slavinskiy	325,746	0.0031
Donald Humphreys	–	–
Sergey Chemezov	–	–
Rashid Sharipov	4,000	0.00004

Members of the Board of Directors and Management Board	Transaction date	Number of shares bought or sold	Transaction type
Alexander Nekipelov	June 27, 2013	28,944	disposal
Igor Sechin	August 21, 2013	792,000	purchase
	August 28, 2013	8,208,000	
Larisa Kalanda	August 21, 2013	525,000	purchase
	August 30, 2013	285,020	
Yuriy Kalinin	August 21, 2013	13,000	purchase
	August 30, 2013	146,580	
Didier Casimiro	August 21, 2013	121,000	purchase
	August 30, 2013	203,590	
Petr Lazarev	August 21, 2013	170,000	purchase
	August 30, 2013	122,155	
Igor Pavlov	August 21, 2013	104,000	purchase
	August 30, 2013	162,870	
Andrey Votinov	August 21, 2013	1,000	purchase
	August 30, 2013	203,590	
Zeljko Runje	August 30, 2013	244,310	purchase
Igor Maydannik	August 30, 2013	366,460	purchase

DIVIDEND POLICY

85.2

BLN RUB PAID IN DIVIDENDS
IN 2013

On 17 May 2006 the Company Board of Directors voted to approve the Regulation on Rosneft Oil Company's Dividend Policy¹, which was developed in accordance with Russian legislation, the Company Charter and the Code of Corporate Conduct.

Rosneft's dividend policy strikes a balance between the interests of the Company and its shareholders and is intended to improve Rosneft's investment attractiveness and shareholder value. The Company strictly observes the rights of its shareholders and does all it can to increase the returns on their capital.

On 10 June 2011, the General Meeting of Shareholders approved amendments to Rosneft's Charter reducing the period for payment of dividends to 60 days (after the date of the decision to pay dividends). It was also established that dividends on shares of each category are paid simultaneously to all holders of shares in that category.

A decision to pay dividends (including the amount of dividends and the form of payment) is taken by Rosneft's General Meeting of Shareholders, based on recommendations by the Board of Directors. As stated in the Regulation on Dividend Policy, in its decisions on dividend amounts the Board is guided by the level of net income as reflected in the Company's non-consolidated financial accounts to Russian Accounting Standards. Recommendations by the Board of Directors on the amount of

dividends to be paid are determined by the Company's financial results for the year, but usually amount to at least 10% of net income.

Rosneft pursues a strategy of steadily increasing the amount of its dividend payments. In determining the amount of annual dividends, the Board of Directors takes account of the dividend policy of other leading oil & gas companies. A number of other factors may also have an impact on the size of dividend payments, including the Company's business prospects, its financial situation and financing needs, and the overall macroeconomic situation and market environment as well as other factors, including aspects connected with tax and legislation.

Acting on the verbal request of the President of the Russian Federation, the Company's management reviewed the appropriateness of increasing dividend payments and recommended that they should be increased to 25% of net income to International Financial Reporting Standards (IFRS).

On 30 April 2013, the Board of Directors recommended that the General Meeting of Shareholders allocate 28.2% of the Company's 2012 non-consolidated financial accounts, or RUB 85,315mIn for the payment of dividends for 2012 business performance, representing RUB 8.05 per ordinary share – up 6.9% year-on-year. On 20 June 2013, the Annual General Meeting of Shareholders resolved to pay dividends in accordance with the

1. The resolution of the Board of Directors of 3 March 2011 supplemented the principles of the Company's dividend policy with the commitment to try to achieve year-on-year growth in dividends, subject to growth in the Company's net income, its financial situation and investment projects.

ROSNEFT DIVIDEND HISTORY

	Dividends per share ¹ , RUB	Total dividends announced, RUB mln	Total dividends paid, RUB mln	Payout ratio under RAS, %
1999	0.0221	200	200	3.4%
2000	0.0887	800	800	5.3%
2001	0.1219	1,100	1,100	11.0%
2002	0.1663	1,500	1,500	16.8%
2003	0.1650	1,500	1,500	8.1%
2004	0.1931	1,775	1,775	10.0%
2005	1.25	11,335	11,335	20.0%
Dividends paid out after the IPO which closed on July 18, 2006				
2006	1.33	14,096	14,080	13.3% ²
2007	1.60	16,957	16,941	10.5%
2008	1.92	20,349	20,330	14.4%
2009	2.30	24,376	24,351	11.7%
2010	2.76	29,251	29,223	15.2%
2011	3.45	36,564	36,529	33.1%
	4.08	41,928	41,883	
2012	8.05	85,315	85,232	28.2%
2013 ³	12.85	136,187	–	99.9

recommendations of the Board of Directors, and RUB 85,232mln in dividends was paid to Rosneft shareholders.

A sum of RUB 8.05 in dividends was paid to the Russian Federal Budget, and RUB 59,295 mln in dividends was paid to OJSC ROSNEFTEGAZ (100% federally owned).

As of year-end 2013, Rosneft had no dividend payments outstanding to the Federal Budget or to OJSC ROSNEFTEGAZ.

Dividends were paid to all persons registered in the Rosneft Shareholder

Register, except for persons on whom nominee shareholders had not provided complete information and persons who had not informed the register holder in a timely fashion of changes in the data recorded in their registration form.

On the 28th of April 2014, Rosneft's Board of Directors recommended that the General Meeting of Shareholders approve dividends for 2013 at the level of RUB 12.85 per share – an increase of 59.6% year-on-year. Total recommended dividends for 2013 are RUB 136,186.6 mln. The ratio of dividends to non-consolidated net income

to Russian Accounting Standards for 2013 is 99.9%. The ratio of dividends to consolidated IFRS net income is 25%.

1. The dividend amounts per share take account of the 1:100 share split carried out in September 2005.

2. 2006 net income adjusted for non-recurring items.

3. Dividends recommended by the Board of Directors for approval by the Annual General Meeting of Shareholders in June 2014.

INFORMATION DISCLOSURE

16

ROUNDTABLES HELD IN
REGIONS WHERE THE
COMPANY HAS A PRESENCE
DURING 2013*

In its policy on information disclosure, Rosneft is governed by the requirements of the Federal Law on the Securities Market, the Federal Law on Joint-Stock Companies and the Regulation on Information Disclosure by Issuers of Securities, as approved by Order No. 11-46/pz-n of the Federal Financial Markets Service dated 4 October 2011 (hereinafter in this section, the “Regulation on Information Disclosure”). The Company is also guided by the requirements of the OJSC MICEX stock exchange, on which the Company’s shares are listed, Rosneft’s own Regulation on Information Policy, and other requirements and regulatory acts.

Rosneft’s information disclosure policy is based on the principles of regularity, promptness, timeliness, accessibility, accuracy and completeness. The Company ensures timely and full disclosure of information to interested parties on all aspects of its business (except for instances where the information represents a commercial secret).

The main disclosure channel is Rosneft’s website, which provides information on material facts and events, governance structure and the Company’s business results. Rosneft’s website presents the Charter and other internal documents, the Company’s annual reports and sustainable development reports, quarterly reports to Russian Accounting Standards and quarterly reports to IFRS standards as well as management discussion and analysis (MD&A), the Analyst Data Book, presentations, press releases, and information on affiliated entities and other information which may influence Rosneft’s share value. Rosneft’s corporate website is updated regularly in accordance with the Company’s internal regulations.

In compliance with the Regulation on Information Disclosure, the Company also uses an Internet page provided by CJSC Interfax (a distributor of securities market information) for the publication of information on the Internet.

The Company also provides information in the form of brochures and booklets as well as through regular meetings, conference calls and press conferences with interested parties. At the request of shareholders, the Company provides copies of its main internal documents, documentation on the General Meeting of Shareholders, lists of affiliated entities and other documents in accordance with the requirements set out in the Federal Law on Joint-Stock Companies.

INFORMATION TRANSPARENCY IMPROVEMENT

Information transparency is among Rosneft’s key corporate governance principles. The latest study by the international rating agency Standard & Poor’s found Rosneft to be the leader among Russian companies in the sphere of information transparency. During 2013 the Company continued to work intensively to raise information transparency levels and to build an efficient system of shareholder and investor relations, as evidenced by the following facts:

- Rosneft won in the annual competition for Active Corporate Policy in Information Disclosure, thus confirming its status as the most open company in Russia.

In working on improving information transparency and openness, the Company gives particular attention to raising the efficiency of its interactions with shareholders and investors. Telephone

* Stakeholder engagement information will be presented in Rosneft’s 2013 Sustainability Report.

numbers and electronic mailboxes are permanently available for inquiries by shareholders and investors. A call center (including a hotline) has also been set up for shareholders.

In 2013, as part of its interaction with institutional investors and analysts, Rosneft held regular presentations of its financial results to IFRS standards, meetings in Russia and major global financial centers, and teleconferences.

Transparency of financial statements is another important element of corporate governance. On 4 February 2014 Rosneft published complete audited consolidated financial accounts to IFRS standards for 2013.

As part of its interaction with interested parties and in compliance with Rosneft's Sustainable Development Policy, the Company has been holding public hearings in the form of roundtables in the regions where it operates since 2007 (16 were held in 2013). The themes of the roundtables have been as follows:

- Socioeconomic collaboration;
- Collaboration on environmental protection and environmental safety;
- Collaboration on health and safety;
- Collaboration on charity and sponsorship.

In addition to roundtables held by the Company on a voluntary basis, Rosneft subsidiaries, in compliance with legislative requirements, regularly hold mandatory public and environmental hearings on new projects and projects involving the modernization and reconstruction of production capacities.

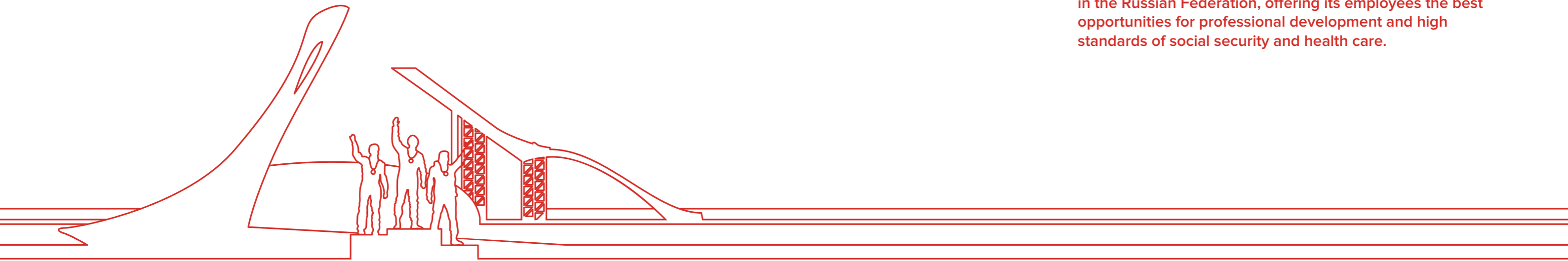
Rosneft gives special attention to improving information disclosure when preparing its Sustainable Development Report. In 2013, the Report was prepared at level A+ (the highest level for information transparency) under the international GRI Sustainability Reporting Guidelines and passed an independent audit by Ernst & Young as well as public affirmation by an expert review board with the Russian Union of Industrialists and Entrepreneurs.

EMPLOYEES AND SOCIAL RESPONSIBILITY

OJSC Rosneft oil company is Russia's biggest taxpayer with RUB 2.7 trillion paid in taxes in 2013.

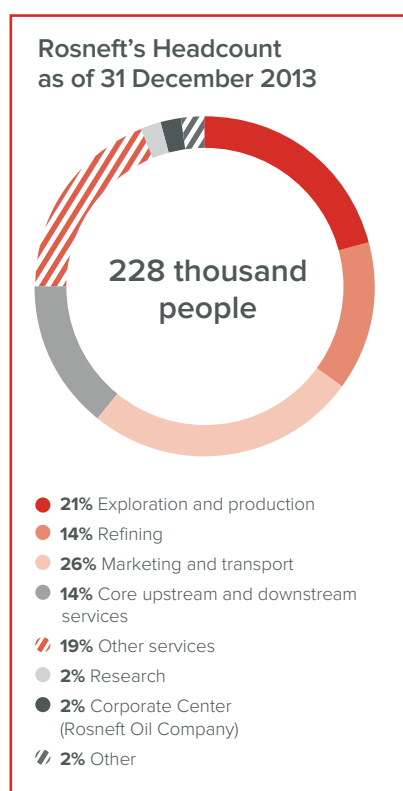
The Company has been and remains focused at the highest standards, not only in production but also in social areas. Our focus on social policy is a prerequisite to the Company's sustainable development, further strengthening our reputation as a reliable and responsible employer and partner.

The Company strives to become the best employer in the Russian Federation, offering its employees the best opportunities for professional development and high standards of social security and health care.



Employees of the Achinsk refinery

OUR TEAM



A team of highly skilled employees motivated to demonstrate professional excellence and good performance is Rosneft's main asset and the cornerstone of its sustainable development.

In 2013 the employees of the newly acquired assets were successfully integrated into the Company. The headcount increased 27%, reaching 228,000 people as of 31 December 2013. The main reasons for the headcount increase are the acquisition of new assets and the growing scope of the Company's business and operations.

The average age of Company employees has gone down by about 1 year and is now 39.2 years (40.1 at year-end 2012). Executive positions were held by 29,100 employees (19,400 at year-end 2012). As of 31 December 2012, employees categorized as "Executives" made up 12.8% vs. 11.7%. The growth of personnel in the "Executive" category is associated with both new-asset integration and a larger number of projects and assets requiring highly skilled project directors.

One of the Company's key priorities is continuous improvement of personnel occupational and managerial competences and higher labor productivity in all spheres. This is being successfully achieved by maintaining high standards of corporate conduct, implementing a system of personnel training and development and using advanced remuneration and motivation policies as well as social policies aimed at improving the quality of life for employees and their families.

In 2013, in order to enhance the Company's organizational capability and the

efficiency of its succession system, HR Committees were set up in all key businesses and support functions – collegial bodies led by senior managers and designed to assure their deeper engagement in the formation, development and promotion of the succession pool.

A project aimed at minimizing conflicts of interest and ethical conflicts and developing a corporate compliance system was launched and will be worked on intensively in future.

PERSONNEL TRAINING AND DEVELOPMENT SYSTEM

Rosneft's corporate personnel training and development system aims to achieve the following strategic objectives:

- assure the level of employees' occupational competences to meet the Company's current and future business needs; improve the Company's managerial competences by developing an internal succession pool;
- provide the Company's strategic projects with well-trained personnel;
- comply with statutory requirements regarding the level of personnel training in operational quality and safety in the fuel and energy sector;
- assure the required level of competence for all Rosneft employees involved in managing the industrial safety system.

The key areas for occupational training were:

- Exploration & Production – 10,100 man-courses;
- Refining, Commerce & Logistics – 15,300 man-courses.



Young specialists

The Company is giving a lot of attention to focused executive training in managerial skills and succession development (volume of succession candidates' training amounted to 5.6 thousands man-courses).

In 2012-13, a target innovation project – Implementation of a Competence-Based Methodology of Personnel Evaluation and Development across All Segments of Company Business – was executed jointly with Gubkin University and Tomsk National Research and Polytechnical

University (the project is meant to last until 2016). The aim of the project is to standardize competence-based occupational requirements. Competence profiles have been developed for personnel in Refining, Production and Offshore Projects.

The Company is also developing corporate vocational training standards for worker occupations. In 2013, standards for 6 occupations in key refinery operations were developed. Implementation of corporate standards was begun at

Company assets as part of the 2013 Worker Mentoring and Development Program.

Rosneft takes an active stance with regard to higher professional education development. Currently, taking advantage of Rosneft guidance, the Russia Ministry of Education and Science has drafted a new specialization entitled "Petroleum Equipment and Technologies" to train specialists in that area at the engineer qualification level.

Rosneft participates in the government project to develop industry occupational standards

- In February 2013, at the request of the Russian Energy Ministry, the Company provided the ministry with occupational profiles for Exploration & Production (141 profiles) and Refining, Commerce & Logistics (109 profiles) to help in developing industry occupational standards;
- A contract worth RUB 11.7mln was signed with the National Oil and

Gas Institute to develop 9 out of 24 industry occupational standards as per the 2013–14 plan approved by the Energy Ministry;

- An expert group was set up by Rosneft to review and agree 24 occupational standards for the oil and gas industry to be developed by the National Oil and Gas Institute in 2013-14.

201.5

**THOUSAND
MAN-COURSES WERE
CONDUCTED IN 2013 AS
PART OF MANDATORY
OCCUPATIONAL AND
MANAGERIAL TRAINING**



Young specialists

YOUTH POLICY

Rosneft's youth policy is geared towards achieving the following key objectives:

- support formation of an external succession pool made up of young people from among best secondary school leavers motivated to acquire high quality vocational and professional training and get employed by the Company;
- assure influx of the required number of young talent from among best university graduates with the competence level adequate to the Company's business requirements;
- assure young specialists' efficient performance by accelerating their induction and adjustment, development of professional and managerial skills and engagement in innovative, research and engineering activities;
- support government policy in vocational and professional education and training.

Corporate program of continuous education: "School – University – Enterprise"

The program is carried out in the form of "Rosneft classes" opened in the best schools in all strategically important regions where the Company has a presence. In 2013, 82 Rosneft classes, attended by 2,023 people, were active in 39 Russian cities in the Southern, North Caucasus, Volga, Northwestern, Urals, Siberian and Far Eastern Federal Districts.

Rosneft holds annual development seminars for teachers of "Rosneft classes" (in 2013, 33 teachers improved their skills).

The formation of an external succession pool for the Company continues in universities. Rosneft and its subsidiaries have long-term cooperation agreements with 30 higher education institutions, including 13 universities that have the status of strategic partner.

Rosneft and its subsidiaries support talented students by giving corporate scholarships to the best of them.

In 2013, 443 scholarships were established and paid. Corporate scholarship fellows have a priority right to on-the-job practice and a subsequent employment in Rosneft subsidiaries.

Work with young specialists is one of the Company's key HR policy priorities. The main areas of work with young specialists are:

- young specialist induction and adjustment;
- mentoring;
- young specialist engagement in R&D creative activities;
- identification and development of young specialists with leadership capabilities;
- young specialist training and development.

An average of 3,515 young specialists worked in 91 subsidiaries, and 73 Young Specialist Councils were active in the Company's major subsidiaries in 2013.

SOCIAL POLICY AND CHARITY

Rosneft's social policy, being a component part of the corporate strategy, is aimed at ensuring favorable and competitive conditions of work and recreation for employees and their families via a whole range of social programs.

The Company's social programs are designed to ensure safe and comfortable working conditions, support a healthy lifestyle, address housing issues and improve the quality of life for employees and their families as well as offering employees and their children interest-free loans for education, material support for veteran and retired workers, regional socioeconomic development and charity.

SOCIAL PARTNERSHIP AND SOCIAL BENEFITS FOR EMPLOYEES

In 2013, the Company continued development of its partnership with subsidiaries' trade unions and the Rosneft Interregional Trade Union Organization.

As a part of social partnership, a new template for a Standard Collective Agreement for Company subsidiaries was developed in conjunction with trade union representatives which envisages expanding the list of additional benefits.

The standard collective agreement priorities recommended for subsidiaries remain as follows:

- social support for employees' families with many children and low-income families;
- social support for retired workers;
- creation of conditions for personnel recruitment and retention in the regions with a hardship climate and working conditions;

- support for employees who find themselves in difficult circumstances.

Employees' social packages are based on principles of social fairness but may vary in different subsidiaries, as they take into account the nature and economic capabilities of a specific subsidiary as well as its geographic location and regional specificity. The actual content and size of benefits are set down in collective agreements and other internal regulatory documents.

IMPROVEMENT OF WORK AND RECREATION CONDITIONS

Rosneft has model standards for employees' working and social conditions. One area that such standards address is the creation of amenities for rotation-crew camps where around 19,000 Company's and contractors' employees are currently accommodated. 73 such camps providing accommodations for the Company's and contractors' employees operated in 2013.

In 2013, the Company spent RUB 2.8bln on creating adequate accommodations and amenities in camps and support bases.

HEALTH CARE AND SUPPORT FOR A HEALTHY LIFE STYLE

The Company gives unflagging attention to health care measures aimed at:

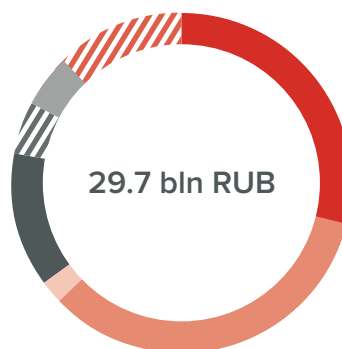
- improving employees' capacity for work (labor productivity) and pushing their working age limits;
- preventing diseases and reducing days away from work (DAFW) costs;
- improving employees' quality of life;
- advocating healthy lifestyles.

In 2013 a comprehensive review was done of the existing health care system used by Company subsidiaries in their

29.7

BLN RUB IS THE TOTAL 2013 SPEND ON THE COMPANY'S SOCIAL PROGRAMS – 32.5% GROWTH YEAR-ON-YEAR

2013 Expense Structure by Social Policy Area



- **29%** Creating optimal workplace environment
- **34%** Health care, healthy lifestyle support and other social expenditure
- **2%** Provision of housing
- **13%** Non-governmental pensions
- ▨ **5%** Social infrastructure maintenance
- **5%** Charity
- ▨ **12%** Socioeconomic development of regions



At the 9th Summer Corporate Olympics

8.5

BLN RUB — THE TOTAL 2013 INVESTMENT IN IMPROVING EMPLOYEES' WORKING AND RECREATION CONDITIONS

operations, based on a standardized program. As a result, corrective actions were developed in organizing a medical support system.

An action plan was developed and is being implemented with regard to health care for Rosneft employees working on Arctic offshore and East Siberian exploration and development projects.

CORPORATE PENSIONS

The Rosneft pension program is aimed at improving its employees' social security when they retire and is an important part of their social package, helping to diminish personnel turnover and recruit and retain highly skilled personnel.

SOCIOECONOMIC DEVELOPMENT OF THE REGIONS

Rosneft attaches a lot of importance to developing partnership relations with the regions where it has a presence and takes an active part in delivering socio-economic programs in these regions.

Social financing is based on mutually beneficial agreements with the

governments of federal constituent entities and municipalities. In a number of regions, the Company is entitled to tax benefits under federal and regional laws.

In total, in 2013, based on Cooperation Agreements and by way of charity in the regions of its presence, the Company funded construction, repairs, equipment and other types of support for 97 kindergartens and preschool daycare facilities, 209 schools, 69 cultural and 141 sports facilities, as well as executing over 35 health care projects.

CHARITY

The main areas of the Company's charitable activities are support for regional administrations in developing their socioeconomic sector, assistance in funding socially meaningful programs of NGOs and charity foundations aimed at the revival of the cultural heritage, development of sports, support for public healthcare institutions and orphanages, and strengthening of the cultural and ethical aspects of society.

The Company gives special attention to helping the indigenous peoples of the

1.73

BLN RUB WAS THE COMPANY'S 2013 HEALTH CARE AND HEALTHY LIFESTYLE BUDGET

>57.6

THOUSAND VETERAN AND RETIRED WORKERS OF THE COMPANY AND ITS SUBSIDIARIES RECEIVED CORPORATE PENSIONS IN 2013



Sled reindeer racing at the traditional reindeer herder's day in YNAO

North. The Company supports them by paying compensation for the use of land, buying equipment for their traditional economies and fuel, offering a recreational summer program for children, funding participation in exhibitions, competitions and other events, and paying for students' education. The total 2013 budget for the support of indigenous peoples of the North was RUB 11 mln.

Revival of the spiritual and historical heritage has always been an important focus of Rosneft's charity. Rosneft is involved in the construction and restoration of numerous sites related to the country's spiritual heritage in many Russian regions. The reporting year was marked, among other things, by a site survey and engineering work done by Rosneft to restore the Assumption Cathedral of Tikhvin Monastery. Rosneft also helped organize an exhibition and a forum dedicated to Orthodox Russia and the Romanov Dynasty in Moscow.

>1.32

BLN RUB WAS THE TOTAL PENSION AMOUNT PAID IN 2013

3.7

BLN RUB WAS SPENT TO FUND SOCIAL PROGRAMS IN REGIONS WHERE THE COMPANY HAS A PRESENCE, BASED ON COOPERATION AGREEMENTS SIGNED IN 2013

1.4

BLN RUB WAS THE COMPANY'S CHARITY SPEND IN 2013. CHARITY PROJECTS WERE AUTHORIZED BY THE COMPANY PRESIDENT AND MANAGEMENT BOARD

OUR FINANCIAL PERFORMANCE

2013 was Rosneft's best year so far, a year of high financial results that reflect operating achievements. Despite unfavourable macroeconomic tendencies, the Company has succeeded in achieving record levels of EBITDA, net earnings and cash flows from operations on the back of continued growth in oil and gas production and refining, cost control, rigorous CAPEX discipline and new asset acquisition with a strong synergy effect.



Head office of OJSC Rosneft Oil Company

ROSNEFT'S 2013 FINANCIAL HIGHLIGHTS

2013 was Rosneft's best year in all areas of activity: from existing operations to vigorous greenfield developments, strengthening the Company's presence on the world's most dynamic markets and new asset acquisitions. The increased business activity was underpinned by investment governance and cost control practices that were among the best in Rosneft's peer group.

BUSINESS ENVIRONMENT

In 2013 the oil market environment was significantly less favorable than in 2012. The Urals average price dropped by 2.3% year-on-year (\$107.7/bbl in 2013 vs. \$110.3/bbl in 2012), domestic oil and oil product prices grew in line with the Urals trend. The average ruble exchange rate is yet another important environmental factor. The ruble was 2.4% weaker in 2013 than in 2012 (RUB 31.85/\$ and RUB 31.09/\$, respectively), which negatively affected ruble-denominated costs.

OVERVIEW OF FINANCIAL RESULTS

Company revenues grew by 52% year-on-year on the back of growing production volumes, partly offset by a change in the structure of sales, i.e. redistribution of oil volumes from the export market towards the Russian and CIS markets, in order to capture incremental benefits from higher margins. As to costs, we remained exposed to negative inflationary effects caused by the 2.4% drop in the ruble and higher tariffs. In aggregate,

operating costs, including transportation and G&A costs, grew by RUB 336 bln, or 37.7%.

The key reasons for this were higher electricity and transportation tariffs, the ruble appreciation effect and inflationary consequences as well as growing oil production and refining volumes and growth in reserves. These inflationary effects were partly offset by performance improvement actions – in particular, energy savings and consistent application of technology.

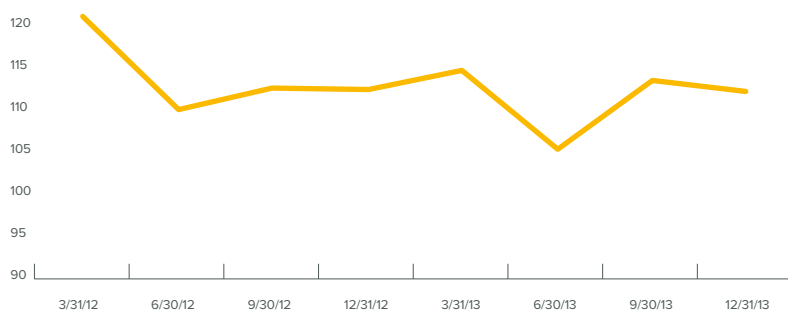
The 2013 Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) were RUB 947 bln. The Company keeps pursuing the policy of efficient cost control and ensures realization of the comprehensive synergetic effect on the financial performance, which provides stable EBITDA.

In 2013, the Company made several key acquisitions with a year-end synergetic effect of 27 bln rubles for the investment and operating activity.

Our achievements in managing financial resources in 2013

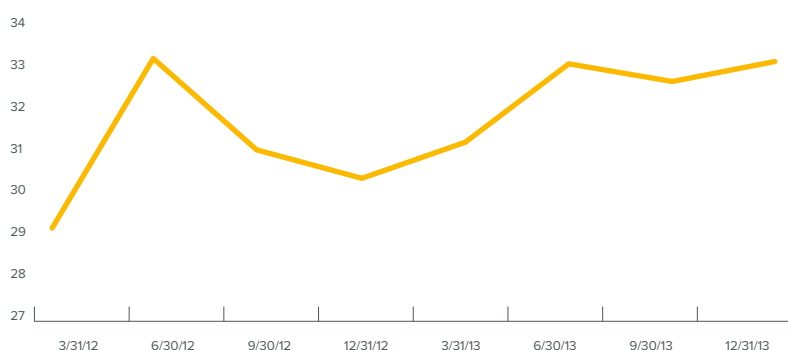
- EBITDA, net earnings and cash flow from operations are at their historical highs;
- Net income per share was record high: 37.1% increase to 52.89 RUB;
- Effective CAPEX program management resulted in timely commissioning of capital construction objects, successful delivery of the business plan operating parameters, at the same time saving some of the planned budget;
- High liquidity levels;
- Consistently increasing dividend payouts;
- Prepayment of debt and reduction in the weighted average cost of debt;
- Efficient use of debt instruments – ruble bond offering for a total of RUB 110 bln, the largest bond program among Russian issuers;
- Investment-grade credit ratings with a stable outlook.

Urals average quarterly prices (average Med and NWE), \$/bbl, 2012–2013

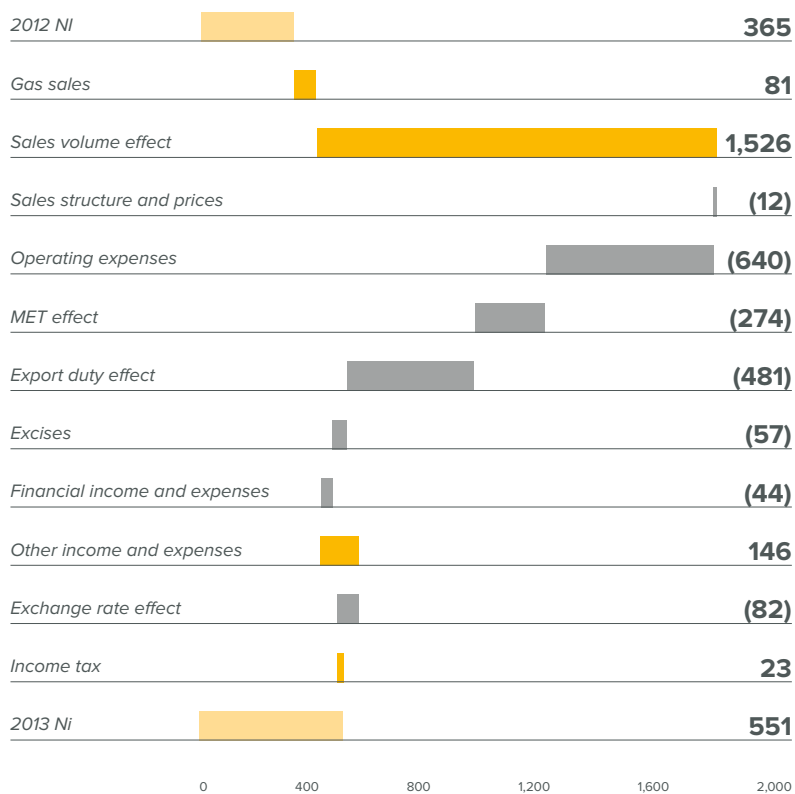


* average prices calculated based on Platt's data

USD exchange rate as of the end of each quarter, 2012–2013



Key factors that affected 2013 net income vs. 2012



CASH FLOW AND LIQUIDITY

In 2013, we set yet another record, having earned RUB 1,213 bln in revenue from operations before operating taxes, with RUB 470 bln in prepayments received under long-term contracts, with tax payments of RUB 2.7 trln becoming the main cash outflow item. The change in cash flow from operations in 2013 was impacted by working capital growth of RUB 187 bln, mostly related to increased payment lags offered to some buyers in connection with oil and oil product exports.

As regards investment activities, it should be noted that, along with organic CAPEX of RUB 572 bln, new asset acquisition costs (including TNK-BP, subsidiaries and shareholdings in affiliates) amounted to RUB 1,483 bln. Our high liquidity allowed us to pay RUB 85 bln in shareholder dividends. At the same time, the debt to EBITDA ratio was 1.79, mainly pushed up by new acquisitions of major assets.

DEBT PORTFOLIO AND CREDIT RATINGS

In 2013, Rosneft actively managed its debt portfolio and successfully covered its own cash needs for the year, despite a highly volatile market environment. Some of our achievements in this area deserve to be noted.

Rosneft's total long-term US Dollar-denominated borrowings amounted to \$34.29 bln in 2013 (RUB 1,122.3 bln at the official rate of the Bank of Russia as of December 31, 2013) following the transactions listed below:

- in March 2013, our Company drew funds under four unsecured long-term loans provided by a group of international banks for an aggregate amount of \$31.04 bln (RUB 1,015.9 bln at the official rate of the Bank of Russia as of December 31, 2013) for the financing of TNK-BP's acquisition;
- In June 2013, the Company effected a drawdown under a 16-year pre-export facility bearing interest at a floating rate from a foreign bank for a total of \$2 bln (RUB 65.5 bln at the official rate of the Bank of Russia as of December 31, 2013);
- in November 2013 the Company drew an unsecured 5-year loan (floating rate) from a foreign bank for a total of \$0.75 bln (RUB 24.5 bln at the official rate of the Bank of Russia as of December 31, 2013);
- in December 2013, the Company effected a drawdown under an unsecured 5-year loan (floating rate) from a group of foreign banks for a total of \$0.5 bln (RUB 16.4 bln at the official rate of the Bank of Russia as of December 31, 2013).

During the year, the Company successfully placed several issues of ruble-denominated, non-convertible interest-bearing 10-year registered bonds for an aggregate principle amount of RUB 110 bln.

Notwithstanding the fact that our Company borrowed extensively on the Russian and international markets in 2013, the average cost of our debt portfolio dropped from 3.5% to 3.1% over the year.

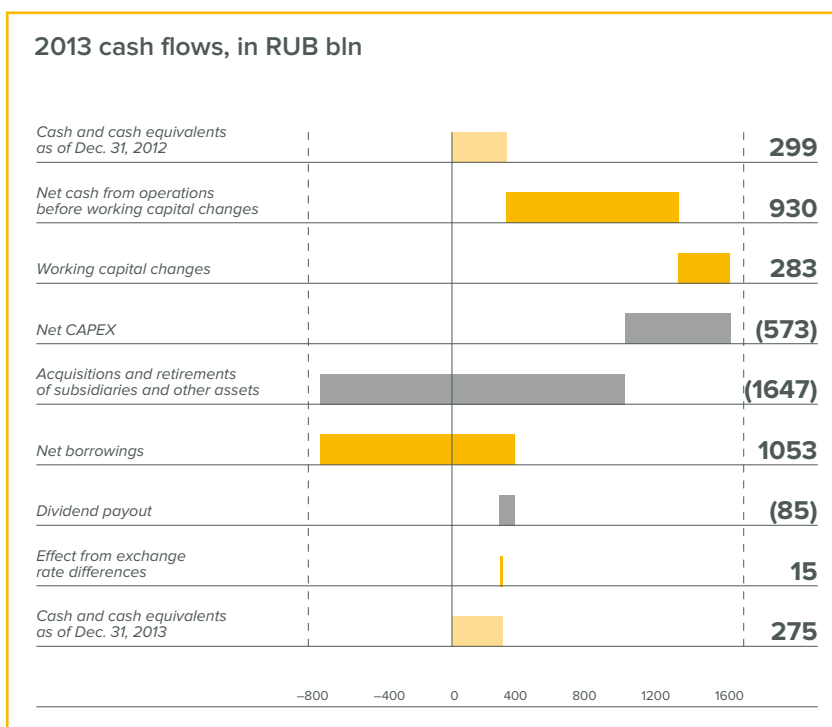
In 2013, Rosneft maintained its investment-grade ratings assigned by Standard and Poor's (BBB) and Moody's (Baa1) with a stable outlook. The credit ratings are supported by the high financing indicators consistently demonstrated by Rosneft.

More details on factors affecting our financial results may be found in the "Rosneft IFRS consolidated financial statements" section of our website at: www.rosneft.ru/Investors/statements_and_presentations/

EFFECTIVE INVESTMENT GOVERNANCE

Rosneft investment program delivery in 2013

2013 was a record year for the Company in both operating and financial terms. Capital investment program financing amounted to RUB 560 bln, up 18%



year-on-year. The following were the key outcomes of the capital investment program:

- Stabilization of brownfield production rates and sustainable growth in greenfield production.
- Successful replacement of production with new reserves.
- Retention of leadership positions vis-à-vis major peers in upstream capital investment (\$ 7.1/bbl in 2013).
- Implementation of refinery upgrade programs aimed at achieving compliance with technical regulation and under the quadripartite agreement.
- Launch of Russia's largest oil distillation unit, ELOU-AVT-12 at Tuapse Refinery.

In 2013, we continued developing offshore projects and strengthening strategic cooperation, which is one of our top priorities. By year end, we acquired 17 new licenses and signed final agreements with ExxonMobil, Eni, Statoil and Inpex. At present, the estimated aggregate license resources held by the Company exceed 45 bln tons of oil equivalent.

Investments in 2013 new acquisitions totaled RUB 1,495 bln, which put Rosneft at the top of Russia's oil industry and made it the world's largest oil and gas company. The most notable acquisitions were as follows:

- completed acquisition of 100% in TNK-BP;
- consolidated up to 100% in Taas-Yuryakh Neftegazodobycha LLC and ITERA Oil and Gas Company LLC;
- Basic Jet Fuel Operator (BATO) aircraft fueling sites (TZK).

All acquired assets are integrated into the common investment decision-making process.

In 2013, over 170 high-efficient projects were approved for the period of 2014+ that conform to the Company's return on capital employed (ROCE) standards, in the following strategic areas of the Company operations:

- increased production drilling volumes to support brownfield production, commencement of tight oil development efforts;
- major greenfield developments scheduled for launching in 2017–2018

(Vostochny Urengoy, Novy Urengoy, Kharampur, Kynsko-Chaselskaya group, Suzun, Tagul, Russkoe);

- establishment and development of new oil production clusters in East Siberia on the basis of Vankor, Verkhnechonsk, Yurubcheno-Tokhomscoe and several other fields;
- Launch of the East Petrochemical Company (VNKhK) Phase One project, aimed at closing the regional deficit of oil products and developing the Far East petrochemical cluster;
- progress to the active phase of the refinery upgrade program, aimed at achieving compliance with technical regulation under the quadripartite agreement and involving growth in refining depth from 66% in 2013 to 80% in 2018.

Company investment Governance process

The Company's investment project portfolio includes a long list of high-quality investment opportunities across all areas of Company activities, including innovations.

The investment process is focused on efficient use of capital aimed at both better performance of individual investment projects and programs and at business growth by means of optimal portfolio building and striking an optimal balance between the Company's current return levels and the unlocking of its long-term potential through the financing of Business Stream investment programs.

By bringing together the best investment governance practices, our Company has created and continues to enhance investment discipline that applies to all opportunities and projects in the investment portfolio. In particular, investment tools applicable to all Company assets, including acquired ones, were unified and standardized in 2013.

The quality of investment decisions is supported by a detailed analysis of every investment project across a broad range of scenarios and by an assessment of risks, including financial, commercial, technical and ecological risks, etc. The Company has a refined process of investment-project expert review and approval by competent investment bodies in which the Company's

key managers participate. There is a system of authority levels for investment business projects, from the level of the Board of Directors to Business Streams.

Investment decisions made in 2013 embraced virtually all organic and inorganic Company projects across all business streams in various geographical regions, including international projects. Newly acquired assets were integrated into the common investment process.

The Company's most significant decisions involved major projects that support long-range growth in Company value, including:

- 10 oil and gas exploration and production projects with the first commercial oil expected in 2016–2019,
- 1 oil refinery construction project aimed at covering a regional deficit of oil products and support the development of the Far East petrochemical cluster

Efficient use of capital is supported by a major project management standard to be implemented in 2014 which uses global best practices. The standard is based on stage-by-stage project implementation, with projects passing through "gates" between stages of project preparedness, which, together with the building of experienced project teams and direct involvement by Company management, allows us to optimize project value from front-end consideration to full-fledged project formulation. This process includes regular budget monitoring and continuous project economics assessment for ongoing project efficiency improvements.

Consolidated financial statements

Independent auditor's report

To the Shareholders and the Board of Directors of Open Joint Stock Company Rosneft Oil Company.

We have audited the accompanying consolidated financial statements of Open Joint Stock Company Rosneft Oil Company and its subsidiaries, which comprise the consolidated balance sheet as at December 31, 2013, and the consolidated statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Audited entity's responsibility for the consolidated financial statements

Management of the audited entity is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the fairness of these consolidated financial statements based on our audit.

We conducted our audit in accordance with the Federal Standards on Auditing effective in the Russian Federation and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The audit procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management of the audited entity, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Open Joint Stock Company Rosneft Oil Company and its subsidiaries as at December 31, 2013, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The information accompanying the consolidated financial statements which has been disclosed as Supplementary oil and gas disclosure on page 94 is presented for additional analysis and is not within the scope of International Financial Reporting Standards. Such information was not subject to our audit procedures performed on the accompanying consolidated financial statements and, accordingly, we express no opinion on this information.

R.G. Romanenko
Partner
Ernst & Young LLC
February 4, 2014

Details of the audited entity

Name: OJSC Rosneft Oil Company

Information about the State Register of Legal Entities Concerning a Legal Entity: 77N°004856711 dated August 12, 2002.

Address: Russia, 115035, Moscow, Sofiyskaya Embankment, 26/1.

Details of the auditor

Name: Ernst & Young LLC

Record made in the State Register of Legal Entities on 5 December 2002, State Registration Number 102773970203.

Address: Russia, 115035, Moscow, Sadovnicheskaya naberezhnaya, 77, building 1.

Ernst & Young LLC is a member of Non Profit partnership "Russian Audit Chamber" ("NP APR"). Ernst & Young LLC is registered in the register of auditors and audit organizations of NP APR, number 3028, and also included in the control copy of the register of auditors and audit organizations, main registration number 10201017420.

Consolidated Balance Sheet

Rosneft Oil Company
(in billions of Russian rubles)

	Notes	As of December 31		
		2013	2012 (restated)	2011 (restated)
ASSETS				
Current assets				
Cash and cash equivalents	19	275	299	166
Restricted cash	19	1	4	4
Other short-term financial assets	20	232	90	155
Accounts receivable	21	415	237	225
Inventories	22	202	134	128
Prepayments and other current assets	23	330	185	160
Total current assets		1,455	949	838
Non-current assets:				
Property, plant and equipment	24	5,330	2,629	2,371
Intangible assets	25	37	19	22
Other long-term financial assets	26	40	24	34
Investments in joint ventures and associates	27	327	186	36
Bank loans granted		12	13	13
Deferred tax assets	16	14	4	4
Goodwill	25	164	144	142
Other non-current non-financial assets	28	12	3	3
Total non-current assets		5,936	3,022	2,625
Assets held for sale	7	147	–	–
Total assets		7,538	3,971	3,463
LIABILITIES AND EQUITY				
Current liabilities:				
Accounts payable and accrued liabilities	29	488	211	190
Loans and borrowings	30	684	143	165
Finance lease liabilities	30	4	3	1
Liabilities related to derivative instruments	31	6	–	4
Income tax liabilities	16	11	7	3
Other tax liabilities	32	161	83	73
Provisions	33	22	5	6
Other current liabilities		11	1	1
Total current liabilities		1,387	453	443
Non-current liabilities				
Loans and borrowings	30	1,676	837	596
Finance lease liabilities	30	8	8	5
Deferred tax liabilities	16	660	264	241
Provisions	33	116	71	60
Prepayment on oil supply agreements	34	470	–	–
Other non-current liabilities	35	28	16	14
Total non-current liabilities		2,958	1,196	916
Liabilities associated with assets held for sale	7	28	–	–
Equity				
Share capital	37	1	1	1
Treasury shares	37	–	(299)	(224)
Additional paid-in capital	37	477	385	386
Other funds and reserves		(14)	(6)	(5)
Retained earnings		2,662	2,202	1,910
Rosneft shareholders' equity		3,126	2,283	2,068
Non-controlling interests	17	39	39	36
Total equity		3,165	2,322	2,104
Total liabilities and equity		7,538	3,971	3,463

President _____ I.I. Sechin

February 4, 2014

Consolidated Statement of Comprehensive Income

Rosneft Oil Company
(in billions of Russian rubles, except earnings
per share data, and share amounts)

	Notes	For the years ended December 31,		
		2013	2012 (restated)	2011 (restated)
REVENUES AND EQUITY SHARE IN PROFITS OF JOINT VENTURES AND ASSOCIATES				
Oil and gas sales	8	2,428	1,526	1,392
Petroleum products and petrochemicals sales	8	2,196	1,498	1,265
Support services and other revenues		58	42	45
Equity share in profits of joint ventures and associates	27	12	23	16
Total revenues and equity share in profits of joint ventures and associates		4,694	3,089	2,718
COSTS AND EXPENSES				
Production and operating expenses		389	247	189
Cost of purchased oil, gas and petroleum products and refining costs		432	319	298
General and administrative expenses		111	68	52
Pipeline tariffs and transportation costs		392	241	216
Exploration expenses		17	23	13
Depreciation, depletion and amortization	24, 25	392	206	193
Taxes other than income tax	9	1,024	672	498
Export customs duty	10	1,382	901	790
Total costs and expenses		4,139	2,677	2,249
OPERATING INCOME		555	412	469
Finance income	11	21	24	20
Finance expenses	12	(56)	(15)	(19)
Other income	13	242	87	25
Other expenses	13	(59)	(50)	(48)
Foreign exchange differences		(71)	11	(22)
Income before income tax		632	469	425
Income tax expense	16	(81)	(104)	(90)
Net income		551	365	335
OTHER COMPREHENSIVE (LOSS)/INCOME – TO BE RECLASSIFIED TO (LOSS)/PROFIT IN SUBSEQUENT PERIODS				
Foreign exchange differences on translation of foreign operations		(11)	2	(1)
Gain/(loss) from changes in fair value of financial assets available-for-sale, net of tax		3	(3)	1
Total other comprehensive loss – to be reclassified to (loss)/profit in subsequent periods, net of tax		(8)	(1)	-
Total comprehensive income, net of tax		543	364	335
NET INCOME				
attributable to Rosneft shareholders		545	363	331
attributable to non-controlling interests		6	2	4
TOTAL COMPREHENSIVE INCOME, NET OF TAX				
attributable to Rosneft shareholders		537	362	331
attributable to non-controlling interests		6	2	4
Net income attributable to Rosneft per common share (in RUB) – basic and diluted	18	52,89	38,55	34,51
Weighted average number of shares outstanding (millions)		10,304	9,416	9,591

Consolidated Statement of Changes in Shareholders' Equity

Rosneft Oil Company
(in billions of Russian rubles, except share amounts)

	Number of shares (millions)	Share capital	Additional paid-in capital	Treasury shares	Other reserves	Retained earnings	Total shareholders' equity	Non-controlling interests	Total equity
Balance at January 1, 2012	9 588	1	386	(224)	(5)	1,877	2,035	34	2,069
Effect of changes in accounting policies (Note 3)	–	–	–	–	–	33	33	2	35
Balance at January 1, 2012 (restated)	9 588	1	386	(224)	(5)	1,910	2,068	36	2,104
Net income for the year	–	–	–	–	–	363	363	2	365
Other comprehensive income	–	–	–	–	(1)	–	(1)	–	(1)
Total comprehensive income	–	–	–	–	(1)	363	362	2	364
Purchase of treasury shares (Notes 7, 37)	(350)	–	–	(75)	–	–	(75)	–	(75)
Dividends declared on common stock (Note 37)	–	–	–	–	–	(71)	(71)	–	(71)
Change in ownership interests in subsidiaries (Note 37)	–	–	(1)	–	–	–	(1)	1	–
Balance at December 31, 2012 (restated)	9,238	1	385	(299)	(6)	2,202	2 283	39	2,322
Net income for the year	–	–	–	–	–	545	545	6	551
Other comprehensive income	–	–	–	–	(8)	–	(8)	–	(8)
Total comprehensive income	–	–	–	–	(8)	545	537	6	543
Sale of treasury shares (Notes 7, 37)	1 360	–	28	299	–	–	327	–	327
Dividends declared on common stock (Note 37)	–	–	–	–	–	(85)	(85)	–	(85)
Acquisition of subsidiaries (Note 7)	–	–	–	–	–	–	–	114	114
Sale of 9.99% of OJSC RN Holding shares (Note 37)	–	–	(125)	–	–	–	(125)	224	99
Voluntary offer to acquire OJSC RN Holding shares (Note 37)	–	–	189	–	–	–	189	(342)	(153)
Other	–	–	–	–	–	–	–	(2)	(2)
Balance at December 31, 2013	10,598	1	477	–	(14)	2,662	3,126	39	3,165

Consolidated Statement of Cash Flows

Rosneft Oil Company
(in billions of Russian rubles)

	Notes	For the years ended December 31		
		2013	2012 (restated)	2011 (restated)
OPERATING ACTIVITIES				
Net income		551	365	335
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation, depletion and amortization	24,25	392	206	193
Loss on disposal of non-current assets	13	13	9	19
Impairment of assets	13	9	10	4
Non-cash income from acquisition of subsidiaries, net	7, 13	(205)	(82)	-
Loss from assets and liabilities write-off, net		-	(1)	(24)
Dry hole costs		5	3	4
Foreign exchange loss/(gain)		94	(30)	31
Equity share in profits of joint ventures and associates	27	(12)	(23)	(16)
Loss from disposal of subsidiaries and non-production assets	13	5	11	10
Finance expenses	12	56	15	19
Finance income	11	(21)	(24)	(20)
Interest paid on long-term prepayment on oil supply agreements		(5)	-	-
Income tax expense	16	81	104	90
Gain on notes write off	30	(32)	-	-
(Gain)/loss on bad debt allowance		(1)	3	2
Changes in operating assets and liabilities				
Increase in accounts receivable, gross		(112)	(15)	(88)
Increase in inventories		(7)	(6)	(61)
Decrease/(increase) in restricted cash		8	-	(3)
Increase in prepayments and other current assets		(59)	(22)	(15)
Increase in accounts payable and accrued liabilities		33	55	82
Increase in other tax liabilities		16	8	20
Increase/(decrease) in current provisions		11	(1)	1
Increase/(decrease) in other current liabilities		3	(6)	(4)
Increase/(decrease) in other non-current liabilities		4	3	(10)
Increase in long-term prepayment on oil supply agreements		470	-	-
Long-term loans granted by subsidiary banks		(24)	(33)	(53)
Repayment of long-term loans granted by subsidiary banks		25	33	48
Acquisition of trading securities		(22)	(53)	(64)
Proceeds from sale of trading securities		21	57	68
Net cash provided by operating activities before income tax and interest		1 297	586	568
Income tax payments		(91)	(76)	(102)
Interest received		7	10	13
Dividends received		-	1	8
Net cash provided by operating activities		1 213	521	487
INVESTING ACTIVITIES				
Capital expenditures		(560)	(473)	(391)
Acquisition of licenses		(12)	(4)	(7)
Acquisition of rights to use trademarks "Sochi 2014"		(1)	(1)	(1)
Acquisition of short-term financial assets		(237)	(118)	(134)
Proceeds from sale of short-term financial assets		77	162	197
Acquisition of long-term financial assets		(9)	(3)	(5)
Proceeds from sale of long-term financial assets		1	6	-
Acquisition of interest in joint ventures and associates	27	(76)	(43)	(47)
Acquisition of subsidiaries, net of cash acquired	7	(1 407)	(4)	-
Sale of property, plant and equipment		5	4	2
Placements under reverse REPO agreements		(7)	(15)	(31)
Receipts under reverse REPO agreements		6	37	23
Net cash used in investing activities		(2 220)	(452)	(394)

Consolidated Statement of Cash Flows (continued)

Rosneft Oil Company
(in billions of Russian rubles)

	Notes	For the years ended December 31		
		2013	2012 (restated)	2011 (restated)
FINANCING ACTIVITIES				
Proceeds from short-term loans and borrowings	30	96	55	25
Repayment of short-term loans and borrowings		(24)	(39)	(17)
Proceeds from long-term loans and borrowings	30	1103	351	124
Repayment of long-term loans and borrowings		(254)	(137)	(123)
Proceeds from bonds issuance	30	110	20	–
Repayment of other financial liabilities		(12)	–	–
Proceeds from sale of subsidiaries stock	37	97	–	–
Acquisition of treasury stock		–	(75)	(3)
Acquisition of non-controlling interests in subsidiaries		–	(2)	(11)
Dividends paid to shareholders		(85)	(71)	(27)
Interest paid		(63)	(29)	(24)
Net cash provided by/(used in) financing activities		968	73	(56)
Net (decrease)/increase in cash and cash equivalents		(39)	142	37
Cash and cash equivalents at beginning of period	19	299	166	127
Effect of foreign exchange on cash and cash equivalents		15	(9)	2
Cash and cash equivalents at end of period	19	275	299	166

Notes to the Consolidated Financial Statements.

December 31, 2013

1. GENERAL

Open Joint Stock Company ("OJSC") Rosneft Oil Company ("Rosneft") and its subsidiaries (collectively, the "Company") are principally engaged in exploration, development, production and sale of crude oil and gas and refining, transportation and sale of petroleum products in the Russian Federation and in certain international markets.

Rosneft State Enterprise was incorporated as an open joint stock company on December 7, 1995. All assets and liabilities previously managed by Rosneft State Enterprise were transferred to the Company at their book value effective on that date together with the Government of the Russian Federation (the "State") ownership in other privatized oil and gas companies. The transfer of assets and liabilities was made in accordance with Russian Government Resolution No. 971 dated September 29, 1995, On the Transformation of Rosneft State Enterprise into an Open Joint Stock Company "Oil Company Rosneft". Such transfers represented a reorganization of assets under the common control of the State and, accordingly, were accounted for at their book value. In 2005, the State contributed the shares of Rosneft to the share capital of OJSC ROSNEFTEGAS. As of December 31, 2005, 100% of the shares of Rosneft less one share were owned by OJSC ROSNEFTEGAS and one share was owned by the Russian Federation Federal Agency for the Management of Federal Property. Subsequently, OJSC ROSNEFTEGAS' ownership interest decreased through additional issuance of shares during Rosneft's Initial Public Offering ("IPO") in Russia, issuance of Global Depository Receipts ("GDR") for the shares on London Stock Exchange and the share swap realized during the merger of Rosneft and certain subsidiaries during 2006. In March 2013 in the course of TNK-BP acquisition (Note 7), OJSC ROSNEFTEGAS sold 5.66% of Rosneft shares to BP plc. ("BP"). As of December 31, 2013 OJSC ROSNEFTEGAS' ownership interest in Rosneft was 69.50%.

Under Russian legislation, natural resources, including oil, gas, precious metals and minerals and other commercial minerals situated in the territory of the Russian Federation are the property of the State until they are extracted. Law of the Russian Federation No. 2395-1, On Subsurface Resources, regulates relations arising in connection with the geological study, and the use and protection of subsurface resources in the territory of the Russian Federation. Pursuant to the law, subsurface resources may be developed only on the basis of a license. A license is issued by the regional governmental body and contains information on the site to be developed, the period of activity, as well as financial and other conditions. The Company holds licenses issued by competent authorities for geological studies, exploration and development of oil and gas blocks, fields, and shelf in areas where its subsidiaries are located.

The Company is subject to export quotas set by the Russian Federation State Pipeline Commission to allow equal access to the limited capacity of oil pipeline system owned and operated by OJSC AK Transneft. The Company exports certain quantities of crude oil bypassing OJSC AK Transneft system thus achieving higher export capacity. The remaining production is processed at the Company's and third parties' refineries for further sale on domestic and international markets.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, including all International Financial Reporting Standards ("IFRS") and Interpretations issued by the International Accounting Standards Board ("IASB") and effective in the reporting period, and are fully compliant therewith.

These consolidated financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities measured at fair value (Note 38).

Rosneft and its subsidiaries maintain their books and records in accordance with statutory accounting and taxation principles and practices applicable in respective jurisdictions. These consolidated financial statements were derived from the Company's statutory books and records.

The Company's consolidated financial statements are presented in billions of Russian rubles ("RUB"), unless otherwise indicated.

The consolidated financial statements were approved and authorized for issue by the President of the Company on February 4, 2014.

Subsequent events have been evaluated through February 4, 2014, the date these consolidated financial statements were issued.

3. SIGNIFICANT ACCOUNTING POLICIES

The accompanying consolidated financial statements differ from the financial statements issued for statutory purposes in that they reflect certain adjustments, not recorded in the Company's statutory books, which are appropriate to present the financial position, results of operations and cash flows in accordance with IFRS. The principal adjustments relate to: (1) recognition of certain expenses; (2) valuation and depreciation of property, plant and equipment; (3) deferred income taxes; (4) valuation allowances for unrecoverable assets; (5) accounting for the time value of money; (6) accounting for investments in oil and gas property and conveyances; (7) consolidation principles; (8) recognition and disclosure of guarantees, contingencies, commitments and certain assets and liabilities; (9) business combinations and goodwill; (10) accounting for derivative instruments; (11) purchase price allocation to the identifiable assets acquired and the liabilities assumed.

The consolidated financial statements include the accounts of majority-owned, controlled subsidiaries and special-purpose entities where the Company holds a beneficial interest. All significant intercompany transactions and balances have been eliminated. The equity method is used to account for investments in associates in which the Company has the ability to exert significant influence over the associates' operating and financial policies. The investments in entities where the Company holds the majority of shares, but does not exercise control, are also accounted for using the equity method. Investments in other companies are accounted for at fair value or cost adjusted for impairment, if any.

Business combinations, goodwill and other intangible assets

Acquisitions by the Company of controlling interests in third parties (or interest in their charter capital) are accounted for using the acquisition method.

Acquisition date is the date when effective control over the acquiree passes to the Company.

The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Company elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognized in accordance with IAS 39, Financial Instruments: Recognition and Measurement, either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the fair value of net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

Associates

Investments in associates are accounted for using the equity method unless they are classified as non-current assets held for sale. Under this method, the carrying value of investments in associates is initially recognized at the acquisition cost.

The carrying value of investments in associates is increased or decreased by the Company's reported share in profit or loss and other comprehensive income of the investee after the acquisition date. The Company's share in profit or loss and other comprehensive income of an associate is recognized in the Company's consolidated statement of comprehensive income as profit or loss and other comprehensive income, respectively. Dividends paid by the associate are accounted for as a reduction of the carrying value of investments.

The Company's net investment in associates includes the carrying value of the investment in these associates as well as other long-term investments that are, in substance, investments in associates, such as loans. If the share in losses exceeds the carrying value of the investment in associates and the value of other long-term investments related to investments in these associates, the Company ceases to recognize its share in losses when the carrying value reaches zero. Any additional losses are provided for and liabilities are recognized only to the extent that the Company has legal or constructive obligations or has made payments on behalf of the associate.

If the associate subsequently makes profits, the Company resumes recognizing its share in these profits only after its share of the profits equals the share of losses not recognized.

The carrying value of investments in associates is tested for impairment by reconciling its recoverable amount (the higher of its value in use and fair value less costs to sell) to its carrying value, whenever impairment indicators are identified.

Joint arrangements

The Company participates in joint arrangements either in the form of joint ventures or joint operations.

A joint venture implies that the parties that have joint control of the arrangement have rights to the net assets of the arrangement. A joint venture involves establishing a legal entity where the Company and other participants have respective equity interests. Equity interests in joint ventures are accounted for under the equity method.

The Company's share in net profit or loss of joint ventures is recognized in the consolidated statement of comprehensive income as profit or loss from the date that joint control commences until the date that joint control ceases.

A joint operation implies that the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. In relation to its interest in a joint operation the Company recognizes its assets, including its share of any assets held jointly, its liabilities, including its share of any liabilities incurred jointly, its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation, its expenses, including its share of any expenses incurred jointly.

Cash and cash equivalents

Cash represents cash on hand, in the Company's bank accounts, in transit and interest bearing deposits which can be effectively withdrawn at any time without prior notice or penalties reducing the principal amount of the deposit. Cash equivalents are highly liquid, short-term investments that are readily convertible to known amounts of cash and have original maturities of three months or less from their date of purchase. They are carried at cost plus accrued interest, which approximates fair value. Restricted cash is presented separately in the consolidated balance sheet if its amount is significant.

Financial assets

The Company recognizes financial assets on its balance sheet when, and only when, it becomes a party to the contractual provisions of the financial instrument. When financial assets are recognized initially, they are measured at fair value, which is usually the price of the transaction, i.e. the fair value of consideration paid or received.

When financial assets are recognized initially, they are classified as following: (1) financial assets at fair value through profit or loss, (2) loans issued and accounts receivable, (3) financial assets held to maturity, (4) financial assets available for sale, as appropriate.

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated as financial assets at fair value through profit or loss at initial recognition. Financial assets held for trading are those which are acquired principally for the purpose of sale or repurchase in the near future or are part of a portfolio of identifiable financial instruments that have been commonly managed and for which there is evidence of a recent pattern of actual short term profit taking, or which are derivative instruments (unless the derivative instrument is defined as an effective hedging instrument). Financial assets at fair value through profit or loss are classified in the consolidated balance sheet as current assets and changes in the fair value are recognized in the consolidated statement of comprehensive income as Finance income or Finance expenses.

All derivative instruments are recorded in the consolidated balance sheet at fair value in either current financial assets, non-current financial assets, current liabilities related to derivative instruments, non-current liabilities related to derivative instruments. Recognition and classification of a gain or loss that results from recognition of an adjustment of a derivative instrument at fair value depends on the purpose for issuing or holding the derivative instrument. Gains and losses from derivatives that are not accounted for as hedges under International Accounting Standard ("IAS") 39, Financial Instruments: Recognition and Measurement, are recognized immediately in the consolidated statement of comprehensive income.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Subsequent to initial recognition, the fair value of financial assets at fair value that are quoted in an active market is defined as bid prices for assets and ask prices for issued liabilities as of the measurement date.

If no active market exists for financial assets, the Company measures the fair value using the following methods:

- analysis of recent transactions with peer instruments between independent parties;
- current fair value of similar financial instruments;
- discounting future cash flows.

The discount rate reflects a minimum return on investment an investor is willing to accept before starting an alternative project, given its risk and the opportunity cost of forgoing other projects.

Loans issued and accounts receivable include non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market, not classified as financial assets held for trading and have not been designated as at fair value through profit or loss or available for sale. If the Company cannot recover all of its initial investment in the financial asset due to reasons other than deterioration of its quality, the financial asset is not included in this category. After initial recognition, loans issued and accounts receivable are measured at amortized cost using the effective interest rate method ("EIR"), less impairment losses. The EIR amortization is included in Finance income in the consolidated statement of comprehensive income. The losses arising from impairment are recognized in the consolidated statement of comprehensive income in Finance expenses.

The Company does not classify financial assets as held to maturity if, during either the current financial year or the two preceding financial years, the Company has sold, transferred or exercised a put option on more than an insignificant (in relation to the total) amount of such investments before maturity unless: (1) such financial asset was close enough to maturity or call date so that changes in the market rate of interest did not have a significant effect on the financial asset's fair value; (2) after substantially all of the financial asset's original principal had been collected through scheduled payments or prepayments; or (3) due to an isolated non-recurring event that is beyond the Company's control and could not have been reasonably anticipated by the Company.

Dividends and interest income are recognized in the consolidated statement of comprehensive income on an accrual basis. The amount of accrued interest income is calculated using effective interest rate.

All other financial assets not included in the other categories are designated as financial assets available for sale. Specifically, shares of other companies not included in the first category are designated as available for sale. In addition, the Company may include any financial asset in this category at the initial recognition.

Financial liabilities

The Company recognizes financial liabilities on its balance sheet when, and only when, it becomes a party to the contractual provisions of the financial instrument. When financial liabilities are recognized initially, they are measured at fair value, which is usually the price of the transaction, i.e. the fair value of consideration paid or received.

When financial liabilities are recognized initially, they are classified as following:

- financial liabilities at fair value through profit or loss;
- other financial liabilities.

Financial liabilities at fair value through profit or loss are financial liabilities held for trading unless such liabilities are linked to delivery of unquoted equity instruments.

At the initial recognition, the Company may include in this category any financial liability, except equity instruments that are not quoted in an active market and whose fair value cannot be reliably measured. However, subsequent to initial recognition, the liability cannot be reclassified.

Financial liabilities not classified as financial liabilities at fair value through profit or loss are designated as other financial liabilities. Other financial liabilities include, inter alia, trade and other accounts payable, loans and borrowings payable.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value recognized in profit or loss in the consolidated statement of comprehensive income. Other financial liabilities are carried at amortized cost.

The Company writes off a financial liability (or a part of a financial liability) from its balance sheet when, and only when, it is extinguished – i.e. when the obligation specified in the contract is discharged or cancelled or expires. The difference between the carrying value of a financial liability (or a part of a financial liability) extinguished or transferred to another party and the redemption value, including any transferred non-monetary assets and assumed liabilities, is recognized in profit or loss. Any previously recognized components of other comprehensive income pertaining to this financial liability are also included in the financial result and are recognized as gains and losses for the period.

Earnings per share

Basic earnings per share is calculated by dividing net earnings attributable to common shares by the weighted average number of common shares outstanding during the corresponding period. In the absence of any securities-to-shares conversion transactions, the amount of basic earnings per share stated in these consolidated financial statements is equal to the amount of diluted earnings per share.

Inventories

Inventories consisting primarily of crude oil, petroleum products, petrochemicals and materials and supplies are accounted for at the weighted average cost unless net realisable value is less than cost. Materials that are used in the production are not written down below cost if the finished products in which they will be incorporated are expected to be sold above cost.

Repurchase and resale agreements

Securities sold under agreements to repurchase ("REPO") and securities purchased under agreements to resell ("reverse REPO") generally do not constitute a sale for accounting purposes of the underlying securities, and so are treated as collateralized financing transactions. Interest paid or received on all REPO and reverse REPO transactions is recorded in Finance expense or Finance income, respectively, at the contractually specified rate using the effective interest method.

Exploration and Production assets

Exploration and Production assets include exploration and evaluation assets, mineral rights and oil and gas properties (development assets and production assets).

Exploration and evaluation costs

The Company recognizes exploration and evaluation costs using the successful efforts method as permitted by IFRS 6, Exploration for and Evaluation of Mineral Resources. Under this method, all costs related to exploration and evaluation (license acquisition costs, exploration and appraisal drilling) are temporarily capitalized in cost centers by field (well) until the drilling program results in discovering economically feasible oil and gas reserves.

The length of time necessary for this determination depends on the specific technical or economic difficulties in assessing the recoverability of the reserves. If a determination is made that the well did not encounter oil and gas in economically viable quantities, the well costs are expensed to Exploration expenses in the consolidated statement of comprehensive income.

Exploration and evaluation costs, except for costs associated with seismic, topographical, geological, geophysical surveys, are initially capitalized as exploration and evaluation assets. Exploration and evaluation assets are recognized at cost less impairment, if any, as property, plant and equipment until the existence (or absence) of commercial reserves has been established. Initial cost of exploration and evaluation assets acquired through a business combination is formed as a result of purchase price allocation. The cost allocation to mineral rights to proved properties and mineral rights to unproved properties is performed based on the respective oil and gas reserve information. Exploration and evaluation assets are subject to technical, commercial and management review as well as review for indicators of impairment at least once a year. This is to confirm the continued intent to develop or otherwise extract value from the discovery. When indicators of impairment are present, impairment test is performed.

If subsequently commercial reserves are discovered, the carrying value, less losses from impairment of respective exploration and evaluation assets, is classified as oil and gas properties (development assets). However, if no commercial reserves are discovered, such costs are expensed after exploration and evaluation activities have been completed.

Development and production

Oil and gas properties (development assets) are accounted for on a field-by-field basis and represent (1) capitalized costs to develop discovered commercial reserves and to put fields into production, and (2) exploration and evaluation costs incurred to discover commercial reserves reclassified from exploration and evaluation assets to oil and gas properties (development assets) following discovery of commercial reserves.

Oil and gas properties (development assets) costs include the expenditures to acquire such assets, directly identifiable overhead expenses, capitalized financing costs and related asset retirement (decommissioning) obligation costs. Oil and gas properties (development assets) are generally recognized as construction in progress.

Following commencement of commercial production, oil and gas properties (development assets) are reclassified as oil and gas properties (production assets).

Other property, plant and equipment

Property, plant and equipment are stated at historical cost as of the acquisition date, except for property, plant and equipment acquired prior to January 1, 2009, which is stated at deemed cost, net of accumulated depreciation and impairment. The cost of maintenance, repairs, and replacement of minor items of property is charged to operating expenses. Renewals and betterments of assets are capitalized.

Upon sale or retirement of property, plant and equipment, the cost and related accumulated depreciation are eliminated from the accounts. Any resulting gains or losses are included in profit or loss.

Depreciation, depletion and amortization

Oil and gas properties are depleted using unit-of-production method on field-by-field basis starting from the commencement of commercial production.

In applying the unit-of-production method to mineral licenses, the depletion rate is based on total proved reserves. In applying the unit-of-production method to other oil and gas properties, the depletion rate is based on proved developed reserves.

Other property, plant and equipment are depreciated using the straight line method over their estimated useful lives from the time they are ready for use, except for catalysts which are amortized using the unit-of-production method. Components of other property, plant and equipment and respective estimated useful life are as follows:

Buildings and structures	30-45 years
Plant and machinery	5-25 years
Vehicles and other property, plant and equipment	6-10 years
Service vessels	20 years
Offshore drilling assets	20 years

Land generally has an indefinite useful life and, thus, is not depreciated.

Land leasehold rights are amortized on a straight line basis over their expected useful life, which averages 20 years.

Construction grants

The Company recognizes construction grants from local governments when there is reasonable assurance that the Company will comply with the conditions attached and that the grant will be received. The construction grants are accounted for as a reduction of the cost of the asset for which the grant is received.

Impairment of non-current assets

The Company assesses at each balance sheet date whether there is any indication that an asset or cash-generating unit may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset or cash-generating unit.

In assessing whether there is any indication that an asset may be impaired, the Company considers internal and external sources of information. It considers at least the following:

External sources of information:

- during the period, an asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use;
- significant changes with an adverse effect on the Company have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the Company or in the market to which an asset is dedicated;
- market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially;
- the carrying amount of the net assets of the Company is more than its market capitalization.

Internal sources of information:

- evidence is available of obsolescence or physical damage of an asset;
- significant changes with an adverse effect on the Company have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used (e.g., the asset becoming idle and reassessing the useful life of an asset as finite rather than indefinite);
- information on dividends from a subsidiary, joint venture or associate;
- evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected. Such evidence includes the existence of:
- cash flows for acquiring the asset, or subsequent cash needs for operating or maintaining it, that are significantly higher than those originally budgeted;
- actual net cash flows or operating profit or loss flowing from the asset that are significantly worse than those budgeted;
- a significant decline in budgeted net cash flows or operating profit, or a significant increase in budgeted loss, flowing from the asset;
- operating losses or net cash outflows for the asset, when current period amounts are aggregated with budgeted amounts for the future.

The following factors indicate that exploration and evaluation assets may be impaired:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area;
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

The recoverable amount of an asset or a cash-generating unit is the higher of:

- value in use of an asset (cash-generating unit) and
- fair value of an asset (cash-generating unit) less costs to sell.

If the asset does not generate cash inflows that are largely independent of those from other assets, its recoverable amount is determined for the asset's cash-generating unit.

The Company initially measures the value in use of a cash-generating unit. When the carrying amount of a cash-generating unit is greater than its value in use, the Company measures the unit's fair value for the purpose of measuring the recoverable amount. When the fair value is less than the carrying value impairment loss is recognized.

Value in use is determined by discounting the estimated value of the future cash inflows expected to be derived from the asset or cash-generating unit, including cash inflows from its sale. The value of the future cash inflows from a cash-generating unit is determined based on the forecast approved by management of the business unit to which the unit in question pertains.

Impairment of financial assets

At each balance sheet date the Company analyzes whether there is objective evidence of impairment for all categories of financial assets, except those recorded at fair value through profit or loss. A financial asset or a group of financial assets is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include (but not limited to) indications that the debtors or a group of debtors is experiencing financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Capitalized interest

Interest expense related to the use of borrowed funds used for capital construction projects and acquisition of property, plant and equipment is capitalized provided that such interest expense could have been avoided if the Company had not made capital investments. Interest is capitalized only during the period when construction activities are actually in progress and until the resulting properties are put into operation.

Leasing agreements

Leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the asset, are classified as financial lease and are capitalized at the commencement of the lease at the fair value of the leased property or, if it is lower than the cost, at the present value of the minimum lease payments. Lease payments are apportioned between the finance expenses and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liabilities. Finance expenses are charged directly to the consolidated statement of comprehensive income.

Leased property, plant and equipment are accounted for using the same policies as applied to the Company's own assets. In determining the useful life of a leased item of property, plant and equipment, consideration is given to the probability of transfer of title to the lessee at the end of the lease term.

If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life. Where such certainty exists, the asset is depreciated over its useful life.

Leases where the lessor retains substantially all the risks and benefits of ownership of the assets are classified as operating leases. Operating lease payments are recognized as an expense in the consolidated statement of comprehensive income on a straight-line basis over the lease term.

Asset retirement (decommissioning) obligations

The Company has asset retirement (decommissioning) obligations associated with its core business activities. The nature of the assets and potential obligations are as follows:

The Company's exploration, development and production activities involve the use of wells, related equipment and operating sites, oil gathering and treatment facilities, tank farms and in-field pipelines. Generally, licenses and other regulatory acts require that such assets be decommissioned upon the completion of production. According to these requirements, the Company is obliged to decommission wells, dismantle equipment, restore the sites and perform other related activities. The Company's estimates of these obligations are based on current regulatory or license requirements, as well as actual dismantling and other related costs. These liabilities are measured by the Company using the present value of the estimated future costs of decommissioning of these assets. The discount rate is reviewed at each reporting date and reflects current market assessments of the time value of money and the risks specific to the liability.

In accordance with IFRS Interpretations Committee ("IFRIC") 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities, the provision is reviewed at each balance sheet date as follows:

- upon changes in the estimates of future cash flows (e.g., the costs of and timeframe for abandoning one well) or a discounting rate, changes in the amount of the liability are included in the cost of the item of plant, property and equipment, whereby such cost may not be negative and may not exceed the recoverable value of the item of plant, property and equipment;
- any changes in the liability due to its nearing maturity (change in the discount) are recognized in Finance expenses.

The Company's refining and distribution activities involve refining operations, marine and other distribution terminals, and retail sales. The Company's refining operations consist of major petrochemical operations and industrial complexes. Legal or contractual asset retirement (decommissioning) obligations related to petrochemical, oil refining and distribution activities are not recognized due to the limited history of such activities in these segments, the lack of clear legal requirements as to the recognition of obligations, as well as the fact that decommissioning period for such assets are not determinable.

Because of the reasons described above the fair value of an asset retirement (decommissioning) obligation of the refining and distribution segment cannot be reasonably estimated. Due to continuous changes in the Russian regulatory and legal environment, there could be future changes to the requirements and contingencies associated with the retirement of long-lived assets.

Income tax

From 2012 Russian tax legislation permits to calculate income taxes on a consolidated basis. Therefore the main subsidiaries of the Company which do not have non-controlling interest were combined into the Consolidated group of taxpayers (Note 41). For subsidiaries which are not included to the Consolidated group of taxpayers income taxes were calculated on an individual subsidiary basis. Deferred income tax assets and liabilities are recognized in the accompanying consolidated financial statements in the amount determined by the Company in accordance with IAS 12, Income Taxes.

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

A deferred tax liability is recognized for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which:
 - is not a business combination; and
 - affects neither accounting profit, nor taxable profit;
- the investments in subsidiaries when the Company is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

A prior period tax loss used to reduce the current amount of income tax is recognized as a deferred tax asset.

A deferred tax asset is recognized only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

The Company recognizes deferred tax assets for all deductible temporary differences arising from investments in subsidiaries and associates, and interests in joint ventures, to the extent that the following two conditions are met:

- the temporary difference will reverse in the foreseeable future; and
- taxable profit will be available against which the temporary difference can be utilized.

Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date.

The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized.

Deferred tax assets and liabilities are classified as Non-current Deferred tax assets and Non-current Deferred tax liabilities, respectively.

Deferred tax assets and liabilities are not discounted.

Recognition of revenues

Revenues are recognized when risks and rewards pass to the customer which usually occurs when the title passes to the customer, providing that the contract price is fixed or determinable and collectability of the receivable is reasonably assured. Specifically, domestic sales of crude oil and gas, as well as petroleum products and materials are usually recognized when title passes. For export sales, title generally passes at the border of the Russian Federation and the Company covers transportation expenses (except freight), duties and taxes on those sales (Note 10). Revenue is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts, volume rebates and reimbursable taxes.

Sales of support services are recognized as services are performed provided that the service price can be determined and no significant uncertainties regarding the receipt of revenues exist.

Transportation expenses

Transportation expenses recognized in the consolidated statement of comprehensive income represent all expenses incurred by the Company to transport crude oil for refining and to end customers, and to deliver petroleum products from refineries to end customers (these may include pipeline tariffs and any additional railroad transportation costs, handling costs, port fees, sea freight and other costs).

Refinery maintenance costs

The Company recognizes the costs of overhauls and preventive maintenance performed with respect to oil refining assets as expenses when incurred.

Environmental liabilities

Expenditures that relate to an existing condition caused by past operations, and do not have a future economic benefit, are expensed. Liabilities for these expenditures are recorded when environmental assessments or clean-ups are probable and the costs can be reasonably estimated.

Accounting for contingencies

Certain conditions may exist as of the date of these consolidated financial statements which may further result in a loss to the Company, but which will only be resolved when one or more future events occur or fail to occur. The Company's management makes an assessment of such contingent liabilities which is based on assumptions and is a matter of opinion. In assessing loss contingencies relating to legal or tax proceedings that involve the Company or unasserted claims that may result in such proceedings, the Company, after consultation with legal or tax advisors, evaluates the perceived merits of any legal or tax proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a loss will be incurred and the amount of the liability can be estimated, then the estimated liability is accrued in the Company's consolidated financial statements. If the assessment indicates that a potentially material loss contingency is not probable, but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the nature of the guarantee would be disclosed. However, in some instances in which disclosure is not otherwise required, the Company may disclose contingent liabilities or other uncertainties of an unusual nature which, in the judgment of management after consultation with its legal or tax counsel, may be of interest to shareholders or others.

Taxes collected from customers and remitted to governmental authorities

Refundable excise is deducted from revenues. Non-refundable excise and customs duties are not deducted from revenues and are recognized as expenses in Taxes other than income tax in the consolidated statement of comprehensive income.

Value-added tax ("VAT") receivable and payable is recognized, respectively, as Prepayments and other current assets and Other tax liabilities in the consolidated balance sheet.

Functional and presentation currency

The financial statements are presented in Russian Rubles, which is the functional currency of Rosneft Oil Company and all of its subsidiaries operating in the Russian Federation. A functional currency of the foreign subsidiaries is generally the US dollar.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The Company's subsidiaries

The results and financial position of all of the Company's subsidiaries, joint ventures and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at that reporting date;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognized as a separate component of other comprehensive income.

Prepayment on oil supply contracts

In the course of business the Company enters into long-term oil supply contracts. The contract terms may require the buyer to make a prepayment.

The Company considers long-term oil supply contracts to be a regular way sales entered into and continued to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Company's expected purchase, sale or usage requirements. A regular way sale contracts are exempted from the scope of IAS 32, Financial Instruments: Presentation, and IAS 39, Financial Instruments: Recognition and Measurement.

Conditions to meet the definition of a regular way sale are not met if either of the following applies:

- ability to settle net in cash or another financial instrument, or by exchanging financial instruments, is not explicit in the terms of the contract, but the Company has a practice of settling similar contracts net in cash or another financial instrument or by exchanging financial instruments (whether with the counterparty, by entering into offsetting contracts or by selling the contract before its exercise or lapse);
- for similar contracts, the Company has a practice of taking delivery of the underlying and selling it within a short period after delivery for the purpose of generating a profit from short-term fluctuations in price or dealer's margin.

Prepayments for the delivery of goods or respective deferred revenue are accounted for as non-financial liabilities because the outflow of economic benefits associated with them is the delivery of goods and services rather than a contractual obligation to pay cash or another financial asset.

Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of new standards and interpretations effective as of January 1, 2013 and a voluntary change in accounting policy described below.

Effective January 1, 2013, the Company voluntarily changed its accounting policy which has an effect on the prior reporting periods. In applying the unit-of-production method to oil and gas properties (excluding mineral licenses), the depletion rate is based on proved developed reserves. Capitalized costs applicable to this category of reserves are included in the depreciable amount to achieve a proper matching of costs and production. In certain cases it is difficult to reliably assign the construction in progress costs to proved developed reserves. For example, if an oil field is not fully developed, there may be construction in progress costs that do not relate, in total or in part, to proved developed reserves. To improve matching of costs and production the Company has decided to exclude the construction in progress costs from the depreciable amounts in applying the unit-of-production method to oil and gas properties. This change was accounted for as a change in accounting policy and applied retrospectively. As a result of this change, Depreciation, depletion and amortization for the years ended December 31, 2012 and 2011 decreased RUB 32 billion and RUB 20 billion, respectively. As of December 31, 2012 total cumulative effect from the change in accounting policy was an increase of RUB 59 billion and was recorded in Retained earnings. The effect on Net income attributable to Rosneft per common share (in RUB) – basic and diluted for the year ended December 31, 2012 was an increase of RUB 3.

The Company applies, for the first time, certain standards and amendments effective as of January 1, 2013.

The nature and the impact of each new standard/amendment are described below.

The Company adopted a package of standards on consolidation: IFRS 10, Consolidated Financial Statements, IFRS 11, Joint Arrangements, IFRS 12, Disclosure of Interests in Other Entities. The package of new standards introduces the new model of control and treatment of joint arrangements and also new disclosure requirements. As a result of the application of the package the Company has changed its method of accounting for certain joint arrangements from the equity method of accounting to accounting for the assets, liabilities, revenues and expenses relating to the Company's interest in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses. This change required restatement of financial results for the previous periods.

In addition, the application of IFRS 12, Disclosure of Interest in Other Entities, results in additional disclosures in the annual consolidated financial statements.

IFRS 13, Fair Value Measurement, establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not materially impacted the fair value measurements of the Company. IFRS 13 also requires specific disclosures of fair values. Some of these disclosures are specifically required for the interim condensed consolidated financial statements. The Company made these disclosures in Note 38.

IAS 1, Presentation of Financial Statements. The amendments to IAS 1 introduce a grouping of items presented in other comprehensive income. Items that could be reclassified to profit or loss at a future point in time now have to be presented separately from items that will never be reclassified. The amendment affected presentation only and had no impact on the Company's financial position or results of operations.

Several other new standards and amendments including amended IFRS 7, Financial Instruments: Disclosure, and IAS 32, Financial Instrument: Presentation, IAS 19, Employee Benefits (Revised 2011), amendments resulting from Annual Improvements 2009-2011 cycle to IAS 1, Presentation of Financial Statements, IAS 16, Property, Plant and Equipment, IAS 32, Financial Instruments: Presentation, IAS 34, Interim Financial Reporting, were applied for the first time in 2013. Application of these standards and amendments had no significant impact on the Company's financial position or results of operations.

The impact of the change from the equity method of accounting to accounting for assets, liabilities, income and expenses in accordance with IFRS 11, Joint Arrangements, in respect of the Company's interests in Ruhr Oel GmbH, a joint operation with BP group, engaged in processing and sale of crude oil in Western Europe, and OJSC Tomskneft VNK ("Tomskneft"), a joint operation with OJSC Gazprom Neft, engaged in crude oil exploration and production in Western Siberia, on the consolidated balance sheet as of December 31 and January 1, 2012 and the consolidated statement of comprehensive income for the year ended December 31, 2012 is presented below.

The Company's interests in Ruhr Oel GmbH and Tomskneft are presented using the equity method of accounting in Equity share in profits of joint ventures and associates in the consolidated statement of comprehensive income for the year ended December 31, 2011.

Impact on the consolidated balance sheet:

	As of December 31, 2012			As of January 1, 2012		
	Ruhr Oel GmbH	Tomskneft	Total	Ruhr Oel GmbH	Tomskneft	Total
INCREASE IN CURRENT ASSETS:						
Cash and cash equivalents	–	3	3	–	–	–
Other financial assets	2	2	4	2	3	5
Accounts receivable	10	–	10	8	–	8
Inventories	1	1	2	1	1	2
Prepayments and other current assets	1	–	1	1	1	2
Increase in total current assets	14	6	20	12	5	17
INCREASE/(DECREASE) IN NON-CURRENT ASSETS:						
Property, plant and equipment	57	42	99	60	40	100
Investment in Ruhr Oel GmbH	(47)	–	(47)	(46)	–	(46)
Investment in Tomskneft	–	(38)	(38)	–	(34)	(34)
Investments in joint ventures and associates	2	–	2	2	–	2
Deferred tax assets	–	2	2	–	2	2
Goodwill	–	10	10	–	10	10
Increase in total non-current assets	12	16	28	16	18	34
Increase in total assets	26	22	48	28	23	51
INCREASE IN CURRENT LIABILITIES:						

	As of December 31, 2012			As of January 1, 2012		
	Ruhr Oel GmbH	Tomskneft	Total	Ruhr Oel GmbH	Tomskneft	Total
Accounts payable and accrued liabilities	4	1	5	7	2	9
Loans and borrowings	5	12	17	2	11	13
Other tax liabilities	2	4	6	3	4	7
Increase in total current liabilities	11	17	28	12	17	29
INCREASE IN NON-CURRENT LIABILITIES:						
Deferred tax liabilities	4	5	9	4	5	9
Provisions	–	4	4	–	3	3
Other non-current liabilities	13	–	13	12	–	12
Increase in total non-current liabilities	17	9	26	16	8	24
DECREASE IN EQUITY:						
Other funds and reserves	(2)	–	(2)	–	–	–
Retained earnings	–	(4)	(4)	–	(2)	(2)
Decrease in total equity	(2)	(4)	(6)	–	(2)	(2)
Increase in total liabilities and equity	26	22	48	28	23	51

Impact on the consolidated statement of comprehensive income:

	For the year ended December 31, 2012		
	Ruhr Oel GmbH	Tomskneft	Total
REVENUES AND EQUITY SHARE IN PROFITS OF JOINT VENTURES AND ASSOCIATES			
Petroleum products and petrochemicals sales	–	1	1
Equity share in profits of joint ventures and associates	–	(8)	(8)
Total revenues and equity share in profits of joint ventures and associates	–	(7)	(7)
COSTS AND EXPENSES			
Production and operating expenses	15	12	27
Cost of purchased oil, gas and petroleum products and refining costs	(19)	(51)	(70)
Depreciation, depletion and amortization	4	7	11
Taxes other than income tax	–	27	27
Total costs and expenses	–	(5)	(5)
Operating loss	–	(2)	(2)
Other income	–	2	2
Income before income tax	–	–	–
Income tax expense	–	(2)	(2)
Net loss	–	(2)	(2)
OTHER COMPREHENSIVE LOSS – TO BE RECLASSIFIED TO LOSS IN SUBSEQUENT PERIODS			
Foreign exchange differences on translation of foreign operations	(2)	–	(2)
Total other comprehensive loss – to be reclassified to loss in subsequent periods, net of tax	(2)	–	(2)
Total comprehensive loss, net of tax	(2)	(2)	(4)
Net loss	–	(2)	(2)
attributable to Rosneft shareholders	–	(2)	(2)
attributable to non-controlling interests	–	–	–
Total comprehensive loss, net of tax	(2)	(2)	(4)
attributable to Rosneft shareholders	(2)	(2)	(4)
attributable to non-controlling interests	–	–	–

Impact on the consolidated statement of cash flows:

	2012
Net cash provided by operating activities	5
Net cash used in investing activities	(7)
Net cash provided by financing activities	5
Cash and cash equivalents at end of period	3

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of consolidated financial statements requires management to make a number of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. Actual results, however, could differ from those estimates.

The most significant accounting estimates and assumptions used by the Company's management in preparing the consolidated financial statements include:

- estimation of oil and gas reserves;
- estimation of rights to, recoverability and useful lives of non-current assets;
- impairment of goodwill (Note 25 "Intangible assets and goodwill");
- allowances for doubtful accounts receivable and obsolete and slow-moving inventories (Note 21 "Accounts receivable" and Note 22 "Inventories");
- assessment of asset retirement (decommissioning) obligations (Note 3 "Significant accounting policies", Topic "Asset retirement (decommissioning) obligations" and Note 33 "Provisions");
- assessment of legal and tax contingencies, recognition and disclosure of contingent liabilities (Note 41 "Contingencies");
- assessment of deferred income tax assets and liabilities (Note 3 "Significant accounting policies", Topic "Income tax" and Note 16 "Income tax");
- assessment of environmental remediation obligations (Note 33 "Provisions" and Note 41 "Contingencies");
- fair value measurements (Note 38 "Fair value of financial instruments");
- assessment of ability to renew operating leases and to enter into new lease agreements;
- purchase price allocation to the identifiable assets acquired and the liabilities assumed (Note 7 «Acquisition of subsidiaries»).

Significant estimates and assumptions affecting the reported amounts are those used in determining the economic recoverability of reserves.

The estimated amounts of oil and gas reserves are used in calculating the depletion charges under the unit-of-production method and are made in accordance with the requirements adopted by U.S. Securities and Exchange Commission (SEC). Estimates are reassessed on an annual basis.

Such estimates and assumptions may change over time when new information becomes available, e.g.:

- obtaining more detailed information on reserves (either as a result of more detailed engineering calculations or additional exploration drilling activities);
- conducting supplemental activities to enhance oil recovery;
- changes in economic estimates and assumptions (e.g. a change in pricing factors).

5. NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

In December 2011, the IASB amended IAS 32, Financial Instrument: Presentation. Amendments clarify assets and liabilities offsetting rules and introduce new related disclosure requirements. The amendments to IAS 32 are effective for annual periods beginning on or after January 1, 2014. The Company will adopt revised IAS 32 from January 1, 2014. The Company does not expect the amendments to have a material impact on the Company's financial position and results of operations.

In May 2013, the IASB issued Recoverable Amount Disclosures for Non-Financial Assets (amendments to IAS 36, Impairment of Assets). The amendments required additional disclosures about the measurement of impaired assets (or a group of assets) with a recoverable amount based on fair value less costs of disposal. The amendments to IAS 36 are effective for annual periods beginning on or after January 1, 2014. The Company will adopt the amendments from January 1, 2014. The Company does not expect the amendments to have a material impact on the Company's financial position and results of operations.

In May 2013, the IASB issued Interpretation 21 Levies (IFRIC 21). The interpretation clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. The interpretation is applicable for annual periods beginning on or after January 1, 2014. The Company will adopt the interpretation from January 1, 2014. The Company does not expect the IFRIC 21 to have a material impact on the Company's financial position and results of operations.

In June 2013, the IASB issued Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39, Financial Instruments: Recognition and Measurement). Under the amendments there would be no need to discontinue hedge accounting if a hedging derivative was novated, provided certain criteria are met. The amendments are effective for annual periods beginning on or after January 1, 2014. The Company will adopt the amendments from January 1, 2014. The Company does not expect the amendments to have a material impact on the Company's financial position and results of operations.

In November 2013, the IASB issued a new version of IFRS 9 Financial Instruments (Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39), which includes the new hedge accounting requirements and some related amendments to IAS 39, Financial Instruments: Recognition and Measurement, and IFRS 7, Financial Instruments: Disclosures. The amendments to IFRS 9 do not have a mandatory effective date, but are available for application now; a new mandatory effective date will be set when the IASB completes project on the accounting for financial instruments. The Company will not adopt the amendments from January 1, 2014.

6. CAPITAL AND FINANCIAL RISK MANAGEMENT

Capital management

The Company's capital management objectives are to secure the ability to continue as a going concern and to optimize the cost of capital in order to enhance value to shareholders.

The Company's management performs regular assessment of the net debt to capital employed ratio to ensure it meets the Company's current rating requirements.

The Company's capital consists of debt obligations, which include long and short-term loans and borrowings, certain other current liabilities, equity attributable to equity holders of Rosneft that includes share capital, reserves and retained earnings, as well as non-controlling interest. Net debt is a non-IFRS measure and is calculated as a sum of loans and borrowings as reported in the consolidated balance sheet, plus certain other current liabilities, less cash and cash equivalents and certain temporary investments in short-term financial assets. Net debt to capital employed ratio enables the users to see how significant net debt is relative to capital employed.

The Company's net debt to capital employed ratio was as follows:

	As of December 31,	
	2013	2012 (restated)
Total debt	2 367	980
Cash and cash equivalents	(275)	(299)
Other short-term financial assets	(232)	(90)
Net debt	1 860	591
Total equity	3 165	2 322
Total capital employed	5 025	2 913
Net debt to capital employed ratio, %	37,0%	20,3%

Financial risk management

In the normal course of business the Company is exposed to the following financial risks: market risk (including foreign currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk. The Company has introduced a risk management system and developed a number of procedures to measure, assess and monitor risks and select the relevant risk management techniques.

The Company has developed, documented and approved the relevant policies pertaining to market, credit and liquidity risks and the use of derivative financial instruments.

Foreign currency risk

The Group undertakes transactions denominated in foreign currencies and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US\$ and Euro. Foreign exchange risk arises from assets, liabilities, commercial transactions and financing denominated in foreign currencies.

The carrying values of monetary assets and liabilities denominated in foreign currencies are presented in the table below:

	Assets as of December 31		Liabilities as of December 31	
	2013	2012 (restated)	2013	2012 (restated)
US\$	518	451	(1 966)	(711)
Euro	67	66	(133)	(106)
Total	585	517	(2 099)	(817)

The level of currency risk is assessed on a monthly basis using a sensitivity analysis and is maintained within the limits adopted in line with the Company's policy. The table below summarizes the impact on the Company's income before income tax as a result of appreciation/(depreciation) of RUB against the US\$ and euro.

	US\$ - effect			Euro - effect		
	2013	2012	2011	2013	2012	2011
Currency rate change in %	9,77%	10,72%	12,50%	7,86%	9,49%	11,77%
Gain/(loss)	142/(142)	28/(28)	48/(48)	5/(5)	4/(4)	(1)/1

The financial exposure to foreign currency risk of forecasted operating expense is managed as an integral part of the Company's risk management program, which seeks to reduce the potentially adverse effect that the volatility of the exchange rate markets may have on operating results. The Company enters into contracts to economically hedge certain of its risks associated with RUB appreciation (Notes 20, 26, 31). These instruments are not accounted for as accounting hedges pursuant to IAS 39, Financial Instruments: Recognition and Measurement.

Interest rate risk

Loans and borrowings raised at variable interest rates expose the Company to interest rate risk arising on the possible movement of variable element of the overall interest rate. Such risks are hedged by the Company but the operations are not accounted for as accounting hedges pursuant to IAS 39, Financial Instruments: Recognition and Measurement.

As of December 31, 2013, the Company's variable rate liability, based on LIBOR and EURIBOR alone, totaled RUB 1,763 billion (net of interest payable). In 2013 and 2012, variable rate funds raised by the Company were primarily denominated in US\$ and Euros.

The Company analyses its interest rate exposure, including performing scenario analysis to measure an impact on annual income before income tax of an interest rate shift. The table below summarizes the impact of a potential increase or decrease in LIBOR on the Company's profit before tax, as applied to the variable element of interest rates on loans and borrowings. The increase/decrease is based on management estimates of potential interest rate movements.

	Increase/decrease in interest rate (basis points)	Effect on income before income tax (billion RUB)
2013	+ 6	(1)
	- 6	1
2012	+ 5	-
	- 5	-
2011	+ 15	(1)
	- 15	1

Potential change in EURIBOR is insignificant.

The sensitivity analysis is limited only to variable rate loans and borrowings and is conducted with all other variables held constant. The analysis is prepared assuming the amount of variable rate liability outstanding at the balance sheet date was outstanding for the whole year. Interest rate on variable rate loans and borrowings will effectively change throughout the year in response to fluctuations in market interest rates.

The impact measured through the sensitivity analysis does not take into account other potential changes in economic conditions, which may accompany the relevant changes in market interest rates.

The Company enters into contracts to economically hedge risks associated with an increasing interest expense on loans and borrowings (Notes 20, 26, 31).

Credit risk

The Company controls own exposure to credit risk. All external customers and their financial guarantors, other than related parties, undergo a creditworthiness check (including sellers, which act on prepayment basis). The Company performs an ongoing assessment and monitoring of financial position and the risk of default. In the event of default by the parties on their respective obligations under the financial guarantee contracts, the Company's exposure to credit risk will be limited to the corresponding contract amounts. As of December 31, 2013, management assessed such risk as remote.

In addition, as part of its cash management and credit risk function, the Company regularly evaluates the creditworthiness of financial and banking institutions where it deposits cash and performs trade finance operations. Banking relationships are primarily with Russian subsidiaries of large international banking institutions and certain large Russian banks. The Company's exposure to credit risk is limited to the carrying amount of financial assets recognized in the consolidated balance sheet.

Liquidity risk

The Company has mature liquidity risk management processes covering short-term, mid-term and long-term funding. Liquidity risk is controlled through maintaining sufficient reserves and the adequate amount of committed credit facilities and loan funds. Management conducts regular monitoring of projected and actual cash flow information, analyses the repayment schedules of the existing financial assets and liabilities and performs annual detailed budgeting procedures.

Contractual maturities of the Company's financial liabilities are presented below:

Year ended December 31, 2012 (restated)	On demand	12 months	1 to 5 years	> 5 years	Total
Loans and borrowings	-	112	533	505	1150
Finance lease liabilities	-	4	6	4	14
Accounts payable to suppliers and contractors	-	117	-	-	117
Salary and other benefits payable	-	22	-	-	22
Banking customer accounts	41	-	-	-	41
Other accounts payable	-	13	-	-	13

Year ended December 31, 2013	On demand	12 months	1 to 5 years	> 5 years	Total
Loans and borrowings	-	721	1359	556	2636
Finance lease liabilities	-	5	6	3	14
Accounts payable to suppliers and contractors	-	187	-	-	187
Salary and other benefits payable	-	45	-	-	45
Voluntary offer to acquire OJSC RN Holding securities (Note 37)	153	-	-	-	153
Banking customer accounts	36	-	-	-	36
Other accounts payable	-	22	-	-	22
Derivative financial liabilities	-	6	-	-	6
Part of other current liabilities	-	7	-	-	7

Loans and borrowings above exclude certain Yukos related borrowings and promissory notes payable that were carried in the books of the former Yukos subsidiaries the Company acquired through the auctions for the sale of the assets of Yukos. The borrowings and promissory notes payable are being disputed by the Company (Notes 30, 41).

7. ACQUISITION OF SUBSIDIARIESПРИБРЕТЕНИЕ ТНК-БП

Acquisition of TNK-BP

On March 21, 2013, the Company completed the acquisition of an aggregate 100% equity interest in TNK BP Limited, the ultimate holding company of TNK-BP, and of its subsidiary TNK Industrial Holdings Limited (collectively, with their subsidiaries referred to "TNK-BP").

TNK-BP is a vertically integrated group of companies operating a diversified upstream and downstream portfolio, with assets in Russia, Ukraine, Belarus, Venezuela, Vietnam and Brazil. TNK-BP was Russia's third largest oil producer. TNK-BP operates in Russia's major hydrocarbon regions, including West Siberia, Volga-Urals and East Siberia.

The fair value of consideration paid was RUB 1,767 billion at the acquisition date. The acquisition was effected through two independent transactions with BP and AAR consortium..

The consideration transferred is presented below:

BP'S 50% EQUITY INTEREST IN TNK-BP:	
US\$16.65 billion in cash at the Central Bank of Russia's ("CBR") official exchange rate as of the date of acquisition	515
1,360,449,797 Rosneft's treasury shares (12.84% of share capital) at fair value	327
AAR'S 50% EQUITY INTEREST IN TNK-BP:	
US\$27.73 billion in cash at the CBR official exchange rate as of the date of acquisition	858
Total cash and equity instruments	1700
Fair value of the Company's investment in OJSC Verkhnechonskneftegaz	67
Total consideration transferred	1767

The fair value of the Rosneft's treasury shares included in the consideration transferred at TNK-BP acquisition was determined at the closing price of the Rosneft's global depository receipts listed on the London Stock Exchange as of March 21, 2013.

As a result of TNK-BP acquisition, the Company's share in OJSC Verkhnechonskneftegaz increased from 25.94% to the controlling share and was accounted for under IFRS 3, Business Combinations, as a step acquisition. Corresponding revaluation of the Company's non-controlling share in OJSC Verkhnechonskneftegaz of RUB 38 billion is included in Other income in the consolidated statement of comprehensive income for the year ended December 31, 2013. Fair value of non-controlling share in OJSC Verkhnechonskneftegaz of RUB 67 billion is included in the consideration transferred.

The acquisition of TNK-BP did not contemplate contingent consideration.

In the course of the transaction the following entities were acquired:

Name	Country of incorporation	Core activity	Preferred and common shares	Voting shares
EXPLORATION AND PRODUCTION				
OJSC Nizhnevartovskoe Neftegazodobyvayushee Predpriyatie	Russia	Oil and gas development and production	94.67	96.51
OJSC Varyoganneftegaz	Russia	Oil and gas development and production	89.34	90.91
LLC Varyoganneft JV	Russia	Oil and gas development and production	94.67	96.51
OJSC TNK-Nyagan	Russia	Oil and gas development and production	94.67	96.51
OJSC Tumenneftegaz	Russia	Oil and gas development and production	94.67	96.51
OJSC Orenburgneft	Russia	Oil and gas development and production	95.13	96.61
LLC Buguruslanneft	Russia	Oil and gas development and production	95.13	96.61
OJSC Yugraneft Corporation	Russia	Oil and gas development and production	75.30	76.77
OJSC Samotlorneftegaz	Russia	Oil and gas development and production	94.67	96.51
OJSC TNK-Nizhnevartovsk	Russia	Oil and gas development and production	94.67	96.51
CJSC ROSPAN INTERNATIONAL	Russia	Oil and gas development and production	94.67	96.51
OJSC Verkhnechonskneftegaz	Russia	Oil and gas development and production	70.05	71.42
LLC TNK-Uvat	Russia	Oil and gas development and production	94.67	96.51
LLC Tagulskoe	Russia	Field survey and exploration	100.00	100.00
OJSC Suzun	Russia	Field survey and exploration	100.00	100.00
TNK Vietnam B.V.	Netherlands	Oil and gas development and production	100.00	100.00
REFINING, LOGISTICS AND DISTRIBUTION				
LLC Nizhnevartovskoe Neftepererabatyvayushee Obedinenie	Russia	Petroleum refining	94.67	96.51
CJSC RORC	Russia	Petroleum refining	94.67	96.51
OJSC Saratov Oil Refinery	Russia	Petroleum refining	81.01	87.98
CJSC Karelyanefteprodukt	Russia	Marketing and distribution	94.67	96.51
LLC Kurskobnefteprodukt	Russia	Marketing and distribution	94.67	96.51
OJSC Kaluganefteprodukt	Russia	Marketing and distribution	93.04	96.51
OJSC Rjazan Oil Produkt	Russia	Marketing and distribution	93.55	96.51
OJSC Tulanefteprodukt	Russia	Marketing and distribution	87.51	92.29
CJSC PCEC	Russia	Marketing and distribution	94.67	96.51
OJSC TNK-Stolitsa	Russia	Marketing and distribution	94.67	96.51
LLC ZSNP	Russia	Marketing and distribution	94.67	96.51
OJSC Saratovnefteprodukt	Russia	Marketing and distribution	87.98	90.29
LLC TNK-BP Northern Capital	Russia	Marketing and distribution	94.67	96.51
LLC TNK Lubricants	Russia	Marketing and distribution	97.33	98.25
CJSC TNK South Management	Russia	Marketing and distribution	94.67	96.51
LLC TNK-BP Marketing	Russia	Marketing and distribution	94.67	96.51
OJSC TNK-Yaroslavl	Russia	Marketing and distribution	89.03	90.76
FLLC "TNK-BP West"	Belarus	Marketing and distribution	100.00	100.00
LLC TNK-Industries	Russia	Marketing and distribution	94.67	96.51
CJSC Koltsovo Fueling Company	Russia	Marketing and distribution	94.67	96.51
LLC TZK-Aktiv	Russia	Marketing and distribution	94.67	96.51
PRJSC LINIK	Ukraine	Petroleum refining	95.21	95.21
TNK Trade Limited	Cyprus Republic	Marketing and distribution	100.00	100.00
LLC Krasnoleninsky Oil Refinery	Russia	Petroleum refining	94.67	96.51
OTHER				
TNK Industrial Holdings Limited	Virginia British Isles	Holding company	100.00	100.00
TNK-BP Limited	Virginia British Isles	Holding company	100.00	100.00
TNK-BP International Limited	Virginia British Isles	Holding company	100.00	100.00
TNK Pipelines Vietnam B.V.	Netherlands	Transportation services	100.00	100.00
Novy Investments Limited	Cyprus Republic	Holding company	100.00	100.00
TNK Management Company Limited	Cyprus Republic	Holding company	100.00	100.00
OJSC TNK-BP Holding	Russia	Holding company	94.67	96.51
OJSC TNK-BP Management	Russia	Management company	100.00	100.00

During the second and the third quarters 2013 several acquired entities were renamed.

As a result of the acquisition, the Company significantly increased its crude oil production and refining capacity, accessed new geographical markets and substantially expanded its retail network. Management believes that the acquisition of TNK-BP places the Company in a leading position globally among public companies operating in the oil and gas sector, reinforces its position as a regional upstream leader in Russia and Europe, creates significant synergies arising from joint development activities, optimization of oil and oil product logistics, production and sales of natural gas together with improving internal controls over costs and assets.

The Company accounted for TNK-BP acquisition as a business combination. The Company consolidated the operating result of the acquired business from March 21, 2013, the date the control was obtained.

The following table summarizes the Company's allocation of the purchase price to the fair value of assets acquired and liabilities assumed:

ASSETS	
Current assets:	
Cash and cash equivalents	178
Restricted cash	5
Accounts receivable	53
Inventories	60
Prepayments and other current assets	79
Total current assets	375
Non-current assets:	
Property, plant and equipment	2 235
Intangible assets	24
Other financial assets	13
Investments in associates and joint ventures	207
Deferred tax assets	9
Other non-current non-financial assets	9
Total non-current assets	2 497
Total assets	2 872
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	117
Loans and borrowings	31
Income tax liabilities	3
Other tax liabilities	61
Provisions	7
Other current liabilities	12
Total current liabilities	231
Non-current liabilities:	
Loans and borrowings	203
Deferred tax liabilities	344
Provisions	39
Other non-current liabilities	9
Total non-current liabilities	595
Total liabilities	826
Total identifiable net assets at fair value	2 046
Non-controlling interests measured at fair value	(112)
Gain on bargain purchase	(167)
Total consideration transferred	1 767
TNK-BP acquisition cash flow:	
Net cash acquired	178
Cash paid	(1 373)
Net cash outflow	(1 195)

The bargain purchase gain, arisen on acquisition of TNK-BP, is a result of the exclusive position of the Company on the Russian market. The Company was the only potential buyer, that was able to offer mainly cash consideration for the business acquired without payment deferrals. Additionally, the Company's bargain power was further enhanced through two separate transactions with BP and AAR consortium to acquire non-controlling 50% ownership share in each transaction.

Deferred tax liabilities in the amount of RUB 344 billion are mainly attributable to revaluation of property, plant and equipment.

The fair value of the accounts receivable approximates its outstanding contractual amounts at the acquisition date. There are no accounts receivable that are not expected to be collected.

Net cash outflow of RUB 1,195 billion was included in Acquisition of subsidiaries, net of cash acquired in the investing activities in the consolidated statement of cash flow for the year ended December 31, 2013.

From March 21, 2013 (the date of acquisition) TNK-BP's revenues and net income included in the consolidated statement of comprehensive income for the year ended December 31, 2013 were RUB 1,551 billion and RUB 107 billion, respectively.

Had the TNK-BP acquisition taken place at the beginning of the reporting period (January 1, 2013), revenues and net income of the combined entity would have been RUB 5,069 billion and RUB 582 billion, respectively, for the year ended December 31, 2013.

Acquisition of LLC Basic jet fuel operator and LLC General Avia

In May 2013, the Company acquired a 100% interest in LLC Basic jet fuel operator and LLC General Avia for a consideration of RUB 6 billion. Main activities of these entities comprise jet fuel sales, storage and fuelling services in airports of Krasnodar, Sochi, Anapa, Gelendzhik and Abakan.

The preliminary purchase price allocation of consideration paid for the acquisition of LLC Basic jet fuel operator and LLC General Avia is as follows:

ASSETS	
Property, plant and equipment	7
Total non-current assets	7
LIABILITIES	
Deferred income tax liabilities	1
Total long-term liabilities	1
Total net assets acquired	6

Acquisition of LLC Oil and Gas Company ITERA

On July 2, 2013 the Company acquired a 49% ownership interest in LLC Oil and Gas Company ITERA, the major independent natural gas producer and supplier in Russia. As a result of this acquisition, the Company's share in LLC Oil and Gas Company ITERA increased to 100%. This acquisition was accounted for as step acquisition under IFRS 3, Business Combinations.

Preliminary fair value of the consideration transferred was RUB 191 billion at the acquisition date and included cash in the amount of RUB 95 billion and preliminary fair value of non-controlling share in LLC Oil and Gas Company ITERA of RUB 96 billion.

In the course of the transaction the following entities were acquired:

Name	Country of incorporation	Core activity	Preferred and common shares	Voting shares
EXPLORATION AND PRODUCTION				
LLC Kynsko-Chasel'skoye neftegaz	Russia	Oil and gas development and production	100.00	100.00
OJSC Bratskeogaz	Russia	Oil and gas development and production	79.00	79.00
OJSC Sibneftegaz	Russia	Oil and gas development and production	48.94	48.94
OJSC Purgaz	Russia	Oil and gas development and production	49.00	49.00
REFINING, MARKETING AND DISTRIBUTION				
LLC Sibgastranzit	Russia	Marketing and distribution	100.00	100.00
CJSC Uralsevergas	Russia	Marketing and distribution	67.00	67.00
SIA ITERA Latvija	Latvia	Marketing and distribution	66.00	66.00
OTHER				
LLC Oil and Gas Company ITERA	Russia	Holding company	100.00	100.00
LLC Firma Proekt	Russia	Holding company	100.00	100.00
LLC Linko-Optim	Russia	Holding company	100.00	100.00
LLC OVIT	Russia	Holding company	100.00	100.00
LLC ITERA Finance	Russia	Finance services	100.00	100.00
LLC EK ENEKO	Russia	Holding company	100.00	100.00
CJSC Regiongas-Invest	Russia	Heat production	100.00	100.00
OJSC Raschetnij center Urala	Russia	Collecting activity	99.90	99.90
ITERA-Turkmenistan Ltd.	Cyprus	Holding company	100.00	100.00
Davonte Holdings Ltd.	Cyprus	Holding company	100.00	100.00

Acquisition of LLC Oil and Gas Company ITERA improves business efficiency and creates new opportunities for its growth. It forms a stable platform for consistent implementation of the Company's gas strategy:

ASSETS	
Current assets:	
Cash and cash equivalents	1
Accounts receivable	11
Prepayments and other current assets	2
Total current assets	14
Non-current assets:	
Property, plant and equipment	92
Other financial assets	4
Investments in associates and joint ventures	128
Deferred tax assets	1
Total non-current assets	225
Total assets	239
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	6
Loans and borrowings	12
Total current liabilities	18
Non-current liabilities:	
Loans and borrowings	10
Deferred tax liabilities	19
Total non-current liabilities	29
Total liabilities	47
Total identifiable net assets at fair value	192
Non-controlling interests measured at preliminary fair value	(1)
Total consideration transferred	191

This allocation of the purchase price to the assets acquired and liabilities assumed is preliminary as of December 31, 2013. Purchase price allocation has not been finalized due to complexity of the acquisition and uncertainties related to fair value measurements of property, plant and equipment, investments and deferred tax liabilities. Allocation of the purchase price to fair value of the assets acquired and liabilities assumed will be finalized within 12 months from the acquisition date.

The fair value of accounts receivable approximates its outstanding contractual amounts at the acquisition date. There are no accounts receivable that are not expected to be collected. The acquisition of LLC Oil and Gas Company ITERA did not contemplate contingent consideration.

Acquisition of LLC TNK-Sheremetyevo

On September 30, 2013 the Company acquired a 50% ownership share in LLC TNK-Sheremetyevo, a 74.9% shareholder of CJSC TZK Sheremetyevo, for a consideration of US\$ 300 million (RUB 10 billion at the date of the transaction). As a result of the acquisition, the Company's share in LLC TNK-Sheremetyevo increased to 100%. Main activities of CJSC TZK-Sheremetyevo comprise jet fuel sales, storage and fuelling services at Sheremetyevo International Airport in Moscow.

Acquisition of 50% share in LLC TNK-Sheremetyevo was accounted for under IFRS 3, Business Combinations, as a step acquisition. Fair value of previously held non-controlling share in LLC TNK-Sheremetyevo of RUB 9 billion and a loan to LLC TNK-Sheremetyevo from the Company of RUB 5 billion are included in the consideration transferred.

Starting from September 30, 2013, assets and liabilities of LLC TNK-Sheremetyevo and CJSC TZK Sheremetyevo are included in the Company's consolidated balance sheet. In October 2013, LLC TNK-Sheremetyevo was renamed to LLC RN-Aero Sheremetyevo. The consideration for the acquisition of a 50% share in LLC TNK-Sheremetyevo was fully paid in October 2013.

As of December 31, 2013, LLC TNK-Sheremetyevo purchase price allocation was not completed. Preliminary purchase price allocation is based on a historical value of assets and liabilities. Excess of purchase price over fair value of net assets of LLC TNK-Sheremetyevo acquired is recorded as goodwill. Allocation of the purchase price to fair value of the assets acquired and liabilities assumed will be finalized within 12 months from the acquisition date.

The following table summarizes the Company's preliminary allocation of the LLC TNK-Sheremetyevo purchase price:

ASSETS	
Current assets:	
Cash and cash equivalents	3
Accounts receivable	2
Other current assets	1
Total current assets	6
Non-current assets:	
Property, plant and equipment	3
Other non-current assets	2
Total non-current assets	5
Total assets	11
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	4
Loans and borrowings	2
Total current liabilities	6
Total liabilities	6
Total identifiable net assets at fair value	5
Non-controlling interests measured at preliminary fair value	(1)
Goodwill	20
Total consideration transferred	24

Preliminarily, goodwill in the amount of RUB 20 billion relates primarily to the expected synergies arising from an access to the premium sales in Moscow International Sheremetyevo Airport, the largest airport in Russia in terms of jet fuel consumption and traffic. The amount of goodwill is not tax deductible.

The acquisition of LLC TNK-Sheremetyevo did not contemplate contingent consideration.

Acquisition of LLC Taas-Yuriakh Neftegazodobycha

In October 2013 the Company completed a number of transactions to acquire 65% ownership interest in LLC Taas-Yuriakh Neftegazodobycha, increasing its ownership interest to 100%. The Company also acquired the majority of the entity's debt. The total consideration for 65% ownership interest amounted to US\$ 3,139 million (RUB 101 billion as of the date of transaction), including entity's debt. LLC Taas-Yuriakh Neftegazodobycha holds an exploration license for the Central block of Kurungskoe license field in Srednebotuobinskoe oil and gas condensate deposit.

The acquisition of additional 65% ownership interest in LLC Taas-Yuriakh Neftegazodobycha was accounted for under IFRS 3, Business Combinations, as a step acquisition. Preliminary fair value of previously held non-controlling share in LLC Taas-Yuriakh Neftegazodobycha of RUB 13 billion is included in the preliminary consideration transferred.

The following table summarizes the Company's preliminary allocation of the LLC Taas-Yuriakh Neftegazodobycha purchase price:

ASSETS	
Current assets:	
Prepayments and other current assets	2
Total current assets	2
Non-current assets:	
Property, plant and equipment	34
Mineral rights	105
Total non-current assets	139
Total assets	141
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	4
Total current liabilities	4
Non-current liabilities	
Loans and borrowings	1
Deferred tax liabilities	22
Total non-current liabilities	23
Total liabilities	27
Total identifiable net assets at fair value	114
Total consideration transferred	114

The acquisition of LLC Taas-Yuriakh Neftegazodobycha did not contemplate contingent consideration.

The Company plans to sell a share in LLC Taas-Yuriakh Neftegazodobycha to within next 12 months. As of December 31, 2013 the assets and liabilities of LLC Taas-Yuriakh Neftegazodobycha were classified as assets and liabilities held for sale as follows:

ASSETS	
Current assets:	
Advances issued and other current assets	3
Total current assets	3
Non-current assets:	
Property, plant and equipment	39
Mineral licenses	105
Total non-current assets	144
Total assets held for sale	147

LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	3
Total current liabilities	3
Non-current liabilities:	
Loans and borrowings	3
Deferred tax liabilities	22
Total non-current liabilities	25
Total liabilities associated with assets held for sale	28

Acquisition of OJSC Sibneftegas

In November 2013, the Company completed the acquisition of 40% ownership interest in Artic Russia B.V. from Enel, an Italian oil and gas company, for a cash consideration of RUB 59 billion. Artic Russia B.V. is a parent company holding a controlling interest in LLC Sever-Energiya, which holds licenses for exploration and production within Samburgskiy license area and for geological study, exploration and production of hydrocarbons within Yevo-Yakhinskiy, Yaro-Yakhinskiy and Severo-Chaselskiy license areas.

In December 2013, the Company and OJSC NOVATEK swapped 40% ownership interest in Artic Russia B.V., owned by the Company, for 51% ownership interest in OJSC Sibneftegas, owned by OJSC NOVATEK. The transaction did not involve any cash consideration. Following the swap, the Company accumulated 100% ownership interest in OJSC Sibneftegas. OJSC Sibneftegas holds licenses for hydrocarbon production within Pyreinoye gas condensate field and for geological study, exploration and production of hydrocarbons within Beregovoy and Khadyryakhinskiy license areas.

The acquisition of additional 51% share in OJSC Sibneftegas was accounted for under IFRS 3, Business Combinations, as a step acquisition. Preliminary fair value of previously held non-controlling share in OJSC Sibneftegas of RUB 71 billion and is included in the consideration transferred.

Starting from December 27, 2013, assets and liabilities OJSC Sibneftegas are included in the Company's consolidated balance sheet.

The consideration transferred is presented below:

Preliminary fair value of 49% interest in OJSC Sibneftegas, obtained as a result of LLC Oil and Gas Company ITERA acquisition	71
Preliminary fair value of 40% interest in Artic Russia B.V.	59
Total consideration transferred	130

The following table summarizes the Company's preliminary allocation of the consideration transferred to the fair value of assets acquired and liabilities assumed:

ASSETS:	
Current assets:	
Cash and cash equivalents	2
Accounts receivable and other current assets	2
Total current assets	4
Non-current assets:	
Property, plant and equipment	172
Intangible assets	2
Total non-current assets	174
Total assets	178
LIABILITIES	
Non-current liabilities:	
Loans and borrowings	33
Deferred tax liabilities	15
Total liabilities	48
Total consideration transferred	130

This allocation of the purchase price to the assets acquired and liabilities assumed is preliminary as of December 31, 2013. Purchase price allocation has not been finalized due to complexity of the acquisition and uncertainties related to fair value measurements of property, plant and equipment, investments and deferred tax liabilities. Allocation of the purchase price to fair value of the assets acquired and liabilities assumed will be finalized within 12 months from the acquisition date.

The acquisition of OJSC Sibneftegas did not contemplate contingent consideration.

Acquisition of LLC Research and Development Center

In February 2012, the Company acquired for RUB 4 billion 100% interest in LLC Research and Development Center which is engaged in developing advanced technologies for refining and for petrochemical industry.

The following table summarizes the Company's purchase price allocation of LLC Research and Development Center to the fair value of assets acquired and liabilities assumed:

Property, plant and equipment	1
Intangible assets	2
Total non-current assets	3
Deferred tax liabilities	1
Total non-current liabilities	1
Total identifiable net assets at fair value	2
Goodwill	2
Purchase consideration transferred	4

The goodwill of RUB 2 billion relates to the expected synergies arising from the implementation of acquired innovative technologies in refining and petrochemicals. Accordingly, this goodwill was allocated to the Refining and distribution segment.

Acquisition of LLC Polar Terminal

In June 2012, the Company acquired for RUB 1 billion 100% interest in LLC Polar Terminal. LLC Polar Terminal is engaged in an investment project for construction of crude oil and petroleum products transshipment terminal. Allocation of purchase price to assets, liabilities and result of operations of Polar Terminal LLC are not significant to these consolidated financial statements.

8. SEGMENT INFORMATION

The Company determines its operating segments based on the nature of their operations. The performance of these operating segments is assessed by management on a regular basis. Exploration and production segment is engaged in field exploration and production of crude oil and natural gas. Refining and distribution segment is engaged in processing crude oil and other hydrocarbons into petroleum products, as well as the purchase, sale and transportation of crude oil and petroleum products. Corporate and other unallocated activities do not represent operating segment and comprise corporate activity, activities involved in field development, maintenance of infrastructure and functioning of the first two segments, as well as banking and finance services, and other activities. Substantially all of the Company's operations and assets are located in the Russian Federation.

Segment performance is evaluated based on both revenues and operating income which are measured on the same basis as in the consolidated financial statements, and of revaluation of intersegment transactions at market prices.

Operating segments in 2013:

	Exploration and production	Refining and distribution	Corporate and other unallocated activities	Adjustments	Consolidated
REVENUES AND EQUITY SHARE IN PROFITS OF JOINT VENTURES AND ASSOCIATES					
Revenues from external customers	61	4 570	51	–	4 682
Intersegment revenues	1 848	–	–	(1 848)	–
Equity share in profits of joint ventures and associates	12	–	–	–	12
Total revenues and equity share in profits of joint ventures and associates	1 921	4 570	51	(1 848)	4 694
COSTS AND EXPENSES					
Costs and expenses other than depreciation, depletion and amortization	1 098	4 385	112	(1 848)	3 747
Depreciation, depletion and amortization	329	56	7	–	392
Total costs and expenses	1 427	4 441	119	(1 848)	4 139
Operating income	494	129	(68)	–	555
Finance income					21
Finance expenses					(56)
Total finance expenses					(35)
Other income					242
Other expenses					(59)
Foreign exchange differences					(71)
Income before income tax					632
Income tax					(81)
Net income					551

Operating segments in 2012 (restated):

	Exploration and production	Refining and distribution	Corporate and other unallocated activities	Adjustments	Consolidated
REVENUES AND EQUITY SHARE IN PROFITS OF JOINT VENTURES AND ASSOCIATES					
Revenues from external customers	45	2 995	26	–	3 066
Intersegment revenues	1 220	–	–	(1 220)	–
Equity share in profits of joint ventures and associates	23	–	–	–	23
Total revenues and equity share in profits of joint ventures and associates	1 288	2 995	26	(1 220)	3 089
COSTS AND EXPENSES					
Costs and expenses other than depreciation, depletion and amortization	701	2 914	76	(1 220)	2 471
Depreciation, depletion and amortization	167	33	6	–	206
Total costs and expenses	868	2 947	82	(1 220)	2 677
Operating income	420	48	(56)	–	412
Finance income					24
Finance expenses					(15)
Total finance income					9
Other income					87
Other expenses					(50)
Foreign exchange differences					11
Income before income tax					469
Income tax					(104)
Net income					365

Operating segments in 2011 (restated):

	Exploration and production	Refining and distribution	Corporate and other unallocated activities	Adjustments	Consolidated
REVENUES AND EQUITY SHARE IN PROFITS OF JOINT VENTURES AND ASSOCIATES					
Revenues from external customers	50	2 621	31	–	2 702
Intersegment revenues	1 030	–	–	(1 030)	–
Equity share in profits of joint ventures and associates	16	–	–	–	16
Total revenues and equity share in profits of joint ventures and associates	1 096	2 621	31	(1 030)	2 718
COSTS AND EXPENSES					
Costs and expenses other than depreciation, depletion and amortization	534	2 503	49	(1 030)	2 056
Depreciation, depletion and amortization	164	24	5	–	193
Total costs and expenses	698	2 527	54	(1 030)	2 249
Operating income	398	94	(23)	–	469
Finance income					20

	Exploration and production	Refining and distribution	Corporate and other unallocated activities	Adjustments	Consolidated
Finance expenses					(19)
Total finance income					1
Other income					25
Other expenses					(48)
Foreign exchange differences					(22)
Income before income tax					425
Income tax					(90)
Net income					335

Oil and gas and petroleum products sales comprise the following (based on the country indicated in the bill of lading):

	2013	2012 (restated)	2011
OIL AND GAS SALES			
International sales of crude oil – Europe	1 574	1 033	955
International sales of crude oil – Asia	542	388	366
International sales of crude oil – CIS, other than Russia	128	78	54
Domestic sales of crude oil	81	5	3
Sales of gas	103	22	14
Total oil and gas sales	2 428	1 526	1 392
PETROLEUM PRODUCTS AND PETROCHEMICAL SALES			
International Sales of petroleum products – Europe	907	653	500
International Sales of petroleum products – Asia	294	228	224
International Sales of petroleum products – CIS, other than Russia	84	11	8
Domestic sales of petroleum products	817	522	473
Domestic sales of petrochemical products	12	11	10
International sales of petrochemical products – Europe	82	73	50
Total petroleum products and petrochemicals sales	2 196	1 498	1 265

The Company had one major customer in 2012 and 2011 being an international oil trader accounting for at least 10% of total sales. Revenues generated from sales to this oil trader totaled RUB 384 billion and RUB 547 billion, or 12% and 20% of total revenues, in 2012 and 2011, respectively. These revenues are recognized mainly under the Refining and distribution segment. No customer accounts for at least 10% of total sales in 2013.

The Company is not dependent on any of its major customers or any one particular customer as there is a liquid market for crude oil and petroleum products. As of December 31, 2013, the amount of current receivable from the Company's major customer totaled RUB 59 billion, or around 16% of the Company's trade receivables.

9. TAXES OTHER THAN INCOME TAX

Taxes other than income tax for the years ended December 31 comprise the following:

	2013	2012 (restated)	2011
Mineral extraction tax	829	553	414
Excise tax	136	79	55
Property tax	22	12	11
Other	37	28	18
Total taxes	1 024	672	498

10. EXPORT CUSTOMS DUTY

Export customs duty for the years ended December 31 comprises the following:

	2013	2012	2011
Export customs duty on oil sales	1 025	689	612
Export customs duty on gas sales	1	–	–
Export customs duty on petroleum products and petrochemicals sales	356	212	178
Total export customs duty	1 382	901	790

11. FINANCE INCOME

Finance income for the years ended December 31 comprises the following:

	2013	2012	2011
INTEREST INCOME ON:			
Deposits and deposit certificates	5	5	11
Loans issued	6	6	5
Notes receivable	2	3	2
Bonds	3	3	2
Current/settlement accounts	1	1	–
Other interest income	1	–	–
Total interest income	18	18	20

	2013	2012	2011
Gain from changes in fair value of financial assets at fair value recognized in profit or loss	3	–	–
Net gain from operations with derivative financial instruments	–	5	–
Gain from disposal of financial assets	–	1	–
Total finance income	21	24	20

Gain from changes in fair value of financial assets at fair value recognized in profit or loss in the amount of RUB 3 billion for the year ended December 31, 2013, relates to non-derivative current financial assets.

12. FINANCE EXPENSES

Finance expenses for the years ended December 31 comprise the following:

	2013	2012	2011
INTEREST EXPENSE ON:			
Loans and borrowings	(38)	(8)	(7)
For the use of funds	(5)	–	–
Other interest expenses	(1)	(2)	(1)
Total interest expenses	(44)	(10)	(8)
Restructured tax liabilities	–	–	(3)
Net loss from operations with derivative financial instruments	(4)	–	(3)
Loss from disposal of financial assets	–	(1)	–
Increase in provision due to the unwinding of discount	(8)	(4)	(5)
Total finance expenses	(56)	(15)	(19)

The weighted average rate used to determine the amount of borrowing costs eligible for capitalization is 3.97%, 4.05% and 3.70% p.a. in 2013, 2012 and 2011, respectively.

13. OTHER INCOME AND EXPENSES

Other income for the years ended December 31 comprise the following:

	2013	2012	2011
Non-cash income from acquisition of subsidiaries, net (Note 7)	205	82	–
Compensation payment for licenses from joint venture parties	2	–	–
Other	35	5	25
Total other income	242	87	25

Other expenses for the years ended December 31 comprise the following:

	2013	2012	2011
Sale and disposal of property, plant and equipment and intangible assets	13	9	19
Disposal of companies and non-production assets	5	11	10
Impairment of assets	9	10	4
Social payments, charity, sponsorship, financial aid	12	9	12
Fines and penalties	3	–	–
Other	17	11	3
Total other expenses	59	50	48

In 2013, a number of market quoted financial assets and certain other assets were impaired due to constant decreases in market prices. In 2012, Impairment of assets comprises impairment of rights for exploration and production in a number of license areas in Eastern Siberia due to the lack of positive results of exploration.

14. PERSONNEL EXPENSES

Personnel expenses for the years ended December 31 comprise the following:

	2013	2012	2011
Salary	144	101	75
Statutory insurance contributions	31	21	16
Expenses for non-statutory defined contribution plan	4	3	3
Other employee benefits	6	6	3
Total personnel expenses	185	131	97

Personnel expenses are included in Production and operating expenses, General and administrative expenses and Other expenses in the consolidated statement of comprehensive income.

15. OPERATING LEASES

Operating lease agreements have various terms and conditions and primarily consist of indefinite tenancy agreements for the lease of land plots under oilfield pipelines and petrol stations, agreements for the lease of rail cars and rail tank cars for periods over 12 months, and agreements for the lease of land plots for industrial sites of the Company's oil refining plants. The agreements provide for an annual revision of the rental rates and contractual terms and conditions.

Total operating lease expenses for the years ended December 31, 2013, 2012 and 2011 amounted to RUB 16 billion, RUB 8 billion and RUB 10 billion, respectively. The expenses were recognized within production and operating expenses, general and administrative expenses and other expenses in the statement of comprehensive income.

Future minimum lease payments under non-cancellable operating leases as of December 31 are as follows:

	2013	2012	2011
Less than 1 year	16	8	9
From 1 to 5 years	50	18	18

	2013	2012	2011
Over 5 years	163	41	14
Total future minimum lease payments	229	67	41

16. INCOME TAX

Income tax expenses for the years ended December 31 comprise the following:

	2013	2012 (restated)	2011 (restated)
Current income tax	98	86	99
Prior period adjustments	(16)	(5)	(3)
Current income tax expense	82	81	96
Deferred tax relating to origination and reversal of temporary differences	(1)	23	(6)
Total deferred income tax (benefit)/expense	(1)	23	(6)
Total income tax expense	81	104	90

Temporary differences between these consolidated financial statements and tax records gave rise to the following deferred income tax assets and liabilities:

	Consolidated balance sheet as of December 31			Consolidated statement of comprehensive income for the years, ended December 31	
	2013	2012 (restated)	2011 (restated)	2013	2012 (restated)
Short-term financial assets	4	3	1	1	2
Short-term accounts receivable, net of allowance	2	3	3	(1)	-
Inventories	2	1	-	-	1
Prepayments and other current assets	1	-	-	1	-
Long-term financial assets	2	1	1	-	-
Long-term accounts receivable, net of allowance	1	-	-	1	-
Property, plant and equipment	5	1	2	-	(1)
Other non-current assets	-	-	2	-	(2)
Short-term accounts payable and accrued liabilities	7	3	4	1	(1)
Current financial liabilities	1	-	-	1	-
Other current liabilities	5	-	1	3	(1)
Long-term accounts payable and accrued liabilities	3	2	1	-	1
Long-term accrued provisions	12	2	1	2	1
Tax loss carry forward	8	3	1	-	2
Valuation allowance for deferred income tax asset	(7)	(2)	(2)	(5)	-
Less: deferred tax liabilities offset	(32)	(13)	(11)	-	-
Deferred tax assets	14	4	4	4	2
Property, plant and equipment	(437)	(215)	(189)	(4)	(26)
Mineral rights	(255)	(62)	(63)	1	1
Less: deferred tax assets offset	32	13	11	-	-
Deferred tax liabilities	(660)	(264)	(241)	(3)	(25)
Deferred income tax benefit/(expense)				1	(23)
Net deferred tax liabilities	(646)	(260)	(237)		
RECOGNISED IN THE CONSOLIDATED BALANCE SHEET AS FOLLOWING:					
Deferred tax assets	14	4	4		
Deferred tax liabilities	(660)	(264)	(241)		
Net deferred tax liabilities	(646)	(260)	(237)		

Net deferred tax liabilities reconciliation is as follows:

	2013	2012 (restated)
As of January 1	(260)	(237)
Deferred income tax benefit/(expense), recognized in the statement of comprehensive income	1	(23)
Acquisition of subsidiaries (Note 7)	(409)	-
Reclassification to assets held for sale	22	-
As of December 31	(646)	(260)

A reconciliation between tax expense and the product of accounting profit multiplied by 20% tax rate for the years ended 31 December 2013, 2012 and 2011 is as follows:

	2013	2012 (restated)	2011 (restated)
Income before income tax	632	469	425
Income tax at statutory rate of 20%	126	94	85
Increase/(decrease) resulting from:			
Effect of income tax rates in other jurisdictions	3	2	3
Effect of income tax reliefs	(13)	(12)	(6)
Effect of non-taxable income from acquisition of subsidiaries (Note 7)	(41)	-	-
Effect of non-taxable income and non-deductible expenses	6	20	8
Income tax	81	104	90

Unrecognized deferred tax assets in the consolidation balance sheet for the years ended December 31, 2013, 2012 and 2011 amounted to RUB 5 billion, RUB 7 billion and RUB 5 billion, respectively, related to unused tax losses. Tax loss carry forwards available for utilization to the Company expire in 2014-2023.

17. NON-CONTROLLING INTERESTS

Non-controlling interests include:

	As of December 31, 2013		2013	As of December 31, 2012 (restated)		2012 (restated)	As of December 31, 2011 (restated)		2011 (restated)
	Non-control- ling interest (%)	Non-control- ling interest in net assets	Non-control- ling interest in net income	Non-control- ling interest (%)	Non-control- ling interest in net assets	Non-control- ling interest in net income	Non-control- ling interest (%)	Non-control- ling interest in net assets	Non-control- ling interest in net income
CJSC Vankorneft	6,04	29	3	6,04	26	2	6,04	24	7
OJSC Grozneftegaz	49,00	3	(3)	49,00	6	–	49,00	6	–
OJSC Rosneft Sakhalin	45,00	2	–	45,00	2	–	45,00	2	–
OJSC Russian Regional Development Bank (VBRR)	15,33	1	–	15,33	1	–	15,33	1	–
CJSC TZK Sheremetyevo (Note 7)	25,10	1	–	–	–	–	–	–	–
SIA ITERA Latvija (Note 7)	34,00	1	–	–	–	–	–	–	–
OJSC RN Holding (Notes 7, 37)	–	–	2	–	–	–	–	–	–
OJSC Verkhnechonskneftegaz (Notes 7, 37)	–	–	1	–	–	–	–	–	–
OJSC Samotlorneftegaz (Notes 7, 37)	–	–	1	–	–	–	–	–	–
LLC RN-Uvatneftegaz (Notes 7, 37)	–	–	1	–	–	–	–	–	–
OJSC Orenburgneft (Notes 7, 37)	–	–	1	–	–	–	–	–	–
Non-controlling interests in other entities	various	2	–	various	4	–	various	3	(3)
Non-controlling interests as of the end of the reporting period		39	6		39	2		36	4

18. EARNINGS PER SHARE

For the years ended December 31, basic earnings per share comprise the following:

	2013	2012 (restated)	2011 (restated)
CONTINUED OPERATIONS			
Net income attributable to shareholders of Rosneft	545	363	331
Weighted average number of issued common shares outstanding (millions)	10 304	9 416	9 591
Total basic earnings per share (RUB)	52,89	38,55	34,51

19. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	As of December 31,	
	2013	2012 (restated)
Cash on hand and in bank accounts in RUB	58	19
Cash on hand and in bank accounts in foreign currencies	172	206
Deposits	43	72
Other	2	2
Total cash and cash equivalents	275	299

Cash accounts denominated in foreign currencies represent primarily cash in US\$.

Deposits are interest bearing and denominated primarily in RUB.

Restricted cash comprises the following:

	As of December 31,	
	2013	2012
Obligatory reserve of subsidiary banks with the CBR	1	1
Offsetting account under joint venture agreement with BP group in Euro	–	3
Total restricted cash	1	4

20. OTHER SHORT-TERM FINANCIAL ASSETS

Other short-term financial assets comprise the following:

	As of December 31,	
	2013	2012 (restated)
FINANCIAL ASSETS AVAILABLE-FOR-SALE:		
Bonds	21	14
Stocks and shares	22	6
LOANS AND ACCOUNTS RECEIVABLE:		
Loans granted	17	18
Loans issued to associates	4	1

	As of December 31,	
	2013	2012 (restated)
Notes receivable, net of allowance	21	27
Loans granted under reverse repurchase agreements	1	–
Deposits and deposit certificates	131	–
HELD-FOR-TRADING FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS:		
Corporate bonds	11	10
State bonds	4	5
Stocks and shares	–	6
Derivative financial instruments	–	3
Total other short-term financial assets	232	90

As of December 31, 2013 and 2012 available-for-sale bonds comprise the following:

Вид ценных бумаг	2013			2012		
	Balance	Interest rate p.a.	Date of maturity	Balance	Interest rate p.a.	Date of maturity
State bonds (federal loan bonds issued by the Ministry of Finance of the Russian Federation)	6	7,0-8,1%	March 2014 – June 2015	3	6,9-8,1%	November 2014 – July 2015
Municipal bonds	2	8,35-9,0%	December 2014 – November 2018	1	8,75-9,25%	June 2013 – November 2018
Corporate bonds	13	3,72-10,0%	February 2014 – November 2024	10	4,25-10,0%	February 2013 – November 2023
Total	21			14		

Bank deposits amount to RUB 131 billion and RUB 0 billion as of December 31, 2013 and 2012, respectively. As of December 31, 2013, bank deposits denominated in US\$ amount to RUB 85 billion and bear interest rates ranging from 1.8% to 3.0% p.a. Bank deposits denominated in RUB amount to RUB 46 billion and bear interest rates ranging from 7.0% to 9.0% p.a.

As of December 31, 2013, notes receivable include corporate notes receivable that are primarily denominated in RUB with nominal interest rates ranging from 4.25% to 10.7% p.a. with maturities to December 2014 and nominally interest-free corporate notes receivable with weighted average effective interest rate of 4.8% p.a. with maturities to December 2014.

As of December 31, 2012, notes receivable include corporate notes receivable that are primarily denominated in RUB with nominal interest rates ranging from 4.25% to 8.50% p.a. with maturities to November 2014 and nominally interest-free corporate notes receivable with weighted average effective interest rate of 5.94% p.a. with maturities to June 2013.

Reverse repurchase agreements are collateralized by trading securities with a fair value of RUB 1 billion and RUB 0 billion as of December 31, 2013 and 2012, respectively.

As of December 31, 2013 and 2012 trading securities comprise the following:

Вид ценных бумаг	2013			2012		
	Balance	Interest rate p.a.	Date of maturity	Balance	Interest rate p.a.	Date of maturity
Corporate bonds	11	1,99-13,5%	February 2014 – October 2026	10	2,85-13,5%	March 2013 – October 2023
State and municipal bonds	4	5,5-12,0%	April 2014 – February 2036	5	6,7-12,0%	January 2013 – February 2036
Trading stocks with state participation	–			6		
Total	15			21		

Derivative financial instruments

In 2012 the Company entered into a series of deliverable conversion transactions with options (collar) for the sale of US\$ for a term until December 2013. The RUB/US\$ exchange spot rate was fixed at predetermined dates monthly. In the event that the RUB/US\$ exchange spot rate broke out of the upper or lower bands of the collar, the parties of the contract executed currency purchase-sale transaction for nominal amount of US\$ 20.5 million (RUB 1 billion at the CBR official exchange rate as of December 31, 2012) at the conversion rates, stipulated in the contract. Fair value is calculated based on market data using SuperDerivatives valuation service. Fair value of the series of deliverable conversion transactions with options (collar) was presented in Other short-term financial assets – Derivative financial instruments in the amount of RUB 1 billion in the consolidated balance sheet as of December 31, 2012.

Fair value of cross-currency rate swap contracts is presented in Other short-term financial assets – Derivative financial instruments in the amount of RUB 2 billion in the consolidated balance sheet as of December 31, 2012 (Note 31).

21. ACCOUNTS RECEIVABLE

Accounts receivable include the following:

	As of December 31,	
	2013	2012 (restated)
Trade receivables	378	204
Banking loans to customers	16	19
Other accounts receivable	30	22
Total	424	245
Allowance for doubtful accounts	(9)	(8)
Total accounts receivable, net of allowance	415	237

The allowance for doubtful accounts is recognized at each balance sheet date based on estimates of the Company's management regarding the expected cash inflows to repay accounts receivable.

The Company recognized allowance for doubtful accounts for all significant past due accounts receivable as of December 31, 2013 and 2012.

As of December 31, 2013 and 2012 accounts receivable were not pledged as collateral for loans and borrowings provided to the Company.

22. INVENTORIES

Inventories comprise the following:

	As of December 31,	
	2013	2012 (restated)
Crude oil and associated gas	69	46
Petroleum products and petrochemicals	96	66
Materials and supplies	37	22
Total	202	134

Materials and supplies mostly include spare parts. Petroleum products and petrochemicals include those designated both for sale and for own use.

The Company retrospectively changed the classification of inventories in order to conform to industry practices. Petroleum products held for further processing were reclassified from Work in progress to Petroleum products and petrochemicals. The carrying amounts reclassified were RUB 13 billion and RUB 10 billion as of December 31, 2013 and 2012, respectively. Other inventories included in Work in progress were reclassified to Materials and supplies. The carrying amounts reclassified were RUB 1 billion and RUB 1 billion as of December 31, 2013 and 2012, respectively.

For the years ended December 31:

	2013	2012 (restated)	2011
The cost of inventories recognized as an expense during the period	581	346	297

Cost of inventories recognized as an expense during the period is included in Production and operating expenses, Cost of purchased oil, gas and petroleum products and refining costs and General and administrative expenses in the consolidated statement of comprehensive income.

23. PREPAYMENTS AND OTHER CURRENT ASSETS

Prepayments comprise the following:

	As of December 31,	
	2013	2012 (restated)
Value added tax and excise receivable	183	90
Prepayments to suppliers	36	24
Prepaid customs duties	80	54
Other taxes	25	11
Other	6	6
Total prepayments and other current assets	330	185

Prepaid customs duties primarily represent export duties related to the export of crude oil and petroleum products (Note 10).

24. PROPERTY, PLANT AND EQUIPMENT AND CONSTRUCTION IN PROGRESS

	Exploration and production	Refining and distribution	Corporate and other unallocated activities	Total
COST				
As of January 1, 2012 (restated)	2 266	561	98	2 925
Additions	311	151	24	486
Disposals	(15)	(7)	(10)	(32)
Exchange differences	(6)	-	-	(6)
Cost of asset retirement (decommissioning) obligations	5	-	-	5
As of December 31, 2012 (restated)	2 561	705	112	3 378
DEPRECIATION, DEPLETION AND IMPAIRMENT LOSSES				
As of January 1, 2012 (restated)	(452)	(113)	(32)	(597)
Depreciation and depletion charge (restated)	(164)	(33)	(11)	(208)
Disposals and other movements	1	1	1	3
Impairment of assets	(10)	-	-	(10)
Exchange differences	4	-	-	4
As of December 31, 2012 (restated)	(621)	(145)	(42)	(808)
Net book value as of January 1, 2012 (restated)	1 814	448	66	2 328
Net book value as of December 31, 2012 (restated)	1 940	560	70	2 570
Prepayments for property, plant and equipment as of January 1, 2012 (restated)	11	28	4	43
Prepayments for property, plant and equipment as of December 31, 2012 (restated)	4	46	9	59
Total as of January 1, 2012 (restated)	1 825	476	70	2 371
Total as of December 31, 2012 (restated)	1 944	606	79	2 629
COST				
Acquisition of subsidiaries (Note 7)	2 371	277	1	2 649
Additions	352	220	23	595
Disposals	(36)	(6)	(4)	(46)
Reclassification to assets held for sale (Note 7)	(144)	-	-	(144)
Exchange differences	11	4	-	15
Cost of asset retirement (decommissioning) obligations	7	-	-	7
As of December 31, 2013	5 122	1 200	132	6 454
DEPRECIATION, DEPLETION AND IMPAIRMENT LOSSES				
Depreciation and depletion charge	(329)	(53)	(10)	(392)
Disposals and other movements	16	4	3	23
Impairment of assets	-	(1)	-	(1)
Exchange differences	(7)	(1)	-	(8)
As of December 31, 2013	(941)	(196)	(49)	(1 186)
Net book value as of December 31, 2013	4 181	1 004	83	5 268
Prepayments for property, plant and equipment as of December 31, 2013	4	49	9	62
Total as of December 31, 2013	4 185	1 053	92	5 330

The cost of construction in progress included in property, plant and equipment was RUB 928 billion, RUB 654 billion and RUB 441 billion as of December 31, 2013, 2012 and January 1, 2012, respectively.

In 2012, the Company identified an impairment indicator (exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area) with respect to the three exploration licenses, included in Exploration and production segment of Property, plant and equipment. As a result the Company recognized an impairment loss of RUB 10 billion in Other expenses in the consolidated statement of comprehensive income in 2012.

Depreciation charge for the years ended December 31, 2013 and 2012 includes depreciation which was capitalized as part of the construction cost of property, plant and equipment and cost of inventory in the amount of RUB 4 billion and RUB 4 billion, respectively.

The Company capitalized RUB 33 billion, RUB 24 billion and RUB 14 billion of interest expenses on loans and borrowings in 2013, 2012 and 2011, respectively.

During 2013 the Company received government grants for capital expenditures in the amount of RUB 7 billion. Grants are accounted for as a reduction of additions in Exploration and production segment.

Exploration and evaluation assets

Exploration and evaluation assets included in segment "Exploration and production" comprise the following:

	2013	2012
As of January 1	11	11
Capitalized expenditures	7	4
Acquisition of subsidiaries	3	-
Reclassified to development assets	(6)	(4)
Expensed	(2)	-
As of December 31	13	11

Mineral rights

Mineral rights included in exploration and production assets comprise the following:

	Mineral rights to proved properties	Mineral rights to unproved properties	Total
AS OF JANUARY 1, 2012 (RESTATED)			
Cost	269	104	373
Accumulated depletion and impairment losses	(45)	-	(45)
Net book value as of January 1, 2012 (restated)	224	104	328
Depletion charge	(15)	-	(15)
Additions	-	6	6
Impairment of properties	-	(10)	(10)
Reclassification from unproved properties to proved properties	2	(2)	-
AS OF DECEMBER 31, 2012 (RESTATED)			
Cost	271	108	379
Accumulated depletion and impairment losses	(60)	(10)	(70)
Net book value as of December 31, 2012 (restated)	211	98	309
Depletion charge	(44)	-	(44)
Additions	-	9	9
Acquisition of subsidiaries	975	126	1101
Reclassification to assets held for sale (Note 7)	(55)	(50)	(105)
Reclassification from unproved properties to proved properties	10	(10)	-
AS OF DECEMBER 31, 2013			
Cost	1 201	183	1 384
Accumulated depletion and impairment losses	(104)	(10)	(114)
Net book value as of December 31, 2013	1 097	173	1 270

Provision for asset retirement (decommissioning) obligations

The provision for asset retirement (decommissioning) obligations was RUB 64 billion, RUB 38 billion and RUB 36 billion as of December 31, 2013, 2012 and January 1, 2012, respectively, and included in Property, plant and equipment.

25. INTANGIBLE ASSETS AND GOODWILL

Intangible assets and goodwill comprise the following:

	Rights for land lease	Other intangible assets	Total intangible assets	Goodwill
COST				
As of January 1, 2012 (restated)	19	9	28	142
Additions	-	2	2	2
Disposals	(1)	(2)	(3)	-
As of December 31, 2012 (restated)	18	9	27	144
AMORTIZATION				
As of January 1, 2012 (restated)	(4)	(2)	(6)	-
Amortization charge	(1)	(1)	(2)	-
As of December 31, 2012 (restated)	(5)	(3)	(8)	-
Net book value as of January 1, 2012 (restated)	15	7	22	142
Net book value as of December 31, 2012 (restated)	13	6	19	144
COST				
Additions	1	3	4	-
Disposals	(6)	(4)	(10)	-
Acquisition of subsidiaries (Note 7)	10	16	26	20
As of December 31, 2013	23	24	47	164

	Rights for land lease	Other intangible assets	Total intangible assets	Goodwill
AMORTIZATION				
Amortization charge	(2)	(2)	(4)	–
Disposal of amortization	2	–	2	–
As of December 31, 2013	(5)	(5)	(10)	–
Net book value as of December 31, 2013	18	19	37	164

The Company performed its annual goodwill impairment test as of October 1 of each year. The impairment test was carried out at the beginning of the fourth quarter of each year using data that was appropriate at that time. As a result of the annual test, no impairment of goodwill was identified in 2013 or 2012.

Goodwill acquired through business combinations has been allocated to related groups of cash generating units being its operating segments – Exploration and production segment and Refining and distribution segment. In assessing whether goodwill has been impaired, the current values of the operating segments (including goodwill) were compared with their estimated value in use.

	As of December 31,	
	2013	2012 (restated)
GOODWILL		
Exploration and production	31	31
Refining and distribution	133	113
Total	164	144

The Company has estimated value in use of the operating segments using a discounted cash flow model. Future cash flows have been adjusted for risks specific to the segment and discounted using a rate, which reflects current market assessments of the time value of money and the risks specific to the segment for which the future cash flow estimates have not been adjusted.

The Company's business plan, approved by the Company's Board of Directors, is the primary source of information for the determination of the operating segments' value in use. The business plan contains internal forecasts of oil and gas production, refinery throughputs, sales volumes of various types of refined products, revenues, operating and capital expenditures. As an initial step in the preparation of these plans, various assumptions, such as oil prices, natural gas prices, refining margins, petroleum product margins and cost inflation rates, are set. These assumptions take into account existing prices, US\$ and RUB inflation rates, other macroeconomic factors and historical trends, as well as markets volatility.

In determining the value in use for each of the operating segments, cash flows have been discounted and aggregated with the segments' terminal value. In determining the terminal value of the Company's segments in the post-forecast period the Gordon model has been used. The model has used average rates of operation decline equal to natural rates of production decline for the existing assets provided that there is no production drilling. These rates were 8.0% of annual decline for Exploration and production segment and 0.0% for Refining and distribution segment.

The most important assumptions among the factors listed above are the following:

- discount rate;
- oil price;
- production volumes.

The sensitivity of the discounted cash flows to the changes in these factors is the most significant.

The discount rate calculation is based on the Company's weighted average cost of capital adjusted to reflect pre-tax discount rate and amounts to 6.9% p.a. in 2013 (6.9% p.a. in 2012). Estimated production volumes are based on detailed data for the fields and takes into account fields' development plan approved by management through the long-term planning process. For the purposes of impairment testing, the Company's Urals oil price assumptions were based on the forecasted market prices. Management believes that no reasonably possible changes in the assumptions may lead to the goodwill impairment.

As of December 31, 2013 and 2012 the Company did not have any intangible assets with indefinite useful lives. As of December 31, 2013 and 2012 no intangible assets have been pledged as collateral.

26. OTHER LONG-TERM FINANCIAL ASSETS

Other long-term financial assets comprise the following:

	As of December 31,	
	2013	2012
Bonds	1	1
Bank deposits	6	–
Financial assets available for sale		
Shares of OJSC INTER RAO UES	1	3
Shares of OJSC Russian Grids	1	3
Shares of AS Latvijas Gaze, ASE esti GAAS	2	–
Long-term loans issued to associates	20	11
Long-term borrowings	3	–
Loans to employees	1	1
Derivative financial instruments	1	2
Other	4	3
Total other long-term financial assets	40	24

Pursuant to contracts, long-term loans issued to associates have a maturity period from 3 through 9 years and bear interest rate ranging from 8.2% to 14.5% p.a.

Pursuant to contracts, long-term RUB denominated deposits have a maturity period 5 years and bear interest rate of 8% p.a.

As of December 31, 2013 and December 31, 2012, there were no overdue long-term financial assets for which no impairment provision was created.

As of December 31, 2013 and December 31, 2012, shares of OJSC INTER RAO UES were impaired in the amount of RUB 2 billion and RUB 2 billion, respectively, loans issued to associates were impaired in the amount of RUB 0 billion and RUB 0 billion, respectively.

No long-term financial assets were pledged as collateral as of December 31, 2013 and 2012.

As of December 31, 2013 and December 31, 2012, no long-term financial assets were received by the Company as collateral.

Derivative financial instruments

In 2012 the Company entered into a series of deliverable forward transactions for the sale of US\$ for a term until 2015 for the nominal amount of US\$ 1,259 million (RUB 41 billion at the CBR official exchange rate as of December 31, 2013). The Company sells US\$ in accordance with the schedule at the conversion rates, stipulated in the contract. Fair value is calculated based on market data using Bloomberg valuation services. Fair value of the series of deliverable forward transactions is presented in Other long-term financial assets – Derivative financial instruments in the amount of RUB 1 billion and RUB 2 billion in the consolidated balance sheet as of December 31, 2013 and 2012, respectively. The change in fair value measurements resulted in unrealized loss in the amount of RUB 1 billion. Realized gain in the form of net payments, recalculated in RUB at the CBR official exchange rate as of the date of payments, between the contract participants was RUB 0 billion in 2013. The net effect of a series of deliverable forward transactions is presented in Finance expenses – Net loss from operations with derivative financial instruments in the amount of RUB 1 billion in the consolidated statement of comprehensive income for 2013 (Note 12).

27. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

Investments in joint ventures and associates comprise the following:

Name of an investee	Country	The Company's share as of December 31, 2013, %	As of December 31,	
			2013	2012 (restated)
JOINT VENTURES				
Polar Lights Company LLC	Russia	50.00	1	1
Rosneft Shell Caspian Vent.	Russia	51.00	1	1
Taihu Ltd (OJSC Udmurtneft)	Cyprus	51.00	20	13
OJSC Verkhnechonskneftegaz	Russia	Note 7	–	30
Lanard Holdings Ltd	Cyprus	50.00	18	17
NGK ITERA LLC	Russia	Note 7	–	95
CJSC Arktikshel'neftegaz	Russia	50.00	3	3
National Oil Consortium LLC	Russia	60.00	12	3
Saras S.p.A.	Italy	20.99	13	–
OJSC NGK Slavneft	Russia	49.94	166	–
Boqueron, Petroperija, PetroMonagas S.A.	Venezuela	various	17	–
NVGRES Holdings Limited (NVGRES LLC)	Cyprus	25.00	5	–
CJSC Messoyakhaneftegaz	Russia	50.00	2	–
CJSC STS	Russia	50.00	4	–
ASSOCIATES				
CJSC Purgaz	Russia	49.00	57	–
Taas-Yuryakh Neftegazodobycha LLC	Russia	Note 7	–	13
Other associates		various	8	10
Total joint ventures and associates			327	186

Financial information on significant joint ventures and associates as of December 31, 2013 is presented below:

The Company's share in net assets	Taihu Ltd	OJSC NGK Slavneft	Lanard Holdings Ltd	CJSC Purgaz
Current assets	10	23	1	1
Non-current assets	41	117	1	5
Total assets	51	140	2	6
Current liabilities	(9)	(32)	(1)	(1)
Non-current liabilities	(22)	(28)	–	–
Total liabilities	(31)	(60)	(1)	(1)
Total Company's share in net assets	20	80	1	5

The Company's share in net profit	Taihu Ltd	OJSC NGK Slavneft	Lanard Holdings Ltd	CJSC Purgaz
Sales revenue	56	97	2	3
Cost of sales	(42)	(39)	(2)	(3)
Gross profit	14	58	–	–
Other expenses	(2)	(48)	–	–
Profit before tax	12	10	–	–
Income tax	(3)	(2)	–	–
Total Company's share in net profit	9	8	–	–

Financial information on significant joint ventures and associates as of December 31, 2012 is presented below:

The Company's share in net assets	Taihu Ltd	Lanard Holdings Ltd
Current assets	10	–
Non-current assets	46	1
Total assets	56	1
Current liabilities	(6)	–
Non-current liabilities	(37)	–
Total liabilities	(43)	–
Total Company's share in net assets	13	1

The Company's share in net profit	Taihu Ltd	Lanard Holdings Ltd
Sales revenue	55	2
Cost of sales	(41)	(2)
Gross profit	14	–
Other expenses	(3)	–
Profit before tax	11	–
Income tax	(3)	–
Total Company's share in net profit	8	–

The difference of RUB 52 billion between the cost of investments and the Company's share in the net assets of CJSC Purgaz is an adjustment to the fair value of the identifiable assets and liabilities at the date of the associate acquisition. This difference is included in the carrying amount of investments in CJSC Purgaz.

Investments in Lanard Holdings LTD include adjustments to the fair value of the identifiable assets and liabilities at the date of the associate acquisition, and goodwill. The difference amounting to RUB 17 billion is included in the carrying amount of investments in Lanard Holdings Ltd.

The difference of RUB 86 billion between the cost of investments and the Company's share in the net assets of OJSC NGK Slavneft is an adjustment to the fair value of the identifiable assets and liabilities at the date of the associate acquisition. This difference is included in the carrying amount of investments in OJSC NGK Slavneft.

Equity share in profits/(losses) of joint ventures and associates:

	The Company's share as of December 31, 2013, %	Share in income/(loss) of equity investees		
		2013	2012 (restated)	2011
ООО «Компания «Полярное Сияние»	50,00	–	1	1
ОАО «Верхнечонскнефтегаз»	см. Прим 7	3	14	8
Тайху Лимитед	51,00	9	8	7
ООО «НГК «ИТЕРА»	см. Прим 7	2	2	–
ОАО НГК «Славнефть»	49,94	(4)	–	–
Прочие	различная	2	(2)	–
Итого доход от совместных и ассоциированных предприятий		12	23	16

The difference of RUB 12 billion between the share in loss of the equity investee and the Company's share in net income of OJSC NGK Slavneft is an adjustment to the fair value of the identifiable assets and liabilities after the date of the acquisition.

OJSC NGK Slavneft

As a result of TNK-BP acquisition (Note 7) the Company obtained 49.9% interest in OJSC NGK Slavneft. The investment in OJSC NGK Slavneft of RUB 173 billion is accounted for as an investment in a joint venture using the equity method.

OJSC NGK Slavneft holds licenses for the exploration and production of oil and gas at 31 license areas located in West Siberia and the Krasnoyarsk region. The annual production of OJSC NGK Slavneft is 17 million tons of crude oil. The crude oil produced (excluding export) is processed at OJSC NGK Slavneft's refineries. The OJSC NGK Slavneft's refineries process over 26 million tons of hydrocarbons and produce over 5 million tons of gasoline annually.

Investments in Venezuela

As a result of TNK-BP acquisition (Note 7) the Company obtained equity interests in certain assets in Venezuela. The most significant of these investments is in PetroMonagas S.A. in which the Company holds a 16.7% share. The investment in Venezuela of RUB 17 billion is accounted for as an investment in joint venture using the equity method.

PetroMonagas S.A. is engaged in exploration and development of oil fields in the eastern part of Orinoko Basin. In 2013 PetroMonagas S.A. produced 8.3 million tons of oil equivalent. PetroMonagas S.A. is an integrated project involving the extra-heavy crude oil extraction and upgrading, production and export of synthetic crude oil.

Acquisition of interest in exploratory assets in Brazil

As a result of TNK-BP acquisition (Note 7) the Company obtained 45% interest in certain concession agreements for 21 exploratory blocks in the Brazilian Solimoes Basin. The fair value of Brazilian assets is RUB 10 billion (US\$ 317 million at the CBR official exchange rate at the acquisition date). The investment is accounted for as joint operation as the Company has acquired undivided interests in the respective assets and liabilities. In 2013 the Company recognized a share of loss from its investments in Brazil in the amount of RUB 2 billion.

National Oil Consortium LLC

In January 2013, Company acquired additional 20% ownership share in LLC National Oil Consortium ("NOC") for RUB 6 billion. As a result of this acquisition and TNK-BP acquisition (Note 7), the Company's interest in NOC increased to 60%. NOC provides financing of exploration project at Junin-6 block in Venezuela jointly with a subsidiary of Petróleos de Venezuela S.A. ("PDVSA"), Venezuelan state oil company. The interest in NOC is continued to be accounted for as an equity investment due to joint control under the shareholder's agreement.

Acquisition of interest in refining assets

On April 23, 2013 the Company acquired 13.70% share in Saras S.p.A. ("Saras") for the total consideration of EURO 178.5 million (RUB 7 billion at the CBR official exchange rate at the acquisition date) from Angelo Moratti S.a.p.a., Gian Marco Moratti and Massimo Moratti.

On June 14, 2013 as a result of a voluntary public offer in respect of 69,310,933 ordinary shares the Company acquired an additional 7.29% interest in Saras for the total consideration of EURO 95 million (RUB 4 billion at the CBR official exchange rate at the acquisition date).

As a result of this acquisition, the Company's share in equity of Saras increased to 20.99% and is accounted for as an equity investment.

Saras is a leading Italian and European crude oil refiner which sells and distributes petroleum products in Italy and international markets. Saras is also engaged in electric power production and sale, industrial engineering and scientific research services to the oil, electric power and environment sectors, and hydrocarbons exploration.

28. OTHER NON-CURRENT NON-FINANCIAL ASSETS

Other non-current non-financial assets comprise the following:

	As of December 31,	
	2013	2012
Long-term advances issued	6	–
Prepaid insurance	1	1
Other	5	2
Total other non-current non-financial assets	12	3

29. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities comprise the following:

	As of December 31,	
	2013	2012 (restated)
FINANCIAL LIABILITIES		
Accounts payable to suppliers and contractors	187	117
Voluntary offer to acquire OJSC RN Holding securities (Note 37)	153	–
Salary and other benefits payable	45	22
Banking customer accounts	36	41
Other accounts payable	22	13
Total financial liabilities	443	193
NON-FINANCIAL LIABILITIES		
Short-term advances received	45	18
Total accounts payable and accrued liabilities	488	211

In 2013 current accounts payable were settled within 47 days (2012: 31 days) on average. Interest rates on banking customer accounts amount to 01-3.0% p.a. Trade and other payables are non-interest bearing.

30. LOANS, BORROWINGS AND FINANCE LEASE LIABILITIES

Loans and borrowings comprise the following:

	Currency	As of December 31,	
		2013	2012 (restated)
LONG-TERM			
Bank loans	RUB	115	101
Bank loans	US\$, Euro	1 711	648
Bonds	RUB	131	20
Eurobonds	US\$	247	91
Customer deposits	RUB	12	8
Customer deposits	US\$, Euro	5	3
Other debt	RUB	–	1
Less: Current portion of long-term loans and borrowings		(545)	(35)
Long-term loans and borrowings		1 676	837
SHORT-TERM			
Bank loans	RUB	2	8
Bank loans	US\$	88	12
Customer deposits	RUB	11	12
Customer deposits	US\$, Euro	2	3
Borrowings	RUB	–	2
Borrowings	Euro	3	5
Borrowings – Yukos related	RUB	11	11
Promissory notes payable – Yukos related	RUB	20	52
Promissory notes payable	RUB	1	1
Obligations under a repurchase agreement	RUB	1	2
Current portion of long-term loans and borrowings		545	35
Short-term loans and borrowings and current portion of long-term loans and borrowings		684	143
Total loans and borrowings		2 360	980

Long-term loans and borrowings

Long-term bank loans comprise the following:

Purpose of the loan	Currency	Interest rate p.a.	Maturity date	As of December 31,	
				2013	2012
Loans raised for replenishment of working capital	US\$/Euro	LIBOR+1.3% – LIBOR+2.70%/EURIBOR+2.40%	2014–2018	1 135	167
Loans raised to finance special-purpose business activities	US\$	LIBOR+0.60% – LIBOR+3.25%	2029	557	456
Loans raised to finance special-purpose business activities	RUB	7.20%–9.50%	2015–2017	115	101
Loans raised for property, plant and equipment construction/purchase	US\$/Euro	LIBOR+1.00% – LIBOR+1.35%; 3.23%/EURIBOR+0.35%	2014–2021	28	27
Total				1 835	751
Debt issue costs				(9)	(2)
Total long-term bank loans				1 826	749

Generally, long-term bank loans from foreign banks are denominated in US\$ and partially secured by oil export contracts. If the Company fails to make timely debt repayments, the terms of such contracts are normally provided the lender with an express right of claim for contractual revenue in the amount of failing loan repayments which must be remitted directly through transit currency accounts in lender banks. Accounts receivable outstanding balance arising out of such contracts amounts to RUB 24 billion and RUB 32 billion as of December 31, 2013 and December 31, 2012, respectively, and is included in Trade receivables.

Certain US\$ denominated loans raised for replenishment of working capital were acquired through TNK-BP acquisition (Note 7).

In March 2013, the Company drew down four long-term unsecured loans from a group of international banks for a total of US\$ 31.04 billion (RUB 1,016 billion at the CBR official exchange rate as of December 31, 2013) to finance the acquisition of TNK-BP (Note 7). The first debt agreement of US\$ 4.09 billion (RUB 134 billion at the CBR official exchange rate as of December 31, 2013) was entered into with the syndicate of foreign banks for 5 years at floating rates. The second debt agreement was entered into with the syndicate of foreign banks at floating rates in the amount of US\$ 12.74 billion (RUB 417 billion at the CBR official exchange rate as of December 31, 2013) for 2 years. The third debt agreement was entered into with the syndicate of foreign banks at floating rates for 2 years in the amount of US\$ 11.88 billion (RUB 389 billion at the CBR official exchange rate as of December 31, 2013). The fourth debt agreement in the amount of US\$ 2.33 billion (RUB 76 billion at the CBR official exchange rate as of December 31, 2013) was entered into with the syndicate of foreign banks for 5 years at floating rates. As of December 31, 2013 loans are drawn down in full. In December 2013 the Company repaid US\$ 5.1 billion (RUB 167 billion at the CBR official exchange rate as of December 31, 2013) of the long-term loan from international banks.

In June 2013, the Company drew down funds under long-term floating rate collateralized loan agreement with a foreign bank in the amount of US\$ 2 billion (RUB 66 billion at the CBR official exchange rate as of December 31, 2013). The loan is repayable within 16 years and secured by oil export contracts.

In November 2013, the Company drew down funds under floating rate unsecured long-term loan from an international bank in amount of US\$ 0.75 billion (RUB 25 billion at the CBR official exchange rate as of December 31, 2013) for 5 years.

In December 2013, the Company drew down funds under long-term floating rate unsecured loan from the group of international banks for a total amount of US\$ 0.5 billion (RUB 16 billion at the CBR official exchange rate as of December 31, 2013) for 5 years.

In October 2012, the Company placed two issues of documentary interest-bearing non-convertible bearer bonds with a total nominal value of RUB 20 billion and the term of 10 years. Coupon payments are made on semi-annual basis of fixed rate of 8.6% p.a. for the first ten coupon periods.

In March 2013, the Company placed two issues of documentary interest-bearing non-convertible bearer bonds with a total nominal value of RUB 30 billion and the term of 10 years. Coupon payments are made on semi-annual basis of fixed rate of 8.0% p.a. for the first ten coupon periods.

In June 2013, the Company placed three issues of documentary interest-bearing non-convertible bearer bonds with a total nominal value of RUB 40 billion and the term of 10 years. Coupon payments are made on semi-annual basis of fixed rate of 7.95% p.a. for the first ten coupon periods.

In December 2013, the Company placed two issues of documentary interest-bearing non-convertible bearer stock bonds with a total nominal value of RUB 40 billion and the term of 10 years. Coupon payments are made on semi-annual basis of fixed rate of 7.95% p.a. for the first ten coupon periods.

All the above mentioned bonds provide for early repurchase in five years at the request of a bond holder as set in the respective offering documents. In addition, the issuer, at any time and at its discretion, may early purchase/repay the bonds with a possibility of subsequent bonds circulation. Such purchase/repayment of the bonds does not constitute an early redemption.

Corporate bonds comprise the following:

	Currency	Maturity	As of December 31,	
			2013	2012
Eurobonds - (coupon interest rate -3.149%)	US\$	2017	33	30
Eurobonds - (coupon interest rate -4.199%)	US\$	2022	66	61
Eurobonds (Series 7) - (coupon interest rate -6.25%)	US\$	2015	17	–
Eurobonds (Series 2) - (coupon interest rate -7.50%)	US\$	2016	38	–
Eurobonds (Series 4) - (coupon interest rate -6.625%)	US\$	2017	30	–
Eurobonds (Series 6) - (coupon interest rate -7.875%)	US\$	2018	43	–
Eurobonds (Series 8) - (coupon interest rate -7.25%)	US\$	2020	20	–
Total long-term Eurobonds			247	91

In the fourth quarter of 2012, the Company raised the funds through Eurobonds placement in amount of US\$ 3.0 billion. Eurobonds were placed by two tranches at a nominal value: one in the amount of US\$ 1.0 billion (RUB 30 billion at the CBR official exchange rate as of December 31, 2012) with the coupon of 3.149% p.a. to be matured in March 2017, and the other one in the amount of US\$ 2.0 billion (RUB 61 billion at the CBR official exchange rate as of December 31, 2012) with the coupon of 4.199% p.a. to be matured in March 2022. The funds received will be used for general corporate purposes.

Eurobonds of the second, the fourth, the sixth, the seventh and the eighth series were acquired through TNK-BP acquisition (Note 7).

Customer deposits represent fixed-term deposits placed by customers with the Company's subsidiary banks, denominated in RUB and foreign currencies. As of December 31, 2013, RUB denominated deposits bear interest rates ranging from 1.00% to 12.00% p.a. and deposits denominated in foreign currencies bear interest rates ranging from 1.00% to 7.40% p.a.

The Company is obliged to comply with a number of restrictive financial and other covenants contained in its loan agreements. Such covenants include maintaining certain financial ratios. As of December 31, 2013 and 2012, the Company was in compliance with all restrictive financial and other covenants contained in its loan agreements.

Short-term loans and borrowings

November 2013, the Company drew down two floating rates tranches of unsecured loan from international bank for a total amount of US\$ 1.5 billion (RUB 49 billion at the CBR official exchange rate as of December 31, 2013); the first in amount of US\$ 0.5 billion (RUB 16 billion at the CBR official exchange rate as of December 31, 2013) for 1 year and with possibility of further extension of up to 12 months; the second in amount of US\$ 1.0 billion (RUB 33 billion at the CBR official exchange rate as of December 31, 2013) maturing within 6 months.

In December 2013, the Company drew down funds under two fixed rate short-term loans from Russian banks for a total of US\$ 0.74 billion (RUB 24 billion at the CBR official exchange rate as of December 31, 2013) with maturity in the first quarter of 2014.

Customer deposits represent fixed-term deposits placed by customers with the Company's subsidiary banks, denominated in RUB and foreign currencies. As of December 31, 2013 the RUB denominated deposits bear interest rates ranging from 0.01% to 12.00% p.a. and deposits denominated in foreign currencies bear interest rates ranging from 0.01% to 7.20% p.a.

RUB denominated borrowings – Yukos related primarily include borrowings provided by Yukos Capital S.a.r.l., at 9% p.a. interest that matured in 2007. The borrowings were carried in the books of the former Yukos subsidiaries the Company acquired through the auctions for the sale of the assets of Yukos. The borrowings are being disputed by the Company. The Company partially settled the above mentioned liabilities in compliance with the court decision in 2010 (Note 41).

Promissory notes payable – Yukos related comprise amounts that were carried in the books of the former Yukos subsidiaries the Company acquired through the auctions for the sale of the assets of Yukos. The promissory notes are being disputed by the Company. The promissory notes are claimed to be primarily payable on demand and bear interest rates ranging from 0% to 18% p.a. (Note 41).

In 2012-2013 the Company received cash under repurchase agreements and recognized these transactions as a collateralized loan. As of December 31, 2013 and December 31, 2012, the liabilities of the Company under repurchase agreements amounted to RUB 1 billion and RUB 2 billion, respectively, with the fair value amounted to RUB 1 billion and RUB 3 billion, respectively.

In 2013 the Company had neither delays in payments under loan agreements nor overdue interest payments.

Finance lease

	As of December 31,	
	2013	2012
Finance lease liabilities	12	11
Including short-term financial lease liabilities	4	3

Repayments of finance lease obligations comprise the following:

	As of December 31, 2013		
	Minimum lease payments	Finance expense	Present value of minimum lease payments
Less than 1 year	5	(1)	4
From 1 to 5 years	6	(1)	5
Over 5 years	3	–	3
Total	14	(2)	12

	As of December 31, 2013		
	Minimum lease payments	Finance expense	Present value of minimum lease payments
Less than 1 year	4	(1)	3
From 1 to 5 years	6	(1)	5
Over 5 years	4	(1)	3
Total	14	(3)	11

Finance leases entered into by the Company do not contain covenants and are entered into for a long-term, with certain leases having purchase options at the end of lease term. Finance leases are denominated in RUB and US\$.

The following is the analysis of the property, plant and equipment under capital leases recognized in Property, plant and equipment (Note 24):

	As of December 31,	
	2013	2012
Plant and machinery	12	8
Vehicles	6	6
Total cost	18	14
Less: accumulated depreciation	(9)	(3)
Total net book value of leased property	9	11

31. CURRENT LIABILITIES RELATED TO DERIVATIVE INSTRUMENTS

Current liabilities related to derivative instruments comprise:

	As of December 31,	
	2013	2012
Cross-currency rate swaps	6	-
Total current liabilities related to derivative financial instruments	6	-

In 2013 the Company entered into cross-currency interest rate swap with four banks for a term through 2018. Under the swap the Company pays US\$ 2,138 million (RUB 70 billion at the CBR official exchange rate at December 31, 2013) at the floating interest rate of US\$ 3-month LIBOR plus bank margin and receives RUB 70 billion at the fixed interest rates ranging from 7.95% to 8.0% p.a.

In 2012 the Company entered into cross-currency interest rate swap with five banks for a term through 2015. Under the swap the Company pays US\$ 1,982 million (RUB 65 billion at the CBR official exchange rate at December 31, 2013) at the fixed interest rates and receives RUB 62 billion at the fixed interest rate of 7.2% p.a.

In 2012 the Company entered into cross-currency interest rate swap with two banks for a term through 2017. Under the swap the Company pays US\$ 641 million (RUB 21 billion at the CBR official exchange rate at December 31, 2013) at the floating interest rate of US\$ 3-month LIBOR plus bank margin and receives RUB 20 billion at the fixed interest rate of 8.6% p.a.

Fair value of cross-currency interest rate swaps is calculated based on market data using SuperDerivatives valuation service. Fair value of the cross-currency rate swaps is included in Current liabilities related to derivative financial instruments in the amount of RUB 6 billion in the consolidated balance sheet as of December 31, 2013 and in Other short-term financial assets – Derivative financial instruments (Note 20) in the amount of RUB 2 billion in the consolidated balance sheet as of December 31, 2012. The change in fair value measurements resulted in unrealized loss in the amount of RUB 8 billion in 2013. Realized gain in the form of net payments, recalculated in RUB at the CBR official exchange rate as of the date of payments was RUB 5 billion in 2013. The net effect of cross-currency interest rate swaps is presented in Finance expenses – Net loss from operations with derivative financial instruments in the amount of RUB 3 billion in the consolidated statement of comprehensive income for 2013 (Note 12).

32. OTHER SHORT-TERM TAX LIABILITIES

Other short-term tax liabilities comprise the following:

	As of December 31,	
	2013	2012 (restated)
Mineral extraction tax	81	46
VAT	50	23
Excise duties	14	10
Personal income tax	1	1
Property tax	6	3
Other	9	-
Total other tax liabilities	161	83

33. PROVISIONS

	Asset retirement obligations	Environmental remediation provision	Legal, tax and other claims	Total
As of January 1, 2012 (restated), including	50	11	5	66
Non-current	50	10	-	60
Current	-	1	5	6
Provisions charged during the year	5	1	1	7
Increase/(decrease) in the liability resulting from				
Changes in estimates	(6)	3	(1)	(4)
Change in the discount rate	7	-	-	7
Unwinding of discount	4	-	-	4
Utilised	(3)	-	(2)	(5)
Effect of changes in accounting policies (Note 3)	1	-	-	1
As of December 31, 2012 (restated), including	58	15	3	76
Non-current	58	13	-	71
Current	-	2	3	5
Provisions charged during the year	15	4	2	21
Increase/(decrease) in the liability resulting from				
Changes in estimates	(5)	-	3	(2)
Change in the discount rate	(3)	-	-	(3)
Unwinding of discount	6	2	-	8
Utilised	(2)	(5)	(1)	(8)
Acquisition of TNK-BP (Note 7)	25	17	4	46
As of December 31, 2013, including	94	33	11	138
Non-current	91	24	1	116
Current	3	9	10	22

Обязательства, связанные с выбытием активов, представляют собой оценку стоимости затрат на ликвидацию скважин, рекультивацию песчаных карьеров, шламовых амбаров, поврежденных земель, демонтажа трубопроводов и линий электропередач. В части ожидаемых платежей по обязательствам, связанным с выбытием активов, бюджет формируется на годовой основе. В зависимости от складывающейся экономической ситуации в компании фактические расходы могут отличаться от сумм, заложенных в бюджете.

34. LONG-TERM PREPAYMENT ON OIL SUPPLY AGREEMENTS

During 2013 the Company entered into a number of long-term crude oil supply contracts which involve receipt of prepayment. The total minimum delivery volume approximates 400 million tons of crude oil.

The contracts include the following main terms:

- prepayment amounts not to exceed 30% of the total contracted volume;
- the crude oil price is calculated based on current market quotes;
- the prepayment is reimbursed through physical deliveries of crude oil.

The prepayments will be reimbursed starting from 2015. The Company considers these contracts to be a regular way sale contracts which were entered into for the purpose of the delivery of a non-financial item in accordance with the Company's expected sale requirements.

	2013	2012
As of January 1	–	–
Received	470	–
Less current portion	–	–
Reimbursed	–	–
As of December 31	470	–

35. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities comprise the following:

	As of December 31,	
	2013	2012 (restated)
Ruhr Oel GmbH liabilities due BP	16	13
Shelf projects liabilities	10	–
Liabilities for investing activities	1	2
Other	1	1
Total other non-current liabilities	28	16

Other non-current liabilities mostly comprise the Ruhr Oel GmbH pension and other liabilities due to BP group relating to BP group employees of Ruhr Oel GmbH plants.

36. PENSION BENEFIT OBLIGATIONS

Defined contribution plans

The Company makes payments to the State Pension Fund of the Russian Federation. These payments are calculated by the employer as percentage from the salary expense and are expensed as accrued.

The Company also maintains a defined contribution corporate pension plan to finance non-state pensions of its employees.

Pension contributions recognized in the consolidated statement of comprehensive income was as follows:

	2013	2012	2011
State Pension Fund	23	16	14
NPF Neftegarant	4	3	3
Total pension contributions	27	19	17

37. SHAREHOLDERS' EQUITY

Common shares

As of December 31, 2013 and 2012:

Authorized common shares:		
quantity, millions		10 598
amount, billions of RUB		0,6
Issued and fully paid shares:		
quantity, millions		10 598
amount, billions of RUB		0,6
Nominal value of 1 common share, RUB:		0,01

Starting from 2011 the Company distributes dividends in the amount of 25% of IFRS net income, attributable to the Company's shareholders. According to Russian legislation the basis of distribution is identified as the current period net profit of OJSC Rosneft Oil Company calculated in accordance with Russian accounting standards.

On June 20, 2012, the annual General Meeting of Shareholders approved dividends on the Company's common shares for 2011 in the amount of RUB 37 billion or RUB 3.45 per share. RUB 33 billion of the above are related to outstanding shares, including dividend withholding tax on treasury shares. In August 2012, the approved dividends were paid.

On November 30, 2012, the extraordinary General Meeting of Shareholders approved additional dividends on the Company's common shares for 2011 in the amount of RUB 42 billion or 4.08 per share. RUB 38 billion of the above are related to outstanding shares, including dividend withholding tax on treasury shares. In December 2012, the approved dividends were paid.

On June 20, 2013, the annual General Meeting of Shareholders approved dividends on the Company's common shares for 2012 in the amount of RUB 85 billion or RUB 8.05 per share. In the third quarter of 2013, the approved dividends were paid.

Treasury shares

	As of December 31,	
	2013	2012
number, millions	–	1 360
amount, billions of RUB	–	299

In June 2012, the Company purchased 321,963,949 of its own shares for RUB 68 billion or RUB 212 per share.

In August 2012, the Company transferred 185,794 of treasury shares to compensate independent members of the Company's Board of Directors for the period from June 10, 2011 to June 10, 2012 (Note 39). Both fair and carrying value of the above shares approximated RUB 0.04 billion.

In November 2012, the Company purchased 28,513,639 of its own shares for RUB 7 billion or RUB 249 per share.

In March 2013, the Company transferred 1,360,449,797 of its own shares to BP as a consideration for TNK-BP acquisition (Note 7).

Additional paid-in capital

	2013	2012
Additional paid-in capital as of January 1	385	386
Sale of treasury shares (Note 7)	28	–

	2013	2012
Sale of 9.99% of OJSC RN Holding shares	(125)	–
Voluntary offer to acquire OJSC RN Holding shares	189	–
Change in ownership interests in subsidiaries	–	(1)
Additional paid-in capital as of December 31	477	385

In 2012 the Company acquired additional shares in its two subsidiaries. The effect of these transactions in the total amount of RUB 1 billion was accounted for as a reduction of Additional paid-in capital.

In the third quarter of 2013 9.99% of shares in OJSC RN Holding ("RN Holding"), a subsidiary of the Company, were sold to certain unrelated third parties for a cash consideration of an aggregate RUB 97 billion. As these transactions did not result in a loss of control over RN Holding, the difference between the fair value of consideration transferred and the carrying amount of the disposed share of net assets is recognized in the additional paid-in capital.

On November 6, 2013 Rosneft announced a voluntary offer to acquire its securities held by minority shareholders. Under the terms of the voluntary offer, Rosneft plans to buy out 1,918,701,184 ordinary and 450,000,000 preferred shares of RN Holding. The offer price was set at RUB 67 per one ordinary share and RUB 55 per one preferred share of RN Holding. The voluntary offer term of 75 days expired on January 20, 2014. As of December 31, 2013, the Company recognized a liability due to non-controlling interest shareholders in the amount of RUB 153 billion in the other accounts payable, decrease in the non-controlling interest in the amount of RUB 342 billion and increase in the additional paid-in capital in the amount of RUB 189 billion. As of January 20, 2014 a number of shareholders, legal entities and individuals, have accepted the voluntary offer. Final results of the voluntary offer will be available in the first quarter of 2014.

38. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value of financial assets and liabilities is determined as follows:

- fair value of financial assets and liabilities quoted on active liquid markets is determined in accordance with the market quotes;
- fair value of other financial assets and liabilities is determined in accordance with generally accepted models and is based on discounted cash flow analysis that relies on prices used for existing transactions in the current market;
- fair value of derivative financial instruments is based on market quotes. If such quotes are unavailable, fair value is determined on the basis of valuation models that rely on assumptions confirmed by observable market prices or rates as of the reporting date..

Assets and liabilities of the Company that are measured at fair value on a recurring basis in accordance with the fair value hierarchy are presented in the table below.

	Fair value measurement as of December 31, 2013			
	Level 1	Level 2	Level 3	Total
ASSETS				
Current assets				
Held-for-trading	3	12	–	15
Available-for-sale	11	32	–	43
NON-CURRENT ASSETS				
Available-for-sale	–	4	–	4
Derivative financial instruments	–	1	–	1
Total assets measured at fair value	14	49	–	63

	Fair value measurement as of December 31, 2012			
	Level 1	Level 2	Level 3	Total
ASSETS:				
Current assets				
Held-for-trading	13	8	–	21
Available-for-sale	5	15	–	20
Derivative financial instruments	–	3	–	3
NON-CURRENT ASSETS				
Available-for-sale	6	–	–	6
Derivative financial instruments	–	2	–	2
Total assets measured at fair value	24	28	–	52

There have been no transfers between Level 1 and Level 2 during the period.

Fair value of financial assets available for sale, held-for-trading financial assets at fair value through profit or loss and derivative financial instruments included in Level 2 is measured at the present value of future estimated cash flows, using inputs such as market interest rates and market quotes of forward exchange rates.

	Carrying value		Fair value (Level 2)	
	As of December 31, 2013	As of December 31, 2012 r. (restated)	As of December 31, 2013	As of December 31, 2012 r. (restated)
FINANCIAL LIABILITIES				
Financial liabilities at amortized cost:				
Loans and borrowings with variable interest rate	(1 717)	(632)	(1 722)	(605)
Loans and borrowings with fixed interest rate	(643)	(348)	(639)	(338)
FINANCIAL LIABILITIES AT FAIR VALUE, THROUGH PROFIT OR LOSS:				
Derivative financial instruments	(6)	–	(6)	–
Financial lease liabilities	(12)	(11)	(12)	(11)

There have been no transfers between Level 1 and Level 2 during the period.

39. RELATED PARTY TRANSACTIONS

For the purposes of these consolidated financial statements, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In 2011, 2012 and 2013 the Company entered into transactions with the following related parties: joint ventures and associates, enterprises directly or indirectly controlled by the Russian Government, key management, pension funds (Note 36).

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

Disclosure of related party transactions is presented on an aggregate basis for the companies directly or indirectly controlled by the Russian Government, joint ventures and associates, non-state pension funds. In addition, there may be an additional disclosure of certain significant transactions (balances and turnovers) with certain related parties.

In the course of its ordinary business, the Company enters into transactions with other companies controlled by the Russian Government. In the Russian Federation, electricity and transport tariffs are regulated by the Federal Tariff Service, an authorized governmental agency of the Russian Federation. Bank loans are recorded based on the market interest rates. Taxes are accrued and paid in accordance with the applicable tax law. The Company sells crude oil and petroleum products to related parties in the ordinary course of business at the prices close to average market prices. Gas sales prices in Russian market are regulated by the Federal Tariff Service.

Transactions with companies directly or indirectly controlled by the Russian Government

Revenues and income

	2013	2012	2011
Oil and gas sales	102	94	28
Petroleum products and petrochemicals sales	58	30	25
Support services and other revenues	2	2	2
Finance income	2	18	7
	164	144	62

Costs and expenses

	2013	2012	2011
Production and operating expenses	13	8	10
Cost of purchased oil, gas and petroleum products and refining costs	2	–	–
Pipeline tariffs and transportation costs	318	187	181
Other expenses	8	17	7
Financial expenses	2	4	–
	343	216	198

Other operations

	2013	2012	2011
Purchase of financial assets and investments in associates	(8)	(6)	(9)
Sale of financial assets and investments in associates	15	–	1
Loans received	22	100	–
Loans repaid	–	(2)	(3)
Loans and borrowings issued	–	–	(1)
Repayment of loans and borrowings issued	1	–	–
Deposits placed	(56)	(10)	(30)
Deposits repaid	10	24	165
Repurchase of shares	–	(1)	–

Settlement balances

	As of December 31,	
	2013	2012
ASSETS		
Cash and cash equivalents	135	188
Accounts receivable	15	13
Prepayments and other current assets	25	15
Other financial assets	66	7
	241	223
LIABILITIES		
Accounts payable and accrued liabilities	9	15
Loans and borrowings	125	100
	134	115

Transactions with joint ventures

Crude oil is purchased from joint ventures at Russian domestic market prices.

Revenues and income

	2013	2012 (restated)	2011
Oil and gas sales	2	–	–
Petroleum products and petrochemicals sales	6	–	–
Support services and other revenues	6	2	3
Finance income	1	1	1
	15	3	4

Costs and expenses

	2013	2012 (restated)	2011 (restated)
Production and operating expenses	2	–	–
Cost of purchased oil, gas and petroleum products and refining costs	108	18	23

	2013	2012 (restated)	2011 (restated)
Pipeline tariffs and transportation costs	8	–	2
Other expenses	4	2	2
	122	20	27

Other operations

	2013	2012 (restated)	2011
Purchase of financial assets and investments in associates	(4)	–	–
Loans repaid	–	(2)	–
Loans and borrowings issued	(4)	–	–
Repayment of loans and borrowings issued	4	–	3

Settlement balances

	As of December 31,	
	2013	2012 (restated)
ASSETS		
Accounts receivable	5	5
Prepayments and other current assets	1	–
Other financial assets	4	–
	10	5
LIABILITIES		
Accounts payable and accrued liabilities	17	12
Loans and borrowings	1	–
	18	12

Transactions with associates

Revenues and income

	2013	2012 (restated)	2011 (restated)
Oil and gas sales	5	1	2
Petroleum products and petrochemicals sales	1	2	5
Support services and other revenues	1	1	2
Finance income	1	1	1
	8	5	10

Costs and expenses

	2013	2012 (restated)	2011 (restated)
Production and operating expenses	7	1	3
Other expenses	2	5	1
	9	6	4

Other operations

	2013	2012	2011
Purchase of financial assets	–	–	(5)
Loans and borrowings issued	(1)	(1)	–
Repayment of loans and borrowings issued	–	–	3

Settlement balances

	As of December 31,	
	2013	2012 (restated)
ASSETS		
Accounts receivable	1	2
Other financial assets	13	12
	14	14
LIABILITIES		
Accounts payable and accrued liabilities	2	1
	2	1

Transactions with non-state pension funds

Costs and expenses

	2013	2012	2011
Other expenses	3	3	3

	2013	2012	2011
Loans repaid	–	–	(1)

Compensation to key management personnel

For the purpose of these consolidated financial statements key management personnel includes: President of Rosneft, Vice-Presidents, members of the Board of Directors, members of the Management Board, members of the Audit Committee, directors of departments and heads of independent units, as well as others charged with governance.

Short-term benefits of the key management personnel, including payroll, bonuses, personal income tax and social taxes, severance payments and contributions to insurance programs of the key management personnel amounted to RUB 8 billion, RUB 9 billion and RUB 4 billion in 2013, 2012 and 2011, respectively.

On June 10, 2011, annual General Meeting of Shareholders decided to transfer to each of the following independent members of the Board of Directors of Rosneft Mr. Andrey L. Kostin, Mr. Alexander D. Nekipelov and Mr. Hans-Joerg Rudloff 25,238 shares of Rosneft, 20,821 shares of Rosneft to Mr. Andrey G. Reus and Mr. Nikolay P. Tokarev, each, 18,928 shares of Rosneft to Mr. Vladimir L. Bogdanov, and 14,021 shares of Rosneft to Sergey M. Bogdanchikov as a compensation for their services in the capacity of the Company's directors.

On June 20, 2012, annual General Meeting of Shareholders decided to transfer to each of the following independent members of the Board of Directors of Rosneft as a compensation for their services in the capacity of the Company's directors for the periods June 10, 2011 – September 13, 2011 and September 13, 2011 – June 20, 2012: 28,944 shares of Rosneft to Mr. Alexander D. Nekipelov, 26,925 shares of Rosneft to Mr. Andrey L. Kostin and Mr. Hans-Joerg Rudloff, each, 24,906 shares of Rosneft to Mr. Sergey V. Shishin, 22,213 shares of Rosneft to Mr. Nikolay P. Tokarev and Mr. Dmitry E. Shugaev, each, 17,408 shares of Rosneft to Mr. Vladimir L. Bogdanov and 16,260 shares of Rosneft to Mr. Matthias Warnig as a compensation for his services in the capacity of the Company's director for the period September 13, 2011 – June 20, 2012.

On June 20, 2013, annual General Meeting of Shareholders decided to transfer to each of the following independent members of the Board of Directors of Rosneft as a compensation for their services in the capacity of the Company's directors for the periods June 20, 2012 – November 30, 2012 and November 30, 2012 – June 20, 2013: 76,373 shares of Rosneft to Mr. Matthias Varnig and Mr. Mikhail V. Kuzovlev, each, 75,009 shares of Rosneft to Mr. Nikolay P. Laverov, 85,920 shares of Rosneft to Mr. Alexander D. Nekipelov, 79,101 shares of Rosneft to Mr. Hans-Joerg Rudloff and Mr. Sergey V. Shishin, each, 72,282 shares of Rosneft to Mr. Dmitry E. Shugaev and Mr. Ilia V. Scherbovich, each.

40. KEY SUBSIDIARIES

Name	Country of incorporation	Core activity	2013		2012	
			Preferred and common shares, %	Voting shares, %	Preferred and common shares, %	Voting shares, %
EXPLORATION AND PRODUCTION						
OJSC Orenburgneft	Russia	Oil and gas development and production	100,00	100,00	–	–
OJSC Samotlorneftegaz	Russia	Oil and gas development and production	100,00	100,00	–	–
OJSC Tumenneftegaz	Russia	Oil and gas development and production	100,00	100,00	–	–
OJSC Verkhnechonskneftegaz	Russia	Oil and gas development and production	100,00	100,00	–	–
CJSC Vankorneft	Russia	Oil and gas development and production	93,96	93,96	93,96	93,96
RN-Yuganskneftegaz LLC	Russia	Oil and gas production operator services	100,00	100,00	100,00	100,00
REFINING, MARKETING AND DISTRIBUTION						
CJSC RORC	Russia	Petroleum refining	100,00	100,00	–	–
OJSC Angarsk Petrochemical Company	Russia	Petroleum refining	100,00	100,00	100,00	100,00
OJSC Novokuybyshev Refinery	Russia	Petroleum refining	100,00	100,00	100,00	100,00
RN-Komsomolsky Refinery LLC	Russia	Petroleum refining	100,00	100,00	100,00	100,00
OJSC Syzran Refinery	Russia	Petroleum refining	100,00	100,00	100,00	100,00
OJSC Achinsk Refinery	Russia	Petroleum refining	100,00	100,00	100,00	100,00
OJSC Kuybyshev Refinery	Russia	Petroleum refining	100,00	100,00	100,00	100,00
OJSC Saratov Oil Refinery	Russia	Petroleum refining	85,48	91,13	–	–
CJSC PCEC	Russia	Marketing and distribution	100,00	100,00	–	–
OJSC TNK-Stolitsa	Russia	Marketing and distribution	100,00	100,00	–	–
Rosneft Trading S.A.	Switzerland	Marketing and distribution	100,00	100,00	100,00	100,00
Rosneft Trade Limited	Cyprus Republic	Marketing and distribution	100,00	100,00	–	–
Other						
OJSC RN Holding	Russia	Holding company	100,00	100,00	–	–
Neft-Aktiv LLC	Russia	Investing activity	100,00	100,00	100,00	100,00
Rosneft Finance S.A.	Luxemburg	Finance services	100,00	100,00	–	–
OJSC Russian Regional Development Bank (VBRR)	Russia	Banking	84,67	84,67	84,67	84,67

As of December 31, 2013, the ownership percentage was calculated based on the terms of the voluntary public offering of RN Holding shares (Note 37).

41. CONTINGENCIES

Russian business environment

Russia continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the Russian economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government.

Management believes it is taking appropriate measures to support the sustainability of the Company's business in the current circumstances.

Guarantees and indemnities issued

In the second quarter of 2013, the Company provided unconditional unlimited guaranty in favor of the Government and municipal authorities of Norway of potential ongoing ecological liabilities of RN Nordic Oil AS in respect of its operating activities on the Norwegian continental shelf. A parent company guarantee is required by the Norway Legislation and is an imperative condition for licensing the operations of RN Nordic Oil AS on the Norwegian continental shelf jointly with Statoil.

Parent Guarantees, Commercial Discovery bonus payment guarantee (under projects with Eni S.p.A. on the shelf of Russian Federation), Parent Agreement (under projects with Statoil ASA on the shelf of Russian Federation), Parent Agreement (under projects with ExxonMobil Oil Corporation on the shelf of Russian Federation) entered into in 2012 under Strategic Cooperation Agreement between Rosneft and Eni S.p.A, Rosneft and Statoil ASA, Rosneft and ExxonMobil Oil Corporation took effect in 2013. These guarantees are unconditional, unlimited and open-ended, and assuming that Rosneft will cover all potential ongoing liabilities under the terms of the projects on behalf of its associates. Under these agreements, the partners guarantee to each other the proper and timely performance of all obligations of its affiliated persons under above mentioned agreements entered into for the purpose of realization of Joint Agreements on the shelf of Russian Federation and also commercial discovery bonus payment assumed by the terms of Shareholders and Operating Agreements.

In 2013 the Company entered into the Parent Agreements with ExxonMobil Oil Corporation for seven new offshore projects. These guarantees effective the second quarter of 2014 are unlimited, unconditional and open-ended.

Legal claims

In 2006, Yukos Capital S.a.r.l. ("Yukos Capital"), a former subsidiary of Yukos Oil Company, initiated arbitral proceedings against OJSC Yuganskneftegaz, which was subsequently merged into the Company, OJSC Samaraneftgaz, the Company's subsidiary, and Tomskneft, the Company's joint venture company, in various arbitration courts alleging default under nine RUB-denominated loans. The International Commercial Arbitration Court (the "ICAC") at the Russian Federation Chamber of Commerce and Industry issued four arbitration awards in favor of Yukos Capital against OJSC Yuganskneftegaz concerning four of the loans in the aggregate amount of approximately RUB 13 billion. Arbitration panel formed pursuant to the International Chamber of Commerce ("ICC") rules issued an award against OJSC Samaraneftgaz in the amount of RUB 3 billion in loan principal and interest plus post award interest of 9% p.a. on the above amount of loan principal and interest concerning two other loans. On February 12, 2007, the arbitration panel formed pursuant to the ICC rules issued an award against Tomskneft of RUB 4 billion plus interest of 9% per annum, plus default penalties of 0.1% per day (from December 1, 2005, through the date of the award), plus legal costs.

In 2007, the Company successfully challenged the ICAC awards and the ICAC awards were set aside by the Russian courts, including the Supreme Arbitrazh Court of the Russian Federation. Yukos Capital, nevertheless, sought to enforce the ICAC awards in the Netherlands. Although the district court in Amsterdam refused to enforce the ICAC awards on the ground that they were properly set aside by a competent court on April 28, 2009 the Amsterdam Court of Appeal reversed the district court's judgment and allowed Yukos Capital to enforce the ICAC awards in the Netherlands. On June 25, 2010, the Supreme Court of the Netherlands declared inadmissible the Company's appeal of the decision of the Amsterdam Court of Appeal. Although the Company does not agree with the decisions of the Dutch courts above, on August 11, 2010 it complied with such decisions and arranged for relevant payments to be made with respect to the claim against the Company.

While the Dutch case was pending, Yukos Capital filed an additional lawsuit against the Company in the High Court of Justice in London, seeking enforcement of the ICAC awards in England and Wales, as well as interest on those awards.

Following the payments arranged by the Company noted above, Yukos Capital continues to seek statutory interest in the High Court of Justice in London in the amount of approximately RUB 5 billion as of the date of its Particulars of Claim. On June 14, 2011, the High Court issued an interim decision on two preliminary issues it had agreed to consider prior to reaching a decision on the merits of the claim. Although Yukos Capital prevailed on both issues, the court granted the Company leave to appeal, which it did. On June 27, 2012 the Court of Appeal of England handed down its judgment whereby the Company prevailed on one of these preliminary issues. No further appeals were requested by any party. Upon return of the case to the High Court of Justice, the court entered an order on February 27, 2013 providing for the hearing of further preliminary issues concerning whether the court has the power to enforce the annulled ICAC awards at English common law and whether in principle there is a basis for Yukos Capital to recover post-award interest in the English courts. The High Court of Justice scheduled the hearing of the further preliminary issues to be conducted on May 13-15, 2014. The Company intends to defend its position vigorously in the remaining proceedings in England.

In 2007, lawsuits were filed in Russian arbitrazh courts in Moscow, Samara and Tomsk to nullify the loan agreements with Yukos Capital. Court Hearings in all three cases were suspended for some time. However, on February 1, 2012 the Arbitrazh Court of the Samara Region declared invalid the loan agreements between Yukos Capital and OJSC Samaraneftgaz. On July 17, 2012, the 11th Arbitrazh Appellate Court dismissed Yukos Capital's appeal of that judgment. Yukos Capital filed a cassation appeal against both court decisions with the Federal Arbitrazh Court for Povolzhsky District, which on February 28, 2013 upheld the lower courts' judgments. On July 8, 2013, the Supreme Arbitrazh Court rejected Yukos Capital's supervisory appeal and upheld the lower courts' judgments.

On July 11, 2012, the Moscow Arbitrazh Court declared invalid the loan agreements between Yukos Capital and OJSC Yuganskneftegaz. On October 9, 2012, the 9th Arbitrazh Appellate Court dismissed Yukos Capital's appeal of that judgment. Yukos Capital filed a cassation appeal against these judgments with the Federal Arbitrazh Court of Moscow District, which on March 14, 2013 upheld the judgments of the lower courts. Yukos Capital then applied for supervisory appeal to the Supreme Arbitrazh Court which by its ruling dated July 31, 2013 rejected Yukos Capital's supervisory appeal and upheld the lower courts' judgments.

On July 19, 2012 the Arbitrazh Court of the Tomsk Region declared void the loan agreements between Yukos Capital and Tomskneft. Yukos Capital filed an appeal on the decision. On June 3, 2013 the 7th Arbitrazh Appellate Court dismissed Yukos Capital's appeal of that judgment. On October 8, 2013, the Federal Arbitrazh Court for West-Siberian District rejected Yukos Capital's cassation appeal and upheld the judgments of the lower courts. On December 30, 2013, Yukos Capital filed a supervisory appeal with the Supreme Arbitrazh Court, the decision of the Supreme Arbitrazh Court is pending.

On July 2, 2010, Yukos Capital filed a petition with the U.S. District Court for the Southern District of New York (the "U.S. S.D.N.Y.") seeking confirmation of the ICC award against OJSC Samaraneftgaz noted above. In August 2010, Yukos Capital also commenced proceedings in the Arbitrazh Court of the Samara Region seeking enforcement of the same award in the Russian Federation.

On February 15, 2011, the Arbitrazh Court of the Samara Region denied Yukos Capital's enforcement application. The time for cassation appeal from the ruling has lapsed without Yukos Capital having filed such an appeal. On January 20, 2012, OJSC Samaraneftgaz filed a motion for summary judgment on the issue of personal jurisdiction in the U.S. S.D.N.Y.

On July 24, 2012, the U.S. S.D.N.Y. granted summary judgment to Yukos Capital on the issue of personal jurisdiction over OJSC Samaraneftgaz in New York. Yukos Capital and OJSC Samaraneftgaz thereafter filed cross-motions for summary judgment concerning whether the U.S. S.D.N.Y. should enforce the award. On August 6, 2013, the U.S. S.D.N.Y. denied Samaraneftgaz's motion for summary judgment and granted summary judgment for Yukos Capital. The U.S. S.D.N.Y. entered judgment for Yukos Capital in the amount of US\$ 186 million (RUB 6 billion at the CBR official exchange rate at December 31, 2013). Samaraneftgaz has appealed the judgment. Its brief was filed on January 24, 2014. On January 9, 2014, the U.S. S.D.N.Y. granted Yukos Capital's request for a turnover order and injunction to require Samaraneftgaz to use its assets to pay the above judgment or post a bond as well as to refrain from certain actions for so long as it has neither paid nor posted a bond. Samaraneftgaz intends to appeal the order and will defend its position vigorously in the appeal proceedings as well as against any further actions of Yukos Capital.

In February 2010, Yukos Capital commenced proceedings against Tomskneft in the Arbitrazh Court of the Tomsk Region seeking to enforce in Russia the abovementioned February 2007 ICC award. On July 7, 2010, the Arbitrazh Court of the Tomsk Region denied Yukos Capital's enforcement application. On October 27, 2010 Yukos Capital's cassation appeal was dismissed.

In July 2010, Yukos Capital brought an action against Tomskneft in the Paris Court of First Instance seeking enforcement of the February 2007 ICC award in France. On July 20, 2010, the court issued an ex parte order to allow enforcement. On February 22, 2011, Tomskneft timely filed an appeal against this order in the Paris Court of Appeal, which was granted on January 15, 2013, and the Paris Court of Appeal declared that the award could not be enforced in France. On August 6, 2013 Yukos Capital filed a brief on appeal to the French Court of Cassation seeking review of the Paris Court of Appeal's judgment declining enforcement. Tomskneft's brief was filed on December 5, 2013. The decision of the court is pending.

In February 2013, Yukos Capital initiated proceedings against Tomskneft in Ireland and Singapore seeking to enforce the same February 2007 ICC award whose recognition and enforcement was declined in Russia and France. Tomskneft has made an appearance in Ireland to challenge the court's jurisdiction. The court agreed with Tomskneft that its jurisdictional challenge should be heard before other issues. The court conducted a hearing on Tomskneft's motion to dismiss the proceedings on November 20-22, 2013 and the decision of the court is pending.

On February 19, 2013, Yukos Capital obtained an ex parte judgment granting its application for leave to enforce the same February 2007 ICC award in Singapore. Tomskneft filed on March 26, 2013 a brief responding submission. On July 3, 2013, the court heard Tomskneft's application that the issue of inadequate notice of the arbitral proceedings should be decided first and before Tomskneft fully presents all other defenses against enforcement. The judge decided to hear all grounds of defense at one time. On January 13, 2014 the judge granted in part Tomskneft's application for discovery. The hearing schedule in Singapore has not been fixed yet.

Yukos International (UK) B.V. has initiated proceedings in the Amsterdam District Court claiming damages of up to US\$ 333 million (RUB 11 billion at the CBR official exchange rate at December 31, 2013), plus statutory interest with effect from February 7, 2011, plus costs, against Rosneft and other co-respondents unrelated to Rosneft relating to alleged injury supposedly caused by the entry of a freezing order in 2008 that Yukos International (UK) B.V. claims restricted its ability to invest certain funds as it chose. The first court date in this case was June 27, 2012. Rosneft filed its Statement of Defense on October 3, 2012. That statement asserts various defenses including that the court properly granted the freezing order and that Yukos International (UK) B.V. suffered no damages as a result of having its funds deposited in an interest bearing account of its choice.

Yukos International (UK) B.V. filed its Statement of Reply on February 20, 2013. Rosneft filed its Statement of Rejoinder on May 15, 2013. A hearing on the merits is scheduled for January 9, 2014. At that hearing Yukos International (UK) B.V. was granted permission to amend its claims against Rosneft. Now Yukos International (UK) B.V. filed claims against Rosneft also based on collective responsibility; the purpose of these requirements is to pass one of the co-defendants alleged responsibility for Rosneft. Rosneft will respond to these new claims of February 26, 2014.

The Company and its subsidiary participate in arbitral proceedings related to bankruptcy of OJSC Sakhaneftgaz and OJSC Lenaneftgaz for the recovery of certain loans and guarantees of indemnity in the amount of RUB 1 billion, stated above account receivable was reserved in full.

During 2009-2012, the Federal Antimonopoly Service ("FAS Russia") and its regional bodies claimed that the Company and some of its subsidiaries (associates) violated certain antimonopoly regulations in relation to petroleum products trading and passed respective decisions on administrative liability. As of December 31, 2013, the total amount of administrative fines levied by FAS Russia and its regional bodies against Rosneft and its subsidiaries is immaterial.

On March 7, 2011, Norex Petroleum Limited ("Norex") filed a lawsuit against OJSC Tyumen Oil Company ("TNK"), a predecessor of OJSC TNK-BP Holding, subsequently renamed to OJSC RN Holding, and certain other defendants in the amount of US\$ 1.5 billion claiming the recovery of damages and compensation of moral damage caused by allegedly illegal takeover of the shares of LLC Corporation Yugraneft owned by Norex. The lawsuit was accepted by the Supreme Court of New York State (first instance court). On September 17, 2012, the Court dismissed Norex's action holding that it was time-barred. Norex filed an appeal against this judgment.

On April 25, 2013, the New York Appeal department confirmed that the dismissal of Norex's claim was justified. On May 28, 2013, Norex filed a motion for leave to appeal the decision affirming the lower court's dismissal of Norex's complaint to the New York Court of Appeals.

On September 12, 2013, New York Court of Appeals accepted Norex's claim. The hearing is expected in the first quarter of 2014, the judgment is expected to be delivered in the second quarter of 2014.

In 2013, several individuals, non-controlling shareholders of OJSC RN Holding, filed a number of lawsuits against the Company, claiming the right to get an offer from the Company to acquire the shares of OJSC RN Holding at the price the shares were measured in the course of TNK-BP acquisition by the Company. On October 25, 2013 Moscow Arbitrazh Court dismissed these claims. These decisions were upheld by the Court of Appeals on January 15 and 20, 2014.

The amount and timing of any outflow related to the above claims cannot be estimated reliably.

Rosneft and its subsidiaries are involved in other litigations which arise from time to time in the course of their business activities. Management believes that the ultimate result of those litigations will not materially affect the performance or financial position of the Company.

From September 2013, Rosprirodnadzor performed inspections of Rosneft and issued the report upon results of these inspections. As of the date of these consolidated financial statements administrative procedures have not been completed. The final outcome of the review will be announced after the completion by the inspection bodies of all procedures. The Company does not expect results of the examinations to have a material impact on the Company's financial position or results of operations.

Taxation

Legislation and regulations regarding taxation in Russia continue to evolve. Various legislative acts and regulations are not always clearly written and their interpretation is subject to the opinions of the local, regional and national tax authorities. Instances of inconsistent opinions are not unusual.

The current regime of penalties and interest related to reported and discovered violations of Russia's laws, decrees and related regulations is severe. Interest and penalties are levied when an understatement of a tax liability is discovered. As a result, the amounts of penalties and interest can be significant in relation to the amounts of unreported taxes.

In Russia tax returns remain open and subject to inspection for a period of up to three years. The fact that a year has been reviewed does not close that year, or any tax return applicable to that year, from further review during the three-year period.

Effective January 1, 2012, the market price defining rules were changed and the list of entities that could be recognized as interdependent entities and list of managed deals were expanded. Due to the absence of law enforcement precedents based on the new rules and certain contradictions in the provisions of the new law, such rules cannot be considered clear and precise. To eliminate influence of the significant risks associated with transfer pricing to the consolidated financial statements, the Company developed methods of pricing for all types of controlled transactions, a standard on preparation of reporting documentation, also the Company systematically researches databases to determine the market price level (ROI) of the controlled transactions.

In July 2013 the Company and Federal Tax Service signed the Pricing agreement in respect of taxation of oil sales transactions in Russia executed by the acquired TNK-BP companies starting from 2012.

In December 2012, the Company and Federal Tax Agency signed the Pricing Agreement for the purpose of taxation of oil sales transactions at the Russian market. Five Company subsidiaries also acted as the Parties to the Agreement. The document establishes the principles and methods of pricing in the aforementioned transactions. The Agreement was signed as part of the new order of fiscal control over the pricing of related party transactions to match the market parameters.

According to additions to part one of the Tax code of the Russian Federation, brought by the Federal law of the Russian Federation from November 16, 2011 No. 321-FZ, the Company created the Consolidated group of taxpayers which included 22 of subsidiaries of the Company, including Rosneft. Rosneft became a responsible taxpayer of the group.

From January 1, 2014 under the terms of the agreement, the number of members of the consolidated group of taxpayers is increased to 58. The Company management believes that creation of the consolidated group of taxpayers does not lead to significant changes of tax burden of the Company for the purpose of these consolidated financial statements.

During the reporting period, the tax authorities continued examinations of Rosneft and its certain subsidiaries for 2009-2012 fiscal years. Rosneft and its subsidiaries dispute a number of claims in pre-trial and trial appeal in federal tax service. The Company management does not expect results of the examinations to have a material impact on the Company's consolidated balance sheet or results of operations.

As of December 31, 2013, the amount of VAT receivable, that is potentially unrecoverable from the tax authorities is immaterial. The Company currently reimburses the current VAT in full in a declarative manner.

Management believes that the above tax risks will not have any significant impact on the Company's consolidated balance sheet or results of operations.

Overall, management believes that the Company has paid or accrued all taxes that are applicable. For taxes other than income tax, where uncertainty exists, the Company has accrued tax liabilities based on management's best estimate of the probable outflow of resources, which will be required to settle these liabilities. Potential liabilities which were identified by management at the reporting date as those that can be subject to different interpretations of tax laws and regulations are not accrued in the consolidated financial statements.

Capital commitments

The Company and its subsidiaries are engaged in ongoing capital projects for exploration and development of production facilities and modernization of refineries and the distribution network. The budgets for these projects are generally set on an annual basis.

The total amount contracted but not yet performed deliveries related to the construction and acquisition of property, plant and equipment amounted to RUB 328 billion and RUB 340 billion as of December 31, 2013 and 2012, respectively.

Environmental issues

The Company periodically evaluates its environmental liabilities pursuant to environmental regulations. Such liabilities are recognized in the consolidated financial statements as identified. Potential liabilities, which might arise as a result of changes in existing regulations or regulation of civil litigation or changes in environmental standards cannot be reliably estimated but may be material. With the existing system of control, management believes that there are no material liabilities for environmental damage, other than those recorded in the consolidated financial statements.

Long-term contracts

On May 23, 2013 the Company entered into an agreement to create a joint venture to develop heavy oil reserves in Venezuela in the framework of the Carabobo-2 project with the Venezuelan Corporacion Venezolana del Petroleo, a subsidiary of PDVSA.

According to the agreement, the Company will pay a bonus of \$11 billion (RUB 34 billion at the CBR official exchange rate as of the date of transaction) for entering the project in two tranches (40% and 60%) and provide a loan of \$1.5 billion (RUB 47 billion at the CBR official exchange rate as of the date of transaction) to Corporacion Venezolana del Petroleo with the maximum yearly draw down of \$0.3 billion (RUB 9 billion at the CBR official exchange rate as of the date of transaction).

On November 14, 2013, Petrovictoria S.A., an entity for exploration of heavy crude oil in Venezuela in the framework of the Carabobo-2 project, was incorporated.

In June 2013 the Company entered into a crude oil supply agreement with PKN ORLEN S.A. to Czech Republic via Druzhba pipeline. The agreement provides a total amount of not more than 8.3 million tons of crude oil to be supplied at market prices during the period through June 30, 2016. In the third quarter of 2013 the Company started deliveries under the contract.

In June 2013 the Company and CNPC entered into long-term agreements for crude oil supplies to China for a period of 25 years. Price of each delivery will be determined by a formula based on the quoted market prices during the delivery period. Crude oil supplies under these agreements started in July 2013.

In September 2013 the Company and OJSC Enel OGK-5 entered into an agreement on the long-term gas supplies to Enel OGK-5. As part of the agreement the Company will deliver gas during the period from 2014 to 2025 to Konakovskaya, Sredneurskaya and Nevinomysskaya Power Stations of OGK-5. The agreement provides a total amount of approximately 51.4 billion cubic meters of gas.

In December 2013, Rosneft and American bank Morgan Stanley entered into an agreement to purchase Morgan Stanley unit engaged in trade, storage and transport of crude oil. The provisional amount of agreement is the market value of the net assets of the acquired company plus purchase costs. Completion is scheduled for the second half of 2014.

42. EVENTS AFTER THE REPORTING PERIOD

In January 2014, the Company received prepayments on long-term oil supply contracts from a number of customers (Note 34).

43. SUPPLEMENTARY OIL AND GAS DISCLOSURE (UNAUDITED)

IFRS do not require that information on oil and gas reserves be disclosed. While this information was developed with reasonable care and disclosed in good faith, it is emphasized that the data represents management's best estimates. Accordingly, this information may not necessarily represent the current financial condition of the Company and its future financial results.

Company's activities are conducted primarily in Russia, which is considered as one geographic area.

Presented below are capitalized costs relating to oil and gas production

Presented below are capitalized costs relating to oil and gas production

Consolidated subsidiaries and joint operations:

	As of December 31,		
	2013	2012 (restated)	2011 (restated)
Oil and gas properties related to proved reserves	4 926	2 442	2 151
Oil and gas properties related to proved reserves for resale	94	–	–
Oil and gas properties related to unproved reserves for resale	50	–	–
Oil and gas properties related to unproved reserves	196	119	115
Total capitalized costs	5 266	2 561	2 266
Accumulated depreciation and depletion	(941)	(621)	(452)
Net capitalized costs	4 325	1 940	1 814

Presented below are costs incurred in the acquisition, exploration and development of oil and gas reserves

Consolidated subsidiaries and joint operations

For the years ended December 31:

	2013	2012 (restated)	2011 (restated)
Acquisition of properties - proved oil and gas reserves	2 243	1	–
Acquisition of properties - unproved oil and gas reserves	128	5	7

	2013	2012 (restated)	2011 (restated)
Exploration costs	24	27	13
Development costs	345	301	260
Total costs incurred	2 740	334	280

Presented below are the results of operations relating to oil and gas production

For the years ended December 31:

Consolidated subsidiaries and joint operations:

	2013	2012 (restated)	2011 (restated)
Revenue	1 909	1 265	1 149
Production costs (excluding production taxes)	204	84	70
Selling, general and administrative expenses	20	16	27
Exploration expense	17	23	13
Depreciation, depletion and amortization	329	167	164
Unwinding of discount	7	4	5
Taxes other than income tax	857	577	430
Income tax	62	77	65
Results of operations relating to oil and gas production	413	317	375

Reserve quantity information

For the purposes of evaluation of reserves as of December 31, 2013, 2012 and 2011 the Company used the oil and gas reserve information prepared by DeGolyer and MacNaughton, independent reservoir engineers, prepared in accordance with United States Securities and Exchange Commission (SEC) definitions. Proved reserves are those estimated quantities of crude oil and gas which, by analysis of geological and engineering data, demonstrate with reasonable certainty to be recoverable in the future from existing reservoirs under the existing economic and operating conditions. In certain cases, recovery of such reserves may require considerable investments in wells and related equipment. Proved reserves also include additional oil and gas reserves that will be extracted after the expiry date of license agreements or may be discovered as a result of secondary and tertiary extraction which have been successfully tested and checked for commercial benefit. Proved developed reserves are the quantities of crude oil and gas expected to be recovered from existing wells using existing equipment and operating methods.

Proved undeveloped oil and gas reserves are reserves that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion. Reserves on undrilled acreage are limited to those drilling units offsetting productive units that are reasonably certain of production when drilled. Proved reserves for other undrilled units can be claimed only where it can be demonstrated with certainty that there is continuity of production from the existing productive formation. Under no circumstances are estimates of proved undeveloped reserves attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless those techniques have been proved effective by actual tests in the area and in the same reservoir. Due to inherent industry uncertainties and the limited nature of deposit data, estimates of reserves are subject to change as additional information becomes available.

The Company management included in proved reserves those reserves which the Company intends to extract after the expiry of the current licenses. The licenses for the development and production of hydrocarbons currently held by the Company generally expire between 2014 and 2053, and the licenses for the most important deposits expire between 2014 and 2053. In accordance with the effective version of the law of the Russian Federation, On Subsurface Resources (the "Law"), licenses are currently granted for a production period determined on the basis of technological and economic criteria applied to the development of a mineral deposit which guarantee rational use of subsurface resources and necessary environmental protection.

In accordance with the Law and upon gradual expiration of old licenses issued under the previous version of the Law, the Company extends its hydrocarbon production licenses for the whole productive life of the fields. Extension of the licenses depends on compliance with the terms set forth in existing license agreements. As of the date of these consolidated financial statements, the Company is generally in compliance with all the terms of the license agreements and intends to continue complying with such terms in the future.

The Company's estimates of net proved oil and gas reserves and changes thereto for the years ended December 31, 2013, 2012 and 2011 are shown in the table below and expressed in million barrels of oil equivalent (oil production data was recalculated from tons to barrels using a field specific in the range from 6.71 to 8.87 barrels per ton, gas production data was recalculated from cubic meters to barrels of oil equivalent ("boe") using a ratio of 35.3/6 cubic meters per barrel).

Consolidated subsidiaries and joint operations

As of years ended December 31:

	2013	2012 (restated)	2011 (restated)
	mln boe	mln boe	mln boe
Beginning of year	17 392	16 995	14 613
Beginning of year –reserves of associated companies as of December 31, 2012	970	–	–
Revisions of previous estimates	(437)	1 355	2 196
Extensions and discoveries	1 279	775	1 092
Improved recovery	51	–	–
Purchase of new reserves (Note 7)	13 063	1	–
Sale of reserves	–	(806)	–
Production	(1 530)	(928)	(906)
End of year	30 788	17 392	16 995
of which:			
Proved reserves under PSA Sakhalin 1	76	87	95
Proved reserves of Tomskneft	613	619	643
Proved reserves of assets in Canada	5	1	–
Proved reserves of assets in Vietnam	27	–	–
Proved developed reserves	17 570	11 267	10 892
Minority interest in total proved reserves	161	118	109
Minority interest in proved developed reserves	123	86	71

Standardized measure of discounted future net cash flows and changes therein relating to proved oil and gas reserves

The standardized measure of discounted future net cash flows related to the above oil and gas reserves is calculated in accordance with the provisions set by U.S. Securities and Exchange Commission (SEC). Estimated future cash inflows from oil, condensate and gas production are computed by applying the 12 month average prices (reference prices) calculated as unweighted arithmetic average of the first-day-of-the-month price for each month within the 12 month period prior to the end of the reporting period, unless prices are defined by contractual arrangements, to year-end quantities of estimated net proved reserves. Adjustment in this calculation for future price changes is limited to those required by contractual arrangements in existence at the end of each reporting period. Future development and production costs are those estimated future expenditures necessary to develop and produce estimated proved reserves as of year-end based on current expenses and costs and forecasts. In certain cases, future values, either higher or lower than current values, were used because of anticipated changes in operating conditions, but no general escalation that might result from inflation was applied. Estimated future income taxes are calculated by applying appropriate year-end statutory tax rates. These rates reflect allowable deductions and tax credits and are applied to estimated future net pre-tax cash flows, net of the tax bases of related assets.

Discounted future net cash flows are calculated using a 10% p.a. discount factor. Discounting requires a year-by-year estimates of future expenditures to be incurred in the periods when the reserves will be extracted.

The information provided in the table below does not represent management's estimates of the Company's expected future cash flows or of the value of its proved oil and gas reserves. Estimates of proved reserves change over time as new information becomes available. Moreover, probable and possible reserves which may become proved in the future are excluded from the calculations. The arbitrary valuation prescribed under provisions set by SEC requires assumptions as to the timing and the amount of future development and production costs. The calculations should not be relied upon as an indication of the Company's future cash flows or of the value of its oil and gas reserves.

Standardized measure of discounted future net cash flows
Consolidated subsidiaries and joint operations

	2013	2012 (restated)	2011 (restated)
Future cash inflows	38 531	21 970	19 444
Future development costs	(2 995)	(1 169)	(1 018)
Future production costs	(20 796)	(11 314)	(10 255)
Future income tax expenses	(2 250)	(1 553)	(1 332)
Future net cash flows	12 490	7 934	6 839
Discount for estimated timing of cash flows	(7 461)	(4 730)	(4 018)
Discounted value of future cash flows as of the end of year	5 029	3 204	2 821

Share of other (minority) shareholders in discounted value of future cash flows

	UOM	2013	2012 (restated)	2011 (restated)
Share of other (minority) shareholders in discounted value of future cash flows	RUB bln	25	29	32

Changes therein relating to proved oil and gas reserves
Consolidated subsidiaries and joint operations

	2013	2012 (restated)	2011 (restated)
Discounted value of future cash flows as of the beginning of year	3 204	2 821	2 275
Discounted value of future cash flows as of the beginning of year (associated companies)	112	–	–
Sales and transfers of oil and gas produced, net of production costs and taxes other than income taxes	(828)	(588)	(622)
Changes in price estimates, net	(278)	260	341
Changes in future development costs	(177)	(118)	73
Development costs incurred during the period	345	301	260
Revisions of previous reserves estimates	(71)	151	223
Increase in reserves due to discoveries, less respective expenses	217	144	221
Net change in income taxes	83	30	(142)
Accretion of discount	332	282	228
Net changes due to purchases (sales) oil and gas fields	2 083	(68)	–
Effect of proportionate consolidation of OAO Tomskneft	(16)	24	105
Other	23	(35)	(141)
Discounted value of future cash flows as of the end of year	5 029	3 204	2 821

Company's share in costs, inventories and future cash flows of the joint ventures and associates:

	UOM	2013	2012 (restated)	2011 (restated)
Share in capitalized costs relating to oil and gas producing activities (total)	RUB bln	139	81	31
Share in results of operations for oil and gas producing activities (total)	RUB bln	11	26	15
Share in estimated proved oil and gas reserves	mln boe	1 920	1 634	622
Share in estimated proved developed oil and gas reserves	mln boe	1 305	909	399
Share in discounted value of future cash flows	RUB bln	286	214	166

Main Factors of Risk

Type of risk	Description and ways of minimizing the risk
INDUSTRY RISKS	
Prices for crude oil, gas and petroleum products	<p>Prices for crude oil, gas and petroleum products are the main factor determining financial and, indirectly, operational indicators of Rosneft's business. Prices for Company outputs depend mainly on world market conditions, and the balance of supply and demand in various Russian regions. Ability of the Company to control prices for its outputs is very limited.</p> <p>Fall in prices for crude oil, gas or petroleum products has negative impact on the business results and financial position of Rosneft.</p> <p>Decline of prices may lead to reduction in volumes of crude oil and gas, which the Company can produce profitably, and this may in turn lead to reduction in the volume of reserves, which can be efficiently developed, and to lower economic efficiency of prospecting and exploration programs.</p> <p>Rosneft has sufficient opportunities for reallocating goods flows in case of significant price difference between domestic and international markets. The Company is also able to reduce capital and operating expenses quickly in order to meet its commitments in case of a sharp decline in prices for crude oil, gas and petroleum products.</p>
Dependence on monopolistic providers of services for the transportation of crude oil, gas and petroleum products and on their tariffs	<p>Rosneft depends on monopolistic providers for transportation of oil and oil products, and has no control over the infrastructure which they use and the charges which they levy.</p> <p>OJSC Transneft, which is a state-owned natural monopoly, transports crude oil and petroleum products through the system of trunk pipelines. Rosneft has not incurred any serious losses due to breakdown or leakages from the pipeline system throughout the period of cooperation. However, any serious disruption in operation of the Transneft pipeline system or restriction on access to its capacities could prevent transportation of crude oil and petroleum products, with adverse effect on Rosneft's operating results and financial position.</p> <p>Rosneft, as well as other Russian oil producing companies, has to pay for transportation services provided by Transneft. The level of tariffs charged by Transneft for its transport services is regulated by the Federal Tariff Service. Failure to pay for transportation services may result in cancellation or suspension of Rosneft's access to the pipeline system with adverse effect on operating results and financial position of the Company. Transneft periodically raises the level of tariffs for use of its pipeline system, increasing Rosneft's expenses, and this has adverse effect on business results and financial position of the Company.</p> <p>Similar risks attach to use of the pipeline system of OJSC Gazprom.</p> <p>The Company also depends on transportation of crude oil and petroleum products by railway.</p> <p>OJSC Russian Railways ("RZhD") is a state-owned natural monopoly providing transportation services by railway. RZhD tariffs are subject to antimonopoly control, they have been on a traditional rising trend. Further tariff increases lead to increase of expenses for crude oil and petroleum product transportation, and may have adverse effect on the Company's business results and financial position.</p>
Geographical and climate conditions	<p>Rosneft operates in regions that have stable climates and are not generally subject to natural hazards and disasters. However, abnormally low temperatures during the winter in a number of northern regions may complicate operations of the Company's oil production enterprises.</p> <p>It is possible that such occurrences as the recent flood, which affected many Russia's Far East regions, would repeat in future. Rosneft is one of the natural monopolists at the Russia's Far East and its activities in flooded regions were aimed at creating the most favorable conditions for affected citizens and businesses for economic revival. This work was designed along two major lines: first of all – protection of employees, security arrangement and protection of businesses infrastructure from flood threat, and second – reliable, uninterrupted fuel supply to all consumers of the affected area. Komsomolsk Refinery – major Rosneft's enterprise at the Russia's Far East – worked steadily and normally throughout the disaster.</p> <p>Hold-ups in functioning of export terminals may be caused by climate conditions in the areas of their locations.</p> <p>Rosneft dispatches a part of its crude oil export via Company-owned sea port terminals and terminals controlled by Transneft. Petroleum products are exported via Company-owned sea port terminals in Tuapse (Krasnodar Territory) and Nakhodka (Primorsky Territory).</p> <p>Exports via Black Sea terminals to Mediterranean ports may be restricted by throughput capacity of the Bosphorus Strait and by weather conditions (storm winds) in the Black Sea during the autumn. Also, severe ice conditions may lead to closure of export terminals on the Baltic Sea and at De-Kastrri (Khabarovsk Territory) during the winter.</p> <p>Any extended hold-ups in functioning of export terminals may have adverse effect on the Company's operating results and financial position.</p> <p>Ability to reallocate goods flows enables Rosneft to minimize a part of its logistics risks.</p>
Sale of gas output	<p>Rosneft is exposed to several risks in connection with sale of the gas it produces. The Unified Gas Supply System ("UGSS") is owned and operated by OJSC Gazprom and transports practically all gas in Russia. Under existing regulations, Gazprom should provide access to UGSS for all internal independent suppliers on an equal basis, since Gazprom itself does not fully use capacity of the system. However, these "equal access" regulations may not operate. Moreover, by virtue of its priority right to use of UGSS capacities,</p> <p>OJSC Gazprom has substantial freedom in assigning third-party access to the system.</p> <p>Prices for gas sold by the company in Russia are regulated by the RF Government. Regulated prices are reflected in the price for gas, which Rosneft sells to OJSC Gazprom or its subsidiaries. If rates of increase of regulated gas prices are lower than expected, this may have adverse effect on business results and the financial position of the Company.</p> <p>Further growth in gas output as well as increasing gas sales to independent regional traders and independent industrial consumers will depend on sufficient access to UGSS capacities, which are not guaranteed at present.</p> <p>The Company minimizes these risks by reaching agreements with Gazprom and by using conservative forecasts for gas price growth when taking decisions on implementation of gas projects.</p>
Factual amounts of reserves	<p>Crude oil and gas reserve data are only estimates and are inherently uncertain. The actual size of reserves may differ materially from these estimates.</p> <p>Data on oil & gas reserves in the present report are estimative and are based mainly on the results of internal analytical work by the company DeGolyer&MacNaughton, which is an independent consultant to Rosneft on petroleum engineering issues.</p> <p>Petroleum engineering is a subjective process of estimating underground accumulations of crude oil and gas that cannot be measured in an exact manner. Estimates of the value and amount of economically recoverable crude oil and gas reserves, rates of production, net present value of future cash flows and the timing of development expenditures necessarily depend upon several variables and assumptions.</p> <p>Many of the assumptions, which have been used in reserve estimation, do not depend on the Company and may turn out to be inaccurate over time. Estimate of reserves and use of alternative systems of reserve calculation in accordance with the Russian system of reserve classification are inevitably subject to many uncertainties. Accurate estimation of any reserves and resources depends on the quality of available information and interpretation of petroleum engineering and geological data. Exploration drilling, interpretation of data, testing and production, which are carried out after the estimates are made, could require significant upward or downward adjustment of data on Rosneft's reserves and resources. Moreover, different reserve assessment specialists may give differing estimates of reserves and of potential income from those reserves on the basis of the same data. Factual amounts of production, revenues and expenses associated with reserves and resources, will differ from estimative figures, and these differences may be substantial.</p> <p>There are also various uncertainties associated with the Russian system of reserve classification, which takes only geological factors into consideration and does not consider financial viability of extracting reserves.</p> <p>Exploration drilling is also associated with numerous risks, including the risk that oil & gas companies will not discover oil & gas reserves that are commercially productive.</p> <p>Rosneft carries out exploration work in various geographical regions, including territories with unfavorable climatic conditions and high levels of expenses. Expenses for drilling, construction and operation of wells are often partially undefined. As a result, Rosneft may incur additional costs or be constrained to downsize, suspend or cease drilling work due to a variety of factors, including: unforeseen geological conditions, encountered during drilling work; anomalous levels of formation pressure (either high or low), heterogeneity in geological formations, equipment breakdowns and accidents, unfavorable weather, the need to observe environmental law and prescriptions by Government agencies, and shortages or late delivery of drilling rigs and equipment.</p> <p>If Rosneft is unable to carry out efficient exploration work or acquire assets, which contain confirmed reserves, the amount of its confirmed reserves will diminish proportionally to production as those reserves are exhausted. Future production by the Company depends to a significant extent on successful discovery, acquisition and development of oil & gas fields. If efforts by Rosneft do not prove successful, this will lead to reduction in the total amount of the Company's confirmed reserves and lowering of production volumes, which will have adverse effect on business results and the financial position of the Company.</p> <p>Rosneft is a world leader by amounts of oil reserves and has an enormous resource base, which minimizes risks associated with decline of oil production due to future revision of reserve amounts.</p>
Competition risks	<p>The oil & gas industry is intensely competitive. Rosneft competes mainly with other leading Russian oil & gas companies in the following areas of business:</p> <ul style="list-style-type: none"> • purchase of exploration and production licenses at auctions and sales held by Russian Government agencies; • acquisition of other Russian companies, that may already own mineral licenses or existing assets associated with hydrocarbon production; • engaging the services of leading independent service companies, whose capacity to render the required services may be limited;

Type of risk	Description and ways of minimizing the risk
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- obtaining equipment for capital projects, which may be in short supply;
- employment of highly skilled and experienced staff;
- acquisition of existing retail enterprises and of land plots to develop new retail enterprises;
- acquisition of, or gaining access to, oil refining facilities.

Rosneft is among industry leaders in Russia and globally, which substantially improves its competitive positions. The Company has a substantial portfolio of new projects to maintain and strengthen its competitive positions in the future.

Rosneft may encounter risks arising from intensification of competition in sale of its production on domestic and external markets. The following steps are being taken to minimize risks in sale of petroleum products on the domestic market in a context of intense competition:

- capacity loading of Company refineries is planned with due regard to market forecasts in order to avoid inventory build-up of certain petroleum products;
- the Company uses the Russia-wide structure of its oil refining and oil product wholesaling business and system of counterparties to best advantage in order to quickly reallocate regional goods flows on the domestic market and to ensure rapid adjustment of volumes between the domestic market and export;
- upgrading work, which is being carried out at refineries, will increase refining depth, helping to meet growing demand for high-octane gasolines and petroleum products with low sulphur content;
- the Company is working continuously to develop its own network of filling stations and refueling complexes meeting the latest European standards, since retail is the most stable segment for petroleum product sales on the domestic market, being less subject to sudden price fluctuations and falls in demand in comparison with other segments. A system of payment for fuel sales at filling stations using electronic cards is widely used in order to attract more customers (particularly corporate customers) and Rosneft stations can also serve cards of other providers.

Geographical diversity, which enables reallocation of crude oil and petroleum product deliveries from one region to another, is one of the most effective means of managing competition risk on export markets. For example, opening of an export route via Arkhangelsk and Murmansk and arrangements for crude oil deliveries by railway to China has created an opportunity for adjusting export flows by opening markets in the Far East, South-East Asia and the USA. This has been done by reducing traditional export flows through Black and Baltic Sea ports and Transneft's Druzhba pipeline, all of which are oriented to Europe.

COUNTRY AND REGIONAL RISKS

Country and region Rosneft has operations in all Federal Districts of the Russian Federation. Development prospects for the Federal Districts are discussed in the Program for Medium-term Socio-Economic Development of the Russian Federation. Risks of military conflicts, public disturbance, strikes and declaration of a state of emergency in regions of Company operations are negligible.

The Company notes possible influence of risks related to international political environment on its activities.

The Company is also exposed to risks related to its international operations. These are countries with developing markets and are more prone to political, economic, social and legal risks than countries with more developed markets. Overall, the risks related to carrying out business activities in these countries are comparable or higher than those related to business operations in Russia, including due to possible changes in international political environment. In order to minimize its economic and financial risks Rosneft strives to diversify its types of business and the regions where it carries out investment projects, expanding the geography of its business and the nature of its various projects.

In case of the occurrence of risks, associated with the political, economic and social situation in Russia as a whole or in specific regions, and risks associated with fluctuations in the global economy, the Company will take whatever measures are possible to limit their negative impact. The parameters of such measures will depend on the specifics of the situation, in each particular case.

The Company plans to carry out the following measures of a general nature to maintain its business in case of negative impact due to country or regional changes:

- to take whatever measures are possible to support projects, which are already being developed with the Company's support;
- to work closely with executive bodies of the Government of the Russian Federation, administrative regions of the Russian Federation and municipal government bodies;
- to optimize and limit expenses.

Changes in the country and its regions, the nature and frequency of such changes and related risks are hardly predictable, as well as their influence on future activities of the Company. In case of such changes that may negatively affect its activities, the Company would make every possible effort to minimize their negative impact.

FINANCIAL RISKS

Currency Most of Rosneft's gross revenue is generated from export of crude oil and petroleum products. Consequently, fluctuations in exchange rates of currencies against the ruble have impact on the Company's business results, subjecting the Company to currency risk.

The Company's currency risk is substantially reduced by the existence of expenses that are denominated in foreign currency. Rosneft is a large borrower in the international debt capital markets, and the bulk of its loans are denominated in US dollars. Current liabilities for servicing these loans are also denominated in dollars.

This currency structure of revenues and liabilities acts as an in-built hedging mechanism, where factors compensate one another by acting in opposite directions and minimize the impact of currency risk on the Company's business results.

Changes in interest rates As a major borrower, Rosneft is exposed to risks associated with changes in interest rates. The Company's primary source of debt financing is international debt capital markets. The majority of its debt portfolio is represented by US dollar-denominated loans that bear interest at rates determined with reference to LIBOR and EURIBOR interbank loan rates. Accordingly, an increase in LIBOR/EURIBOR rates can lead to higher costs of debt servicing, which, in turn, may adversely affect the Company's solvency and liquidity.

To manage liquidity risks the Company primarily uses internal instruments and reserves for financial risks management, allowing the Company to guarantee discharge of its obligations.

The Company has credit ratings of investment levels by leading international rating agencies: Moody's (Baa1), Fitch (BBB-) and S&P (BBB).

Inflation Change in the consumer price index has some impact on the Company's financial position. However, existing and forecast levels of inflation are far from critical for the Company and the oil & gas industry as a whole. The Company is not taking any special measures to reduce this risk, viewing it as insignificant.

LEGAL RISKS

Regulatory authorities inspections Rosneft was included into the plan of scheduled inspections of legal entities and individual entrepreneurs for 2013 by the Central Body of the Federal Service for Supervision of Natural Resources ("Rospirodnadzor") in accordance with Order by Rospirodnadzor No. 581 dated 31.10.2012. The routine field inspection was carried out from September 23 till December 16, 2013 based upon Order No. 564 dated 09.09.2013 as revised by Orders of Rospirodnadzor No. 618 dated 08.10.2013 and No. 642 dated 23.10.2013.

The inspection checked compliance with legislation on geological survey, sustainable use and management of mineral resources, as well as with regulatory requirements in the area of mineral resources and environment protection.

An act was drawn following the results of the inspection (16.12.2013).

As of 31.03.2014 administrative procedures following the results of the inspection were partially completed, including completion of administrative procedures in the state geological supervision area. The inspection did not reveal grounds for early termination, suspension or limitation of exploration rights of the Company.

Directive were issued with regard to Rosneft to apply administrative sanctions in the form of fines. The total amount of fines would not materially affect operating results or financial standing of the Company.

Administrative procedures in the state environmental control area have not yet been completed.

Changes to currency regulation Rosneft is heavily involved in foreign economic relations. Part of the Company's assets and liabilities are denominated in foreign currency. So the Government mechanism of currency regulation has impact on Company business.

Overall, Russian legislation governing currency regulation and currency control did not undergo substantial changes having impact on the business of Rosneft during the reporting period.

Rosneft constantly monitors changes in currency legislation and strictly adheres to the provisions of legislation in the sphere of foreign currency.

Changes to tax legislation The most substantial changes to tax legislation in the reporting period are:

- amendment of procedure for pretrial tax settlements, i.e. a taxpayer is obliged at a pre-trial stage to contest all non-regulatory acts of tax bodies, their actions (failure to act); a term for preparing an appeal petition to the higher tax authority is extended; process of reviewing an appeal in a higher tax authority is described in more detail; commencement date of a time limit for a taxpayer for having recourse to the court is clarified, etc.;

Type of risk	Description and ways of minimizing the risk
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- inclusion of provisions differentiating MET tax rate depending on reservoir permeability coefficient, field depletion degree and the size of oil reservoir. In particular, decreasing coefficients of the MET rate for oil production at subsoil areas containing hard-to-recover oil reserves are determined;
- establishing a new procedure for calculation of property tax with regard to business centers, shopping centers, office buildings, consumer services facilities, as well as property facilities of foreign organizations, which do not work in Russia through permanent representative offices. For such property items the tax base is determined as cadastral value of property units;
- extension for 2014 of validity of para. 3 p. 1.1 Art. 269 of the Tax Code of the RF, providing for a possibility to incorporate the interest amount on debts, which is equal to the interest rate established by agreement of the parties, but not exceeding the refinancing rate of the Bank of Russia multiplied by 1.8, while executing a debt instrument in rubles, and equal to product of the refinancing rate of the Bank of Russia and coefficient 0.8, while executing a debt instrument in foreign currency;
- indexation of excise rates for automotive gasoline, diesel fuel, straight-run gasoline and engine oils for gasoline and (or) carburettor (injection) engines for the period 2013-2014, setting of new excise rates for 2015, and additions to the list of goods that are subject to excises;
- indexation of rates of mineral extraction tax for natural gas and gas condensate in 2013-2015;
- exemption from property tax for movable property of organizations, which was recorded in accounts from 01.01.2013;
- cancellation of preferences in taxation of the property of organizations and setting of maximum tax rates with respect to railways in public use, trunk pipelines, electricity transmission cables, and structures, which are an integral functioning part of these facilities.

Tax legislation is a particularly changeable branch of law, where legal statutes are subject to frequent amendments, additions and clarifications. In order to reduce risks associated with changes in tax law the Company carries out careful analysis of law drafts and newly passed legal acts in the field of taxation. Rosneft constantly monitors changes to tax legislation and assesses and forecasts the impact of such changes on its business, so that likelihood of risks arising in connection with amendments to legislation on tax and duties that have come into force is not high.

Changes to rules for customs control and duties

Rosneft is involved in foreign economic relations, and is therefore subject to several risks that arise from changes to legislation governing foreign economic relations, and to customs legislation governing procedures for transportation of goods across the customs border, the establishment and application of customs regimes, and the setting, introduction and levying of customs charges.

Customs regulation is carried out in accordance with international agreements of the Russian Federation in the area of customs issues, with the provisions of the Customs Code of the Customs Union, the Federal Law on Customs Regulation, the decision of the Eurasian Economic Commission, the Federal Law on the Customs Tariff and other federal laws and legal acts adopted in accordance with such laws in the sphere of Government regulation of foreign trade.

In accordance with Federal Law N° 239-FZ dated 03.12.2012 on Amendments to the Russian Federation Law on Customs Tariff the procedure for the setting of export duties on crude oil and certain categories of goods obtained from crude oil was changed on 01.04.2013.

Under the new procedure the Government defines a formula for the calculation of export duties, taking account of the average price of Urals crude, and an authorized Government body calculates the duty rates, and the rates are recalculated each month and made known to participants in international trade operations through official sources. Executive Order of the Government of the Russian Federation No. 155 dated 26.02.2013 the Ministry of Economic Development and Trade has been appointed as such authorized body.

The law, with regards to export customs duties, sets maximum levels of the calculated export duty rates depending on prices for crude oil on international markets. Special formulas are established by the Russian Government for calculating export duty rates on high-viscosity crude oil and crude oil with particular physical and chemical features.

No special discounted rates for crude oil of Vankor and VCNG fields were established in the reporting period.

Monitoring of customs legislation during the reporting period did not reveal material developments or amendments influencing Rosneft's activities, so that likelihood of risks arising in connection with amendments to customs legislation is insignificant.

Changes to antimonopoly legislation

Rosneft has significant shares of wholesale markets in the Russian Federation for motor gasoline, diesel fuel, jet fuel and fuel oil, so Company business in this sphere is subject to additional requirements designed to protect competition, entailing risks associated with changes to antimonopoly legislation. Antimonopoly regulation is carried out in accordance with Russian federal laws and legal acts associated with these laws.

Joint Order of the FAS of Russia and the Ministry of Energy of the Russian Federation on Approval of Minimum Quantities of Petroleum Products to be Sold at Exchange and Requirements to Exchange Trading for Deals with Petroleum Products by Entities with Dominant Positions on the Relevant Goods Markets ("Order") came into force on 16.07.2013. Since enforcement of the Order the Company, to create intrinsic exchange indicators, which will be recognized as market regulators by the regulator, shall monthly sell through the exchange no less than determined minimal volumes of petroleum products established by the Order, and at the same time comply with other requirements to exchange trading established by the Order. The Company complies with these demands.

Besides, certain constraints to the Company's activity were imposed by Improvement Notice of the FAS of Russia dated 29.12.2012, issued following coordination of acquisition of TNK-BP Limited and its subsidiary TNK Industrial Holdings Limited. These constraints primarily refer to the requirement to agree with the FAS of Russia the Procedure for selling and pricing petroleum products on the domestic market, as well as requirements to sell some of the filling stations in several regions, where the Company's dominant position would be enhanced due to THK-BP integration.

Rosneft constantly monitors both amendments to existing legislation and law drafts, which are in preparation, assessing the nature of any amendments and taking them into account in its business in order to minimize risks arising from changes in antimonopoly requirements. The Company takes all necessary measures in its business while selling petroleum products on the domestic market to minimize the risks indicated above, constantly monitoring market price levels and making full use of market instruments when carrying out sales of petroleum products, and also implementing other recommendations of antimonopoly bodies which are intended to ensure that petroleum product pricing is economically justified.

Legal regulation of sub-soil use

Onshore and continental shelf sub-soil use legislation is a key component of legal regulation of Rosneft's core business activities, wherefore the Company monitors amendments to current industry-specific legislation and takes account of them in its business.

During the reporting period regulatory control of onshore sub-soil usage was amended as follows:

- a new procedure for organizing and conducting competitions and auctions for usage rights at sub-soil areas of federal status gas been determined. Specifically, it has been established that tendering for usage rights at areas with federal status must be carried out through an auction process only (amendments to Law of the Russian Federation No. 2395-1 dated 21.02.1992 "Sub-soil Law").

These amendments have essentially legalized established practices of an auction form for granting the use of sub-soil areas of federal status, as competitions organized by government bodies for hydrocarbon fields have very rarely been held using a tendering format.

- economics pertaining to legal arrangements of sub-soil use have been worked out in detail, in particular, an amount of one-time payment for the use of sub-soil resources payable by a sub-soil user, that had gained the right to use a sub-soil area outside of a competition or an auction has been specified (RF Government Decree No. 646 dated 30.07.2013); the procedure and formula for calculation of the extent of damage caused to sub-soil resources due to breach of industry legislation has been determined (RF Government Decree No. 564 dated 04.07.2013).

Within the frameworks of Russian continental shelf sub-soil use legislation:

- notions of "artificial islands", "installations, structures" have been determined;
- subjects that have the right to construct artificial islands, installations and structures have been formalized;
- requirements to a prevention of emergency situations ("ES") plan, envisaging actions aimed at prevention of and response to oil and petroleum products spills in marine environment have been specified.

These amendments are aimed at enhancement of legal regulation of activities in the Russian continental shelf, further progress in the industry-specific legislations is expected through development of bylaws, providing specifics of the relevant norms.

Legislation regarding land use and urban construction

Adherence to legislation regarding land use and urban construction if one of Rosneft's priorities, as land is a key object in Company's activities.

In 2013 there were no amendments to the land or urban construction legislation that have or might have material influence on the Company's activities.

However some amendments of the industry-specific legislation of "technical" nature will be taken into account by the Company in its current activities in relevant spheres, such as:

- obtaining approvals for facilities commissioning.

In accordance with RF Government Decree dated 01.03.2013, the documents submitted under part 4, Art. 55 of the Urban Construction Code of the Russian Federation in order to get an approval for commissioning a capital facility, shall include technical design prepared in electronic form.

- registering agreements and other deals.

Type of risk	Description and ways of minimizing the risk
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In particular, starting from October 1, 2013 a procedure for State registration of agreements and other deals in electronic form was introduced, as well as a possibility for forwarding various notifications in electronic form. The State registration of accrual and transfer of property rights is certified, at right holder's option, either by the State Registration Certificate or by an excerpt from the Single State Register of Property Rights and Transactions Therewith. A paper form is required by law for the Certificate only.

Health, safety and environment	<p>A large number of facilities used by Rosneft in its business fall within hazardous category. In order to eliminate risks of industrial nature in Company's activities, as well as minimize environmental impact, Rosneft adheres to provisions of legislation related to control of operation of hazardous production facilities.</p> <p>During the reporting period as a part of setting up an effective system of hazardous production facilities management:</p> <ul style="list-style-type: none"> classification of hazardous production facilities ("HPF"), with consideration of the degree of risk of accidents and scale of potential impact, was introduced. Hazard class shall be assigned to a HPF in the process of its registration in the State Register of HPFs; binding justification of HPFs safety was introduced, regulatory declaration of industrial safety is limited to HPFs of hazard class I and II. with regard to HPFs of hazard class I, a constant state monitoring mode was established, envisaging a possibility for permanent presence of representatives of the state oversight authorities at the high-risk facilities and conducting controlling actions on safety conditions monitoring and compliance with safety program activities. <p>Scheduled inspections of organizations and individual entrepreneurs operating HPFs of hazard class I and II shall be conducted not more frequently than once a year, and of hazard class III - not more frequently than once every three years. Scheduled inspections of HPFs of hazard class IV are not envisaged.</p> <ul style="list-style-type: none"> temporary practice for maintaining the State Register of HPFs, as it is necessary to carry out re-registration of HPFs and assign relevant hazard class before January 1, 2014. <p>In elaboration of measures aimed at establishing an efficient system of hazardous production facilities management, a new procedure for licensing explosive, flammable and chemically hazardous production facilities was established.</p> <p>A license is required to use facilities of hazard class I, II and III; facilities of hazard class IV do not need licensing. A specific list of works requiring permit was provided. Licensing requirements were amended.</p> <p>It should be noted that licenses for use of explosive and flammable production facilities and licenses for use of chemically hazardous production facilities, issued before 01.07.2013, in accordance with p. 5 Art. 10 of Federal Law No.22-FZ dated 04.03.2013, are valid after enforcement of this Federal Law and give the licensee the right to use explosive, flammable and chemically hazardous production facilities of hazard class I, II and III according to the list of works specified in these licenses.</p> <p>In the light of the above, the Company or its Group Companies do not need reissuing of earlier licenses, and the risks related to lack of licenses to use explosive, flammable and chemically hazardous production facilities of hazard class I, II and III are minimal.</p>
Current court cases in which the Company is involved	<p>Rosneft has previously participated or is currently participating in the following court cases, which may have substantial impact on the Company's financial results:</p> <p>1) In 2006 the International Commercial Arbitration Court of the Russian Chamber of Commerce upheld claims by Yukos Capital S.a.r.l. for recovery of debt from OJSC Yuganskneftegaz (the legal predecessor of Rosneft Oil Company) under four loan agreements: RUB 11,233.0 mln loan principal, RUB 1,702.9 mln accrued interest and USD 0.9 mln arbitration fees and court costs ('Arbitrage Verdicts'). Yukos Capital S.a.r.l. made an application to the Court of Amsterdam (Netherlands) for the Arbitrage Verdicts to be upheld and implemented in the Netherlands. In May 2007 Rosneft successfully contested the Arbitrage Verdicts in the Moscow Arbitration Court based on procedural violations in the earlier court case. This decision was upheld by appeal and supervisory courts in the Russian Federation. On 28.02.2008 the Amsterdam Court refused to uphold the Arbitrage Verdicts and order their execution in the Netherlands. On 28.04.2009 the Amsterdam Appeal Court overturned the ruling of the Amsterdam Court and ordered that the Arbitrage Verdicts should be executed in the Netherlands. The Supreme Court of the Netherlands ruled on 25.06.2010 that an appeal by the Company against the ruling of the Amsterdam Appeal Court of 28.04.2009 should not be heard.</p> <p>In addition to the legal case in the Netherlands, Yukos Capital S.a.r.l. made a further claim in 2009 and at the beginning of 2010 for the Arbitrage Verdicts to be upheld and implemented in the USA, in England and Wales, Ireland, and Jersey, and also for awarding interest on the amounts referred to in the Arbitrage Verdicts. In accordance with a court order by the English court on 06.04.2010, the Company agreed to provide security agreed by the parties for purposes of the courts cases in England and the Netherlands, and the court cases in the USA, Ireland, and Jersey were terminated.</p> <p>As stated above, on 28.06.2010 the Supreme Court of the Netherlands ruled that the appeal by the Company against the verdict of the Amsterdam Appeal Court dated April 28, 2010 should not be heard. Although Rosneft disagrees with the rulings of the aforementioned Dutch courts, on 11.08.2010 it made a payment equivalent to the amounts indicated in the Arbitrage Verdicts.</p> <p>Apart from the above-mentioned payments, Yukos Capital S.a.r.l. is maintaining its application to the High Court of Justice in London for payment of interest, calculated by reference to legal statutes, amounting to USD 160 mln at the time when the application was made. On 14.06.2011 the London High Court delivered a provisional verdict on two preliminary matters, which it had agreed to consider before delivering a verdict on the substance of the claim. Although the Court found in favour of Yukos Capital S.a.r.l. in both instances, it allowed Rosneft to appeal against the decisions. On July 27, 2012 the English Appeal Court delivered a verdict in favour of Rosneft on one of the two preliminary matters. Neither of the sides sought any further appeal. After the case was returned to the High Court, the Court delivered a procedural verdict on 27.02.2013 calling for hearings on further preliminary matters of the competence of the Court to enact cancelled verdicts of the International Commercial Arbitration Court in accordance with the standards of English common law and to decide whether Yukos Capital S.a.r.l. in principle has the right to seek payment of interest on sums awarded by the International Commercial Arbitration Court in English courts. The High Court has set dates for hearings on the further preliminary matters – from 13 till 15 May, 2014. The Company intends to make every effort to defend its position in the remaining court proceedings in England.</p> <p>2) In 2007 CJSC Vesta Investment Company, which is a shareholder of Rosneft, brought a claim in the Moscow Arbitration Court for four loan agreements between the company Yukos Capital S.a.r.l. as lender and OJSC Yuganskneftegaz as borrower to be declared void (fictitious). Total amount of the borrowing under the terms of the disputed agreements is RUB 11.2 bln. Rosneft, as the legal successor of OJSC Yuganskneftegaz, is participating in the proceedings as co-defendant. On 11.07.2012 the Moscow Arbitration Court ruled the loans to be invalid. On 15.10.2012 the Ninth Arbitration Appeal Court ruled that the verdict of the first-level court should be left unchanged. The ruling of the Moscow District Federal Arbitration Court dated 14.03.13 the above-mentioned court acts are left unchanged. On 31.07.13 the Supreme Arbitration Court of the RF dismissed a request by Yukos Capital S.a.r.l. for review of the above decisions by way of judicial supervision.</p> <p>3) In 2007 the company Glendale Group Ltd. presented a claim against Rosneft to the Court in Amsterdam (the Netherlands) for RUB 3.53 bln of debt principal, interest on promissory notes (18% annualized), interest and late payment charges, justifying the application by the existence of a RUB 3.53 bln debt on eight promissory notes issued by OJSC Yuganskneftegaz in 2003. Rosneft contests legality of the declared claims on various grounds. On 29.05.13 the Amsterdam District Court delivered the verdict dismissing the claim of Glendale Group Ltd. in respect of 2 out of 8 promissory notes, being subject of the dispute, and supported requirements of Glendale Group Ltd. regarding remaining 6 promissory notes, ordering Rosneft to pay Glendale Group Ltd. an amount of RUB 3.53 bln plus interest and late payment charges. The court allowed Rosneft to transfer the adjudicated debt on an escrow account while awaiting a decision on the appeal.</p> <p>On 27.08.13 Rosneft filed a notice on appeal for court decision of 29.05.13. Full justification of the appeal was filed by Rosneft on 25.03.14. Determination of hearings procedure in the appeal court is forthcoming.</p> <p>4) The company Yukos International UK BV has initiated court proceedings against Rosneft and other co-defendants not affiliated with Rosneft in the Amsterdam District Court, demanding the compensation of losses amounting to USD 333 mln as well as interest accrued as established by law since February 7, 2011, together with costs. In these proceedings Yukos International UK BV is claiming damages, which were allegedly caused by delivery by the Amsterdam Court in 2007 of an order for the arrest of a bank account, which, as Yukos International UK BV claims, limited its ability to invest certain amounts at its discretion. The first court hearings on this matter were held on June 27, 2012. On October 3, 2012 Rosneft filed an objection to the claim. Yukos International UK BV submitted an application in response to the objection on February 20, 2013. Hearings took place on 09.01.2014 and in the process of the hearings Yukos International UK BV was allowed to amend its claims. As a result Yukos International UK BV presented claims to Rosneft on the grounds of collective responsibility as well, and the aim of such amendment is to impose responsibility of one of the defendants to Rosneft. The Company has presented reply to modified claims on 26.02.2014. Court decision is forthcoming.</p> <p>5) Individuals - shareholders of RN Holding filed claims against Rosneft, the third party is RN Holding, to oblige Rosneft to send to shareholders of RN Holding – owners of other shares of respective categories (types) and owners of issuance securities convertible into such shares - a public offer for acquisition of such securities from them according to the procedure established by the Russian legislation. On 25.10.2013 the Moscow Arbitration Court dismissed these actions and these decisions were upheld by an appeal court.</p> <p>Rosneft is also involved in a number of other courts cases, which arise in the course of its ordinary business and do not entail substantial financial risk for the Company.</p> <p>Rosneft regularly monitors verdicts delivered by higher courts and assesses trends in the interpretation of laws at the level of regional arbitration courts, making full use of its monitoring data both for the purposes of defending its rights and lawful interests in court and for regulation of issues that arise in the course of Company business. Risks associated with changes in court practice are therefore believed to be insignificant.</p>

Information on the Observance of the Code of Corporate Conduct

Prepared in accordance with the Methodological Guidance on the content and form of information on the observance of the Code of Corporate Conduct in annual reports by joint-stock companies, approved by Directive No. 03-849/p of the Federal Securities Commission of Russia, dated 30 April, 2003.

No.	Code of Corporate Conduct Clause	Observed or not observed	Notes
GENERAL MEETING OF SHAREHOLDERS			
1.	Shareholders shall be notified of a general meeting of shareholders at least 30 days before the meeting date, irrespective of the items on its agenda, unless a longer period is stipulated by law.	Observed	<ul style="list-style-type: none"> sub-clause 9.4.1 of clause 9.4 "Notification of a General Meeting of Shareholders" of Article 9 of Rosneft's Charter "General Meeting of Shareholders"; clause 1 of Article 13 "Convocation of and Preparation for a General Meeting of Shareholders" of Chapter 3 "The General Meeting of Shareholders" of Rosneft's Code of Corporate Conduct.
2.	Shareholders may familiarize themselves with the list of persons entitled to participate in a general meeting of shareholders from the announcement date of a general meeting of shareholders through the closing date of a general meeting of shareholders that is held in presentio or through the ballot acceptance deadline if a general meeting of shareholders is held in absentia.	Observed	<p>Pursuant to clause 4 of Article 51 of the Federal Law on Joint-Stock Companies, the list of persons entitled to participate in a general meeting of shareholders shall be provided by the company as requested by persons included in the list and having at least 1 per cent of votes.</p> <ul style="list-style-type: none"> sub-clause 5.8.1 of clause 5.8 "Rights of Shareholders" of Article 5 "Charter Capital. Shares. Rights of Shareholders" of Rosneft's Charter; clause 4.3. "Familiarization with the List of Persons Entitled to Participate in a General Meeting of Shareholders" of Article 4 "Preparation for a General Meeting of Shareholders" of the Regulation on the General Meeting of Shareholders.
3.	Shareholders may familiarize themselves with pre-read information (materials) to be provided when preparing for a general meeting of shareholders, by electronic communications, including the Internet.	Observed	<ul style="list-style-type: none"> clause 9.5 "Information (Materials) for a General Meeting of Shareholders" of Article 9 "General Meeting of Shareholders" of Rosneft's Charter; clause 4.6. "Information (Materials) to Be Provided to Persons Entitled to Participate in a General Meeting of Shareholders" of Article 4 "Preparation for a General Meeting of Shareholders" of the Regulation on the General Meeting of Shareholders; clause 3 of Article 6 "Posting of Information on the Internet" of Rosneft's Regulation on Information Policy.
4.	A shareholder may put an item on the agenda of a general meeting of shareholders or request the convocation of a general meeting of shareholders without providing a written statement from the shareholders' register if the shareholder's rights to shares are managed within the shareholders' register system and if the rights to shares are accounted for in the depository account, - sufficiency of a written statement from the depository account for the said rights to be exercised.	Observed	<ul style="list-style-type: none"> sub-clause 2.2.1 of clause 2.2. "Review of Shareholders' Proposals and Requests" of Article 2 "Proposals and Requests" of Rosneft's Regulation on the General Meeting of Shareholders; clause 5 of Article 13 "Convocation of and Preparation for a General Meeting of Shareholders" of Chapter 3 "The General Meeting of Shareholders" of Rosneft's Code of Corporate Conduct.
5.	The charter or internal documents of the joint-stock company shall require the general director, members of the management board, members of the board of directors, members of the audit commission and the company's external auditor to attend a general meeting of shareholders.	Observed	<ul style="list-style-type: none"> clause 5.5. "Persons Attending a General Meeting of Shareholders" of Article 5 "Holding a General Meeting of Shareholders in the Form of Joint Presence (in presentio)" of Rosneft's Regulation on the General Meeting of Shareholders; sub-clause 3.2.18. of clause 3.2. "Duties of a Management Board Member" of Article 3 "Rights, Duties and Responsibility of Management Board Members" of Rosneft's Regulation on the Company's Collegial Executive Body (Management Board); sub-clause 4.3.15. of clause 4.3. "Duties of the President" of Article 4 "Powers and Responsibility of the President" of Rosneft's Regulation on the Sole Executive Body (President); sub-clause 3.1.2. of clause 3.1. "Rights and Duties of the Audit Commission" of Article 3. "Rights and Duties of the Audit Commission. Responsibility of Audit Commission Members" of Rosneft's Regulation on the Audit Commission; clause 2 of Article 14 5 "Holding a General Meeting of Shareholders" of Chapter 3 "General Meeting of Shareholders"; clause 1 of Article 19 "Duties of Executive Bodies" of Chapter 4 "Executive Bodies of the Company"; clause 3 of Article 27 "Auditor of the Company. Audit" of Chapter 5 "Control of Company Finances and Business Operations" of Rosneft's Code of Corporate Conduct.
6.	Candidates for election to the board of directors, the management board and the audit commission as well as candidates for general director shall attend the general meeting of shareholders when it considers the election of said candidates and the approval of the joint-stock company's external auditor.	Observed	<p>Practised. Pursuant to clause 5.5. "Persons Attending a General Meeting of Shareholders" of Article 5 " Holding a General Meeting of Shareholders in the Form of Joint Presence (in presentio)" of Rosneft's Regulation on the General Meeting of Shareholders, candidates included in the ballots for election to the Company's bodies may attend the General Meeting of Shareholders. The candidates are to be notified of the General Meeting of Shareholders.</p>
7.	The internal documents of the joint-stock company shall contain a procedure for registering participants in the general meeting of shareholders.	Observed	<ul style="list-style-type: none"> clause 5.6. "Registration of Participants in a General Meeting of Shareholders Held in the Form of Joint Presence (in presentio)" of Article 5 "Holding a General Meeting of Shareholders in the Form of Joint Presence (in presentio)" of Rosneft's Regulation on the General Meeting of Shareholders; clause 1 of Article 14 "Holding a General Meeting of Shareholders" of Chapter 3 "The General Meeting of Shareholders" of Rosneft's Code of Corporate Conduct.
BOARD OF DIRECTORS			
8.	The charter of the joint-stock company shall stipulate the board of directors' powers to annually approve the joint-stock company's business plan.	Observed	Clause 10.1.2 (3) "Board of Directors Terms of Reference" of Article 10 "The Board of Directors" of Rosneft's Charter.
9.	The joint-stock company shall have a risk management procedure approved by the board of directors.	Observed	A resolution of Rosneft's Board of Directors (Minutes No. 16, dated 7 May 2013) approved the Company Policy on the System of Internal Control and Risk Management (No. P4-01 P-01, revision 1.00).
10.	The charter of the joint-stock company shall entitle the board of directors to take a decision suspending the powers of the general director appointed by the general meeting of shareholders.	Observed	Pursuant to sub-clause 10.1.3. of clause 10.1 "Board of Directors Terms of Reference" of Article 10 "The Board of Directors" of Rosneft's Charter, decisions on the appointment and early termination of the powers of the Company's President fall within the terms of reference of the Board of Directors.

No.	Code of Corporate Conduct Clause	Observed or not observed	Notes
11.	The charter of the joint-stock company shall entitle the board of directors to set requirements with respect to the qualification and the amount of remuneration of the general director, members of the management board and heads of the main structural subdivisions of the joint-stock company.	Observed	<p>The Board of Directors, pursuant to:</p> <ul style="list-style-type: none"> sub-clause 101.2. (19) of clause 10.1. "Board of Directors Terms of Reference" of Article 10 "The Board of Directors" of Rosneft's Charter, determines performance indicators and approves the amount of annual bonuses for Company executives (senior managers); sub-clause 101.3 (3) of clause 10.1 "Board of Directors Terms of Reference" of Article 10 "The Board of Directors" of Rosneft's Charter approves the terms and conditions of contracts with the Company's President and members of the Management Board and approves changes and amendments to said contracts. <p>Pursuant to clause 5 of Article 3 of the Regulation on the Rosneft Board of Directors HR and Remuneration Committee, the Board of Directors HR and Remuneration Committee develops principles and criteria for determining the amount of remuneration of said persons.</p> <p>Pursuant to clause 2 of Article 16 of Rosneft's Code of Corporate Conduct, specific requirements with respect to the professional qualification of executive bodies are set by the Company's internal documents.</p> <p>Additional criteria for the recruitment of said persons are set by the Company Board of Directors HR and Remuneration Committee in accordance with clause 3 of Article 3 of the Regulation on the Rosneft Board of Directors HR and Remuneration Committee.</p>
12.	The charter of the joint-stock company shall entitle the board of directors to approve the terms and conditions of contracts with the general director and members of the management board.	Observed	<p>Sub-clause 101.3 (3) of clause 10.1 "Board of Directors Terms of Reference" of Article 10 "The Board of Directors" of Rosneft's Charter:</p> <p>The Board of Directors approves the terms and conditions of contracts with the Company's President and members of the Management Board and approves changes and amendments to said contracts.</p>
13.	The charter or internal documents of the joint-stock company shall stipulate that a member of the board of directors who is the general director or a member of the management board shall not have a vote in approving the terms and conditions of contracts with the general director (management organization, managing director) and members of the management board.	Observed	<ul style="list-style-type: none"> sub-clause 3.2.1. of clause 3.2. "Duties of a Member of the Board of Directors" of Article 3 "Rights and Duties of Members of the Board of Directors" of the Regulation on Rosneft's Board of Directors.
14.	The board of directors of the joint-stock company shall have at least 3 independent directors who meet the requirements of the Code of Corporate Conduct.	Observed	<ul style="list-style-type: none"> clause 1 of Article 7 "Independent Directors" of Chapter 2 "The Board of Directors" of Rosneft's Code of Corporate Conduct; sub-clause 2.1.2 of clause 2.1 "Procedure of Formation and Membership of the Board of Directors" of Article 2 "Structure of the Board of Directors" of the Regulation on Rosneft's Board of Directors.
15.	The members of the joint-stock company's board of directors shall not include persons who have been found guilty of economic offences or offences against state authorities, interests of public service and service in local government, or on whom administrative penalties have been imposed for offences in the sphere of entrepreneurship, finance, taxation or the stock market.	Observed	Practised.
16.	The members of the joint-stock company's board of directors shall not include any person who is a participant, general director (managing director), member of a governance body or employee of a legal entity which is in competition with the joint-stock company.	Observed	Practised
17.	The charter of the joint-stock company shall contain a requirement that the board of directors be elected by a cumulative vote.	Observed	Sub-clause 10.2.4. of clause 10.2 "Election of the Board of Directors" of Article 10 "Board of Directors" of Rosneft's Charter stipulates that the Board of Directors be elected by a cumulative vote of the Company's General Meeting of Shareholders on a 9-member slate.
18.	The internal documents of the joint-stock company shall require that the board directors refrain from actions which lead or could potentially lead to a conflict of interest between them and the joint-stock company and, should there be such a conflict, that information about the conflict be disclosed to the board of directors.	Observed	<ul style="list-style-type: none"> clause 3.2. "Duties of a Member of the Board of Directors" of Article 3 "Rights and Duties of Members of the Board of Directors" of the Regulation on Rosneft's Board of Directors; clause 3 of Article 6 "The Board of Directors in the System of Corporate Conduct (Governance)" of Chapter 2 "The Board of Directors" of Rosneft's Code of Corporate Conduct.
19.	The internal documents of the joint-stock company shall require board directors to notify the board of directors in writing of their intention to execute transactions with a company's securities if they are members of the board of directors of that company or the boards of directors of entities affiliated with it and also that they disclose information about their transactions with such securities.	Observed	<ul style="list-style-type: none"> clause 4 of Article 6 "The Board of Directors in the System of Corporate Conduct (Governance)" of Chapter 2 "The Board of Directors" of Rosneft's Code of Corporate Conduct; clause 3.2. "Duties of a Member of the Board of Directors" of Article 3 "Rights and Duties of Members of the Board of Directors" of the Regulation on Rosneft's Board of Directors; Article 6 of Rosneft's Regulation on Insider Information.
20.	The internal documents of the joint-stock company shall contain a requirement that the board of directors meet at least every six weeks.	Observed	Sub-clause 4.1.1 of clause 4.1. of Article 4 "Convocation of and Preparation for a Board of Directors Meeting" of the Regulation on Rosneft's Board of Directors.
21.	The board of directors of the joint-stock company met at least once every six weeks during the reporting year.	Observed	In 2013, meetings of Rosneft's Board of Directors were held at least every six weeks (the total of 35 meetings were held).
22.	The internal documents of the joint-stock company shall contain a procedure for holding meetings of the board of directors.	Observed	<ul style="list-style-type: none"> clause 10.4 "Meetings of the Board of Directors" of Article 10. "The Board of Directors" of Rosneft's Charter; Article 4 "Convocation of and Preparation for a Board of Directors Meeting", Article 5 "Holding a Board of Directors Meeting" of the Regulation on Rosneft's Board of Directors.
23.	The internal documents of the joint-stock company shall contain a clause requiring that the board of directors review and endorse transactions of the joint-stock company worth 10 or more per cent of the total value of the company's assets, except for transactions executed in the ordinary course of business.	Observed	Pursuant to sub-clause 101.8. (4) of clause 10.1 "Board of Directors Terms of Reference" of Article 10 "The Board of Directors" of Rosneft's Charter, the Board of Directors terms of reference include taking decisions on the execution, modification and early termination of any transactions which entail or may entail liabilities for the Company equal to or exceeding an amount in cash equivalent to \$500,000,000 (< 10% of the asset value).
24.	The internal documents of the joint-stock company shall entitle members of the board of directors to receive the information they require to perform their functions from the joint-stock company's executive bodies and heads of its main structural subdivisions and shall stipulate responsibility for failure to provide such information.	Observed	Article 7 "Provision of Information to Members of the Board of Directors" of the Regulation on Rosneft's Board of Directors.

No.	Code of Corporate Conduct Clause	Observed or not observed	Notes
25.	The joint-stock company shall have a board of directors committee on strategic planning or shall vest another committee with said functions (other than the audit committee and the HR and remuneration committee)	Observed	During the reporting period, the Rosneft Strategic Planning Committee carried on its work. The Committee was formed by resolutions of the Company's Board of Directors in accordance with the Regulation on the Process of Formation and Functioning of Committees of the Board of Directors and the Regulation on the Board of Directors Strategic Planning Committee.
26.	The joint-stock company shall have a board of directors committee (audit committee) which recommends an external auditor to the board of directors and interacts with that external auditor and with the joint-stock company's internal audit commission.	Observed	During the reporting period, the Rosneft Audit Committee carried on its work. The Committee was formed by resolutions of the Company's Board of Directors in accordance with the Regulation on the Process of Formation and Functioning of Committees of the Board of Directors and the Regulation on the Board of Directors Audit Committee.
27.	Members of the audit committee shall include only independent and non-executive directors.	Observed	Members of the Rosneft Board of Directors Audit Committee: John Mack – Chairman of the Committee (independent director) Matthias Warnig (independent director) Donald Humphreys (independent director) The Company's internal documents stipulate that the Audit Committee shall consist only of members of the Board of Directors who are not executive directors of the Company and shall be chaired by an independent director, notably: <ul style="list-style-type: none"> clause 4 of Article 9 "Board of Directors Audit Committee" of Chapter 2 "The Board of Directors" of Rosneft's Code of Corporate Conduct; sub-clauses 2.7.4., 2.7.6. of clause 2.7. "Formation of Board of Directors Committees" of Article 2 "Structure of the Board of Directors" of the Regulation on Rosneft's Board of Directors; clause 4 of Article 2 "Formation of Committees of the Board of Directors" of the Regulation on the Process of Formation and Functioning of Committees of the Board of Directors; clause 2 of Article 2 "General Provisions" of the Regulation on the Rosneft Board of Directors Audit Committee.
28.	The Audit Committee shall be chaired by an independent director.	Observed	The Chairman of the Rosneft Board of Directors Audit Committee is John Mack (independent director). This requirement is stipulated in the internal documents of the Company: <ul style="list-style-type: none"> clause 4 of Article 9 "Board of Directors Audit Committee" of Chapter 2 "The Board of Directors" of Rosneft's Code of Corporate Conduct; sub-clause 2.7.6 of clause 2.7. "Formation of Committees of the Board of Directors" of Article 2 "Structure of the Board of Directors" of the Regulation on Rosneft's Board of Directors; clause 4 of Article 2 "Formation of Committees of the Board of Directors" of the Regulation on the Process of Formation and Functioning of Committees of the Company's Board of Directors; clause 2 of Article 2 "General Provisions" of the Regulation on the Rosneft Board of Directors Audit Committee.
29.	The internal documents of the joint-stock company shall entitle all members of the audit committee to have access to any documents and information of the joint-stock company, on condition that they not disclose any confidential information.	Observed	<ul style="list-style-type: none"> clause 2 of Article 8 "Ensuring the Activities of Committees of the Board of Directors" of the Regulation on the Process of Formation and Functioning of Committees of the Board of Directors; Article 6 "Committee Interaction with Executive Bodies of the Company" of the Regulation on the Rosneft Board of Directors Audit Committee.
30.	The joint-stock company shall have a board of directors committee on HR and remuneration whose functions will be to set criteria for recruiting candidates for the board of directors and to develop the joint-stock company's remuneration policy.	Observed	During the reporting period, the Rosneft HR and Remuneration Committee carried on its work. The Committee was formed by resolutions of the Company's Board of Directors in accordance with the Regulation on the Process of Formation and Functioning of Committees of the Board of Directors and the Regulation on the Board of Directors HR and Remuneration Committee.
31.	The HR and Remuneration Committee shall be chaired by an independent director.	Observed	The Chairman of the Rosneft Board of Directors HR and Remuneration Committee is Matthias Warnig (independent director). This requirement is stipulated in the internal documents of the Company: <ul style="list-style-type: none"> clause 4 of Article 10 "Board of Directors HR and Remuneration Committee" of Chapter 2 "The Board of Directors" of Rosneft's Code of Corporate Conduct; sub-clause 2.7.6 of clause 2.7. "Formation of Committees of the Board of Directors" of Article 2 "Structure of the Board of Directors" of the Regulation on Rosneft's Board of Directors; clause 4 of Article 2 "Formation of Committees of the Board of Directors" of the Regulation on the Process of Formation and Functioning of Committees of the Board of Directors" of the Regulation on the Process of Formation and Functioning of Committees of the Board of Directors; clause 2 of Article 2 "General Provisions" of the Regulation on the Rosneft Board of Directors HR and Remuneration Committee.
32.	The HR and Remuneration committee shall have no executive officers of the joint-stock company among its members.	Observed	Members of the Rosneft Board of Directors HR and Remuneration Committee: 1. Matthias Warnig (independent director) 2. Andrey Kostin 3. John Mack, Chairman of the Committee (independent director) The committee is governed by the following internal documents of the Company: <ul style="list-style-type: none"> clause 4 of Article 10 "The Board of Directors HR and Remuneration Committee" of Chapter 2 "The Board of Directors" of Rosneft's Code of Corporate Conduct; clause 2.7 "Formation of Committees of the Board of Directors" of Article 2 "Structure of the Board of Directors" of the Regulation on Rosneft's Board of Directors; clause 4 of Article 2 "Formation of Committees of the Board of Directors" of the Regulation on the Process of Formation and Functioning of Committees of Rosneft's Board of Directors; clause 2 of Article 2 "General Provisions" of the Regulation on the Rosneft Board of Directors HR and Remuneration Committee.
33.	The joint-stock company shall have a board of directors committee on risks or shall vest another committee with the functions of said committee (other than the audit committee and the HR and remuneration committee).	Not observed	This function is vested in the Rosneft Board of Directors Audit Committee: <ul style="list-style-type: none"> clause 1 of Article 2 "General Provisions", clause 1 of Article 3 "Committee Functions" and clause 2 of Article 7 "Committee Interaction with the Structural Sub-Divisions of the Company with the Functions of Internal Control and Internal Audit" of the Regulation on the Rosneft Board of Directors Audit Committee.
34.	The joint-stock company shall have a board of directors committee on the settlement of corporate conflicts or shall vest another committee with the functions of said committee (other than the audit committee and the HR and remuneration committee).	Not observed	Article 12 of Rosneft's Code of Corporate Conduct establishes the main principles of corporate conflict settlement. Clause 6 of Article 12 of Rosneft's Code of Corporate Conduct envisages the possibility of establishing such a committee to promote corporate conflict prevention and efficient out-of-court settlement by involving the Company and its shareholders. Rosneft does not have a Board of Directors Committee on Corporate Conflicts. The question is now being looked into.

No.	Code of Corporate Conduct Clause	Observed or not observed	Notes
35.	The Committee on Corporate Conflict Settlement shall have no executive officers of the joint-stock company among its members.	Not observed	Rosneft does not have a Board of Directors Committee on Corporate Conflicts. The question is now being looked into.
36.	The Committee on Corporate Conflict Settlement shall be chaired by an independent director	Not observed	Rosneft does not have a Board of Directors Committee on Corporate Conflicts. The question is now being looked into.
37.	The joint-stock company shall have internal documents approved by the board of directors which establish the process of formation and functioning of committees of the board of directors.	Observed	Resolutions of Rosneft's Board of Directors in October 2008 approved the following internal documents, as revised: 1. Regulation on the Process of Formation and Functioning of Committees of Rosneft's Board of Directors; 2. Regulation on the Rosneft Board of Directors Audit Committee; 3. Regulation on the Rosneft Board of Directors HR and Remuneration Committee; 4. Regulation on the Rosneft Board of Directors Strategic Planning Committee.
38.	The joint-stock company shall have a process for defining a Board of Directors quorum which ensures mandatory attendance by independent directors.	Not observed	Pursuant to sub-clause 10.4.2 of clause 10.4 "Meetings of the Board of Directors" of Article 10 "The Board of Directors" of Rosneft's Charter, a quorum for a meeting of the Board of Directors is defined as attendance by more than half of the elected members of the Board of Directors.
EXECUTIVE BODIES			
39.	The joint-stock company shall have a collegial executive body (management board).	Observed	Clause 8.1 of Article 8 "Governance Bodies" and Article 12 "The Management Board" of Rosneft's Charter.
40.	The charter and internal documents of the joint-stock company shall contain a clause requiring that the management board review and endorse transactions involving real property and transactions to obtain credits if the said transactions are not classified as major transactions and are not regarded as executed in the ordinary course of business.	Observed	Pursuant to sub-clause 12.8.10 of clause 12.8 of Article 12 "The Management Board" of Rosneft's Charter, the terms of reference of the Management Board include taking decisions on the execution, modification and early termination by the Company of the following transactions (or several related transactions): (1) any transaction involving real property whose total book value or transaction price does not exceed the cash equivalent of \$500,000,000 (five hundred million dollars), except for real property lease contracts which are executed in the ordinary course of business and which are, pursuant to clause 11.6 of the Charter, within the remit of the Company President; (2) any transaction involving the acquisition, disposal or potential disposal of assets which are not used by the Company to perform its core activities (non-core assets), if such transaction(s) entails or may entail liabilities for the Company not exceeding the cash equivalent of \$500,000,000; (3) any transaction involving the acquisition, disposal or potential disposal of business-generating property (tangible and intangible assets meant to be used in performing activities associated with the production and processing of oil, gas and gas condensate; facilities associated with the marketing, storage, processing and transportation of hydrocarbons whose disposal will materially impact the Company's ability to perform such activities), if such transaction(s) entails or may entail liabilities for the Company not exceeding the cash equivalent of \$500,000,000; (4) any gratuitous transaction (including charity, donations and gifts) and payment of membership dues (other expenses) associated with the Company's participation in non-profit organizations not exceeding the cash equivalent of \$25,000,000 (twenty-five million); (5) agreements with constituent entities of the Russian Federation and municipalities which entail or may entail liabilities for the Company not exceeding the cash equivalent of \$25,000,000 (twenty-five million); (6) any other transaction, including those executed in the ordinary course of business (except for conversion transactions), which entail or may entail liabilities for the Company from the equivalent of \$50,000,000 (fifty million dollars) to the equivalent of \$500,000,000 (five hundred million dollars), except for transactions within the remit of the Company's Board of Directors.
41.	The internal documents of the joint-stock company shall contain a process for approving transactions not included in the joint-stock company's business plan.	Observed	- sub-clause 10.1.8 (1) of clause 10.1 "Board of Directors Terms of Reference" of Article 10 "The Board of Directors" of Rosneft's Charter: The Board of Directors takes decisions on the execution, modification and early termination by the Company of the following transactions: non-routine operations (operations not included in the business plan) of the Company or transactions which require or may require corrections and adjustments of the Company's business plan. - sub-clause 12.8.3 of clause 12.8 of Rosneft's Charter describing the terms of reference of the Management Board: The terms of reference of the Management Board include preliminary review (before submission to the Board of Directors) and endorsement of expenses not included in the business plan.
42.	The members of executive bodies shall not include any person who is a participant, general director (managing director), member of a governing body or employee of a legal entity which is in competition with the joint-stock company.	Observed	• sub-clause 3.3.1. of clause 3.3 "Conflict of Interest between Management Board Members and the Company" of Article 3 "Rights, Duties and Responsibility of Management Board Members" of the Regulation on the Company's Collegial Body (Management Board); • sub-clause 2.4.1. of clause 2.4. "Conflict of Interest between the President and the Company" of Article 2 "Appointment of the President. Principles of the President's Activities" of the Regulation on Rosneft's Sole Executive Body (President).
43.	The members of executive bodies of the joint-stock company shall not include persons who have been found guilty of economic offences or offences against state authorities, interests of public service and service in local government or on whom administrative penalties have been imposed for offences in the sphere of entrepreneurship, finance, taxation or the stock market. If the functions of sole executive body are performed by a management company or managing director, the general director and members of the management board of such management company or managing director shall comply with the requirements for the general director and members of the management board of the joint-stock company.	Observed	Practised.
44.	The charter or internal documents of the joint-stock company shall contain a clause forbidding a management company (general manager) to perform similar functions in a competing entity as well as to have any property relations with the joint-stock company, apart from providing the services of a management organization (managing director).	Not applicable to management of Rosneft activities	The Company Charter does not envisage a management organization (managing director). Observed in relation to the sole executive body (President) of Rosneft.

No.	Code of Corporate Conduct Clause	Observed or not observed	Notes
45.	The internal documents of the joint-stock company shall require executive bodies to refrain from actions which lead or could potentially lead to a conflict of interest between them and the joint-stock company and, should there be such a conflict, to inform the board of directors about it.	Observed	<ul style="list-style-type: none"> clause 1 of Article 19 "Duties of Executive Bodies" of Chapter 4 "Executive Bodies" of Rosneft's Code of Corporate Conduct; sub-clause 3.2.3. clause 3.2. "Duties of a Management Board Member" of Article 3 "Rights, Duties and Responsibility of Management Board Members" of the Regulation on the Company's Collegial Body (Management Board); sub-clause 4.3.3. of clause 4.3. "Duties of the President" of Article 4. "Powers and Responsibility of the President" of the Regulation on Rosneft's Sole Executive Body (President).
46.	The charter or internal documents of the joint-stock company shall contain criteria for selecting a management organization (managing director).	Not applicable to management of Rosneft activities	The Company Charter does not envisage a management organization (managing director).
47.	The executive bodies of the joint-stock company shall submit monthly reports on their performance to the board of directors.	Observed in part	<p>Clause 3 of Article 19 of Rosneft's Code of Corporate Conduct and Article 8 of the Regulation on the Company's Collegial Body (Management Board)" envisage annual submission by executive bodies of reports on their performance to the Board of Directors as well as other reports requested by the Board of Directors.</p> <p>According to its work plans, the Management Board reviews monthly reports by Rosneft senior managers on delivery of Board of Directors assignments.</p>
48.	Contracts between the joint-stock company and the general director (management organization, managing director) and between the joint-stock company and members of the Management Board shall contain a clause on responsibility for non-compliance with confidentiality requirements for confidential and restricted information.	Observed	<p>Practised.</p> <ul style="list-style-type: none"> Article 7 "Procedure for Access to Company Insider Information" and Article 8 "Procedure for Using Company Insider Information" of Rosneft's Regulation on Insider Information. sub-clause 4.3.5 of clause 4.3 "Duties of the President" of Article 4 of the Regulation on Rosneft's Sole Executive Body (President). sub-clause 3.2.5 of clause 3.2 "Duties of a Management Board Member" of Article 3 of the Regulation on the Company's Collegial Body (Management Board)".
CORPORATE SECRETARY			
49.	The joint-stock company shall have a special officer (corporate secretary) who is charged with assuring that the joint-stock company's bodies and officers comply with procedural requirements which safeguard company shareholders' legitimate rights and interests.	Observed	Article 15 "Corporate Secretary" of Rosneft's Charter, Article 20 of the Code of Corporate Conduct and the Regulation on the Company's Corporate Secretary envisage the establishment of a special office of Corporate Secretary to assure that Company shareholders' rights and legitimate interests are observed. The Corporate Secretary is appointed (approved) by Rosneft's Board of Directors.
50.	The charter or internal documents of the joint-stock company shall contain a process for appointing (electing) a corporate secretary and a description of his/her job duties.	Observed	<ul style="list-style-type: none"> Article 15 "Corporate Secretary of the Company" of Rosneft's Charter; articles 21-23 of Chapter 4 "Corporate Secretary" of the Code of Corporate Conduct; articles 3 and 6-11 of the Regulation on Rosneft's Corporate Secretary.
51.	The charter of the joint-stock company shall contain requirements to be met by a candidate for the job of corporate secretary.	Observed in part	Requirements to be met by candidates for the job of corporate secretary are set out in Article 5 "Requirements to Be Met by the Corporate Secretary" of the Regulation on Rosneft's Corporate Secretary.
MATERIAL CORPORATE ACTIONS			
52.	The charter or internal documents of the joint-stock company shall require that a major transaction be approved before execution.	Observed	Practised.
53.	The joint-stock company must use an independent valuator to establish the market value of property which is the subject of a major transaction.	Observed	Practised.
54.	When large blocks of shares of the joint-stock company are acquired, the charter of the joint-stock company shall forbid any actions aimed at protecting the interests of the joint-stock company's executive bodies (members of those bodies) and members of its board of directors as well as actions worsening the shareholders' situation as compared to their current situation (e.g., a ban on decisions by the board of directors to issue additional shares or issue securities convertible to shares or securities granting the right to buy company shares before the deadline for share acquisition, even if the charter entitles the board of directors to take such a decision).	Not observed	Pursuant to Article 84.6 of the Federal Law on Joint-Stock Companies, after the company has received a mandatory or voluntary offer, decisions on a number of questions, including those specified in item 54 of this Appendix, may be taken only by the general meeting of shareholders. These restrictions cease to apply 20 days after the deadline for voluntary or mandatory offer acceptance.
55.	The charter of the joint-stock company shall require that an independent valuator be used to establish the market value of shares and potential changes in their market value as a result of acquisition.	Not observed	Not applicable to the Company, as Rosneft shares are traded on the Russian Stock Exchange, CJSC MICEX, and global depositary receipts (GDRs) certifying rights in respect of Rosneft shares are traded on the London Stock Exchange, where their current market value is quoted.
56.	The charter or internal documents of the joint-stock company shall not relieve the buyer of the duty to propose, in the case of acquisition, that shareholders sell their ordinary shares (or issued securities convertible into ordinary shares) of the company.	Observed	
57.	The charter or internal documents of the joint-stock company shall require that an independent valuator be used to define the share conversion ratio in the case of reorganization.	Not observed	Reorganization procedures, including conversion occurring as part of reorganization, are addressed in detail by the Federal Law on Joint-Stock Companies and the Standards for the Issuance of Securities and Registration of Securities Prospectuses, approved by Order No. 13-55/pz-n of the Federal Financial Markets Service dated 4 July 2013.
INFORMATION DISCLOSURE			
58.	The joint-stock company shall have an internal document approved by the board of directors which sets the joint-stock company's rules and approaches to information disclosure (Regulations on Information Policy).	Observed	Rosneft's Regulation on Information Policy (approved by a resolution of Rosneft's Board of Directors on 17 May 2006; approved on 14 April 2011 as revised).
59.	The internal documents of the joint-stock company shall require the disclosure of information on the purpose of a share offering, on persons who are going to buy the offered shares, including a large block of shares, and on whether the joint-stock company's senior executives are going to acquire the company's shares.	Not observed	Information disclosure is governed by the applicable Russian legislation, including during the process of issuance, and by Rosneft's Regulation on Information Policy.

No.	Code of Corporate Conduct Clause	Observed or not observed	Notes
60.	The internal documents of the joint-stock company shall contain a list of information, documents and materials which must be provided to shareholders with regard to matters submitted to the general meeting of shareholders.	Observed	Clause 9.5 "Information (Materials) for the General Meeting of Shareholders" of Article 9 "The General Meeting of Shareholders" of Rosneft's Charter.
61.	The joint-stock company shall have an Internet website and use it to regularly disclose information about the company.	Observed	http://www.rosneft.ru/ Pursuant to Article 4 of Rosneft's Regulation on Information Policy, disclosure of information about the Company on the Internet is one means of disseminating information.
62.	The internal documents of the joint-stock company shall require that information be disclosed on the joint-stock company's transactions with persons who, under the charter, are the company's senior executive officers and on the joint-stock company's transactions with organizations in which its senior executive officers directly or indirectly own 20 or more per cent of the charter capital or which such persons may materially influence in another way.	Observed	Information disclosure is governed by the applicable Russian legislation and Rosneft's Regulation on Information Policy.
63.	The internal documents of the joint-stock company shall require that information be disclosed on all transactions which may influence the market value of the joint-stock company's shares.	Observed	Information disclosure is governed by the applicable Russian legislation and Rosneft's Regulation on Information Policy.
64.	The joint-stock company shall have an internal document, approved by the board of directors, on the use of material information about the joint-stock company's activities, shares and other securities and transactions therewith which is not in the public domain and the disclosure of which may materially influence the market value of the joint-stock company's shares and other securities.	Observed	Rosneft's Regulation on Insider Information (approved by a resolution of Rosneft's Board of Directors on 17 May 2006, approved on 30 December 201 as revised).
CONTROL OF FINANCES AND BUSINESS OPERATIONS			
65.	The joint-stock company shall have procedures, approved by the board of directors, governing internal control of the joint-stock company's finances and business operations.	Observed	The Company Policy on the System of Internal Control and Risk Management" No. P4-01 P-01 revision 1.00 (approved by a resolution of Rosneft's Board of Directors, Minutes No. 16 dated 7 May 2013).
66.	The joint-stock company shall have a special subdivision assuring compliance with internal control procedures (internal audit).	Observed	Pursuant to the resolution of the Board of Directors of the issuer (Minutes dated March 22, 2013), an Internal Audit and Control function was established, which as of December 31, 2013 consists of the Internal Audit Department and the Contracting Control and Compliance Department. The Head of the Internal Audit and Control Function reports directly to the Company President and operationally is subordinated to the Board of Directors, the Board of Directors Audit Committee.
67.	The internal documents of the joint-stock company shall require the board of directors to determine the organization and composition of the company's audit subdivision.	Observed	Clause 7.2. of Article 7 "Committee Interaction with Structural Subdivisions of the Company Performing the Functions of Internal Control and Internal Audit" of the Regulation on the Rosneft Board of Directors Audit Committee.
68.	The members of the audit subdivision shall not include persons who have been found guilty of economic offences or offences against state authorities, interests of public service and service in local government, or on whom administrative penalties have been imposed for offences in the sphere of entrepreneurship, finance, taxation, or the stock market.	Observed	Practised.
69.	The members of the audit subdivision shall not include any person who works in the executive bodies of the joint-stock company or who is a participant, general director (managing director), member of a governance body or employee of a legal entity which is in competition with the joint-stock company.	Observed	Practised.
70.	The internal documents of the joint-stock company shall stipulate the timing for documents and materials to be provided to the audit subdivision for evaluation of a particular financial or other type of business operation as well as stipulating the responsibility of the joint-stock company's executives and employees for failure to provide such documents on time.	Observed	The timing for documents and materials to be provided for evaluation of a particular financial or other type of business operation is stipulated in the internal documents which regulate the Internal Audit Department.
71.	The internal documents of the joint-stock company shall have a clause requiring the audit subdivision to report violations to the audit committee or, if the latter does not exist, to the joint-stock company's board of directors.	Observed	Clauses 5.2., 5.7. of the Company Policy on the System of Internal Control and Risk Management (No. P4-01 P-01 revision 1.00).
72.	The charter of the joint-stock company shall require that the audit subdivision make a preliminary assessment of operations not envisaged by the business plan (non-routine operations) to determine their appropriateness.	Not observed	Not applicable to the Company, as, pursuant to sub-clause 10.1.8 (1) of clause 10.1 of Article 10 of Rosneft's Charter, decisions on non-routine operations and transactions which cause or may cause changes in the Company's business plan are matters reserved for the Board of Directors.
73.	The internal documents of the joint-stock company shall have a process for agreeing non-routine operations with the board of directors.	Observed	Pursuant to clause 10.1.8 (1) of Rosneft's Charter, the Board of Directors takes decisions on the execution, modification or early termination of the Company's non-routine operations. The process of preparing materials to be submitted for review by the Board of Directors is determined by Rosneft's Standard for the Preparation and Holding of Board of Directors Meetings and Board of Directors Committee Meetings.
74.	The joint-stock company shall have an internal document, approved by the board of directors, defining the process by which the company's audit commission audits its finances and business operations.	Observed	The Regulation on Rosneft's Audit Commission (approved by Rosneft's General Meeting of Shareholders on 19 June 2009 as revised).

No.	Code of Corporate Conduct Clause	Observed or not observed	Notes
75.	The audit committee shall review the external audit opinion before it is presented to shareholders at the general meeting of shareholders.	Observed	<ul style="list-style-type: none"> clause 1 of Article 9 "Board of Directors Audit Committee of Chapter 2 "The Board of Directors" of Rosneft's Code of Corporate Conduct; clause 1 of Article 3 "Committee Functions" of the Regulation on the Rosneft Board of Directors Audit Committee.
DIVIDENDS			
76.	The joint-stock company shall have an internal document, approved by the board of directors, which the board of directors is governed by when making recommendations about dividend amounts (regulations on dividend policy).	Observed	Rosneft's Regulation on Dividend Policy (approved by a resolution of Rosneft's Board of Directors on 17 May 2006, then approved as amended on 3 March, 2011).
77.	The regulation on dividend policy shall contain a clause stipulating a procedure for determining the minimum portion of the joint-stock company's net income to be used to pay dividends as well as the conditions under which dividends on preferred shares, the amount of which is established in the joint-stock company's charter, are not paid or are paid in part.	Observed	<ul style="list-style-type: none"> clause 2 of Article 4 "Principles of the Company's Dividend Policy" of Rosneft's Regulation on the Dividend Policy; Rosneft's Charter does not envisage placement of preferred shares.
78.	The joint-stock company shall publish information on dividend policy and amendments thereto in a periodical stipulated by the joint-stock company's charter for publishing notifications of general meetings of shareholders as well as make such information available on the joint-stock company's Internet website.	Observed	Information on Rosneft's dividend policy and amendments thereto is posted on the Company's Internet website.

List of Major Transactions and Non-Arm's Length Transactions Made by Rosneft in 2013

All of the non-arm's length transactions of Rosneft in 2013 were made on the market conditions. Rosneft did not make any major transactions in 2013.

Non-arm's length transactions endorsed by the Rosneft Board of Directors

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
TRANSACTIONS WHERE CJSC VANKORNEFT IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Granting by Rosneft (licensor) to CJSC Vankorneft (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 7,791.5K rubles (inclusive of VAT)	Transaction price – 7,791.5K rubles (inclusive of VAT)	December 29, 2012
2	Performance by CJSC Vankorneft (agent) for Rosneft (principal) of the actions associated with arrangement of execution of exploration works on the license areas of Rosneft in the territory of the Krasnoyarsk Region for a compensation in an amount of 57,104.1K rubles (inclusive of VAT)	Transaction price – 57,104.1K rubles (inclusive of VAT)	March 5, 2013
3	Procurement by Rosneft (borrower) of an interest-bearing loan from CJSC Vankorneft (lender) in an amount of 5,000,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 6,750,000.0K rubles	Transaction price – 6,750,000.0K rubles	May 6, 2013
4	Sale by Rosneft (seller) to CJSC Vankorneft (buyer) of the design and cost estimate documentation (DCED) for a facility titled 'Motor Road between Kynskoe and OPS-2 of the Vankorskoe Field - Purpe OPS Trunk Oil Pipeline' for a price of 22,014.148K rubles (inclusive of VAT)	Transaction price – 22,014.148K rubles (inclusive of VAT)	May 31, 2013
5	Transfer by Rosneft (lessor) for temporary possession and use to CJSC Vankorneft (lessee) of some fixed assets owned by Rosneft for a fee in an amount of 19,800.0K rubles per year (inclusive of VAT)	Transaction price – 19,800.0K rubles per year (inclusive of VAT)	May 31, 2013
6	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-bearing loan to CJSC Vankorneft (borrower) for funding the operating activity in an amount of 37,500,000.0K rubles regarding extension of the loan repayment period and increase of the total transaction value inclusive of the chargeable interest to 46,926,355.1K rubles	Transaction price – 46,926,355.1K rubles	May 31, 2013
7	Provision by Rosneft (contractor) of the services to CJSC Vankorneft (customer) associated with insurance of the customer's assets, machines and mechanisms against breakdown, damages resulting from an interruption in the customer's operations, arrangement of reinsurance protection for a compensation in an amount of 1,243.7K rubles (inclusive of VAT)	Transaction price – 1,243.7K rubles (inclusive of VAT)	August 2, 2013
8	Granting by Rosneft (lender) to CJSC Vankorneft (borrower) of an interest-bearing loan for funding the investment activity in an amount of 10,544,000.0K rubles for a term of 3 years. The total transaction value inclusive of the interest is 13,707,200.0K rubles	Transaction price – 13,707,200.0K rubles	August 2, 2013
9	Granting by Rosneft (lender) to CJSC Vankorneft (borrower) of an interest-bearing loan for funding the operating activity in an amount of 18,880,000.0K rubles for a term of 2 years. The total transaction value inclusive of the interest is 22,656,000.0K rubles	Transaction price – 22,656,000.0K rubles	August 2, 2013
10	Sale by Rosneft (seller) of petroleum products to CJSC Vankorneft (buyer) in a volume of 2.0 kt for a total price of 57,000.0K rubles (inclusive of VAT)	Transaction price – 57,000.0K rubles (inclusive of VAT)	November 30, 2013
11	Purchase by Rosneft (buyer) from CJSC Vankorneft (supplier) of combustible natural gas and/or combustible natural dry stripped gas in a volume of 19.6 bln cubic meters for a total price of 43,800,000.0K rubles (inclusive of VAT)	Transaction price – 43,800,000.0K rubles (inclusive of VAT)	December 24, 2013
TRANSACTIONS WHERE CJSC VNKHK IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Granting by Rosneft (lender) of an interest-bearing loan to CJSC VNKHK (borrower) in an amount of 5,333,140.0K rubles for a term of 3 years. The total transaction value inclusive of the interest is 7,013,079.1K rubles	Transaction price – 7,013,079.1K rubles	December 29, 2012
2	Granting by Rosneft (licensor) to CJSC VNKHK (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 2,121.3K rubles (inclusive of VAT)	Transaction price – 2,121.3K rubles (inclusive of VAT)	December 29, 2012
3	Procurement by Rosneft (borrower) of an interest-bearing loan from CJSC VNKHK (lender) in an amount of 350,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 473,000.0K rubles	Transaction price – 473,000.0K rubles	May 6, 2013
4	Transfer by Rosneft (seller) to the ownership of CJSC VNKHK (buyer) of some movable assets owned by Rosneft for a fee in an amount of 1,373.72K rubles (inclusive of VAT)	Transaction price – 1,373.72K rubles (inclusive of VAT)	June 19, 2013
TRANSACTIONS WHERE CJSC IZDATELSTVO NEFTYANOE KHOZYAISTVO IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Provision by CJSC Izdatelstvo Neftyanoe Khozyaistvo (contractor) of the services (performance of the works) for Rosneft (customer) for preparing and publishing the quarterly Rosneft Science and Technology Bulletin and conducting the campaign for subscription to the Science and Technology Bulletin and its distribution for a compensation in a total amount of 2,600.0K rubles (inclusive of VAT)	Transaction price – 2,600.0K rubles (inclusive of VAT)	February 18, 2013
2	Provision by CJSC Izdatelstvo Neftyanoe Khozyaistvo (contractor) of the services (performance of the works) for Rosneft (customer) for preparing and publishing the booklets on the innovative activity of Rosneft (Supplement to the Rosneft Science and Technology Bulletin) for a compensation in an amount of 2,000.0K rubles (inclusive of VAT)	Transaction price – 2,000.0K rubles (inclusive of VAT)	February 18, 2013
3	Provision by CJSC Izdatelstvo Neftyanoe Khozyaistvo (contractor) of the services (performance of the works) for Rosneft (customer) for arranging and conducting the corporate science and practice events for a compensation in an amount of 8,450.0K rubles (inclusive of VAT)	Transaction price – 8,450.0K rubles (inclusive of VAT)	February 18, 2013
4	Performance by CJSC Izdatelstvo Neftyanoe Khozyaistvo (agent) of the actions for Rosneft (principal) associated with arrangement of collection of payments for subscription to the quarterly Rosneft Science and Technology Bulletin and placement of advertising materials for a compensation in a total amount of 60.0K rubles (inclusive of VAT)	Transaction price – 60.0K rubles (inclusive of VAT)	February 18, 2013
TRANSACTIONS WHERE CJSC RN-ASTRA IS A PARTY			
Persons/entities related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions); G.G. Gilaev (until February 11, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of CJSC RN-Astra, which is a party to the transactions; Z. Runje (since June 30, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of CJSC RN-Astra, which is a party to the transactions			
1	Procurement by Rosneft (borrower) of an interest-bearing loan from CJSC RN-Astra (lender) in an amount of 20,000,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 27,000,000.0K rubles	Transaction price – 27,000,000.0K rubles	May 6, 2013

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
TRANSACTIONS WHERE CJSC RN-MAMONTOVO IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Granting by Rosneft (licensor) to CJSC RN-Mamontovo (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 40.9K rubles (inclusive of VAT)	Transaction price – 40.9K rubles (inclusive of VAT)	December 29, 2012
2	Procurement by Rosneft (borrower) of an interest-bearing loan from CJSC RN-Mamontovo (lender) in an amount of 3,000,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 4,050,000.0K rubles	Transaction price – 4,050,000.0K rubles	May 6, 2013
3	Transfer by Rosneft (lessor) for temporary possession and use to CJSC RN-Mamontovo (lessee) of some fixed assets owned by Rosneft for a fee in an amount of 3,757.0K rubles per year (inclusive of VAT)	Transaction price – 3,757.0K rubles per year (inclusive of VAT)	May 31, 2013
4	Change in the terms and conditions of the transaction for procurement by Rosneft (borrower) of an interest-bearing loan from CJSC RN-Mamontovo (lender) in an amount of 3,000,000.0K rubles regarding an increase of the loan amount to 5,000,000.0K rubles and the total transaction value inclusive of the chargeable interest to 6,750,000.0K rubles.	Transaction price – 6,750,000.0K rubles	December 24, 2013
TRANSACTIONS WHERE CJSC RN-SPETSSTROI (CJSC TNK-BP SPETSSTROI PRIOR TO JULY 2, 2013) IS A PARTY			
Person/entity related to the transactions: A.V. Votinov (since March 26, 2013) – Member of the Rosneft Management Board, General Director of CJSC RN SpetsStroi, which is a party to the transactions			
1	Granting by CJSC RN-SpetsStroi (lender) of an interest-bearing loan to Rosneft (borrower) for a term of up to 3 years in an amount of 1,600,000.0K rubles. The total transaction value inclusive of the interest will be 2,160,000.0K rubles	Transaction price – 2,160,000.0K rubles	September 18, 2013
TRANSACTIONS WHERE CJSC RN-TRANS IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Granting by Rosneft (licensor) to CJSC RN-Trans (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 2,571.0K rubles (inclusive of VAT)	Transaction price – 2,571.0K rubles (inclusive of VAT)	December 29, 2012
2	Provision by CJSC RN-Trans (contractor) of the transportation/forwarding services to Rosneft (customer) for arranging transportation of petroleum products and other cargoes for export in a volume of up to 19,764.0 kt for a total amount of 23,328,480.0K rubles (inclusive of VAT)	Transaction price – 23,328,480.0K rubles (inclusive of VAT)	December 29, 2012
3	Provision by CJSC RN-Trans (contractor) of the transportation/forwarding services to Rosneft (customer) associated with transportation (delivery) of crude oil by rail in a volume of up to 6.868 mln tons for a total amount of 26,536,682.0K rubles (inclusive of VAT)	Transaction price – 26,536,682.0K rubles (inclusive of VAT)	December 29, 2012
4	Provision by CJSC RN-Trans (contractor) of the transportation/forwarding services to Rosneft (customer) for arranging transportation of petroleum products in the domestic market in a volume of 17,855.0 kt for a total amount of 47,792,087.0K rubles (inclusive of VAT)	Transaction price – 47,792,087.0K rubles (inclusive of VAT)	December 29, 2012
5	Performance by CJSC RN-Trans (agent) of the actions for Rosneft (principal) associated with payment of the railway tariff, supply of the rolling stock owned by third parties and provision of the transportation/forwarding services for a compensation in a total amount of 39,948.0K rubles (inclusive of VAT)	Transaction price – 39,948.0K rubles (inclusive of VAT)	December 29, 2012
6	Performance by CJSC RN-Trans (agent) of the actions for Rosneft (principal) associated with arrangement of acceptance and storage of petroleum products in a quantity of 25.0 kt and loading into the rail tank cars supplied for transportation from the station of origin for a compensation in a total amount of 1,180.0K rubles (inclusive of VAT)	Transaction price – 1,180.0K rubles (inclusive of VAT)	February 18, 2013
7	Transfer by Rosneft (lessor) for temporary possession and use to CJSC RN-Trans (lessee) of some fixed assets owned by Rosneft for a fee in an amount of 22,080.0K rubles per year (inclusive of VAT)	Transaction price – 22,080.0K rubles per year (inclusive of VAT)	May 31, 2013
8	Provision by CJSC RN-Trans (forwarder) of the transportation/forwarding services to Rosneft (client) associated with shipment of liquefied hydrocarbon gases for a total amount of 872,340.069K rubles (inclusive of VAT)	Transaction price – 872,340.069K rubles (inclusive of VAT)	June 19, 2013
9	Provision by CJSC RN-Trans (forwarder) of the transportation/forwarding services to Rosneft (client) associated with shipment of gas condensate, crude oil and petroleum products for a total amount of 6,647,914K rubles (inclusive of VAT)	Transaction price – 6,647,914K rubles (inclusive of VAT)	June 19, 2013
10	Granting by Rosneft (lender) of an interest-bearing loan to CJSC RN-Trans (borrower) in an amount of 775,000.0K rubles for a term until June 30, 2015. The total transaction value inclusive of the interest is 808,173.2K rubles	Transaction price – 808,173.2K rubles	June 19, 2013
11	Provision by CJSC RN-Trans (forwarder) of transportation/forwarding services to Rosneft (client) for a compensation in an amount of 10,475,413.0K rubles (inclusive of VAT)	Transaction price – 10,475,413.0K rubles (inclusive of VAT)	September 30, 2013
12	Provision by CJSC RN-Trans (contractor) for Rosneft (customer) of the transportation/forwarding services associated with rail transportation of crude oil and gas condensate to the domestic market and for export in a volume of up to 17,184.521 kt for a compensation in an amount of up to 53,787,722.28K rubles (inclusive of VAT)	Transaction price – 53,787,722.28K rubles (inclusive of VAT)	November 30, 2013
13	Provision by CJSC RN-Trans (contractor) for Rosneft (customer) of the transportation/forwarding services for arranging transportation of crude oil, oil processing and petrochemical products by rail, transportation/forwarding services for truck shipments for export in a volume of up to 37,784.296 kt for a compensation in an amount of up to 35,786,545.13K rubles (inclusive of VAT)	Transaction price – 35,786,545.13K rubles (inclusive of VAT)	November 30, 2013
14	Provision by CJSC RN-Trans (contractor) for Rosneft (customer) of the transportation/forwarding services for arranging transportation of oil processing and petrochemical products by rail in a volume of up to 30,245.192 kt for a compensation in an amount of up to 78,717,694.72K rubles (inclusive of VAT)	Transaction price – 78,717,694.72K rubles (inclusive of VAT)	November 30, 2013
15	Performance by CJSC RN-Trans (agent), upon assignment, on behalf and at the expense of Rosneft (principal) or on its own behalf and at the expense of Rosneft, of the actions associated with payment of tariffs, levies, services, carriage charges or other contributions associated with crude oil and petroleum product transportation in the territory of the Russian Federation and foreign states for a compensation in a total amount of 381,870.42K rubles (inclusive of VAT)	Transaction price – 381,870.42K rubles (inclusive of VAT)	November 30, 2013
16	Change in the terms and conditions of the transaction for provision by CJSC RN-Trans (contractor) for Rosneft (customer) of the transportation/forwarding services for arranging transportation of oil processing and petrochemical products for export in a volume of up to 19,764.0 kt regarding an increase of the volume of the transported oil processing and petrochemical products to 27,960.0 kt and the total transaction value to 25,315,116.0K rubles (inclusive of VAT)	Transaction price – 25,315,116.0K rubles (inclusive of VAT)	November 30, 2013

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
17	Change in the terms and conditions of the transaction for provision by CJSC RN-Trans (contractor) for Rosneft (customer) of the transportation/forwarding services associated with rail transportation (delivery) of crude oil for feeding the Company refineries in the domestic market and for export, gas condensate in the domestic market and for export in the volume of up to 6,868.0 kt regarding an increase of the volume of the transported crude oil and gas condensate to 11,609.7 kt and the total transaction value to 31,026,157.0K rubles (inclusive of VAT)	Transaction price – 31,026,157.0K rubles (inclusive of VAT)	November 30, 2013
18	Change in the terms and conditions of the transaction for provision by CJSC RN-Trans (contractor) for Rosneft (customer) of the transportation/forwarding services for arranging transportation of oil processing and petrochemical products in the domestic market in a volume of up to 17,855.0 kt regarding an increase of the volume of the transported oil processing and petrochemical products to 26,058.0 kt and the total transaction value to 55,933,534.0K rubles (inclusive of VAT)	Transaction price – 55,933,534.0K rubles (inclusive of VAT)	November 30, 2013
19	Change in the terms and conditions of the transaction for performance by CJSC RN-Trans on its own behalf, upon assignment and at the expense of Rosneft (principal) of the actions associated with payment of the tariff in the Russian Railways, cargo carriage services including the transportation services of the Russian Railways, return of the empty rolling stock and supply of the rolling stock, guarding and escorting of cargoes and the transportation services of any third parties including for carriage of cargoes in the territory of foreign states for a compensation in a total amount of 39,948.0K rubles regarding an increase of the scope of the provided services and the total amount of the compensation to 114,933.0K rubles (inclusive of VAT)	Transaction price – 114,933.0K rubles (inclusive of VAT)	November 30, 2013

TRANSACTIONS WHERE CJSC RN-SHELF-DALNIY VOSTOK IS A PARTY

Persons/entities related to the transactions: **OJSC ROSNEFTEGAZ** – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions); **Z. Runje** (since June 30, 2013) – Member of the Rosneft Management Board, Chairman of the Supervisory Board of OJSC Rosneft-Sakhain, which is a party to the transactions

1	Granting by Rosneft (licensor) to CJSC RN-Shelf-Dalniy Vostok (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 757.0K rubles (inclusive of VAT)	Transaction price – 757.0K rubles (inclusive of VAT)	December 29, 2012
2	Performance by CJSC RN-Shelf-Dalniy Vostok (agent) of the actions for Rosneft (principal) associated with arrangement of execution of exploration works on the license areas of the shelves of the Sea of Okhotsk and the Kara Sea for a compensation in a total amount of 930,847.63K rubles (inclusive of VAT)	Transaction price – 930,847.63K rubles (inclusive of VAT)	February 18, 2013
3	Change in the terms and conditions of the transaction for performance by CJSC RN-Shelf-Dalniy Vostok (agent) of the actions for Rosneft (principal) associated with arrangement of execution of exploration works on the license areas of the shelves of the Sea of Okhotsk, the Kara Sea and the Pechora Sea regarding an increase of the agent's compensation to 494,566.34K rubles (inclusive of VAT)	Transaction price – 494,566.34K rubles (inclusive of VAT)	February 18, 2013
4	Procurement by Rosneft (borrower) of an interest-bearing loan from CJSC RN-Shelf-Dalniy Vostok (lender) in an amount of 300,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 405,000.0K rubles	Transaction price – 405,000.0K rubles	May 6, 2013
5	Transfer by Rosneft (lessor) for temporary possession and use to CJSC RN-Shelf-Dalniy Vostok (lessee) of some fixed assets owned by Rosneft for a fee in an amount of 4,796.0K rubles per year (inclusive of VAT)	Transaction price – 4,796.0K rubles per year (inclusive of VAT)	May 31, 2013
6	Performance by CJSC RN-Shelf-Dalniy Vostok (agent) upon assignment and at the expense of Rosneft (principal) of the actions for arranging execution of exploration works in the Rosneft license areas on the shelf of the Laptev Sea and the Chukchee Sea for a compensation in a total amount of 17,304.5K rubles (inclusive of VAT)	Transaction price – 17,304.5K rubles (inclusive of VAT)	August 30, 2013
7	Performance by CJSC RN-Shelf-Dalniy Vostok (agent) upon assignment and at the expense of Rosneft (principal) of the actions for arranging execution of exploration works in a Rosneft license area on the shelf of the Sea of Okhotsk for a compensation in an amount of 2,281.55K rubles (inclusive of VAT)	Transaction price – 2,281.55K rubles (inclusive of VAT)	November 30, 2013

TRANSACTIONS WHERE CJSC RN-ENERGONEFT IS A PARTY

Person/entity related to the transactions: **OJSC ROSNEFTEGAZ** – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)

1	Granting by Rosneft (licensor) to CJSC RN-Energoneft (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 523.3K rubles (inclusive of VAT)	Transaction price – 523.3K rubles (inclusive of VAT)	December 29, 2012
2	Procurement by Rosneft (borrower) of an interest-bearing loan from CJSC RN-Energoneft (lender) in an amount of 1,000,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 1,350,000.0K rubles	Transaction price – 1,350,000.0K rubles	May 6, 2013
3	Transfer by Rosneft (lessor) for temporary possession and use to CJSC RN-Energoneft (lessee) of some fixed assets owned by Rosneft for a fee in an amount of 145,056.0K rubles per year (inclusive of VAT)	Transaction price – 145,056.0K rubles per year (inclusive of VAT)	May 31, 2013
4	Performance by CJSC RN-Energoneft (agent) upon assignment of Rosneft (principal) on its own behalf and at the expense of Rosneft or on behalf and at the expense of Rosneft of the actions for arranging execution of the works (provision of the services) for liquidation and mothballing of some fixed assets owned by Rosneft and located in the region of presence of CJSC RN-Energoneft for a compensation in an amount of 20.35K rubles (inclusive of VAT)	Transaction price – 20.35K rubles (inclusive of VAT)	May 31, 2013
5	Provision by LLC RN-Energoneft (keeper) of the services to Rosneft (depositor) for storage of the mothballed movable assets that are not engaged in the operating process owned by Rosneft for a compensation in an amount of 142.0K rubles (inclusive of VAT)	Transaction price – 142.0K rubles (inclusive of VAT)	May 31, 2013

TRANSACTIONS WHERE CJSC ROSNEFTEFLOT IS A PARTY

Person/entity related to the transactions: **OJSC ROSNEFTEGAZ** – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)

1	Granting by Rosneft (licensor) to CJSC Rosnefteflot (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 64.3K rubles (inclusive of VAT)	Transaction price – 64.3K rubles (inclusive of VAT)	December 29, 2012
2	Transfer by Rosneft (lessor) for temporary possession and use to CJSC Rosnefteflot (lessee) of some fixed assets owned by Rosneft for a fee in an amount of 20,900.0K rubles per year (inclusive of VAT)	Transaction price – 20,900.0K rubles per year (inclusive of VAT)	May 31, 2013
3	Performance by CJSC Rosnefteflot (agent) on its own behalf, upon assignment and at the expense of Rosneft (principal) of the actions associated with arrangement of river and marine transportation and transshipment via marine storage tankers of crude oil and oil processing products to the destinations specified by the principal for a compensation in an amount of 880,000.0K rubles (inclusive of VAT)	Transaction price – 880,000.0K rubles (inclusive of VAT)	September 30, 2013
4	Provision by Rosneft (ship owner) for possession and use to CJSC Rosnefteflot (charterer) of a seagoing vessel, RN Askold boom setting/oil and garbage skimming boat, under a bare boat charter contract for a period of 15 years for a compensation in an amount of EUR 4,732.87K (inclusive of VAT)	Transaction price – EUR 4,732.87K (inclusive of VAT)	December 24, 2013
5	Provision by Rosneft (ship owner) for possession and use to CJSC Rosnefteflot (charterer) of a seagoing vessel, RN Posyet boom setting/oil and garbage skimming boat, under a bare boat charter contract for a period of 15 years for a compensation in an amount of EUR 4,732.87K (inclusive of VAT)	Transaction price – EUR 4,732.87K (inclusive of VAT)	December 24, 2013

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
6	Provision by Rosneft (ship owner) for possession and use to CJSC Rosneftflot (charterer) of a seagoing vessel, RN Amur azimuthal ice-reinforced tug boat, under a bare boat charter contract for a period of 20 years for a compensation in an amount of EUR 11,978.958K (inclusive of VAT)	Transaction price – EUR 11,978.958K (inclusive of VAT)	December 24, 2013
7	Change in the terms and conditions of the transaction for performance by CJSC Rosneftflot (agent) on its own behalf, upon assignment and at the expense of Rosneft (principal) of the actions associated with arrangement of river and marine transportation and transshipment via marine storage tankers of crude oil and oil processing products for a compensation in an amount of 880,000.0K rubles (inclusive of VAT) regarding a reduction of the compensation amount to 818,856.85K rubles (inclusive of VAT)	Transaction price – 818,856.85K rubles (inclusive of VAT)	December 24, 2013
TRANSACTIONS WHERE CJSC SAKHALINMORNEFTEGAZ-SHELF IS A PARTY			
Persons/entities related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions); Z. Runje (since June 30, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of CJSC Sakhalinmorneftegaz-Shelf, which is a party to the transactions			
1	Procurement by Rosneft (borrower) of an interest-bearing loan from CJSC Sakhalinmorneftegaz-Shelf (lender) in an amount of 20,000,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 27,000,000.0K rubles	Transaction price – 27,000,000.0K rubles	May 6, 2013
TRANSACTIONS WHERE CJSC YUKOS-M IS A PARTY			
Person/entity related to the transactions: P.I. Lazarev – Member of the Rosneft Management Board, General Director of CJSC YUKOS-M, which is a party to the transactions			
1	Procurement by Rosneft (borrower) of an interest-bearing loan from CJSC YUKOS-M (lender) in an amount of 5,000,000.0K rubles at most for a term of up to 5 years. The total transaction value inclusive of the interest will be 6,750,958.9K rubles	Transaction price – 6,750,958.9K rubles	December 24, 2013
TRANSACTIONS WHERE LLC ROSNEFT-MONGOLIA IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Sale by Rosneft (seller) of petroleum products to LLC Rosneft-Mongolia (buyer) in a quantity of 1,068.0 kt for a total price of US\$ 1,100,000.0K (inclusive of VAT)	Transaction price – US\$ 1,100,000.0K (inclusive of VAT)	March 5, 2013
TRANSACTIONS WHERE NPF NEFTEGARANT IS A PARTY			
Persons/entities related to the transactions: P.I. Lazarev – Member of the Rosneft Management Board, Chairman of the Fund Board of NPF Neftegarant, which is a party to the transactions Yu.I. Kalinin (since June 11, 2013) – Member of the Rosneft Management Board, Member of the Fund Board of NPF Neftegarant, which is a party to the transactions			
1	Remittance by Rosneft in order to arrange non-state pension provision of the pension contributions to NPF NEFTEGARANT in an amount of 19,200.0K rubles (VAT exempt).	Transaction price – 19,200.0K rubles (VAT exempt).	March 5, 2013
2	Transfer by Rosneft (lessor) for temporary possession and use to NPF Neftegarant (lessee) of non-residential premises located at Moscow, 26/1-1 Sofiyskaya Emb., with a total area of 10 sq. m for a fee in an amount of 385.92K rubles per year (inclusive of VAT)	Transaction price – 385.92K rubles per year (inclusive of VAT)	May 31, 2013
3	Change in the terms and conditions of the transaction for payment by Rosneft (contributor) of contributions to NPF NEFTEGARANT (fund) in order to arrange non-state pension provision for veterans in an amount of 38,620.876K rubles regarding an increase of the total contributed amount to 42,034.693K rubles (VAT exempt)	Transaction price – 42,034.693K rubles (VAT exempt)	November 8, 2013
TRANSACTIONS WHERE OJSC ANGARSKIY ZAVOD KATALIZATOROV I ORGANICHESKOGO SINTEZA IS A PARTY			
Person/entity related to the transactions: P.I. Lazarev (since June 27, 2013) – Member of the Rosneft Management Board, Chairman of the Board of Directors of OJSC Angarskiy Zavod Katalizatorov i Organicheskogo Sinteza, which is a party to the transactions			
1	Granting by Rosneft (lender) of an interest-bearing loan to OJSC Angarskiy Zavod Katalizatorov i Organicheskogo Sinteza (borrower) for funding the investment activity in an amount of 104,617.91K rubles for a term of 3 years. The total transaction value inclusive of the interest is 136,003.29K rubles	Transaction price – 136,003.29K rubles	December 24, 2013
2	Granting by Rosneft (lender) of an interest-bearing loan to OJSC Angarskiy Zavod Katalizatorov i Organicheskogo Sinteza (borrower) for funding the operating activity in an amount of 543,300.0K rubles for a term of 1 year. The total transaction value inclusive of the interest is 597,630.0K rubles	Transaction price – 597,630.0K rubles	December 24, 2013
3	Change in the terms and conditions of the transaction for procurement by Rosneft (borrower) of an interest-bearing loan from OJSC Angarskiy Zavod Katalizatorov i Organicheskogo Sinteza (lender) in an amount of 150,000.0K rubles at most regarding an increase of the loan amount to 400,000.0K rubles and the total transaction value inclusive of the chargeable interest to 540,076.7K rubles.	Transaction price – 540,076.7K rubles	December 24, 2013
TRANSACTIONS WHERE OJSC ANGARSKNEFTEKHIMPROEKT IS A PARTY			
Persons/entities related to the transactions: A.V. Votinov (since June 21, 2013) – Member of the Rosneft Management Board, Chairman of the Board of Directors of OJSC Angarskneftekhimproekt, which is a party to the transactions I.V. Pavlov (since June 21, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC Angarskneftekhimproekt, which is a party to the transactions			
1	Change in the terms and conditions of the transaction for procurement by Rosneft (borrower) of an interest-bearing loan from OJSC Angarskneftekhimproekt (lender) in an amount of 750,000.0K rubles at most regarding an increase of the loan amount to 3,000,000.0K rubles and the total transaction value inclusive of the chargeable interest to 4,050,575.3K rubles.	Transaction price – 4,050,575.3K rubles	December 24, 2013
TRANSACTIONS WHERE OJSC ACHINSKIY NEFTEPERERABATYVAYUSCHIY ZAVOD VNK IS A PARTY			
Persons/entities related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions) I.V. Pavlov – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC Achinskiy Neftepererabatyvayuschiy Zavod VNK, which is a party to the transactions			
1	Provision by OJSC ANPZ VNK (contractor) of the services to Rosneft (customer) for arranging and managing petroleum product shipments by rail, pipe and truck for export and to the domestic market of the Russian Federation and the services for information support in a volume of up to 7,389.1 kt for a compensation in an amount of 75,072.0K rubles (inclusive of VAT)	Transaction price – 75,072.0K rubles (inclusive of VAT)	November 30, 2013
2	Change in the terms and conditions of the transaction for provision by OJSC Achinskiy NPZ VNK (contractor) of the services to Rosneft (customer) for processing oil in a volume of up to 7,305.0 kt regarding an increase of the volume of processing to 7,425.700 kt of oil and the amount of the compensation to 15,836,277.438K rubles (inclusive of VAT)	Transaction price – 15,836,277.438K rubles (inclusive of VAT)	December 24, 2013
TRANSACTIONS WHERE OJSC VBRR IS A PARTY			
Persons/entities related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions) L.V. Kalanda (until January 29, 2013) – Member of the Rosneft Management Board, Member of the Supervisory Board of OJSC VBRR, which is a party to the transactions S.I. Slavinskiy (since July 11, 2013) – Member of the Rosneft Management Board, Chairman of the Supervisory Board of OJSC VBRR, which is a party to the transactions P.I. Lazarev – Member of the Rosneft Management Board, Member of the Supervisory Board of OJSC VBRR, which is a party to the transactions			
1	Granting by Rosneft (licensor) to OJSC VBRR (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 468.7K rubles (inclusive of VAT)	Transaction price – 468.7K rubles (inclusive of VAT)	December 29, 2012

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
2	Transfer by Rosneft (lessor) for temporary possession and use to OJSC VBRR (lessee) of non-residential premises located at Moscow, 26/1-1 Sofiyskaya Emb., with a total area of 16.7 sq. m and equipment for a fee in an amount of 1,143.0K rubles per year (inclusive of VAT)	Transaction price – 1,143.0K rubles per year (inclusive of VAT)	May 31, 2013
4	Performance by OJSC VBRR (Agent) upon assignment of Rosneft (principal) on its own behalf but at the expense of Rosneft of the actions for purchasing securities in organized trading at the market price that exists in CJSC FB MMVB on the day of purchase of the securities for a compensation in an amount of 145.0K rubles	Transaction price – 145.0K rubles	August 30, 2013
5	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of a subordinated loan to OJSC VBRR (borrower) in an amount of 76,000.0K rubles regarding extension of the loan repayment period, incorporation into the agreement of the new mandatory requirements for subordinated loans as approved by the Bank of Russia and an increase of the total transaction value inclusive of the chargeable interest to 163,462.47K rubles	Transaction price – 163,462.47K rubles	November 30, 2013
6	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of a subordinated loan to OJSC VBRR (borrower) in an amount of 47,500.0K rubles regarding extension of the loan repayment period, incorporation into the agreement of the new mandatory requirements for subordinated loans as approved by the Bank of Russia and an increase of the total transaction value inclusive of the chargeable interest to 106,204.79K rubles	Transaction price – 106,204.79K rubles	November 30, 2013
7	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of a subordinated loan to OJSC VBRR (borrower) in an amount of 101,829.12K rubles regarding extension of the loan repayment period, incorporation into the agreement of the new mandatory requirements for subordinated loans as approved by the Bank of Russia and an increase of the total transaction value inclusive of the chargeable interest to 248,574.65K rubles	Transaction price – 248,574.65K rubles	November 30, 2013
8	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of a subordinated loan to OJSC VBRR (borrower) in an amount of 100,000.0K rubles regarding extension of the loan repayment period, incorporation into the agreement of the new mandatory requirements for subordinated loans as approved by the Bank of Russia and an increase of the total transaction value inclusive of the chargeable interest to 196,065.75K rubles	Transaction price – 196,065.75K rubles	November 30, 2013
9	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of a subordinated loan to OJSC VBRR (borrower) in an amount of 150,000.0K rubles regarding extension of the loan repayment period, incorporation into the agreement of the new mandatory requirements for subordinated loans as approved by the Bank of Russia and an increase of the total transaction value inclusive of the chargeable interest to 294,098.63K rubles	Transaction price – 294,098.63K rubles	November 30, 2013
10	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of a subordinated loan to OJSC VBRR (borrower) in an amount of 101,000.0K rubles regarding extension of the loan repayment period, incorporation into the agreement of the new mandatory requirements for subordinated loans as approved by the Bank of Russia and an increase of the total transaction value inclusive of the chargeable interest to 246,550.68K rubles	Transaction price – 246,550.68K rubles	November 30, 2013
11	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of a subordinated loan to OJSC VBRR (borrower) in an amount of 136,882.69K rubles regarding extension of the loan repayment period, incorporation into the agreement of the new mandatory requirements for subordinated loans as approved by the Bank of Russia and an increase of the total transaction value inclusive of the chargeable interest to 284,828.5K rubles	Transaction price – 284,828.5K rubles	November 30, 2013
12	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of a subordinated loan to OJSC VBRR (borrower) in an amount of 197,507.44K rubles regarding extension of the loan repayment period, incorporation into the agreement of the new mandatory requirements for subordinated loans as approved by the Bank of Russia and an increase of the total transaction value inclusive of the chargeable interest to 399,094.90K rubles	Transaction price – 399,094.90K rubles	November 30, 2013
13	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of a subordinated loan to OJSC VBRR (borrower) in an amount of 115,000.0K rubles regarding extension of the loan repayment period, incorporation into the agreement of the new mandatory requirements for subordinated loans as approved by the Bank of Russia and an increase of the total transaction value inclusive of the chargeable interest to 232,394.52K rubles	Transaction price – 232,394.52K rubles	November 30, 2013
14	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of a subordinated loan to OJSC VBRR (borrower) in an amount of 140,000.0K rubles regarding extension of the loan repayment period, incorporation into the agreement of the new mandatory requirements for subordinated loans as approved by the Bank of Russia and an increase of the total transaction value inclusive of the chargeable interest to 282,915.07K rubles	Transaction price – 282,915.07K rubles	November 30, 2013
15	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of a subordinated loan to OJSC VBRR (borrower) in an amount of 103,000.0K rubles regarding extension of the loan repayment period, incorporation into the agreement of the new mandatory requirements for subordinated loans as approved by the Bank of Russia and an increase of the total transaction value inclusive of the chargeable interest to 201,947.73K rubles	Transaction price – 201,947.73K rubles	November 30, 2013
16	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of a subordinated loan to OJSC VBRR (borrower) in an amount of 1,060,000.0K rubles regarding extension of the loan repayment period, incorporation into the agreement of the new mandatory requirements for subordinated loans as approved by the Bank of Russia and an increase of the total transaction value inclusive of the chargeable interest to 2,192,855.38K rubles	Transaction price – 2,192,855.38K rubles	November 30, 2013
TRANSACTIONS WHERE OJSC VBRR AND CJSC KASPIY-1 ARE PARTIES			
Persons/entities related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions); L.V. Kalanda (until January 29, 2013) – Member of the Rosneft Management Board, Member of the Supervisory Board of OJSC VBRR, which is a party to the transactions; S.I. Slavinskiy (since July 11, 2013) – Member of the Rosneft Management Board, Chairman of the Supervisory Board of OJSC VBRR, which is a party to the transactions; P.I. Lazarev – Member of the Rosneft Management Board, Member of the Supervisory Board of OJSC VBRR, which is a party to the transactions			
1	Execution by OJSC VBRR (bank) of a write-off of money from the account of CJSC Kaspiy-1 (buyer) opened with OJSC VBRR on the conditions of prior acceptance based on the payment requisitions of Rosneft (supplier) issued on the basis of an oil supply contract between Rosneft and CJSC Kaspiy-1 for a total amount of 2,950,000.0K rubles. The transaction has no valuation	Transaction price – the transaction has no valuation	June 19, 2013
TRANSACTIONS WHERE OJSC VCNG IS A PARTY			
Persons/entities related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions); G.G. Gilaev (until January 15, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC VCNG, which is a party to the transactions; Z. Runje (from January 15, 2013 to May 20, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC VCNG, which is a party to the transactions			
1	Supply by OJSC VCNG (supplier) of crude oil to Rosneft (buyer) in a volume of 2,098.4 kt for a total price of 39,837,963.971K rubles (inclusive of VAT)	Transaction price – 39,837,963.971K rubles (inclusive of VAT)	December 29, 2012
2	Procurement by Rosneft (borrower) of interest-bearing loans from OJSC VCNG (lender) in an amount of up to 38,000,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest will be 49,400,000.0K rubles	Transaction price – 49,400,000.0K rubles	March 21, 2013
3	Performance by Rosneft (consignee) on its own behalf, upon assignment and at the expense of OJSC VCNG (consignor) of the actions for selling crude oil for export in a volume of 3,878 kt for a commission fee in an amount of 530,820.64K rubles	Transaction price – 530,820.64K rubles	June 19, 2013

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
4	Granting by Rosneft (licensee) to OJSC VCNG (sub-licensee) of the right to use software and provision of the services for technical support of the software. The total contract value is 370.2K rubles (inclusive of VAT)	Transaction price – 370.2K rubles (inclusive of VAT)	December 24, 2013
5	Granting by Rosneft (licensor) to OJSC Verkhnechonskneftegaz (licensee) of the perpetual right to use software for a compensation in an amount of 688.30K rubles	Transaction price – 688.30K rubles	December 24, 2013
TRANSACTIONS WHERE OJSC VOSTSIBNEFTEGAZ IS A PARTY			
Persons/entities related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions); G.G. Gilaev (until February 11, 2013) – Member of the Rosneft Management Board, Chairman of the Board of Directors of OJSC Vostsibneftegaz, which is a party to the transactions			
1	Granting by Rosneft (licensor) to OJSC Vostsibneftegaz (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 2,810.1K rubles (inclusive of VAT)	Transaction price – 2,810.1K rubles (inclusive of VAT)	December 29, 2012
2	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-bearing loan to OJSC Vostsibneftegaz (borrower) for funding the investment activity in an amount of 1,450,000.0K rubles regarding amendment of the interest charging procedure, extension of the loan repayment period and an increase of the total transaction value inclusive of the chargeable interest to 2,259,216.2K rubles	Transaction price – 2,259,216.2K rubles	August 30, 2013
3	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-bearing loan to OJSC Vostsibneftegaz (borrower) for funding the operating activity in an amount of 3,928,010.0K rubles regarding a decrease of the loan amount to 2,210,324.5K rubles, extension of the loan repayment period and a decrease of the total transaction value inclusive of the chargeable interest to 2,546,226.0K rubles	Transaction price – 2,546,226.0K rubles	August 30, 2013
TRANSACTIONS WHERE OJSC GROZNEFTEGAZ IS A PARTY			
Persons/entities related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions); G.G. Gilaev (until February 11, 2013) – Member of the Rosneft Management Board, Deputy Chairman of the Board of Directors of OJSC Grozneftegaz, which is a party to the transactions; E.Yu. Khudainatov (from June 29, 2013 to September 18, 2013) – Deputy Chairman of the Rosneft Management Board, Member of the Board of Directors of OJSC Grozneftegaz, which is a party to the transactions			
1	Granting by Rosneft (licensor) to OJSC Grozneftegaz (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 1,705.0K rubles (inclusive of VAT)	Transaction price – 1,705.0K rubles (inclusive of VAT)	December 29, 2012
2	Sale by Rosneft (seller) of crude oil to OJSC Grozneftegaz (buyer) in a volume of 0.972 kt for a total price of 13,104.3K rubles (inclusive of VAT)	Transaction price – 13,104.3K rubles (inclusive of VAT)	December 29, 2012
3	Performance by OJSC Grozneftegaz (consignee) of the actions for Rosneft (consignor) associated with sale of crude oil in a volume of 0.3 kt for a compensation in an amount of 148.2K rubles (inclusive of VAT)	Transaction price – 148.2K rubles (inclusive of VAT)	December 29, 2012
4	Performance by OJSC Grozneftegaz (agent) of the actions for Rosneft (principal) associated with assurance of arrangement of escorting and guarding of the rail tank cars carrying crude oil while in rail transit for a compensation in a total amount of 70.8K rubles (inclusive of VAT)	Transaction price – 70.8K rubles (inclusive of VAT)	December 29, 2012
5	Performance by OJSC Grozneftegaz (agent) of the actions for Rosneft (principal) associated with arrangement of abandonment and suspension of 69 wells for a compensation in an amount of 852.8K rubles (inclusive of VAT)	Transaction price – 852.8K rubles (inclusive of VAT)	December 29, 2012
6	Provision by OJSC Grozneftegaz (contractor) of the services to Rosneft (customer) for production in the oil and gas fields, where the development licenses are owned by the customer, of oil, natural and associated gas and handover of the produced hydrocarbon resources to the customer for subsequent sale for a compensation in an amount of 4,616,987.7K rubles (inclusive of VAT)	Transaction price – 4,616,987.7K rubles (inclusive of VAT)	December 29, 2012
7	Sale by Rosneft (seller) of natural gas to OJSC Grozneftegaz (buyer) in a volume of 155.02 mln cubic meters for a total price of 47,928.54K rubles (inclusive of VAT)	Transaction price – 47,928.54K rubles (inclusive of VAT)	February 18, 2013
8	Performance by OJSC Grozneftegaz (agent) of the actions for Rosneft (principal) associated with arrangement of preparation of the depletion plans for field development (FDP), integrated projects and current development monitoring of the fields owned by Rosneft in the territory of the Chechen Republic for a compensation in an amount of 492.0K rubles (inclusive of VAT)	Transaction price – 492.0K rubles (inclusive of VAT)	March 5, 2013
9	Transfer by Rosneft (lessor) for temporary possession and use to OJSC Grozneftegaz (lessee) of some fixed assets owned by Rosneft for a fee in an amount of 25.0K rubles per year (inclusive of VAT)	Transaction price – 25.0K rubles per year (inclusive of VAT)	May 31, 2013
10	Change in the terms and conditions of the transaction for performance by OJSC Grozneftegaz (agent) upon assignment and at the expense of Rosneft (principal) of the actions for arranging preparation of the depletion plans for field development (FDP), integrated projects and current development monitoring of the fields owned by the Company in the territory of the Chechen Republic regarding extension of the list of the works to be performed (services to be provided) and an increase of the compensation amount to 5,770.8K rubles (inclusive of VAT)	Transaction price – 5,770.8K rubles (inclusive of VAT)	August 30, 2013
11	Procurement by Rosneft (lessee) for temporary possession and use from OJSC Grozneftegaz (lessor) of non-residential premises in an office building in Grozny (Chechen Republic) for a fee in a total amount of 8,476,020.52 rubles (inclusive of VAT)	Transaction price – 8,476,020.52 rubles (inclusive of VAT)	September 30, 2013
12	Performance by OJSC Grozneftegaz (agent) upon assignment, on behalf and at the expense of Rosneft (principal) or on its own behalf and at the expense of Rosneft of the actions associated with assurance of arrangement of escorting and guarding of the rail tank cars carrying crude oil while in rail transit for a compensation in a total amount of 59.5K rubles (inclusive of VAT)	Transaction price – 59.5K rubles (inclusive of VAT)	November 30, 2013
13	Sale by Rosneft (seller) of natural gas to OJSC Grozneftegaz (buyer) in a volume of 143.6 mln cubic meters for a total price of 44,003.2K rubles (inclusive of VAT)	Transaction price – 44,003.2K rubles (inclusive of VAT)	December 24, 2013
TRANSACTIONS WHERE OJSC DAGNEFTEGAZ IS A PARTY			
Persons/entities related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions); G.G. Gilaev (until February 11, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC Dagneftegaz, which is a party to the transactions; Z. Runje (since June 28, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC Dagneftegaz, which is a party to the transactions			
1	Granting by Rosneft (licensor) to OJSC Dagneftegaz (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 969.9K rubles (inclusive of VAT)	Transaction price – 969.9K rubles (inclusive of VAT)	December 29, 2012
2	Performance by Rosneft (consignee) of the actions for OJSC Dagneftegaz (consignor) associated with sales of gas in a volume of 247.0 mln cubic meters for a compensation in an amount of 6,314.5K rubles (inclusive of VAT)	Transaction price – 6,314.5K rubles (inclusive of VAT)	December 29, 2012

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
3	Procurement by Rosneft (borrower) of an interest-bearing loan from OJSC Dagneftegaz (lender) in an amount of 100,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 135,000.0K rubles	Transaction price – 135,000.0K rubles	May 6, 2013
4	Granting by Rosneft (lender) of an interest-bearing loan to OJSC Dagneftegaz (borrower) for funding the investment activity in an amount of 237,125.0K rubles for a term of 3 years. The total transaction value inclusive of the interest will be 308,262.5K rubles	Transaction price – 308,262.5K rubles	November 30, 2013
5	Performance by Rosneft (consignee) on its own behalf, upon assignment and at the expense of OJSC Dagneftegaz (consignor) of the actions for selling gas in a volume of 244.0 mln cubic meters for a compensation in an amount of 6,663.5K rubles (inclusive of VAT)	Transaction price – 6,663.5K rubles (inclusive of VAT)	December 24, 2013
TRANSACTIONS WHERE OJSC DALNEVOSTOCHNYI BANK IS A PARTY			
Persons/entities related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions); P.I. Lazarev (since October 22, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC Dalnevostochnyi Bank, which is a party to the transactions			
1	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of a subordinated loan to OJSC Dalnevostochnyi Bank (borrower) in an amount of 150,000.0K rubles regarding extension of the loan repayment period, incorporation into the agreement of the new mandatory requirements for subordinated loans as approved by the Bank of Russia and an increase of the total transaction value inclusive of the chargeable interest to 331,816.44K rubles	Transaction price – 331,816.44K rubles	November 30, 2013
2	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of a subordinated loan to OJSC Dalnevostochnyi Bank (borrower) in an amount of 250,000.0K rubles regarding extension of the loan repayment period, incorporation into the agreement of the new mandatory requirements for subordinated loans as approved by the Bank of Russia and an increase of the total transaction value inclusive of the chargeable interest to 542,481.07K rubles	Transaction price – 542,481.07K rubles	November 30, 2013
TRANSACTIONS WHERE OJSC INGUSHNEFTEGAZPROM IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Purchase by Rosneft (buyer) of marketable oil from OJSC Ingushneftegazprom (seller) in a volume of 87734 kt for a total price of 1,530,176.0K rubles (inclusive of VAT)	Transaction price – 1,530,176.0K rubles (inclusive of VAT)	December 29, 2012
TRANSACTIONS WHERE OJSC NGK SLAVNEFT IS A PARTY			
Persons/entities related to the transactions: D. Casimiro (since March 5, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC NGK Slavneft, which is a party to the transactions; Z. Runje (since March 5, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC NGK Slavneft, which is a party to the transactions			
1	Provision by OJSC NGK Slavneft (contractor) for Rosneft (customer) of a package of transportation/forwarding services for arranging shipment of marketable petroleum products by rail and by truck for a compensation in an amount of 1,040,000.0K rubles (inclusive of VAT)	Transaction price – 1,040,000.0K rubles (inclusive of VAT)	September 30, 2013
2	Provision by OJSC NGK Slavneft (contractor) for Rosneft (customer) of the transportation/forwarding services for transporting petroleum products in a volume of up to 1,834.5 kt for a compensation in an amount of up to 776,554,614.0 rubles (inclusive of VAT)	Transaction price – 776,554,614.0 rubles (inclusive of VAT)	September 30, 2013
3	Performance by OJSC NGK Slavneft (agent) on its own behalf, at the expense and upon assignment of Rosneft (principal) of the legal and other actions for arranging transportation and/or storage of oil in a quantity of 4,498.93 kt +/- 5% with a total price of 6,198,875K rubles for a compensation in an amount of 1,124.73K rubles (inclusive of VAT)	Transaction price – 1,124.73K rubles (inclusive of VAT)	November 8, 2013
4	Provision by OJSC NGK Slavneft (contractor) of the transportation/forwarding services to Rosneft (customer) for arranging shipment of petroleum products in a volume of up to 5,938,358.0 tons for a compensation in an amount of up to 3,106,166.421K rubles (inclusive of VAT)	Transaction price – 3,106,166.421K rubles (inclusive of VAT)	November 30, 2013
TRANSACTIONS WHERE OJSC NK ROSNEFT-ALTAINEFTEPRODUKT IS A PARTY			
Persons/entities related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions); D. Casimiro (since June 28, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC NK Rosneft-Altainefteprodukt, which is a party to the transactions			
1	Granting by Rosneft (licensor) to OJSC NK Rosneft-Altainefteprodukt (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 541.4K rubles (inclusive of VAT)	Transaction price – 541.4K rubles (inclusive of VAT)	December 29, 2012
2	Provision by OJSC NK Rosneft-Altainefteprodukt (contractor) of the services to Rosneft (customer) for acceptance, storage and issue of 25.0 kt of petroleum products owned by the customer for a compensation in a total amount of 12,670.25K rubles (inclusive of VAT)	Transaction price – 12,670.25K rubles (inclusive of VAT)	February 18, 2013
3	Sale by Rosneft (seller) of petroleum products to OJSC NK Rosneft-Altainefteprodukt (buyer) in a volume of 629.546 kt for a total price of 22,361,137.594K rubles (inclusive of VAT)	Transaction price – 22,361,137.594K rubles (inclusive of VAT)	February 18, 2013
4	Procurement by Rosneft (borrower) of an interest-bearing loan from OJSC NK Rosneft-Altainefteprodukt (lender) in an amount of 700,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 945,000.0K rubles	Transaction price – 945,000.0K rubles	May 6, 2013
5	Transfer by Rosneft (lessor) for temporary possession and use to OJSC NK Rosneft-Altainefteprodukt (lessee) of some fixed assets owned by Rosneft for a fee in an amount of 13,868.0K rubles per year (inclusive of VAT)	Transaction price – 13,868.0K rubles per year (inclusive of VAT)	May 31, 2013
6	Performance by OJSC NK Rosneft-Altainefteprodukt (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging registration of the title to and transactions with immovable assets in the territory of the Altai Region for a compensation in an amount of 60.0K rubles	Transaction price – 60.0K rubles	May 31, 2013
7	Performance by OJSC NK Rosneft-Altainefteprodukt (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging land management and settlement of the land relationships between Rosneft and the holders of title to the land plots occupied by the immovable assets of Rosneft located in the territory of the Altai Region for a compensation in an amount of 60.0K rubles (inclusive of VAT)	Transaction price – 60.0K rubles (inclusive of VAT)	May 31, 2013
8	Granting by Rosneft (lender) of an interest-bearing loan to OJSC NK Rosneft-Altainefteprodukt (borrower) in an amount of 400,000.0K rubles for a term of up to 2 years. The total transaction value inclusive of the interest is 480,000.0K rubles	Transaction price – 480,000.0K rubles	June 19, 2013
9	Sale by Rosneft (seller) of petroleum products to OJSC NK Rosneft-Altainefteprodukt (buyer) in a volume of 263.7 kt for a total price of 7,324,668.3K rubles	Transaction price – 7,324,668.3K rubles	June 19, 2013
10	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-bearing loan to OJSC NK Rosneft-Altainefteprodukt (borrower) for funding the investment activity in an amount of 953,600.0K rubles regarding a decrease of the loan amount to 236,450.5K rubles, extension of the loan repayment period and a decrease of the total transaction value inclusive of the chargeable interest to 453,514.5K rubles	Transaction price – 453,514.5K rubles	August 30, 2013

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
TRANSACTIONS WHERE OJSC NK ROSNEFT-ARTAG IS A PARTY			
Persons/entities related to the transactions: OJSC ROSNEFTEGAS – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAS and a party to the transactions); D. Casimiro (since June 28, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC NK Rosneft-Artag, which is a party to the transactions			
1	Granting by Rosneft (licensor) to OJSC NK Rosneft-Artag (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 446.9K rubles (inclusive of VAT)	Transaction price – 446.9K rubles (inclusive of VAT)	December 29, 2012
2	Sale by Rosneft (seller) of petroleum products to OJSC NK Rosneft-Artag (buyer) in a volume of 62.86 kt for a total price of 1,886,326.924K rubles (inclusive of VAT)	Transaction price – 1,886,326.924K rubles (inclusive of VAT)	December 29, 2012
3	Transfer by Rosneft (lessor) for temporary possession and use to OJSC NK Rosneft-Artag (lessee) of some fixed assets owned by Rosneft for a fee in an amount of 11,640.0K rubles per year (inclusive of VAT)	Transaction price – 11,640.0K rubles per year (inclusive of VAT)	May 31, 2013
4	Performance by OJSC NK Rosneft-Artag (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging land management and settlement of the land relationships between Rosneft and the holders of title to the land plots occupied by the immovable assets of Rosneft located in the territory of the Republic of North Ossetia - Alania for a compensation in an amount of 60.0K rubles (inclusive of VAT)	Transaction price – 60.0K rubles (inclusive of VAT)	May 31, 2013
5	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-bearing loan to OJSC NK Rosneft-ARTAG (borrower) for funding the investment activity in an amount of 28,300.0K rubles regarding a decrease of the loan amount to 6,984.5K rubles, extension of the loan repayment period and a decrease of the total transaction value inclusive of the chargeable interest to 11,710.2K rubles	Transaction price – 11,710.2K rubles	August 30, 2013
6	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-bearing loan to OJSC NK Rosneft-ARTAG (borrower) for funding the investment activity in an amount of 15,264.0K rubles regarding alteration of the interest rate, an increase of the total transaction value inclusive of the chargeable interest to 23,641.5K rubles and extension of the loan repayment period	Transaction price – 23,641.5K rubles	December 24, 2013
TRANSACTIONS WHERE OJSC NK ROSNEFT-DAGNEFT IS A PARTY			
Persons/entities related to the transactions: OJSC ROSNEFTEGAS – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAS and a party to the transactions); G.G. Gilaev (until February 11, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC NK Rosneft-Dagneft, which is a party to the transactions; Z. Runje (since June 28, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC NK Rosneft-Dagneft, which is a party to the transactions			
1	Granting by Rosneft (licensor) to OJSC NK Rosneft-Dagneft (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 801.4K rubles (inclusive of VAT)	Transaction price – 801.4K rubles (inclusive of VAT)	December 29, 2012
2	Purchase by Rosneft (buyer) from OJSC NK Rosneft-Dagneft (supplier) of marketable oil in a volume of up to 190.1 kt for a total price of up to 2,613,089.0K rubles (inclusive of VAT)	Transaction price – 2,613,089.0K rubles (inclusive of VAT)	May 6, 2013
3	Transfer by Rosneft (lessor) for temporary possession and use to OJSC NK Rosneft-Dagneft (lessee) of some fixed assets owned by Rosneft for a fee in an amount of 5,139.0K rubles per year (inclusive of VAT)	Transaction price – 5,139.0K rubles per year (inclusive of VAT)	May 31, 2013
4	Provision by OJSC NK Rosneft-Dagneft (contractor) of the services to Rosneft (customer) for upkeeping and maintenance of the mothballed immovable assets owned by Rosneft, which are not engaged in the operating process, for a compensation in an amount of 180.0K rubles (inclusive of VAT)	Transaction price – 180.0K rubles (inclusive of VAT)	May 31, 2013
5	Performance by OJSC NK Rosneft-Dagneft (agent) upon assignment of Rosneft (principal) on its own behalf and at the expense of Rosneft or on behalf and at the expense of Rosneft of the actions for arranging execution of the works (provision of the services) for abandonment and suspension of the wells, liquidation and mothballing of the fixed assets owned by Rosneft and located in the region of presence of OJSC NK Rosneft-Dagneft for a compensation in an amount of 18.0K rubles (inclusive of VAT)	Transaction price – 18.0K rubles (inclusive of VAT)	May 31, 2013
TRANSACTIONS WHERE OJSC NK ROSNEFT-KABARDINO-BALKARSKAYA TOPLIVNAYA KOMPANIYA IS A PARTY			
Persons/entities related to the transactions: OJSC ROSNEFTEGAS – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAS and a party to the transactions); D. Casimiro (since June 28, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC NK Rosneft-Kabardino-Balkarskaya Toplivnaya Kompaniya, which is a party to the transactions; I.V. Pavlov (until April 15, 2013 and since June 28, 2013) – Member of the Rosneft Management Board, Acting General Director, Member of the Board of Directors of OJSC NK Rosneft-Kabardino-Balkarskaya Toplivnaya Kompaniya, which is a party to the transactions			
1	Granting by Rosneft (licensor) to OJSC NK Rosneft-Kabardino-Balkarskaya Toplivnaya Kompaniya (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 353.2K rubles (inclusive of VAT)	Transaction price – 353.2K rubles (inclusive of VAT)	December 29, 2012
2	Sale by Rosneft (seller) of petroleum products to OJSC NK Rosneft-Kabardino-Balkarskaya Toplivnaya Kompaniya (buyer) in a volume of 59.744 kt for a total price of 1,773,804.095K rubles (inclusive of VAT)	Transaction price – 1,773,804.095K rubles (inclusive of VAT)	December 29, 2012
3	Transfer by Rosneft (lessor) for temporary possession and use to OJSC NK Rosneft-Kabardino-Balkarskaya Toplivnaya Kompaniya (lessee) of some fixed assets owned by Rosneft for a fee in an amount of 14,370.0K rubles per year (inclusive of VAT)	Transaction price – 14,370.0K rubles per year (inclusive of VAT)	May 31, 2013
4	Performance by OJSC NK Rosneft-Kabardino-Balkarskaya Toplivnaya Kompaniya (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging land management and settlement of the land relationships between Rosneft and the holders of title to the land plots occupied by the immovable assets of Rosneft located in the territory of the Kabardino-Balkarian Republic for a compensation in an amount of 60.0K rubles (inclusive of VAT)	Transaction price – 60.0K rubles (inclusive of VAT)	May 31, 2013
5	Granting by Rosneft (lender) of an interest-bearing loan to OJSC NK Rosneft-Kabardino-Balkarskaya Toplivnaya Kompaniya (borrower) for funding the investment activity in an amount of 17,000.0K rubles for a term of 3 years. The total transaction value inclusive of the interest is 22,620.0K rubles	Transaction price – 22,620.0K rubles	June 19, 2013
6	Granting by Rosneft (lender) of an interest-bearing loan to OJSC NK Rosneft-Kabardino-Balkarskaya Toplivnaya Kompaniya (borrower) for funding the operating activity in an amount of 93,000.0K rubles for a term of up to 2 years. The total transaction value inclusive of the interest is 111,600.0K rubles	Transaction price – 111,600.0K rubles	June 19, 2013
7	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-free loan to OJSC NK Rosneft-Kabardino-Balkarskaya Toplivnaya Kompaniya (borrower) for funding the investment activity in an amount of 100,000.0K rubles regarding establishment of an interest rate, an increase of the total transaction value inclusive of the chargeable interest to 130,226.0K rubles and extension of the loan repayment period	Transaction price – 130,226.0K rubles	December 24, 2013
8	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-free loan to OJSC NK Rosneft-Kabardino-Balkarskaya Toplivnaya Kompaniya (borrower) for funding the operating activity in an amount of 300,000.0K rubles regarding establishment of an interest rate, an increase of the total transaction value inclusive of the chargeable interest to 330,000.0K rubles and extension of the loan repayment period	Transaction price – 330,000.0K rubles	December 24, 2013

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
TRANSACTIONS WHERE OJSC NK ROSNEFT-KARACHAEVO-CHERKESKNEFTEPRODUKT IS A PARTY			
Persons/entities related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions); D. Casimiro (since June 28, 2013) – Member of the Rosneft Management Board, Chairman of the Board of Directors of OJSC NK Rosneft-Karachaevo-Cherkessknefteprodukt, which is a party to the transactions			
1	Granting by Rosneft (licensor) to OJSC NK Rosneft-Karachaevo-Cherkessknefteprodukt (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 374.6K rubles (inclusive of VAT)	Transaction price – 374.6K rubles (inclusive of VAT)	December 29, 2012
2	Sale by Rosneft (seller) of petroleum products to OJSC NK Rosneft-Karachaevo-Cherkessknefteprodukt (buyer) in a volume of 50.97 kt for a total price of 1,611,674.12K rubles (inclusive of VAT)	Transaction price – 1,611,674.12K rubles (inclusive of VAT)	December 29, 2012
3	Performance by OJSC NK Rosneft-Karachaevo-Cherkessknefteprodukt (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging registration of the title to and transactions with immovable assets in the territory of the Karachai-Cherkessian Republic for a compensation in an amount of 60.0K rubles (inclusive of VAT)	Transaction price – 60.0K rubles (inclusive of VAT)	May 31, 2013
4	Transfer by Rosneft (lessor) for temporary possession and use to OJSC NK Rosneft-Karachaevo-Cherkessknefteprodukt (lessee) of some fixed assets owned by Rosneft for a fee in an amount of 56,200.0K rubles per year (inclusive of VAT)	Transaction price – 56,200.0K rubles per year (inclusive of VAT)	May 31, 2013
5	Performance by OJSC NK Rosneft-Karachaevo-Cherkessknefteprodukt (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging land management and settlement of the land relationships between Rosneft and the holders of title to the land plots occupied by the immovable assets of Rosneft located in the territory of the Karachai-Cherkessian Republic for a compensation in an amount of 60K rubles (inclusive of VAT)	Transaction price – 60K rubles (inclusive of VAT)	May 31, 2013
6	Sale by Rosneft (Seller) of petroleum products to OJSC NK Rosneft-Karachaevo-Cherkessknefteprodukt (Buyer) in a volume of 26.7 kt for a total price of 825,000.0K rubles (inclusive of VAT)	Transaction price – 825,000.0K rubles (inclusive of VAT)	June 19, 2013
7	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-bearing loan to OJSC NK Rosneft-Karachaevo-Cherkessknefteprodukt (borrower) for funding the operating activity in an amount of 18,000.0K rubles regarding alteration of the interest rate, an increase of the total transaction value inclusive of the chargeable interest to 27,994.9K rubles and extension of the loan repayment period	Transaction price – 27,994.9K rubles	December 24, 2013
8	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-bearing loan to OJSC NK Rosneft-Karachaevo-Cherkessknefteprodukt (borrower) for funding the operating activity in an amount of 40,000.0K rubles regarding alteration of the interest rate, an increase of the total transaction value inclusive of the chargeable interest to 40,833.4K rubles and extension of the loan repayment period	Transaction price – 40,833.4K rubles	December 24, 2013
9	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-bearing loan to OJSC NK Rosneft-Karachaevo-Cherkessknefteprodukt (borrower) for funding the operating activity in an amount of 64,261.9K rubles regarding alteration of the interest rate, a change of the total transaction value inclusive of the chargeable interest to 44,639.7K rubles and extension of the loan repayment period	Transaction price – 44,639.7K rubles	December 24, 2013
TRANSACTIONS WHERE OJSC NK ROSNEFT-KUBANNEFTEPRODUKT IS A PARTY			
Persons/entities related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions); D. Casimiro (since June 26, 2013) – Member of the Rosneft Management Board, Chairman of the Board of Directors of OJSC NK Rosneft-Kubannefteprodukt, which is a party to the transactions			
1	Granting by Rosneft (licensor) to OJSC NK Rosneft-Kubannefteprodukt (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 629.0K rubles (inclusive of VAT)	Transaction price – 629.0K rubles (inclusive of VAT)	December 29, 2012
2	Performance by OJSC NK Rosneft-Kubannefteprodukt (agent) of the actions for Rosneft (principal) associated with preparation and carrying out of the final stages of the Best in Profession 2012 Contests among the blue collar employees of Rosneft subsidiaries for a compensation in an amount of 16.236K rubles (inclusive of VAT)	Transaction price – 16.236K rubles (inclusive of VAT)	December 29, 2012
3	Provision by OJSC NK Rosneft-Kubannefteprodukt (contractor) of the services to Rosneft (customer) for acceptance, storage and issue of 707164 kt of petroleum products owned by the customer for a compensation in a total amount of 189,420.957K rubles (inclusive of VAT)	Transaction price – 189,420.957K rubles (inclusive of VAT)	February 18, 2013
4	Sale by Rosneft (seller) of petroleum products to OJSC NK Rosneft-Kubannefteprodukt (buyer) in a volume of 1,020.363 kt for a total price of 37,107,333.719K rubles (inclusive of VAT)	Transaction price – 37,107,333.719K rubles (inclusive of VAT)	February 18, 2013
5	Transfer by Rosneft (lessor) for temporary possession and use to OJSC NK Rosneft-Kubannefteprodukt (lessee) of some fixed assets owned by Rosneft for a fee in an amount of 713,216.0K rubles per year (inclusive of VAT)	Transaction price – 713,216.0K rubles per year (inclusive of VAT)	May 31, 2013
6	Performance by OJSC NK Rosneft-Kubannefteprodukt (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging registration of the title to and transactions with immovable assets in the territory of the Krasnodar Region for a compensation in an amount of 60.0K rubles (inclusive of VAT)	Transaction price – 60.0K rubles (inclusive of VAT)	May 31, 2013
7	Performance by OJSC NK Rosneft-Kubannefteprodukt (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging land management and settlement of the land relationships between Rosneft and the holders of title to the land plots occupied by the immovable assets of Rosneft located in the territory of the Krasnodar Region for a compensation in an amount of 60.0K rubles (inclusive of VAT)	Transaction price – 60.0K rubles (inclusive of VAT)	May 31, 2013
8	Performance by OJSC NK Rosneft-Kubannefteprodukt (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging the disposal of the non-core assets of Rosneft and the assets that are not engaged in the operating process for a compensation in an amount of 200.0K rubles (inclusive of VAT)	Transaction price – 200.0K rubles (inclusive of VAT)	May 31, 2013
9	Granting by Rosneft (lender) of an interest-bearing loan to OJSC NK Rosneft-Kubannefteprodukt (borrower) for funding the operating activity in an amount of 500,000.0K rubles for a term of up to 2 years. The total transaction value inclusive of the interest is 600,000.0K rubles	Transaction price – 600,000.0K rubles	June 19, 2013
10	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-bearing loan to OJSC NK Rosneft-Kubannefteprodukt (borrower) for funding the investment activity in an amount of 250,000.0K rubles regarding a decrease of the loan amount to 10.0K rubles, extension of the loan repayment period and a decrease of the total transaction value inclusive of the chargeable interest to 58.5K rubles	Transaction price – 58.5K rubles	August 30, 2013
TRANSACTIONS WHERE OJSC NK ROSNEFT-KURGANNEFTEPRODUKT IS A PARTY			
Persons/entities related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions); D. Casimiro (since June 28, 2013) – Member of the Rosneft Management Board, Chairman of the Board of Directors of OJSC NK Rosneft-Kurgannefteprodukt, which is a party to the transactions			
1	Granting by Rosneft (licensor) to OJSC NK Rosneft-Kurgannefteprodukt (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 472.9K rubles (inclusive of VAT)	Transaction price – 472.9K rubles (inclusive of VAT)	December 29, 2012

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
2	Provision by OJSC NK Rosneft-Kurganefteprodukt (contractor) of the services to Rosneft (customer) for acceptance, storage and issue of 187.58 kt of petroleum products owned by the customer for a compensation in a total amount of 97,372.778K rubles (inclusive of VAT)	Transaction price – 97,372.778K rubles (inclusive of VAT)	February 18, 2013
3	Sale by Rosneft (seller) of petroleum products to OJSC NK Rosneft-Kurganefteprodukt (buyer) in a volume of 231.239 kt for a total price of 8,600,283.846K rubles (inclusive of VAT)	Transaction price – 8,600,283.846K rubles (inclusive of VAT)	February 18, 2013
4	Transfer by Rosneft (lessor) for temporary possession and use to OJSC NK Rosneft-Kurganefteprodukt (lessee) of some fixed assets owned by Rosneft for a fee in an amount of 14,708.0K rubles per year (inclusive of VAT)	Transaction price – 14,708.0K rubles per year (inclusive of VAT)	May 31, 2013
5	Performance by OJSC NK Rosneft-Kurganefteprodukt (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging registration of the title to and transactions with immovable assets in the territory of the Kurgan Oblast for a compensation in an amount of 60.0K rubles (inclusive of VAT)	Transaction price – 60.0K rubles (inclusive of VAT)	May 31, 2013
6	Performance by OJSC NK Rosneft-Kurganefteprodukt (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging land management and settlement of the land relationships between Rosneft and the holders of title to the land plots occupied by the immovable assets of Rosneft located in the territory of the Kurgan Oblast for a compensation in an amount of 60.0K rubles (inclusive of VAT)	Transaction price – 60.0K rubles (inclusive of VAT)	May 31, 2013
7	Sale by Rosneft (seller) to OJSC NK Rosneft-Kurganefteprodukt (buyer) of petroleum products in a volume of 110.440 kt for a total price of 3,146,939.946K rubles (inclusive of VAT)	Transaction price – 3,146,939.946K rubles (inclusive of VAT)	June 19, 2013
TRANSACTIONS WHERE OJSC NK ROSNEFT-MZ NEFTEPRODUKT IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Granting by Rosneft (licensor) to OJSC NK Rosneft-MZ Nefteprodukt (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 140.7K rubles (inclusive of VAT)	Transaction price – 140.7K rubles (inclusive of VAT)	December 29, 2012
2	Sale by Rosneft (seller) of petroleum products to OJSC NK Rosneft-MZ Nefteprodukt (buyer) in a volume of 2.1 kt for a total price of 55,000.0K rubles (inclusive of VAT)	Transaction price – 55,000.0K rubles (inclusive of VAT)	December 29, 2012
3	Granting by Rosneft (lender) of an interest-bearing loan to OJSC NK Rosneft-MZ Nefteprodukt (borrower) for funding the operating activity in an amount of 113,000.0K rubles for a term of up to 2 years. The total transaction value inclusive of the interest is 135,600.0K rubles	Transaction price – 135,600.0K rubles	February 18, 2013
4	Granting by Rosneft (lender) of an interest-bearing loan to OJSC NK Rosneft-MZ Nefteprodukt (borrower) for funding the investment activity in an amount of 66,564.0K rubles for a term of 3 years. The total transaction value inclusive of the interest will be 86,533.2K rubles	Transaction price – 86,533.2K rubles	November 30, 2013
5	Procurement by Rosneft (borrower) of an interest-bearing loan from OJSC NK Rosneft-MZ Nefteprodukt (lender) in an amount of up to 50,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest will be 67,509.6K rubles	Transaction price – 67,509.6K rubles	December 24, 2013
6	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-bearing loan to OJSC NK Rosneft-MZ Nefteprodukt (borrower) for funding the operating activity in an amount of 159,149.1K rubles regarding alteration of the interest rate, a change of the total transaction value inclusive of the chargeable interest to 60,038.7K rubles and extension of the loan repayment period	Transaction price – 60,038.7K rubles	December 24, 2013
TRANSACTIONS WHERE OJSC NK ROSNEFT-MURMANSKNEFTEPRODUKT IS A PARTY			
Persons/entities related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions); D. Casimiro (since June 28, 2013) – Member of the Rosneft Management Board, Chairman of the Board of Directors of OJSC NK Rosneft-Murmansknefteprodukt, which is a party to the transactions			
1	Granting by Rosneft (licensor) to OJSC NK Rosneft-Murmansknefteprodukt (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 472.9K rubles (inclusive of VAT)	Transaction price – 472.9K rubles (inclusive of VAT)	December 29, 2012
2	Provision by OJSC NK Rosneft-Murmansknefteprodukt (contractor) of the services to Rosneft (customer) for acceptance, storage and issue of 104.34 kt of petroleum products owned by the customer for a compensation in a total amount of 84,450.709K rubles (inclusive of VAT)	Transaction price – 84,450.709K rubles (inclusive of VAT)	February 18, 2013
3	Sale by Rosneft (seller) of petroleum products to OJSC NK Rosneft-Murmansknefteprodukt (buyer) in a volume of 109.307 kt for a total price of 4,497,484.769K rubles (inclusive of VAT)	Transaction price – 4,497,484.769K rubles (inclusive of VAT)	February 18, 2013
4	Procurement by Rosneft (borrower) of an interest-bearing loan from OJSC NK Rosneft-Murmansknefteprodukt (lender) in an amount of 200,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 270,000.0K rubles	Transaction price – 270,000.0K rubles	May 6, 2013
5	Transfer by Rosneft (lessor) for temporary possession and use to OJSC NK Rosneft-Murmansknefteprodukt (lessee) of some fixed assets owned by Rosneft for a fee in an amount of 31,820.0K rubles per year (inclusive of VAT)	Transaction price – 31,820.0K rubles per year (inclusive of VAT)	May 31, 2013
6	Performance by OJSC NK Rosneft-Murmansknefteprodukt (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging land management and settlement of the land relationships between Rosneft and the holders of title to the land plots occupied by the immovable assets of Rosneft located in the territory of the Murmansk Oblast for a compensation in an amount of 60.0K rubles (inclusive of VAT)	Transaction price – 60.0K rubles (inclusive of VAT)	May 31, 2013
7	Granting by Rosneft (lender) of an interest-bearing loan to OJSC NK Rosneft-Murmansknefteprodukt (borrower) for funding the operating activity in an amount of 128,600.0K rubles for a term of up to 2 years. The total transaction value inclusive of the interest is 154,320.0K rubles	Transaction price – 154,320.0K rubles	June 19, 2013
8	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-bearing loan to OJSC NK Rosneft-Murmansknefteprodukt (borrower) for funding the investment activity in an amount of 173,366.0K rubles regarding a decrease of the loan amount to 122,427.1K rubles and the total transaction value inclusive of the chargeable interest to 190,407.7K rubles and extension of the loan repayment period	Transaction price – 190,407.7K rubles	August 30, 2013
TRANSACTIONS WHERE OJSC NK ROSNEFT-SMOLENSKNEFTEPRODUKT IS A PARTY			
Persons/entities related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions); D. Casimiro (since June 14, 2013) – Member of the Rosneft Management Board, Chairman of the Board of Directors of OJSC NK Rosneft-Smolensknefteprodukt, which is a party to the transactions			
1	Granting by Rosneft (lender) of an interest-bearing loan to OJSC NK Rosneft-Smolensknefteprodukt (borrower) in an amount of 300,000.0K rubles for a term of 1 year. The total transaction value inclusive of the interest is 303,063.9K rubles	Transaction price – 303,063.9K rubles	December 29, 2012
2	Granting by Rosneft (licensor) to OJSC NK Rosneft-Smolensknefteprodukt (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 519.7K rubles (inclusive of VAT)	Transaction price – 519.7K rubles (inclusive of VAT)	December 29, 2012

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
3	Provision by OJSC NK Rosneft-Smolensknefteprodukt (contractor) of the services to Rosneft (customer) for acceptance, storage and issue of 379.33 kt of petroleum products owned by the customer for a compensation in a total amount of 199,906.91K rubles (inclusive of VAT)	Transaction price – 199,906.91K rubles (inclusive of VAT)	February 18, 2013
4	Sale by Rosneft (seller) of petroleum products to OJSC NK Rosneft-Smolensknefteprodukt (buyer) in a volume of 442.938 kt for a total price of 16,779,015.268K rubles (inclusive of VAT)	Transaction price – 16,779,015.268K rubles (inclusive of VAT)	February 18, 2013
5	Transfer by Rosneft (lessor) for temporary possession and use to OJSC NK Rosneft-Smolensknefteprodukt (lessee) of some fixed assets owned by Rosneft for a fee in an amount of 17,169.0K rubles per year (inclusive of VAT)	Transaction price – 17,169.0K rubles per year (inclusive of VAT)	May 31, 2013
6	Performance by OJSC NK Rosneft-Smolensknefteprodukt (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging registration of the title to and transactions with immovable assets in the territory of the Smolensk Oblast for a compensation in an amount of 60.0K rubles (inclusive of VAT)	Transaction price – 60.0K rubles (inclusive of VAT)	May 31, 2013
7	Performance by OJSC NK Rosneft-Smolensknefteprodukt (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging land management and settlement of the land relationships between Rosneft and the holders of title to the land plots occupied by the immovable assets of Rosneft located in the territory of the Smolensk Oblast for a compensation in an amount of 60.0K rubles (inclusive of VAT)	Transaction price – 60.0K rubles (inclusive of VAT)	May 31, 2013
8	Performance by LLC RN-Smolensknefteprodukt (agent) upon assignment of Rosneft (principal) on its own behalf and at the expense of Rosneft or on behalf and at the expense of Rosneft of the actions for arranging execution of the works (provision of the services) for liquidation and mothballing of some retail sites and fixed assets owned by Rosneft and located in the region of presence of LLC RN-Smolensknefteprodukt for a compensation in an amount of 2.5K rubles (inclusive of VAT)	Transaction price – 2.5K rubles (inclusive of VAT)	May 31, 2013
9	Granting by Rosneft (lender) of an interest-bearing loan to OJSC NK Rosneft-Smolensknefteprodukt (borrower) for funding the operating activity in an amount of 353,500.0K rubles for a term of up to 2 years. The total transaction value inclusive of the interest is 424,200.0K rubles	Transaction price – 424,200.0K rubles	June 19, 2013
TRANSACTIONS WHERE OJSC NK ROSNEFT-STAVROPOLYE IS A PARTY			
Persons/entities related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions); D. Casimiro (since June 28, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC NK Rosneft-Stavropolye, which is a party to the transactions			
1	Granting by Rosneft (licensor) to OJSC NK Rosneft-Stavropolye (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 507.5K rubles (inclusive of VAT)	Transaction price – 507.5K rubles (inclusive of VAT)	December 29, 2012
2	Provision by OJSC NK Rosneft-Stavropolye (contractor) of the services to Rosneft (customer) for acceptance, storage and issue of 19.954 kt of petroleum products owned by the customer for a compensation in a total amount of 14,341.337K rubles (inclusive of VAT)	Transaction price – 14,341.337K rubles (inclusive of VAT)	February 18, 2013
3	Sale by Rosneft (seller) of petroleum products to OJSC NK Rosneft-Stavropolye (buyer) in a volume of 532.449 kt for a total price of 19,172,393.584K rubles (inclusive of VAT)	Transaction price – 19,172,393.584K rubles (inclusive of VAT)	February 18, 2013
4	Procurement by Rosneft (borrower) of an interest-bearing loan from OJSC NK Rosneft-Stavropolye (lender) in an amount of 1,000,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 1,350,000.0K rubles	Transaction price – 1,350,000.0K rubles	May 6, 2013
5	Transfer by Rosneft (lessor) for temporary possession and use to OJSC NK Rosneft-Stavropolye (lessee) of some fixed assets owned by Rosneft for a fee in an amount of 123.0K rubles per year (inclusive of VAT)	Transaction price – 123.0K rubles per year (inclusive of VAT)	May 31, 2013
6	Performance by OJSC NK Rosneft-Stavropolye (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging land management and settlement of the land relationships between Rosneft and the holders of title to the land plots occupied by the immovable assets of Rosneft located in the territory of the Stavropol Region for a compensation in an amount of 60.0K rubles (inclusive of VAT)	Transaction price – 60.0K rubles (inclusive of VAT)	May 31, 2013
7	Performance by OJSC NK Rosneft-Stavropolye (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging the disposal of the non-core assets of Rosneft and the assets that are not engaged in the operating process for a compensation in an amount of 50.0K rubles (inclusive of VAT)	Transaction price – 50.0K rubles (inclusive of VAT)	May 31, 2013
8	Granting by Rosneft (lender) of an interest-bearing loan to OJSC NK Rosneft-Stavropolye (borrower) for funding the operating activity in an amount of 480,000.0K rubles for a term of up to 2 years. The total transaction value inclusive of the interest is 576,000.0K rubles	Transaction price – 576,000.0K rubles	June 19, 2013
9	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-bearing loan to OJSC NK Rosneft-Stavropolye (borrower) for funding the investment activity in an amount of 953,600.0K rubles regarding a decrease of the loan amount to 173,813.1K rubles, extension of the loan repayment period and a decrease of the total transaction value inclusive of the chargeable interest to 241,585.9K rubles	Transaction price – 241,585.9K rubles	August 30, 2013
10	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-bearing loan to OJSC NK Rosneft-Stavropolye (borrower) for funding the investment activity in an amount of 1,482,000.0K rubles regarding alteration of the interest rate, an increase of the total transaction value inclusive of the chargeable interest to 2,144,782.9K rubles and extension of the loan repayment period	Transaction price – 2,144,782.9K rubles	December 24, 2013
TRANSACTIONS WHERE OJSC NK ROSNEFT-YAMALNEFTEPRODUKT IS A PARTY			
Persons/entities related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions); D. Casimiro (since June 28, 2013) – Member of the Rosneft Management Board, Chairman of the Board of Directors of OJSC NK Rosneft-Yamalnefteprodukt, which is a party to the transactions			
1	Granting by Rosneft (licensor) to OJSC NK Rosneft-Yamalnefteprodukt (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 459.0K rubles (inclusive of VAT)	Transaction price – 459.0K rubles (inclusive of VAT)	December 29, 2012
2	Sale by Rosneft (seller) of petroleum products to OJSC NK Rosneft-Yamalnefteprodukt (buyer) in a volume of 45.19 45.19kt for a total price of 1,648,647.04K rubles (inclusive of VAT)	Transaction price – 1,648,647.04K rubles (inclusive of VAT)	December 29, 2012
3	Procurement by Rosneft (borrower) of an interest-bearing loan from OJSC NK Rosneft-Yamalnefteprodukt (lender) in an amount of 100,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 135,000.0K rubles	Transaction price – 135,000.0K rubles	May 6, 2013
4	Transfer by Rosneft (lessor) for temporary possession and use to OJSC NK Rosneft-Yamalnefteprodukt (lessee) of some fixed assets owned by Rosneft for a fee in an amount of 23,653.0K rubles per year (inclusive of VAT)	Transaction price – 23,653.0K rubles per year (inclusive of VAT)	May 31, 2013
5	Performance by OJSC NK Rosneft-Yamalnefteprodukt (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging registration of the title to and transactions with immovable assets in the territory of the Yamalo-Nenetskiy Autonomous Area for a compensation in an amount of 60.0K rubles (inclusive of VAT)	Transaction price – 60.0K rubles (inclusive of VAT)	May 31, 2013

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
6	Performance by OJSC NK Rosneft-Yamalnefteprodukt (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging land management and settlement of the land relationships between Rosneft and the holders of title to the land plots occupied by the immovable assets of Rosneft located in the territory of the Yamalo-Nenetskiy Autonomous Area for a compensation in an amount of 60.0K rubles (inclusive of VAT)	Transaction price – 60.0K rubles (inclusive of VAT)	May 31, 2013
7	Granting by Rosneft (lender) of an interest-bearing loan to OJSC NK Rosneft-Yamalnefteprodukt (borrower) for funding the investment activity in an amount of 16,510.99K rubles for a term of 3 years. The total transaction value inclusive of the interest is 21,464.29K rubles	Transaction price – 1,464.29K rubles	June 19, 2013
TRANSACTIONS WHERE OJSC OKHINSKAYA TETS IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Procurement by Rosneft (borrower) of an interest-bearing loan from OJSC Okhinskaya TETS (lender) in an amount of 300,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 405,000.0K rubles	Transaction price – 405,000.0K rubles	May 6, 2013
2	Granting by Rosneft (lender) of an interest-bearing loan to OJSC Okhinskaya TETS (borrower) for funding the investment activity in an amount of 507,219.0K rubles for a term of 3 years. The total transaction value inclusive of the interest is 659,384.7K rubles	Transaction price – 659,384.7K rubles	June 19, 2013
3	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-bearing loan to OJSC Okhinskaya TETS (borrower) for funding the investment activity in an amount of 107,400.0K rubles regarding a decrease of the loan amount to 100,400.0K rubles, extension of the loan repayment period and an increase of the total transaction value inclusive of the chargeable interest to 156,198.0K rubles	Transaction price – 156,198.0K rubles	August 30, 2013
4	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-bearing loan to OJSC Okhinskaya TETS (borrower) for funding the investment activity in an amount of 346,400.0K rubles regarding alteration of the interest rate, an increase of the total transaction value inclusive of the chargeable interest to 533,891.7K rubles and extension of the loan repayment period	Transaction price – 533,891.7K rubles	December 24, 2013
TRANSACTIONS WHERE OJSC PURNEFTEOTDACHA IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Granting by Rosneft (licensor) to OJSC Purnefteotdacha (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 470K rubles (inclusive of VAT)	Transaction price – 470K rubles (inclusive of VAT)	December 29, 2012
2	Transfer by Rosneft (lessor) for temporary possession and use to OJSC Purnefteotdacha (lessee) of some fixed assets owned by Rosneft for a fee in an amount of 578.0K rubles per year (inclusive of VAT)	Transaction price – 578.0K rubles per year (inclusive of VAT)	May 31, 2013
3	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-bearing loan to OJSC Purnefteotdacha (borrower) for funding the investment activity in an amount of 18,000.0K rubles regarding alteration of the interest rate, an increase of the total transaction value inclusive of the chargeable interest to 32,387.2K rubles and extension of the loan repayment period	Transaction price – 32,387.2K rubles	December 24, 2013
4	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-bearing loan to OJSC Purnefteotdacha (borrower) for funding the operating activity in an amount of 14,000.0K rubles regarding alteration of the interest rate, an increase of the total transaction value inclusive of the chargeable interest to 32,387.2K rubles and extension of the loan repayment period	Transaction price – 32,387.2K rubles	December 24, 2013
TRANSACTIONS WHERE OJSC RN INGUSHNEFT IS A PARTY			
Persons/entities related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions); G.G. Gilaev (until February 11, 2013) – Member of the Rosneft Management Board, Chairman of the Board of Directors of OJSC RN Ingushneft, which is a party to the transactions; Z. Runje (since June 28, 2013) – Member of the Rosneft Management Board, Chairman of the Board of Directors of OJSC RN Ingushneft, which is a party to the transactions			
1	Performance by OJSC RN Ingushneft (agent) for a compensation in an amount of 5,851.2K rubles (inclusive of VAT) of the actions for Rosneft (principal) associated with arrangement of the following in the territory of the Republic of Ingushetia: execution of exploration works on the license areas owned by Rosneft; preparation of the depletion plans for field development (FDP) and current development monitoring of the fields owned by Rosneft.	Transaction price – 5,851.2K rubles (inclusive of VAT)	March 5, 2013
2	Transfer by Rosneft (lessor) for temporary possession and use to OJSC RN Ingushneft (lessee) of some fixed assets owned by Rosneft for a fee in an amount of 2,961.0K rubles per year (inclusive of VAT)	Transaction price – 2,961.0K rubles per year (inclusive of VAT)	May 31, 2013
3	Provision by OJSC RN Ingushneft (contractor) of the services to Rosneft (customer) for production of hydrocarbon resources on an oil and gas field where the development license is owned by Rosneft: - oil in a volume of 3.0 kt, - associated gas in a volume of 0.3 mln cubic meters, and handover of the produced hydrocarbon resources to Rosneft for subsequent sale for a compensation in an amount of 21,664.4K rubles (inclusive of VAT)	Transaction price – 21,664.4K rubles (inclusive of VAT)	June 19, 2013
4	Granting by Rosneft (lender) of an interest-bearing loan to OJSC RN Ingushneft (borrower) for funding the investment activity in an amount of 54,379.0K rubles for a term of 3 years. The total transaction value inclusive of the interest is 70,692.7K rubles	Transaction price – 70,692.7K rubles	August 30, 2013
TRANSACTIONS WHERE OJSC RN MANAGEMENT (OJSC TNK-BP MANAGEMENT PRIOR TO JUNE 26, 2013) IS A PARTY			
Persons/entities related to the transactions: OJSC ROSNEFTEGAZ (from March 21, 2013 to March 17, 2014) – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares whose affiliate, Mr. I.I. Sechin, Chairman of the Board of Directors of OJSC ROSNEFTEGAZ, is also President of OJSC RN Management, which is a party to the transactions; I.I. Sechin (from March 21, 2013 to March 17, 2014) – Member of the Board of Directors, President, Chairman of the Management Board of Rosneft, President of OJSC RN Management, which is a party to the transactions; E.Yu. Khudainatov (from March 21, 2013 to June 18, 2013) – Deputy Chairman of the Rosneft Management Board, Member of the Management Board of OJSC RN Management, which is a party to the transactions; Yu.I. Kalinin (from March 21, 2013 to June 18, 2013) – Member of the Rosneft Management Board, Member of the Management Board of OJSC RN Management, which is a party to the transactions; D. Casimiro (from March 21, 2013 to June 18, 2013) – Member of the Rosneft Management Board, Member of the Management Board of OJSC RN Management, which is a party to the transactions; P.I. Lazarev (from March 21, 2013 to June 18, 2013) – Member of the Rosneft Management Board, Member of the Management Board of OJSC RN Management, which is a party to the transactions; N.M. Mukhitov (from March 21, 2013 to June 18, 2013) – Member of the Rosneft Management Board, Member of the Management Board of OJSC RN Management, which is a party to the transactions; Z. Runje (from March 21, 2013 to June 18, 2013) – Member of the Rosneft Management Board, Member of the Management Board of OJSC RN Management, which is a party to the transactions			
1	Procurement by Rosneft (borrower) of interest-bearing loans from OJSC RN Management (lender) in an amount of up to 38,000,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest will be up to 49,400,000.0K rubles	Transaction price – 49,400,000.0K rubles	March 21, 2013

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
TRANSACTIONS WHERE OJSC RN MANAGEMENT (OJSC TNK-BP MANAGEMENT PRIOR TO JUNE 26, 2013) AND CJSC NORDSTAR TOWER (PREVIOUSLY CJSC DS INVEST) ARE PARTIES			
Persons/entities related to the transactions: OJSC ROSNEFTEGAZ (from March 21, 2013 to March 17, 2014) – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares whose affiliate, Mr. I.I. Sechin, Chairman of the Board of Directors of OJSC ROSNEFTEGAZ, is also President of OJSC RN Management, which is a party to the transactions; I.I. Sechin (from March 21, 2013 to March 17, 2014) – Member of the Board of Directors, President, Chairman of the Management Board of Rosneft, President of OJSC RN Management, which is a party to the transactions; E.Yu. Khudainatov (from March 21, 2013 to June 18, 2013) – Deputy Chairman of the Rosneft Management Board, Member of the Management Board of OJSC RN Management, which is a party to the transactions; Yu.I. Kalinin (from March 21, 2013 to June 18, 2013) – Member of the Rosneft Management Board, Member of the Management Board of OJSC RN Management, which is a party to the transactions; D. Casimiro (from March 21, 2013 to June 18, 2013) – Member of the Rosneft Management Board, Member of the Management Board of OJSC RN Management, which is a party to the transactions; P.I. Lazarev (from March 21, 2013 to June 18, 2013) – Member of the Rosneft Management Board, Member of the Management Board of OJSC RN Management, which is a party to the transactions; N.M. Mukhitov (from March 21, 2013 to June 18, 2013) – Member of the Rosneft Management Board, Member of the Management Board of OJSC RN Management, which is a party to the transactions; Z. Runje (from March 21, 2013 to June 18, 2013) – Member of the Rosneft Management Board, Member of the Management Board of OJSC RN Management, which is a party to the transactions			
1	Assignment by OJSC RN Management (lessee) to Rosneft (assignee) of the full rights and responsibilities under the lease agreement for immovable assets (non-residential premises with a total area of 37,598.3 sq. m in the building located at: Moscow, 3-1 Begovaya Street) between OJSC RN Management and CJSC DS Invest (lessor). The leasing period is until February 4, 2026. The total value of the transaction is 18,014,106.3K rubles (inclusive of VAT)	Transaction price – 18,014,106.3K rubles (inclusive of VAT)	August 2, 2013
2	Change in the terms and conditions of the transaction for acceptance by Rosneft (assignee) from OJSC RN Management (lessee) of the full rights and responsibilities of the lessee under the lease agreement for immovable assets (non-residential premises in the building located at: Moscow, 3-1 Begovaya Street) between OJSC RN Management (lessee) and CJSC NORDSTAR TOWER (lessor) regarding an increase of the transaction value to 18,816,020.0967K rubles (inclusive of VAT)	Transaction price – 18,816,020.0967K rubles (inclusive of VAT)	December 24, 2013
TRANSACTIONS WHERE OJSC RN HOLDING (OJSC TNK-BP HOLDING PRIOR TO JULY 30, 2013) IS A PARTY			
Persons/entities related to the transactions: OJSC ROSNEFTEGAZ (from March 21, 2013 to December 24, 2013) – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares whose affiliate, Mr. I.I. Sechin, Chairman of the Board of Directors of OJSC ROSNEFTEGAZ, is also President of OJSC RN Management, managing organization of OJSC RN Holding, which is a party to the transactions; I.I. Sechin (from March 21, 2013 to December 24, 2013) – Member of the Board of Directors, President, Chairman of the Management Board of Rosneft, President of OJSC RN Management, managing organization of OJSC RN Holding, which is a party to the transactions; E.Yu. Khudainatov (from June 27, 2013 to September 18, 2013) – Deputy Chairman of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; L.V. Kalanda (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; Yu.I. Kalinin (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; D. Casimiro (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; P.I. Lazarev (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; N.M. Mukhitov (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; Z. Runje (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; I.V. Pavlov (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; I.V. Maydannik (since July 19, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; S.I. Slavinskiy (since September 18, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; R.R. Sharipov (since December 24, 2013) – Member of the Rosneft Management Board, President of OJSC RN Holding, which is a party to the transactions			
1	Procurement by Rosneft (borrower) of interest-bearing loans from OJSC RN Holding (lender) in an amount of up to 38,000,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest will be up to 49,400,000.0K rubles	Transaction price – 49,400,000.0K rubles	March 21, 2013
2	Performance by OJSC RN Holding (consignee) on its own behalf, upon assignment and at the expense of Rosneft (consignor) of the actions for selling TS-1/RT fuels in a volume of 20.0 kt for a compensation in an amount of 3,040.0K rubles (inclusive of VAT)	Transaction price – 3,040.0K rubles (inclusive of VAT)	June 19, 2013
3	Performance by Rosneft (consignee) on its own behalf, upon assignment and at the expense of OJSC RN Holding (consignor) of the actions for selling straight-run gasoline (BGS) in a volume of 6.0 kt for a compensation in an amount of 1,178.565K rubles (inclusive of VAT)	Transaction price – 1,178.565K rubles (inclusive of VAT)	June 19, 2013
4	Performance by Rosneft (consignee) on its own behalf, upon assignment and at the expense of OJSC RN Holding (consignor) of the actions for selling LPG in a quantity of 40.4 kt for a compensation in an amount of 3,636.0K rubles (inclusive of VAT)	Transaction price – 3,636.0K rubles (inclusive of VAT)	June 19, 2013
5	Purchase by Rosneft (buyer) from OJSC RN Holding (seller) of crude oil in a volume of 915.0 kt for a total price of 8,952,360.0K rubles (inclusive of VAT)	Transaction price – 8,952,360.0K rubles (inclusive of VAT)	June 19, 2013
6	Performance by Rosneft (agent) on its own behalf but at the expense and upon assignment of OJSC RN Holding (principal) of the legal and other actions for arranging transportation and transshipment of crude oil and petroleum products in a volume of 7,000.0 kt for a compensation in an amount of 373.1K rubles (inclusive of VAT)	Transaction price – 373.1K rubles (inclusive of VAT)	June 19, 2013
7	Purchase by Rosneft (buyer) from OJSC RN Holding (seller) of petroleum products in a volume of 635.0 kt for a total price of 19,035,000.0K rubles (inclusive of VAT)	Transaction price – 19,035,000.0K rubles (inclusive of VAT)	June 19, 2013
8	Performance by OJSC RN Holding (agent) on its own behalf but at the expense and upon assignment of Rosneft (principal) of the legal and other actions for arranging transportation, transshipment, forwarding and quantity and quality inspection of crude oil and petroleum products in a quantity of 23,350.0 kt for a compensation in an amount of 3,485.885K rubles (inclusive of VAT)	Transaction price – 3,485.885K rubles (inclusive of VAT)	June 19, 2013
9	Performance by OJSC RN Holding (agent) on its own behalf but at the expense and upon assignment of Rosneft (principal) of the legal and other actions for arranging transportation and transshipment of crude oil and petroleum products in a quantity of 23,350.0 kt for a compensation in an amount of 3,485.885K rubles (inclusive of VAT)	Transaction price – 3,485.885K rubles (inclusive of VAT)	June 19, 2013
10	Supply by OJSC RN Holding (supplier) of petroleum products to Rosneft (buyer) in a volume of up to 370 kt for a total price of up to 15,000,000K rubles (inclusive of VAT)	Transaction price – 15,000,000K rubles (inclusive of VAT)	June 19, 2013
11	Execution by the Subsidiary (agent) of an assignment of the Company (principal) to arrange purchasing, processing, transportation and sales of APG and APG processing products for a compensation in an amount of 66,670.0K rubles (inclusive of VAT)	Transaction price – 66,670.0K rubles (inclusive of VAT)	August 30, 2013
12	Performance by OJSC RN Holding (agent) on its own behalf but at the expense and upon assignment of Rosneft (principal) of the legal and other actions for arranging transportation, transshipment, forwarding and quantity and quality inspection of petroleum products for a compensation in an amount of 18.9K rubles (inclusive of VAT)	Transaction price – 18.9K rubles (inclusive of VAT)	August 30, 2013
13	Change in the terms and conditions of the transaction for granting by OJSC RN Holding (lender) of an interest-bearing loan to Rosneft (borrower) in an amount of 38,000,000.0K rubles regarding an increase of the loan amount to 65,000,000.0K rubles and the total transaction value inclusive of the chargeable interest to 83,577,550.0K rubles	Transaction price – 83,577,550.0K rubles	November 8, 2013
14	Change in the terms and conditions of the transaction for performance by OJSC RN Holding (agent) on its own behalf but at the expense and upon assignment of Rosneft (principal) of the legal and other actions associated with provision of the services for arranging transportation, transshipment, forwarding and quantity and quality inspections of crude oil and petroleum products in the period for a compensation in an amount of 373.1K rubles (inclusive of VAT) regarding extension of the contract effective period and an increase of the compensation to 683.5K rubles (inclusive of VAT)	Transaction price – 683.5K rubles (inclusive of VAT)	December 24, 2013

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
TRANSACTIONS WHERE OJSC RN HOLDING (OJSC TNK-BP HOLDING PRIOR TO JULY 30, 2013) AND SIA T2 TERMINAL ARE PARTIES			
Persons/entities related to the transactions: OJSC ROSNEFTEGAZ (from March 21, 2013 to December 24, 2013) – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares whose affiliate, Mr. I.I. Sechin, Chairman of the Board of Directors of OJSC ROSNEFTEGAZ, is also President of OJSC RN Management, managing organization of OJSC RN Holding, which is a party to the transactions; I.I. Sechin (from March 21, 2013 to December 24, 2013) – Member of the Board of Directors, President, Chairman of the Management Board of Rosneft, President of OJSC RN Management, managing organization of OJSC RN Holding, which is a party to the transactions; E.Yu. Khudainatov (from June 27, 2013 to September 18, 2013) – Deputy Chairman of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; L.V. Kalanda (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; Yu.I. Kalinin (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; D. Casimiro (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; P.I. Lazarev (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; N.M. Mukhitov (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; Z. Runje (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; I.V. Pavlov (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; I.V. Maydannik (since July 19, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; S.I. Slavinskiy (since September 18, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; R.R. Sharipov (since December 24, 2013) – Member of the Rosneft Management Board, President of OJSC RN Holding, which is a party to the transactions			
1	Acceptance by Rosneft (new customer) from OJSC RN Holding (customer) of the rights and responsibilities of the customer under a petroleum product transshipment contract with SIA T2 Terminal (contractor). The total volume of petroleum products to be transshipped may be up to 360.0 kt with the total contract value of up to 160,380.0K rubles (inclusive of VAT)	Transaction price – 160,380.0K rubles (inclusive of VAT)	August 30, 2013
TRANSACTIONS WHERE OJSC RN HOLDING (OJSC TNK-BP HOLDING PRIOR TO JULY 30, 2013) AND OJSC NGK SLAVNEFT ARE PARTIES			
Persons/entities related to the transactions: OJSC ROSNEFTEGAZ (from March 21, 2013 to December 24, 2013) – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares whose affiliate, Mr. I.I. Sechin, Chairman of the Board of Directors of OJSC ROSNEFTEGAZ, is also President of OJSC RN Management, managing organization of OJSC RN Holding, which is a party to the transactions; I.I. Sechin (from March 21, 2013 to December 24, 2013) – Member of the Board of Directors, President, Chairman of the Management Board of Rosneft, President of OJSC RN Management, managing organization of OJSC RN Holding, which is a party to the transactions; E.Yu. Khudainatov (from June 27, 2013 to September 18, 2013) – Deputy Chairman of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; L.V. Kalanda (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; Yu.I. Kalinin (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; D. Casimiro (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Boards of Directors of OJSC RN Holding and OJSC NGK Slavneft, which are parties to the transactions; P.I. Lazarev (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; I.V. Maydannik (since July 19, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; N.M. Mukhitov (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; I.V. Pavlov (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; Z. Runje (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Boards of Directors of OJSC RN Holding and OJSC NGK Slavneft, which are parties to the transactions; S.I. Slavinskiy (since September 18, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; R.R. Sharipov (since December 24, 2013) – Member of the Rosneft Management Board, President of OJSC RN Holding, which is a party to the transactions			
1	Acceptance by Rosneft (new customer) from OJSC RN Holding (customer) of the rights and responsibilities of the customer under a transport forwarding contract with OJSC NGK Slavneft (contractor). The total volume of petroleum products to be transported may be up to 2,600,000.0 tons and for the total amount of up to 1,040,000.0K rubles (inclusive of VAT)	Transaction price – 1,040,000.0K rubles (inclusive of VAT)	August 30, 2013
TRANSACTIONS WHERE OJSC RN HOLDING (OJSC TNK-BP HOLDING PRIOR TO JULY 30, 2013) AND AS VOPAK E.O.S. ARE PARTIES			
Persons/entities related to the transactions: OJSC ROSNEFTEGAZ (from March 21, 2013 to December 24, 2013) – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares whose affiliate, Mr. I.I. Sechin, Chairman of the Board of Directors of OJSC ROSNEFTEGAZ, is also President of OJSC RN Management, managing organization of OJSC RN Holding, which is a party to the transactions; I.I. Sechin (from March 21, 2013 to December 24, 2013) – Member of the Board of Directors, President, Chairman of the Management Board of Rosneft, President of OJSC RN Management, managing organization of OJSC RN Holding, which is a party to the transactions; E.Yu. Khudainatov (from June 27, 2013 to September 18, 2013) – Deputy Chairman of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; L.V. Kalanda (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; Yu.I. Kalinin (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; D. Casimiro (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; P.I. Lazarev (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; N.M. Mukhitov (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; Z. Runje (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; I.V. Pavlov (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; I.V. Maydannik (since July 19, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; S.I. Slavinskiy (since September 18, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; R.R. Sharipov (since December 24, 2013) – Member of the Rosneft Management Board, President of OJSC RN Holding, which is a party to the transactions			
1	Acceptance by Rosneft (new customer) from OJSC RN Holding (customer) of the rights and responsibilities of the customer under a transshipment contract with AS VOPAK E.O.S. (contractor). The total volume of petroleum products to be transshipped may be up to 4,375.0 kt with the total contract value of up to 2,434,971.0K rubles (inclusive of VAT)	Transaction price – 2,434,971.0K rubles (inclusive of VAT)	August 30, 2013
TRANSACTIONS WHERE OJSC RN HOLDING (OJSC TNK-BP HOLDING PRIOR TO JULY 30, 2013) AND LLC TERMINAL ARE PARTIES			
Persons/entities related to the transactions: OJSC ROSNEFTEGAZ (from March 21, 2013 to December 24, 2013) – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares whose affiliate, Mr. I.I. Sechin, Chairman of the Board of Directors of OJSC ROSNEFTEGAZ, is also President of OJSC RN Management, managing organization of OJSC RN Holding, which is a party to the transactions; I.I. Sechin (from March 21, 2013 to December 24, 2013) – Member of the Board of Directors, President, Chairman of the Management Board of Rosneft, President of OJSC RN Management, managing organization of OJSC RN Holding, which is a party to the transactions; E.Yu. Khudainatov (from June 27, 2013 to September 18, 2013) – Deputy Chairman of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; L.V. Kalanda (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; Yu.I. Kalinin (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; D. Casimiro (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; P.I. Lazarev (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; N.M. Mukhitov (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; Z. Runje (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; I.V. Pavlov (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; I.V. Maydannik (since July 19, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; S.I. Slavinskiy (since September 18, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; R.R. Sharipov (since December 24, 2013) – Member of the Rosneft Management Board, President of OJSC RN Holding, which is a party to the transactions			
1	Acceptance by Rosneft (successor) from OJSC RN Holding (company) of the rights and responsibilities of the company under a service contract for processing of associated petroleum gas (APG) and/or natural gas liquids (NGL) with LLC Terminal (processor). The assigned volume of processing is 5,734,816.0 thousand cubic meters. The contract value associated with the assigned volumes of processing is 9,406,334.0K rubles (inclusive of VAT). The transaction does not include any mutual settlements between the successor and the company.	Transaction price – the transaction does not include any mutual settlements between the successor and the company	August 30, 2013

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
TRANSACTIONS WHERE OJSC RN HOLDING (OJSC TNK-BP HOLDING PRIOR TO JULY 30, 2013) AND OJSC ORENBURGNEFT ARE PARTIES			
Persons/entities related to the transactions: OJSC ROSNEFTEGAZ (from March 21, 2013 to December 24, 2013) – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares whose affiliate, Mr. I.I. Sechin, Chairman of the Board of Directors of OJSC ROSNEFTEGAZ, is also President of OJSC RN Management, managing organization of OJSC RN Holding, which is a party to the transactions; I.I. Sechin (from March 21, 2013 to December 24, 2013) – Member of the Board of Directors, President, Chairman of the Management Board of Rosneft, President of OJSC RN Management, managing organization of OJSC RN Holding, which is a party to the transactions; E.Yu. Khudainatov (from June 27, 2013 to September 18, 2013) – Deputy Chairman of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; L.V. Kalanda (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; Yu.I. Kalinin (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; D. Casimiro (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; P.I. Lazarev (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; N.M. Mukhitov (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; Z. Runje (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; I.V. Pavlov (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; I.V. Maydannik (since July 19, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; S.I. Slavinskiy (since September 18, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; R.R. Sharipov (since December 24, 2013) – Member of the Rosneft Management Board, President of OJSC RN Holding, which is a party to the transactions			
1	Acceptance by Rosneft (successor) from OJSC RN Holding (company) of the rights and responsibilities of the company under a contract for supply of associated petroleum gas (APG) from OJSC Orenburgneft (supplier). The assigned volume of supply is 1,253,138.0 thousand cubic meters. The contract value associated with the assigned volumes of processing is 964,848.0K rubles (inclusive of VAT). The transaction does not include any mutual settlements between the successor and the company.	Transaction price – the transaction does not include any mutual settlements between the successor and the company	August 30, 2013
TRANSACTIONS WHERE OJSC RN HOLDING (OJSC TNK-BP HOLDING PRIOR TO JULY 30, 2013) AND LLC SEVERNAYA GRUZOVAYA KOMPANIYA ARE PARTIES			
Persons/entities related to the transactions: OJSC ROSNEFTEGAZ (from March 21, 2013 to December 24, 2013) – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares whose affiliate, Mr. I.I. Sechin, Chairman of the Board of Directors of OJSC ROSNEFTEGAZ, is also President of OJSC RN Management, managing organization of OJSC RN Holding, which is a party to the transactions; I.I. Sechin (from March 21, 2013 to December 24, 2013) – Member of the Board of Directors, President, Chairman of the Management Board of Rosneft, President of OJSC RN Management, managing organization of OJSC RN Holding, which is a party to the transactions; E.Yu. Khudainatov (from June 27, 2013 to September 18, 2013) – Deputy Chairman of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; L.V. Kalanda (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; Yu.I. Kalinin (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; D. Casimiro (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; P.I. Lazarev (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; N.M. Mukhitov (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; Z. Runje (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; I.V. Pavlov (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; I.V. Maydannik (since July 19, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; S.I. Slavinskiy (since September 18, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; R.R. Sharipov (since December 24, 2013) – Member of the Rosneft Management Board, President of OJSC RN Holding, which is a party to the transactions			
1	Acceptance by Rosneft (new customer) from OJSC RN Holding (customer) of the rights and responsibilities of the customer under a service contract with LLC Severnaya Gruzovaya Kompaniya (contractor). The total volume of crude oil to be provided for transshipment and transportation may be up to 36.0 kt with the total contract value of up to 50,338,800.0 rubles (inclusive of VAT)	Transaction price – 50,338,800.0 rubles (inclusive of VAT)	September 30, 2013
TRANSACTIONS WHERE OJSC RN HOLDING (OJSC TNK-BP HOLDING PRIOR TO JULY 30, 2013) AND LLC DORKOMPLEKT ARE PARTIES			
Persons/entities related to the transactions: OJSC ROSNEFTEGAZ (from March 21, 2013 to December 24, 2013) – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares whose affiliate, Mr. I.I. Sechin, Chairman of the Board of Directors of OJSC ROSNEFTEGAZ, is also President of OJSC RN Management, managing organization of OJSC RN Holding, which is a party to the transactions; I.I. Sechin (from March 21, 2013 to December 24, 2013) – Member of the Board of Directors, President, Chairman of the Management Board of Rosneft, President of OJSC RN Management, managing organization of OJSC RN Holding, which is a party to the transactions; E.Yu. Khudainatov (from June 27, 2013 to September 18, 2013) – Deputy Chairman of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; L.V. Kalanda (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; Yu.I. Kalinin (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; D. Casimiro (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; P.I. Lazarev (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; N.M. Mukhitov (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; Z. Runje (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; I.V. Pavlov (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; I.V. Maydannik (since July 19, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; S.I. Slavinskiy (since September 18, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; R.R. Sharipov (since December 24, 2013) – Member of the Rosneft Management Board, President of OJSC RN Holding, which is a party to the transactions			
1	Acceptance by Rosneft (new customer) from OJSC RN Holding (customer) of the rights and responsibilities of the customer under a service contract with LLC Dorkomplekt (contractor). The total volume of crude oil to be provided for transshipment and transportation may be up to 36.0 kt with the total contract value of up to 37,127,520.0 rubles (inclusive of VAT)	Transaction price – 37,127,520.0 rubles (inclusive of VAT)	September 30, 2013
TRANSACTIONS WHERE OJSC RN HOLDING (OJSC TNK-BP HOLDING PRIOR TO JULY 30, 2013) AND OJSC SG-TRANS ARE PARTIES			
Persons/entities related to the transactions: OJSC ROSNEFTEGAZ (from March 21, 2013 to December 24, 2013) – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares whose affiliate, Mr. I.I. Sechin, Chairman of the Board of Directors of OJSC ROSNEFTEGAZ, is also President of OJSC RN Management, managing organization of OJSC RN Holding, which is a party to the transactions; I.I. Sechin (from March 21, 2013 to December 24, 2013) – Member of the Board of Directors, President, Chairman of the Management Board of Rosneft, President of OJSC RN Management, managing organization of OJSC RN Holding, which is a party to the transactions; E.Yu. Khudainatov (from June 27, 2013 to September 18, 2013) – Deputy Chairman of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; L.V. Kalanda (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; Yu.I. Kalinin (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; D. Casimiro (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; P.I. Lazarev (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; N.M. Mukhitov (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; Z. Runje (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; I.V. Pavlov (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; I.V. Maydannik (since July 19, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; S.I. Slavinskiy (since September 18, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; R.R. Sharipov (since December 24, 2013) – Member of the Rosneft Management Board, President of OJSC RN Holding, which is a party to the transactions			
1	Acceptance by Rosneft (new customer) from OJSC RN Holding (customer) of the rights and responsibilities of the customer under a service contract with OJSC SG-Trans (contractor). The total volume of LPG to be provided for export transportation may be up to 27.0 kt with the total contract value of up to 30,543,228.0 rubles (inclusive of VAT)	Transaction price – 30,543,228.0 rubles (inclusive of VAT)	September 30, 2013
2	Acceptance by Rosneft (new customer) from OJSC RN Holding (customer) of the rights and responsibilities of the customer under a service contract with OJSC SG-Trans (contractor). The total volume of LPG to be provided for transportation to the domestic market may be up to 44.0 kt with the total contract value of up to 59,421,120.0 rubles (inclusive of VAT)	Transaction price – 59,421,120.0 rubles (inclusive of VAT)	September 30, 2013

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
TRANSACTIONS WHERE OJSC RN HOLDING (OJSC TNK-BP HOLDING PRIOR TO JULY 30, 2013) AND LLC INTERTEK TESTING SERVICE - CENTER ARE PARTIES			
Persons/entities related to the transactions: OJSC ROSNEFTEGAS (from March 21, 2013 to December 24, 2013) – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares whose affiliate, Mr. I.I. Sechin, Chairman of the Board of Directors of OJSC ROSNEFTEGAS, is also President of OJSC RN Management, managing organization of OJSC RN Holding, which is a party to the transactions; I.I. Sechin (from March 21, 2013 to December 24, 2013) – Member of the Board of Directors, President, Chairman of the Management Board of Rosneft, President of OJSC RN Management, managing organization of OJSC RN Holding, which is a party to the transactions; E.Yu. Khudainatov (from June 27, 2013 to September 18, 2013) – Deputy Chairman of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; L.V. Kalanda (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; Yu.I. Kalinin (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; D. Casimiro (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; P.I. Lazarev (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; N.M. Mukhitov (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; Z. Runje (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; I.V. Pavlov (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; I.V. Maydannik (since July 19, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; S.I. Slavinskiy (since September 18, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; R.R. Sharipov (since December 24, 2013) – Member of the Rosneft Management Board, President of OJSC RN Holding, which is a party to the transactions			
1	Acceptance by Rosneft (new customer) from OJSC RN Holding (customer) of the rights and responsibilities of the customer under a service contract with LLC Intertek Testing Service - Center (contractor). The total scope of the surveyor services for inspecting the oil cargoes shipped for export via the seaport of Kavkaz and storage tankers in the Kerch Strait may be up to 1.0 mln tons with the total contract value of up to 11,317,762.0 rubles (inclusive of VAT)	Transaction price – 11,317,762.0 rubles (inclusive of VAT)	September 30, 2013
TRANSACTIONS WHERE OJSC ROSNEFTEGAS IS A PARTY			
Persons/entities related to the transactions: OJSC ROSNEFTEGAS – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares, which is a party to the transactions; I.I. Sechin – Member of the Board of Directors, President, Chairman of the Management Board of Rosneft, Chairman of the Board of Directors of OJSC ROSNEFTEGAS, which is a party to the transactions; L.V. Kalanda – Member of the Rosneft Management Board, Acting General Director, Member of the Board of Directors of OJSC ROSNEFTEGAS, which is a party to the transactions			
1	Transfer by Rosneft (lessor) for temporary possession and use to OJSC ROSNEFTEGAS (lessee) of non-residential premises located at 26/1-1 Sofiyskaya Emb., with a total area of 21.4 sq. m for a fee in an amount of 332.16K rubles per year (inclusive of VAT)	Transaction price – 332.16K rubles per year (inclusive of VAT)	May 31, 2013
TRANSACTIONS WHERE OJSC ROSNEFT-SAKHALIN IS A PARTY			
Persons/entities related to the transactions: OJSC ROSNEFT-SAKHALIN – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFT-SAKHALIN and a party to the transactions); Z. Runje (since July 9, 2013) – Member of the Rosneft Management Board, Chairman of the Board of Directors of OJSC Rosneft-Sakhalin, which is a party to the transactions			
1	Procurement by Rosneft (borrower) of an interest-bearing loan from OJSC Rosneft-Sakhalin (lender) in an amount of 3,500,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 4,725,000.0K rubles	Transaction price – 4,725,000.0K rubles	May 6, 2013
TRANSACTIONS WHERE OJSC SAMARANEFTEKHIMPROEKT IS A PARTY			
Persons/entities related to the transactions: A.V. Votinov (since June 25, 2013) – Member of the Rosneft Management Board, Chairman of the Board of Directors of OJSC Samaraneftekhimprom, which is a party to the transactions; I.V. Pavlov (since June 25, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC Samaraneftekhimprom, which is a party to the transactions			
1	Change in the terms and conditions of the transaction for procurement by Rosneft (borrower) of an interest-bearing loan from OJSC Samaraneftekhimprom (lender) in an amount of 1,100,000.0K rubles at most regarding an increase of the loan amount to 3,000,000.0K rubles and the total transaction value inclusive of the chargeable interest to 4,050,575.3K rubles	Transaction price – 4,050,575.3K rubles	December 24, 2013
TRANSACTIONS WHERE OJSC SARATOVSKIY NPZ IS A PARTY			
Persons/entities related to the transactions: D. Casimiro (since June 21, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC Saratovskiy Neftepererabatyvayushchiy Zavod, which is a party to the transactions; I.V. Pavlov (since June 21, 2013) – Member of the Rosneft Management Board, Chairman of the Board of Directors of OJSC Saratovskiy Neftepererabatyvayushchiy Zavod, which is a party to the transactions			
1	Sale by Rosneft (seller) of petroleum products to OJSC Saratovskiy NPZ (buyer) in a quantity of 1,384.0 tons for a total price of 3,837.0K rubles (inclusive of VAT)	Transaction price – 3,837.0K rubles (inclusive of VAT)	September 30, 2013
2	Provision by OJSC Saratovskiy NPZ (contractor) of the services to Rosneft (customer) for processing of 2,751.2 kt of crude oil for a compensation in a total amount of 6,330,511.2K rubles (inclusive of VAT)	Transaction price – 6,330,511.2K rubles (inclusive of VAT)	September 30, 2013
TRANSACTIONS WHERE OJSC SREDNEVOLZHSKIY NAUCHNO-ISLEDOVATELSKIY INSTITUT PO NEFTEPERERABOTKE (OJSC SVNIINP) IS A PARTY			
Person/entity related to the transactions: A.V. Votinov (since June 26, 2013) – Member of the Rosneft Management Board, Chairman of the Board of Directors of OJSC SvNIINP, which is a party to the transactions			
1	Change in the terms and conditions of the transaction for procurement by Rosneft (borrower) of an interest-bearing loan from OJSC Srednevolzhskiy Nauchno-Issledovatel'skiy Institut Po Neftepererabotke (lender) in an amount of 100,000.0K rubles at most regarding an increase of the loan amount to 300,000.0K rubles and the total transaction value inclusive of the chargeable interest to 405,057.5K rubles	Transaction price – 405,057.5K rubles	December 24, 2013
2	Provision by OJSC Srednevolzhskiy Nauchno-Issledovatel'skiy Institut Po Neftepererabotke (contractor) of the services (performance of the works) for Rosneft (customer) in the framework of the Summary List of the Target Innovative Projects of Rosneft for a compensation in an amount of 72,003.9K rubles (inclusive of VAT)	Transaction price – 72,003.9K rubles (inclusive of VAT)	December 24, 2013
TRANSACTIONS WHERE OJSC SLAVNEFT-YANOS IS A PARTY			
Persons/entities related to the transactions: I.V. Pavlov (since September 30, 2013) – Member of the Rosneft Management Board, Chairman of the Board of Directors of OJSC Slavneft-YANOS, which is a party to the transactions; D. Casimiro (since September 30, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC Slavneft-YANOS, which is a party to the transactions			
1	Sale by Rosneft (Seller) of petroleum products to OJSC Slavneft-YANOS (Buyer) in a quantity of 1.0 kt for a total price of 15,340.0K rubles (inclusive of VAT)	Transaction price – 15,340.0K rubles (inclusive of VAT)	December 24, 2013
TRANSACTIONS WHERE OJSC TOMSKNEFT VNK IS A PARTY			
Persons/entities related to the transactions: G.G. Gilaev (until February 11, 2013) – Member of the Rosneft Management Board, Chairman of the Board of Directors of OJSC Tomskneft VNK, which is a party to the transactions; Z. Runje (since June 28, 2013) – Member of the Rosneft Management Board, Chairman of the Board of Directors of OJSC Tomskneft VNK, which is a party to the transactions			
1	Granting by Rosneft (licensor) to OJSC Tomskneft VNK (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 1,140.5K rubles (inclusive of VAT)	Transaction price – 1,140.5K rubles (inclusive of VAT)	December 29, 2012
2	Granting by OJSC Tomskneft VNK (lender) of an interest-bearing loan to Rosneft (borrower) in an amount of up to 17,000,000.0K rubles for a term of 5 years. The total transaction value inclusive of the interest is 22,950,000.0K rubles	Transaction price – 22,950,000.0K rubles	August 30, 2013

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
3	Performance by OJSC Tomskneft VNK (agent) on its own behalf, upon assignment and at the expense of Rosneft (principal) of the legal and other actions for arranging preparation of the depletion plans for field development (FDP) in the territory of the Tomsk Oblast for a compensation in an amount of 53.0K rubles	Transaction price – 53.0K rubles (inclusive of VAT)	November 30, 2013
4	Supply by OJSC Tomskneft VNK (supplier) of gas to Rosneft (buyer) in a volume of 617.2 mln cubic meters for a total price of 1,279,557.8K rubles (inclusive of VAT)	Transaction price – 1,279,557.8K rubles (inclusive of VAT)	December 24, 2013
TRANSACTIONS WHERE OJSC UDMURTNEFT IS A PARTY			
Persons/entities related to the transactions: G.G. Gilaev (until February 11, 2013) – Member of the Rosneft Management Board, Chairman of the Board of Directors of OJSC Udmurtneft, which is a party to the transactions; E.Yu. Khudainatov (from June 21, 2013 to September 18, 2013) – Deputy Chairman of the Rosneft Management Board, Chairman of the Board of Directors of OJSC Udmurtneft, which is a party to the transactions; E.M. Liron (since November 14, 2013) – Member of the Rosneft Management Board, Chairman of the Board of Directors of OJSC Udmurtneft, which is a party to the transactions			
1	Granting by Rosneft (licensor) to OJSC Udmurtneft (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 2,625.8K rubles (inclusive of VAT)	Transaction price – 2,625.8K rubles (inclusive of VAT)	December 29, 2012
2	Supply by OJSC Udmurtneft (supplier) of crude oil to Rosneft (buyer) in a volume of 2,331.4 kt for a total price of 26,318,070.33K rubles (inclusive of VAT)	Transaction price – 26,318,070.33K rubles (inclusive of VAT)	December 29, 2012
3	Performance by Rosneft (consignee) of the actions for Udmurtneft (consignor) associated with domestic sales of crude oil owned by the consignor in a volume of 1,855.0 kt for a compensation in an amount of 37,669.51K rubles (inclusive of VAT)	Transaction price – 37,669.51K rubles (inclusive of VAT)	December 29, 2012
4	Change in the terms and conditions of the transaction for a purchase by Rosneft (buyer) of crude oil from OJSC Udmurtneft (supplier) regarding an increase of the volume of supplied crude to 2,906.3 kt and an increase of the total contract value to 38,973,636.22K rubles (inclusive of VAT)	Transaction price – 38,973,636.22K rubles (inclusive of VAT)	December 24, 2013
TRANSACTIONS WHERE LLC ARKTICHESKIY NAUCHNYI CENTER AND THE COMPANY ARE PARTIES			
Persons/entities related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ); E.Yu. Khudainatov (until April 30, 2013) – Deputy Chairman of the Rosneft Management Board, Chairman of the Board of Directors of LLC Arkticheskiy Nauchnyi Center, which is a party to the transactions; L.V. Kalanda (until April 30, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of LLC Arkticheskiy Nauchnyi Center, which is a party to the transactions; Z. Runje (since April 30, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of LLC Arkticheskiy Nauchnyi Center, which is a party to the transactions			
1	Provision by LLC Arkticheskiy Nauchnyi Center (contractor) of the services (performance of the works) for Rosneft (customer) for carrying out ice surveys in the Kara Sea for a compensation in an amount of 360,000.0K rubles (inclusive of VAT)	Transaction price – 360,000.0K rubles (inclusive of VAT)	December 29, 2012
2	Transfer by Rosneft (lessor) for temporary possession and use to LLC Arkticheskiy Nauchnyi Center (lessee) of non-residential premises located at 26/1-1 Sofiyskaya Emb., with a total area of 22.2 sq. m for a fee in an amount of 856.74K rubles per year (inclusive of VAT)	Transaction price – 856.74K rubles per year (inclusive of VAT)	May 31, 2013
3	Procurement by Rosneft (borrower) of an interest-bearing loan from LLC Arkticheskiy Nauchnyi Center (lender) in an amount of 650,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 878,000.0K rubles	Transaction price – 878,000.0K rubles	May 6, 2013
4	Provision by Rosneft and/or its affiliates of the services to LLC Arkticheskiy Nauchnyi Center for allocating personnel for a compensation in an amount of 3,139,287 rubles (inclusive of VAT)	Transaction price – 3,139,287 rubles (inclusive of VAT)	May 28, 2013
5	Making by Rosneft (participant) of a cash contribution to the assets of LLC Arkticheskiy Nauchnyi Center (company) in an amount of 6,000.0K rubles	Transaction price – 6,000.0K rubles	May 28, 2013
TRANSACTIONS WHERE LLC ARKTICHESKIY NAUCHNYI CENTER AND EXXONMOBIL OIL CORPORATION ARE PARTIES			
Persons/entities related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ); E.Yu. Khudainatov (until April 30, 2013) – Deputy Chairman of the Rosneft Management Board, Chairman of the Board of Directors of LLC Arkticheskiy Nauchnyi Center, which is a party to the transactions; L.V. Kalanda (until April 30, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of LLC Arkticheskiy Nauchnyi Center, which is a party to the transactions; Z. Runje (since April 30, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of LLC Arkticheskiy Nauchnyi Center, which is a party to the transactions			
1	Provision by ExxonMobil Oil Corporation and Rosneft for a compensation of technologies to LLC Arkticheskiy Nauchnyi Center (company) for implementation of the company activity and development of technologies by the company in the framework of the current and future joint projects of Rosneft and ExxonMobil Oil Corporation. The total transaction value is 460,000.0K rubles	Transaction price – 460,000.0K rubles	May 28, 2013
TRANSACTIONS WHERE LLC VAL SHATSKOGO IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Procurement by Rosneft (borrower) of an interest-bearing loan from LLC Val Shatskogo (lender) in an amount of 200,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 270,000.0K rubles	Transaction price – 270,000.0K rubles	May 6, 2013
2	Granting by Rosneft (lender) of an interest-bearing loan to LLC Val Shatskogo (borrower) for funding the operating activity in an amount of 1,216,966.05K rubles for a term of 3 years. The total transaction value inclusive of the interest is 1,582,055.8K rubles	Transaction price – 1,582,055.8K rubles	May 6, 2013
3	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-free loan to LLC Val Shatskogo (borrower) for funding the investment activity in an amount of 1,221,510.0K rubles regarding a decrease of the loan amount to 869,268.8K rubles, introduction of an interest rate, extension of the loan repayment period and a decrease of the total transaction value inclusive of the chargeable interest to 1,140,052.0K rubles	Transaction price – 1,140,052.0K rubles	August 30, 2013
4	Change in the terms and conditions of the transaction for procurement by Rosneft (borrower) from LLC Val Shatskogo (lender) of an interest-bearing loan in an amount of 200,000.0K rubles at most regarding an increase of the loan amount to 400,000.0K rubles and the total transaction value inclusive of the chargeable interest to 540,076.7K rubles	Transaction price – 540,076.7K rubles	December 24, 2013
TRANSACTIONS WHERE LLC VOSTOK-ENERGY IS A PARTY			
Persons/entities related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions); Z. Runje (since April 25, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of LLC Vostok-Energy, which is a party to the transactions			
1	Granting by Rosneft (licensor) to LLC Vostok-Energy (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 246.8K rubles (inclusive of VAT)	Transaction price – 246.8K rubles (inclusive of VAT)	December 29, 2012
2	Granting by Rosneft (lender) of an interest-bearing loan to LLC Vostok-Energy (borrower) for funding the investment activity in an amount of 292,091.17K rubles for a term of 5 years. The total transaction value inclusive of the interest is 438,136.76K rubles	Transaction price – 438,136.76K rubles	May 6, 2013

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
3	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-bearing loan to LLC Vostok-Energy (borrower) for funding the investment activity in an amount of 601,939.7K rubles regarding alteration of the interest rate, an increase of the total transaction value inclusive of the chargeable interest to 869,240.6K rubles and extension of the loan repayment period	Transaction price – 869,240.6K rubles	December 24, 2013
TRANSACTIONS WHERE LLC DUBININSKOE IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Procurement by Rosneft (borrower) of an interest-bearing loan from LLC Dubininskoe (lender) in an amount of 800,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 1,080,000.0K rubles	Transaction price – 1,080,000.0K rubles	May 6, 2013
2	Transfer by LLC Dubininskoe (lessor) for temporary possession and use (lease) to Rosneft (lessee) of the movable and immovable assets - non-residential premises with a total area of 17,591.54 sq. m located in an office building in Moscow, 31A Dubininskaya Street, and the belongings that are part of the equipped workplaces located in the leased premises for a fee in an amount of 485,526,539.64 rubles (inclusive of VAT)	Transaction price – 485,526,539.64 rubles (inclusive of VAT)	May 6, 2013
3	Making by Rosneft (participant) of a cash contribution to the assets of LLC Dubininskoe (company) in an amount of 3,921,047K rubles (VAT exempt)	Transaction price – 3,921,047K rubles (VAT exempt)	June 19, 2013
4	Granting by Rosneft (lender) of an interest-bearing loan to LLC Dubininskoe (borrower) for funding the investment activity in an amount of 187,550.0K rubles for a term of 3 years. The total transaction value inclusive of the interest is 243,815.0K rubles	Transaction price – 243,815.0K rubles	June 19, 2013
TRANSACTIONS WHERE LLC KNPZ-SERVICE IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Granting by Rosneft (licensor) to LLC KNPZ-Service (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 58.2K rubles (inclusive of VAT)	Transaction price – 58.2K rubles (inclusive of VAT)	December 29, 2012
2	Procurement by Rosneft (borrower) of an interest-bearing loan from LLC KNPZ-Service (lender) in an amount of 20,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 27,000.0K rubles	Transaction price – 27,000.0K rubles	May 6, 2013
TRANSACTIONS WHERE LLC KOMPANIYA POLYARNOE SIYANIE IS A PARTY			
Persons/entities related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions); G.G. Gilaev (until February 11, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of LLC KOMPANIYA POLYARNOE SIYANIE, which is a party to the transactions			
1	Granting by Rosneft (licensor) to LLC KOMPANIYA POLYARNOE SIYANIE (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 246.8K rubles (inclusive of VAT)	Transaction price – 246.8K rubles (inclusive of VAT)	December 29, 2012
2	Performance by Rosneft (consignee) of the actions for LLC KOMPANIYA POLYARNOE SIYANIE (consignor) associated with export sales of crude oil owned by the consignor in a volume of up to 60.0 kt for a compensation in an amount of US\$ 180,540.0K (inclusive of VAT)	Transaction price – US\$ 180,540.0K (inclusive of VAT)	February 18, 2013
3	Making by Rosneft (consignee) on its own behalf, upon assignment and at the expense of LLC KOMPANIYA POLYARNOE SIYANIE (consignor) of the transactions for export sales of crude oil owned by LLC Kompaniya Polyarnoe Siyanie in a volume of 150 kt +/- 10% in 2Q-4Q 2013 and 180 kt +/- 10% in 2014 for a compensation in an amount of US\$ 743,400.0 (inclusive of VAT)	Transaction price – US\$ 743,400.0 (inclusive of VAT)	May 6, 2013
TRANSACTIONS WHERE LLC KOMSOMOLSKNEFTEZAVODREMSTROI IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Granting by Rosneft (licensor) to LLC Komsomol'skneftezavodremstroj (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 105.1K rubles (inclusive of VAT)	Transaction price – 105.1K rubles (inclusive of VAT)	December 29, 2012
TRANSACTIONS WHERE LLC KRASNOLENINSKIY NEFTEPERERABATYVAYUSCHIY ZAVOD IS A PARTY			
Persons/entities related to the transactions: A.V. Votinov (since April 26, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of LLC Krasnoleninskiy Neftepererabatyvayuschiy Zavod, which is a party to the transactions; D. Casimiro (since April 26, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of LLC Krasnoleninskiy Neftepererabatyvayuschiy Zavod, which is a party to the transactions; I.V. Pavlov (since April 26, 2013) – Member of the Rosneft Management Board, Chairman of the Board of Directors of LLC Krasnoleninskiy Neftepererabatyvayuschiy Zavod, which is a party to the transactions			
1	Sale by Rosneft (seller) of petroleum products to LLC Krasnoleninskiy Neftepererabatyvayuschiy Zavod (buyer) in a quantity of 20.0 tons for a total price of 500.0K rubles (inclusive of VAT)	Transaction price – 500.0K rubles (inclusive of VAT)	September 30, 2013
2	Provision by LLC Krasnoleninskiy Neftepererabatyvayuschiy Zavod (contractor) to Rosneft (customer) of the services for processing of 150.0 kt of crude oil for a compensation in a total amount of 300,000.0K rubles (inclusive of VAT)	Transaction price – 300,000.0K rubles (inclusive of VAT)	September 30, 2013
TRANSACTIONS WHERE LLC KYNSKO-CHASELSKOE NEFTEGAZ IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Procurement by Rosneft (borrower) of an interest-bearing loan from LLC Kynsko-Chaselskoe Neftegaz (lender) in an amount of 500,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 675,000.0K rubles	Transaction price – 675,000.0K rubles	May 6, 2013
TRANSACTIONS WHERE LLC NGK ITERA IS A PARTY			
Persons/entities related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions); E.Yu. Khudainatov (until September 18, 2013) – Deputy Chairman of the Rosneft Management Board, Member of the Board of Directors of LLC NGK ITERA, which is a party to the transactions; D. Casimiro (until April 30, 2013 and since July 9, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of LLC NGK ITERA, which is a party to the transactions; P.I. Lazarev (since July 9, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of LLC NGK ITERA, which is a party to the transactions			
1	Performance by LLC NGK ITERA (agent) of the actions for Rosneft (principal) associated with arrangement of transportation of gas in a volume of 1,500.4 mln cubic meters for a compensation in an amount of 1,559,459.65K rubles (inclusive of VAT)	Transaction price – 1,559,459.65K rubles (inclusive of VAT)	February 18, 2013
2	Sale by Rosneft (seller) of natural and associated gas to LLC NGK ITERA (buyer) in a volume of 1,330.0 mln cubic meters for a total price of 2,624,757.07K rubles (inclusive of VAT)	Transaction price – 2,624,757.07K rubles (inclusive of VAT)	February 18, 2013

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
3	Purchase by Rosneft (buyer) of gas in a volume of 1,500.4 mln cubic meters from LLC NGK ITERA (seller) for a total price of 3,096,633.5K rubles (inclusive of VAT)	Transaction price – 3,096,633.5K rubles (inclusive of VAT)	February 18, 2013
4	Granting by Rosneft (lender) of an interest-bearing loan to LLC NGK ITERA (borrower) for funding the investment activity for a term of 3 years in an amount of up to 61,199,999K rubles. The total transaction value inclusive of the interest will be 79,559,999K rubles	Transaction price – 79,559,999K rubles	September 22, 2013
5	Supply by Rosneft (supplier) to LLC NGK ITERA (buyer) of combustible natural dry stripped gas in a volume of 88,000.0 thousand cubic meters at most for a total price of 341,700.0K rubles (inclusive of VAT)	Transaction price – 341,700.0K rubles (inclusive of VAT)	November 30, 2013
6	Making by Rosneft (participant) of an additional cash contribution to the authorized capital of LLC NGK ITERA (company) in an amount of 59,470,776.453.05 rubles	Transaction price – 59,470,776,453.05 rubles	December 20, 2013
TRANSACTIONS WHERE LLC NEFTEPROMLEASING IS A PARTY			
Persons/entities related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions); P.I. Lazarev (since July 9, 2013) – Member of the Rosneft Management Board, Chairman of the Board of Directors of LLC Neftepromleasings, which is a party to the transactions			
1	Transfer by Rosneft (lessor) for temporary possession and use to LLC Neftepromleasings (lessee) of some fixed assets owned by Rosneft for a fee in an amount of 33.0K rubles per year (inclusive of VAT)	Transaction price – 33.0K rubles per year (inclusive of VAT)	May 31, 2013
TRANSACTIONS WHERE LLC NEFTEPROMLEASING, CJSC ROSNEFTEFLOT AND OJSC TSDSS ARE PARTIES			
Persons/entities related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions); P.I. Lazarev (since July 9, 2013) – Member of the Rosneft Management Board, Chairman of the Board of Directors of LLC Neftepromleasings, which is a party to the transactions			
1	Assignment by LLC Neftepromleasings (customer) to Rosneft (new customer) of the rights and responsibilities of the customer under a contract for construction of a seagoing vessel priced at EUR 3,872.12K (inclusive of VAT) between LLC Neftepromleasings (customer), CJSC Rosnefteflot (recipient) and OJSC DTSS (supplier) for a compensation in an amount of 0.001K rubles.	Transaction price – 0.001K rubles	December 24, 2013
2	Assignment by LLC Neftepromleasings (customer) to Rosneft (new customer) of the rights and responsibilities of the customer under a contract for construction of a seagoing vessel priced at EUR 3,872.12K (inclusive of VAT) between LLC Neftepromleasings (customer), CJSC Rosnefteflot (recipient) and OJSC DTSS (supplier) for a compensation in an amount of 0.001K rubles.	Transaction price – 0.001K rubles	December 24, 2013
3	Assignment by LLC Neftepromleasings (customer) to Rosneft (new customer) of the rights and responsibilities of the customer under a contract for construction of a seagoing vessel priced at EUR 9,811.34K (inclusive of VAT) between LLC Neftepromleasings (customer), CJSC Rosnefteflot (recipient) and OJSC DTSS (supplier) for a compensation in an amount of 0.001K rubles.	Transaction price – 0.001K rubles	December 24, 2013
TRANSACTIONS WHERE LLC NEFTEPROMLEASING AND CJSC ROSNEFTEFLOT ARE PARTIES			
Persons/entities related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions); P.I. Lazarev (since July 9, 2013) – Member of the Rosneft Management Board, Chairman of the Board of Directors of LLC Neftepromleasings, which is a party to the transactions			
1	Assignment by LLC Neftepromleasings (customer) to Rosneft (new customer) of the rights and responsibilities of the customer under a contract for monitoring and supervision of engineering, manufacturing and building of seagoing vessels between LLC Neftepromleasings (customer) and CJSC Rosnefteflot (contractor) for provision of the services for monitoring the process of manufacturing of the vessels, shipboard and auxiliary equipment for a total amount of EUR 1,095.709K (inclusive of VAT)	Transaction price – EUR 1,095.709K (inclusive of VAT)	December 24, 2013
2	Assignment by LLC Neftepromleasings (customer) to Rosneft (new customer) of the rights and responsibilities of the customer under a contract for monitoring and supervision of engineering, manufacturing and building of seagoing vessels between LLC Neftepromleasings (customer), CJSC Rosnefteflot (contractor) for provision of the services for monitoring the process of manufacturing of the vessels, shipboard and auxiliary equipment for a total amount of EUR 1,376.271K (inclusive of VAT)	Transaction price – EUR 1,376.271K (inclusive of VAT)	December 24, 2013
TRANSACTIONS WHERE LLC NK ROSNEFT-NTTS IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Granting by Rosneft (licensor) to LLC NK Rosneft-NTTs (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 5,908.2K rubles (inclusive of VAT)	Transaction price – 5,908.2K rubles (inclusive of VAT)	December 29, 2012
2	Provision by LLC NK Rosneft-NTTs (contractor) of the services to Rosneft (customer) for development and agreement of the Standard Rates of In-Process Losses in Hydrocarbon Production by Field in the Territory of Rosneft Operations for 2014 for a compensation in an amount of 4,800.0K rubles (inclusive of VAT)	Transaction price – 4,800.0K rubles (inclusive of VAT)	December 29, 2012
3	Provision by LLC NK Rosneft-NTTs (contractor) of the services to Rosneft (customer) for evaluating the potential oil and gas content in the eastern part of the Soberbash-Gunaiskiy synclinorium for a compensation in an amount of 3,000.0K rubles (inclusive of VAT)	Transaction price – 3,000.0K rubles (inclusive of VAT)	March 5, 2013
4	Provision by LLC NK Rosneft-NTTs (contractor) of the services to Rosneft (customer) for developing the corporate database of the current effective designed metrics of Rosneft field development for a compensation in an amount of 9,061.0K rubles (inclusive of VAT)	Transaction price – 9,061.0K rubles (inclusive of VAT)	March 5, 2013
5	Procurement by Rosneft (borrower) of an interest-bearing loan from LLC NK Rosneft-NTTs (lender) in an amount of 950,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 1,283,000.0K rubles	Transaction price – 1,283,000.0K rubles	May 6, 2013
6	Transfer by Rosneft (lessor) for temporary possession and use to LLC NK Rosneft-NTTs (lessee) of some fixed assets owned by Rosneft for a fee in an amount of 3,417.0K rubles per year (inclusive of VAT)	Transaction price – 3,417.0K rubles per year (inclusive of VAT)	May 31, 2013
7	Making by Rosneft (participant) of a cash contribution to the assets of LLC NK Rosneft-NTTs (company) in an amount of 42,506.0K rubles (VAT exempt)	Transaction price – 42,506.0K rubles (VAT exempt)	June 19, 2013
8	Provision by LLC NK Rosneft-NTTs (contractor) for a compensation in a total amount of 110,000.0K rubles (inclusive of VAT) of the services to Rosneft (customer) for performing the works (services) that are required for construction of Stage 2 of the Science Center Test Range in the Southern Federal Circuit: • geotechnical and hydrogeological monitoring, hazardous process and environmental monitoring, ground water monitoring; • design, design and survey works, works to provide designer supervision, adjust the design documents, support and get them approved by the regulatory and supervisory organizations.	Transaction price – 110,000.0K rubles (inclusive of VAT)	June 19, 2013
9	Granting by Rosneft (lender) of an interest-bearing loan to LLC NK Rosneft-NTTs (borrower) in an amount of 4,125,168.5K rubles for a term until January 31, 2015. The total transaction value inclusive of the interest is 5,230,826.6K rubles	Transaction price – 5,230,826.6K rubles	June 19, 2013

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
10	Provision by LLC NK Rosneft - NTTs (contractor) of the services to Rosneft (customer) for development and agreement of the Standard Rates of In-Process Losses in Hydrocarbon Production by Field in the Territory of Rosneft Operations for 2015 for a compensation in an amount of 5,100.0K rubles (inclusive of VAT)	Transaction price – 5,100.0K rubles (inclusive of VAT)	November 30, 2013
11	Making by Rosneft (participant) of an additional cash contribution to the authorized capital of LLC NK Rosneft-NTTs (company) in an amount of 4,743,729.75K rubles	Transaction price – 4,743,729.75K rubles	December 24, 2013
12	Change in the terms and conditions of the transaction for procurement by Rosneft (borrower) of an interest-bearing loan from LLC NK Rosneft-NTTs (lender) in an amount of 950,000.0K rubles at most regarding an increase of the loan amount to 3,000,000.0K rubles and the total transaction value inclusive of the chargeable interest to 4,050,575.3K rubles	Transaction price – 4,050,575.3K rubles	December 24, 2013
TRANSACTIONS WHERE LLC NATIONAL PETROLEUM CONSORTIUM (LLC NPC) IS A PARTY			
Persons/entities related to the transactions: OJSC ROSNEFTEGAS – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAS and a party to the transactions) whose affiliate, Mr. I.I. Sechin, Chairman of the Board of Directors of OJSC ROSNEFTEGAS, is also Chairman of the Board of Directors of LLC National Petroleum Consortium, which is a party to the transactions; I.I. Sechin – Member of the Board of Directors, President, Chairman of the Management Board of Rosneft, Chairman of the Board of Directors of LLC National Petroleum Consortium, which is a party to the transactions			
1	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-bearing loan to LLC NPC (borrower) in an amount of 398,517.4K rubles regarding an increase of the granted loan amount to 759,247.0K rubles and the total transaction value inclusive of the chargeable interest to 1,126,493.7K rubles and extension of the loan repayment period	Transaction price – 1,126,493.7K rubles	August 2, 2013
2	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-bearing loan to LLC NPC (borrower) in an amount of 1,543,000.0K rubles regarding an increase of the granted loan amount to 6,388,852.8K rubles and the total transaction value inclusive of the chargeable interest to 9,480,576.2K rubles	Transaction price – 9,480,576.2K rubles	August 2, 2013
3	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-bearing loan to LLC NPC (borrower) in an amount of 398,517.4K rubles regarding extension of the loan repayment period and an increase of the total transaction value inclusive of the chargeable interest to 529,329.5K rubles	Transaction price – 529,329.5K rubles	December 24, 2013
TRANSACTIONS WHERE LLC OKHABANK IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAS – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAS and a party to the transactions)			
1	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of a subordinated loan to LLC Okhabank (borrower) in an amount of 60,000.0K rubles regarding extension of the loan repayment period, incorporation into the agreement of the new mandatory requirements for subordinated loans as approved by the Bank of Russia and an increase of the total transaction value inclusive of the chargeable interest to 85,229.6K rubles	Transaction price – 85,229.6K rubles	November 30, 2013
TRANSACTIONS WHERE LLC PKHK TSSKA IS A PARTY			
Persons/entities related to the transactions: OJSC ROSNEFTEGAS – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares whose affiliate, Mr. I.I. Sechin, Chairman of the Board of Directors of OJSC ROSNEFTEGAS, is also Chairman of the Supervisory Board LLC PKhK TsSKA, which is a party to the transactions; I.I. Sechin – Member of the Board of Directors, President, Chairman of the Management Board of Rosneft, Chairman of the Supervisory Board of LLC PKhK TsSKA, which is a party to the transactions			
1	Granting by Rosneft (lender) of an interest-bearing loan to LLC PKhK TsSKA (borrower) in an amount of 661,430.0K rubles for a term of 1 year. The total transaction value inclusive of the interest is 717,651.9K rubles	Transaction price – 717,651.9K rubles	December 29, 2012
TRANSACTIONS WHERE LLC RN-ABKHAZIA IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAS – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAS and a party to the transactions)			
1	Granting by Rosneft (licensor) to LLC RN-Abkhazia (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 47.0K rubles (inclusive of VAT)	Transaction price – 47.0K rubles (inclusive of VAT)	December 29, 2012
2	Sale by Rosneft (supplier) of petroleum products to LLC RN-Abkhazia (buyer) in a volume of 62.42 kt for a total price of 2,200,000.0K rubles (inclusive of VAT)	Transaction price – 2,200,000.0K rubles (inclusive of VAT)	December 29, 2012
3	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of interest-bearing loans to LLC RN-Abkhazia (borrower) for funding the investment activity in an amount of 278,220.0K rubles regarding a decrease of the loan amount to 183,830.0K rubles, amendment of the interest charging procedure, extension of the loan repayment period and a decrease of the total transaction value inclusive of the chargeable interest to 260,445.3K rubles	Transaction price – 260,445.3K rubles	August 30, 2013
TRANSACTIONS WHERE LLC RN-ARKHANGELSKNEFTEPRODUKT IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAS – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAS and a party to the transactions)			
1	Granting by Rosneft (licensor) to LLC RN-Arkhangelsknefteprodukt (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 1,045.6K rubles (inclusive of VAT)	Transaction price – 1,045.6K rubles (inclusive of VAT)	December 29, 2012
2	Provision by LLC RN-Arkhangelsknefteprodukt (contractor) of the services to Rosneft (customer) for acceptance, storage and issue of 151181 kt of petroleum products owned by the customer for a compensation in an amount of 193,897192K rubles (inclusive of VAT)	Transaction price – 193,897192K rubles (inclusive of VAT)	December 29, 2012
3	Sale by Rosneft (seller) of petroleum products to LLC RN-Arkhangelsknefteprodukt (buyer) in a volume of 205.551 kt for a total price of 7,921,370.421K rubles (inclusive of VAT)	Transaction price – 7,921,370.421K rubles (inclusive of VAT)	December 29, 2012
4	Procurement by Rosneft (borrower) of an interest-bearing loan from LLC RN-Arkhangelsknefteprodukt (lender) in an amount of 500,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 675,000.0K rubles	Transaction price – 675,000.0K rubles	May 6, 2013
5	Provision by LLC RN-Arkhangelsknefteprodukt (contractor) of the services to Rosneft (customer) for making berths available for loading operations, loading and unloading, storage of the cargoes delivered for subsequent bunkering of ships in a volume of 135.0 kt for a compensation in an amount of 1,350.0K rubles (inclusive of VAT)	Transaction price – 1,350.0K rubles (inclusive of VAT)	May 6, 2013
6	Transfer by Rosneft (lessor) for temporary possession and use to LLC RN-Arkhangelsknefteprodukt (lessee) of some fixed assets owned by Rosneft for a fee in an amount of 177,645.0K rubles per year (inclusive of VAT)	Transaction price – 177,645.0K rubles per year (inclusive of VAT)	May 31, 2013
7	Performance by LLC RN-Arkhangelsknefteprodukt (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging registration of the title to and transactions with immovable assets in the territory of the Arkhangelsk Oblast for a compensation in an amount of 60.0K rubles (inclusive of VAT)	Transaction price –	May 31, 2013

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
8	Performance by LLC RN-Arkhangelsknefteprodukt (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging land management and settlement of the land relationships between Rosneft and the holders of title to the land plots occupied by the immovable assets of Rosneft located in the territory of the Arkhangelsk Oblast for a compensation in an amount of 60.0K rubles (inclusive of VAT)	Transaction price – 60.0K rubles (inclusive of VAT)	May 31, 2013
9	Provision by LLC RN-Arkhangelsknefteprodukt (contractor) of the services to Rosneft (customer) for upkeeping and maintenance of the mothballed immovable assets owned by Rosneft that are not engaged in the operating process for a compensation in an amount of 81,929.0K rubles (inclusive of VAT)	Transaction price – 81,929.0K rubles (inclusive of VAT)	May 31, 2013
10	Performance by LLC RN-Arkhangelsknefteprodukt (agent) upon assignment of Rosneft (principal) on its own behalf and at the expense of Rosneft or on behalf and at the expense of Rosneft of the actions for arranging execution of the works (provision of the services) for liquidation and mothballing of the fixed assets of an oil terminal owned by Rosneft and located in the region of presence of LLC RN-Arkhangelsknefteprodukt for a compensation in an amount of 175.0K rubles (inclusive of VAT)	Transaction price – 175.0K rubles (inclusive of VAT)	May 31, 2013
11	Granting by Rosneft (lender) of an interest-bearing loan to LLC RN-Arkhangelsknefteprodukt (borrower) for funding the operating activity in an amount of 220,000.0K rubles for a term of up to 2 years. The total transaction value inclusive of the interest is 264,000.0K rubles	Transaction price – 264,000.0K rubles	June 19, 2013
12	Provision by Rosneft (contractor) of the services to LLC RN-Arkhangelsknefteprodukt (customer) associated with insurance of the customer's assets, machines and mechanisms against breakdown, damages resulting from an interruption in the customer's operations, arrangement of reinsurance protection for a compensation in an amount of 205.3K rubles (inclusive of VAT)	Transaction price – 205.3K rubles (inclusive of VAT)	August 2, 2013
13	Performance by LLC RN-Arkhangelsknefteprodukt (agent) on its own behalf upon assignment and at the expense of Rosneft (principal) of the actions in the framework of the Kara-Summer 2013 marine expedition for a compensation in an amount of 21,341.66 rubles (inclusive of VAT)	Transaction price – 21,341.66 rubles (inclusive of VAT)	November 8, 2013
14	Provision by LLC RN-Arkhangelsknefteprodukt (contractor) to Rosneft (customer) of the services for transshipment of petroleum products in a quantity of up to 1,400.0 kt for subsequent shipment beyond the boundaries of the Russian Federation including forwarding support of the customer's petroleum products for a total amount of up to 543,662.0K rubles (inclusive of VAT)	Transaction price – 543,662.0K rubles (inclusive of VAT)	November 30, 2013
15	Change in the terms and conditions of the transaction for procurement by Rosneft (borrower) of an interest-bearing loan from LLC RN-Arkhangelsknefteprodukt (lender) in an amount of 675,000.0K rubles at most regarding an increase of the loan amount to 1,000,000.0K rubles and the total transaction value inclusive of the chargeable interest to 1,350,000.0K rubles	Transaction price – 1,350,000.0K rubles	December 24, 2013
TRANSACTIONS WHERE LLC RN-AERO IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Granting by Rosneft (licensor) to LLC RN-Aero (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 494.5K rubles (inclusive of VAT)	Transaction price – 494.5K rubles (inclusive of VAT)	December 29, 2012
2	Sale by Rosneft (seller) of petroleum products to LLC RN-Aero (buyer) in a volume of 1,176.058 kt for a total price of 36,690,943.919K rubles (inclusive of VAT)	Transaction price – 36,690,943.919K rubles (inclusive of VAT)	December 29, 2012
3	Procurement by Rosneft (borrower) of an interest-bearing loan from LLC RN-Aero (lender) in an amount of 500,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 675,000.0K rubles	Transaction price – 675,000.0K rubles	May 6, 2013
4	Granting by Rosneft (lender) of an interest-bearing loan to LLC RN-Aero (borrower) in an amount of 4,500,000.0K rubles for a term of 10 years. The total transaction value inclusive of the interest is 8,910,000.0K rubles	Transaction price – 8,910,000.0K rubles	May 28, 2013
5	Sale by Rosneft (seller) to LLC RN-Aero (buyer) of TS-1, RT fuels in a volume of 1,820.0 kt for a total price of 47,320,000.0K rubles (inclusive of VAT)	Transaction price – 47,320,000.0K rubles (inclusive of VAT)	June 19, 2013
6	Change in the terms and conditions of the transaction for granting by LLC RN-Aero (lender) of an interest-bearing loan to Rosneft (borrower) in an amount of 500,000.0K rubles regarding an increase of the loan amount to 1,100,000.0K rubles and the total transaction value inclusive of the chargeable interest to 1,485,211.0K rubles	Transaction price – 1,485,211.0K rubles	November 8, 2013
7	Change in the terms and conditions of the transaction for a sale by Rosneft (seller) of petroleum products to LLC RN-Aero (buyer) regarding an increase of the volume of supplied products to 2,449.42 kt and an increase of the total contract value to 68,583,760.0K rubles	Transaction price – 68,583,760.0K rubles	December 24, 2013
TRANSACTIONS WHERE LLC RN-BUNKER IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Granting by Rosneft (licensor) to LLC RN-Bunker (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 2,353.8K rubles (inclusive of VAT)	Transaction price – 2,353.8K rubles (inclusive of VAT)	December 29, 2012
2	Sale by Rosneft (seller) of bunker fuel to LLC RN-Bunker (buyer) in a volume of 1,293.438 kt for a total price of 20,707,206.11K rubles (inclusive of VAT)	Transaction price – 20,707,206.11K rubles (inclusive of VAT)	June 19, 2013
3	Change in the terms and conditions of the transaction for a sale by Rosneft (seller) of petroleum products to LLC RN-Bunker (buyer) regarding an increase of the volume of supplied products to 2,000.0 kt and an increase of the total contract value to 41,000,000.0K rubles	Transaction price – 41,000,000.0K rubles	December 24, 2013
TRANSACTIONS WHERE LLC RN-BURENIE IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Granting by Rosneft (licensor) to LLC RN-Burenie (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 2,446.6K rubles (inclusive of VAT)	Transaction price – 2,446.6K rubles (inclusive of VAT)	December 29, 2012
2	Procurement by Rosneft (borrower) of an interest-bearing loan from LLC RN-Burenie (lender) in an amount of 4,000,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 5,400,000.0K rubles	Transaction price – 5,400,000.0K rubles	May 6, 2013
3	Transfer by Rosneft (lessor) for temporary possession and use to LLC RN-Burenie (lessee) of some fixed assets owned by Rosneft for a fee in an amount of 10,500.0K rubles per year (inclusive of VAT)	Transaction price – 10,500.0K rubles per year (inclusive of VAT)	May 31, 2013
4	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-free loan to LLC RN-Burenie (borrower) for funding the investment activity in an amount of 8,462,050.3K rubles regarding a decrease of the loan amount to 4,712,260.9K rubles, introduction of an interest rate, extension of the loan repayment period and a decrease of the total transaction value inclusive of the chargeable interest to 6,025,238.7K rubles	Transaction price – 6,025,238.7K rubles	August 30, 2013

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
5	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-free loan to LLC RN-Burenie (borrower) for funding the investment activity in an amount of 1,481,240.0K rubles regarding introduction of an interest rate, extension of the loan repayment period and an increase of the total transaction value inclusive of the chargeable interest to 1,926,017.8K rubles	Transaction price – 1,926,017.8K rubles	August 30, 2013
6	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-free loan to LLC RN-Burenie (borrower) for funding the investment activity in an amount of 2,876,600.0K rubles regarding a decrease of the loan amount to 1,899,999.9K rubles, introduction of an interest rate, extension of the loan repayment period and a decrease of the total transaction value inclusive of the chargeable interest to 2,470,520.5K rubles	Transaction price – 2,470,520.5K rubles	August 30, 2013
7	sale by Rosneft (seller) of diesel fuel to LLC RN-Burenie (buyer) in a volume of 3.85 kt for a total price of 131,920.0K rubles (inclusive of VAT)	Transaction price – 131,920.0K rubles (inclusive of VAT)	November 30, 2013
TRANSACTIONS WHERE LLC RN-VOSTOKNEFTEPRODUKT IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Granting by Rosneft (licensor) to LLC RN-Vostoknefteprodukt (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 1,279.8K rubles (inclusive of VAT)	Transaction price – 1,279.8K rubles (inclusive of VAT)	December 29, 2012
2	Provision by LLC RN-Vostoknefteprodukt (contractor) of the services to Rosneft (customer) for acceptance, storage and issue of 28.93 kt of petroleum products owned by the customer for a compensation in an amount of 23,156.51K rubles (inclusive of VAT)	Transaction price – 23,156.51K rubles (inclusive of VAT)	December 29, 2012
3	Assignment by Rosneft (lessee-LLC RN-Vostoknefteprodukt (lessee-of the rights and responsibilities of the lessee under an agreement for leasing a land plot in the Primorye Region, Vladivostok, settlement of Pospelova (Russkiy island) between Rosneft and the Territorial Division of the Federal Agency for Management of Federal Property in the Primorye Region. The transaction price is 88.87K rubles (inclusive of VAT)	Transaction price – 88.87K rubles (inclusive of VAT)	May 6, 2013
4	Transfer by Rosneft (lessor) for temporary possession and use to LLC RN-Vostoknefteprodukt (lessee) of some fixed assets owned by Rosneft for a fee in an amount of 5,388.0K rubles per year (inclusive of VAT)	Transaction price – 5,388.0K rubles per year (inclusive of VAT)	May 31, 2013
5	Performance by LLC RN-Vostoknefteprodukt (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging registration of the title to and transactions with immovable assets in the territory of the Khabarovsk Region for a compensation in an amount of 60.0K rubles (inclusive of VAT)	Transaction price – 60.0K rubles (inclusive of VAT)	May 31, 2013
6	Performance by LLC RN-Vostoknefteprodukt (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging land management and settlement of the land relationships between Rosneft and the holders of title to the land plots occupied by the immovable assets of Rosneft located in the territory of the Khabarovsk Region for a compensation in an amount of 60.0K rubles (inclusive of VAT)	Transaction price – 60.0K rubles (inclusive of VAT)	May 31, 2013
7	Sale by Rosneft (seller) to LLC RN-Vostoknefteprodukt (buyer) of petroleum products in the period from June to December 2013 in a volume of 956.02 kt for a total price of 31,765,594K rubles (inclusive of VAT)	Transaction price – 31,765,594K rubles (inclusive of VAT)	June 19, 2013
TRANSACTIONS WHERE LLC RN-VOSTOCHNAYA SIBIR (LLC TUAPSENEFTEPRODUKT-AVTOSERVICE PRIOR TO APRIL 3, 2013) IS A PARTY			
Person/entity related to the transactions: A.V. Votinov (since March 23, 2013) – Member of the Rosneft Management Board, General Director of LLC RN-Vostochnaya Sibir, which is a party to the transactions			
1	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-bearing loan to LLC RN-Vostochnaya Sibir (borrower) in an amount of 13,500,000.0K rubles regarding extension of the loan repayment period and an increase of the total transaction value inclusive of the chargeable interest to 15,724,484.4K rubles	Transaction price – 15,724,484.4K rubles	May 31, 2013
2	Making by Rosneft (participant) of a cash contribution to the assets of LLC RN-Vostochnaya Sibir (company) in an amount of 17,447.5K rubles	Transaction price – 17,447.5K rubles	September 12, 2013
3	Making by Rosneft (participant) of a cash contribution to the authorized capital of LLC RN-Vostochnaya Sibir (company) in an amount of 13,166,928.0K rubles	Transaction price – 13,166,928.0K rubles	September 12, 2013
4	2.2.2. On Item # 6: Granting by Rosneft (lender) of an interest-bearing loan to LLC RN-Vostochnaya Sibir (borrower) for a term of 1 year in Russian rubles at the Russian Central Bank exchange rate for the date of payment in an amount equivalent to US\$ 1,833.8 mln. The total transaction value inclusive of the interest will be an equivalent of US\$ 1,907.2 mln	Transaction price – US\$ 1,907.2 mln	September 18, 2013
5	2.2.2. On Item # 6: Granting by Rosneft (lender) of an interest-bearing loan to LLC RN-Vostochnaya Sibir (borrower) for a term of 1 year in Russian rubles at the Russian Central Bank exchange rate for the date of payment in an amount equivalent to US\$ 220.0 mln. The total transaction value inclusive of the interest will be an equivalent of US\$ 251.31 mln	Transaction price – US\$ 251.31 mln	September 18, 2013
TRANSACTIONS WHERE LLC RN-EKATERINBURGNEFTEPRODUKT IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Granting by Rosneft (licensor) to LLC RN-Ekaterinburgnefteprodukt (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 435.6K rubles (inclusive of VAT)	Transaction price – 435.6K rubles (inclusive of VAT)	December 29, 2012
2	Sale by Rosneft (seller) of petroleum products to LLC RN-Ekaterinburgnefteprodukt (buyer) in a volume of 52.659 kt for a total price of 1,660,649.293K rubles (inclusive of VAT)	Transaction price – 1,660,649.293K rubles (inclusive of VAT)	December 29, 2012
3	Procurement by Rosneft (borrower) of an interest-bearing loan from LLC RN-Ekaterinburgnefteprodukt (lender) in an amount of 500,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 675,000.0K rubles	Transaction price – 675,000.0K rubles	May 6, 2013
4	Granting by Rosneft (lender) of an interest-bearing loan to LLC RN-Ekaterinburgnefteprodukt (borrower) for funding the operating activity in an amount of 235,100.0K rubles for a term of up to 2 years. The total transaction value inclusive of the interest is 282,120.0K rubles	Transaction price – 282,120.0K rubles	June 19, 2013
5	Granting by Rosneft (lender) of an interest-bearing loan to LLC RN-Ekaterinburgnefteprodukt (borrower) for funding the investment activity in an amount of 3,058.0K rubles for a term of 3 years. The total transaction value inclusive of the interest is 3,975.4K rubles	Transaction price – 3,975.4K rubles	June 19, 2013
6	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-bearing loan to LLC RN-Ekaterinburgnefteprodukt (borrower) for funding the operating activity in an amount of 77,011.5K rubles regarding alteration of the interest rate, a change of the total transaction value inclusive of the chargeable interest to 29,712.7K rubles and extension of the loan repayment period	Transaction price – 29,712.7K rubles	December 24, 2013
7	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-bearing loan to LLC RN-Ekaterinburgnefteprodukt (borrower) for funding the operating activity in an amount of 271,000.0K rubles regarding alteration of the interest rate, an increase of the total transaction value inclusive of the chargeable interest to 137,197.5K rubles and extension of the loan repayment period	Transaction price – 137,197.5K rubles	December 24, 2013

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
TRANSACTIONS WHERE LLC RN-INGUSHNEFTEPRODUKT IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Sale by Rosneft (seller) of petroleum products to LLC RN-Ingushnefteprodukt (buyer) in a volume of 124.9 kt for a total price of 4,773,135.712K rubles (inclusive of VAT)	Transaction price – 4,773,135.712K rubles (inclusive of VAT)	December 29, 2012
2	Granting by Rosneft (lender) of an interest-free loan to LLC RN-Ingushnefteprodukt (borrower) for funding the investment activity in an amount of 29,000.0K rubles for a term of 3 years	Transaction price – 29,000.0K rubles	May 6, 2013
3	Granting by Rosneft (lender) of an interest-bearing loan to LLC RN-Ingushnefteprodukt (borrower) for funding the operating activity in an amount of 50,000.0K rubles for a term of up to 2 years. The total transaction value inclusive of the interest is 60,000.0K rubles	Transaction price – 60,000.0K rubles	June 19, 2013
4	Granting by Rosneft (lender) of an interest-bearing loan to LLC RN-Ingushnefteprodukt (borrower) for funding the investment activity in an amount of 29,000.0K rubles for a term of 3 years. The total transaction value inclusive of the interest is 37,700.0K rubles	Transaction price – 37,700.0K rubles	June 19, 2013
5	granting by Rosneft (lender) of an interest-free loan to LLC RN-Ingushnefteprodukt (borrower) for funding the operating activity in an amount of 1,305,900.0K rubles for a term of 3 years	Transaction price – 1,305,900.0K rubles	November 30, 2013
6	making by Rosneft (lender) with LLC RN-Ingushnefteprodukt (borrower, debtor) of a Debt Forgiveness Agreement where the subject matter is partial relief of LLC RN-Ingushnefteprodukt of the obligation to make repayment to Rosneft of the principal debt of 110,000.0K rubles under a loan agreement for 394,790.0K rubles.	Transaction price – 394,790.0K rubles	November 30, 2013
7	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-free loan to LLC RN-Ingushnefteprodukt (borrower) for funding the operating activity in an amount of 61,871.0K rubles regarding a change of the total transaction value to 22,180.0K rubles and extension of the loan repayment period	Transaction price – 22,180.0K rubles	December 24, 2013
8	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-free loan to LLC RN-Ingushnefteprodukt (borrower) for funding the operating activity in an amount of 104,917.4K rubles regarding a change of the total transaction value to 81,811.6K rubles and extension of the loan repayment period	Transaction price – 81,811.6K rubles	December 24, 2013
TRANSACTIONS WHERE LLC RN-INOSTRANNYE INVESTITSII IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Making by Rosneft (participant) of a cash contribution to the assets of LLC RN-Inostrannye Investitsii (company) in an amount of 3,000K rubles (VAT exempt)	Transaction price – 3,000K rubles (VAT exempt)	December 29, 2012
TRANSACTIONS WHERE LLC RN-INFORM IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Granting by Rosneft (licensor) to LLC RN-Inform (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 8,430.6K rubles (inclusive of VAT)	Transaction price – 8,430.6K rubles (inclusive of VAT)	December 29, 2012
2	Provision by LLC RN-Inform (contractor) of the services to Rosneft (customer) for equipment maintenance for a compensation in an amount of 391,860.0K rubles (inclusive of VAT)	Transaction price – 391,860.0K rubles (inclusive of VAT)	December 29, 2012
3	Provision by LLC RN-Inform (contractor) of the telecommunication and communication services to Rosneft (customer) for a compensation in an amount of 355,200.0K rubles (inclusive of VAT)	Transaction price – 355,200.0K rubles (inclusive of VAT)	December 29, 2012
4	Provision by LLC RN-Inform (contractor) of the services to Rosneft (customer) for purchasing and installation of IT, telecommunication and metrology equipment for a compensation in an amount of 800,000.0K rubles (inclusive of VAT)	Transaction price – 800,000.0K rubles (inclusive of VAT)	December 29, 2012
5	Provision by LLC RN-Inform (contractor) for Rosneft (customer) of the consulting and information/inquiry services and the services for improving the management organization technology for a compensation in an amount of 215,450.0K rubles (inclusive of VAT)	Transaction price – 215,450.0K rubles (inclusive of VAT)	December 29, 2012
6	Performance by LLC RN-Inform (contractor) of the works for Rosneft (customer) for information system creation, implementation and development for a compensation in an amount of 2,418,170.0K rubles (inclusive of VAT)	Transaction price – 2,418,170.0K rubles (inclusive of VAT)	December 29, 2012
7	Provision by LLC RN-Inform (contractor) of the services to Rosneft (customer) for information system support for a compensation in an amount of 1,730,290.0K rubles (inclusive of VAT)	Transaction price – 1,730,290.0K rubles (inclusive of VAT)	December 29, 2012
8	Procurement by Rosneft (borrower) of an interest-bearing loan from LLC RN-Inform (lender) in an amount of 1,500,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 2,025,000.0K rubles	Transaction price – 2,025,000.0K rubles	May 6, 2013
9	Transfer by Rosneft (lessor) for temporary possession and use to LLC RN-Inform (lessee) of some fixed assets owned by Rosneft for a fee in an amount of 81,806.0K rubles per year (inclusive of VAT)	Transaction price – 81,806.0K rubles per year (inclusive of VAT)	May 31, 2013
10	Provision by LLC RN-Inform (contractor) of the telecommunication services to Rosneft (customer) for a compensation in an amount of 112.0K rubles (inclusive of VAT)	Transaction price – 112.0K rubles (inclusive of VAT)	June 19, 2013
11	Transfer by LLC RN-Inform (lessor) for temporary possession and use to Rosneft (lessee) of non-residential premises in an office building located at: Khanty-Mansiyskiy Autonomous Area, Nefteyugansk, Community 3, Building 25, for a fee in an amount of 31.5K rubles per year (inclusive of VAT)	Transaction price – 31.5K rubles per year (inclusive of VAT)	June 19, 2013
12	Performance by LLC RN-Inform (agent) on its own behalf upon assignment and at the expense of Rosneft (principal) of the actions associated with arrangement of purchases of the assets and results of intellectual activity that are required to support the business of Rosneft in Information Technology for a compensation in an amount of 46,512.0K rubles (inclusive of VAT)	Transaction price – 46,512.0K rubles (inclusive of VAT)	December 24, 2013
13	Change in the terms and conditions of the transaction for provision by LLC RN-Inform (contractor) of the services for Rosneft (customer) for information system support regarding an increase of the amount of compensation to 2,774,234.6K rubles (inclusive of VAT)	Transaction price – 2,774,234.6K rubles (inclusive of VAT)	December 24, 2013
14	Change in the terms and conditions of the transaction for provision by LLC RN-Inform (contractor) of the services for Rosneft (customer) for equipment maintenance regarding an increase of the amount of compensation to 571,242.4K rubles (inclusive of VAT)	Transaction price – 571,242.4K rubles (inclusive of VAT)	December 24, 2013

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
15	Change in the terms and conditions of the transaction for provision by LLC RN-Inform (contractor) for Rosneft (customer) of the telecommunication and communication services regarding an increase of the amount of compensation to 464,359.3K rubles (inclusive of VAT)	Transaction price – 464,359.3K rubles (inclusive of VAT)	December 24, 2013
16	Change in the terms and conditions of the transaction for provision by LLC RN-Inform (contractor) for Rosneft (customer) of the consulting, information/inquiry services, services for improving the management organization technology regarding an increase of the amount of compensation to 458,774.9K rubles (inclusive of VAT)	Transaction price – 458,774.9K rubles (inclusive of VAT)	December 24, 2013
TRANSACTIONS WHERE LLC RN-KEMEROVONEFTEPRODUKT IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Granting by Rosneft (licensor) to LLC RN-Kemerovonefteprodukt (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 317.5K rubles (inclusive of VAT)	Transaction price – 317.5K rubles (inclusive of VAT)	December 29, 2012
2	Sale by Rosneft (seller) of petroleum products to LLC RN-Kemerovonefteprodukt (buyer) in a volume of 245.676 kt for a total price of 8,579,816.472K rubles (inclusive of VAT)	Transaction price – 8,579,816.472K rubles (inclusive of VAT)	December 29, 2012
3	Procurement by Rosneft (borrower) of an interest-bearing loan from LLC RN-Kemerovonefteprodukt (lender) in an amount of 950,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 1,283,000.0K rubles	Transaction price – 1,283,000.0K rubles	May 6, 2013
4	Granting by Rosneft (lender) of an interest-free loan to LLC RN-Kemerovonefteprodukt (borrower) for funding the investment activity in an amount of 59,000.0K rubles for a term of 3 years	Transaction price – 59,000.0K rubles	May 6, 2013
5	Granting by Rosneft (lender) of an interest-bearing loan to LLC RN-Kemerovonefteprodukt (borrower) for funding the operating activity in an amount of 703,000.0K rubles for a term of up to 2 years. The total transaction value inclusive of the interest is 843,600.0K rubles	Transaction price – 843,600.0K rubles	June 19, 2013
6	Granting by Rosneft (lender) of an interest-bearing loan to LLC RN-Kemerovonefteprodukt (borrower) for funding the investment activity in an amount of 59,000.0K rubles for a term of 3 years. The total transaction value inclusive of the interest is 76,700.0K rubles	Transaction price – 76,700.0K rubles	June 19, 2013
TRANSACTIONS WHERE LLC RN-KOMSOMOLSKIY NPZ IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Granting by Rosneft (licensor) to LLC RN-Komsomolskiy NPZ (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 2,997.9K rubles (inclusive of VAT)	Transaction price – 2,997.9K rubles (inclusive of VAT)	December 29, 2012
2	Sale by Rosneft (seller) of petroleum products to LLC RN-Komsomolskiy NPZ (buyer) in a volume of 23.337 kt for a total price of 38,245.345K rubles (inclusive of VAT)	Transaction price – 38,245.345K rubles (inclusive of VAT)	December 29, 2012
3	Provision by LLC RN-Komsomolskiy NPZ (contractor) of the services to Rosneft (customer) for processing of 6,200.00 kt of crude oil for a compensation in an amount of 9,876,600.00K rubles (inclusive of VAT)	Transaction price – 9,876,600.00K rubles (inclusive of VAT)	December 29, 2012
4	Provision by LLC RN-Komsomolskiy NPZ (contractor) of legal services to Rosneft (customer) for a compensation in an amount of 1,929.6K rubles (inclusive of VAT)	Transaction price – 1,929.6K rubles (inclusive of VAT)	May 6, 2013
5	Procurement by Rosneft (borrower) of an interest-bearing loan from LLC RN-Komsomolskiy NPZ (lender) in an amount of 150,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 203,000.0K rubles	Transaction price – 203,000.0K rubles	May 6, 2013
6	Performance by LLC RN-Komsomolskiy NPZ (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging registration of the title to and transactions with immovable assets in the territory of the Khabarovsk Region for a compensation in an amount of 60.0K rubles (inclusive of VAT)	Transaction price – 60.0K rubles (inclusive of VAT)	May 31, 2013
7	Performance by LLC RN-Komsomolskiy NPZ (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging land management and settlement of the land relationships between Rosneft and the holders of title to the land plots occupied by the immovable assets of Rosneft located in the territory of the Khabarovsk Region for a compensation in an amount of 60.0K rubles (inclusive of VAT)	Transaction price – 60.0K rubles (inclusive of VAT)	May 31, 2013
8	Performance by LLC RN-Komsomolskiy NPZ (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging the disposal of the non-core assets of Rosneft and the assets that are not engaged in the operating process for a compensation in an amount of 20.0K rubles (inclusive of VAT)	Transaction price – 20.0K rubles (inclusive of VAT)	May 31, 2013
9	Transfer by Rosneft (lessor) for temporary possession and use to LLC RN-Komsomolskiy NPZ (lessee) of some fixed assets owned by Rosneft for a fee in an amount of 3,044,211.0K rubles per year (inclusive of VAT)	Transaction price – 3,044,211.0K rubles per year (inclusive of VAT)	May 31, 2013
10	Provision by Rosneft (contractor) of the services to LLC RN-Komsomolskiy NPZ (customer) associated with insurance of the customer's assets, machines and mechanisms against breakdown, damages resulting from an interruption in the customer's operations, arrangement of reinsurance protection for a compensation in an amount of 1,073.2K rubles (inclusive of VAT)	Transaction price – 1,073.2K rubles (inclusive of VAT)	August 2, 2013
11	Change in the terms and conditions of the transaction for provision by LLC RN-Komsomolskiy NPZ (contractor) of the services to Rosneft (customer) for processing oil in a volume of 6,200.0 kt regarding an increase of the volume of processing to 7,292.662 kt of oil and the compensation amount to 12,052,364.004K rubles (inclusive of VAT)	Transaction price – 12,052,364.004K rubles (inclusive of VAT)	December 24, 2013
TRANSACTIONS WHERE LLC RN-KRASNODARNEFTEGAZ IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Granting by Rosneft (licensor) to LLC RN-Krasnodarneftegaz (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 3,667.1K rubles (inclusive of VAT)	Transaction price – 3,667.1K rubles (inclusive of VAT)	December 29, 2012
2	Sale by Rosneft (seller) of natural and associated gas to LLC RN-Krasnodarneftegaz (buyer) in a volume of 371.87 mln cubic meters for a total price of 1,039,094.0K rubles (inclusive of VAT)	Transaction price – 1,039,094.0K rubles (inclusive of VAT)	December 29, 2012
3	Provision by LLC RN-Krasnodarneftegaz (contractor) of the services to Rosneft (customer) for transportation of oil in a volume of 31.8 kt for a compensation in an amount of 984.5K rubles (inclusive of VAT)	Transaction price – 984.5K rubles (inclusive of VAT)	December 29, 2012
4	Provision by LLC RN-Krasnodarneftegaz (contractor) of the services to Rosneft (customer) for production in the oil and gas fields, where the development licenses are owned by the customer, of oil, gas condensate, natural and associated gas and handover of the produced hydrocarbon resources to the customer for subsequent sale for a compensation in an amount of 9,596,749.3K rubles (inclusive of VAT)	Transaction price – 9,596,749.3K rubles (inclusive of VAT)	December 29, 2012

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
5	Performance by LLC RN-Krasnodarneftegaz (consignee) of the actions for Rosneft (consignor) associated with sales of gas in a volume of 362.518 mln cubic meters for a compensation in an amount of 12,544.3K rubles (inclusive of VAT)	Transaction price – 12,544.3K rubles (inclusive of VAT)	December 29, 2012
6	Performance by LLC RN-Krasnodarneftegaz (agent) of the actions for Rosneft (principal) associated with preparation and carrying out of the final stages of the Best in Profession, Best Geologist, Best Process Engineer 2012 Contests among the blue collar employees of Rosneft subsidiaries for a compensation in an amount of 12.907K rubles (inclusive of VAT)	Transaction price – 12.907K rubles (inclusive of VAT)	December 29, 2012
7	Performance by LLC RN-Krasnodarneftegaz (agent) for a compensation in an amount of 13,708.8K rubles (inclusive of VAT) of the actions for Rosneft (principal) associated with arrangement of the following in the territory of the Krasnodar Region: development of the projects for abandonment (suspension) of the wells owned by Rosneft; preparation of the depletion plans for field development (FDP), integrated projects and current development monitoring of the fields owned by Rosneft; execution of exploration works on the license areas owned by Rosneft.	Transaction price – 13,708.8K rubles (inclusive of VAT)	March 5, 2013
8	Provision by LLC RN-Krasnodarneftegaz (contractor) of legal services to Rosneft (customer) for a compensation in an amount of 1,120.8K rubles (inclusive of VAT)	Transaction price – 1,120.8K rubles (inclusive of VAT)	May 6, 2013
9	Procurement by Rosneft (borrower) of an interest-bearing loan from LLC RN-Krasnodarneftegaz (lender) in an amount of 150,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 203,000.0K rubles	Transaction price – 203,000.0K rubles	May 6, 2013
10	Transfer by Rosneft (lessor) for temporary possession and use to LLC RN-Krasnodarneftegaz (lessee) of some fixed assets owned by Rosneft for a fee in an amount of 1,393,385.0K rubles per year (inclusive of VAT)	Transaction price – 1,393,385.0K rubles per year (inclusive of VAT)	May 31, 2013
11	Performance by LLC RN-Krasnodarneftegaz (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging registration of the title to and transactions with immovable assets in the territory of the Krasnodar Region for a compensation in an amount of 60.0K rubles (inclusive of VAT)	Transaction price – 60.0K rubles (inclusive of VAT)	May 31, 2013
12	Performance by LLC RN-Krasnodarneftegaz (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging land management and settlement of the land relationships between Rosneft and the holders of title to the land plots occupied by the immovable assets of Rosneft located in the territory of the Krasnodar Region for a compensation in an amount of 1,200.0K rubles (inclusive of VAT)	Transaction price – 1,200.0K rubles (inclusive of VAT)	May 31, 2013
13	Performance by LLC RN-Krasnodarneftegaz (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging the disposal of the non-core assets of Rosneft and the assets that are not engaged in the operating process for a compensation in an amount of 120.0K rubles (inclusive of VAT)	Transaction price – 120.0K rubles (inclusive of VAT)	May 31, 2013
14	Provision by LLC RN-Krasnodarneftegaz (contractor) of the services to Rosneft (customer) for upkeep and maintenance of the mothballed immovable assets owned by Rosneft that are not engaged in the operating process for a compensation in an amount of 9,250.0K rubles (inclusive of VAT)	Transaction price – 9,250.0K rubles (inclusive of VAT)	May 31, 2013
15	Performance by LLC RN-Krasnodarneftegaz (agent) upon assignment of Rosneft (principal) on its own behalf and at the expense of Rosneft or on behalf and at the expense of Rosneft of the actions for arranging execution of the works (provision of the services) for abandonment and suspension of some wells, liquidation and mothballing of some fixed assets owned by Rosneft and located in the region of presence of LLC RN-Krasnodarneftegaz for a compensation in an amount of 2,051.0K rubles (inclusive of VAT)	Transaction price – 2,051.0K rubles (inclusive of VAT)	May 31, 2013
16	Provision by LLC RN-Krasnodarneftegaz (keeper) of the services to Rosneft (depositor) for storage of the documents of the Rosneft Representative Office in Northern Caucasia for a compensation in an amount of 560.0K rubles (inclusive of VAT)	Transaction price – 560.0K rubles (inclusive of VAT)	June 19, 2013
17	Provision by LLC RN-Krasnodarneftegaz (contractor) of the services (performance of the works) to Rosneft (customer) for maintaining the proper operating condition of the non-residential premises located at Krasnodar, 47 Kubanskaya Naberezhnaya Street, which are owned by Rosneft, for a compensation in an amount of 3,641.0K rubles (inclusive of VAT)	Transaction price – 3,641.0K rubles (inclusive of VAT)	June 19, 2013
18	Performance by LLC RN-Krasnodarneftegaz (agent) on its own behalf upon assignment and at the expense of Rosneft (principal) for a compensation in an amount of 1,336.2K rubles (inclusive of VAT) of the actions for arranging: <ul style="list-style-type: none"> - neutralization (processing) and final disposal of at least 26.357 kt of oily waste - remediation of the disturbed land upon elimination of at least 2 temporary sludge collectors with a total area of at least 2.74 ha and delivery of the remediated land plots to the land users and owners (if necessary) - development of the remediation designs for the pits and produced water settling ponds in an amount of at least 17 designs - supervision for neutralization and final disposal of oily waste, elimination and remediation of temporary sludge collectors 	Transaction price – 1,336.2K rubles (inclusive of VAT)	August 30, 2013
19	Sale by Rosneft (seller) of natural and associated gas to LLC RN-Krasnodarneftegaz (buyer) in a volume of 258.6 mln cubic meters for a total price of 743,467.0K rubles (inclusive of VAT)	Transaction price – 743,467.0K rubles (inclusive of VAT)	December 24, 2013
20	Performance by LLC RN-Krasnodarneftegaz (consignee) on its own behalf, upon assignment and at the expense of Rosneft (consignor) of the actions for selling gas in a volume of 14.9 mln cubic meters for a compensation in an amount of 769.76K rubles (inclusive of VAT)	Transaction price – 769.76K rubles (inclusive of VAT)	December 24, 2013
TRANSACTIONS WHERE LLC RN-KRASNOYARSKNEFTEPRODUKT IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Granting by Rosneft (licensor) to LLC RN-Krasnoyarsknefteprodukt (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 489.4K rubles (inclusive of VAT)	Transaction price – 489.4K rubles (inclusive of VAT)	December 29, 2012
2	Sale by Rosneft (seller) of petroleum products to LLC Krasnoyarsknefteprodukt (buyer) in a volume of 1,080.063 kt for a total price of 37,297,148.735K rubles (inclusive of VAT)	Transaction price – 37,297,148.735K rubles (inclusive of VAT)	December 29, 2012
3	Procurement by Rosneft (borrower) of an interest-bearing loan from LLC RN-Krasnoyarsknefteprodukt (lender) in an amount of 900,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 1,215,000.0K rubles	Transaction price – 1,215,000.0K rubles	May 6, 2013
4	Sale by Rosneft (seller) of petroleum products to LLC RN-Krasnoyarsknefteprodukt (buyer) in a volume of 516.900 kt for a total price of 13,314,871.300K rubles (inclusive of VAT)	Transaction price – 13,314,871.300K rubles (inclusive of VAT)	June 19, 2013
TRANSACTIONS WHERE LLC RN-KRASNOYARSKNIPINEFT IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Granting by Rosneft (licensor) to LLC RN-KrasnoyarskNIPineft (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 9,011.4K rubles (inclusive of VAT)	Transaction price – 9,011.4K rubles (inclusive of VAT)	December 29, 2012

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
2	Change in the terms and conditions of the transaction for provision by LLC RN-KrasnoyarskNIPneft (contractor) of the services (performance of the works) for Rosneft (customer) for developing the geomechanical modeling technology to optimize the drilling processes and develop fractured reservoirs regarding an increase of the amount of the contractor's compensation to 62,000.0K rubles (inclusive of VAT)	Transaction price – 62,000.0K rubles (inclusive of VAT)	February 18, 2013
3	Provision by LLC RN-KrasnoyarskNIPneft (contractor) of the services to Rosneft (customer) for uploading and storage of seismic information in the Rosneft Corporate Seismic Information Storage Center for a compensation in an amount of 7,000.0K rubles (inclusive of VAT)	Transaction price – 7,000.0K rubles (inclusive of VAT)	March 5, 2013
4	Procurement by Rosneft (borrower) of an interest-bearing loan from LLC RN-KrasnoyarskNIPneft (lender) in an amount of 500,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 675,000.0K rubles	Transaction price – 675,000.0K rubles	May 6, 2013
5	Transfer by Rosneft (lessor) for temporary possession and use to LLC RN-KrasnoyarskNIPneft (lessee) of some fixed assets owned by Rosneft for a fee in an amount of 180.0K rubles per year (inclusive of VAT)	Transaction price – 180.0K rubles per year (inclusive of VAT)	May 31, 2013
6	Provision by LLC RN-KrasnoyarskNIPneft (contractor) of the services to Rosneft (customer) for uploading, storage and maintenance of the results of processing the seismic information on the Arctic shelf to the Rosneft Seismic Information Storage Center for a compensation in an amount of 1,017.55K rubles (inclusive of VAT)	Transaction price – 1,017.55K rubles (inclusive of VAT)	November 8, 2013
TRANSACTIONS WHERE LLC RN-NAKHODKANEFTEPRODUKT IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Granting by Rosneft (licensor) to LLC RN-Nakhodkanefteprodukt (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 2,061.0K rubles (inclusive of VAT)	Transaction price – 2,061.0K rubles (inclusive of VAT)	December 29, 2012
2	Provision by LLC RN-Nakhodkanefteprodukt (contractor) of the services to Rosneft (customer) for making berths available for loading operations during petroleum product export and for loading, unloading and storage of the petroleum products to be supplied for export in a total volume of 3.475 mln tons for a compensation in an amount of 910,000.0K rubles (inclusive of VAT)	Transaction price – 910,000.0K rubles (inclusive of VAT)	December 29, 2012
3	Provision by LLC RN-Nakhodkanefteprodukt (contractor) of the services to Rosneft (customer) for acceptance, storage and issue of petroleum products in a quantity of 703.172 kt for a compensation in an amount of 21,573.317K rubles (inclusive of VAT)	Transaction price – 21,573.317K rubles (inclusive of VAT)	December 29, 2012
4	Provision by LLC RN-Nakhodkanefteprodukt (contractor) of legal services to Rosneft (customer) for a compensation in an amount of 1,950.0K rubles (inclusive of VAT)	Transaction price – 1,950.0K rubles (inclusive of VAT)	May 6, 2013
5	Provision by LLC RN-Nakhodkanefteprodukt (contractor) of the services to Rosneft (customer) for making berths available for loading operations, loading and unloading, storage of the cargoes delivered for subsequent bunkering of ships in a volume of 1.2 mln tons for a compensation in an amount of 350,000.0K rubles (inclusive of VAT)	Transaction price – 350,000.0K rubles (inclusive of VAT)	May 6, 2013
6	Transfer by Rosneft (lessor) for temporary possession and use to LLC RN-Nakhodkanefteprodukt (lessee) of some fixed assets owned by Rosneft for a fee in an amount of 491,940.0K rubles per year (inclusive of VAT)	Transaction price – 491,940.0K rubles per year (inclusive of VAT)	May 31, 2013
7	Performance by LLC RN-Nakhodkanefteprodukt (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging registration of the title to and transactions with immovable assets in the territory of the Primorye Region for a compensation in an amount of 60.0K rubles (inclusive of VAT)	Transaction price – 60.0K rubles (inclusive of VAT)	May 31, 2013
8	Performance by LLC RN-Nakhodkanefteprodukt (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging land management and settlement of the land relationships between Rosneft and the holders of title to the land plots occupied by the immovable assets of Rosneft located in the territory of the Primorye Region for a compensation in an amount of 60.0K rubles (inclusive of VAT)	Transaction price – 60.0K rubles (inclusive of VAT)	May 31, 2013
9	Performance by LLC RN-Nakhodkanefteprodukt (agent) upon assignment and at the expense of Rosneft (principal) of the actions for maintenance in proper condition of immovable assets (protective structure - shelter) and implementation of any other actions associated with Rosneft's execution of its obligations under an agreement on the rights and responsibilities in relation to the civil defense facilities and belongings and carrying out of civil defense activities for a compensation in an amount of 8,288.0K rubles (inclusive of VAT)	Transaction price – 8,288.0K rubles (inclusive of VAT)	May 31, 2013
10	Performance by LLC RN-Nakhodkanefteprodukt (agent) upon assignment of Rosneft (principal) on its own behalf and at the expense of Rosneft or on behalf and at the expense of Rosneft of the actions for arranging execution of the works (provision of the services) for liquidation and mothballing of some retail sites and fixed assets owned by Rosneft and located in the region of presence of LLC RN-Nakhodkanefteprodukt for a compensation in an amount of 793.0K rubles (inclusive of VAT)	Transaction price – 793.0K rubles (inclusive of VAT)	May 31, 2013
11	Transfer by Rosneft (seller) to the ownership of LLC RN-Nakhodkanefteprodukt (buyer) of movable assets owned by Rosneft for a fee in an amount of 1,521.52K rubles (inclusive of VAT)	Transaction price – 1,521.52K rubles (inclusive of VAT)	June 19, 2013
12	Provision by Rosneft (contractor) of the services to LLC RN-Nakhodkanefteprodukt (customer) associated with insurance of the customer's assets, machines and mechanisms against breakdown, damages resulting from an interruption in the customer's operations, arrangement of reinsurance protection for a compensation in an amount of 169.9K rubles (inclusive of VAT)	Transaction price – 169.9K rubles (inclusive of VAT)	August 2, 2013
13	Provision by LLC RN-Nakhodkanefteprodukt (contractor) of the services to Rosneft (customer) for transshipping petroleum products in a volume of up to 6,000.0 kt for subsequent shipment beyond the boundaries of the Russian Federation for a compensation in an amount of up to 1,550,500.0K rubles (inclusive of VAT)	Transaction price – 1,550,500.0K rubles (inclusive of VAT)	November 30, 2013
14	Change in the terms and conditions of the transaction for provision by LLC RN-Nakhodkanefteprodukt (contractor) of the services to Rosneft (customer) for transshipment, making berths available for loading operations, storage of the cargoes delivered for subsequent bunkering of ships in a volume of 1.2 mln tons regarding an increase of the transshipped cargo volume to 1.95 mln tons and the contractor's compensation amount to 600,000.0K rubles (inclusive of VAT)	Transaction price – 600,000.0K rubles (inclusive of VAT)	November 30, 2013
15	Procurement by Rosneft (borrower) of an interest-bearing loan from LLC RN-Nakhodkanefteprodukt (lender) in an amount of 1,000,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest will be 1,350,000.0K rubles	Transaction price – 1,350,000.0K rubles	December 24, 2013
TRANSACTIONS WHERE LLC RN-NOVOSIBIRSKNEFTEPRODUKT IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Granting by Rosneft (licensor) to LLC RN-Novosibirsknefteprodukt (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 376.6K rubles (inclusive of VAT)	Transaction price – 376.6K rubles (inclusive of VAT)	December 29, 2012
2	Sale by Rosneft (seller) of petroleum products to LLC RN-Novosibirsknefteprodukt (buyer) in a volume of 82.014 kt for a total price of 1,938,042.747K rubles (inclusive of VAT)	Transaction price – 1,938,042.747K rubles (inclusive of VAT)	December 29, 2012

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
3	Procurement by Rosneft (borrower) of an interest-bearing loan from LLC RN-Novosibirsknefteprodukt (lender) in an amount of 500,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 675,000.0K rubles	Transaction price – 675,000.0K rubles	May 6, 2013
4	Granting by Rosneft (lender) of an interest-bearing loan to LLC RN-Novosibirsknefteprodukt (borrower) for funding the operating activity in an amount of 619,800.0K rubles for a term of up to 2 years. The total transaction value inclusive of the interest is 743,760.0K rubles	Transaction price – 743,760.0K rubles	June 19, 2013
5	Granting by Rosneft (lender) of an interest-bearing loan to LLC RN-Novosibirsknefteprodukt (borrower) for funding the investment activity in an amount of 341,297.0K rubles for a term of 3 years. The total transaction value inclusive of the interest is 443,686.1K rubles	Transaction price – 443,686.1K rubles	June 19, 2013
6	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-free loan to LLC RN-Novosibirsknefteprodukt (borrower) for funding the operating activity in an amount of 274,080.6K rubles regarding establishment of an interest rate, a change of the total transaction value inclusive of the chargeable interest to 55,726.0K rubles and extension of the loan repayment period	Transaction price – 55,726.0K rubles	December 24, 2013
TRANSACTIONS WHERE LLC RN-POZHARNAYA BEZOPASNOST IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Granting by Rosneft (licensor) to LLC RN-Pozharnaya Bezopasnost (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 200.5K rubles (inclusive of VAT)	Transaction price – 200.5K rubles (inclusive of VAT)	December 29, 2012
2	Procurement by Rosneft (borrower) of an interest-bearing loan from LLC RN-Pozharnaya Bezopasnost (lender) in an amount of 450,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 608,000.0K rubles	Transaction price – 608,000.0K rubles	May 6, 2013
3	Transfer by Rosneft (lessor) for temporary possession and use to LLC RN-Pozharnaya Bezopasnost (lessee) of some fixed assets owned by Rosneft for a fee in an amount of 12,500.0K rubles per year (inclusive of VAT)	Transaction price – 12,500.0K rubles per year (inclusive of VAT)	May 31, 2013
4	making by Rosneft (participant) of a cash contribution to the assets of LLC RN-Pozharnaya Bezopasnost (company) in an amount of 185,935,330.92 rubles (VAT exempt)	Transaction price – 185,935,330.92 rubles (VAT exempt)	November 8, 2013
TRANSACTIONS WHERE LLC RN-PRIMORSKIY NPZ IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Granting by Rosneft (licensor) to LLC RN-Primorskiy NPZ (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 140.8K rubles (inclusive of VAT)	Transaction price – 140.8K rubles (inclusive of VAT)	December 29, 2012
TRANSACTIONS WHERE LLC RN-PURNEFTEGAZ IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Granting by Rosneft (licensor) to LLC RN-Purneftegaz (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 6,316.5K rubles (inclusive of VAT)	Transaction price – 6,316.5K rubles (inclusive of VAT)	December 29, 2012
2	Sale by Rosneft (seller) of natural gas to LLC RN-Purneftegaz (buyer) in a volume of 453.0 mln cubic meters for a total price of 422,000.0K rubles (inclusive of VAT)	Transaction price – 422,000.0K rubles (inclusive of VAT)	December 29, 2012
3	Performance by LLC RN-Purneftegaz (consignee) of the actions for Rosneft (consignor) associated with sales of crude oil in a volume of 21.5 kt for a compensation in an amount of 2,722.1K rubles (inclusive of VAT)	Transaction price – 2,722.1K rubles (inclusive of VAT)	December 29, 2012
4	Performance by LLC RN-Purneftegaz (consignee) of the actions for Rosneft (consignor) associated with sales of gas in a volume of 112.0 mln cubic meters for a compensation in an amount of 960.0K rubles (inclusive of VAT)	Transaction price – 960.0K rubles (inclusive of VAT)	December 29, 2012
5	Provision by LLC RN-Purneftegaz (contractor) of the services to Rosneft (customer) for production in the oil and gas fields, where the development licenses are owned by the customer, of oil, gas condensate, natural and associated gas and handover of the produced hydrocarbon resources to the customer for subsequent sale for a compensation in an amount of 42,277,074.9K rubles (inclusive of VAT)	Transaction price – 42,277,074.9K rubles (inclusive of VAT)	December 29, 2012
6	Performance by LLC RN-Purneftegaz (agent) of the actions for Rosneft (principal) associated with arrangement of execution of pilot works in the framework of the Target Innovative Projects for a compensation in an amount of 15,581.0K rubles (inclusive of VAT)	Transaction price – 15,581.0K rubles (inclusive of VAT)	February 18, 2013
7	Performance by LLC RN-Purneftegaz (agent) for a compensation in an amount of 22,301.0K rubles (inclusive of VAT) of the actions for Rosneft (principal) associated with arrangement of the following in the territory of the Yamalo-Nenetskiy Autonomous Area: preparation of the depletion plans for field development (FDP), integrated projects and current development monitoring of the fields owned by Rosneft; execution of exploration works on the license areas owned by Rosneft.	Transaction price – 22,301.0K rubles (inclusive of VAT)	March 5, 2013
8	Provision by LLC RN-Purneftegaz (contractor) of legal services to Rosneft (customer) for a compensation in an amount of 4,500.0K rubles (inclusive of VAT)	Transaction price – 4,500.0K rubles (inclusive of VAT)	May 6, 2013
9	Procurement by Rosneft (borrower) of an interest-bearing loan from LLC RN-Purneftegaz (lender) in an amount of 1,500,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 2,025,000.0K rubles	Transaction price – 2,025,000.0K rubles	May 6, 2013
10	Performance by LLC RN-Purneftegaz (agent) on its own behalf upon assignment and at the expense of Rosneft (principal) of the actions for arranging pilot development of PK1 reservoir in the Severo-Komsomolskoe field for a compensation in an amount of 8,500.0K rubles (inclusive of VAT)	Transaction price – 8,500.0K rubles (inclusive of VAT)	May 31, 2013
11	Transfer by Rosneft (lessee) for temporary possession and use to LLC RN-Purneftegaz (sub-lessee) of the wells that belong to the federal property and are located in the territory of the Yamalo-Nenetskiy Autonomous Area for a fee in an amount of 47,000.0K rubles per year (inclusive of VAT)	Transaction price – 47,000.0K rubles per year (inclusive of VAT)	May 31, 2013
12	Performance by LLC RN-Purneftegaz (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging registration of the title to and transactions with immovable assets in the territory of the Yamalo-Nenetskiy Autonomous Area for a compensation in an amount of 60.0K rubles (inclusive of VAT)	Transaction price – 60.0K rubles (inclusive of VAT)	May 31, 2013
13	Performance by LLC RN-Purneftegaz (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging land management and settlement of the land relationships between Rosneft and the holders of title to the land plots occupied by the immovable assets of Rosneft located in the territory of the Yamalo-Nenetskiy Autonomous Area for a compensation in an amount of 9,120.0K rubles (inclusive of VAT)	Transaction price – 9,120.0K rubles (inclusive of VAT)	May 31, 2013
14	Performance by LLC RN-Purneftegaz (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging the disposal of the non-core assets of Rosneft and the assets that are not engaged in the operating process for a compensation in an amount of 170.0K rubles (inclusive of VAT)	Transaction price – 170.0K rubles (inclusive of VAT)	May 31, 2013

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
15	Provision by LLC RN-Purneftegaz (contractor) of the services to Rosneft (customer) for upkeeping and maintenance of the mothballed immovable assets owned by Rosneft that are not engaged in the operating process for a compensation in an amount of 268,948.0K rubles (inclusive of VAT)	Transaction price – 268,948.0K rubles (inclusive of VAT)	May 31, 2013
16	Performance by LLC RN-Purneftegaz (agent) upon assignment of Rosneft (principal) on its own behalf and at the expense of Rosneft or on behalf and at the expense of Rosneft of the actions for arranging execution of the works (provision of the services) for abandonment and suspension of some wells, liquidation and mothballing of some fixed assets owned by Rosneft and located in the region of presence of LLC RN-Purneftegaz for a compensation in an amount of 2,720.0K rubles (inclusive of VAT)	Transaction price – 2,720.0K rubles (inclusive of VAT)	May 31, 2013
17	Transfer by Rosneft (lessor) for temporary possession and use to LLC RN-Purneftegaz (lessee) of some fixed assets owned by Rosneft for a fee in an amount of 15,401,513.0K rubles per year (inclusive of VAT)	Transaction price – 15,401,513.0K rubles per year (inclusive of VAT)	May 31, 2013
18	Transfer by Rosneft (seller) to the ownership of LLC RN-Purneftegaz (buyer) of some movable assets owned by Rosneft for a fee in an amount of 1,180.0K rubles (inclusive of VAT)	Transaction price – 1,180.0K rubles (inclusive of VAT)	June 19, 2013
19	Provision by Rosneft (contractor) of the services to LLC RN-Purneftegaz (customer) associated with insurance of the customer's assets, machines and mechanisms against breakdown, damages resulting from an interruption in the customer's operations, arrangement of reinsurance protection for a compensation in an amount of 783.5K rubles (inclusive of VAT)	Transaction price – 783.5K rubles (inclusive of VAT)	August 2, 2013
20	Performance by LLC RN-Purneftegaz (agent) on its own behalf upon assignment and at the expense of Rosneft (principal) for a compensation in an amount of 2,465.7K rubles (inclusive of VAT) of the actions for arranging: <ul style="list-style-type: none"> • stocktaking (at least 11 waste pits) of waste (drill cuttings) disposal sites • remediation of at least 11 waste pits with a total area of at least 4.662 ha with processing of at least 47.609 thousand m3 (71.420 kt) of drill cuttings • supervision of the waste pit remediation works (including drill cuttings processing) 	Transaction price – 2,465.7K rubles (inclusive of VAT)	August 30, 2013
21	Sale by Rosneft (seller) of natural and associated gas to LLC RN-Purneftegaz (buyer) in a volume of 4277 mln cubic meters for a total price of 428,892.8K rubles (inclusive of VAT)	Transaction price – 428,892.8K rubles (inclusive of VAT)	December 24, 2013
22	Performance by LLC RN-Purneftegaz (consignee) on its own behalf, upon assignment and at the expense of Rosneft (consignor) of the actions for selling gas in a volume of 118.5 mln cubic meters for a compensation in an amount of 3,116.46K rubles (inclusive of VAT)	Transaction price – 3,116.46K rubles (inclusive of VAT)	December 24, 2013
TRANSACTIONS WHERE LLC RN-SAKHALINMORNEFTEGAZ IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Granting by Rosneft (licensor) to LLC RN-Sakhalinmorneftegaz (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 3,233.0K rubles (inclusive of VAT)	Transaction price – 3,233.0K rubles (inclusive of VAT)	December 29, 2012
2	Sale by Rosneft (seller) of crude oil to LLC RN-Sakhalinmorneftegaz (buyer) in a volume of 0.345 kt for a total price of 4,388.12K rubles (inclusive of VAT)	Transaction price – 4,388.12K rubles (inclusive of VAT)	December 29, 2012
3	Sale by Rosneft (seller) of natural and associated gas to LLC RN-Sakhalinmorneftegaz (buyer) in a volume of 154.0 mln cubic meters for a total price of 325,104.6K rubles (inclusive of VAT)	Transaction price – 325,104.6K rubles (inclusive of VAT)	December 29, 2012
4	Performance by LLC RN-Sakhalinmorneftegaz (consignee) of the actions for Rosneft (consignor) associated with sales of crude oil in a volume of 8.3 kt for a compensation in an amount of 2,118.0K rubles (inclusive of VAT)	Transaction price – 2,118.0K rubles (inclusive of VAT)	December 29, 2012
5	Performance by LLC RN-Sakhalinmorneftegaz (consignee) of the actions for Rosneft (consignor) associated with sales of gas in a volume of 239.0 mln cubic meters for a compensation in an amount of 2,408.8K rubles (inclusive of VAT)	Transaction price – 2,408.8K rubles (inclusive of VAT)	December 29, 2012
6	Provision by LLC RN-Sakhalinmorneftegaz (contractor) of the services to Rosneft (customer) for transportation of oil in a volume of 1,549.05 kt for a compensation in an amount of 1,529,361.6K rubles (inclusive of VAT)	Transaction price – 1,529,361.6K rubles (inclusive of VAT)	December 29, 2012
7	Provision by LLC RN-Sakhalinmorneftegaz (contractor) of the services to Rosneft (customer) for transportation of gas in a volume of 393.0 mln cubic meters by the gas pipelines owned by the contractor for a compensation in an amount of 47,060.85K rubles (inclusive of VAT)	Transaction price – 47,060.85K rubles (inclusive of VAT)	December 29, 2012
8	Provision by LLC RN-Sakhalinmorneftegaz (contractor) of the services to Rosneft (customer) for production in the oil and gas fields, where the development licenses are owned by the customer, of oil, gas condensate, natural and associated gas and handover of the produced hydrocarbon resources to the customer for subsequent sale for a compensation in an amount of 11,374,988.9K rubles (inclusive of VAT)	Transaction price – 11,374,988.9K rubles (inclusive of VAT)	December 29, 2012
9	Performance by LLC RN-Sakhalinmorneftegaz (agent) of the actions for Rosneft (principal) associated with arrangement of execution of pilot works in the framework of the Target Innovative Projects for a compensation in an amount of 1,313.0K rubles (inclusive of VAT)	Transaction price – 1,313.0K rubles (inclusive of VAT)	February 18, 2013
10	Performance by LLC RN-Sakhalinmorneftegaz (agent) for a compensation in an amount of 7,528.1K rubles (inclusive of VAT) of the actions for Rosneft (principal) associated with arrangement of the following: <ul style="list-style-type: none"> • preparation of the depletion plans for field development (FDP), integrated projects and current development monitoring of the fields owned by Rosneft in the Far East; • execution of exploration works on the license areas owned by Rosneft in the territory of the Sakhalin Oblast. 	Transaction price – 7,528.1K rubles (inclusive of VAT)	March 5, 2013
11	Provision by LLC RN-Sakhalinmorneftegaz (contractor) of legal services to Rosneft (customer) for a compensation in an amount of 420.0K rubles (inclusive of VAT)	Transaction price – 420.0K rubles (inclusive of VAT)	May 6, 2013
12	Procurement by Rosneft (borrower) of an interest-bearing loan from LLC RN-Sakhalinmorneftegaz (lender) in an amount of 100,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 135,000.0K rubles	Transaction price – 135,000.0K rubles	May 6, 2013
13	Performance by LLC RN-Sakhalinmorneftegaz (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging registration of the title to and transactions with immovable assets in the territory of the Sakhalin Oblast for a compensation in an amount of 60.0K rubles (inclusive of VAT)	Transaction price – 60.0K rubles (inclusive of VAT)	May 31, 2013
14	Performance by LLC RN-Sakhalinmorneftegaz (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging land management and settlement of the land relationships between Rosneft and the holders of title to the land plots occupied by the immovable assets of Rosneft located in the territory of the Sakhalin Oblast for a compensation in an amount of 1,200.0K rubles (inclusive of VAT)	Transaction price – 1,200.0K rubles (inclusive of VAT)	May 31, 2013

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
15	Provision by LLC RN-Sakhalinmorneftegaz (contractor) of the services to Rosneft (customer) for upkeeping and maintenance of the mothballed immovable assets owned by Rosneft that are not engaged in the operating process for a compensation in an amount of 2,644.0K rubles (inclusive of VAT)	Transaction price – 2,644.0K rubles (inclusive of VAT)	May 31, 2013
16	Performance by LLC RN-Sakhalinmorneftegaz (agent) upon assignment of Rosneft (principal) on its own behalf and at the expense of Rosneft or on behalf and at the expense of Rosneft of the actions for arranging execution of the works (provision of the services) for abandonment and suspension of some wells, liquidation and mothballing of some fixed assets owned by Rosneft and located in the region of presence of LLC RN-Sakhalinmorneftegaz for a compensation in an amount of 3,192.0K rubles (inclusive of VAT)	Transaction price – 3,192.0K rubles (inclusive of VAT)	May 31, 2013
17	Transfer by Rosneft (lessor) for temporary possession and use to LLC RN-Sakhalinmorneftegaz (lessee) of some fixed assets owned by Rosneft for a fee in an amount of 3,296,560.0K rubles per year (inclusive of VAT)	Transaction price – 3,296,560.0K rubles per year (inclusive of VAT)	May 31, 2013
18	Performance by LLC RN-Sakhalinmorneftegaz (agent) on its own behalf upon assignment and at the expense of Rosneft (principal) for a compensation in an amount of 4,285.0K rubles (inclusive of VAT) of the actions for arranging: <ul style="list-style-type: none"> remediation of oil-contaminated lands with a total area of at least 12 ha neutralization (processing) of at least 30,000 m3 (42 kt) of oil sludge supervision of the works for oil sludge processing and oil-contaminated land remediation comprehensive operation and maintenance of purification facilities. 	Transaction price – 4,285.0K rubles (inclusive of VAT)	August 30, 2013
19	Sale by Rosneft (seller) of natural and associated gas to LLC RN-Sakhalinmorneftegaz (buyer) in a volume of 145.633 mln cubic meters for a total price of 353,665.0K rubles (inclusive of VAT)	Transaction price – 353,665.0K rubles (inclusive of VAT)	December 24, 2013
20	Provision by LLC RN-Sakhalinmorneftegaz (contractor) of the services to Rosneft (customer) for transportation of gas in a volume of 414.0 mln cubic meters by the gas pipelines owned by LLC RN-Sakhalinmorneftegaz for a compensation in an amount of 80,607.8K rubles (inclusive of VAT)	Transaction price – 80,607.8K rubles (inclusive of VAT)	December 24, 2013
21	Performance by LLC RN-Sakhalinmorneftegaz (consignee) on its own behalf, upon assignment and at the expense of Rosneft (consignor) of the actions for selling gas in a volume of 266.65 mln cubic meters for a compensation in an amount of 2,950.0K rubles (inclusive of VAT)	Transaction price – 2,950.0K rubles (inclusive of VAT)	December 24, 2013
TRANSACTIONS WHERE LLC RN-SAKHALINNIPIORNEFT IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Granting by Rosneft (licensor) to LLC RN-SakhalinNIPIORneft (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 5,178.4K rubles (inclusive of VAT)	Transaction price – 5,178.4K rubles (inclusive of VAT)	December 29, 2012
2	Provision by LLC RN-SakhalinNIPIORneft (contractor) of the services to Rosneft (customer) for elaborating the concept of development of the hydrocarbon resource base in Northern Sakhalin for a compensation in an amount of 4,000.0K rubles (inclusive of VAT)	Transaction price – 4,000.0K rubles (inclusive of VAT)	March 5, 2013
3	Provision by LLC RN-SakhalinNIPIORneft (contractor) of the services to Rosneft (customer) for regional studies of the Arctic and Far Eastern shelves of the Russian Federation for a compensation in an amount of 94,000.0K rubles (inclusive of VAT)	Transaction price – 94,000.0K rubles (inclusive of VAT)	March 5, 2013
4	Provision by LLC RN-SakhalinNIPIORneft (contractor) of the services to Rosneft (customer) for creating the corporate database of the current effective designed metrics of Rosneft field development for a compensation in an amount of 3,521.0K rubles (inclusive of VAT)	Transaction price – 3,521.0K rubles (inclusive of VAT)	March 5, 2013
5	Procurement by Rosneft (borrower) of an interest-bearing loan from LLC RN-SakhalinNIPIORneft (lender) in an amount of 500,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 675,000.0K rubles	Transaction price – 675,000.0K rubles	May 6, 2013
6	Transfer by Rosneft (lessor) for temporary possession and use to LLC RN-SakhalinNIPIORneft (lessee) of some fixed assets owned by Rosneft for a fee in an amount of 6,408.0K rubles per year (inclusive of VAT)	Transaction price – 6,408.0K rubles per year (inclusive of VAT)	May 31, 2013
TRANSACTIONS WHERE LLC RN-SEVERNAYA NEFT IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Granting by Rosneft (licensor) to LLC RN-Severnaya Neft (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 4,174.8K rubles (inclusive of VAT)	Transaction price – 4,174.8K rubles (inclusive of VAT)	December 29, 2012
2	Sale by Rosneft (seller) of crude oil to LLC RN-Severnaya Neft (buyer) in a volume of 8.6 kt for a total price of 107,492.33K rubles (inclusive of VAT)	Transaction price – 107,492.33K rubles (inclusive of VAT)	December 29, 2012
3	Sale by Rosneft (seller) of associated gas to LLC RN-Severnaya Neft (buyer) in a volume of 246.162 mln cubic meters for a total price of 84,236.64K rubles (inclusive of VAT)	Transaction price – 84,236.64K rubles (inclusive of VAT)	December 29, 2012
4	Sale by Rosneft (seller) of petroleum products to LLC RN-Severnaya Neft (buyer) in a volume of 21.18 kt for a total price of 838,310.527K rubles (inclusive of VAT)	Transaction price – 838,310.527K rubles (inclusive of VAT)	December 29, 2012
5	Performance by LLC RN-Severnaya Neft (consignee) of the actions for Rosneft (consignor) associated with sales of crude oil in a volume of 6.4 kt for a compensation in an amount of 2,916.92K rubles (inclusive of VAT)	Transaction price – 2,916.92K rubles (inclusive of VAT)	December 29, 2012
6	Provision by LLC RN-Severnaya Neft (contractor) of the services to Rosneft (customer) for processing of 81.525 kt of crude oil for a compensation in an amount of 130,831.32K rubles (inclusive of VAT)	Transaction price – 130,831.32K rubles (inclusive of VAT)	December 29, 2012
7	Provision by LLC RN-Severnaya Neft (contractor) of the services to Rosneft (customer) for production in the oil and gas fields, where the development licenses are owned by the customer, of oil and associated gas and handover of the produced hydrocarbon resources to the customer for subsequent sale for a compensation in an amount of 14,206,979.2K rubles (inclusive of VAT)	Transaction price – 14,206,979.2K rubles (inclusive of VAT)	December 29, 2012
8	Sale by Rosneft (supplier) of petroleum products to LLC RN-Severnaya Neft (buyer) in a volume of 20.115 kt for a total price of 824,358.83K rubles (inclusive of VAT)	Transaction price – 824,358.83K rubles (inclusive of VAT)	March 5, 2013

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
9	Performance by LLC RN-Severnaya Neft (agent) for a compensation in an amount of 22,736.3K rubles (inclusive of VAT) of the actions for Rosneft (principal) associated with arrangement of the following in the territory of the Nenetskiy Autonomous Area and the Republic of Komi: preparation of the depletion plans for field development (FDP), integrated projects and current development monitoring of the fields owned by Rosneft; execution of exploration works on the license areas owned by Rosneft.	Transaction price – 22,736.3K rubles (inclusive of VAT)	March 5, 2013
10	Provision by LLC RN-Severnaya Neft (contractor) of legal services to Rosneft (customer) for a compensation in an amount of 1,020.0K rubles (inclusive of VAT)	Transaction price – 1,020.0K rubles (inclusive of VAT)	May 6, 2013
11	Procurement by Rosneft (borrower) of an interest-bearing loan from LLC RN-Severnaya Neft (lender) in an amount of 200,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 270,000.0K rubles	Transaction price – 270,000.0K rubles	May 6, 2013
12	Performance by LLC RN-Severnaya Neft (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging registration of the title to and transactions with immovable assets in the territory of the Republic of Komi for a compensation in an amount of 60.0K rubles (inclusive of VAT)	Transaction price – 60.0K rubles (inclusive of VAT)	May 31, 2013
13	Performance by LLC RN-Severnaya Neft (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging land management and settlement of the land relationships between Rosneft and the holders of title to the land plots occupied by the immovable assets of Rosneft located in the territory of the Nenetskiy Autonomous Area and the Republic of Komi for a compensation in an amount of 600.0K rubles (inclusive of VAT)	Transaction price – 600.0K rubles (inclusive of VAT)	May 31, 2013
14	Performance by LLC RN-Severnaya Neft (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging the disposal of the non-core assets of Rosneft and the assets that are not engaged in the operating process for a compensation in an amount of 920.0K rubles (inclusive of VAT)	Transaction price – 920.0K rubles (inclusive of VAT)	May 31, 2013
15	Provision by LLC RN-Severnaya Neft (contractor) of the services to Rosneft (customer) for upkeep and maintenance of the mothballed immovable assets owned by Rosneft that are not engaged in the operating process for a compensation in an amount of 1,643.0K rubles (inclusive of VAT)	Transaction price – 1,643.0K rubles (inclusive of VAT)	May 31, 2013
16	Transfer by Rosneft (lessor) for temporary possession and use to LLC RN-Severnaya Neft (lessee) of some fixed assets owned by Rosneft for a fee in an amount of 5,679,335.0K rubles per year (inclusive of VAT)	Transaction price – 5,679,335.0K rubles per year (inclusive of VAT)	May 31, 2013
17	Provision by Rosneft (contractor) of the services to LLC RN-Severnaya Neft (customer) associated with insurance of the customer's assets, machines and mechanisms against breakdown, damages resulting from an interruption in the customer's operations, arrangement of reinsurance protection for a compensation in an amount of 346.9K rubles (inclusive of VAT)	Transaction price – 346.9K rubles (inclusive of VAT)	August 2, 2013
18	Sale by Rosneft (seller) to LLC RN-Severnaya Neft (buyer) of associated gas in a volume of 233.7 mln cubic meters for a total price of 83,005.57K rubles (inclusive of VAT)	Transaction price – 83,005.57K rubles (inclusive of VAT)	December 24, 2013
TRANSACTIONS WHERE LLC RN-SERVICE IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Granting by Rosneft (licensor) to LLC RN-Service (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 1,073.3K rubles (inclusive of VAT)	Transaction price – 1,073.3K rubles (inclusive of VAT)	December 29, 2012
2	Procurement by Rosneft (borrower) of an interest-bearing loan from LLC RN-Service (lender) in an amount of 2,000,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 2,700,000.0K rubles	Transaction price – 2,700,000.0K rubles	May 6, 2013
3	Transfer by Rosneft (lessor) for temporary possession and use to LLC RN-Service (lessee) of some fixed assets owned by Rosneft for a fee in an amount of 110,259.0K rubles per year (inclusive of VAT)	Transaction price – 110,259.0K rubles per year (inclusive of VAT)	May 31, 2013
4	Provision by LLC RN-Service (contractor) of the services to Rosneft (customer) for upkeep and maintenance of the mothballed immovable assets owned by Rosneft that are not engaged in the operating process for a compensation in an amount of 17,834.4K rubles (inclusive of VAT)	Transaction price – 17,834.4K rubles (inclusive of VAT)	May 31, 2013
5	Provision by LLC RN-Service (keeper) of the services to Rosneft (depositor) for storage of the mothballed movable assets that are not engaged in the operating process owned by Rosneft for a compensation in an amount of 1,330.0K rubles (inclusive of VAT)	Transaction price – 1,330.0K rubles (inclusive of VAT)	May 31, 2013
6	Performance by LLC RN-Service (agent) upon assignment of Rosneft (principal) on its own behalf and at the expense of Rosneft or on behalf and at the expense of Rosneft of the actions for arranging execution of the works (provision of the services) for abandonment and suspension of some wells, liquidation and mothballing of some fixed assets owned by Rosneft and located in the region of presence of LLC RN-Service for a compensation in an amount of 360.0K rubles (inclusive of VAT)	Transaction price – 360.0K rubles (inclusive of VAT)	May 31, 2013
7	Granting by Rosneft (lender) of an interest-bearing loan to LLC RN-Service (borrower) in an amount of 600,000.0K rubles for a term until December 20, 2013. The total transaction value inclusive of the interest will be 613,000.0K rubles	Transaction price – 613,000.0K rubles	September 30, 2013
8	Making by Rosneft (participant) of a cash contribution to the authorized capital of LLC RN-Service (company) in an amount of 1,353,000.0K rubles	Transaction price – 1,353,000.0K rubles	September 30, 2013
9	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-free loan to LLC RN-Service (borrower) for funding the operating activity in an amount of 12,513.4K rubles regarding establishment of an interest rate, an increase of the total transaction value inclusive of the chargeable interest to 13,764.7K rubles and extension of the loan repayment period	Transaction price – 13,764.7K rubles	December 24, 2013
TRANSACTIONS WHERE LLC RN-STAVROPOLNEFTEGAZ IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Granting by Rosneft (licensor) to LLC RN-Stavropolneftegaz (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 3,449.9K rubles (inclusive of VAT)	Transaction price – 3,449.9K rubles (inclusive of VAT)	December 29, 2012
2	Sale by Rosneft (seller) of natural gas to LLC RN-Stavropolneftegaz (buyer) in a volume of 40.764 mln cubic meters for a total price of 124,094.0K rubles (inclusive of VAT)	Transaction price – 124,094.0K rubles (inclusive of VAT)	December 29, 2012
3	Provision by LLC RN-Stavropolneftegaz (contractor) of the services to Rosneft (customer) for production in the oil and gas fields, where the development licenses are owned by the customer, of oil, gas condensate, natural and associated gas and handover of the produced hydrocarbon resources to the customer for subsequent sale for a compensation in an amount of 6,059,697.0K rubles (inclusive of VAT)	Transaction price – 6,059,697.0K rubles (inclusive of VAT)	December 29, 2012

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
4	Performance by LLC RN-Stavropolneftegaz (agent) for a compensation in an amount of 8,599.9K rubles (inclusive of VAT) of the actions for Rosneft (principal) associated with arrangement of the following in the territory of the Stavropol Region: preparation of the depletion plans for field development (FDP), integrated projects and current development monitoring of the fields owned by Rosneft; execution of exploration works on the license areas owned by Rosneft.	Transaction price – 8,599.9K rubles (inclusive of VAT)	March 5, 2013
5	Procurement by Rosneft (borrower) of an interest-bearing loan from LLC RN-Stavropolneftegaz (lender) in an amount of 1,000,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 1,350,000.0K rubles	Transaction price – 1,350,000.0K rubles	May 6, 2013
6	Transfer by Rosneft (lessor) for temporary possession and use to LLC RN-Stavropolneftegaz (lessee) of some fixed assets owned by Rosneft for a fee in an amount of 675,735.0K rubles per year (inclusive of VAT)	Transaction price – 675,735.0K rubles per year (inclusive of VAT)	May 31, 2013
7	Performance by LLC RN-Stavropolneftegaz (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging registration of the title to and transactions with immovable assets in the territory of the Stavropol Region for a compensation in an amount of 64.0K rubles (inclusive of VAT)	Transaction price – 64.0K rubles (inclusive of VAT)	May 31, 2013
8	Performance by LLC RN-Stavropolneftegaz (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging land management and settlement of the land relationships between Rosneft and the holders of title to the land plots occupied by the immovable assets of Rosneft located in the territory of the Stavropol Region for a compensation in an amount of 1,276.8K rubles (inclusive of VAT)	Transaction price – 1,276.8K rubles (inclusive of VAT)	May 31, 2013
9	Performance by LLC RN-Stavropolneftegaz (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging the disposal of the non-core assets of Rosneft and the assets that are not engaged in the operating process for a compensation in an amount of 120.0K rubles (inclusive of VAT)	Transaction price – 120.0K rubles (inclusive of VAT)	May 31, 2013
10	Provision by LLC RN-Stavropolneftegaz (contractor) of the services to Rosneft (customer) for upkeeping and maintenance of the mothballed immovable assets owned by Rosneft that are not engaged in the operating process for a compensation in an amount of 284.0K rubles (inclusive of VAT)	Transaction price – 284.0K rubles (inclusive of VAT)	May 31, 2013
11	Performance by LLC RN-Stavropolneftegaz (agent) upon assignment of Rosneft (principal) on its own behalf and at the expense of Rosneft or on behalf and at the expense of Rosneft of the actions for arranging execution of the works (provision of the services) for abandonment and suspension of some wells, liquidation and mothballing of some fixed assets owned by Rosneft and located in the region of presence of LLC RN-Stavropolneftegaz for a compensation in an amount of 462.0K rubles (inclusive of VAT)	Transaction price – 462.0K rubles (inclusive of VAT)	May 31, 2013
12	Performance by LLC RN-Stavropolneftegaz (agent) on its own behalf upon assignment and at the expense of Rosneft (principal) for a compensation in an amount of 867.5K rubles (inclusive of VAT) of the actions for arranging: <ul style="list-style-type: none"> stocktaking (at least 34 sludge collectors) of waste (oil sludge) disposal sites processing of at least 19.50 thousand m³ (25.35 kt) of oil sludge accumulated in 34 temporary sludge collectors remediation of at least 34 (thirty four) temporary sludge collectors with a total area of 2.15 ha supervision of the works for oil sludge processing and temporary sludge collector remediation 	Transaction price – 867.5K rubles (inclusive of VAT)	August 30, 2013
13	Sale by Rosneft (seller) of natural, associated and dry gas to LLC RN-Stavropolneftegaz (buyer) in a volume of 33.3 mln cubic meters for a total price of 121,735.4K rubles (inclusive of VAT)	Transaction price – 121,735.4K rubles (inclusive of VAT)	December 24, 2013
TRANSACTIONS WHERE LLC RN-STROI IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions); A.V. Votinov (since February 12, 2013) – Member of the Rosneft Management Board, Acting General Director of LLC RN-Stroi, which is a party to the transactions			
1	Granting by Rosneft (licensor) to LLC RN-Stroi (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 140.7K rubles (inclusive of VAT)	Transaction price – 140.7K rubles (inclusive of VAT)	December 29, 2012
TRANSACTIONS WHERE LLC RN-TRADE IS A PARTY			
Persons/entities related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions); D. Casimiro (since April 30, 2013) – Member of the Rosneft Management Board, Chairman of the Board of Directors of LLC RN-Trade, which is a party to the transactions; P.I. Lazarev – Member of the Rosneft Management Board, Member of the Board of Directors of LLC RN-Trade, which is a party to the transactions			
1	Granting by Rosneft (licensor) to LLC RN-Trade (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 730.6K rubles (inclusive of VAT)	Transaction price – 730.6K rubles (inclusive of VAT)	December 29, 2012
2	Sale by Rosneft (seller) of petroleum products to LLC RN-Trade (buyer) in a volume of 118.423 kt for a total price of 4,867,528.435K rubles (inclusive of VAT)	Transaction price – 4,867,528.435K rubles (inclusive of VAT)	February 18, 2013
3	Procurement by Rosneft (borrower) of an interest-bearing loan from LLC RN-Trade (lender) in an amount of 10,000,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 13,500,000.0K rubles	Transaction price – 13,500,000.0K rubles	May 6, 2013
4	Transfer by Rosneft (lessor) for temporary possession and use to LLC RN-Trade (lessee) of some fixed assets owned by Rosneft for a fee in an amount of 6,380.0K rubles per year (inclusive of VAT)	Transaction price – 6,380.0K rubles per year (inclusive of VAT)	May 31, 2013
TRANSACTIONS WHERE LLC RN-TUAPSENEFTEPRODUKT IS A PARTY			
Persons/entities related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions); A.V. Votinov (since February 11, 2013) – Member of the Rosneft Management Board, General Director, Chairman of the Management Board of LLC RN-Tuapsenefteprodukt, which is a party to the transactions			
1	Granting by Rosneft (licensor) to LLC RN-Tuapsenefteprodukt (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 503.3K rubles (inclusive of VAT)	Transaction price – 503.3K rubles (inclusive of VAT)	December 29, 2012
2	Performance by LLC RN-Tuapsenefteprodukt (agent) of the actions for Rosneft (principal) associated with preparation and carrying out of the final stages of the Best in Profession 2012 Contests for a compensation in an amount of 2.346K rubles (inclusive of VAT)	Transaction price – 2.346K rubles (inclusive of VAT)	December 29, 2012
3	Provision by LLC RN-Tuapsenefteprodukt (contractor) of the services to Rosneft (customer) for transshipment of petroleum products for export by rail in a volume of 40.0 kt for a compensation in an amount of 19,541.0K rubles (inclusive of VAT)	Transaction price – 19,541.0K rubles (inclusive of VAT)	December 29, 2012
4	Provision by LLC RN-Tuapsenefteprodukt (contractor) of the services to Rosneft (customer) for transshipment of petroleum products for export by sea in a volume of 11,933.0 kt for a compensation in an amount of 3,180,725.0K rubles (inclusive of VAT)	Transaction price – 3,180,725.0K rubles (inclusive of VAT)	December 29, 2012

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
5	Provision by LLC RN-Tuapsenefteprodukt (contractor) of the services to Rosneft (customer) for shipment and storage of petroleum products in a volume of 100.0 kt for a compensation in an amount of 48,852.0K rubles (inclusive of VAT)	Transaction price – 48,852.0K rubles (inclusive of VAT)	December 29, 2012
6	Provision by LLC RN-Tuapsenefteprodukt (contractor) of legal services to Rosneft (customer) for a compensation in an amount of 2,049.6K rubles (inclusive of VAT)	Transaction price – 2,049.6K rubles (inclusive of VAT)	May 6, 2013
7	Procurement by Rosneft (borrower) of an interest-bearing loan from LLC RN-Tuapsenefteprodukt (lender) in an amount of 1,200,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 1,620,000.0K rubles	Transaction price – 1,620,000.0K rubles	May 6, 2013
8	Performance by LLC RN-Tuapsenefteprodukt (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging registration of the title to and transactions with immovable assets in the territory of the Krasnodar Region for a compensation in an amount of 60.0K rubles (inclusive of VAT)	Transaction price – 60.0K rubles (inclusive of VAT)	May 31, 2013
9	Performance by LLC RN-Tuapsenefteprodukt (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging land management and settlement of the land relationships between Rosneft and the holders of title to the land plots occupied by the immovable assets of Rosneft located in the territory of the Krasnodar Region for a compensation in an amount of 60.0K rubles (inclusive of VAT)	Transaction price – 60.0K rubles (inclusive of VAT)	May 31, 2013
10	Performance by LLC RN-Tuapsenefteprodukt (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging the disposal of the non-core assets of Rosneft and the assets that are not engaged in the operating process for a compensation in an amount of 50.0K rubles (inclusive of VAT)	Transaction price – 50.0K rubles (inclusive of VAT)	May 31, 2013
11	Transfer by Rosneft (lessor) for temporary possession and use to LLC RN-Tuapsenefteprodukt (lessee) of some fixed assets owned by Rosneft for a fee in an amount of 2,430,892.0K rubles per year (inclusive of VAT)	Transaction price –	May 31, 2013
12	Provision by LLC RN-Tuapsenefteprodukt (keeper) of the services to Rosneft (depositor) for storage of the documents of the Rosneft Representative Office in Northern Caucasia for a compensation in an amount of 78.0K rubles (inclusive of VAT)	Transaction price – 78.0K rubles (inclusive of VAT)	June 19, 2013
13	Provision by Rosneft (contractor) of the services to LLC RN-Tuapsenefteprodukt (customer) associated with insurance of the customer's assets, machines and mechanisms against breakdown, damages resulting from an interruption in the customer's operations, arrangement of reinsurance protection for a compensation in an amount of 417.7K rubles (inclusive of VAT)	Transaction price – 417.7K rubles (inclusive of VAT)	August 2, 2013
14	Making by Rosneft (participant) of a cash contribution to the assets of LLC RN-Tuapsenefteprodukt (company) in an amount of 1,727,302.5K rubles	Transaction price – 1,727,302.5K rubles	September 12, 2013
15	provision by LLC RN-Tuapsenefteprodukt (contractor) of the services to Rosneft (customer) for acceptance, shipment and storage of petroleum products in a volume of up to 20.0 kt for a compensation in an amount of 23,600.0K rubles (inclusive of VAT)	Transaction price – 23,600.0K rubles (inclusive of VAT)	November 30, 2013
16	provision by LLC RN-Tuapsenefteprodukt (contractor) of the services to Rosneft (customer) for transshipment of petroleum products for export by rail and execution of the shipping documents in a volume of up to 20.7 kt for a compensation in an amount of 10,877.0K rubles (inclusive of VAT)	Transaction price – 10,877.0K rubles (inclusive of VAT)	November 30, 2013
TRANSACTIONS WHERE LLC RN-TUAPSINSKIY NPZ IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions); A.V. Votinov (since February 11, 2013) – Member of the Rosneft Management Board, General Director, Chairman of the Management Board of LLC RN-Tuapsinskiy NPZ, which is a party to the transactions			
1	Granting by Rosneft (licensor) to LLC RN-Tuapsinskiy NPZ (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 3,790.5K rubles (inclusive of VAT)	Transaction price – 3,790.5K rubles (inclusive of VAT)	December 29, 2012
2	Performance by LLC RN-Tuapsinskiy NPZ (agent) of the actions for Rosneft (principal) associated with preparation and carrying out of the final stages of the Best in Profession, Best Geologist, Best Process Engineer 2012 Contests among the blue collar employees of Rosneft subsidiaries for a compensation in an amount of 2.005K rubles (inclusive of VAT)	Transaction price – 2.005K rubles (inclusive of VAT)	December 29, 2012
3	Provision by LLC RN-Tuapsinskiy NPZ (contractor) of the services to Rosneft (customer) for processing of 7,850.0 kt of crude oil for a compensation in an amount of 22,323,830.0K rubles (inclusive of VAT)	Transaction price – 22,323,830.0K rubles (inclusive of VAT)	December 29, 2012
4	Procurement by Rosneft (borrower) of an interest-bearing loan from LLC RN-Tuapsinskiy NPZ (lender) in an amount of 250,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 338,000.0K rubles	Transaction price – 338,000.0K rubles	May 6, 2013
5	Performance by LLC RN-Tuapsinskiy NPZ (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging registration of the title to and transactions with immovable assets in the territory of the Krasnodar Region for a compensation in an amount of 60.0K rubles (inclusive of VAT)	Transaction price – 60.0K rubles (inclusive of VAT)	May 31, 2013
6	Performance by LLC RN-Tuapsinskiy NPZ (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging land management and settlement of the land relationships between Rosneft and the holders of title to the land plots occupied by the immovable assets of Rosneft located in the territory of the Krasnodar Region for a compensation in an amount of 60.0K rubles (inclusive of VAT)	Transaction price – 60.0K rubles (inclusive of VAT)	May 31, 2013
7	Transfer by Rosneft (lessor) for temporary possession and use to LLC RN-Tuapsinskiy NPZ (lessee) of some fixed assets owned by Rosneft for a fee in an amount of 18,483,709.0K rubles per year (inclusive of VAT)	Transaction price – 18,483,709.0K rubles per year (inclusive of VAT)	May 31, 2013
8	Provision by LLC RN-Tuapsinskiy NPZ (keeper) of the services to Rosneft (depositor) for storage of the documents of the Rosneft Representative Office in Northern Caucasia for a compensation in an amount of 188.0K rubles (inclusive of VAT)	Transaction price – 188.0K rubles (inclusive of VAT)	June 19, 2013
9	Provision by Rosneft (contractor) of the services to LLC RN-Tuapsinskiy NPZ (customer) associated with insurance of the customer's assets, machines and mechanisms against breakdown, damages resulting from an interruption in the customer's operations, arrangement of reinsurance protection for a compensation in an amount of 547.5K rubles (inclusive of VAT)	Transaction price – 547.5K rubles (inclusive of VAT)	August 2, 2013
TRANSACTIONS WHERE LLC RN-UFAANIPIEFT IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Granting by Rosneft (licensor) to LLC RN-UfaNIPIeft (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 7,268.9K rubles (inclusive of VAT)	Transaction price – 7,268.9K rubles (inclusive of VAT)	December 29, 2012
2	Execution by LLC RN-UfaNIPIeft (contractor) of the works for Rosneft (customer) for information system creation, implementation and development for a compensation in an amount of 88,552.0K rubles (inclusive of VAT)	Transaction price – 88,552.0K rubles (inclusive of VAT)	December 29, 2012

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
3	Provision by LLC RN-UfaNIPneft (contractor) of the services (execution of the works) to Rosneft (customer) for information system support for a compensation in an amount of 5,298.44K rubles (inclusive of VAT)	Transaction price – 5,298.44K rubles (inclusive of VAT)	December 29, 2012
4	Provision by LLC RN-UfaNIPneft (contractor) of the services (execution of the works) to Rosneft (customer) for creating the Long-Term Field Development Planning software module and upgrading the Remedial Cementing Design software module with earlier developed algorithms in the RN-KIN software system for a compensation in an amount of 2,424.0K rubles (inclusive of VAT)	Transaction price – 2,424.0K rubles (inclusive of VAT)	December 29, 2012
5	Provision by LLC RN-UfaNIPneft (contractor) of the services (execution of the works) to Rosneft (customer) for upgrading the BHT Design software module in the RN-KIN software system with the tools for collecting data on the actual BHT jobs in the wells for a compensation in an amount of 4,620.0K rubles (inclusive of VAT)	Transaction price – 4,620.0K rubles (inclusive of VAT)	December 29, 2012
6	Change in the terms and conditions of the transaction for provision by CJSC RN-UfaNIPneft (contractor) of the services (execution of the works) to Rosneft (customer) for developing the integrated platform of the Remote Production Monitoring and Optimization Center regarding a decrease of the total price for the provided services (executed works) to 22,314.0K rubles (inclusive of VAT)	Transaction price – 22,314.0K rubles (inclusive of VAT)	February 18, 2013
7	Change in the terms and conditions of the transaction for provision by CJSC RN-UfaNIPneft (contractor) of the services (execution of the works) to Rosneft (customer) for developing the basic statement of requirements to establish the Remote Production Monitoring and Optimization Center for a compensation in an amount of 7,100.0K rubles (inclusive of VAT) regarding extension of the period of service provision (work execution) without changing the amount of the contractor's compensation	Transaction price – the change in the terms and conditions of the transaction does not entail a change in the amount of the contractor's compensation	February 18, 2013
8	Change in the terms and conditions of the transaction for provision by CJSC RN-UfaNIPneft (contractor) of the services (execution of the works) to Rosneft (customer) for supporting the establishment of the Remote Production Monitoring and Optimization Center (RPMOC) regarding extension of the period of service provision (work execution) and an increase of the contractor's compensation to 22,863.0K rubles (inclusive of VAT)	Transaction price – 22,863.0K rubles (inclusive of VAT)	February 18, 2013
9	Change in the terms and conditions of the transaction for provision by CJSC RN-UfaNIPneft (contractor) of the services (execution of the works) to Rosneft (customer) for developing the sections of the design documentation for constructing a produced water treatment unit based on the asymmetric flotation method regarding an increase of the contractor's compensation to 9,100.0K rubles (inclusive of VAT)	Transaction price – 9,100.0K rubles (inclusive of VAT)	February 18, 2013
10	Provision by LLC RN-UfaNIPneft (contractor) of the services (execution of the works) to Rosneft (customer) for creating the Summary Field Infrastructure Model software module for the RN-KIN software system for a compensation in an amount of 9,000.0K rubles (inclusive of VAT)	Transaction price – 9,000.0K rubles (inclusive of VAT)	February 18, 2013
11	Provision by LLC RN-UfaNIPneft (contractor) of the services (execution of the works) to Rosneft (customer) for creating the Exploration Maturity Maps software module in the RN-KIN software system based on the field seismic data for a compensation in an amount of 1,306.0K rubles (inclusive of VAT)	Transaction price – 1,306.0K rubles (inclusive of VAT)	February 18, 2013
12	Provision by LLC RN-UfaNIPneft (contractor) of the services (execution of the works) to Rosneft (customer) for improving the algorithms of HC volume evaluation according to the western classification and upgrading the Western HC Volume Evaluation software module in the RN-KIN software system for a compensation in an amount of 3,432.0K rubles (inclusive of VAT)	Transaction price – 3,432.0K rubles (inclusive of VAT)	February 18, 2013
13	Provision by LLC RN-UfaNIPneft (contractor) of the services (execution of the works) to Rosneft (customer) for upgrading the LVAT Simulator software module in the RN-KIN software system with the tools for taking into account the physicochemical peculiarities of impact of various chemical groups on the bottomhole zone for a compensation in an amount of 3,380.0K rubles (inclusive of VAT)	Transaction price – 3,380.0K rubles (inclusive of VAT)	February 18, 2013
14	Provision by LLC RN-UfaNIPneft (contractor) of the services (execution of the works) to Rosneft (customer) for improving the RN-KIN software system in terms of the user interface and using the software module utilization analyzers for a compensation in an amount of 3,700.0K rubles (inclusive of VAT)	Transaction price – 3,700.0K rubles (inclusive of VAT)	February 18, 2013
15	Provision by LLC RN-UfaNIPneft (contractor) of the services (execution of the works) to Rosneft (customer) for improving the reservoir simulation algorithms and upgrading the software modules of the RN-KIN software system with the improved algorithms for a compensation in an amount of 21,000.0K rubles (inclusive of VAT)	Transaction price – 21,000.0K rubles (inclusive of VAT)	February 18, 2013
16	Provision by LLC RN-UfaNIPneft (contractor) of the services (execution of the works) to Rosneft (customer) for testing the software modules of the RN-KIN software system and preparing the training courses in working with the modules for a compensation in an amount of 11,570.0K rubles (inclusive of VAT)	Transaction price – 11,570.0K rubles (inclusive of VAT)	February 18, 2013
17	Provision by LLC RN-UfaNIPneft (contractor) of the services (execution of the works) to Rosneft (customer) for creating the algorithms and a software module for selecting the key wells in geonavigation for a compensation in an amount of 11,000.0K rubles (inclusive of VAT)	Transaction price – 11,000.0K rubles (inclusive of VAT)	February 18, 2013
18	Provision by LLC RN-UfaNIPneft (contractor) of the services (execution of the works) to Rosneft (customer) for developing a methodology to interpret the results of production tests in the horizontal wells with multi-stage fracs and a methodology to monitor operation of the horizontal wells with multi-stage fracs for a compensation in an amount of 12,000.0K rubles (inclusive of VAT)	Transaction price – 12,000.0K rubles (inclusive of VAT)	February 18, 2013
19	Provision by LLC RN-UfaNIPneft (contractor) of the services (execution of the works) to Rosneft (customer) for developing a methodology to estimate the hydrocarbon reserves in the Bazhenovskaya series for a compensation in an amount of 14,000.0K rubles (inclusive of VAT)	Transaction price – 14,000.0K rubles (inclusive of VAT)	February 18, 2013
20	Provision by LLC RN-UfaNIPneft (contractor) of the services (execution of the works) to Rosneft (customer) for conducting an experimental evaluation of efficiency of the thermal methods of impact on the kerogen-containing rocks of the Bazhenovskaya series for a compensation in an amount of 12,000.0K rubles (inclusive of VAT)	Transaction price – 12,000.0K rubles (inclusive of VAT)	February 18, 2013
21	Provision by LLC RN-UfaNIPneft (contractor) of the services (execution of the works) to Rosneft (customer) for substantiating the selection of areas to test the reserves localization technology on the Bazhenovskaya series in the territory of operations of LLC RN-Yuganskneftegaz for a compensation in an amount of 13,000.0K rubles (inclusive of VAT)	Transaction price – 13,000.0K rubles (inclusive of VAT)	February 18, 2013
22	Provision by LLC RN-UfaNIPneft (contractor) of the services (execution of the works) to Rosneft (customer) for developing a methodology to find and geometrize hydrocarbon accumulations in the unconventional reservoirs of the Domanik sequence, find an economic technology to recover the hydrocarbons for a compensation in an amount of 9,000.0K rubles (inclusive of VAT)	Transaction price – 9,000.0K rubles (inclusive of VAT)	February 18, 2013
23	Provision by LLC RN-UfaNIPneft (contractor) of the services (execution of the works) to Rosneft (customer) for analyzing and consolidating the field and laboratory data obtained in the course of the pilot works on the Turonian reservoir and making technical/economic calculations on that basis in order to improve the solutions for bringing the Turonian reservoirs into development for a compensation in an amount of 12,500.0K rubles (inclusive of VAT)	Transaction price – 12,500.0K rubles (inclusive of VAT)	February 18, 2013
24	Provision by LLC RN-UfaNIPneft (contractor) of the services (execution of the works) to Rosneft (customer) for developing a concept and drafting a statement of requirements to design a system for automatic control and monitoring of the gas well operating mode for a compensation in an amount of 10,000.0K rubles (inclusive of VAT)	Transaction price – 10,000.0K rubles (inclusive of VAT)	February 18, 2013
25	Provision by LLC RN-UfaNIPneft (contractor) of the services (execution of the works) to Rosneft (customer) for developing a package of surveys in order to confirm the gas content of the Coniacian reservoir in the Khampurskoe field for a compensation in an amount of 3,000.0K rubles (inclusive of VAT)	Transaction price – 3,000.0K rubles (inclusive of VAT)	February 18, 2013

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
26	Provision by LLC RN-UfaNIPneft (contractor) of the services (execution of the works) to Rosneft (customer) for validating the developed software modules within the software system for field development monitoring and design and preparing the training courses in working with the modules for a compensation in an amount of 5,000.0K rubles (inclusive of VAT)	Transaction price – 5,000.0K rubles (inclusive of VAT)	February 18, 2013
27	Provision by LLC RN-UfaNIPneft (contractor) of the services (execution of the works) to Rosneft (customer) for elaborating efficient technologies to develop tight sandstone/siltstone reservoirs for a compensation in an amount of 62,000.0K rubles (inclusive of VAT)	Transaction price – 62,000.0K rubles (inclusive of VAT)	February 18, 2013
28	Provision by LLC RN-UfaNIPneft (contractor) of the services (execution of the works) to Rosneft (customer) for developing the algorithms and creating the methodologies and software modules of the technology for identifying fractured/cavernous reservoirs and determining their properties based on the seismic interferometry methods for a compensation in an amount of 40,500.0K rubles (inclusive of VAT)	Transaction price – 40,500.0K rubles (inclusive of VAT)	February 18, 2013
29	Provision by LLC RN-UfaNIPneft (contractor) of the services to Rosneft (customer) for validating the new Russian Classification of Reserves and Forecasted Resources of Oil and Combustible Gases in the Rosneft fields located in the Khanty-Manssiyskiy Autonomous Area, comparing and analyzing the changes in the Company oil and gas reserves with the current Classification of Reserves and Forecasted Resources of Oil and Combustible Gases and the PRMS and SEC Classifications for a compensation in an amount of 20,000.0K rubles (inclusive of VAT)	Transaction price – 20,000.0K rubles (inclusive of VAT)	March 5, 2013
30	Provision by LLC RN-UfaNIPneft (contractor) of the services to Rosneft (customer) in the area of improvement of well tests, development of a methodology for low-cost and continuous systems for well monitoring and tests for a compensation in an amount of 4,000.00K rubles (inclusive of VAT)	Transaction price – 4,000.00K rubles (inclusive of VAT)	March 5, 2013
31	Provision by LLC RN-UfaNIPneft (contractor) of the services to Rosneft (customer) for creating the corporate database of the current effective designed metrics of Rosneft field development for a compensation in an amount of 8,721.0K rubles (inclusive of VAT)	Transaction price – 8,721.0K rubles (inclusive of VAT)	March 5, 2013
32	Procurement by Rosneft (borrower) of an interest-bearing loan from LLC RN-UfaNIPneft (lender) in an amount of 900,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 1,215,000.0K rubles	Transaction price – 1,215,000.0K rubles	May 6, 2013
33	Transfer by Rosneft (lessor) for temporary possession and use to LLC RN-UfaNIPneft (lessee) of some fixed assets owned by Rosneft for a fee in an amount of 1,700.0K rubles per year (inclusive of VAT)	Transaction price – 1,700.0K rubles per year (inclusive of VAT)	May 31, 2013
34	Provision by LLC RN-UfaNIPneft (contractor) of the services (execution of the works) to Rosneft (customer) for conducting laboratory tests in order to determine the impact of process liquids on the formation fluids and the rocks of the Bazhenovskaya series of various lithological compositions, determine the residual conductivity of a proppant pack on real samples of the Bazhenovskaya core material for a compensation in an amount of 4,560.0K rubles (inclusive of VAT)	Transaction price – 4,560.0K rubles (inclusive of VAT)	June 19, 2013
35	Provision by LLC RN-UfaNIPneft (contractor) of the services to Rosneft (customer) for drafting a technology development plan for remedial cementing in Rosneft for a compensation in an amount of 2,800.0K rubles (inclusive of VAT)	Transaction price – 2,800.0K rubles (inclusive of VAT)	June 19, 2013
36	Provision by LLC RN-UfaNIPneft (contractor) of the services to Rosneft (customer) for developing and agreeing a local normative document (LND) of Rosneft titled 'Procedure for Conducting the Laboratory and Pilot Field Tests of Chemicals (Demulsifiers, Corrosion Inhibitors, Bactericides, Scale Inhibitors, Depressants, Emulsifiers, Oil Wetting Agents, Detergents and so forth) at the Rosneft Hydrocarbon Production Facilities' for a compensation in an amount of 2,500.0K rubles (inclusive of VAT)	Transaction price – 2,500.0K rubles (inclusive of VAT)	June 19, 2013
37	Provision by LLC RN-UfaNIPneft (contractor) of the services to Rosneft (customer) for developing and agreeing a local normative document (LND) of Rosneft titled 'Standard Specifications for the Chemicals Used in Rosneft' for a compensation in an amount of 5,000.00K rubles (inclusive of VAT)	Transaction price – 5,000.0K rubles (inclusive of VAT)	June 19, 2013
38	Transfer by LLC RN-UfaNIPneft (rightholder) to Rosneft (acquirer) of the full scope of exclusive rights for computer software for a compensation in a total amount of 599,364.45 rubles (VAT exempt)	Transaction price – 599,364.45 rubles (VAT exempt)	November 8, 2013
TRANSACTIONS WHERE LLC RN-UCHET IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Granting by Rosneft (licensor) to LLC RN-Uchet (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 12,374.1K rubles (inclusive of VAT)	Transaction price – 12,374.1K rubles (inclusive of VAT)	December 29, 2012
2	Provision by LLC RN-Uchet (contractor) of the services to Rosneft (customer) for arranging and carrying out the financial, tax and operational accounting of Rosneft for a compensation in a total amount of 573,564.24K rubles (inclusive of VAT)	Transaction price – 573,564.24K rubles (inclusive of VAT)	March 5, 2013
3	Provision by LLC RN-Uchet (lessor) for temporary use (lease) to Rosneft (lessee) of a server group with installed software for a compensation in an amount of 260.0K rubles per year (inclusive of VAT)	Transaction price – 260.0K rubles per year (inclusive of VAT)	March 5, 2013
4	Procurement by Rosneft (borrower) of an interest-bearing loan from LLC RN-Uchet (lender) in an amount of 1,000,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 1,350,000.0K rubles	Transaction price – 1,350,000.0K rubles	May 6, 2013
5	Transfer by Rosneft (lessor) for temporary possession and use to LLC RN-Uchet (lessee) of some fixed assets owned by Rosneft for a fee in an amount of 708.0K rubles per year (inclusive of VAT)	Transaction price – 708.0K rubles per year (inclusive of VAT)	May 31, 2013
6	Provision by LLC RN-Uchet (contractor) of the services to Rosneft (customer) for performing the technical functions of administering the contracts associated with management of the core assets of Rosneft for a compensation in an amount of 8,215.0K rubles per year (inclusive of VAT)	Transaction price – 8,215.0K rubles per year (inclusive of VAT)	August 30, 2013
7	Provision by LLC RN-Uchet (contractor) of the services to Rosneft (customer) for arranging and conducting the Rosneft Best Accountant 2013 Contest for a compensation in an amount of 4,673.0K rubles (inclusive of VAT)	Transaction price – 4,673.0K rubles (inclusive of VAT)	November 30, 2013
8	Change in the terms and conditions of the transaction for provision by LLC RN-Uchet (contractor) of the services to Rosneft (customer) and other services in the area of the financial and tax accounting of Rosneft regarding an increase of the scope of provided services and the total contractor's compensation to 594,409.24K rubles (inclusive of VAT)	Transaction price – 594,409.24K rubles (inclusive of VAT)	November 30, 2013

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
TRANSACTIONS WHERE LLC RN-TSIR IS A PARTY			
Persons/entities related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares whose affiliate, Mr. I.I. Sechin, Chairman of the Board of Directors of OJSC ROSNEFTEGAZ, is also Chairman of the Board of Directors of LLC RN-TsIR, which is a party to the transactions; I.I. Sechin – Member of the Board of Directors, President, Chairman of the Management Board of Rosneft, Chairman of the Board of Directors of LLC RN-TsIR, which is a party to the transactions; G.G. GilaeV (until February 11, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of LLC RN-TsIR, which is a party to the transactions; A.V. Votinov (since April 30, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of LLC RN-TsIR, which is a party to the transactions; D. Casimiro – Member of the Rosneft Management Board, Member of the Board of Directors of LLC RN-TsIR, which is a party to the transactions; N.M. Mukhitov – Member of the Rosneft Management Board, Member of the Board of Directors of LLC RN-TsIR, which is a party to the transactions; I.V. Pavlov – Member of the Rosneft Management Board, Member of the Board of Directors of LLC RN-TsIR, which is a party to the transactions; Z. Runje – Member of the Rosneft Management Board, Member of the Board of Directors of LLC RN-TsIR, which is a party to the transactions			
1	Execution by LLC RN-TsIR (Contractor) for Rosneft (Customer) of the research of catalytic transformations of hydrocarbons in order to create oil processing and petrochemical products with a high value added for a compensation in an amount of 310,909.K rubles (inclusive of VAT)	Transaction price – 310,909.K rubles (inclusive of VAT)	May 31, 2013
2	Provision by LLC RN-TsIR (contractor) of the following services (execution of the works) to Rosneft (customer) for a compensation in a total amount of 996,348.0K rubles (exclusive of VAT): <ul style="list-style-type: none"> for developing a light polymer proppant of spherical shape based on polydicyclopentadiene to be used in the fracturing technology to develop hard-to-recover hydrocarbon reserves; for developing a technology to produce C4/C5 aldehydes and process n-butylal into etriol; for developing a catalyst and a method for implementing the process of methane aromatization; for developing a technology to hydroformylate the GTL syncrude olefins to produce petroleum product components; for developing a technology to produce highly dearomatized white oils and base oils with a low pour point; for developing a technology to produce synthetic high-viscosity low-pour-point base oils; for developing a method to produce highly concentrated dicyclopentadiene and an isoprene-containing cut from the C5 pyrolysis cut; for developing the polydicyclopentadiene-based materials and the catalysts for their production for a compensation; for researching and developing a high-selectivity catalytic process to produce 1-hexene from ethylene for a compensation; for inspecting the condition of the main process equipment of the hydrotreatment catalyst production facilities in LLC NZK and OJSC AZKiOS; for developing the catalysts for diesel cut hydrotreatment and gasoline cut pre-hydrotreatment and the catalyst making technology; for developing the catalyst for cyclizing normal alkanes into the naphthenic and aromatic hydrocarbons used as components of fuels and lubricants; for developing the technologies of making zeolites and highly effective zeolite-based catalysts for the processes of hydrocarbon feedstock conversion into components of fuels and lubricants; for analyzing the Rosneft potential for producing and processing vacuum gasoils and present-day achievements in the development of the catalysts for vacuum gasoil hydroforming; for analyzing the production capacity and determining the feedstock potential of OJSC ANKhK for producing the insulating oil of GK grade; for developing the composition of the catalysts for the isodeparaffination and hydrofinishing stages in the production of GK insulating oil; for analyzing the production capacity of Section 300/1 of the LK-6Us unit of ANPZ VNK and developing the catalyst for the diesel cut isodeparaffination stage; for developing a polydicyclopentadiene-based material with increased thermal and mechanical stability to be used as sealing insulators in geophysical instruments. 	Transaction price – 996,348.0K rubles (exclusive of VAT)	June 19, 2013
3	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-bearing loan to LLC RN-TsIR (borrower) for funding the operating activity in an amount of 63,000.0K rubles regarding a decrease of the loan amount to 60,400.0K rubles, extension of the loan repayment period and an increase of the total transaction value inclusive of the chargeable interest to 71,010.1K rubles	Transaction price – 71,010.1K rubles	August 30, 2013
4	Provision by LLC RN-TsIR (contractor) of the services (execution of the works) to Rosneft (customer) in the framework of the Summary List of Target Innovative Projects of Rosneft for a compensation in a total amount of 353,500.0K rubles	Transaction price – 353,500.0K rubles	November 8, 2013
5	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-bearing loan to LLC RN-TsIR (borrower) for funding the operating activity in an amount of 54,100.0K rubles regarding alteration of the interest rate, an increase of the total transaction value inclusive of the chargeable interest to 63,869.3K rubles and extension of the loan repayment period	Transaction price – 63,869.3K rubles	December 24, 2013
TRANSACTIONS WHERE LLC RN-CHELYABINSKNEFTEPRODUKT IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Granting by Rosneft (licensor) to LLC RN-Chelyabinsknefteprodukt (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 419.1K rubles (inclusive of VAT)	Transaction price – 419.1K rubles (inclusive of VAT)	December 29, 2012
2	Sale by Rosneft (seller) of petroleum products to LLC RN-Chelyabinsknefteprodukt (buyer) in a volume of 59.577 kt for a total price of 1,742,334.893K rubles (inclusive of VAT)	Transaction price – 1,742,334.893K rubles (inclusive of VAT)	December 29, 2012
3	Procurement by Rosneft (borrower) of an interest-bearing loan from LLC RN-Chelyabinsknefteprodukt (lender) in an amount of 500,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 675,000.0K rubles	Transaction price – 675,000.0K rubles	May 6, 2013
4	Granting by Rosneft (lender) of an interest-bearing loan to LLC RN-Chelyabinsknefteprodukt (borrower) for funding the operating activity in an amount of 154,000.0K rubles for a term of up to 2 years. The total transaction value inclusive of the interest is 184,800.0K rubles	Transaction price – 184,800.0K rubles	June 19, 2013
5	Granting by Rosneft (lender) of an interest-bearing loan to LLC RN-Chelyabinsknefteprodukt (borrower) for funding the investment activity in an amount of 6,000.0K rubles for a term of 3 years. The total transaction value inclusive of the interest is 7,800.0K rubles	Transaction price – 7,800.0K rubles	June 19, 2013
6	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-free loan to LLC RN-Chelyabinsknefteprodukt (borrower) for funding the operating activity in an amount of 109,351.2K rubles regarding establishment of an interest rate, a change of the total transaction value inclusive of the chargeable interest to 64,985.1K rubles and extension of the loan repayment period	Transaction price – 64,985.1K rubles	December 24, 2013
7	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-free loan to LLC RN-Chelyabinsknefteprodukt (borrower) for funding the operating activity in an amount of 66,300.0K rubles regarding establishment of an interest rate, an increase of the total transaction value inclusive of the chargeable interest to 72,930.0K rubles and extension of the loan repayment period	Transaction price – 72,930.0K rubles	December 24, 2013
TRANSACTIONS WHERE LLC RN-CHECHENNEFTEPRODUKT IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Granting by Rosneft (licensor) to LLC RN-Chechennefteprodukt (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 329.8K rubles (inclusive of VAT)	Transaction price – 329.8K rubles (inclusive of VAT)	December 29, 2012
2	Sale by Rosneft (seller) of petroleum products to LLC RN-Chechennefteprodukt (buyer) in a volume of 140.1 kt for a total price of 3,979,616.252K rubles (inclusive of VAT)	Transaction price – 3,979,616.252K rubles (inclusive of VAT)	December 29, 2012

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
3	Making by Rosneft (lender) with LLC RN-Chechennefteprodukt (borrower, debtor) of a Debt Forgiveness Agreement where the subject matter is full / partial relief of LLC RN-Chechennefteprodukt of its obligation to repay to Rosneft the outstanding amount of the principal debt for a total of 15,000K rubles including: <ul style="list-style-type: none"> • 13,615.9K rubles under a loan agreement for 16,515.9K rubles • 1,384.1K rubles under a loan agreement for 104,530.0K rubles 	Transaction price – 15,000.0K rubles	November 30, 2013
4	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-free loan to LLC RN-Chechennefteprodukt (borrower) for funding the operating activity in an amount of 104,530.0K rubles regarding a change of the total transaction value to 36,384.1K rubles and extension of the loan repayment period	Transaction price – 36,384.1K rubles	December 24, 2013
TRANSACTIONS WHERE LLC RN-SHELF ABKHAZII IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Granting by Rosneft (licensor) to LLC RN-Shelf Abkhazii (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 351.9K rubles (inclusive of VAT)	Transaction price – 351.9K rubles (inclusive of VAT)	December 29, 2012
2	Granting by Rosneft (lender) of an interest-bearing loan to LLC RN-Shelf Abkhazii (borrower) for funding the investment activity in an amount of 747,693.51K rubles for a term of 5 years. The total transaction value inclusive of the interest is 1,121,540.26K rubles	Transaction price – 1,121,540.26K rubles	May 6, 2013
3	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-free loan to LLC RN-Shelf Abkhazii (borrower) for funding the investment activity in an amount of 13,200.0K rubles regarding introduction of an interest rate, extension of the loan repayment period and an increase of the total transaction value inclusive of the chargeable interest to 27,607.9K rubles	Transaction price – 27,607.9K rubles	August 30, 2013
TRANSACTIONS WHERE LLC RN-SHELF ARKTIKA IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Performance by LLC RN-Shelf Arktika (agent) of the actions for Rosneft (principal) associated with arrangement of execution of exploration works on the license areas of the shelves of the Barents and Pechora Seas for a compensation in a total amount of 576,322.0K rubles (inclusive of VAT)	Transaction price – 576,322.0K rubles (inclusive of VAT)	February 18, 2013
2	Performance by LLC RN-Shelf Arktika (agent) upon assignment and at the expense of Rosneft (principal) of the actions for arranging execution of exploration works in the Rosneft license areas on the shelf of the Pechora, Kara and Barents Seas for a compensation in a total amount of 95,602.0K rubles (inclusive of VAT)	Transaction price – 95,602.0K rubles (inclusive of VAT)	August 30, 2013
TRANSACTIONS WHERE LLC RN-EXPLORATION IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions); Z. Runje (since April 30, 2013) – Member of the Rosneft Management Board, Chairman of the Board of Directors of LLC RN-Exploration, which is a party to the transactions			
1	Granting by Rosneft (licensor) to LLC RN-Exploration (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 783.0K rubles (inclusive of VAT)	Transaction price – 783.0K rubles (inclusive of VAT)	December 29, 2012
2	Performance by LLC RN-Exploration (agent) of the actions for Rosneft (principal) associated with arrangement of execution of exploration works on the license areas of the shelf of the Black Sea for a compensation in a total amount of 315,425.28K rubles (inclusive of VAT)	Transaction price – 315,425.28K rubles (inclusive of VAT)	February 18, 2013
3	Performance by LLC RN-Exploration (agent) of the actions for Rosneft (principal) associated with arrangement of execution of exploration works in the Rosneft license areas in the territory of the Irkutsk Oblast and Krasnoyarsk Region for a compensation in an amount of 277,544.8K rubles (inclusive of VAT)	Transaction price – 277,544.8K rubles (inclusive of VAT)	March 5, 2013
4	Procurement by Rosneft (borrower) of an interest-bearing loan from LLC RN-Exploration (lender) in an amount of 500,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 675,000.0K rubles	Transaction price – 675,000.0K rubles	May 6, 2013
5	Granting by Rosneft (lender) of an interest-bearing loan to LLC RN-Exploration (borrower) for funding the investment activity in an amount of 275,035.57K rubles for a term of 5 years. The total transaction value inclusive of the interest is 412,553.36K rubles	Transaction price – 412,553.36K rubles	May 6, 2013
6	Granting by Rosneft (lender) of an interest-bearing loan to LLC RN-Exploration (borrower) for funding the operating activity in an amount of 291,666.48K rubles for a term of 3 years. The total transaction value inclusive of the interest is 379,166.42K rubles	Transaction price – 379,166.42K rubles	May 6, 2013
7	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-bearing loan to LLC RN-Exploration (borrower) for funding the operating activity in an amount of 129,918.2K rubles regarding a decrease of the loan amount to 66,154.6K rubles, extension of the loan repayment period and a decrease of the total transaction value inclusive of the chargeable interest to 79,443.5K rubles	Transaction price – 79,443.5K rubles	August 30, 2013
8	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-bearing loan to LLC RN-Exploration (borrower) for funding the operating activity in an amount of 2,243,637.0K rubles regarding a decrease of the loan amount to 2,117,565.7K rubles, extension of the loan repayment period and an increase of the total transaction value inclusive of the chargeable interest to 2,975,150.9K rubles	Transaction price – 2,975,150.9K rubles	August 30, 2013
9	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-bearing loan to LLC RN-Exploration (borrower) for funding the operating activity in an amount of 398,558.6K rubles regarding alteration of the interest rate, a change of the total transaction value inclusive of the chargeable interest to 211,136.6K rubles and extension of the loan repayment period	Transaction price – 211,136.6K rubles	December 24, 2013
TRANSACTIONS WHERE LLC RN-YUGANSKNEFTEGAZ IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Granting by Rosneft (licensor) to LLC RN-Yuganskneftegaz (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 10,169.4K rubles (inclusive of VAT)	Transaction price – 10,169.4K rubles (inclusive of VAT)	December 29, 2012
2	Sale by Rosneft (seller) of natural and associated gas to LLC RN-Yuganskneftegaz (buyer) in a volume of 1,121.216 mln cubic meters for a total price of 2,033,162.11K rubles (inclusive of VAT)	Transaction price – 2,033,162.11K rubles (inclusive of VAT)	December 29, 2012
3	Sale by Rosneft (seller) of petroleum products to LLC RN-Yuganskneftegaz (buyer) in a volume of 141.0 kt for a total price of 5,582,592.002K rubles (inclusive of VAT)	Transaction price – 5,582,592.002K rubles (inclusive of VAT)	December 29, 2012
4	Performance by LLC RN-Yuganskneftegaz (consignee) of the actions for Rosneft (consignor) associated with sales of crude oil in a volume of 82.8 kt for a compensation in an amount of 12,213.65K rubles (inclusive of VAT)	Transaction price – 12,213.65K rubles (inclusive of VAT)	December 29, 2012
5	Performance by LLC RN-Yuganskneftegaz (consignee) of the actions for Rosneft (consignor) associated with sales of MLHM (multi-component light hydrocarbon mixture) in a volume of 7.59 thousand cubic meters for a compensation in an amount of 2,335.7K rubles (inclusive of VAT)	Transaction price – 2,335.7K rubles (inclusive of VAT)	December 29, 2012

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
6	Performance by LLC RN-Yuganskneftegaz (agent) of the actions for Rosneft (principal) associated with arrangement of execution of pilot works in the framework of the Target Innovative Projects for a compensation in an amount of 11,552.0K rubles (inclusive of VAT)	Transaction price – 11,552.0K rubles (inclusive of VAT)	February 18, 2013
7	Performance by LLC RN-Yuganskneftegaz (agent) for a compensation in an amount of 34,516.0K rubles (inclusive of VAT) of the actions for Rosneft (principal) associated with arrangement of the following in the territory of the Khanty-Manssiyskiy Autonomous Area - Yugra: preparation of the depletion plans for field development (FDP), integrated projects and current development monitoring of the fields owned by Rosneft; execution of exploration works on the license areas owned by Rosneft	Transaction price – 34,516.0K rubles (inclusive of VAT)	March 5, 2013
8	Provision by LLC RN-Yuganskneftegaz (contractor) of legal services to Rosneft (customer) for a compensation in an amount of 7,626.0K rubles (inclusive of VAT)	Transaction price – 7,626.0K rubles (inclusive of VAT)	May 6, 2013
9	Procurement by Rosneft (borrower) of an interest-bearing loan from LLC RN-Yuganskneftegaz (lender) in an amount of 300,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 405,000.0K rubles	Transaction price – 405,000.0K rubles	May 6, 2013
10	Performance by LLC RN-Yuganskneftegaz (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging land management and settlement of the land relationships between Rosneft and the holders of title to the land plots occupied by the immovable assets of Rosneft located in the territory of the Khanty-Manssiyskiy Autonomous Area - Yugra for a compensation in an amount of 15,184.9K rubles (inclusive of VAT)	Transaction price – 15,184.9K rubles (inclusive of VAT)	May 31, 2013
11	Performance by LLC RN-Yuganskneftegaz (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging registration of the title to and transactions with immovable assets in the territory of the Khanty-Manssiyskiy Autonomous Area - Yugra for a compensation in an amount of 1,920.0K rubles (inclusive of VAT)	Transaction price – 1,920.0K rubles (inclusive of VAT)	May 31, 2013
12	Performance by LLC RN-Yuganskneftegaz (agent) upon assignment, on behalf and at the expense of Rosneft (principal) of the actions for arranging the disposal of the non-core assets of Rosneft and the assets that are not engaged in the operating process for a compensation in an amount of 3,050.0K rubles (inclusive of VAT)	Transaction price – 3,050.0K rubles (inclusive of VAT)	May 31, 2013
13	Provision by LLC RN-Yuganskneftegaz (contractor) of the services to Rosneft (customer) for upkeep and maintenance of the mothballed immovable assets owned by Rosneft that are not engaged in the operating process for a compensation in an amount of 45,028.0K rubles (inclusive of VAT)	Transaction price – 45,028.0K rubles (inclusive of VAT)	May 31, 2013
14	Provision by LLC RN-Yuganskneftegaz (keeper) of the services to Rosneft (depositor) for storage of the mothballed movable assets that are not engaged in the operating process owned by Rosneft for a compensation in an amount of 6,397.0K rubles (inclusive of VAT)	Transaction price – 6,397.0K rubles (inclusive of VAT)	May 31, 2013
15	Performance by LLC RN-Yuganskneftegaz (agent) upon assignment of Rosneft (principal) on its own behalf and at the expense of Rosneft or on behalf and at the expense of Rosneft of the actions for arranging execution of the works (provision of the services) for abandonment and suspension of some wells, liquidation and mothballing of some fixed assets owned by Rosneft and located in the region of presence of LLC RN-Yuganskneftegaz for a compensation in an amount of 10,783.0K rubles (inclusive of VAT)	Transaction price – 10,783.0K rubles (inclusive of VAT)	May 31, 2013
16	Transfer by LLC RN-Yuganskneftegaz (lessor) for temporary possession and use to Rosneft (lessee) of some movable assets for a fee in an amount of 8.4K rubles per year (inclusive of VAT)	Transaction price – 8.4K rubles per year (inclusive of VAT)	June 19, 2013
17	Provision by Rosneft (contractor) of the services to LLC RN-Yuganskneftegaz (customer) associated with insurance of the customer's assets, machines and mechanisms against breakdown, damages resulting from an interruption in the customer's operations, arrangement of reinsurance protection for a compensation in an amount of 2,352.9K rubles (inclusive of VAT)	Transaction price – 2,352.9K rubles (inclusive of VAT)	August 2, 2013
18	Performance by LLC RN-Yuganskneftegaz (agent) on its own behalf upon assignment and at the expense of Rosneft (principal) for a compensation in an amount of 12,314.6K rubles (inclusive of VAT) of the actions for arranging: <ul style="list-style-type: none"> • stocktaking of waste (drill cuttings) disposal sites, non-remediated waste pits and subsequent disposal of the stock-taken waste (drill cuttings) • remediation of at least 133 temporary sludge collectors and subsequent handover of the remediated areas to the regulatory bodies • development and formalization of the work method statements for remediating at least 218 ha of oil-contaminated lands • remediation of at least 450 ha of oil-contaminated lands and subsequent handover of the remediated areas by the deadlines stated in the work method statements or earlier • supervision of the land remediation works • formalization of lease, properties and development plans for the forests located on the lands • payment of leasing fees for the oil-contaminated lands • neutralization of at least 100,000 cubic meters of oily waste, oil-contaminated earth (viscous and solid oil sludge) with subsequent final disposal of the waste resulting from the neutralization • filling of the electronic base of environmental documentation in the corporate GIS with information based on the completed stocktaking of oil-contaminated lands and its integration into the Rosneft system • entering into a service contract for provision of personnel to arrange execution of works with the contractual documentation 	Transaction price – 12,314.6K rubles (inclusive of VAT)	August 30, 2013
19	Purchase by Rosneft (buyer) from LLC RN-Yuganskneftegaz (seller) of the design and cost estimate documentation (DCED) for the sites of abandonment of depleted areas of occurrence of widespread mineral resources. Transaction price – 1,880.1K rubles (inclusive of VAT)	Transaction price – 1,880.1K rubles (inclusive of VAT)	November 8, 2013
20	Sale by Rosneft (seller) of natural and associated gas to LLC RN-Yuganskneftegaz (buyer) in a volume of 1,192.684 mln cubic meters for a total price of 2,133,301.31K rubles (inclusive of VAT)	Transaction price – 2,133,301.31K rubles (inclusive of VAT)	December 24, 2013
TRANSACTIONS WHERE LLC SAMARANIPINEFT IS A PARTY			
Person/entity related to the transactions: A.V. Votinov (since April 30, 2013) – Member of the Rosneft Management Board, Chairman of the Board of Directors of LLC SamaraNIPneft, which is a party to the transactions			
1	Change in the terms and conditions of the transaction for procurement by Rosneft (borrower) of an interest-bearing loan from LLC SamaraNIPneft (lender) in an amount of 550,000.0K rubles at most regarding an increase of the loan amount to 1,000,000.0K rubles and the total transaction value inclusive of the chargeable interest to 1,350,191.8K rubles	Transaction price – 1,350,191.8K rubles	December 24, 2013
TRANSACTIONS WHERE LLC SANATORIY NEFTYANIK KUBANI IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Granting by Rosneft (lender) of an interest-bearing loan to LLC Sanatoriya Neftyanik Kubani (borrower) for funding the operating activity in an amount of 22,040.34K rubles for a term of up to 2 years. The total transaction value inclusive of the interest is 26,449.20K rubles	Transaction price – 26,449.20K rubles	June 19, 2013
2	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-bearing loan to LLC Sanatoriya Neftyanik Kubani (borrower) for funding the operating activity in an amount of 1,350,000.0K rubles regarding a decrease of the loan amount to 76,860.5K rubles, extension of the loan repayment period and a decrease of the total transaction value inclusive of the chargeable interest to 88,591.1K rubles	Transaction price – 88,591.1K rubles	August 30, 2013
3	granting by Rosneft (lender) of an interest-bearing loan to LLC Sanatoriya Neftyanik Kubani (borrower) for funding the investment activity in an amount of 63,000.0K rubles for a term of 3 years. The total transaction value inclusive of the interest will be 81,900.0K rubles	Transaction price – 81,900.0K rubles	November 8, 2013

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
4	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-free loan to LLC Sanatoriy Neftyanik Kubani (borrower) for funding the operating activity in an amount of 154,963.8K rubles regarding establishment of an interest rate, an increase of the total transaction value inclusive of the chargeable interest to 155,091.5K rubles and extension of the loan repayment period	Transaction price – 155,091.5K rubles	December 24, 2013
TRANSACTIONS WHERE LLC TAAS-YURYAKH NEFTEGAZODOBYCHA IS A PARTY			
Persons/entities related to the transactions: E.Yu. Khudainatov (until September 18, 2013) – Deputy Chairman of the Rosneft Management Board, Chairman of the Board of Directors of LLC Taas-Yuryakh Neftegazodobycha, which is a party to the transactions; E.M. Liron (since October 14, 2013) – Deputy Chairman of the Rosneft Management Board, Chairman of the Board of Directors of LLC Taas-Yuryakh Neftegazodobycha, which is a party to the transactions			
1	2.2.2. On Item # 6: Granting by Rosneft (lender) of an interest-bearing loan to LLC Taas-Yuryakh Neftegazodobycha (borrower) for a term of 1 year in Russian rubles at the Russian Central Bank exchange rate for the date of payment in an amount equivalent to US\$ 4.43 mln. The total transaction value inclusive of the interest will be an equivalent of US\$ 5.06 mln	Transaction price – US\$ 5.06 mln	September 18, 2013
2	2.2.2. On Item # 6: Change in the terms and conditions of the transaction for granting of interest-bearing loans to LLC Taas-Yuryakh Neftegazodobycha (debtor) where the right of claim is acquired by Rosneft (new debtee) from Waynegold Limited (Cyprus) (current debtee) for a total amount of up to US\$ 1,344.3 mln regarding alteration of the interest rate	Transaction price – US\$ 1,344.3 mln	September 18, 2013
3	Granting by Rosneft (lender) of an interest-bearing loan to LLC Taas-Yuryakh Neftegazodobycha (borrower) for funding the investment activity in an amount of 4,516,187.0K rubles for a term of 3 years. The total transaction value inclusive of the interest will be up to 5,681,363.25K rubles	Transaction price – 5,681,363.25K rubles	December 24, 2013
TRANSACTIONS WHERE LLC TAAS-YURYAKH NEFTEGAZODOBYCHA AND WAYNEGOLD LIMITED (CYPRUS) IS A PARTY			
Persons/entities related to the transactions: E.Yu. Khudainatov (until September 18, 2013) – Deputy Chairman of the Rosneft Management Board, Chairman of the Board of Directors of LLC Taas-Yuryakh Neftegazodobycha, which is a party to the transactions; E.M. Liron (since October 14, 2013) – Deputy Chairman of the Rosneft Management Board, Chairman of the Board of Directors of LLC Taas-Yuryakh Neftegazodobycha, which is a party to the transactions			
1	2.2.2. On Item # 6: Acquisition by Rosneft (new debtee) of the rights of claim under the loan agreements between Waynegold Limited (Cyprus) (current debtee) and LLC Taas-Yuryakh Neftegazodobycha (debtor) for a total amount of up to US\$ 1,344.3 mln	Transaction price – US\$ 1,344.3 mln	September 18, 2013
TRANSACTIONS WHERE LLC RN-UVATNEFTEGAZ (LLC TNK-UVAT PRIOR TO NOVEMBER 14, 2013) IS A PARTY			
Persons/entities related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions); E.M. Liron (from September 18, 2013 to November 5, 2013) – Deputy Chairman of the Rosneft Management Board, Chairman of the Board of Directors of LLC Taas-Yuryakh Neftegazodobycha, which is a party to the transactions			
1	Procurement by Rosneft (borrower) of interest-bearing loans from LLC TNK-Uvat (lender) in an amount of up to 38,000,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest will be up to 49,400,000.0K rubles	Transaction price – 49,400,000.0K rubles	March 21, 2013
TRANSACTIONS WHERE LLC FUTBOLNYI KLUB TOM IS A PARTY			
Person/entity related to the transactions: E.Yu. Khudainatov (until September 18, 2013) – Deputy Chairman of the Rosneft Management Board, Member of the Board of Directors of LLC Futbolnyi Klub Tom, which is a party to the transactions			
1	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-bearing loan to LLC Futbolnyi Klub Tom for funding the operating activity in an amount of 100,000.0K rubles regarding amendment of the interest charging procedure, extension of the loan repayment period and an increase of the total transaction value inclusive of the chargeable interest to 118,060.5K rubles	Transaction price – 118,060.5K rubles	August 30, 2013
2	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-bearing loan to LLC Futbolnyi Klub Tom for funding the operating activity in an amount of 100,000.0K rubles regarding amendment of the interest charging procedure, extension of the loan repayment period and an increase of the total transaction value inclusive of the chargeable interest to 118,859.6K rubles	Transaction price – 118,859.6K rubles	August 30, 2013
3	Change in the terms and conditions of the transaction for granting by Rosneft (lender) of an interest-bearing loan to LLC Futbolnyi Klub Tom for funding the operating activity in an amount of 7,500.0K rubles regarding amendment of the interest charging procedure, extension of the loan repayment period and an increase of the total transaction value inclusive of the chargeable interest to 8,822.2K rubles	Transaction price – 8,822.2K rubles	August 30, 2013
TRANSACTIONS WHERE LLC PSC RN-OKHRANA IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Granting by Rosneft (licensor) to LLC PSC RN-Okhrana (licensee) of the right to use software and provision of the services for technical support of the transferred software. The total contract value is 246.6K rubles (inclusive of VAT)	Transaction price – 246.6K rubles (inclusive of VAT)	December 29, 2012
2	Procurement by Rosneft (borrower) of an interest-bearing loan from LLC PSC RN-Okhrana (lender) in an amount of 200,000.0K rubles for a term of up to 5 years. The total transaction value inclusive of the interest is 270,000.0K rubles	Transaction price – 270,000.0K rubles	May 6, 2013
3	Provision by LLC PSC RN-Okhrana (contractor) of the services to Rosneft (customer) for maintenance of the physical security equipment in the Rosneft offices in Moscow for a compensation in an amount of 19,052.804K rubles (inclusive of VAT)	Transaction price – 19,052.804K rubles (inclusive of VAT)	May 31, 2013
4	Provision by LLC PSC RN-Okhrana (contractor) of the services to Rosneft (customer) for guarding the Rosneft assets including when the latter are being transported and the services for guarding the corporate events for a compensation in an amount of 998,936.92K rubles (inclusive of VAT)	Transaction price – 998,936.92K rubles (inclusive of VAT)	May 31, 2013
5	Transfer by Rosneft (lessor) for temporary possession and use to LLC PSC RN-Okhrana (lessee) of some fixed assets owned by Rosneft for a fee in an amount of 564.0K rubles per year (inclusive of VAT)	Transaction price – 564.0K rubles per year (inclusive of VAT)	May 31, 2013
TRANSACTIONS WHERE NOVY INVESTMENTS LIMITED IS A PARTY			
Person/entity related to the transactions: E.Yu. Khudainatov (from March 21, 2013 to September 18, 2013) – Deputy Chairman of the Rosneft Management Board, Member of the Board of Directors of Novy Investments Limited, which is a party to the transactions			
1	Granting by Rosneft (lender) of an interest-bearing loan to Novy Investments Limited (borrower) for a term of up to 3 years in an amount of US\$ 1,800,000.0K. The total transaction value inclusive of the interest will be US\$ 1,962,000.0K	Transaction price – US\$ 1,962,000.0K	September 18, 2013
TRANSACTIONS WHERE ROSNEFT TRADING S.A. (SWITZERLAND) IS A PARTY			
Person/entity related to the transactions: D. Casimiro (since May 6, 2013) – Deputy Chairman of the Rosneft Management Board, Member of the Board of Directors of Rosneft Trading S.A., which is a party to the transactions			
1	Supply by Rosneft (supplier) to Rosneft Trading SA (buyer) of gasoline in a volume of up to 30.0 kt for a total price of up to US\$ 30,000.0K on CPT Nakhodka East terms	Transaction price – US\$ 30,000.0K	December 24, 2013

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
2	Supply by Rosneft (supplier) to Rosneft Trading SA (buyer) of diesel fuel in a volume of up to 23,505 kt for a total price of up to US\$ 25,000.0K on CPT Nakhodka East terms	Transaction price – US\$ 25,000.0K	December 24, 2013
3	Supply by Rosneft (supplier) to Rosneft Trading SA (buyer) of fuel oil in a volume of up to 1,200.0 kt for a total price of up to US\$ 890,400.0K on FOB Tuapse terms	Transaction price – US\$ 890,400.0K	December 24, 2013
4	Supply by Rosneft (supplier) to Rosneft Trading SA (buyer) of fuel oil in a volume of up to 2,400.0 kt for a total price of up to US\$ 1,780,000.0K on FOB Baltic Sea Ports terms	Transaction price – US\$ 1,780,000.0K	December 24, 2013
TRANSACTIONS WHERE ROSNEFT INDUSTRIAL HOLDINGS LIMITED (TNK INDUSTRIAL HOLDINGS LIMITED PRIOR TO NOVEMBER 26, 2013) IS A PARTY			
Persons/entities related to the transactions: E.Yu. Khudainatov (from March 21, 2013 to September 18, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of Rosneft Industrial Holdings Limited, which is a party to the transactions; P.I. Lazarev (since March 21, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of Rosneft Industrial Holdings Limited, which is a party to the transactions			
1	Procurement by Rosneft (borrower) of interest-bearing loans from TNK Industrial Holdings Limited (lender) in an amount of up to US\$ 1,200,000.0K for a term of up to 5 years. The total transaction value inclusive of the interest will be up to US\$ 1,500,000.0K	Transaction price – US\$ 1,500,000.0K	March 21, 2013
TRANSACTIONS WHERE ROSNEFT TRADE LIMITED (TNK TRADE LIMITED PRIOR TO NOVEMBER 5, 2013) IS A PARTY			
Person/entity related to the transactions: D. Casimiro (since March 21, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of Rosneft Trade Limited, which is a party to the transactions			
1	Provision by Rosneft (Contractor) of the services to TNK Trade Limited (Customer) for arranging transportation, transshipment of crude oil and petroleum products in a quantity of 1,170.0 kt for a compensation in an amount of 66.381K rubles (inclusive of VAT)	Transaction price – 66.381K rubles (inclusive of VAT)	June 19, 2013
2	Provision by Rosneft (Contractor) of the services to TNK Trade Limited (Customer) for arranging transshipment and transportation of crude oil and petroleum products for a compensation in an amount of 45.0K rubles (inclusive of VAT)	Transaction price – 45.0K rubles (inclusive of VAT)	June 19, 2013
3	Sale by Rosneft (seller) to TNK Trade Limited (buyer) of petroleum products in a volume of 400.0 kt for a total price of 13,255,680.0K rubles (inclusive of VAT)	Transaction price – 13,255,680.0K rubles (inclusive of VAT)	June 19, 2013
4	Sale by Rosneft (seller) to TNK Trade Limited (buyer) of vacuum gasoil in a volume of 540.0 kt for a total price of 14,743,296.0K rubles (inclusive of VAT)	Transaction price – 14,743,296.0K rubles (inclusive of VAT)	June 19, 2013
5	Procurement by Rosneft (borrower) of an interest-bearing loan from TNK Trade Limited (lender) in an amount of US\$ 1,200,000.0K at most for a term of up to 5 years. The total transaction value inclusive of the interest will be US\$ 1,500,000.0K	Transaction price – US\$ 1,500,000.0K	June 19, 2013
6	Sale by Rosneft (seller) to TNK Trade Limited (buyer) of BGS straight-run gasoline (Naphtha) in a volume of 1,007.5 kt for a total price of 33,542,496.0K rubles (inclusive of VAT)	Transaction price – 33,542,496.0K rubles (inclusive of VAT)	June 19, 2013
7	Sale by Rosneft (seller) to TNK Trade Limited (buyer) of Euro 350 PPM diesel fuel in a volume of 600.0 kt for a total price of 19,883,520.0K rubles (inclusive of VAT)	Transaction price – 19,883,520.0K rubles (inclusive of VAT)	June 19, 2013
8	Sale by Rosneft (seller) to TNK Trade Limited (buyer) of Euro 10 PPM diesel fuel in a volume of 1,800.0 kt for a total price of 59,650,560.0K rubles (inclusive of VAT)	Transaction price – 59,650,560.0K rubles (inclusive of VAT)	June 19, 2013
9	Sale by Rosneft (seller) to TNK Trade Limited (buyer) of fuel oil on FOB Saratov and/or Black Sea Port terms in a volume of 3,500.0 kt for a total price of 75,398,400.0K rubles (inclusive of VAT)	Transaction price – 75,398,400.0K rubles (inclusive of VAT)	June 19, 2013
10	Sale by Rosneft (seller) to TNK Trade Limited (buyer) of vacuum gasoil on FOB Saratov and/or Black Sea Port terms in a volume of 720.0 kt for a total price of 19,657,728.0K rubles (inclusive of VAT)	Transaction price – 19,657,728.0K rubles (inclusive of VAT)	June 19, 2013
11	Sale by Rosneft (seller) to TNK Trade Limited (buyer) of fuel oil on FOB Baltic Sea Port terms in a volume of 3,500.0 kt for a total price of 75,398,400.0K rubles (inclusive of VAT)	Transaction price – 75,398,400.0K rubles (inclusive of VAT)	June 19, 2013
12	Sale by Rosneft (seller) to TNK Trade Limited (buyer) of crude oil on FOB terms in a volume of 2,750.0 kt for a total price of 76,560,000.0K rubles (inclusive of VAT)	Transaction price – 76,560,000.0K rubles (inclusive of VAT)	June 19, 2013
13	Sale by Rosneft (seller) to TNK Trade Limited (buyer) of crude oil on DAF terms in a volume of 2,750.0 kt for a total price of 76,560,000.0K rubles (inclusive of VAT)	Transaction price – 76,560,000.0K rubles (inclusive of VAT)	June 19, 2013
TRANSACTIONS WHERE ROSNEFT TRADE LIMITED (TNK TRADE LIMITED PRIOR TO NOVEMBER 5, 2013) AND BP OIL INTERNATIONAL LIMITED (UK) IS A PARTY			
Persons/entities related to the transactions: R. Dudley (since June 20, 2013) – Member of the Board of Directors of Rosneft (the Subsidiary is an affiliate of R. Dudley and a party to the transactions); D. Casimiro (since March 21, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of Rosneft Trade Limited, which is a party to the transactions			
1	Acceptance by Rosneft (new supplier) from TNK Trade Limited (supplier) of the rights and responsibilities of the supplier under a contract with BP Oil International Limited (buyer) for supply of fuel oil in a volume of 1,200.0 kt for a total price of 25,850,880.0K rubles	Transaction price – 25,850,880.0K rubles	August 30, 2013
2	Acceptance by Rosneft (new supplier) from TNK Trade Limited (supplier) of the rights and responsibilities of the supplier under a contract with BP Oil International Limited (buyer) for supply of vacuum gasoil in a volume of 720.0 kt for a total price of 19,657,728.0K rubles	Transaction price – 19,657,728.0K rubles	August 30, 2013
3	Acceptance by Rosneft (new supplier) from TNK Trade Limited (supplier) of the rights and responsibilities of the supplier under a contract with BP Oil International Limited (buyer) for supply of straight-run gasoline (naphtha) in a volume of 52.5 kt for a total price of 1,747,872.0K rubles (inclusive of VAT)	Transaction price – 1,747,872.0K rubles (inclusive of VAT)	August 30, 2013
4	Acceptance by Rosneft (new supplier) from TNK Trade Limited (supplier) of the rights and responsibilities of the supplier under a contract with BP Oil International Limited (buyer) for supply of diesel fuel in a volume of 300.0 kt for a total price of 9,941,760.0K rubles (inclusive of VAT)	Transaction price – 9,941,760.0K rubles (inclusive of VAT)	August 30, 2013
TRANSACTIONS WHERE ROSNEFT TRADE LIMITED (TNK TRADE LIMITED PRIOR TO NOVEMBER 5, 2013) AND DAXIN PETROLEUM PTE LTD. IS A PARTY			
Person/entity related to the transactions: D. Casimiro (since March 21, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of Rosneft Trade Limited, which is a party to the transactions			

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
1	Acceptance by Rosneft (new supplier) from TNK Trade Limited (supplier) of the rights and responsibilities of the supplier under a contract with DAXIN PETROLEUM PTE LTD. (buyer) for supply of straight-run gasoline (naphtha) in a volume of 80.0 kt for a total price of 2,663,424.0K rubles (inclusive of VAT)	Transaction price – 2,663,424.0K rubles (inclusive of VAT)	August 30, 2013
TRANSACTIONS WHERE ROSNEFT TRADE LIMITED (TNK TRADE LIMITED PRIOR TO NOVEMBER 5, 2013) AND ENI TRADING AND SHIPPING S.P.A. IS A PARTY			
Person/entity related to the transactions: D. Casimiro (since March 21, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of Rosneft Trade Limited, which is a party to the transactions			
1	Acceptance by Rosneft (new supplier) from TNK Trade Limited (supplier) of the rights and responsibilities of the supplier under a contract with ENI TRADING AND SHIPPING S.P.A (buyer) for supply of crude oil in a volume of 1,056.0 kt for a total price of 29,399,040.0K rubles (inclusive of VAT)	Transaction price – 29,399,040.0K rubles (inclusive of VAT)	August 30, 2013
TRANSACTIONS WHERE ROSNEFT TRADE LIMITED (TNK TRADE LIMITED PRIOR TO NOVEMBER 5, 2013) AND GALAXY ENERGY INTERNATIONAL LIMITED IS A PARTY			
Person/entity related to the transactions: D. Casimiro (since March 21, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of Rosneft Trade Limited, which is a party to the transactions			
1	Acceptance by Rosneft (new supplier) from TNK Trade Limited (supplier) of the rights and responsibilities of the supplier under a contract with GALAXY ENERGY INTERNATIONAL LIMITED (buyer) for supply of fuel oil in a volume of 1,200.0 kt for a total price of 25,850,880.0K rubles	Transaction price – 25,850,880.0K rubles	August 30, 2013
TRANSACTIONS WHERE ROSNEFT TRADE LIMITED (TNK TRADE LIMITED PRIOR TO NOVEMBER 5, 2013) AND GUNVOR S.A. IS A PARTY			
Person/entity related to the transactions: D. Casimiro (since March 21, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of Rosneft Trade Limited, which is a party to the transactions			
1	Acceptance by Rosneft (new supplier) from TNK Trade Limited (supplier) of the rights and responsibilities of the supplier under a contract with GUNVOR S.A. (buyer) for supply of fuel oil in a volume of 1,380.0 kt for a total price of 29,728,512.0K rubles	Transaction price – 29,728,512.0K rubles	August 30, 2013
2	Acceptance by Rosneft (new supplier) from TNK Trade Limited (supplier) of the rights and responsibilities of the supplier under a contract with GUNVOR S.A. (buyer) for supply of straight-run gasoline (naphtha) in a volume of 426 kt for a total price of 14,182,732.800K rubles (inclusive of VAT)	Transaction price – 14,182,732.800K rubles (inclusive of VAT)	August 30, 2013
TRANSACTIONS WHERE ROSNEFT TRADE LIMITED (TNK TRADE LIMITED PRIOR TO NOVEMBER 5, 2013) AND HOLT GLOBAL LIMITED IS A PARTY			
Person/entity related to the transactions: D. Casimiro (since March 21, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of Rosneft Trade Limited, which is a party to the transactions			
1	Acceptance by Rosneft (new supplier) from TNK Trade Limited (supplier) of the rights and responsibilities of the supplier under a contract with Holt Global Limited (buyer) for supply of fuel oil in a volume of 3,600.0 kt for a total price of 77,552,640.0K rubles	Transaction price – 77,552,640.0K rubles	August 30, 2013
TRANSACTIONS WHERE ROSNEFT TRADE LIMITED (TNK TRADE LIMITED PRIOR TO NOVEMBER 5, 2013) AND SHELL INTERNATIONAL TRADING AND SHIPPING COMPANY LIMITED IS A PARTY			
Person/entity related to the transactions: D. Casimiro (since March 21, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of Rosneft Trade Limited, which is a party to the transactions			
1	Acceptance by Rosneft (new supplier) from TNK Trade Limited (supplier) of the rights and responsibilities of the supplier under a contract with SHELL INTERNATIONAL TRADING AND SHIPPING COMPANY LIMITED (buyer) for supply of crude oil in a volume of 1,188.0 kt for a total price of 33,073,920.0K rubles (inclusive of VAT)	Transaction price – 33,073,920.0K rubles (inclusive of VAT)	August 30, 2013
TRANSACTIONS WHERE ROSNEFT TRADE LIMITED (TNK TRADE LIMITED PRIOR TO NOVEMBER 5, 2013) AND SMANN S.A. IS A PARTY			
Person/entity related to the transactions: D. Casimiro (since March 21, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of Rosneft Trade Limited, which is a party to the transactions			
1	Acceptance by Rosneft (new supplier) from TNK Trade Limited (supplier) of the rights and responsibilities of the supplier under a contract with Smann S.A. (buyer) for supply of straight-run gasoline (naphtha) in a volume of 10.0 kt for a total price of 332,928.0K rubles (inclusive of VAT)	Transaction price – 332,928.0K rubles (inclusive of VAT)	August 30, 2013
TRANSACTIONS WHERE ROSNEFT TRADE LIMITED (TNK TRADE LIMITED PRIOR TO NOVEMBER 5, 2013) AND STATOIL ASA IS A PARTY			
Person/entity related to the transactions: D. Casimiro (since March 21, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of Rosneft Trade Limited, which is a party to the transactions			
1	Acceptance by Rosneft (new supplier) from TNK Trade Limited (supplier) of the rights and responsibilities of the supplier under a contract with STATOIL ASA (buyer) for supply of crude oil in a volume of 1,980.0 kt for a total price of 55,123,200.0K rubles (inclusive of VAT)	Transaction price – 55,123,200.0K rubles (inclusive of VAT)	August 30, 2013
TRANSACTIONS WHERE ROSNEFT TRADE LIMITED (TNK TRADE LIMITED PRIOR TO NOVEMBER 5, 2013) AND SVL COMMODITIES LTD. IS A PARTY			
Person/entity related to the transactions: D. Casimiro (since March 21, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of Rosneft Trade Limited, which is a party to the transactions			
1	Acceptance by Rosneft (new principal) from TNK Trade Limited (principal) of the rights and responsibilities of the principal under a contract with SVL Commodities Ltd. (agent) for arranging offshore transshipment with engagement of storage tankers. The total volume of petroleum products to be transhipped may be up to 1,750.0 kt with the total contract value of up to 435,600.0K rubles (inclusive of VAT)	Transaction price – 435,600.0K rubles (inclusive of VAT)	August 30, 2013
2	Acceptance by Rosneft (new principal) from TNK Trade Limited (principal) of the rights and responsibilities of the principal under a contract with SVL Commodities Ltd. (agent) for arrangement of transportation. The total volume of petroleum products to be transported may be up to 440.0 kt with the total contract value of up to 246,600.0K rubles (inclusive of VAT)	Transaction price – 246,600.0K rubles (inclusive of VAT)	August 30, 2013
3	Acceptance by Rosneft (new principal) from TNK Trade Limited (principal) of the rights and responsibilities of the principal with simultaneous acceptance by SVL Commodities Ltd. (new agent) of the rights and responsibilities of the agent under a contract with SVL Activ Trading Ltd. (agent) for cargo transportation. The total volume of petroleum products to be transported may be up to 1,040.0 kt with the total contract value of up to 1,357,620.0K rubles (inclusive of VAT)	Transaction price – 1,357,620.0K rubles (inclusive of VAT)	August 30, 2013
TRANSACTIONS WHERE ROSNEFT TRADE LIMITED (TNK TRADE LIMITED PRIOR TO NOVEMBER 5, 2013) AND TINTRADE LTD. IS A PARTY			
Person/entity related to the transactions: D. Casimiro (since March 21, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of Rosneft Trade Limited, which is a party to the transactions			
1	Acceptance by Rosneft (new supplier) from TNK Trade Limited (supplier) of the rights and responsibilities of the supplier under a contract with Tintrade Ltd. (buyer) for supply of vacuum gasoil in a volume of 540.0 kt for a total price of 14,743,296.0K rubles (inclusive of VAT)	Transaction price – 14,743,296.0K rubles (inclusive of VAT)	August 30, 2013
TRANSACTIONS WHERE ROSNEFT TRADE LIMITED (TNK TRADE LIMITED PRIOR TO NOVEMBER 5, 2013) AND TOTS SA TOTAL OIL TRADING SA IS A PARTY			
Person/entity related to the transactions: D. Casimiro (since March 21, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of Rosneft Trade Limited, which is a party to the transactions			
1	Acceptance by Rosneft (new supplier) from TNK Trade Limited (supplier) of the rights and responsibilities of the supplier under a contract with TOTS SA Total Oil Trading SA (buyer) for supply of crude oil in a volume of 1,980.0 kt for a total price of 55,123,200.0K rubles (inclusive of VAT)	Transaction price – 55,123,200.0K rubles (inclusive of VAT)	August 30, 2013

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
2	Acceptance by Rosneft (new supplier) from TNK Trade Limited (supplier) of the rights and responsibilities of the supplier under a contract with TOTSA Total Oil Trading SA (buyer) for fuel oil in a volume of 630.0 kt for a total price of 13,571,712.0K rubles (inclusive of VAT)	Transaction price – 13,571,712.0K rubles (inclusive of VAT)	August 30, 2013
TRANSACTIONS WHERE ROSNEFT TRADE LIMITED (TNK TRADE LIMITED PRIOR TO NOVEMBER 5, 2013) AND TRAFIGURA PTE LTD. IS A PARTY			
Person/entity related to the transactions: D. Casimiro (since March 21, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of Rosneft Trade Limited, which is a party to the transactions			
1	Acceptance by Rosneft (new supplier) from TNK Trade Limited (supplier) of the rights and responsibilities of the supplier under a contract with Trafigura Pte Ltd (buyer) for supply of crude oil in a volume of 1,320.0 kt for a total price of 36,748,800.0K rubles (inclusive of VAT)	Transaction price – 36,748,800.0K rubles (inclusive of VAT)	August 30, 2013
TRANSACTIONS WHERE ROSNEFT TRADE LIMITED (TNK TRADE LIMITED PRIOR TO NOVEMBER 5, 2013) AND VITOL S.A. IS A PARTY			
Person/entity related to the transactions: D. Casimiro (since March 21, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of Rosneft Trade Limited, which is a party to the transactions			
1	Acceptance by Rosneft (new supplier) from TNK Trade Limited (supplier) of the rights and responsibilities of the supplier under a contract with Viton S.A. (buyer) for supply of straight-run gasoline (naphtha) in a volume of 440.0 kt for a total price of 14,648,832.0K rubles (inclusive of VAT)	Transaction price – 14,648,832.0K rubles (inclusive of VAT)	August 30, 2013
2	Acceptance by Rosneft (new supplier) from TNK Trade Limited (supplier) of the rights and responsibilities of the supplier under a contract with Viton S.A. (buyer) for supply of diesel fuel in a volume of 300.0 kt for a total price of 9,941,760.0K rubles (inclusive of VAT)	Transaction price – 9,941,760.0K rubles (inclusive of VAT)	August 30, 2013
TRANSACTIONS WHERE ROSNEFT FINANCE S.A. (TNK-BP FINANCE S.A. PRIOR TO JUNE 11, 2013) IS A PARTY			
Person/entity related to the transactions: P.I. Lazarev (since March 21, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of Rosneft Finance S.A., which is a party to the transactions			
1	Procurement by Rosneft (borrower) of interest-bearing loans from TNK-BP Finance S.A. (lender) in an amount of up to US\$ 1,200,000.0K for a term of up to 5 years. The total transaction value inclusive of the interest will be up to US\$ 1,500,000.0K	Transaction price – US\$ 1,500,000.0K	March 21, 2013
TRANSACTIONS WHERE ROSNEFT INTERNATIONAL HOLDINGS LIMITED (TNK-BP INTERNATIONAL LIMITED PRIOR TO JUNE 6, 2013, TNK INTERNATIONAL LIMITED FROM JUNE 6, 2013 TO JUNE 28, 2013) IS A PARTY			
Persons/entities related to the transactions: E.Yu. Khudainatov (from March 21, 2013 to September 18, 2013) – Deputy Chairman of the Rosneft Management Board, Member of the Board of Directors of Rosneft International Holdings Limited, which is a party to the transactions; P.I. Lazarev (since March 21, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of Rosneft International Holdings Limited, which is a party to the transactions			
1	Procurement by Rosneft (borrower) of interest-bearing loans from TNK-BP International Limited (lender) in an amount of up to US\$ 1,200,000.0K for a term of up to 5 years. The total transaction value inclusive of the interest will be up to US\$ 1,500,000.0K	Transaction price – US\$ 1,500,000.0K	March 21, 2013
TRANSACTIONS WHERE TOC INVESTMENTS CORPORATION IS A PARTY			
Person/entity related to the transactions: P.I. Lazarev (since March 21, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of TOC Investments Corporation, which is a party to the transactions			
1	Procurement by Rosneft (borrower) of interest-bearing loans from TOC Investments Corporation (lender) in an amount of up to US\$ 1,200,000.0K for a term of up to 5 years. The total transaction value inclusive of the interest will be up to US\$ 1,500,000.0K	Transaction price – US\$ 1,500,000.0K	March 21, 2013
TRANSACTIONS WHERE BARENTSMORNEFTEGAZ S.A R.L. IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Provision by Rosneft (contractor) of services to Barentsmorneftegaz S.A R.L. (customer) in the area of general project management; carrying out geological and geophysical studies; supervision, engineering, planning, management and execution of drilling works; keeping of financial and tax accounts, government relations, public relations support; legal services; health, safety and environment; other services. The transaction has no valuation	Transaction price – the transaction has no valuation	June 19, 2013
TRANSACTIONS WHERE KARMORNEFTEGAZ S.A R.L. IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Provision by Rosneft (contractor) of services to Karmorneftegaz S.A R.L. (customer) in the area of carrying out geological and geophysical studies; keeping of financial and tax accounts, government relations, health, safety and environment; public relations support; legal services; other services. The transaction has no valuation.	Transaction price – the transaction has no valuation	June 19, 2013
TRANSACTIONS WHERE KASHEVARMORNEFTEGAZ S.A R.L. IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Granting by Rosneft (lender), upon completion of the exploration period, of loans to Kashevarmorneftegaz S.A R.L. (borrower) in an amount of 66.67% of the required funding of the expenditures to create the auxiliary assets associated with development and production in the framework of the Kashevarovskiy project. The total transaction value inclusive of the interest will not exceed 2% of the book value of the Rosneft assets	Transaction price – 66.67% of the required funding of the expenditures to create the auxiliary assets associated with development and production in the framework of the Kashevarovskiy project	September 12, 2013
2	Provision by Rosneft (contractor) of services to Kashevarmorneftegaz S.A R.L. (operator) in the matters of management, coordination activity, health and environment, government and other external relations, information technology, security, support services and other matters of the activity of Kashevarmorneftegaz S.A R.L. by detaching the Rosneft personnel to work in an agreed location for an agreed period of time for a compensation in an amount of max. 250.0 mln rubles per year and max. 750.0 mln rubles for the exploration period	Transaction price – max. 250.0 mln rubles per year and max. 750.0 mln rubles for the exploration period	December 24, 2013
2	Change in the terms and conditions of the transaction for provision to Kashevarmorneftegaz S.A R.L. (operator) of the services of Rosneft (license holder) in the framework of implementation of the project on the Kashevarovskiy license area in the Sea of Okhotsk regarding an update of the provisions on the liability of Kashevarmorneftegaz S.A R.L. to Rosneft (without changing the price for the services provided by the operator)	Transaction price – the change to the terms and conditions of the transaction does not entail a change of the price for the services provided by the operator	December 24, 2013
TRANSACTIONS WHERE LISYANSKMORNEFTEGAZ S.A R.L. IS A PARTY			

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Granting by Rosneft (lender), upon completion of the exploration period, of loans to Lisianskmorneftegaz S.A R.L. (borrower) in an amount of 66.67% of the required funding of the expenditures to create the auxiliary assets associated with development and production in the framework of the Lisianskiy project. The total transaction value inclusive of the interest will not exceed 2% of the book value of the Rosneft assets	Transaction price – 66.67% of the required funding of the expenditures to create the auxiliary assets associated with development and production in the framework of the Lisianskiy project	September 12, 2013
2	Provision by Rosneft (contractor) of services to Lisianskmorneftegaz S.A R.L. (operator) in the matters of management, coordination activity, health and environment, government and other external relations, information technology, security, support services and other matters of the activity of Lisianskmorneftegaz S.A R.L. by detaching the Rosneft personnel to work in an agreed location for an agreed period of time for a compensation in an amount of max. 250.0 mln rubles per year and max. 750.0 mln rubles for the exploration period	Transaction price – max. 250.0 mln rubles per year and max. 750.0 mln rubles for the exploration period	December 24, 2013
3	Change in the terms and conditions of the transaction for provision to Lisianskmorneftegaz S.A R.L. (operator) of the services of Rosneft (license holder) in the framework of implementation of the project on the Lisianskiy license area in the Sea of Okhotsk regarding an update of the provisions on the liability of Lisianskmorneftegaz S.A R.L. to Rosneft (without changing the price for the services provided by the operator)	Transaction price – the change to the terms and conditions of the transaction does not entail a change of the price for the services provided by the operator	December 24, 2013
TRANSACTIONS WHERE MAGADANMORNEFTEGAZ S.A R.L. IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Granting by Rosneft (lender), upon completion of the exploration period, of loans to Magadanmorneftegaz S.A R.L. (borrower) in an amount of 66.67% of the required funding of the expenditures to create the auxiliary assets associated with development and production in the framework of the Magadan 1 project. The total transaction value inclusive of the interest will not exceed 2% of the book value of the Rosneft assets	Transaction price – 66.67% of the required funding of the expenditures to create the auxiliary assets associated with development and production in the framework of the Magadan 1 project	September 12, 2013
2	Provision by Rosneft (contractor) of services to Magadanmorneftegaz S.A R.L. (operator) in the matters of management, coordination activity, health and environment, government and other external relations, information technology, security, support services and other matters of the activity of Magadanmorneftegaz S.A R.L. by detaching the Rosneft personnel to work in an agreed location for an agreed period of time for a compensation in an amount of max. 250.0 mln rubles per year and max. 750.0 mln rubles for the exploration period	Transaction price – max. 250.0 mln rubles per year and max. 750.0 mln rubles for the exploration period	December 24, 2013
3	Change in the terms and conditions of the transaction for provision to Magadanmorneftegaz S.A R.L. (operator) of the services of Rosneft (license holder) in the framework of implementation of the project on the Magadan-1 license area in the Sea of Okhotsk regarding an update of the provisions on the liability of Magadanmorneftegaz S.A R.L. to Rosneft (without changing the price for the services provided by the operator)	Transaction price – the change to the terms and conditions of the transaction does not entail a change of the price for the services provided by the operator	December 24, 2013
TRANSACTIONS WHERE PERSEIMORNEFTEGAZ S.A R.L. IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Granting by Rosneft (lender), upon completion of the exploration period, of loans to Perseimorneftegaz S.A R.L. (borrower) in an amount of 66.67% of the required funding of the expenditures to create the auxiliary assets associated with development and production in the framework of a project in the Barents Sea. The total transaction value inclusive of the interest will not exceed 2% of the book value of the Rosneft assets	Transaction price – 66.67% of the required funding of the expenditures to create the auxiliary assets associated with development and production in the framework of a project in the Barents Sea	September 12, 2013
2	Provision by Rosneft (contractor) of services to Perseimorneftegaz S.A R.L. (operator) in the matters of management, coordination activity, health and environment, government and other external relations, information technology, security, support services and other matters of the activity of Perseimorneftegaz S.A R.L. by detaching the Rosneft personnel to work in an agreed location for an agreed period of time for a compensation in an amount of max. 250.0 mln rubles per year and max. 750.0 mln rubles for the exploration period	Transaction price – max. 250.0 mln rubles per year and max. 750.0 mln rubles for the exploration period	December 24, 2013
3	Change in the terms and conditions of the transactions for provision to Perseimorneftegaz S.A R.L. (operator) of the services of Rosneft (license holder) in the framework of implementation of the project on the Perseevskiy license area in the Barents Sea regarding an update of the provisions on the liability of Perseimorneftegaz S.A R.L. to Rosneft (without changing the price for the services provided by the operator)	Transaction price – the change to the terms and conditions of the transaction does not entail a change of the price for the services provided by the operator	December 24, 2013
TRANSACTIONS WHERE TRIZNEFT PILOT S.A R.L. IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Transfer by Rosneft (license owner) to Trizneft Pilot S.A R.L. (operator) of the exclusive right to implement a program of pilot works on the Achimov and Bazhenov deposits in West Siberian license areas and receipt by Rosneft (license owner) from Trizneft Pilot S.A R.L. (operator) of the operational services related to horizontal wells, consulting services related to vertical wells, services for carrying out geological/geophysical surveys and evaluation	Transaction price –	December 10, 2013

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
2	Procurement by Rosneft (borrower) of a loan from Trizneft Pilot S.A R.L. (lender) in an amount that is required to cover the expenditures incurred by Rosneft to implement the Pilot Work Program in accordance with the terms and conditions of the Shareholding and Operating Agreement with payout of the principal debt and accrued interest from subsequent revenues subject to Project success	Transaction price –	December 10, 2013
3	Provision by Rosneft (contractor) of the services to Trizneft Pilot S.A R.L. (operator) in accordance with separate service memorandums to contain the lists and price for the services to be provided	Transaction price – the transaction has no valuation at the time of making (the price for the services shall be determined in accordance with separate service memorandums)	December 10, 2013
4	Provision by Rosneft (contractor) of the services to Trizneft Pilot S.A R.L. (operator) for staffing in accordance with separate specifications to contain the purpose and scope of the services, service period, headcount and the required skills, knowledge and experience of the personnel and the location where the services are to be provided	Transaction price – the transaction has no valuation at the time of making (the price for the services shall be determined in accordance with separate specifications)	December 10, 2013
TRANSACTIONS WHERE TUAPSEMORNEFTEGAZ S.A R.L. IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Provision by Rosneft (contractor) of services to Tuapsemorneftegaz S.A R.L. (customer) in the area of carrying out geological and geophysical studies; keeping of financial and tax accounts, government relations, public relations support; legal services; health, safety and environment; other services. The transaction has no valuation	Transaction price – the transaction has no valuation	June 19, 2013
TRANSACTIONS WHERE FEDYNSKMORNEFTEGAZ S.A R.L. IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Provision by Rosneft (contractor) of services to Fedynskmorneftegaz S.A R.L. (customer) in the area of general project management; carrying out geological and geophysical studies; supervision, engineering, planning, management and execution of drilling works; keeping of financial and tax accounts, government relations, public relations support; legal services; health, safety and environment; other services. The transaction has no valuation	Transaction price – the transaction has no valuation	June 19, 2013
TRANSACTIONS WHERE SHATSKMORNEFTEGAZ S.A R.L. IS A PARTY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Provision by Rosneft (contractor) of services to Shatskmorneftegaz S.A R.L. (customer) in the area of general project management; carrying out geological and geophysical studies; supervision, engineering, planning, management and execution of drilling works; keeping of financial and tax accounts, government relations, health, safety and environment, public relations support; legal services; other services. The transaction has no valuation	Transaction price – the transaction has no valuation	June 19, 2013
TRANSACTIONS WHERE AERO-UTK LIMITED IS A PARTY AND LLC BATO, LLC RN-AERO AND LLC RN-TRADE ARE BENEFICIARIES			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Provision by Rosneft (guarantor) to AERO-UTK LIMITED (seller) of a guarantee of proper fulfillment by LLC RN-Aero and LLC RN-Trade (buyers) of all commitments, guarantees and obligations to indemnify (indemnity) under all documents on the transaction and acceptance by Rosneft of a commitment to secure fulfillment by LLC BATO (principal) of the requirements to make the minimum concession payments in favor of OJSC Aeroport Anapa, OJSC Mezhdunarodnyi Aeroport Krasnodar and OJSC Mezhdunarodnyi Aeroport Sochi and other commitments associated with the existing concession agreements. Guarantee amount – 6,966,117.0K rubles (inclusive of VAT)	Transaction price – 6,966,117.0K rubles (inclusive of VAT)	May 28, 2013
TRANSACTIONS WHERE BP OIL INTERNATIONAL LIMITED (UK) IS A PARTY			
Person/entity related to the transactions: R. Dudley (since June 20, 2013) – Member of the Board of Directors of Rosneft (the Subsidiary is an affiliate of R. Dudley and a party to the transactions)			
1	Supply by Rosneft (supplier) of Urals crude to BP Oil International Limited (buyer) in a volume of up to 3,000.0 kt (+/-5%) for a total price of up to US\$ 2,400,000.0K on FOB Primorsk Port terms	Transaction price – US\$ 2,400,000.0K	September 30, 2013
2	Supply by Rosneft (supplier) of Urals crude to BP Oil International Limited (buyer) in a volume of up to 1,680.0 kt (+/-5%) for a total price of up to US\$ 1,344,000.0K on FOB Novorossiysk Port terms	Transaction price – US\$ 1,344,000.0K	September 30, 2013
3	Supply by Rosneft (supplier) of fuel oil to BP Oil International Limited (buyer) in a volume of up to 840.0 kt for a total price of up to US\$ 620,000.0K on FOB Tuapse Port terms	Transaction price – US\$ 620,000.0K	September 30, 2013
4	Supply by Rosneft (supplier) to BP Oil International Limited (buyer) of straight-run gasoline (Naphtha) in a volume of up to 60.0 kt for a total price of up to US\$ 65,000.0K on FOB Tuapse terms	Transaction price – US\$ 65,000.0K	November 8, 2013
5	Supply by Rosneft (supplier) to BP Oil International Limited (buyer) of fuel oil in a volume of up to 2,040.0 kt for a total price of up to US\$ 1,615,000.0K on FOB Ust-Luga terms	Transaction price – US\$ 1,615,000.0K	November 8, 2013
6	Supply by Rosneft (supplier) to BP Oil International Limited (buyer) of diesel fuel in a volume of up to 1,440.0 kt for a total price of up to US\$ 1,770,000.0K on FOB Tuapse Port terms	Transaction price – US\$ 1,770,000.0K	November 8, 2013
7	Supply by Rosneft (supplier) to BP Oil International Limited (buyer) of Euro diesel fuel (10 ppm) in a volume of up to 1,800.0 kt for a total price of up to US\$ 1,900,000.0K on FOB Primorsk terms	Transaction price – US\$ 1,900,000.0K	November 30, 2013
8	Supply by Rosneft (supplier) to BP Oil International Limited (buyer) of straight-run gasoline (Naphtha) in a volume of up to 660.0 kt for a total price of up to US\$ 700,000.0K on FOB Tuapse Port terms	Transaction price – US\$ 700,000.0K	December 24, 2013
9	Supply by Rosneft (supplier) to BP Oil International Limited (buyer) of fuel oil in a volume of up to 1,260.0 kt for a total price of up to US\$ 940,275.0K on FOB Tuapse terms	Transaction price – US\$ 940,275.0K	December 24, 2013
10	Supply by Rosneft (supplier) to BP Oil International Limited (buyer) of vacuum gasoil in a volume of up to 1,323.0 kt for a total price of up to US\$ 1,232,000.0K on FOB Black Sea Ports/FOB Storage Tanker terms	Transaction price – US\$ 1,232,000.0K	December 24, 2013
TRANSACTIONS WHERE BP SINGAPORE PTE. LIMITED (SINGAPORE) IS A PARTY			
Person/entity related to the transactions: R. Dudley (since June 20, 2013) – Member of the Board of Directors of Rosneft (the Subsidiary is an affiliate of R. Dudley and a party to the transactions)			
1	Supply by Rosneft (supplier) of fuel oil to BP Singapore Pte. Limited in a volume of up to 1,100.0 kt for a total price of up to US\$ 920,000.0K on FOB Nakhodka Port terms	Transaction price – US\$ 920,000.0K	September 30, 2013

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
2	Supply by Rosneft (supplier) to BP Singapore Pte. Ltd. (buyer) of fuel oil in a volume of up to 3,200.0 kt for a total price of up to US\$ 2,634,656.0K on FOB Nakhodka and/or FOB Vanino terms	Transaction price – US\$ 2,634,656.0K	November 8, 2013
3	Supply by Rosneft (supplier) to BP Singapore PTE Ltd. (buyer) of crude oil in a volume of up to 200.0 kt for a total price of up to US\$ 175,000.0K on FOB Kozmino Port terms	Transaction price – US\$ 175,000.0K	November 30, 2013
4	Supply by Rosneft (supplier) to BP Singapore PTE Ltd. (buyer) of crude oil in a volume of up to 200.0 kt for a total price of up to US\$ 170,000.0K on FOB Kozmino Port terms	Transaction price – US\$ 170,000.0K	November 30, 2013
TRANSACTIONS WHERE LLC NEFTEPROMLEASING IS A BENEFICIARY			
Person/entity related to the transactions: P.I. Lazarev – Member of the Rosneft Management Board, Chairman of the Supervisory Board of LLC Neftepromleasings, which is a party to the transactions			
1	Provision by Rosneft (surety) of a suretyship to OJSC Nordea Bank (lender) for LLC Neftepromleasings for fulfillment by LLC Neftepromleasings of its obligations to OJSC Nordea Bank arising from an agreement on opening of a borrowing line in an amount of US\$ 160,000.0K for a term of 5 years. The total transaction value inclusive of the commission fee and interest will be US\$ 180,800.0K	Transaction price – US\$ 180,800.0K	December 10, 2013
TRANSACTIONS WHERE RN NORDIC OIL AS IS A BENEFICIARY			
Person/entity related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Provision by Rosneft (guarantor) to the state and municipal authorities of Norway (lenders) of the guarantees with regard to fulfillment of the obligations of RN Nordic Oil AS (beneficiary) in connection with the use of subsoil on the Norwegian continental shelf. Transaction price – 22,209,000.0K rubles	Transaction price – 22,209,000.0K rubles	May 31, 2013
TRANSACTIONS WHERE UCPGP IV LIMITED IS A PARTY			
Person/entity related to the transactions: I.V. Scherbovich (until June 20, 2013) – Member of the Board of Directors of Rosneft who owns in excess of 20% of the voting shares/stakes/interests in UCPGP IV Limited, which is a party to the transaction			
1	Change in the terms and conditions of the transaction for provision by UCPGP IV Limited (manager) of the services to Rosneft (client) for asset management regarding an increase of the total value of the assets handed over for management to 31,258,650.0K rubles	Transaction price – 31,258,650.0K rubles	June 19, 2013
TRANSACTIONS WHERE OJSC BANK VTB IS A PARTY			
Persons/entities related to the transactions: M. Warnig – Member of the Board of Directors of Rosneft, Member of the Supervisory Board of OJSC Bank VTB, which is a party to the transactions; A.L. Kostin (since June 20, 2013) – Deputy Chairman of the Board of Directors of Rosneft, President – Chairman of the Management Board, Member of the Supervisory Board of OJSC Bank VTB, which is a party to the transactions			
1	Making by Rosneft of the following interlinked transactions for the total value of US\$ 1,592,528.0 (inclusive of VAT) aimed at providing the technical possibilities for Rosneft to carry out the settlements under the Loan Agreement dated March 22, 2013 with the China Development Bank Corporation: Bank Account Pledge Agreement between Rosneft, OJSC Bank VTB as pledgers and the China Development Bank Corporation as the security agent and account bank. The agreement has no valuation. Quadripartite Agreement between the China Development Bank Corporation as the agent, security agent and account bank, Rosneft as the borrower, OJSC Bank VTB as the passport bank and the China National Petroleum Corporation as the importer under the Sale/Purchase Agreement for 9,000,000 tons of crude oil per year dated February 17, 2009 and the Loan Agreement dated March 22, 2013. The agreement has no valuation. Supplementary Agreement to the Agency Agreement between OJSC Bank VTB as the agent and Rosneft as the principal for various purposes including an update to the composition of the loan documentation, the provisions on the procedure of write-off of money on the conditions of prior acceptance and the amount and procedure of payment of the agent's fee. The transaction (Supplementary Agreement) price is US\$ 1,592,528.0 (inclusive of VAT). Supplementary Agreement to the Foreign Currency Bank Account Agreement between OJSC Bank VTB as the bank and Rosneft as the client for various purposes including an update to the composition of the loan documentation and the provisions on the write-off of money from the bank account on the conditions of prior acceptance. The Supplementary Agreement has no valuation.	Transaction price – US\$ 1,592,528.0 (inclusive of VAT)	May 6, 2013
TRANSACTIONS WHERE OJSC AB ROSSIYA IS A PARTY			
Person/entity related to the transactions: M. Warnig – Member of the Board of Directors of Rosneft, Member of the Board of Directors of OJSC AB Rossiya, which is a party to the transactions			
1	Provision by OJSC AB ROSSIYA (bank) of the services to Rosneft (client) for opening a settlement account in Russian rubles and carrying out transactional banking for a compensation in an amount of up to 936.1K rubles per year (VAT exempt)	Transaction price –	August 2, 2013
2	Provision by OJSC AB ROSSIYA (bank) of the services to Rosneft (client) for opening a settlement account in foreign currency and a transit currency account and carrying out transactional banking for a compensation in an amount of 1,903.3K rubles per year (VAT exempt)	Transaction price –	August 2, 2013
TRANSACTIONS WHERE OJSC AK TRANSNEFT IS A PARTY			
Person/entity related to the transactions: M. Warnig – Member of the Board of Directors of Rosneft, Chairman of the Board of Directors of OJSC AK Transneft, which is a party to the transactions			
1	Provision by OJSC AK Transneft (contractor) of the services to Rosneft (customer) for transportation of petroleum products by the system of trunk product pipelines for export and to the domestic market in a volume of 4,274.6 kt for a compensation in an amount of 4,900,000.0K rubles (inclusive of VAT)	Transaction price – 4,900,000.0K rubles (inclusive of VAT)	December 24, 2012
2	Provision by OJSC AK Transneft (contractor) of the services to Rosneft (customer) associated with acceptance and pooled storage of crude oil in the tank farm of the trunk oil pipeline system of OJSC AK Transneft for a compensation in an amount of 14,000.0K rubles (inclusive of VAT)	Transaction price – 14,000.0K rubles (inclusive of VAT)	December 29, 2012
3	Provision by OJSC AK Transneft (contractor) of the information services to Rosneft (customer) associated with submission of operational reports on oil acceptance, processing and execution of routing orders and delivery of the customer's oil for a compensation in an amount of 24,029.2K rubles (inclusive of VAT)	Transaction price – 24,029.2K rubles (inclusive of VAT)	December 29, 2012
4	Provision by OJSC AK Transneft (contractor) of the services to Rosneft (customer) for compounding of high paraffin oil in a volume of up to 3,300.0 kt for a total amount of 428,340.0K rubles (inclusive of VAT)	Transaction price – 428,340.0K rubles (inclusive of VAT)	December 29, 2012
5	Provision by OJSC AK Transneft (contractor) of the services to Rosneft (customer) for compounding of high sulfur (heavy) and very high sulfur (bituminous) oil in a volume of up to 6,700.0 kt for a total amount of 893,260.0K rubles (inclusive of VAT)	Transaction price – 893,260.0K rubles (inclusive of VAT)	December 29, 2012
6	Provision by Rosneft of a guarantee to reimburse OJSC AK Transneft for the incurred expenditures in an amount of 2,180,940K rubles (inclusive of VAT) for design/survey works	Transaction price – 2,180,940K rubles (inclusive of VAT)	February 18, 2013
7	Making of interlinked non-arm's length transactions between Rosneft and OJSC AK Transneft: on cooperation for the purposes of increasing oil supplies to China by the Skovorodino-Mohe oil pipeline on establishment of a long-term tariff for payment by Rosneft for the services of OJSC AK Transneft for transportation of 46,800.0 kt of oil. The total price of the interlinked transactions is 5,974,999.6K rubles (inclusive of VAT)	Transaction price – 5,974,999.6K rubles (inclusive of VAT)	October 18, 2013

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
8	Change in the terms and conditions of the transaction on establishment of the tariff for payment by Rosneft for the services of OJSC AK Transneft for transportation of 12.0 mln tons of oil per year regarding an increase of the tariff rate and the total transaction value to 20,116,640.0K rubles (inclusive of VAT)	Transaction price – 20,116,640.0K rubles (inclusive of VAT)	October 18, 2013
9	Change in the terms and conditions of the transaction for provision by OJSC AK Transneft (contractor) of the information services to Rosneft (customer) for submission of operational reports on oil acceptance, processing and execution of routing orders, delivery of the Company's oil for a compensation in an amount of 24,029.2K rubles regarding an increase of the scope of provided services and the total compensation to 30,637.3K rubles (inclusive of VAT)	Transaction price – 30,637.3K rubles (inclusive of VAT)	November 8, 2013
10	Change in the terms and conditions of the transaction for provision by OJSC AK Transneft (contractor) of the services to Rosneft for transportation of petroleum products by the system of trunk product pipelines for export and to the domestic market in a volume of 4,274.6 kt regarding an increase of the volume of transported petroleum products to 6,413.4 kt and the compensation amount to 6,900,000.0K rubles (inclusive of VAT)	Transaction price – up to 6,900,000.0K rubles (inclusive of VAT)	November 8, 2013
11	Change in the terms and conditions of the transaction for provision by OJSC AK Transneft (contractor) of the services to Rosneft (customer) for arrangement of the services for acceptance and pooled storage of oil in the tank farm of the trunk oil pipeline system of OJSC AK Transneft for a compensation in an amount of 14,000.0K rubles (inclusive of VAT) regarding an increase of the scope of provided services and the total compensation to 45,000.0K rubles (inclusive of VAT)	Transaction price – 45,000.0K rubles (inclusive of VAT)	December 24, 2013

TRANSACTIONS WHERE OJCS GAZPROM IS A PARTY

Person/entity related to the transactions:

OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares whose affiliate, **Mr. A.I. Akimov**, Chairman of the Board of Directors of OJSC ROSNEFTEGAZ, is also Member of the Board of Directors of OJSC Gazprom, which is a party to the transactions

1	Change in the terms and conditions of the transaction for provision by OJSC Gazprom (contractor) of the services to Rosneft (customer) for transportation of gas by the Gazprom's GTS in the period from 2013 to 2015 in a volume of 6,902.0 mln cubic meters regarding an increase of the transported volume of gas to 11,964.0 mln cubic meters and the total compensation to 6,839,358K rubles (inclusive of VAT)	Transaction price – 6,839,358K rubles (inclusive of VAT)	August 30, 2013
2	Change in the terms and conditions of the transaction for provision by OJSC Gazprom (contractor) of the services to Rosneft (customer) for transportation of gas by the Gazprom's GTS in a volume of 11,964.0 mln cubic meters regarding an increase of the transported volume of gas to 30,775.09 mln cubic meters and the total compensation to 26,292,075.4K rubles (inclusive of VAT)	Transaction price – 26,292,075.4K rubles (inclusive of VAT)	December 24, 2013

TRANSACTIONS WHERE OJSC SOGAZ IS A PARTY

Person/entity related to the transactions:

OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares whose affiliate, **Mr. S.S Ivanov**, Member of the Board of Directors of OJSC ROSNEFTEGAZ, is also Chairman of the Management Board of OJSC SOGAZ, which is a party to the transactions

1	Provision by OJSC SOGAZ (insurer) of the services to Rosneft (policy holder) for insurance of the immovable assets owned by the Company for a period of 12 months. The total transaction value (insurance premium) is 240.0K rubles (VAT exempt)	Transaction price – 240.0K rubles (VAT exempt)	December 29, 2012
2	Provision by OJSC SOGAZ (insurer) of the services to Rosneft (policy holder) for insurance of liability for operation of an advertising structure on the face of the building located at: Moscow, 26/1-1 Sofiyskaya Emb., for a period of 12 months The total transaction value (insurance premium) is 7.5K rubles (VAT exempt)	Transaction price – 7.5K rubles (VAT exempt)	December 29, 2012
3	Provision by OJSC SOGAZ (insurer) of the services to Rosneft (policy holder) for voluntary health insurance of the employees, their family members and pensioners of Rosneft. Insurance period – 1 year. Total insurance premium – 150,000.0K rubles (VAT exempt)	Transaction price – 150,000.0K rubles (VAT exempt)	March 5, 2013
4	Change in the terms and conditions of the transaction for provision by OJSC SOGAZ (insurer) for an insurance premium in an amount of 129,267.002K rubles (VAT exempt) of the services to Rosneft (policy holder) services for voluntary health insurance of the employees, their family members and pensioners of Rosneft regarding a decrease of the headcount of the insured persons, insured sum and insurance premium to 128,909.271K rubles (VAT exempt)	Transaction price – 128,909.271K rubles (VAT exempt)	March 5, 2013
5	Change in the terms and conditions of the transaction for provision by OJSC SOGAZ (insurer) of the services to Rosneft (policy holder) for voluntary health insurance of the employees of the Rosneft Branch in the territory of the Chechen Republic regarding a decrease of the headcount of the insured persons, insured sum and insurance premium to 954.523K rubles (VAT exempt)	Transaction price – 954.523K rubles (VAT exempt)	May 31, 2013
6	Provision by OJSC SOGAZ (insurer) of the services to Rosneft (policy holder) for voluntary health insurance of the employees of the Rosneft Representative Office in Northern Caucasia. Insurance period – 1 year. Transaction value (insurance premium) – 428.0K rubles (VAT exempt)	Transaction price – 428.0K rubles (VAT exempt)	June 19, 2013
7	Provision by OJSC SOGAZ (insurer) of the services to Rosneft (policy holder) for voluntary health insurance of the employees of the Rosneft Branch in the territory of the Chechen Republic. Insurance period – 1 year. Transaction value (insurance premium) – 850.0K rubles (VAT exempt)	Transaction price – 850.0K rubles (VAT exempt)	June 19, 2013

Non-arm's length transactions endorsed by the Rosneft General Shareholders Meeting:

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
TRANSACTIONS WHERE CJSC VANKORNEFT IS A PARTY			
Person/entity related to the transactions:			
OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
1	Supply by CJSC Vankorneft (seller) to Rosneft (buyer) of crude oil in a volume of 25,600.0 kt for the maximum total price of up to 384,000,000.0K rubles (inclusive of VAT)	Transaction price – 384,000,000.0K rubles (inclusive of VAT)	June 20, 2013
TRANSACTIONS WHERE OJSC VBRR IS A PARTY			
Persons/entities related to the transactions:			
OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)			
L.V. Kalanda (until January 29, 2013) – Member of the Rosneft Management Board, Member of the Supervisory Board of OJSC VBRR, which is a party to the transactions			
S.I. Slavinskiy (since July 11, 2013) – Member of the Rosneft Management Board, Chairman of the Supervisory Board of OJSC VBRR, which is a party to the transactions			
P.I. Lazarev – Member of the Rosneft Management Board, Member of the Supervisory Board of OJSC VBRR, which is a party to the transactions			

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
1	<p>Making by Rosneft (client) in the framework of the General Agreement on the Universal Terms of Deposit Operations of the transactions with OJSC VBRR (bank) for placement by Rosneft of the money in rubles and/or US dollars and/or EURO for the total maximum amount of 493,000,000.0K rubles on the following terms and conditions:</p> <ul style="list-style-type: none"> term – from one day to three years; interest rate: <ul style="list-style-type: none"> – for rubles – at least equal to MosPrime (MIBOR) for the respective term minus 15%; – for US dollars – at least equal to Libor (US dollars) for the respective term minus 10%; – for EURO – at least equal to Libor (EURO) for the respective term minus 10% 	Transaction price – 493,000,000.0K rubles	June 20, 2013
2	<p>Making by Rosneft (client) in the framework of the General Agreement on the Universal Terms of Conversion Operations of the transactions with OJSC VBRR (bank) for sales/purchases of foreign currency (conversion operations) with the currency pairs of US dollar/ruble, EURO/ruble, EURO/US dollar for the total maximum amount of 476,000,000.0K rubles at the following exchange rates:</p> <ul style="list-style-type: none"> for the transactions with the US dollar/ruble pair – at least equal to weighted average rate at the MICEX-RTS for the day of settlement minus 0.7 rubles, for the transactions with the EURO/ruble pair – at least equal to the weighted average rate at the MICEX-RTS for the day of settlement minus 0.8 rubles, for the transactions with the EURO/US dollar pair – at least equal to the weighted average rate at the MICEX-RTS for the day of settlement minus EUR 0.05 	Transaction price – 476,000,000.0K rubles	June 20, 2013
3	<p>Making by Rosneft (client) of the transactions with OJSC VBRR (bank) for engagement by Rosneft of short-term loans in rubles and/or US dollars and/or EURO for the total maximum amount of 432,000,000.0K rubles on the following terms and conditions:</p> <ul style="list-style-type: none"> term: up to 30 days; interest rate: <ul style="list-style-type: none"> – for rubles – MosPrime (MIBOR) for the respective term plus 15% or less; – for US dollars – Libor for the respective term plus 10% or less; – for EURO – Libor (EURO) for the respective term plus 10% or less 	Transaction price – 432,000,000.0K rubles	June 20, 2013
4	<p>Making by Rosneft (client) with OJSC VBRR (bank) of the transactions for sale/purchase of options, forwards, option structures, mixed (forwards and options) structures for a total of 396,000,000.0K rubles or its equivalent in a foreign currency at the Russian Central Bank exchange rate for the date of the respective transaction on the following terms and conditions:</p> <ul style="list-style-type: none"> subject matter – hedging of currency and price risks for the basis assets; basis asset – currency pairs; economic result – fixing the prices for the basis assets at a level at least equal to the prices fixed in the Rosneft Business Plan for 2013 and 2014 term – up to one year 	Transaction price – 396,000,000.0K rubles	June 20, 2013
5	<p>Making of the transactions between Rosneft (client) and OJSC VBRR (bank) for REPO operations for a total of 100,000,000.0K rubles or its equivalent in a foreign currency at the Russian Central Bank exchange rate for the date of the respective transaction on the following terms and conditions:</p> <ul style="list-style-type: none"> subject matter – bilateral sale (purchase) of securities; yield – at least equal to the average deposit rate for the respective term based on an analysis of the proposals of at least four banks at the time of making the transaction; term – up to one year 	Transaction price – 100,000,000.0K rubles	June 20, 2013
6	<p>Making of transactions between Rosneft (client) and OJSC VBRR (bank) for sale/purchase of bonds, promissory notes for a total of 493,000,000.0K rubles or its equivalent in a foreign currency at the Russian Central Bank exchange rate for the date of the respective transaction on the following terms and conditions:</p> <ul style="list-style-type: none"> subject matter – bonds, promissory notes of various issuers; yield – at least equal to the average deposit rate for the respective term based on an analysis of the proposals of at least four banks at the time of making the transaction; term – up to one year 	Transaction price – 493,000,000.0K rubles	June 20, 2013

TRANSACTIONS WHERE OJSC RN HOLDING (OJSC TNK-BP HOLDING UNTIL JULY 30, 2013) ARE PARTIES

Persons/entities related to the transactions:

OJSC ROSNEFTEGAS (from March 21, 2013 to December 24, 2013) – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares whose affiliate, Mr. I.I. Sechin, Chairman of the Board of Directors of OJSC ROSNEFTEGAS, is also President of OJSC RN Management, managing organization of OJSC RN Holding, which is a party to the transactions; **I.I. Sechin** (from March 21, 2013 to December 24, 2013) – Member of the Board of Directors, President, Chairman of the Management Board of Rosneft, President of OJSC RN Management, managing organization of OJSC RN Holding, which is a party to the transactions; **E.Yu. Khudainatov** (from June 27, 2013 to September 18, 2013) – Deputy Chairman of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; **L.V. Kalanda** (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; **Yu.I. Kalinin** (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; **D. Casimiro** (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; **P.I. Lazarev** (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; **N.M. Mukhitov** (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; **Z. Runje** (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; **I.V. Pavlov** (since June 27, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; **I.V. Maydannik** (since July 19, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; **S.I. Slavinsky** (since September 18, 2013) – Member of the Rosneft Management Board, Member of the Board of Directors of OJSC RN Holding, which is a party to the transactions; **R.R. Sharipov** (since December 24, 2013) – Member of the Rosneft Management Board, President of OJSC RN Holding, which is a party to the transactions

1	Purchase by Rosneft (buyer) of crude oil from OJSC RN Holding (seller) in a volume of up to 72,000.0 kt for the maximum total price of up to 1,341,763,200.0K rubles (inclusive of VAT)	Transaction price – up to 1,341,763,200.0K rubles (inclusive of VAT)	June 20, 2013
2	Sale by Rosneft (seller) of crude oil to OJSC RN Holding (buyer) in a volume of up to 35,000.0 kt for the maximum total price of up to 667,146,200.0K rubles (inclusive of VAT)	Transaction price – up to 667,146,200.0K rubles (inclusive of VAT)	June 20, 2013

TRANSACTIONS WHERE LLC RN-YUGANSKNEFTEGAS IS A PARTY

Person/entity related to the transactions:

OJSC ROSNEFTEGAS – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAS and a party to the transactions)

1	<p>Provision by LLC RN-Yuganskneftegaz (contractor) of the services (performance of the works) for Rosneft (customer) for production of hydrocarbons in the oil and gas fields where the development licenses are owned by Rosneft including:</p> <ul style="list-style-type: none"> oil in a volume of 65,4511 kt, associated gas in a volume of 4,522.7 mln cubic meters <p>and handover of the produced hydrocarbon resources to Rosneft for subsequent sale for a compensation in the maximum total amount of up to 202,984,124.4K rubles (inclusive of VAT)</p>	Transaction price – up to 202,984,124.4K rubles (inclusive of VAT)	June 20, 2013
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#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
2	Transfer by Rosneft (lessor) for temporary possession and use (lease) to LLC RN-Yuganskneftegaz (lessee) of some fixed assets (pursuant to the list) owned by Rosneft for a fee in the maximum total amount of 96,000,000.0K rubles (inclusive of VAT)	Transaction price – 96,000,000.0K rubles (inclusive of VAT)	June 20, 2013
TRANSACTIONS WHERE OJSC AK TRANSNEFT IS A PARTY			
Person/entity related to the transactions: M. Warnig – Member of the Board of Directors of Rosneft, Chairman of the Board of Directors of OJSC AK Transneft, which is a party to the transactions			
1	Provision by OJSC AK Transneft (contractor) in 2014 of the services to Rosneft (customer) for transportation of crude oil by the trunk oil pipelines in a volume of 180,716.23 kt for a compensation in a total amount of 252,971,261.876K rubles (inclusive of VAT) The transaction includes the volumes and the price for the services of OJSC AK Transneft provided to Rosneft, which were endorsed by the annual (on the results of 2012) general shareholders meeting of Rosneft, and the volumes of oil supply transferred to Rosneft as a result of acquisition of the assets of OJSC RN Holding (OJSC TNK-BP Holding prior to July 30, 2013) to be submitted for endorsement to the annual (on the results of 2013) general shareholders meeting of Rosneft.	Transaction price – 252,971,261.876K rubles (inclusive of VAT)	June 20, 2013
TRANSACTIONS WHERE GPB (OJSC) IS A PARTY			
Persons/entities related to the transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares whose affiliates, Mr. A.I. Akimov, Member of the Board of Directors of OJSC ROSNEFTEGAZ, is also Deputy Chairman of the Board of Directors, Chairman of the Management Board of OJSC Gazprombank, which is a party to the transactions; S.S. Ivanov , Member of the Board of Directors of OJSC ROSNEFTEGAZ, is also Member of the Board of Directors of OJSC Gazprombank, which is a party to the transactions			
1	Making by Rosneft (client) in the framework of the General Agreements on Deposit Operations and Deposit Operations with Conversion of the transactions with GPB (OJSC) (bank) for placement by Rosneft of the money in rubles and/or US dollars and/or EURO for the total maximum amount of 1,000,000,000.0K rubles with potential deposit conversion on the following terms and conditions: • term – from one day to three years; • interest rate: – for rubles – at least equal to MosPrime (MIBOR) for the respective term minus 15%; – for US dollars – at least equal to Libor (US dollars) for the respective term minus 10%; – for EURO – at least equal to Libor (EURO) for the respective term minus 10%	Transaction price – 1,000,000,000.0K rubles	June 20, 2013
2	Making by Rosneft (client) with GPB (OJSC) (bank) of the transactions for sales/purchases of foreign currency (conversion operations) with the currency pairs of US dollar/ruble, EURO/ruble, EURO/US dollar for the total maximum amount of 1,564,000,000.0K rubles at the following exchange rates: • for the transactions with the US dollar/ruble pair – at least equal to the weighted average rate at the MICEX-RTS for the day of settlement minus 0.7 rubles, • for the transactions with the EURO/ruble pair – at least equal to the weighted average rate at the MICEX-RTS for the day of settlement minus 0.8 rubles, • for the transactions with the EURO/US dollar pair – at least equal to the weighted average rate at the MICEX-RTS for the day of settlement minus EUR 0.05	Transaction price – 1,564,000,000.0K rubles	June 20, 2013
3	Making by Rosneft (client) of the transactions with GPB (OJSC) (bank) for engagement of short-term loans in the framework of the Agreement on the Procedure for Entering into Loan Transactions Using the Reuters Dealing System and Other Remote Banking Systems as well as long-term loans in rubles and/or US dollars and/or EURO for the total maximum amount of 589,050,000.0K rubles on the following terms and conditions: 1) short-term loans: • maximum total amount – 432,000,000.0K rubles; • term – up to 30 days; • interest rate: – for rubles – MosPrime (MIBOR) for the respective term plus 15% or less; – for US dollars – Libor (US dollars) for the respective term plus 10% or less; – for EURO – Libor (EURO) for the respective term plus 10% or less. 2) long-term loans: • maximum total amount – 157,050,000.0K rubles; • term – from 31 days to 7 years; • interest rate up to 10% p.a.; • funding arrangement fee – 1% of the loan amount at most; • loan usage fee – 0.5% p.a. at most	Transaction price – 589,050,000.0K rubles	June 20, 2013
4	Making by Rosneft (client) with GPB (OJSC) (bank) of the transactions for sales/purchases of options, forwards, option structures, mixed (forwards and options) structures for a total of 396,000,000.0K rubles or its equivalent in a foreign currency at the Russian Central Bank exchange rate for the date of the respective transaction on the following terms and conditions: • subject matter – hedging of currency and price risks for the basis assets; • basis asset – currency pairs; • economic result – fixing the prices for the basis assets at a level at least equal to the prices fixed in the Rosneft Business Plan for 2013 and 2014 • term – up to one year	Transaction price – 396,000,000.0	June 20, 2013
5	Making by Rosneft (client) with GPB (OJSC) (bank) of the transactions for the currency/interest rate (cross-currency) swap for a total of 330,000,000.0K rubles or its equivalent in a foreign currency at the Russian Central Bank exchange rate for the date of the respective transaction on the following terms and conditions: • subject matter – periodic (one-time) payment by each side of the sums of money depending on the change of the basis asset indicator; • basis asset – lending rates in various currencies including those based on volatile indicators (MosPrime (MIBOR), Libor (US dollars), EURibor) charged on the par swap rate in various currencies; • economic result – fixing and/or reduction of the rate for engagement of loans for Rosneft; • term – up to 7 years	Transaction price – 330,000,000.0K rubles	June 20, 2013
6	Making of the transactions between Rosneft (client) and GPB (OJSC) (bank) for REPO operations for a total of 200,000,000.0K rubles or its equivalent in a foreign currency at the Russian Central Bank exchange rate for the date of the respective transaction on the following terms and conditions: • subject matter – bilateral sale (purchase) of securities; • yield – at least equal to the average deposit rate for the respective term based on an analysis of the proposals of at least four banks at the time of making the transaction; • term – up to one year	Transaction price – 200,000,000.0K rubles	June 20, 2013
7	Making of the transactions between Rosneft (client) and GPB (OJSC) (bank) for sales/purchases of bonds, promissory notes for a total of 493,000,000.0K rubles or its equivalent in a foreign currency at the Russian Central Bank exchange rate for the date of the respective transaction on the following terms and conditions: • subject matter – bonds, promissory notes of various issuers; • yield – at least equal to the average deposit rate for the respective term based on an analysis of the proposals of at least four banks at the time of making the transaction; • term – up to one year	Transaction price – 493,000,000.0K rubles	June 20, 2013

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
8	<p>Making of the transactions between Rosneft (client) and GPB (OJSC) (bank) for sales/purchases of CLN (Credit Linked Notes) for a total of 100,000,000.0K rubles or its equivalent in a foreign currency at the Russian Central Bank exchange rate for the date of the respective transaction on the following terms and conditions:</p> <ul style="list-style-type: none"> subject matter – sales/purchases of the issued securities (credit linked notes) that have an identification number in the European depository and clearing center (Euroclear); yield – at least equal to the average deposit rate for the respective term based on an analysis of the proposals of at least four banks at the time of making the transaction; term – up to one year 	Transaction price – 100,000,000.0K rubles	June 20, 2013
TRANSACTIONS WHERE OJSC AB ROSSIYA IS A PARTY			
Person/entity related to the transactions:			
M. Warnig – Member of the Board of Directors of Rosneft, Member of the Board of Directors of OJSC AB Rossiya, which is a party to the transactions			
1	<p>Making by Rosneft (client) in the framework of the General Agreement on the Universal Terms of Deposit Operations of the transactions with OJSC AB Rossiya (bank) for placement by Rosneft of the money in rubles and/or US dollars and/or EURO for the maximum total amount of 493,000,000.0K rubles on the following terms and conditions:</p> <ul style="list-style-type: none"> term – from one day to three years; interest rate: <ul style="list-style-type: none"> for rubles – at least equal to MosPrime (MIBOR) for the respective term minus 15%; for US dollars – at least equal to Libor (US dollars) for the respective term minus 10%; for EURO – at least equal to Libor (EURO) for the respective term minus 10% 	Transaction price – 493,000,000.0K rubles	June 20, 2013
TRANSACTIONS WHERE OJSC BANK VTB IS A PARTY			
Persons/entities related to the transactions:			
M. Warnig – Member of the Board of Directors of Rosneft, Member of the Supervisory Board of OJSC Bank VTB, which is a party to the transactions; A.L. Kostin (since June 20, 2013) – Deputy Chairman of the Board of Directors of Rosneft, President – Chairman of the Management Board, Member of the Supervisory Board of OJSC Bank VTB, which is a party to the transactions			
1	<p>Making by Rosneft (client) in the framework of the General Agreement on the Universal Terms of Deposit Operations of the transactions with OJSC Bank VTB (bank) for placement by Rosneft of the money in rubles and/or US dollars and/or EURO for the maximum total amount of 1,000,000,000.0K rubles on the following terms and conditions:</p> <ul style="list-style-type: none"> term – from one day to three years; interest rate: <ul style="list-style-type: none"> for rubles – at least equal to MosPrime (MIBOR) for the respective term minus 15%; for US dollars – at least equal to Libor (US dollars) for the respective term minus 10%; for EURO – at least equal to Libor (EURO) for the respective term minus 10% 	Transaction price – 1,000,000,000.0K rubles	June 20, 2013
2	<p>Making by Rosneft (client) in the framework of the General Agreement on Futures Transactions in Financial Markets and the General Agreement on the Universal Terms of Conversion Operations Using the Electronic Means of Communication of the transactions with OJSC Bank VTB (bank) for sales/purchases of foreign currency (conversion operations) with the currency pairs of US dollar/ruble, EURO/ruble, EURO/US dollar for the total maximum amount of 1,564,000,000.0K rubles at the following exchange rates:</p> <ul style="list-style-type: none"> for the transactions with the US dollar/ruble pair – at least equal to the weighted average rate at the MICEX-RTS for the day of settlement minus 0.7 rubles, for the transactions with the EURO/ruble pair – at least equal to the weighted average rate at the MICEX-RTS for the day of settlement minus 0.8 rubles, for the transactions with the EURO/US dollar pair – at least equal to the weighted average rate at the MICEX-RTS for the day of settlement minus EUR 0.05 	Transaction price – 1,564,000,000.0K rubles	June 20, 2013
3	<p>Making by Rosneft (client) of the transactions with OJSC Bank VTB (bank) for engagement of short-term loans in the framework of the Agreement on the Procedure for Entering into Loan Transactions Using the Reuters Dealing System and Other Remote Banking Systems as well as long-term loans in rubles and/or US dollars and/or EURO for the total maximum amount of 589,050,000.0K rubles on the following terms and conditions:</p> <p>1) short-term loans:</p> <ul style="list-style-type: none"> maximum total amount – 432,000,000.0K rubles; term – up to 30 days; interest rate: <ul style="list-style-type: none"> for rubles – MosPrime (MIBOR) for the respective term plus 15% or less; for US dollars – Libor (US dollars) for the respective term plus 10% or less; for EURO – Libor (EURO) for the respective term plus 10% or less. <p>2) long-term loans:</p> <ul style="list-style-type: none"> maximum total amount – 157,050,000.0K rubles; term – from 31 days to 7 years; interest rate up to 10% p.a.; funding arrangement fee – 1% of the loan amount at most; loan usage fee – 0.5% p.a. at most 	Transaction price – 589,050,000.0K rubles	June 20, 2013
4	<p>Making by Rosneft (client) with OJSC Bank VTB (bank) of the transactions for sales/purchases of options, forwards, option structures, mixed (forwards and options) structures for a total of 396,000,000.0K rubles or its equivalent in a foreign currency at the Russian Central Bank exchange rate for the date of the respective transaction on the following terms and conditions:</p> <ul style="list-style-type: none"> subject matter – hedging of currency and price risks for the basis assets; basis asset – currency pairs; economic result – fixing the prices for the basis assets at a level at least equal to the prices fixed in the Rosneft Business Plan for 2013 and 2014 term – up to one year 	Transaction price –	June 20, 2013
5	<p>Making by Rosneft (client) with OJSC Bank VTB (bank) in the framework of the General Agreement on the Operations Using Derivative Financial Instruments of the transactions for the currency/interest rate (cross-currency) swap for a total of 330,000,000.0K rubles or its equivalent in a foreign currency at the Russian Central Bank exchange rate for the date of the respective transaction on the following terms and conditions:</p> <ul style="list-style-type: none"> subject matter – periodic (one-time) payment by each side of the sums of money depending on the change of the basis asset indicator; basis asset – lending rates in various currencies including those based on volatile indicators (MosPrime (MIBOR), Libor (US dollars), EURibor) charged on the par swap rate in various currencies; economic result – fixing and/or reduction of the rate for engagement of loans for Rosneft; term – up to 7 years 	Transaction price – 330,000,000.0K rubles	June 20, 2013
6	<p>Making of the transactions between Rosneft (client) and OJSC Bank VTB (bank) for REPO operations for a total of 200,000,000.0K rubles or its equivalent in a foreign currency at the Russian Central Bank exchange rate for the date of the respective transaction on the following terms and conditions:</p> <ul style="list-style-type: none"> subject matter – bilateral sale (purchase) of securities; yield – at least equal to the average deposit rate for the respective term based on an analysis of the proposals of at least four banks at the time of making the transaction; term – up to one year 	Transaction price – 200,000,000.0K rubles	June 20, 2013

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
7	<p>Making of the transactions between Rosneft (client) and OJSC Bank VTB (bank) for sales/purchases of bonds, promissory notes for a total of 493,000,000.0K rubles or its equivalent in a foreign currency at the Russian Central Bank exchange rate for the date of the respective transaction on the following terms and conditions:</p> <ul style="list-style-type: none"> subject matter – bonds, promissory notes of various issuers; yield – at least equal to the average deposit rate for the respective term based on an analysis of the proposals of at least four banks at the time of making the transaction; term – up to one year 	Transaction price – 493,000,000.0K rubles	June 20, 2013
8	<p>Making of the transactions between Rosneft (client) and OJSC Bank VTB (bank) for sales/purchases of CLN (Credit Linked Notes) for a total of 100,000,000.0K rubles or its equivalent in a foreign currency at the Russian Central Bank exchange rate for the date of the respective transaction on the following terms and conditions:</p> <ul style="list-style-type: none"> subject matter – sales/purchases of the issued securities (credit linked notes) that have an identification number in the European depository and clearing center (Euroclear); yield – at least equal to the average deposit rate for the respective term based on an analysis of the proposals of at least four banks at the time of making the transaction; term – up to one year 	Transaction price – 100,000,000.0K rubles	June 20, 2013

TRANSACTIONS WHERE OJSC SOGAZ IS A PARTY

Persons/entities related to the transactions:

OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares whose affiliates:

I.I. Sechin, Chairman of the Board of Directors of OJSC ROSNEFTEGAZ, and L.V. Kalanda, Member of the Board of Directors of OJSC ROSNEFTEGAZ and the person who exercises the authority of the sole executive body of OJSC ROSNEFTEGAZ (Acting General Director of OJSC ROSNEFTEGAZ), are insured persons (beneficiaries) under the transaction; S.S. Ivanov, Member of the Board of Directors of OJSC ROSNEFTEGAZ, is also Chairman of the Management Board of OJSC SOGAZ, which is a party to the transaction; I.I. Sechin – Deputy Chairman of the Board of Directors, President, Chairman of the Management Board of Rosneft is an insured person (beneficiary) under the transaction; M. Warnig, R. Dudley, A.L. Kostin, N.P. Laverov, J. Mack, A.D. Nekipelov, D. Humphreys, S.V. Chemezov – Members of the Board of Directors of Rosneft are insured persons (beneficiaries) under the transaction; E.Yu. Khudainatov (until September 18, 2013), A.V. Votinov, L.V. Kalanda, Yu.I. Kalinin, D. Casimiro, P.I. Lazarev, N.M. Mukhitov, I.V. Pavlov, Z. Runje – Members of the Management Board of Rosneft are insured persons (beneficiaries) under the transaction.

1	<p>Agreement for insurance of the liability of Rosneft, any subsidiary of Rosneft, Members of the Board of Directors, management and employees of Rosneft (hereinafter 'the Agreement') between Rosneft (policy holder) and OJSC SOGAZ (insurer) on the following terms and conditions:</p> <p>Agreement subject matter: with due regard for all provisions of the Agreement, the Insurer undertakes, in case of occurrence of any of the loss events listed in the Agreement, to pay the insurance indemnity to the relevant insured person/entity and/or beneficiary and/or any third party that is entitled to receive such an indemnity.</p> <p>Insured persons/entities:</p> <ol style="list-style-type: none"> Rosneft; any Rosneft subsidiary (as listed in the Agreement); any person who was before commencement of the period, is at the time of commencement of the period of insurance or in the course of the period of insurance becomes a Member of the Board of Directors of Rosneft or a director according to a securities prospectus or an officer mentioned as such in any listing information or a prospectus for the securities issued by Rosneft; any person who was before commencement of the period, is at the time of commencement of the period of insurance or in the course of the period of insurance becomes (a) a director or an officer (including, without limitations: a member of a collegial executive body, a sole executive body) of Rosneft except for an external auditor or a receiver in bankruptcy, (b) an employee, (c) a shadow or de-factor director, (d) a director of a separate/subsidiary legal entity and/or representative office/branch, (f) a chief accountant as well as (g) a person who held/holds/will hold a post of a director/officer of OJSC ROSNEFTEGAZ with regard to the action (omission) in making managerial decisions in relation to the Insurer arising from the OJSC ROSNEFTEGAZ ownership of the Insurer's securities, (h) a spouse or partner in a de-facto marriage of an insured person as well as (i) an administrator, heir, legitimate representative or executor of a deceased, incompetent or bankrupt insured person in relation to the losses that result from a demand for coverage in connection with a faulty action of such an Insured Person. <p>Beneficiaries under the Agreement: Insured Persons, the Policy Holder and any third parties that may suffer damage/losses.</p> <p>Agreement price (insurance premium): US\$ 1,320,000.</p> <p>Insurance period: from July 10, 2013 to July 10, 2014 with the Agreement effect extending to the events/actions/circumstances that occurred/were performed starting from July 10, 2006 (continuous insurance coverage start date).</p> <p>Insured sum under the Agreement (liability limit): US\$ 150,000,000 (One hundred and fifty million).</p> <p>Additional limits for independent directors (over and above the general liability limit): US\$ 1,000,000 (One million) – a special additional limit for each independent director, US\$ 6,000,000 (Six million) – additional insured sum for all independent directors.</p> <p>Objects of insurance: property interests of the Insured Persons associated with their obligation to compensate the losses suffered by the beneficiaries and/or other persons and associated with any costs and expenses incurred by the Insured Persons.</p> <p>Loss events under the Agreement: occurrence of all of the following circumstances: (a) occurrence of the Insured Persons' obligation to compensate a pecuniary or non-pecuniary damage or any other legitimate or objective compensation in connection with faulty actions of the Insured Persons in any jurisdiction, (b) presentation of claims against the Insured Persons in connection with the losses of any other persons as mentioned in p. (a) above.</p> <p>Deductible (to be deducted when the Policy Holder pays compensation upon the claims against the insured persons or the Insured Person itself):</p> <ul style="list-style-type: none"> for any securities-related claims presented in the U.S.A. or Canada: US\$ 500,000; for any securities-related claims presented in any other countries: US\$ 250,000; for the rest of the claims presented in the U.S.A. and Canada: US\$ 100,000; for the rest of the claims presented worldwide except for the U.S.A. and Canada: US\$ 100,000. 	Transaction price – 1 320 000 \$	20.06.2013r
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INTERLINKED TRANSACTIONS WHERE EXXONMOBIL OIL CORPORATION, EXXONMOBIL RUSSIA RESEARCH B.V., EXXONMOBIL RUSSIA BLACK SEA HOLDING B.V., EXXONMOBIL RUSSIA KARA SEA HOLDING B.V., ROSNEFT JV PROJECTS S.A., KARMORNEFTEGAZ HOLDING SARL, TUAPSERNEFTEGAZ HOLDING SARL, KARMORNEFTEGAZ S.A R.L., TUAPSEMORNEFTEGAZ S.A R.L. ARE PARTIES

Persons/entities related to the interlinked transactions:

OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)

1	<p>Making by Rosneft (hereinafter 'the Company'), Company affiliates, ExxonMobil Oil Corporation and its affiliates (hereinafter collectively 'ExxonMobil') of the following interlinked non-arm's length transactions: (i) parent company agreement, (ii) operatorship agreements, (iii) agreements on payments for funding, (iv) sale/purchase agreements for crude oil and LPG, (v) agreements on establishing the Center of Arctic Technology (hereinafter 'the CAT') and (vi) a sale/purchase agreement for natural gas (the aforesaid agreements are hereinafter collectively referred to as 'the Transaction'). The value of the assets that may be purchased or disposed by the Company in connection with entering into the Transaction may be up to 775.1 (Seven hundred and seventy five and 1/10) bln rubles. The Transaction subject matter is regulation of the parties' relationships in connection with exploration, development of fields and production of hydrocarbons on the license areas of the continental shelf of the Russian Federation: (i) Vostochno-Prinovozemelskiy 1, 2, 3 in the Kara Sea and (ii) Tuapsinskiy trough in the Black Sea, and establishment of the CAT (hereinafter 'the Project'). The agreements that are part of the Transaction (i) have an unlimited period of effect and (ii) are governed by the laws of England except for the CAT participants' agreement that is subject to the laws of the Russian Federation.</p> <p>The Transaction is made on the following key terms and conditions:</p> <ol style="list-style-type: none"> Parent Company Agreement Parties: Rosneft and ExxonMobil Oil Corporation. <p>Agreement subject matter: The Agreement defines the procedure and conditions for establishing joint ventures in order to implement the Project, the corporate structure, asset ownership rights, financial commitments of the parties, a list of securities, procedure for obtaining corporate endorsements and the need to get the Project approved by the antimonopoly bodies. The Parties provide a number of reciprocal parent company guarantees to each other including in relation to proper and timely fulfillment by the parent companies and their respective affiliates of all financial and other commitments stipulated by the project documentation and, in case of occurrence of the circumstances defined and agreed by the Parties, with regard to compensation of the sum of expenditures incurred by the respective parent company in the course of Project implementation to be calculated in accordance with the methodology established by the Agreement. The Agreement establishes the commitments of ExxonMobil Oil Corporation to pay a commercial discovery bonus in an amount of US\$ 0.25 for each barrel of ExxonMobil's equity 2P reserves as of the date of approval of the preliminary field development plan.</p>	Transaction price – up to 775.1 bln rubles	June 18, 2013
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#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
	<p>1.2 Beneficiaries: Company, ExxonMobil Oil Corporation, Karmorneftegaz SARL and Tuapsemorneftegaz SARL acting as Project Operators and other affiliates of the parties, which participate in Project implementation.</p> <p>2. Operatorship Agreements (one Agreement for the project in the Kara Sea and the other one for the project in the Black Sea)</p> <p>2.1 Parties: The Company and Karmorneftegaz SARL (in the case of the project in the Kara Sea) and Tuapsemorneftegaz SARL (in the case of the project in the Black Sea) as the Operators.</p> <p>2.2 Agreement subject matter: The Agreements define the key functions of the Operator, the procedure for the Operator to provide services to the Company as the license owner, the procedure for compensation of damages in case the Operator breaches its obligations, provisions on remuneration of the Operator and other provisions.</p> <p>The scope of the Project operations carried out by the Operator includes, without limitations: (i) current activities for exploration, appraisal, development, production, processing, storage, shipment and transportation of hydrocarbons, (ii) emergency response, (iii) assurance, arrangement and supervision of preparation of reserves estimation reports, (iv) planning and execution of all appraisal and exploration works, (v) measurements and recording of hydrocarbons including keeping of the balance of reserves, (vi) preparation of materials for reserves audits, (vii) assurance of research and engineering works for exploration purposes, (viii) geological supervision for drilling of appraisal wells, exploration wells and development wells and (ix) production of hydrocarbons including development and operation of hydrocarbon fields.</p> <p>2.3 Operator remuneration. The remuneration shall be calculated using the formula based on the following principles: before commencement of commercial hydrocarbon production in the project area, the Operator may receive remuneration in the amount equivalent to the amount of the expenditures incurred by the Operator while fulfilling its commitments in accordance with the Operatorship Agreement; upon commencement of commercial production in the project area, the Operator may receive remuneration in the amount equivalent to the amount of revenue from the sales of the hydrocarbons produced in the project area reduced, among other things, by the amounts of the expenditures (including tax expenditures and funding repayment expenses) incurred by the Company.</p> <p>3. Agreements on payments for funding (one agreement for the project in the Kara Sea and the other one for the project in the Black Sea)</p> <p>3.1 Parties: The Company as the borrower and Karmorneftegaz SARL (in the case of the project in the Kara Sea) and Tuapsemorneftegaz SARL (in the case of the project in the Black Sea) as the lenders.</p> <p>3.2 Agreement subject matter: The Agreements regulate the relationships between the parties in connection with granting by the lenders to the Company of the funds that are required to make exploration, create the key production assets and obtain geological information on the Project area.</p> <p>3.3 Volume of the funding to be granted: Initial funding in an amount of up to (i) US\$ 2,200,000,000 (Two billion two hundred million) taken together for the license areas of Vostochno-Prinovozemelskiy 1, 2, 3 in the Kara Sea and (ii) US\$ 1,000,000,000 (One billion) for the license area of Tuapsinskiy trough in the Black Sea. The volume of subsequent funding shall be determined in subsequent periods depending on the success of the exploration.</p> <p>3.4 Interest rate: LIBOR + 2.5% p.a.</p> <p>3.5 Loan repayment conditions: The funds granted by the lenders inclusive of the accrued interest shall be repaid by the Company only in case of commercial discovery of hydrocarbons in the Project area from the funds to be earned by the Company on the sales of the hydrocarbons. In case there is no commercial discovery in the Project area, the loan shall not be repaid by the Company.</p> <p>4. Sale/purchase agreements for crude oil and LPG (one agreement is for the project in the Kara Sea and the other one for the project in the Black Sea)</p> <p>4.1 Parties: The Company as the seller and Karmorneftegaz Holding SARL (in the case of the project in the Kara Sea) and Tuapsemorneftegaz Holding SARL (in the case of the project in the Black Sea) as the buyers.</p> <p>4.2 Agreement subject matter: The Company as the supplier undertakes to sell to the buyers the entire volume of crude oil and LPG received from operations in the Project area while the buyers undertake to purchase the crude oil and LPG. The buyers undertake to resell all of the volumes of crude oil and LPG purchased from the Company to third party buyers at the market price.</p> <p>4.3 Price for the hydrocarbons: To be calculated using the following formula $SPS = (PSB \times VS) - SCE - MM \pm Adj$ where:</p> <ul style="list-style-type: none"> • SPS is the shipment price, which is the agreed price for the buyers' settlements with the Company; • PSB is the supply price for the buyers to resell the shipment to any third party buyer; • VS is the volume of shipment; • SCE is the seller's costs and expenses for selling any shipment; • MM is the market markup for the respective shipment to be determined in accordance with the agreement; and • Adj is any entry or write-off of funds to reflect an adjustment of settlements under the previous settlement reconciliation reports to be distributed in proportion to the volume or weight among all shipments of the same type in the current settlement reconciliation report. The respective value of Adj to be included in the SPS shall be regarded as a decrease or increase of the SPS for the shipments to be settled within the current period of settlements and shall not affect the SPS for the shipments that are settled within the previous periods of settlements. <p>4.4 Terms of supply: The supply shall be made according to the FOB rules in the point of delivery.</p> <p>5. Agreements on establishing the CAT</p> <p>5.1 Agreements to be made: The CAT establishment shall be formalized by entering into (i) an agreement on the key terms and conditions for accession to the CAT, (ii) a CAT participants' agreement and (iii) agreement on closure with regard to the CAT.</p> <p>5.2 Parties: The Company and ExxonMobil Russia Research B.V.</p> <p>5.3 Subject matter of the agreements: The agreements regulate the relationships between the parties with regard to (i) the procedure and conditions for accepting ExxonMobil as a CAT participant through contribution by ExxonMobil Russia Research B.V. of 149,977,500 (One hundred and forty nine million nine hundred and seventy seven thousand five hundred) rubles to the authorized capital of LLC Arkticheskiy Nauchno-Proektniy Tsentr Shelfovoykh Razrabotok and acquisition of a 33.33% interest in the aforesaid company and (ii) the procedure for the Company and ExxonMobil Russia Research B.V. to exercise the rights of CAT participants.</p> <p>5.4 CAT activity funding conditions: At the initial stage of CAT operation, ExxonMobil Russia Research B.V. shall provide funding in a total amount of US\$ 200,000,000 (Two hundred million) pursuant to the CAT work plans and budgets. At the subsequent stage, the Company and ExxonMobil Russia Research B.V. shall provide funding in a total amount of US\$ 250,000,000 (Two hundred and fifty million) in equal shares.</p> <p>5.5 Exercising the rights of CAT participants: The CAT participants' agreement provides a standard list of the matters of CAT activity to be decided unanimously by the Company and ExxonMobil Russia Research B.V, which is consistent with the market practice.</p> <p>5.6 CAT withdrawal procedure: ExxonMobil is entitled to withdraw from the CAT by transferring its interest to the Company or the entities specified by the Company. In such a case, the funding provided to the CAT by ExxonMobil and the expenses incurred by ExxonMobil in connection with the CAT shall not be reimbursed.</p> <p>6. Sale/purchase agreement for natural gas</p> <p>6.1 Parties: The Company, ExxonMobil Oil Corporation, Rosneft JV Projects S.A., ExxonMobil Russia Black Sea Holding B.V. and ExxonMobil Russia Kara Sea Holding B.V.</p> <p>6.2 Agreement subject matter: The agreement formalizes the parties' understanding that all of the natural gas volumes produced in the framework of Project implementation shall be sold by the Company in favor of the respective sales company, which may be established in the future, on the terms and conditions of separate agreements except for the natural gas volumes that the Company may not sell in such a manner because of the requirements of the Russian law. Such excluded volumes of natural gas shall be covered by a separate agreement to be made by the parties. The agreement defines a list of the mandatory conditions to be included by the parties into the separate natural gas sales agreements, namely: (i) the condition on the pricing procedure (similarly to the pricing procedure for the sales of crude oil and LPG), (ii) the condition on the rules of transfer of title to the natural gas (on the FOB terms or other terms to be agreed later), (iii) the condition on observance of the provisions of the applicable antimonopoly law, (iv) the condition on subjecting the natural gas sale/purchase agreements to the English law.</p> <p>The sale/purchase agreement for natural gas fixes the framework understandings of the parties in relation to the natural gas sales procedure and has no valuation.</p>		

INTERLINKED TRANSACTIONS WHERE ENI S.p.A., ENI ENERGY RUSSIA BV, ROSNEFT JV PROJECTS S.A., FEDYNSKORNEFTEGAZ S.A R.L., SHATSKORNEFTEGAZ S.A R.L., BARENTSMORNEFTEGAZ S.A R.L. ARE PARTIES

Person/entity related to the interlinked transactions:

OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)

Making by Rosneft (hereinafter 'the Company') and its affiliates and ENI S.p.A. (hereinafter 'ENI') and its affiliates of the following interlinked non-arm's length transactions: (i) risked service agreements, (ii) exploration funding agreement, (iii) parent company guarantee contract and (iv) guarantee of payment of a commercial discovery bonus (the aforesaid agreements are hereinafter collectively referred to as 'the Transaction'). The price of the interlinked transactions may be up to 268.9 bln rubles. The Transaction subject matter is regulation of the parties' relationships in connection with implementation of the joint projects of the Company and ENI for geological studies, exploration, production and sales of hydrocarbons on the continental shelf of the Russian Federation in (i) the Tsentralno-Barentsevskiy license area in the Barents Sea, (ii) the Fedynskiy license area in the Barents Sea, and (iii) the Zapadno-Chernomorskaya Area license area in the Black Sea (the aforesaid projects are hereinafter collectively referred to as 'the Projects' and individually as 'the Project'). The agreements that are part of the Transaction (i) have an unlimited period of effect and (ii) are governed by the laws of England. The transaction is made on the following key terms and conditions:

#	Transaction subject matter and substantial terms and conditions	Transaction price, effected transaction price	Decision date
1	<p>1. Risked service agreements (a separate agreement for each Project).</p> <p>1) Parties: The Company and operating companies (hereinafter 'the Operator'): Fedynskmorneftegaz S.A R.L., Shatskmorneftegaz S.A R.L., Bar-entsmorneftegaz S.A R.L.</p> <p>2) Agreement subject matter: The agreements regulate the provision of services by the Operator to the Company on an exclusive basis in exchange for remuneration. The agreements fix the responsibilities of the relevant Operator and the Company, the procedure for distribution of funds, rights for information and other provisions.</p> <p>The services to be provided by the Operator to the Company include, without limitations: (i) daily activity associated with exploration, appraisal, development, production, treatment, storage and transportation of hydrocarbons, (ii) assurance of preparation of all reports and materials to be submitted by the Company to the authorized regulatory bodies, (iii) preparation of all of the required materials for auditing the hydrocarbon reserves, (iv) purchase, construction, use and maintenance of all assets associated with the respective Project (except for Type A assets and geological information), which are required to provide the services, insofar it is permitted by the respective license and the applicable law, and (v) decommissioning of the facilities pursuant to the respective license, and other services.</p> <p>2. Exploration funding agreement</p> <p>1) Parties: The Company and eni Energy Russia BV.</p> <p>2) Agreement subject matter: The agreement stipulates provision to the Company of multi-tranche funding (loans) in US dollars by eni Energy Russia BV.</p> <p>3) Volume of funding to be provided: The sum total of the following values: (i) sum of the mandatory license expenses (license compliance) for the Projects and (ii) 33.33% of additional expenditures for exploration on the Projects.</p> <p>4) Interest rate: The annual interest rate for each loan with respect to each interest period shall be equal to the sum total of the following values: (i) LIBOR rate (for a period comparable with the respective interest period); and (ii) 2.5% p.a.</p> <p>Each interest period shall last (1) until the date when any Project starts generating a profit – 12 months; and (2) after such a date – 1 month.</p> <p>5) Loan repayment terms: The Company undertakes to repay all of the outstanding loans for funding the mandatory license expenses and additional expenses for exploration on the Projects using some of the funds received from the sale of hydrocarbons in the framework of the Projects.</p> <p>3. Parent company guarantee contract</p> <p>1) Parties: The Company and ENI.</p> <p>2) Beneficiaries: On the Company side – Rosneft JV Projects S.A. and other Company affiliates, on the ENI side – eni Energy Russia BV and other ENI affiliates.</p> <p>3) Contract subject matter: The contract stipulates provision by each of the sides of guarantees to the other side in relation to fulfillment of commitments by their affiliates to the other side in connection with the final agreements on the Projects.</p> <p>4) The guarantee obligations under the contract do not extend to the commitments of ENI and/or its affiliates to pay a commercial discovery bonus.</p> <p>5) Time when the guarantee obligations arise: The guarantee obligations arise from the date of closure under the shareholding and operating agreements to be made by the affiliates of the parties for each Project.</p> <p>4. Guarantee of payment of a commercial discovery bonus</p> <p>1) Parties: The Company and ENI.</p> <p>2) Guarantee subject matter: In accordance with the guarantee: (i) ENI guarantees to the Company complete and timely fulfillment of all of the current and future executable commitments of eni Energy Russia BV for payment of all amounts to be paid as a commercial discovery bonus under the shareholding and operating agreements made by the parties' affiliates for the Projects; (ii) ENI agrees that if an executable commitment to pay a commercial discovery bonus is failed, ENI shall immediately upon request fulfill (or ensure fulfillment) of the respective commitment that was not fulfilled by eni Energy Russia BV as if ENI was the main debtor; and (iii) in case the commitment to pay a commercial discovery bonus became or becomes inexecutable, invalid or unlawful, ENI guarantees to immediately upon request compensate any losses that the Company (its affiliates) have suffered as a result of failure by eni Energy Russia BV to fulfill the commitment to pay a commercial discovery bonus as of the date on which the aforesaid commitment should have been fulfilled unless deemed to be inexecutable, invalid or unlawful.</p> <p>3) Time when the guarantee obligations arise: The guarantee obligations arise from the date of closure under the shareholding and operating agreements to be made by the affiliates of the parties for the Projects.</p>	Transaction price – up to 268.9 bln rubles	June 20, 2013
<p>INTERLINKED TRANSACTIONS WHERE STATOIL ASA, STATOIL EPSILON NETHERLANDS B.V., ROSNEFT JV PROJECTS S.A., KASHEVARMORNEFTEZ S.A R.L., LISYANSKMORNEFTEZ S.A R.L., MAGADANMORNEFTEZ S.A R.L., PERSEIMORNEFTEZ S.A R.L. ARE PARTIES</p> <p>Person/entity related to the interlinked transactions: OJSC ROSNEFTEGAZ – a Rosneft shareholder that owns in excess of 20% of the Company's voting shares (the Subsidiary is an affiliate of OJSC ROSNEFTEGAZ and a party to the transactions)</p>			
1	<p>Making by Rosneft (hereinafter 'the Company') and its affiliates and Statoil ASA (hereinafter 'Statoil') and its affiliates of the following interlinked non-arm's length transactions: (i) risked operatorship agreements, (ii) funding (carry) contracts and (iii) parent company guarantee contracts (the aforesaid agreements are hereinafter collectively referred to as 'the Transaction'). The price of the interlinked transactions may be up to 92.5 bln rubles. The subject matter of the Transaction is regulation of the parties' relationships in connection with implementation of joint projects of the Company and Statoil for geological studies, exploration, production and sales of hydrocarbons on the continental shelf of the Russian Federation in (i) the Perseevskiy license area in the Barents Sea, (ii) the Kashevarovskiy license area in the Sea of Okhotsk, (iii) the Lisyanskiy license area in the Sea of Okhotsk and (iv) the Magadan-1 license area in the Sea of Okhotsk (the aforesaid projects are hereinafter collectively referred to as 'the Projects' and individually as 'the Project'). The agreements (contracts) that are part of the Transaction (i) have an unlimited period of effect and (ii) are governed by the laws of England. The transaction is made on the following key terms and conditions (a separate agreement (contract) is made for each Project):</p> <p>1. Risked operatorship agreements</p> <p>1) Parties: The Company and operating companies (hereinafter 'the Operator'): Kashevarmorneftez S.A R.L., Lisyanskmorneftez S.A R.L., Magadanmorneftez S.A R.L., Perseimorneftez S.A R.L.</p> <p>2) Agreement subject matter: The agreements regulate the provision of services by the Operator to the Company on an exclusive basis in exchange for remuneration. The agreements fix the responsibilities of the relevant Operator and the Company, the procedure for distribution of funds, rights for information and other provisions.</p> <p>The services to be provided by the Operator to the Company include, without limitations: (i) daily activity associated with exploration, appraisal, development, production, treatment, storage and transportation of hydrocarbons, (ii) assurance of preparation of all reports and materials to be submitted by the Company to the authorized regulatory bodies, (iii) preparation of all of the required materials for auditing the hydrocarbon reserves, (iv) purchase, construction, use and maintenance of all assets associated with the respective Project, which are required to provide the services, insofar it is permitted by the respective license and the applicable law, and (v) decommissioning of the facilities pursuant to the respective license, and other services.</p> <p>2. Funding (carry) agreements</p> <p>1) Parties: The Company and Statoil.</p> <p>2) Contract subject matter: The contracts stipulate provision of funding (loans) to the Company in US dollars by Statoil.</p> <p>3) Volume of funding to be provided: The sum total of the following values: (i) sum of the actual expenditures (license compliance) for the respective Project incurred by the Company (its affiliates) before the date of closure of the Transaction under the respective shareholding and operating agreement (hereinafter 'the Closure'), (ii) sum of the mandatory license expenses (license compliance) for the respective Project after Closure and (iii) sum of additional expenditures for the respective Project after Closure.</p> <p>4) Interest rate: The annual interest rate for each loan with respect to each interest period shall be equal to the sum total of the following values: (i) LIBOR rate (applicable to 12-month deposits if the interest period lasts 12 months; applicable to 1-month deposits if the interest period lasts 1 month); and (ii) 2.5% p.a.</p> <p>5) Each interest period will last: (1) before commencement of production – 12 months; and (2) after such a date – 1 month.</p> <p>6) Loan repayment conditions: The Company undertakes to repay all of the outstanding carry loans for each Project using some of the funds received from the sales of hydrocarbons in the framework of the respective Project. In case there is no commercial discovery in the Project, the investments made by Statoil shall not be repaid.</p> <p>3. Parent company guarantee contracts</p> <p>1) Parties: The Company and Statoil. Later on, each contract shall be joined by the Operator of each Project and Rosneft JV Projects S.A. and Statoil Epsilon Netherlands B.V.</p> <p>2) Beneficiaries: On the side of the Company – Rosneft JV Projects S.A. and other Company affiliates, on the side of Statoil – Statoil Epsilon Netherlands B.V. and other Statoil affiliates.</p> <p>3) Contract subject matter: The contracts provide for (i) Company and Statoil guarantees to each other with regard to complete and timely fulfillment of all commitments by their respective affiliates in connection with the final agreements on the Projects; (ii) Statoil guarantees with regard to the commitment of Statoil Epsilon Netherlands B.V. to a commercial discovery bonus.</p> <p>4) Time when the guarantee obligations arise: The guarantee obligations arise from the date of Closure for the Projects.</p>	Transaction price – up to 92.5 bln rubles	June 20, 2013

Information on delivery of the Russian Federation President's instructions and directives and the Russian Federation Government's instructions

1. INFORMATION ON THE FORMATION OF COMPANY BOARD OF DIRECTORS SPECIAL COMMITTEES, ON DRAFTING AND ADOPTION OF REGULATIONS ON REMUNERATION FOR THE MANAGEMENT (KPI-BASED) AND FOR THE BOARD DIRECTORS

Rosneft established an HR and Remuneration Committee.

The functions and activities of the HR and Remuneration Committee and the process of its interaction with the Company bodies are set out in and governed by the Rosneft Regulation on the Board of Directors HR and Remuneration Committee (approved by the Rosneft Board of Directors resolution dated 18 October, 2008, Minutes N°5).

Since 2009, the Company has been using a performance-based system of annual bonuses for senior managers and heads of stand-alone subdivisions. The Regulation on Annual Bonuses for Rosneft Senior Managers and Heads of Stand-Alone Subdivisions was approved by the Board of Directors on 5 March, 2009, (Minutes N°1) and amended on 28 December, 2011 (Minutes N°9). Company performance indicators and individual performance indicators for senior managers which are used for annual bonuses are approved on an annual basis and are subject to the Company strategy and business objectives for a specific year.

Annual remuneration for the Board directors is governed by the Regulation on the Process of Calculation and Payment of Remuneration and Compensation of Expenses to Members of the Rosneft Board of Directors approved by the Board of Directors resolution dated 4 May, 2009, Minutes N° 4, as revised and amended on 27 April 2012, Minutes 19, and on 6 May, 2013, Minutes N° 15.

2. PAYMENTS (REMUNERATION) TO THE COMPANY SENIOR EXECUTIVES (SOLE EXECUTIVE BODY/CHAIRMAN OF A COLLEGIAL EXECUTIVE BODY, SOLE EXECUTIVE BODY DEPUTIES, HEADS OF STRUCTURAL SUBDIVISIONS, MEMBERS OF BOARDS OF DIRECTORS ENTITLED TO REMUNERATION)

The annual bonus to the Rosneft senior executives is paid on the basis of a Board of Directors decision subject to their achieving performance targets set to them by the Company governance bodies for the reporting period. The size of the annual bonus to the Company's sole executive body, Rosneft President, is determined subject to achievement of the individual KPIs which are the same as the Company KPIs. The annual bonus to the other senior executives is subject to achievement of the collective Company performance targets, the performance targets of the business streams they are in charge of and their individual performance.

The process and conditions of payment of the remuneration to the Company management (President, First Vice President, Vice Presidents and officers of equivalent rank, and heads of Rosneft stand-alone subdivisions) are determined in the Regulation on Annual Bonuses for Rosneft Senior Managers and Heads of Stand-alone Subdivisions (approved by the Rosneft Board of Directors resolution dated January 10, 2012, Minutes N°9).

Criteria for determining remuneration to the members of the Board of Directors is envisaged by the Regulation on the Process of Calculation and Payment of Remuneration and Compensation of Expenses to Members of the Rosneft Board of Directors approved by the Board of Directors resolution dated April 28, 2009 (Minutes N° 4), as revised and amended on April 27, 2012 (Minutes N° 19) and May 6, 2013 (Minutes N° 15). In accordance with the Regulation, remuneration is paid to the members of the Board of Directors with independent status and to the members of the Board of Directors being authorized representatives of interests of the Russian Federation in the Board of Directors, except for the members of the Rosneft Board of Directors with the status of government employees, and the sole executive body of Rosneft (the President).

The final amount of remuneration for the reporting period is based on:

- actual participation in activities as a Chairman of the Board of Directors or a member of the Board of Directors;
- actual participation in activities of a Committee of the Board of Directors as its Chairman or member of the Committee.

The decision of payment of remuneration to the members of the Board of Directors was made by the General Meeting of Shareholders on June 20, 2013.

3. DECISIONS AIMED AT IMPROVING THE SYSTEM OF LABOR REMUNERATION

In view of the TNK-BP Group companies having been integrated in Rosneft, in 2013, business streams performance indicators for senior executives included the synergy effect from the integration. Respective indicators were used for the purposes of the 2013 bonuses to the Company executives (Head Office staff, affiliated companies).

In addition to that, in order to improve capex performance, senior executives' KPIs included exploration and drilling unit cost indicators. Also, more stringent criteria were set for labor and industrial safety performance.

4. INFORMATION CONCERNING THE REQUIREMENT TO SENIOR EXECUTIVES OF A JOINT-STOCK COMPANY TO PROVIDE TO A RESPECTIVE FEDERAL EXECUTIVE AUTHORITY COMPLETE INFORMATION ON THEIR INCOMES, PROPERTY AND ESTATE LIABILITIES

In its activities Rosneft is governed by the principles of ensuring financial and operational transparency, prevention of conflict of interest between the Company executives (including members of its governance bodies) and the Company, and other types of misuse of office.

5. IMPROVEMENT OF THE COMPANY'S KEY PERFORMANCE INDICATORS SYSTEM

Since 2009, Rosneft has been using a performance-based system of annual bonuses for senior Company managers.

The principles of setting performance indicators for the reporting period and criteria for remuneration are established in the Regulation on Annual Bonuses for Rosneft Senior Managers and Heads of Stand-alone Subdivisions (approved by the Board of Directors on 5 March, 2009, (Minutes N°1) and amended on 10 January 2012 (Minutes N°9).

The performance-based annual bonuses system covers all categories of Rosneft executives – senior managers, heads of stand-alone subdivisions, mid-level managers, general directors of Group companies and their deputies.

Performance indicators used for annual bonuses are approved by the Rosneft governance bodies (Board of Directors, Management Board, President). This is done on an annual basis taking into account the approved business plan and the specific priorities for the reporting period at the corporate, stream, and subdivision level.

In Rosneft, creation of a balanced system of performance indicators is the responsibility of the Finance and Economics Function.

6. INFORMATION ON THE JOINT-STOCK COMPANY'S ENERGY-SAVING AND ENERGY-EFFICIENCY STRATEGY

A) Fuel and energy consumption

Rosneft is the third largest fuel and energy consumer in the Russian Federation and accounts for over 3% of the nation's energy mix.

The Company's¹ total 2013 fuel and energy consumption was 23,947,000 t of fuel equivalent, which, for example, is comparable to the annual consumption of the Volgograd or Orenburg Regions. The 2013 energy consumption distribution by the business stream is shown in Table 1.

Table 1

Business Stream	Fuel & Energy Consumption, kt fuel equivalent	Proportion, %
Oil and gas production	13.196	56%
Refining	7.272	31%
Petrochemical and Gas processing	2.948	12%
Petroleum products supply	135	1%
Services	156	1%
TOTAL	23.706	100%

B) Energy-saving program delivery

In 2013, the Rosneft 2009-2013² Energy-Saving Program approved by the Board of Directors in March 2009 was completed. The Program included measures to improve the efficiency of electrical and thermal energy utilization, and boiler and furnace fuel in all key operations. The 2013 and 2009-2013 fuel and energy savings are shown in Tables 2 and 3.

Table 2

Business Stream	2013 Savings			Converted to kt fuel equivalent	Proportion of total savings %
	Electricity, k kWh	Heat, k Gcal	Fuel, kt		
Oil and gas production	1,032,438	12	-	337	84.0%
Refining	24,025	250	15	64	15.9%

1. The data is stated for the assets of the Company as of December 31, 2013.

2. The data is stated for the assets of the Company before March 21, 2013.

Business Stream			2013 Savings	Converted to kt fuel equivalent	Proportion of total savings %
	Electricity, k kWh	Heat, k Gcal	Fuel, kt		
Petroleum products supply	639	-	-	208	0.1%
TOTAL	1,057,102	262	15	402	100%

Table 3

Business Stream			2009 - 2013 Savings	Converted to kt fuel equivalent	Proportion of total savings, %
	Electricity, k kWh	Heat, k Gcal	Fuel, kt		
Oil and gas production	4,603,344	54	-	1,504	81
Refining	194,549	1,561	27	333	18
Petroleum products supply	17,670	2.3	17	55	3
TOTAL	4,815,563	1,617,322	44	1,868	100%

The total 5-year fuel and energy savings are equal to 1,868,000 tons of fuel equivalent, or RUB11,872mln.

Also, in 2013, a methodology was defined for developing a new energy-saving program and estimating the actual energy-saving effect from standard measures. Following this new methodology, the Rosneft 2014-2018 Energy-Saving Program was developed and approved by the Board of Directors. The Program covers 93 subsidiaries and the expected fuel and energy saving effect is over 4,500,000 tons of fuel equivalent.

C) Energy-saving and energy-efficiency improvement policy

In 2013, the Company management took a decision to implement in its operations an Energy Management System compliant with the requirements of the GOST R ISO 50001:2012 standard. This decision will enable application of the best international practices in energy cost reduction and a step change in managing the process of the Company's energy-efficiency and energy-saving improvement. A methodological and organizational support for this project will be provided by the newly set up Energy-Efficiency Commission, which includes structural subdivisions heads in charge of operational performance (Head Office).

In 2013, the Energy-Efficiency Commission approved the Rosneft 2014 – 2016 Energy-Efficiency Improvement Road Map which will help to get the Energy Management System certified by 2017.

7. INSURANCE OF THE LIABILITY OF INDEPENDENT DIRECTORS REPRESENTING THE GOVERNMENT INTERESTS IN COMPANY GOVERNANCE BODIES

Rosneft insures liability of the Company governance bodies members, including independent Board directors. Insurance is intended to compensate to the Company, its shareholders, creditors and other parties the damage caused by unintentional erroneous actions (inaction) of the insured in the course of management activities.

In 2013, the insurance coverage amount (indemnity limit) under the insurance contract was \$150mln with \$1mln of a special additional limit for each independent director and \$6mln of additional coverage for all independent directors.

8. ADVISABILITY OF CORE ASSETS DISPOSAL IN THE SECTORS OF ECONOMY WITH AN ADEQUATE COMPETITION LEVEL. DISPOSAL OF NON-CORE ASSETS

In 2013, Rosneft continued optimization of the assets owned by the Company and its subsidiaries.

Based on a high-level Company portfolio review, a list of assets planned for disposal was identified. Currently, the Company's core subdivisions are preparing a detailed portfolio review broken-down by the business segment.

The question of selling share blocks in a number of power companies owned by the Company is also being looked into. In 2013, the Company continued the policy of optimizing its properties and assets. Pursuant to the Standard for Management of Non-Core and Inefficient Assets approved by the Board of Directors, the following actions were taken:

- The Board of Directors approved the Consolidated List of and Action Program (Plan) for 17 Companies of the Group Subject to Liquidation;
- In 2013, the following companies of the Group were liquidated: OJSC Moskovskaya gazovaya kompaniya, CJSC Zarechiye, LLC Salyburneft, LLC Samaraneftavtomatika, LLC YuganskS-petsStroy, LLC Uchyot i Otchetnost, LLC Nyagan-Media, LLC Transport-Boguchany, LLC Neftebytservis, LLC Private Security Company Garant-Izhevsk, OJSC Vostochno-Sibskaya gazovaya kompaniya, OJSC RUSIA Petroleum, OJSC Yeniseyneftegaz, Femco Golf Limited (Cyprus); Neftcon Shipping Limited (Cyprus); Spets Navigation Limited (Cyprus); Katangly Shipping Limited (Cyprus);
- The Rosneft Board of Directors approved the Consolidated List of and Action Program (Plan) for the Companies of the Group Subject to Reorganization (51 companies, including 7 companies in the Power Stream, 40 companies in the Marketing Stream, and 4 companies in the Accounting Function). The Program is planned for 2014-2015.

Analysis of recently acquired assets to determine companies subject to disposal has been performed within the framework of integration with TNK-BP.

Upon completion of the Consolidated List of Companies Subject to Disposal, actions will be taken to dispose of the Group companies, including obtaining approval of the Board of Directors and the Management Board.

In 2014, the Company will continue its program of liquidation, reorganization and sale of non-core and inefficient companies of the Group, including restructuring the Company's foreign assets.

9. ACTIONS ON EXPANDING PROCUREMENT OF RUSSIA-MADE GOODS

In order to use a uniform approach to selection of goods, works and services providers, the Company is applying:

- Rosneft Standard for the Process of Organizing Materials Supplies for Subsidiaries;
- Rosneft Policy on Procurement approved by the Company Board of Directors on 21 December, 2011 (Minutes N° 8);
- Executive Order dated 13 July, 2011, N° 383 on Organizing Work to Improve Rosneft Procurement Activities.

In sourcing goods, works and services, if their technical properties, price and quality are equal, all Rosneft subsidiaries and structural subdivisions are supposed to give preference to Russia-made products taking into account required delivery time lines.

Foreign equipment is purchased if its technical properties are significantly superior to Russian analogues or if such Russia-made equipment is not available in the Russian market, with all the necessary rationale provided in any case.

In order to reduce the amount of foreign procurement, the Company is studying new developments by Russian manufacturers and organizing testing and further commercial use of such developments.

In 2013, RUB168.8bln worth of Russia-made materials was purchased by Rosneft assets against RUB178.1bln in 2012. Growth of the amount of foreign equipment purchased is due to the continued program of refinery modernization resulting in major deals in 2013 to purchase hydrocracking equipment (licensor - CHEVRON (USA)) and reforming units (licensor - UOP (USA)). The equipment in question is not manufactured in Russia.

Potential contractors are subject to a pre-qualification procedure. Careful screening leaves in only good-faith contractors and prevents economically unjustified schemes. On top of that, the Company audits key vendors, including by using specialized external audit organizations.

In order to ensure procurement transparency, information about planned tenders for materials is placed on the Rosneft corporate web site and on the government procurement web site at www.zakupki.gov.ru.

10. EXPANDING ACCESS OF SMALL AND MEDIUM BUSINESSES TO PROCUREMENT BY INFRASTRUCTURE MONOPOLIES AND COMPANIES WITH GOVERNMENT PARTICIPATION

In 2013, Rosneft did not take any actions required by Order of the Russian Federation Government dated 29 May, 2013, N°867-r on Expanding Access of Small and Medium Businesses to Procurement by Infrastructure Monopolies and Companies with Government Participation. Such actions are planned for 2014.

11. ACTIONS AIMED AT ENSURING OPENNESS OF INFORMATION ABOUT PROCUREMENT ACTIVITIES AND TRANSITION TO E-SOURCING, INCLUDING REGULATIONS GOVERNING THE PURCHASING PROCEDURES FOR GOODS, WORKS AND SERVICES

The Company invariably complies with the requirements of Federal Law N°223-FZ On Procurement of Goods, Works and Services by Certain Types of Legal Entities dated 18 July, 2011, pursuant to which a set of internal regulatory documents were developed and enacted, including in subsidiaries which are subject to Federal Law N°223-FZ dated 18 July, 2011. By way of complying with the requirements of Federal Law N°223-FZ dated 18 July, 2011, Rosneft publishes the following information on the government procurement web site (www.zakupki.gov.ru):

- procurement plan;
- regulation on procurement of goods, works and services;
- information on purchases;
- information on the number and total value of contracts awarded by the Company as a results of tenders for goods, works and services.

The Company subsidiaries which are not subject to Federal Law N°223-FZ dated 18 July, 2011, place procurement information on the corporate web site, which ensures information openness of all Rosneft Group companies.

Currently, Rosneft continues development and implementation of an automated procurement system based on SAP SRM.

The Company's own e-commerce platform is being developed. It is designed to improve openness, competitiveness and efficiency of procurement procedures.

12. REDUCTION OF UNIT COSTS OF PURCHASED GOODS (WORKS, SERVICES) BY AT LEAST 10% PER ANNUM IN REAL TERMS OVER THREE YEARS

Pursuant to sub-paragraph "f" of paragraph 1 of the List of Instructions by the President of the Russian Federation with regard to Priority Measures Aimed at Improving the Investment Climate in the Russian Federation dated 2 April, 2011 r. N° Pr-846, joint-stock companies with government participation are instructed to take measures towards reducing unit costs of purchased goods (works, services) by at least 10% per annum in real terms over three years.

The Company has developed a methodology of estimating and monitoring reduction of unit costs of purchased goods (works, services) by at least 10% per annum in real terms over three years in the 2010 prices endorsed by the Energy Ministry of the Russian Federation and approved by the Rosneft Board of Directors, and performed an estimate of the 2013 cost reductions according to the methodology. Using the 1.2954 deflator to the base amount of RUB51.1bln, the average price reduction for the materials purchased over 12 months of 2013 vs. 12 months of 2010 across the Company was 10%.

13. PROPOSALS AND RECOMMENDATIONS AIMED AT ENCOURAGING ENVIRONMENTAL RESPONSIBILITY MECHANISMS BASED ON INTERNATIONAL STANDARDS, INCLUDING SUCH AS NON-FINANCIAL REPORTS AND VOLUNTARY CERTIFICATION AND MARKING SYSTEMS SUBJECT TO INDEPENDENT AUDIT AND VERIFICATION

In order to confirm compliance of the Company's HSSE Integrated Management System with the ISO 14001:2004 Environmental Management System, in March-April 2013, the certifying body Bureau Veritas Certification Rus conducted the first supervisory audit. The findings of the audit were positive. Having certified another three companies of the Group (within the Petroleum Products Supply business), the audit expanded the applicability of the Company's ISO 14001:2004.

During the Rosneft and TNK-BP integration, actions were taken to harmonize the two management systems. Notably, the TNK-BP management systems were reviewed to understand the synergy potential regarding certification of the Group companies, including former TNK-BP, so that uniform Rosneft certificates could apply and best environmental practices could be implemented.

In order to improve the HSSE Integrated Management System, a number of Rosneft internal regulatory documents were revised governing the process of internal audits, corrective and preventive actions, and documentation management.

From 2007 through 2012, as a voluntary initiative, Rosneft published Sustainable Development Reports (hereinafter "Reports") containing information and indicators characterizing the Company's social responsibility.

From 2012, compliant with the Directives of the Chairman of the Russian Federation Government dated 30 March, 2012 N° 1710p-P13, publication of such data is mandatory for companies with government participation. In connection with this, the Rosneft Board of Directors took a decision to prepare annual Sustainable Development Reports, publish them on the corporate web site and send them to OJSC Rosneftegaz. (Minutes N°4 of the Rosneft Board of Directors meeting dated 7 August, 2012).

Requirements to prepare and publish non-financial reports are also stipulated by the Rosneft Policy on Social Development approved by Executive Order N° 574 dated 16 November, 2009. The Policy stipulates that Reports should be prepared in accordance with the international Guidelines on Social Development Reporting of the Global Reporting Initiative (GRI Guidelines).

From 2008, annual audits of the Reports are done by an international auditor, Ernst & Young. The 2008, 2009, 2010, 2011, and 2012 Social Development Reports were at the maximum A+ level for information disclosure by the GRI Guidelines standards.

Currently, the Company is preparing the 2013 Social Development Report in compliance with the GRI international reporting standards.

In 2013, the Company began preparation for transition to GRI version 4 (G4). In particular, a uniform data base of indicators applicable to the Company and to the industry has been developed. Pilot implementation is planned for 2014-2015.

14. INFORMATION ON DELIVERY OF INVESTMENT PROGRAMS

The reporting year of 2013 became a year of the Company's record-high operational and financial performance. The capital investment program amounted to RUB560bln, which is 18% higher, year-on-year. The key results of the capex program are as follows:

- Stabilization of hydrocarbon production from brownfields and steady production growth from greenfields. Total annual hydrocarbon production reached 220mtoe¹.
- Resource base additions. According to the international audit, the proven reserves, SEC, have grown by 74% (organic growth 11%) and now amount to 31bln boe¹.
- Maintaining leading positions in E&P capex compared to key competitors (\$71/boe in 2013).
- Refinery modernization to comply with the technical regulations and the quadripartite agreement.
- Bringing on stream the largest CDU in Russia (ELOU-AVT-12) at the Tuapse Refinery.

In 2013, work continued on offshore projects development and strengthening strategic partnerships, which is one of the key priorities. The effort resulted in getting 17 new license blocks and signing final agreements with ExxonMobil, Eni, Statoil, and Inpex. Currently, the resource owned by the Company is estimated as exceeding 45bln toe.

The 2013 investment in new acquisitions equal to RUB 1,495 bln¹ made Rosneft the leader of the Russian oil and gas industry and the world's largest oil and gas company. The most material acquisitions were as follows:

- closure of the deal on acquiring a 100% TNK-BP stake.
- consolidation of stakes in LLC Taas-Yuriakh and LLC Itera to 100%.

All the acquired assets were integrated into a single process of investment decision-making. In 2013, over 170 high-efficiency projects were sanctioned for the period of 2014+. The projects meet the Company standards for return on capital employed and for strategic fit:

- increased scope of development drilling to maintain production from the existing fields; beginning of tight reserves (hard-to-recover reserves) development;
- active development of major greenfields to be put on stream in 2017-2018 (Vostochno-Urengoiskoye, Novo-Urengoiskoye, Kharampurskoye, Kynsko-Chaselskaya group, Suzunskoye, Tagulskoye, Russkoye);
- creation and development of new oil production hubs in East Siberia on the basis of the Vankorskoye, Verkhnechonskoye, Yurubcheno-Tokhomskoye and a number of other fields;
- beginning of construction of Phase 1 of the Vostochnaya Petrochemical Company (VNVKhK) designed to cover the regional shortage of petroleum products and develop a Far-Eastern petrochemical hub;
- refinery modernization program proceeding to its active phase aimed at compliance with the technical regulations and the quadripartite agreement bringing the crude conversion rate from 66% in 2013 to 80% in 2018.

15. ACCESSION TO THE ANTI-CORRUPTION CHARTER OF RUSSIAN BUSINESS

The Company supports the decision on adoption of the Anti-Corruption Charter of the Russian Business and rigorously adheres to anti-corruption principles determined by federal laws and Decrees of the President of the Russian Federation.

16. ELABORATION BY THE COMPANY OF A MID-TERM AND LONG-TERM STRATEGY OF ORGANIZATIONAL DEVELOPMENT AND AN INNOVATION DEVELOPMENT PROGRAM; MEASURES AIMED AT ELABORATION OF INNOVATION DEVELOPMENT PROGRAMS IN JOINT-STOCK COMPANIES INCLUDED IN THE LIST OF ORGANIZATIONS TO ELABORATE INNOVATION DEVELOPMENT PROGRAMS APPROVED BY THE RESOLUTION OF THE GOVERNMENT HIGH TECHNOLOGIES AND INNOVATIONS COMMISSION DATED 3 AUGUST, 2010, MINUTES N°4

The Company has elaborated the Innovative Development Program consistent with the regulations and legislative acts and plans and programs of the national, regional and corporate levels. The Program was approved by the Rosneft Board of Directors on 1 April, 2011 and endorsed by the meeting of the Working Group on Public-Private Partnership Development in Innovations set up as part of the Government High Technologies and Innovations Commission.

On 6 May, 2013, the Company Board of Directors reviewed and approved the 2012 Report on the Rosneft Innovative Development Program.

The 2013 R&D investment as part of the Innovative Development Program was RUB23.2bln, twice the planned 2013 amount of RUB11.5bln. The investment increase was due to Rosneft and TNK-BP integration.

The corporate R&D Center, RN-R&D Center [RN-TsIR], has GTL technologies and is completing development of mini-GTL technologies. It also owns unique technologies for making efficient catalysts for this process. The RN-R&D Center is one of the key residents in Skolkovo with the annual funding of RUB350mln. Its main focus is on breakthrough research and development of new-generation polymer materials, synthetic, motor and jet fuels, as well as unique catalysts.

Two unique expeditions - KARA-Winter 2013, KARA-Summer 2013 - were carried out as part of the Arctic investigations looking at the ice and metocean conditions in support of offshore resource exploration and development projects in the south-western part of the Kara Sea. The expeditions installed an automatic metocean station on the Cape of Hessen, and repaired two previously installed stations on the eastern coast of the Novaya Zemlya Archipelago. In 2014, carrying on its vast Arctic offshore investigation program, Rosneft will fully reactivate the system of metocean observations in the Kara Sea adding another station planned to be installed on Uyedineniya Island in the Kara Sea thus creating an efficient metocean network of 10 facilities.

1. Per Consolidated Financial Statements.

In 2013, the Company's Target Innovation Projects delivered:

- a 3S separation-based gas processing unit with the capacity of 160mcm per annum planned to be put on stream in LLC RN-Yuganskneftegaz, with 11 kcm per annum of stable condensate to be produced from associated petroleum gas;
- a technology for tight reservoir development in the fields of RN-Yuganskneftegaz; 2013 drilling scope – 32 wells; 2013 incremental production – 167kt with an upside of 100 mt of tight reserves to be on stream;
- new discoveries of oil and gas condensate plays on the territory of the Irkutsk Region in the Mogdinskiy License Block with the flow rate of up to 425 kcm/day of gas and condensate and 90cm/day of oil.

Based on the 2010-12 new technology and pilot testing projects, 132 successfully tested technologies were implemented in 2013 with the total budget of RUB13,445.8 mln and incremental oil production of 1078.9kt. The effect from implementing the technologies was over RUB4bln.

Detailed information about the Innovative Development Program and its 2013 deliverables is to be found on page 83 of the Annual Report.

17. IMPLEMENTATION OF CO-INVESTMENT PRINCIPLES INTO THE PRACTICES OF RUSSIAN AND INTERNATIONAL VENTURE FUNDS

The Company considers it important to support the proposed co-investment principles as their application will help the development of its innovations by:

- using the fund to bring in new promising themes for research and world class technologies aimed at achieving Company objectives;
- involving the fund's portfolio companies into innovation projects;
- developing and attracting technologies (via investment into the fund) required by Company subsidiaries or third-party service companies. The Rosneft 2011-2015 Innovative Development Program approved by the Board of Directors on 1 April, 2011, already contains actions consistent with potential co-investment in venture funds in order to help advance innovation projects to the commercial manufacturing or application level.

Given that the Company's collegial governance bodies can make decisions on co-investment in venture funds based on specific proposals from such funds to participate in the Company's innovation projects, the question of the Company applying the principles of co-investment in Russian and international venture funds will be addressed by the Board of Directors in case it gets such proposals.

18. ADVISABILITY OF APPLYING RECOMMENDATIONS ON INTELLECTUAL PROPERTY RIGHTS MANAGEMENT

In 2012 Rosneft's Board of Directors approved the Innovative Activities Policy determining key principles of managing intellectual property rights, with regard to:

- determining procedure for allocation of intellectual property (IP) rights,
- legal protection of IP,
- approaches to implementation and commercialization of IP.

The Company Standard on Organizing Rationalization and Inventive Activities was approved. Currently a draft Company Regulation on Managing Intellectual Property Items, specifying principles established by the Policy, has been developed and is under approval.

Managing functions in Intellectual property have been assigned to specialists of Technical Development and Innovations Department.

Key performance indicators in the sphere of intellectual property and commercialization, including for TD&ID, are "the number of adopted results of Target Innovative Projects", "the number of patent applications and applications for certificates of registration" and "the number of patents and certificates of registration received during the period".

As a result of these activities, the Company in 2013 has submitted 52 patent applications and applications for State registration of software (2.9 times more than in 2012). The Company owns 380 patents for inventions and useful models and certificates of State registration of software as of January 01, 2014.

Auditor's Report On Financial Statements of Rosneft Oil Company for Year 2013

Independent Auditor's Report

To the Shareholders and the Board of Directors
of Rosneft Oil Company We have audited the accompanying financial statements of Open Joint Stock Company Rosneft Oil Company, which comprise the balance sheet as at December 31, 2013, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Audited entity's responsibility for the financial statements

Management of Rosneft is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting rules established in the Russian Federation, and for the internal control necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the fairness of these financial statements based on our audit.

We conducted our audit in accordance with the Federal Standards on Auditing effective in the Russian Federation and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The audit procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management of the audited entity, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Rosneft as at December 31, 2013, and its financial performance and cash flows for the year then ended in accordance with the accounting rules established in the Russian Federation.

Other matters

Financial statements of Rosneft for years 2011 and 2012 were audited by a different auditor who issued auditor's reports with presentation of unmodified opinions of February 10, 2012 and February 8, 2013.

The financial statements attached are not intended to represent the financial position and performance results in accordance with the accounting principles or methods accepted in the countries and jurisdictions other than the Russian Federation. Accordingly, the financial statements attached are not designated for the persons who are unfamiliar with the accounting principles, procedures and methods accepted in the Russian Federation.

*R.G. Romanenko,
Partner
Ernst & Young LLC
February 20, 2014*

Details of the audited entity

Name: OJSC Rosneft Oil Company

Information about the State Register of Legal Entities Concerning a Legal Entity: 77N°004856711 dated August 12, 2002.

Address: Russia, 115035, Moscow, Sofiyskaya Embankment, 26/1.

Details of the auditor

Name: Ernst & Young LLC

Record made in the State Register of Legal Entities on 5 December 2002, State Registration Number 1027739707203.

Address: Russia, 115035, Moscow, Sadovnicheskaya naberezhnaya, 77, building 1.

Ernst & Young LLC is a member of Non Profit partnership "Russian Audit Chamber" ("NP APR"). Ernst & Young LLC is registered in the register of auditors and audit organizations of NP APR, number 3028, and also included in the control copy of the register of auditors and audit organizations, main registration number 10201017420.

Balance Sheet as of December 31, 2013

Rosneft Oil Company
(in thousand of Russian rubles)

Notes	Indicator	Line Code	as of Dec 31		
			2013	2012	2011
ASSET					
I. Non-current assets					
7	Intangible assets	110	9,586,295	9,528,715	9,073,377
9	Research results	1120	1,952,071	1,284,250	253,905
8	Intangible exploration assets	1130	36,457,262	28,960,090	34,783,222
8	Tangible exploration assets	1140	5,558,235	5,138,375	4,884,176
6	Property, plant and equipment and construction in progress	1150	838,018,865	715,931,051	573,240,354
	Income yielding investments into tangible assets	1160	–	–	–
12	Financial investments	1170	2,401,568,509	424,432,357	319,035,452
21	Deferred tax assets	1180	11,394,511	9,061,468	7,075,802
10	Other non-current assets	1190	45,420,305	41,493,556	40,442,804
	Total, Section I	1100	3,349,956,053	1,235,829,862	988,789,092
II. Current assets					
11	Inventories, including:	1210	96,060,770	50,246,678	43,945,312
	feedstock, materials and other similar assets	1211	11,643,068	7,432,302	7,347,438
	in-process inventory costs (circulation costs)	1212	7,104,345	4,872,054	3,913,517
	finished products and goods	1213	76,867,641	37,394,263	31,608,825
	prepaid expenses	1215	445,716	548,059	1,075,532
	other inventory and costs	1219	–	–	–
	Value added tax receivable	1220	59,707,919	20,034,996	17,660,321
15, 18	Accounts receivable, including:	1230	847,683,278	418,546,528	621,048,304
	accounts receivable expected to be settled within 12 months from the reporting date	1231	755,173,353	390,751,235	365,195,849
	accounts receivable expected to be settled in more than 12 months after the reporting date	1232	92,509,925	27,795,293	255,852,455
12	Financial investments (except cash equivalents)	1240	425,964,971	569,479,045	359,176,920
13	Short-term derivatives recognized at fair value through the profit and loss statement	1241	88,015	2,816,129	104,637
13	Long-term derivatives recognized at fair value through the profit and loss statement	1242	773,849	1,660,150	–
14	Cash and cash equivalents	1250	199,904,615	233,428,067	102,020,000
	Other current assets	1260	7,646	8,554	–
	including accrued revenue under civil works contracts not presented for payment	1261	–	–	–
	Total, Section II	1200	1,630,191,063	1,296,220,147	1,143,955,494
	BALANCE	1600	4,980,147,116	2,532,050,009	2,132,744,586
LIABILITIES AND EQUITY					
III. Equity and reserves					
1, 19	Share capital (capital stock, authorized fund, participatory contributions)	1310	105,982	105,982	105,982
19	Treasury shares	1320	–	(68,216,969)	–
	Revaluation reserve	1340	15	15	15
19	Additional paid-in capital (without revaluation)	1350	113,276,744	113,276,492	113,277,035
19	Other funds and reserves	1360	5,299	5,299	5,299
20	Retained earnings (uncovered loss)	1370	1,270,340,857	1,219,376,676	999,884,408
	Total, Section III	1300	1,383,728,897	1,264,547,495	1,113,272,739
IV. Long-term liabilities					
16	Loans and borrowings	1410	1,729,241,793	905,695,447	622,715,207
21	Deferred tax liabilities	1420	43,735,992	19,196,992	16,084,835
24	Provisions	1430	38,242,591	45,298,397	39,172,235
	Long-term derivatives recognized at fair value through the profit and loss statement	1440	–	–	–
	Other liabilities	1450	470,151,376	–	1,577,155
	Total, Section IV	1400	2,281,371,752	970,190,836	679,549,432
V. Short-term liabilities					
16	Loans and borrowings	1510	622,881,018	74,848,915	134,994,694
15, 18	Accounts payable	1520	671,344,718	211,561,388	190,978,173
	suppliers and contractors	1521	487,901,829	117,932,513	76,773,288
	salary and other benefits payable	1522	32,421	1,014	1,944
	state extra-budgetary funds	1523	1,071	506	84
	taxes and dues	1524	39,880,449	39,015,219	32,862,363
	other creditors	1529	143,528,948	54,612,136	81,340,494
	Deferred revenue	1530	63,798	53,430	43,342
24	Provisions	1540	14,820,150	10,318,055	9,916,391
13	Short-term derivatives recognized at fair value through the profit and loss statement	1545	5,688,020	357,811	3,889,237
	Other liabilities	1550	248,763	172,079	100,578
	Total, Section V	1500	1,315,046,467	297,311,678	339,922,415
	BALANCE	1700	4,980,147,116	2,532,050,009	2,132,744,586

Rosneft President
General Director, LLC RN-Uchiot
(Contract of Dec 29, 2012 No. 0001012/FR1UD)
February 20, 2014

I.I. Sechin

V.A. Surkov

Profit and Loss Statement

Year 2013

Rosneft Oil Company
(in thousand of Russian rubles)

Notes	Indicator	Line Code	January-December	
			2013	2012
2,20,26	Revenues	2110	3,544,443,140	2,595,672,292
20	Cost of sales	2120	(1,969,312,483)	(1,293,592,537)
20	Gross profit/(loss)	2100	1,575,130,657	1,302,079,755
20	Selling expenses	2210	(1,307,050,333)	(1,016,641,454)
20	General and administrative expenses	2220	(39,985,741)	(28,564,368)
20	Exploration expenses	2230	(19,689,828)	(13,866,463)
20	Operating income/(loss)	2200	208,404,755	243,007,470
20	Equity share in profits of joint ventures and associates	2310	73,321,614	13,480,887
20	Interest receivable	2320	57,949,838	77,515,765
16, 20	Interest payable	2330	(67,752,187)	(53,948,854)
20	Gain on disposal of assets	2331	76,577,657	342,330,878
20	Loss on disposal of assets	2332	(84,043,732)	(266,645,710)
20	Gain on change in fair value of derivatives	2333	18,925,153	10,499,503
20	Loss on change in fair value of derivatives	2334	(28,003,373)	(2,730,443)
20	Taxes other than income tax	2335	(8,203,310)	(7,142,502)
17, 20	Other income	2340	287,293,195	231,092,891
17, 20	Other expenses	2350	(379,689,964)	(247,212,979)
20	Income/(loss) before tax	2300	154,779,646	340,246,906
	Current income tax expense	2410	(18,265,319)	(57,679,102)
21	including fixed tax liabilities/(assets)	2421	7,005,983	11,732,817
	Income tax from previous reporting periods	2425	17,588,742	6,479,886
	Imputed income tax	2426	–	–
21	Change in deferred tax liabilities	2430	(24,539,000)	(3,112,157)
21	Change in deferred tax assets	2450	2,333,043	1,985,666
	Other	2460	–	–
	Income tax re-distribution within consolidated taxpayers group	2465	4,381,672	10,062,493
22	Net income/(loss)	2400	136,278,784	297,983,692
FOR REFERENCE				
	Result of revaluation of non-current assets not included into net income/(loss) for the period	2510	–	–
	Result of other operations not included into net income/(loss) for the period	2520	253	(543)
	Total comprehensive income, net of tax	2500	136,279,037	297,983,149

Rosneft President
General Director, LLC RN-Uchiot
(Contract of Dec 29, 2012 No. 0001012/FR11Д)
February 20, 2014

_____ I.I. Sechin
_____ V.A. Surkov

Statement of Changes in Equity Year 2013

Rosneft Oil Company
(in thousand of Russian rubles)

1. Changes in Equity

Indicator	Line code	Authorized capital	Shares repurchased	Additional capital	Reserve capital	Retained earnings (uncovered loss)	Total
Capital value as of December 31, 2011	3100	105,982	–	113,277,050	5,299	999,884,408	1,113,272,739
FOR Y2012							
Increase of capital, including:	3210	–	–	4,141	–	297,983,692	297,987,833
net income	3211	x	x	x	x	297,983,692	297,983,692
revaluation of assets	3212	x	x	–	x	–	–
earnings allocated directly to capital increase	3213	x	x	4,141	x	–	4,141
additional issue of shares	3214	–	–	–	x	x	–
increase of shares par value	3215	–	–	–	x	–	x
legal entity reorganization	3216	–	–	–	–	–	–
Decrease of capital, including:	3220	–	(68,216,969)	(4,684)	–	(78,491,424)	(146,713,077)
net loss	3221	x	x	x	x	–	–
revaluation of assets	3222	x	x	–	x	–	–
expenses allocated directly to capital decrease	3223	x	x	(4,684)	x	–	(4,684)
decrease of shares par value	3224	–	–	–	x	–	–
decrease in number of shares	3225	–	(68,216,969)	–	x	–	(68,216,969)
legal entity reorganization	3226	–	–	–	–	–	–
dividends	3227	x	x	x	x	(78,491,424)	(78,491,424)
Change of additional paid-in capital	3230	x	x	–	–	–	x
Change of other funds and reserves	3240	x	x	x	–	–	x
Capital value as of December 31, 2012	3200	105,982	(68,216,969)	113,276,507	5,299	1,219,376,676	1,264,547,495
FOR Y2013							
Increase of capital, including:	3310	–	68,216,969	1,850	–	136,279,513	204,498,332
net income	3311	x	x	x	x	136,278,784	136,278,784
revaluation of assets	3312	x	x	–	x	–	–
earnings allocated directly to capital increase	3313	x	x	1,850	x	729	2,579
additional issue of shares, sale of own shares	3314	–	68,216,969	–	x	x	68,216,969
increase of shares par value	3315	–	–	–	x	–	x
legal entity reorganization	3316	–	–	–	–	–	–
Decrease of capital, including:	3320	–	–	(1,598)	–	(85,315,332)	(85,316,930)
net loss	3321	x	x	x	x	–	–
revaluation of assets	3322	x	x	–	x	–	–
expenses allocated directly to capital decrease	3323	x	x	(1,598)	x	–	(1,598)
decrease of shares par value	3324	–	–	–	x	–	–
decrease in number of shares	3325	–	–	–	x	–	–
legal entity reorganization	3326	–	–	–	–	–	–
dividends	3327	x	x	x	x	(85,315,332)	(85,315,332)
Change of additional capital	3330	x	x	–	–	–	x
Change of other funds and reserves	3340	x	x	x	–	–	x
Capital value as of December 31, 2013	3300	105,982	–	113,276,759	5,299	1,270,340,857	1,383,728,897

Rosneft President
General Director, LLC RN-Uchiot
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February 20, 2014

_____ I.I. Sechin
_____ V.A. Surkov

Statement of Changes in Equity Year 2013 (continued)

Rosneft Oil Company
(in thousand of Russian rubles)

2. Adjustments Due to Accounting Policy Change and Mistakes Correction

Indicator	Line Code	As of Dec 31, 2011	Change in equity in 2012		As of Dec 31, 2012
			at the expense of net profit (loss)	due to other factors	
CAPITAL – TOTAL					
Before adjustment	3400	1,119,243,075	302,500,630	(147,786,806)	1,273,956,899
Adjustment due to:					
Change of Accounting Policy	3410	(5,970,336)	(4,516,938)	1,077,870	(9,409,404)
Correction of mistakes	3420	–	–	–	–
After adjustment	3500	1,113,272,739	297,983,692	(146,708,936)	1,264,547,495
INCLUDING					
Retained earnings (uncovered loss):					
Before adjustment	3401	1,005,987,734	302,500,630	(78,491,424)	1,229,996,940
Adjustment due to:					
Change of Accounting Policy	3411	(6,103,326)	(4,516,938)	–	(10,620,264)
Correction of mistakes	3421	–	–	–	–
After adjustment	3501	999,884,408	297,983,692	(78,491,424)	1,219,376,676
Other capital items that have been adjusted (by items):					
Before adjustment	3402	113,255,341	–	(69,295,382)	43,959,959
Adjustment due to:					
Change of Accounting Policy	3412	132,990	–	1,077,870	1,210,860
Correction of mistakes	3422	–	–	–	–
After adjustment	3502	113,388,331	–	(68,217,512)	45,170,819

3. Net Assets

Indicator	Line code	As of Dec 31		
		2013	2012	2011
Net Assets	3600	1,383,792,695	1,264,600,925	1,113,316,081

Rosneft President
General Director, LLC RN-Uchiot
(Contract of Dec 29, 2012 No. 0001012/FR11Д)
February 20, 2014

_____ I.I. Sechin
_____ V.A. Surkov

Statement of Cash Flows

For Year 2013

Rosneft Oil Company
(in thousand of Russian rubles)

Indicator	Line code	2013	2012
CASH PROVIDED BY OPERATING ACTIVITIES			
Proceeds	4110	4,128,296,069	2,744,433,447
from sale of products, goods, work and services	4111	3,700,180,153	2,323,730,232
lease payments, license payments, royalty, commission and other similar payments	4112	89,070,731	72,922,138
from resale of financial investments	4113	–	10,120,384
other proceeds	4119	339,045,185	337,660,693
Cash disbursed, including:	4120	(3,331,718,495)	(2,442,952,875)
to suppliers (contractors) for feedstock, materials, work, services	4121	(2,718,801,264)	(1,837,129,276)
due to payment of employees' salaries and other benefits	4122	(15,933,017)	(13,764,786)
interest on loans	4123	(56,354,154)	(27,283,748)
income tax settlements	4124	(39,363,208)	(83,446,302)
settlements on taxes and dues (other than income tax)	4125	(417,792,990)	(407,134,042)
to other payments	4129	(83,473,862)	(74,194,721)
Net cash provided by operating activities	4100	796,577,574	301,480,572
CASH PROVIDED BY INVESTMENT ACTIVITIES			
Proceeds, including:	4210	538,281,162	170,838,953
from sale of non-current assets (other than financial investments)	4211	8,500,949	2,724,595
from sale of interest in joint ventures and associates	4212	–	17,795,531
from repayment of granted loans, sale of debt securities (right of cash demand from third parties)	4213	445,172,425	117,528,243
dividends, interest on financial liabilities and similar proceeds from interest in joint ventures and associates	4214	76,506,785	19,021,910
other proceeds	4219	8,101,003	13,768,674
Payments, including:	4220	(2,558,967,878)	(423,330,922)
associated with acquisition, creation, upgrade, reconstruction and preapplication treatment of non-current assets	4221	(221,358,627)	(208,475,183)
associated with acquisition of interest in joint ventures and associates	4222	(1,805,166,139)	(8,173,406)
associated with acquisition of debt securities (right of cash demand from third parties), provision of loans to third parties	4223	(441,984,735)	(161,671,752)
interest on debt liabilities included into investment asset value	4224	–	–
other payments	4229	(90,458,377)	(45,010,581)
Net cash issued in investing activities	4200	(2,020,686,716)	(252,491,969)
CASH PROVIDED BY FINANCING ACTIVITIES			
Proceeds, including:	4310	1,964,382,985	523,087,621
loans and borrowings received	4311	1,854,365,834	503,052,507
cash contributions from shareholders	4312	–	–
from issue of shares, increase of share in capital	4313	–	–
from issue of bonds, promissory notes and other debt securities etc.	4314	109,986,250	19,997,000
other proceeds	4319	30,901	38,114
Payments, including:	4320	(786,967,237)	(436,236,136)
acquisition of non-controlling interests from shareholders	4321	–	(68,256,357)
dividends and other payments associated with income distribution	4322	(82,275,050)	(76,244,161)
associated with repayment (redemption) of promissory notes and other debt securities, repayment of loans and borrowings	4323	(704,265,394)	(288,398,136)
other payments	4329	(426,793)	(3,337,482)
Net cash provided by financing activities	4300	1,177,415,748	86,851,485
Net (decrease)/increase in cash and cash equivalents	4400	(46,693,394)	135,840,088
Balance of cash and cash equivalents at the beginning of the reporting period	4450	233,428,053	102,019,986
Balance of cash and cash equivalents at the end of the reporting period	4500	199,904,499	233,428,053
Effect of foreign exchange on cash and cash equivalents	4490	13,169,840	(4,432,021)

Rosneft President
General Director, LLC RN-Uchiot
(Contract of Dec 29, 2012 No. 0001012/FR1JД)
February 20, 2014

I. I. Sechin

V. A. Surkov

Notes to Rosneft oil company Financial statements for the year ended 31 December 2013

These Notes to Balance Sheet and Statement of Comprehensive Income are an integral element of Rosneft Oil Company's 2013 financial statements prepared in accordance with the applicable laws of the Russian Federation.

The reporting date of these financial statements, as of which they are prepared, is December 31, 2013.

1. ENTITY AND AREAS OF ACTIVITY

Company description

Open joint-stock company "Rosneft Oil Company" (hereinafter, the "Company") was established in accordance with Decree of the President of the Russian Federation dated April 01, 1995 No. 327 "On priority measures aimed to improve the activities of oil companies" and on the basis of Russian Government Resolution dated September 29, 1995 No. 971 "On the Transformation of the Rosneft State enterprise into an open joint-stock company "Rosneft Oil Company".

The company is a legal entity that operates on the basis of its Charter and the laws of the Russian Federation.

Company legal address (location)

Company legal address: Russian Federation, 115035, Moscow, Sofiyskaya Embankment, 26/1.

COMPANY GOVERNANCE BODIES

General Shareholders Meeting of the Company

The General shareholders meeting is the supreme governance body of the Company. The terms of reference, procedure for convening, holding of, and proceedings at, the General shareholders meeting of the Company are determined in accordance with the Company Charter and the Federal law.

The address of the place for holding the General shareholders meeting in the form of joint presence of shareholders is determined by the Company Board of Directors.

The annual General shareholders meeting is held not earlier than two months and not later than six months after the end of the financial year.

The Chairman of the Company Board of Directors or, failing his presence, Board of Directors member elected for this purpose from among the rest Board of Directors members, presides at the General shareholders meeting.

Board of Directors of the Company

The Board of Directors of the Company exercises overall management of the Company activities, with the exception of those matters that are reserved for the General shareholders meeting by federal laws and the Company Charter.

Members of the Company Board of Directors are elected by the General shareholders meeting to serve until the next annual General shareholders meeting.

The line-up of the Rosneft Board of Directors that served in the period from Nov. 30, 2012 to June 20, 2013 and from June 20, 2013 until date was approved by decisions of General shareholders meetings of the Company held on Nov. 30, 2012 and June 20, 2013, respectively.

The following were members of the Open joint-stock company "Rosneft Oil Company" Board of Directors as of Dec. 31, 2013:

1.	Nekipelov, Aleksandr Dmitrievich	Chairman of Rosneft Board of Directors (since Sep. 13, 2011), Director, Moscow School of Economics, the Lomonosov State University.
2.	Sechin, Igor Ivanovich	Deputy Chairman of Rosneft Board of Directors (since June 20, 2013), CEO and Management Board Chairman of Rosneft.
3.	Kostin, Andrey Leonidovich	Deputy Chairman of Rosneft Board of Directors (since June 20, 2013), CEO and Management Board Chairman, member of Supervisory Council of VTB Bank.
4.	Chemezov, Sergey Viktorovich	Deputy Chairman of Rosneft Board of Directors (since June 20, 2013), General Director, member of Supervisory Board of Rostekhnologii state-owned corporation.
5.	Dudley, Robert	Deputy Chairman of Rosneft Board of Directors (since June 20, 2013), Director and member of the Board of Directors, Chairman of the Board Executive Committee, BP Group CEO.
6.	Warnig, Matthias	Member of Rosneft Board of Directors (since Sep. 13, 2011), Independent Director, Managing Director of Nord Stream AG (Switzerland).
7.	Laverov, Nikolay Pavlovich	Member of Rosneft Board of Directors (since June 20, 2013), Independent Director, member of the Presidium of the Russian Academy of Sciences.
8.	Mack, John	Member of Rosneft Board of Directors (since June 20, 2013), Independent Director.
9.	Humphreys, Donald	Member of Rosneft Board of Directors (since June 20, 2013), Independent Director.

In accordance with the Board of Directors Regulations, compensation to the members of the Company Board of Directors are paid pursuant to the General shareholders meeting decision based on the Company results of operations for the year.

By decision made by the Annual General shareholders meeting on June 20, 2013 (unnumbered minutes), it was approved that compensation shall be provided by a transfer of block of Rosneft shares to the following members of Rosneft Board of Directors, as follows:

Warnig, Matthias – 76,373 shares (for the periods from June 20, 2012 through Nov. 30, 2012 and from Nov. 30, 2012 through June 20, 2013);

Kuzovlev, Mikhail Valeryevich – 76,373 shares (for the periods from June 20, 2012 through Nov. 30, 2012 and from Nov. 30, 2012 through June 20, 2013);

Laverov, Nikolay Pavlovich – 75,009 shares (for the periods from June 20, 2012 through Nov. 30, 2012 and from Nov. 30, 2012 through June 20, 2013);

Nekipelov, Aleksandr Dmitrievich – 85,920 shares (for the periods from June 20, 2012 through Nov. 30, 2012 and from Nov. 30, 2012 through June 20, 2013);

Rudloff, Hans-Jorg – 79,101 shares (for the periods from June 20, 2012 through Nov. 30, 2012 and from Nov. 30, 2012 through June 20, 2013);

Shishin, Sergey Vladimirovich – 79,101 shares (for the periods from June 20, 2012 through Nov. 30, 2012 and from Nov. 30, 2012 through June 20, 2013);

Shugaev, Dmitry Evgenyevich – 72,282 shares (for the periods from June 20, 2012 through Nov. 30, 2012 and from Nov. 30, 2012 through June 20, 2013);

Shcherbovich, Ilya Viktorovich – 72,282 shares (for the periods from June 20, 2012 through Nov. 30, 2012 and from Nov. 30, 2012 through June 20, 2013).

The Company obligation to pay compensation to the above-mentioned members of Open joint-stock company "Rosneft Oil Company" Board of Directors for the period of their service by the transfer of Company shares to these Board members was fulfilled as of Dec. 31, 2013.

Sole executive body of the Company

Open joint-stock company "Rosneft Oil Company" CEO is the sole executive body of the Company.

Effective from May 24, 2012, Igor Ivanovich Sechin was appointed for the Company CEO by the decision of the Company Board of Directors (Board of Directors Minutes No. 22 dated May 23, 2012).

Collegiate executive body of the Company

Pursuant to the Charter, the Management Board is the collegiate executive body of the Company.

As of Dec. 31, 2013, the following were members of the Company Management Board:

1.	Sechin, Igor Ivanovich	CEO, Management Board Chairman of Open joint-stock company "Rosneft Oil Company", Deputy Chairman of Open joint-stock company "Rosneft Oil Company" Board of Directors
2.	Sharipov, Rashid Ravelevich	Deputy Management Board Chairman, Vice-President – Chief of Staff, Open joint-stock company "Rosneft Oil Company"
3.	Liron, Eric Maurice	First Vice-President of Open joint-stock company "Rosneft Oil Company" in charge of Upstream matters
4.	Kalanda, Larissa Vyacheslavovna	State Secretary – Vice-President, Open joint-stock company "Rosneft Oil Company"
5.	Votinov, Andrey Valeryevich	Vice-President, Capital Construction, Open joint-stock company "Rosneft Oil Company"
6.	Casimiro, Didier	Vice-President, Commerce and Logistics, Open joint-stock company "Rosneft Oil Company"
7.	Maydannik, Igor Vladimirovich	Vice-President, Legal Open joint-stock company "Rosneft Oil Company"
8.	Kalinin, Yuri Ivanovich	Vice-President, HR and Social Matters, Open joint-stock company "Rosneft Oil Company"
9.	Mukhitov, Nail Mansurovich	Vice-President – Head of Security, Open joint-stock company "Rosneft Oil Company"
10.	Pavlov, Igor Vladimirovich	Vice-President, Oil Refining and Petrochemicals, Open joint-stock company "Rosneft Oil Company"

11.	Runje, Zeljko	Vice-President, Offshore Projects, Open joint-stock company "Rosneft Oil Company"
12.	Slavinsky, Svyatoslav Igorevich	Vice-President, Economics and Finance, Open joint-stock company "Rosneft Oil Company"
13.	Lazarev, Petr Ivanovich	Chief Financial Officer, Open joint-stock company "Rosneft Oil Company"

Management Board members are paid salaries as stated in their individual employment contracts with the Company, but are not paid any further remuneration on account of their service on the Management Board.

The Company Board of Directors made the following decisions in relation to the Company Management Board line-up:

- early termination of the powers of Management Board member G.G. Giliev and appointment of new Management Board members Yu.I. Kalinin, A.V. Votinov (Minutes No. 9 dated Feb. 13, 2013);
- early termination of the powers of Management Board member D.V. Avdeev and appointment of new Management Board member I.V. Maydannik (Minutes No. 2 dated July 22, 2013);
- increase in the number of Management Board memberships from 11 to 13, and early termination of Management Board member E.Yu. Khudaynatov and appointment of new Management Board members R.R. Sharipov, E. Liron, S.I. Slavinsky (Minutes No. 6 dated Sep. 23, 2013).

Control of Company financial and business operations

Control of the Company financial and business operations is exercised by the internal audit commission. The internal audit commission proceedings are determined pursuant to the Company Internal Audit Commission Regulations approved by the General shareholders meeting.

The Company internal audit commission of five (5) members is elected by the General shareholders meeting to serve until the next Annual General shareholders meeting.

As of Dec. 31, 2013, the following were members of the Company Internal Audit Committee:

1.	Zenkov, Oleg Sergeevich	Deputy Head of Local Office Supervision Division, Advisor to Deputy Minister – Head of Rosimushchestvo
2.	Kuzovlev, Mikhail Valeryevich	CEO-Management Board Chairman, member of the Board of Directors, OJSC Bank of Moscow
3.	Mironov, Aleksey Borisovich	General Director, LLC bl'b
4.	Nozadze, Georgy Avtandilovich	Assistant, Expert Office of the President of the Russian Federation
5.	Yugov, Aleksandr Sergeevich	

The members of the Company Internal Audit Commission did not receive compensation on account of their service on the Internal Audit Commission in 2013.

Structure of Company charter capital

As of Dec. 31, 2013, the following were the holders of Open joint-stock company "Rosneft Oil Company" shares:

- OJSC ROSNEFTEGAZ was the holder of 7,365,816,383 common shares in Open joint-stock company "Rosneft Oil Company", amounting to 69.5% of all Company common shares and charter capital;
- CJSC NRD non-profit organization was the nominee holder of 3,179,709,451 common shares in Open joint-stock company "Rosneft Oil Company", amounting to 30.0% of all Company common shares and charter capital;
- other legal entities holding less than 1% of shares were owners and nominee holders of 1,590,676 common shares in Open joint-stock company "Rosneft Oil Company", amounting to 0.015% of all Company common shares and charter capital;
- individuals were holders of 51,061,306 common shares in Open joint-stock company "Rosneft Oil Company", amounting to 0.48% of all Company common shares and charter capital;
- The Russian Federation, acting through the Federal Agency for Management of State Property, was the owner of 1 common share in Open joint-stock company "Rosneft Oil Company", amounting to 0.000000009% of all Company common shares and share capital.

Description of Company activities

In accordance with Paragraph 3.4 Article 3 of Open joint-stock company "Rosneft Oil Company" Charter approved by the Annual General shareholders meeting of the Company on June 19, 2009 (unnumbered minutes), the Company core activities are to ensure search, exploration, extraction, and processing of oil, gas, and gas condensate and the sale of oil, gas, gas condensate and their derivative products to consumers in and outside the Russian Federation, to conduct any associated types of activities, as well as to carry out works with precious metals and precious stones. The Company shall carry out, inter alia, the following main types of activity:

1. geological prospecting and geological exploration work aimed at oil, gas, coal and other minerals search; extraction, transportation and processing of oil, gas, coal and other minerals and timber; production of oil products, petrochemicals and other products, including electric power, woodworking products, fast moving consumer goods and provision of services to the public; storage and sale (including sale in the domestic market and export sale) of oil, gas, oil products, coal, electric power, woodworking products, and other hydrocarbon and other derivative products
2. investment activities, including transactions with securities;
3. taking of action to complete Federal government orders and those placed by regional consumers of the products produced by the Company and its subsidiaries and affiliates, including deliveries of oil, gas and oil products in their respective regions of operations;
4. investment governance, construction, engineering, technological and service support of upstream and downstream projects, research, technical, procurement, marketing, economic, foreign trade and legal support of the activities of the Company, its subsidiaries and affiliates, and third-party customers. Surveys of commodity and service markets, securities market, conducting of research, sociological and other work. Regulation and coordination of activities of subsidiaries and affiliates;
5. leasing out fixed assets and other property, use of leased property;
6. assisting in the assurance of the interests of the Russian Federation in connection with drafting and implementing products sharing agreements in relation to oil fields and hydrocarbon deposits;
7. support of advertising and publishing activities, conducting of exhibitions, fairs, auctions, etc.;
8. intermediary, marketing and other types of activity, in particular, foreign trade activities (including export/import operations), performance of work and provision of services on a contractual basis;
9. arranging for the safeguarding of Company personnel and property;
10. use of precious metals and precious stones in technological processes as elements of equipment and materials;
11. arranging for and taking of actions in the areas of preparation for mobilization, civil defense and protection of state secrets.

The Company has the following branches and representative offices:

1. A branch in the Chechen Republic, located at: 364051, Grozny, Prospekt Revolyutsii, 7/84;
2. A representative office in the North Caucasus, located at: 350610, Krasnodar, Ul. Krasnaya, 54;
3. A representative office in the Yamal-Nenets Autonomous Area, located at: 629830, Gubkinsky, microdistrict 10, estate 3;
4. A representative office in the Far East, located at: 693010, Sakhalin Region, Yuzhno-Sakhalinsk, Ul. Khabarovskaya, 17;
5. A representative office in the Stavropol Territory, located at: 356880, Neftekumsk, Ul. 50 let Pionerii, 5;
6. A representative office in the Khanty-Mansi Autonomous Area – Yugra, located at: 628309, Nefteyugansk, Ul. Lenina, 26;
7. A representative office in the Komi Republic, located at: 169710, Usinsk, Ul. Pripolyarnaya, 1;
8. A representative office in the Khabarovsk Territory, located at: 680007, Khabarovsk, Ul. Shevchenko, 22;
9. A representative office in the Asia Pacific, located at: Central International Trade Center - Tower D, 6A, Jianguomenwai Avenue, Chaoyang district, Beijing, 100022, PRC;
10. A representative office in the Middle East, located at: Office A 1101, Tower C6, Sector W35, Bainunah Street, Bateen area, Abu Dhabi, UAE.

2. COMPANY OPERATING INDICATORS

In 2013, Rosneft as the holder of mineral licenses, engaged in production activities in West Siberia, Timano-Pechora oil and gas province, Central Russia, southern part of European Russia and in the Far East, via nine operators – LLC RN-Yuganskneftegaz, LLC RN-Purneftegaz, LLC RN-Sakhalinmorneftegaz, LLC RN-Krasnodarneftegaz, LLC RN-Stavropolneftegaz, OJSC Severnaya neft, OJSC RN-Grozneftegaz, OJSC Samaraneftgaz (Malaninskaya group of fields) and OJSC RN Ingushneft (Sernovodsk license area). In 2013, 79.149 million tons of oil was produced.

Total feedstock refining volume was 71.245 million tons, up by 32.57 million tons year-on-year, including 70.857 million tons refined at full-scale refineries, and 0.388 million tons at mini-refineries. Primary distillation volume grew 84.2% year-on-year. The refining volume increase was mainly driven by acquisitions by new refining assets (Ryazan Refinery, Saratov Refinery).

Sales of equity oil products amounted to 65.2 million tons, up by 28.6 million tons (78%) year-on-year; in particular, export sales of oil products amounted to 34.2 million tons, up by 16.4 million tons (92.1%) from 2012. Growth in oil product sales volumes was driven by increased output following new asset acquisitions.

Crude oil sales amounted to 91 million tons in 2013. Sales volumes grew by 15.2% (positive effect – 12 million tons) vs. 2012, in particular, crude oil export sales amounted to 70 million tons, up by 9 million tons (14.8%) year-on-year. Growth in crude oil sales volumes was driven by the increased crude oil resources by reason of crude oil purchases from new acquired assets.

In 2013, 22 new mineral licenses were acquired, including those permitting geological researches, exploration and production of hydrocarbons:

- fifteen licenses were received based on Russian Government orders without tenders or auctions, with the purpose of conducting geological researches, exploration and production of hydrocarbons within the offshore license areas of federal significance in the Pechora Sea: Zapadno-Matveevsky, Russky, Severo-Pomorsky-1, Yuzhno-Prinovozemelsky; in the Laptev Sea: Anisinsko-Novosibirsky, Ust-Lensky, Ust-Oleneksky; in the Chukchi Sea: Severo-Vrangelevsky-1, Severo-Vrangelevsky-2, Yuzhno-Chukotsky; in the Barents Sea: Albanovsky, Varneksky, Zapadno-Prinovozemelsky; in the East Siberian Sea: Vostochno-Sibirsky-1; in the Kara Sea: Severo-Karsky;

- two licenses were received based on Russian Government orders via tenders, with the purposes of conducting geological researches, exploration and production of hydrocarbons within the offshore license areas of federal significance in the Sea of Okhotsk: Amur-Limansky, Vostochno-Pribrezhny;
- three licenses were received for conducting geological researches with the purpose of prospecting for, and appraisal of, hydrocarbon deposits, including the Yuzhno-Kurchansky area in the Krasnodar Territory, the Yuzhno-Suvorovsky area in the Chechen Republic, the Zapadno-Chernomorskaya offshore block in the Black Sea (transferred from LLC Val Shatskogo);
- two auxiliary water licenses, including one for the production of underground water in the Neftekumsky district of the Stavropol Territory, and for the geological researches of underground waters at the Labagansky area in the Nenets Autonomous District.

Based on 2013 results, the Company average headcount was 3,063 persons, up by 878 persons year-on-year. The headcount increase was driven by changes in the Company organizational structure as part of the integration processes after new asset acquisitions.

3. FINANCIAL STATEMENTS PREPARATION METHODOLOGY

The Company financial statements were prepared in accordance with the requirements of accounting laws of the Russian Federation, documents of the accounting regulation system applicable in the Russian Federation.

Accounting in the Company is conducted in accordance with Federal Law No. 402-FZ dated December 6, 2011 "On accounting" and the "Regulations on Accounting and Reporting in the Russian Federation" approved by the order of the Ministry of Finance of the Russian Federation No. 34n dated July 29, 1998 (as amended on December 30, 1999, March 24, 2000, September 18, 2006, March 26, 2007, October 25, 2010 and December 24, 2010), and with the applicable Accounting Regulations. The Company 2013 financial statements were prepared in accordance with the above-mentioned Law and Regulations.

4. CHANGES IN OPENING BALANCES IN 2013 FINANCIAL STATEMENTS

To achieve financial statements comparability, the opening balances were adjusted to match changes in the accounting policy approved by the Company Order No. 696 dated Dec. 25, 2012:

- non-interest-bearing financial investments made inside the Rosneft Group of Companies are reflected as part of the Accounts Receivable (previously were reflected as part of Financial Investments);
- if shares depreciate to a value below acquisition cost, the valuation amount is charged to the profit and loss account as part of Other Expenses (previously charged to Additional paid-in capital account);
- amounts of customs duties related to the execution of temporary declarations for future export shipments of crude oil and oil products are reflected in the Accounts Receivable line of the Balance Sheet (previously reflected in the Inventories line);
- retirements of financial investments (loans, notes, bonds) in the form of redemption do not cause any increase/decrease in the Company economic benefits. Such transactions are reflected without affecting the Other income and expenses account;
- recognition of the environmental remediation provision and the estimated asset retirement obligation.

Table 1. Changes in Balance Sheet (Form No. 1) opening balances (RUB thousand)

Item	Page No.	2011		2012		Changes	as of Dec. 31, 2012 (after adjustment)
		as of Dec. 31, 2011 (before adjustment)	Changes	as of Dec. 31, 2011 (after adjustment)	as of Dec. 31, 2012 (before adjustment)		
ASSETS							
Property, plant and equipment and construction in progress	1150	573,182,520	57,834	573,240,354	715,758,315	172,736	715,931,051
			Recognition of environmental remediation provision that arose directly in the course of specific facility construction, reconstruction or upgrade.			Recognition of environmental remediation provision that arose directly in the course of specific facility construction, reconstruction or upgrade.	
Financial investments	1170	552,675,180	(233,639,728)	319,035,452	442,139,223	(17,706,866)	424,432,357
			In accordance with the accounting policy changes, all non-interest-bearing financial investments were transferred from Line 1170 "Financial Investments" (except cash equivalents) to Line 1230 "Accounts Receivable", with financial investment impairment provision accrued.			In accordance with the accounting policy changes, all non-interest-bearing financial investments were transferred from Line 1170 "Financial Investments" (except cash equivalents) to Line 1230 "Accounts Receivable", with financial investment impairment provision accrued.	
Deferred tax assets	1180	4,700,018	2,375,784	7,075,802	5,887,986	3,173,482	9,061,468
			Calculated deferred tax asset resulting from the transfer of the non-interest-bearing financial investments impairment provision into accounts receivable and recognition of contingencies.			Calculated deferred tax asset resulting from the transfer of the non-interest-bearing financial investments impairment provision into accounts receivable and recognition of contingencies.	
Other non-current assets	1190	5,356,353	35,086,451	40,442,804	4,791,993	36,701,563	41,493,556
			In connection with the first recognition of estimated asset retirement obligations, an ARO asset was created.			In connection with the first recognition of estimated asset retirement obligations, an ARO asset was created, with asset amortization accrued.	
Reserves	1210	79,732,744	(35,787,432)	43,945,312	103,874,867	(53,628,189)	50,246,678
			In accordance with the accounting policy changes in relation to the recognition of customs duties on the balance sheet: transfer from Line 1210 "Inventories" to Line 1230 "Accounts Receivable"			In accordance with the accounting policy changes in relation to the recognition of customs duties on the balance sheet: transfer from Line 1210 "Inventories" to Line 1230 "Accounts Receivable"	
Accounts receivable	1230	335,842,716	285,205,588	621,048,304	333,019,837	85,526,691	418,546,528
Accounts receivable with payments expected within 12 months after the reporting date	1231	313,629,989	51,565,860	365,195,849	322,931,410	67,819,825	390,751,235
			In accordance with the accounting policy changes:			In accordance with the accounting policy changes:	
			• all non-interest-bearing financial investments were transferred from Line 1240 "Financial Investments" (except cash equivalents) to Line 1230 "Accounts Receivable", with financial investment impairment provision accrued;			- all non-interest-bearing financial investments were transferred from Line 1240 "Financial Investments" (except cash equivalents) to Line 1230 "Accounts Receivable", with financial investment impairment provision accrued;	
			• customs duties were transferred from Line 1210 "Inventories" to Line 1230 "Accounts Receivable" in the Balance Sheet			- customs duties were transferred from Line 1210 "Inventories" to Line 1230 "Accounts Receivable" in the Balance Sheet	

Item	Page No.	2011		2012			
		as of Dec. 31, 2011 (before adjustment)	Changes	as of Dec. 31, 2011 (after adjustment)	as of Dec. 31, 2012 (before adjustment)	Changes	as of Dec. 31, 2012 (after adjustment)
Accounts receivable with payments expected more than 12 months after the reporting date	1232	22,212,727	233,639,728	255,852,455	10,088,427	17,706,866	27,795,293
			In accordance with the accounting policy changes, all non-interest-bearing financial investments were transferred from Line 1170 "Financial Investments (except cash equivalents)" to Line 1230 "Accounts Receivable", with financial investment impairment provision accrued.			In accordance with the accounting policy changes, all non-interest-bearing financial investments were transferred from Line 1170 "Financial Investments (except cash equivalents)" to Line 1230 "Accounts Receivable", with financial investments impairment provision accrued.	
Financial investments (other than cash equivalents)	1240	374,955,348	(15,778,428)	359,176,920	583,670,681	(14,191,636)	569,479,045
			In accordance with the accounting policy changes, all non-interest-bearing financial investments were transferred from the Line 1240 "Financial Investments (except cash equivalents)" to Line 1230 "Accounts Receivable", with financial investment impairment provision accrued.			In accordance with the accounting policy changes, all non-interest-bearing financial investments were transferred from Line 1240 "Financial Investments (except cash equivalents)" to the Line 1230 "Accounts Receivable", with financial investments impairment provision accrued.	
Total			37,520,069			40,047,781	
LIABILITIES							
Revaluation reserve	1340	(132,975)	132,990	15	(1,210,845)	1,210,860	15
			In accordance with the accounting policy changes as regards financial investments which are marked to market, any amount of impairment to a level below acquisition cost is charged to the profit and loss account as part of other expenses.			In accordance with the accounting policy changes as regards financial investments which are marked to market, any amount of impairment to a level below acquisition cost is charged to the profit and loss account as part of other expenses.	
Retained earnings (unrecovered loss)	1370	1,005,987,734	(6,103,326)	999,884,408	1,229,996,940	(10,620,264)	1,219,376,676
			1. In accordance with the accounting policy changes: <ul style="list-style-type: none"> Calculated the deferred tax asset resulting from the transfer of the non-interest-bearing financial investments impairment provision into accounts receivable; as regards financial investments which are marked to market, any amount of impairment to a level below acquisition cost is charged to the profit and loss account as part of other expenses. 2. In connection with first recognition of the provisions: <ul style="list-style-type: none"> the deferred tax asset was calculated, change in the present value of provisions was charged to the profit and loss account. 			1. In accordance with the accounting policy changes: <ul style="list-style-type: none"> Calculated the deferred tax asset resulting from the transfer of the non-interest-bearing financial investments impairment provision to accounts receivable; as regards financial investments which are marked to market, any amount of impairment to a level below acquisition cost is charged to the profit and loss account as part of other expenses. 2. In connection with the first recognition of provisions: <ul style="list-style-type: none"> the deferred tax asset was calculated, change in the present value of provisions was charged to the profit and loss account. 	
Provisions	1430	–	39,172,235	39,172,235	–	45,298,397	45,298,397
			In connection with first recognition of provisions, provisions were created and a discount was recognized.			In connection with first recognition of provisions, provisions were created and a discount was recognized.	
Provisions	1540	5,598,221	4,318,170	9,916,391	6,159,267	4,158,788	10,318,055
			In connection with first recognition of provisions provisions were created and the long-term portion was reclassified to the short-term one.			In connection with first recognition of provisions, provisions were created and the long-term portion was reclassified to the short-term one.	
Total			37,520,069			40,047,781	

Table 2. Changes in Statement of Comprehensive Income (Form No. 2) (in RUB thousand)

Line designation	Line No.	2012 data (before adjustment)	Change	2012 (after adjustment)	Explanation
Cost of sales	2120	(1,292,532,462)	(1,060,075)	(1,293,592,537)	In connection with the first recognition of provisions, the following was included in costs: changes in present value of provisions and ARO asset depreciation.
Gross profit (loss)	2100	1,303,139,830	(1,060,075)	1,302,079,755	
Operating income (loss)	2200	244,067,545	(1,060,075)	243,007,470	
Interest payable	2330	(49,721,056)	(4,227,798)	(53,948,854)	In connection with the first recognition of provisions, provisions unwinding of discount was recognized.
Gain on disposal of assets	2331	399,962,850	(57,631,972)	342,330,878	In accordance with the accounting policy changes, retirements of financial investments (loans, notes, bonds) in the form of redemption do not cause any increase/decrease in the Company economic benefits. Such transactions are reflected without affecting the other income and expenses account.
Loss on disposal of assets	2332	(325,328,789)	58,683,079	(266,645,710)	The use of the estimated ARO liability reduces the amount of earlier recognized asset retirement obligations.
Other expenses	2350	(246,135,109)	(1,077,870)	(247,212,979)	In accordance with accounting policy changes as regards financial investments which are marked to market, any amount of impairment to a level below acquisition cost is charged to the profit and loss account as part of other expenses.

Line designation	Line No.	2012 data (before adjustment)	Change	2012 (after adjustment)	Explanation
Income (loss) before tax	2300	345,561,542	(5,314,636)	340,246,906	
Change in deferred tax assets	2450	1,187,968	797,698	1,985,666	Changes in deferred tax asset were the result of the transfer of non-interest-bearing financial investment impairment provision to accounts receivable and recognition of provisions.
Net income (loss)	2400	302,500,630	(4,516,938)	297,983,692	

In connection with the reflected changes, the net income per share amounted to RUB 28.12/share in 2012.

Adjustments were made to the breakdowns in the Notes to Balance Sheet and Statement of Comprehensive Income in Relation to 2013 as indicated above, to achieve comparability of data.

5. ACCOUNTING POLICY INFORMATION

The Company accounting policy follows the principles set in the Accounting Regulation on Corporate Accounting Policy PBU 1/2008, approved by the order of the Russian Finance Ministry dated Oct. 06, 2008 No. 106n:

- the separate property assumption, i.e. that Company assets and liabilities are accounted for separately from the assets and liabilities of other legal entities and individuals;
- the going concern assumption, i.e. that the Company intends to carry on with its activities in the foreseeable future, and that it has no intention or need to liquidate or materially curtail its business and, respectively, that the obligations will be repaid when due;
- the assumption of consistent application of the adopted accounting policy in the Company practical activities;
- the assumption of the accrual basis of accounting.

Material accounting methods envisaged by the Company accounting policy in 2013, are reflected below in the respective notes to the Balance Sheet and Statement of Comprehensive Income in relation to 2013.

Information on accounting policy changes introduced with effect from Jan. 01, 2014

The accounting policy changes introduced with effect from Jan. 01, 2014, are based on the development or choice of new accounting methods which, if used, result in a more accurate presentation of business facts in the accounts and financial statements, reduce labor intensiveness of the accounting process without compromising the accuracy of information, help to harmonize the accounting principles of the Group, in particular:

- recognition of property tax, expenses related to the company shareholder, governance body and board of directors meetings being part of everyday business activities as general and administrative expenses;
 - abandonment of the practice of reclassifying long-term prepaid expenses as short-term ones, where income from the use of the prepaid expense object is expected to be received within 365 days;
 - financial investments that can be marked to market are recognized in the accounts at their current market value, financial investment mark-to-market values are adjusted on a quarterly basis and charged to other income (expenses);
 - fees on bank or non-bank loans received, if material, are included in other expenses on a straight-line basis over the loan repayment period. Loan fees are considered material if their value exceeds RUB 5,000,000;
 - objects valued at not more than RUB 40,000 per unit are reflected in the accounts and financial statements as inventories;
 - insurance costs to be included in accounts payable are excluded from the prepaid expense items list;
- the list of recognized provisions is expanded: the estimated asset retirement obligation, the environmental remediation provision and non-production asset retirement obligation, and estimated average salary adjustment obligation.

6. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL CONSTRUCTION IN PROGRESS

Assets intended for use in the manufacturing of products, provision of services or for managerial needs over their useful lives of more than 12 months are accounted for as property, plant and equipment.

Property, plant and equipment include buildings, structures machines, equipment, measuring and gauging devices and instruments, computing machinery, tools, manufacturing and business tools, etc. Besides, property, plant and equipment include land plots and nature management items. To determine property, plant and equipment structure and grouping, the National Classifier of Fixed Assets approved by Resolution of the State Committee of the Russian Federation for Standardization, Methodology and Certification dated Dec. 26, 1994 No. 359, is used.

Items intended solely for leasing out are reflected in Line 1150 "Property, plant and equipment".

Accounting recognition of a property, plant and equipment item shall be made as of the date when the item is ready for operation. At the same time, assuming the substance over form principle, the completed capital construction projects that are effectively operated are also reflected as property, plant and equipment regardless of whether the state registration filing was made in relation to these items. Depreciation charges on such items are accrued on a generally applicable basis.

For accounting purposes, depreciation charges are accrued using the straight-line method:

- in relation to items put into the operation before Jan. 01, 2002 – at the depreciation rates prescribed by Resolution of the USSR Council of Ministers dated Oct. 22, 1990 No. 1072;
- in relation to items put into the operation after Jan. 01, 2002 – at the depreciation rates calculated based on useful lives prescribed by Resolution of the Government of the Russian Federation dated Jan. 01, 2002 No. 1.

The following useful lives apply to main groups of property, plant and equipment:

- Buildings – 30 to 100 years
- Structures – 10 to 15 years
- Machinery and equipment – 5 to 7 years
- in relation to items valued at up to RUB 10,000 put into the operation after Jan. 01, 2002 and before Jan. 01, 2006, one-time charges were made at the time of accounting recognition of such items, whereas after Jan. 01, 2006, depreciation on items valued at up to RUB 20,000 per unit is charged on a generally applicable basis, i.e. using the straight-line method.

Property, plant and equipment are reported in the balance sheet at their residual values.

Since completion of the statutory revaluations of property, plant and equipment conducted on the basis of Russian Government Resolutions, no revaluation of property, plant and equipment were undertaken.

Table 3. Information on property, plant and equipment (in RUB thousand)

Groups of property, plant and equipment	Period	At the beginning of period		Historical value changes over the period		At the end of the period	
		Cost	Accumulated depreciation	Additions	Disposals	Cost	Accumulated depreciation
Property, plant and equipment	2013	700,723,909	269,935,624	191,255,555	17,492,749	874,486,715	343,558,938
Total	2012	594,862,284	205,847,153	111,362,733	5,501,108	700,723,909	269,935,624
Buildings and structures	2013	588,119,332	228,502,550	160,206,566	13,813,368	734,512,530	289,563,944
	2012	503,560,308	176,795,171	89,238,687	4,679,663	588,119,332	228,502,550
Machinery, equipment, transportat	2013	108,807,621	40,609,405	30,727,898	3,580,548	135,954,971	53,001,709
	2012	89,608,739	28,373,722	19,947,256	748,374	108,807,621	40,609,405
Other types of property, plant and equipment, total	2013	3,796,956	823,669	321,091	98,833	4,019,214	993,285
	2012	1,693,237	678,260	2,176,790	73,071	3,796,956	823,669
Of these, non-depreciable property, plant and equipment	2013	2,305,681	–	18,176	–	2,323,857	–
	2012	504,892	–	1,800,798	9	2,305,681	–

The historical cost of property, plant and equipment as of December 31, 2013 was RUB 874,487 million and grew vs. 2012 following new asset launches. RUB 191,256 million worth of property, plant and equipment was commissioned.

Table 4. Details of property, plant and equipment requiring state registration (in RUB thousand)

	As of Dec. 31, 2013	As of Dec. 31, 2012	As of Dec. 31, 2011
Property, plant and equipment in relation to which the procedure of state registration of title is not completed	248,126,006	150,733,367	119,842,808
Of these, those which registration filings have not been accepted by government authorities	245,392,407	150,075,655	113,676,076

Table 5. Details of property, plant and equipment use (in RUB thousand)

Groups of property, plant and equipment	As of Dec. 31, 2013	As of Dec. 31, 2012	As of Dec. 31, 2011
Property, plant and equipment leased out (at historical cost) – total, including	757,457,095	610,842,381	507,284,353
buildings	34,561,052	29,440,150	26,156,449
structures	610,020,301	486,854,303	408,303,159
Property, plant and equipment mothballed (at historical cost)	21,035,314	20,899,023	22,942,491
Property, plant and equipment leased (contract price or cadastral value) – total, including	55,171,387	50,507,023	53,130,185
land plots	49,619,737	46,950,240	51,087,299
other types of property, plant and equipment	5,551,650	3,556,783	2,042,886
Changes in the value of property, plant and equipment resulting from extension, retrofitting, reconstruction, partial liquidation	15,451,296	9,226,507	9,389,501

Table 6. Details of construction-in-progress in non-current assets (in RUB thousand)

Construction-in-progress by type of assets	As of Dec. 31, 2013	As of Dec. 31, 2012	As of Dec. 31, 2011
Equipment to be installed	16,523,231	11,758,138	4,835,625
Construction-in-progress	279,910,164	265,106,296	173,835,256
including advances for capital construction purposes, including VAT refundable	53,526,109	48,916,292	25,705,937
Investment in individual non-current assets (acquisition of individual property, plant and equipment items, prospecting drilling and exploratory drilling, etc.)	10,657,693	8,278,332	5,554,342
Total	307,091,088	285,142,766	184,225,223

7. INTANGIBLE ASSETS

Intangible assets include: trademarks, patents, exclusive rights to software programs and data bases, licenses to oil and gas production; exclusive rights to oil fields use granted by international contracts which stipulate the right to executing oil and gas exploration and production projects on a foreign territory or on the territory of the Russian Federation (license, concession agreement, contract granting the right to soil fields use, agreement granting the right to a participatory interest, etc.), licenses to geological exploration and production of mineral resources (mixed licenses) provided commercial production of mineral resources in the license block is justified; other licenses granting the right to oil fields use (with the purpose of underground gas storage facilities construction, production of conventional mineral resources, underground water); digital, electronic maps and other spatial data; multimedia products and audio-visual reproductions.

Licenses to geological exploration and production of mineral resources (mixed licenses), until commercial viability of production has been confirmed, are recorded in accordance with the procedure stipulated for exploration expenses (exploration and evaluation of fields).

Intangible assets are entered in accounting records at their actual (initial) value determined in accordance with RAS 14/2007 "Accounting for Intangible Assets" approved by Order N° 153n of the Russian Federation Ministry of Finance dated December 27, 2007 as amended by Orders N°132n dated October 25, 2010, and N°186n dated December 24, 2010 of the Russian Federation Ministry of Finance.

In the case of an in-house creation of an intangible asset, the costs involved therein are subject to capitalization as of the stage of asset development, when the Company can demonstrate:

- technical feasibility of creating this intangible asset;
- its intention and ability to create the intangible asset and use it;
- how the intangible asset is likely to create economic benefits;
- availability of sufficient technical, financial and other resources to complete the development and use of the intangible asset;
- ability to make a reliable estimate of costs associated with the development of the intangible asset.

The costs incurred at the research stage are not capitalized and are recognized as expenses on regular activities or other expenses depending on the purpose of the research.

Intangible assets created in-house are understood as:

- intangible assets created by Company employees in the course of performing their office duties;
- intangible assets resulting from contractors' work when in respect of such contracts the Company carries risks of negative results.

The actual (initial) value of an intangible asset acquired under a contract which stipulates payment in kind is determined using the value of the assets transferred or to be transferred by the Company. The value of the assets transferred or to be transferred by the Company is determined based on the price which the Company usually applies in comparable circumstances to determine the value of similar assets.

In case determination of the value of the assets transferred or to be transferred by the Company under such contracts proves to be impossible, the value of an intangible asset acquired by the Company is determined based on the price at which similar intangible assets are acquired in comparable circumstances.

No revaluation of or impairment check for intangible assets is done.

Intangible assets are depreciated linearly or by writing their value down in proportion to product/work scope.

Trademarks, patents, exclusive rights to software programs and data bases, and other intangible assets are subject to linear depreciation.

Licenses to oil fields use as intangible assets are depreciated as follows:

- licenses to oil and gas production provided commercial production of mineral resources in the license block is justified – by the tonnage method¹;
- exclusive rights to oil fields use granted by international contracts which stipulate the right to executing oil and gas exploration and production projects on a foreign territory or on the territory of the Russian Federation (license, concession agreement, contract granting the right to subsoil use, agreement granting the rights to a participatory interest, etc.) – by the tonnage method;
- licenses to geological exploration and production of mineral resources (mixed license) provided commercial production of mineral resources in the license block is justified – by the tonnage method;
- other licenses granting the right to oil fields use (with the purpose of underground gas storage facilities construction, production of conventional mineral resources, underground water) – linearly.

When entering an intangible asset in its accounting records, the Company determines its useful life.

The useful life of an intangible asset is determined based on:

- the term of the Company's rights to the result of intellectual activity or brand and the period of its control of the asset;
- the expected life of the asset during which the Company intends to gain economic benefits from it.

The useful life of an intangible asset is annually reviewed by the Company in order to see if revision is required. In the case of a significant change of the period during which the Company intends to use the asset, its useful life is subject to revision. The resulting adjustments are recorded in the Company's books and accounts as changes in estimated values.

The useful life of the main groups of intangible assets is as follows:

Trademarks	from 5 to 10 years
Patents	from 5 to 25 years

1. The tonnage rate is calculated on the basis of the volume of the proven oil and gas reserves which are expected to be produced during the development life of the field in the particular license block (including in case the license term is shorter than the life of the field).

The proven oil and gas reserves volume for license blocks is set on an annual basis, at the beginning of the year, based on an independent audit confirming the Company's SEC reserves and is used prospectively in the course of the year.

Exclusive rights to software programs and data bases	from 2 to 5 years
Mineral licenses *	from 9 to 48 years
Licenses to geological exploration and production of mineral resources (mixed license) *	from 15 to 40 years
Other licenses granting the right to oil fields use (with the purpose of underground gas storage facilities construction, production of conventional mineral resources, underground water)	from 1 to 25 years

* provided commercial production of mineral resources in the license block is justified

Intangible assets which useful life is impossible to determine are not depreciated.

The method of depreciation of an intangible asset is annually reviewed by the Company during the inventory accounting process in order to see if revision is required. In the case of a significant change of the estimated future economic benefits from the use of an intangible asset, the method of depreciation of such intangible asset changes accordingly. The resulting adjustments are recorded in the books and accounts as changes in estimated values.

If during the inventory process estimating the schedule of future economic benefits with sufficient reliability proves to be impossible, the method of depreciation and useful life do not change.

During the reporting period, no need to revise the method of intangible asset depreciation and useful life determination was discovered.

The Company does not have intangible assets for which useful life was not determined. On the Company balance sheet, intangible assets are recorded at their depreciated book value.

Table 7. Information on intangible assets (in RUB thousand)

Groups of intangible assets	Period	At the beginning of the period		Changes in cost over the reporting period		Closing of the period	
		Cost	Accumulated amortization	Additions	Disposals	Cost	Accumulated amortization
Total intangible assets:	2013	9,544,877	478,385	415,289	88	9,960,078	825,988
	2012	9,201,412	321,137	353,501	10,036	9,544,877	478,385
Trademarks	2013	7,768	2,452	55	–	7,823	3,363
	2012	6,511	1,728	1,295	38	7,768	2,452
Patents	2013	18,808	2,080	9,111	–	27,919	4,041
	2012	11,312	2,742	12,852	5,356	18,808	2,080
Exclusive rights to software programs and data bases	2013	662,755	353,749	171,736	–	834,491	605,968
	2012	421,793	249,522	245,569	4,607	662,755	353,749
Mineral licenses (including mixed licenses for exploration and production) *	2013	8,748,631	78,561	233,472	88	8,982,015	123,625
	2012	8,748,666	65,818	–	35	8,748,631	78,561
Other licenses	2013	780	382	12	–	792	435
	2012	778	324	2	–	780	382
Other intangible assets	2013	106,135	41,161	903	–	107,038	88,556
	2012	12,352	1,003	93,783	–	106,135	41,161

* - provided commercial production of mineral resources in the license block is justified

Table 8. Information on intangible assets created in-house (in RUB thousand)

Initial value by the group of intangible assets	As of Dec. 31, 2013	As of Dec. 31, 2012	As of Dec. 31, 2011
Total, including	963,056	781,742	439,485
Patents	21,527	12,852	5,340
Exclusive rights to software programs and data bases	834,491	662,755	421,793
Other	107,038	106,135	12,352

Table 9. Information on intangible assets with uncompleted investment (in RUB thousand)

Intangible assets with uncompleted investment	As of Dec. 31, 2013	As of Dec. 31, 2012	As of Dec. 31, 2011
Investment in creation of certain intangible assets– total, including by the type:	452,205	462,223	193,102
Trademarks	2,079	1,589	2,501
Patents	51	382	269
Exclusive rights to software programs and data bases	428,795	455,133	117,824
Other intangible assets	21,280	5,119	72,508

Intangible assets contracted by the Company for its use are recorded off-balance sheet at the value determined on the basis of the fee set in the contract.

Table 10. Information on intangible assets contracted by the Company for its use (in RUB thousand)

Value by the group of intangible assets	As of Dec. 31, 2013	As of Dec. 31, 2012	As of Dec. 31, 2011
Total, including	7,487,854	7,138,739	6,587,888
Non-exclusive rights to software tools, access rights to information resources, trademarks of Olympic symbols	7,487,854	7,138,739	6,587,888

Table 11. Information on intangible assets with fully depreciated initial value (in RUB thousand)

Value by the group of intangible assets	As of Dec. 31, 2013	As of Dec. 31, 2012	As of Dec. 31, 2011
Total, including	131,334	37,779	11
Trademarks	26	–	–
Patents	5	5	5
Exclusive rights to software programs and data bases	93,608	37,717	–
Mineral licenses	29	48	6
Other licenses	21	9	–
Other	37,645	–	–

8. EXPLORATION EXPENSES

Exploration expenses are recorded using the successful efforts accounting method, where only those expenses are capitalized which are direct costs incurred in discovering new fields and which will result in future economic benefits, while exploration expenses not resulting in a discovery (both direct and indirect), including for geological and geophysical works, are recognized as expenses for the period in which they occur.

The following types of exploration expenses are subject to capitalization:

- expenses involved in acquisition of rights to subsoil use in respect of oil and gas (exploration licenses, exploration and production licenses);
- expenses involved in drilling exploration/appraisal wells.

Capitalized exploration expenses lead to creation of exploration assets:

- exploration/appraisal wells – tangible exploration assets;
- licenses - intangible exploration assets.

The Company stops recognizing exploration assets in a certain subsoil block if commercial production there is confirmed as justified or if production is recognized as not viable.

In the case of confirmation of commercial production in a certain subsoil block, exploration assets in the said block are subject to reclassification:

- exploration and production licenses become intangible assets;
- exploration/appraisal wells become property, plant and equipment (development wells construction in progress).

If production is recognized as not viable, exploration assets are subject to impairment to then be written off to other expenses of the Company.

Exploration assets are not depreciated.

The following costs in the value of the assets are not capitalized and are treated as current expenses associated with oil and gas reserves exploration and appraisal:

- costs incurred at the regional stage;
- costs involved in geological exploration not involving drilling of exploration/appraisal wells, including costs for further appraisal of fields which have been put on stream and which are being commercially operated;
- costs involved in maintenance of subsoil blocks where exploration is being carried out and of fields which are not being commercially operated;
- costs involved in preparation of design documents for development of fields which are not being commercially operated.

Table 12. Information on exploration assets (in RUB thousand)

Groups of licenses	Period	At the beginning of the period		Changes cost over the reporting period		At the end of the period	
		Cost	Accumulated impairment losses	Additions	Additions	Initial value	Accumulated impairment losses
Tangible exploration assets	2013	5,138,514	139	2,147,859	1,728,138	5,558,235	–
	2012	4,884,176	–	3,424,951	3,170,613	5,138,514	139
Intangible exploration assets	2013	37,871,035	8,910,945	7,739,025	5,399,401	40,210,659	3,753,397
	2012	34,783,222	–	3,094,961	7148	37,871,035	8,910,945

The change in the amount of accumulated losses from exploration asset impairment in 2013 was caused by the 2013 impairment of exploration assets worth RUB 2.4mln and accumulated losses worth RUB 5,160 mln being written down during 2013 as exploration assets were being disposed of.

The disposal of tangible exploration assets in 2013 was mainly due to writing off costs involved in construction of exploration/appraisal wells which did not produce commercial flow rates worth RUB 1,457.4mln and due to reclassification of wells from being exploration assets in subsoil blocks where during 2013 commercial oil or gas production was confirmed to assets of capital construction in progress (drilling of exploration and appraisal wells) worth RUB 245mln.

The disposal of intangible exploration assets in 2013 was mainly due to writing off licenses worth RUB 5,160 mln as a result of termination of subsoil use rights and due to reclassification of licenses worth RUB 233.4mln from being exploration assets to intangible assets as during 2013 information was obtained confirming commercial oil and gas production in those subsoil blocks.

9. RESEARCH AND DEVELOPMENT RESULTS

The Company's expenses are entered in accounting records as research and development work in progress if all of the following conditions are complied with:

- the content of an research and development contract indicates that in the course of work new scientific knowledge is expected to be produced and/or used (information which is unknown, given the current technology level);
- it is assumed that in the case of a positive result, there will be an opportunity for future economic benefits;
- it is assumed that in the case of a positive completion of the work, it will be possible to demonstrate the use of its results in production or management.

When research and development products are created in-house, the costs involved therein are subject to capitalization as of the development stage when the Company can demonstrate:

- technical feasibility of creating such research and development products;
- its intention and ability to create the research and development product and use it;
- how the research and development product is likely to create economic benefits;
- availability of sufficient technical, financial and other resources to complete the development and use of the research and development products;
- ability to make a reliable estimate of costs associated with the development of the research and development product.

Research and development costs incurred at the research stage are not capitalized and are recognized as expenses on regular activities or other expenses depending on the purpose of the research.

Research and development products created in-house are understood as:

- Research and development products created by Company employees in the course of performing their office duties;
- Research and development products resulting from contractors' work when in respect of such contracts the Company carries risks of negative results.

Research and development costs are written down to expenses on regular activities as of the 1st day of the month following the month in which actual application of the results obtained began.

Upon completion of research and development work, in the case of a positive result, the costs of R&D work in progress form the value of an research and development product, in the case of a negative result, R&D costs are subject to being written off to other expenses.

The value of an research and development product is written down on a monthly basis by the linear method as 1/12 of the annual amount.

In case the use of an research and development product is suspended, the costs therein in the form of a monthly write-down amount are to be included in other expenses and are to be recorded as such during the period for which the use of such R&D product has been suspended.

The write-down schedule for research and development costs is determined by the Company on its own based on the expected period of application of the results from that work. The set term cannot exceed 5 years.

Table 13. Research and development results profile (in RUB thousand)

Research and development types	Period	At the beginning of the period		Change in cost over reporting period		At the end of the period	
		Cost	Part of value written down to expenses	Disposals	Disposals	Cost	Part of value written down to expenses
Research and development	2013	10,360	–	11,250	3,360	18,250	2,802
	2012	3,869	3,708	10,360	3,869	10,360	–

Table 14. Expenses on research and development work in progress (in RUB thousand)

R&D types	Period	At the beginning of the period	Changes over reporting period			At the end of the period
			Costs capitalized over the period	Costs written down over the period	Entered in accounting records as intangible assets, research and development or property, plant and equipment	
Expenses on R&D work in progress	2013	1,273,890	831,908	–	169,175	1,936,623
	2012	253,744	1,094,098	63,592	10,360	1,273,890

10. OTHER NON-CURRENT ASSETS

Other non-current assets include assets which are assumed to produce economic benefits over a period longer than 12 months. Other non-current assets include: deferred expenses, asset retirement obligations (discounted) (hereinafter –ARO asset), and other assets.

Other non-current assets include deferred expenses if their write-down schedule exceeds 12 months after the reporting date.

The following write-down methods are used in respect of deferred expenses referring to several periods:

- straight-line;
- in proportion to product output.

In respect of deferred expenses referring to several periods, the straight-line method is used.

The ARO asset amount in respect of sites or facilities which, when abandoned, require disposal of materials and/or remediation of a land plot is determined based on the estimated costs, as of the reporting date, which the Company is expected to incur when dismantling property, plant and equipment and remediating natural resources on land plots.

ARO asset is depreciated using units of production method. The monthly depreciation rate is determined as a ratio of a monthly production volume for a specific month to the overall oil and gas reserves at the beginning of the reporting period. The units of production rate is applied to the depreciated book value of an ARO asset.

The value of other non-current assets is determined based on actual costs except for ARO asset which is an estimate.

Table 15. Information on other non-current assets (in RUB thousand)

Other non-current assets by the type	As of Dec. 31, 2011	As of Dec. 31, 2012	As of Dec. 31, 2013
Deferred expenses with the write-down schedule exceeding 12 months – total,	5,356,353	4,791,993	3,363,988
Including by the type:			
Software	1,415,524	1,936,412	1,581,377
Rights to use Olympic symbols	2,423,863	2,026,183	1,321,835
ARO asset	35,086,451	36,701,563	42,056,317
Total	40,442,804	41,493,556	45,420,305

11. INVENTORIES

Inventories are accounted for at their actual cost determined on the basis of the actual acquisition cost, except for the value added tax and other recoverable taxes (excluding the cases specified by applicable Russian Federation laws).

Inventories, included in cost of sales, are accounted for using the following methods:

- oil, construction materials, equipment, spare parts, fuel, packaging, instruments and tools, other inventories – by the cost of every inventory unit (inventory unit is a consignment);
- oil products – by the average cost of production by refinery;
- own semi-finished products – by the average cost of production by refinery;
- own oil and gas production – by the average cost of production by operator.

Special protective clothes handed over for use are accounted for as materials. The value of special protective clothes with the service life of more than 12 months is depreciated by the linear method over the specified period of its use. The value of special protective clothes with the service life of less than 12 months is written-off when special clothes are handed over for use.

Materials, fuel, spare parts and other material resources are accounted for at their actual acquisition cost.

Goods-in-process and finished products are recorded at their actual cost, goods – at their acquisition cost.

Dispatched finished products and dispatched goods the title to which has not passed to the buyer are recorded as the "Finished Products and Goods" item.

Deferred expenses are the Company's expenses which occur in the reporting period but indicate with certainty that revenue will be received in future periods following the reporting period and which, at the reporting time, ensure future economic benefits.

Deferred expenses are accounted for as inventories if the deferral terms do not exceed 12 months after the reporting date.

In respect of deferred expenses referring to several periods, the straight-line write-down method is established.

Information on deferred expenses is recorded on the balance sheet in the following way:

- as current assets in the "Deferred Expenses" item of the balance sheet, if the deferral terms do not exceed 12 months after the reporting date;
- as non-current assets in the "Other Non-Current Assets" item of the balance sheet if the deferral terms exceed 12 months after the reporting date.

In case the deferral period cannot be clearly determined, the information on such deferred expenses is recorded as current assets in the "Deferred Expenses" item.

Long-term expenses are moved to short-term expenses:

- when revenues from using a deferred-expense asset are expected within 365 days and less after the reporting date; or
- at a later date – the quarterly or annual accounts date provided that in the reporting quarter the period of revenues from deferred expenses became 365 days and less.

In accordance with prudence concept, obsolete inventories are accounted for using estimates.

Reserves for inventories obsolescence are created at the end of the reporting year for specific inventory items and/or similar or related inventory items in respect of which there were circumstances in the reporting year causing the decrease of their current (market) value.

The value of inventories on the balance sheet is recorded net of the reserve for obsolescence of inventories. The reserve for obsolescence of inventories as of December 31, 2013 was RUB61.34mln, and as of December 31, 2012 it was RUB57.55mln.

Table 16. Information on inventories (in RUB thousand)

Inventories by the type	As of Dec. 31, 2013	As of Dec. 31, 2012	As of Dec. 31, 2011
Total	96,060,770	50,246,678	43,945,312
Raw and other materials	11,643,068	7,432,302	7,347,438
Goods-in-process costs	7,104,345	4,872,054	3,913,517
Finished goods and goods for resale	59,896,628	34,585,317	28,163,955
Dispatched goods	16,971,013	2,808,946	3,444,870
Deferred expenses	445,716	548,059	1,075,532

Growth of the inventory value is due to a higher remaining inventory balance resulting from increased procurement volume, higher production and product sales after acquisition of new assets.

12. FINANCIAL ASSETS

Financial assets (investments) are accounted for on the basis of actual costs. Later on, financial investments having the market value are revalued to the market prices, and those that are not subject to the market value determination are tested for potential impairment.

Initial value of debt securities that are not subject to fair market valuation shall not be adjusted for the difference between the initial and nominal values.

Debt securities and loans issued are not discounted.

In case of retirement of assets accounted as financial investments subject to fair market value determination, their cost shall be determined by the Company based on the recent assessment. Financial investments for which the fair market value shall not be determined are assessed at the initial value of every retirement unit.

Further valuation of shares traded at the organized market at the fair market price shall be performed by the Company as of the end of the reporting quarter, with the revaluation results being accounted for as additional paid-in capital item if at acquisition no sale or other share withdrawal is envisaged within the period over 12 months from the reporting date. The revaluation surplus value equal to the amount of mark-downs carried out during preceding reporting periods and accounted for as other costs within the statement of comprehensive income shall be accounted as other income. The mark-down value shall be recorded in statement of comprehensive income as other costs. The mark-down value shall be accounted as reduction of the Company's additional paid-in capital generated as a total of mark-downs carried out during preceding reporting periods. Overrun of the mark-down value versus the final appraisal value accounted as the Company's additional paid-in capital as a result of revaluation during previous reporting periods shall be reflected in the financial performance as other costs.

In case of other financial investments for which the fair market value can be determined, the valuation adjustment shall be accounted for as other income (expenses).

The difference between the fair market value as of the reporting date and valuation of long-term financial assets as of December 31, 2013, for which the fair market value is determined, amounted to RUB 1,397,418 thousand (mark-down). The mark-down amount is reflected in the financial performance as other costs.

Deposits with the maturity period not exceeding 91 days shall not be considered as financial investments and shall be accounted as 'Cash'.

Short-term debts related to financial investments turn into long-term debts in case the maturity periods envisaged by the contract are revised and increased and, as a result, exceed 365 days from the reporting date.

Long-term debts related to financial investments turn into short-term debts in case the repayment period under the contract is 365 days from the reporting date or less.

Table 17. Information on financial assets (in RUB thousand)

Financial investments (types)	As of 31.12.2013	As of 31.12.2012	As of 31.12.2011
Total	2,827,533,480	993,911,402	678,212,372
Long-term investments – total	2,401,568,509	424,432,357	319,035,452
Shares and other equity instruments	2,058,883,618	237,581,551	145,823,475
Long-term loans issued	262,082,376	109,684,998	75,627,831
Other long-term financial investments	80,602,515	77,165,808	97,584,146
Short-term investments – total	425,964,971	569,479,045	359,176,920
Short-term loans issued	251,626,492	533,347,986	264,323,174
Deposits	129,304,982	–	39,386,295
Promissory notes and bonds	24,183,850	29,311,232	49,599,542
Receivables under claim assignment agreements	89,481	90,212	97,693
Other short-term financial investments	20,760,166	6,729,615	5,770,216

The change in the 2013 long-term financial investments from RUB 424,432 mln to RUB 2,401,569 mln was mainly due to acquisition of the TNK-BP Limited and TNK Industrial Holdings Limited shares by the Company for the amount of RUB 1,707,564 mln, as well as changes in the amount of stakes and investments in subsidiaries and associates charter capitals in the amount of RUB 115,395 mln, increase in the amount of loans issued (RUB 152,397 mln), incl. as a result of debt reclassification, increased provision for temporary impairment of long-term financial assets for the amount of RUB 1,918 mln.

The change in the 2013 short-term financial investments from RUB 569,479 mln to RUB 425,965 mln is mainly due to reclassification of loans issued and principal debt repayment, as well as increase of the provision for temporary impairment of short-term financial assets for the amount of RUB 1,814 mln.

Table 18. List of subsidiaries and associates

Name of entity	Actual value of financial asset as of 31.12.2013 (in RUB thousand)		Company's stake
	Stake in the charter capital (%)	Stake in voting shares (%)	
OIL PRODUCING ENTITIES			
LLC RN-Sevednaya-neft	6,249,936	100.00	
LLC RN-Yuganskneftegaz	14,166,170	100.00	
LLC RN-Krasnodarneftegaz	2,976,488	100.00	
LLC RN-Purneftegaz	8,527,192	100.00	
LLC RN-Stavropolneftegaz	3,355,057	100.00	
LLC RN-Sakhalinmorneftegaz	2,879,435	100.00	
CJSC Vankorneft	1,882,003	93.96	93.96
JSC Rosneft-Dagneft	368,085	68.70	68.70
JSC Grozneftegaz	43	51.00	51.00
JSC RN Ingushneft	51	51.00	51.00
LLC OGC Itera	187,671,633	99.99	
LLC Polyarnoye Siyanie Company	288,931	50.00	
JSC Dagneftegaz	131,832	40.00	40.00
JSC VCNG	7,480,493	25.94	25.94
PETROVICTORIA S.A.	4,167	40.00	
REFINING ENTITIES			
LLC RN-Tuapse Refinery	279,447	100.00	
LLC RN-Komsomolsk Refinery	573,357	100.00	
LLC RN-Primorsk Refinery	10	100.00	
CJSC VNKH	576,384	100.00	100.00
JSC Rosneft – MZ Nefteprodukt	108,102	65.42	65.42
OIL PRODUCT SUPPLY ENTITIES			
LLC RN-Nakhodkabefteprodukt	1,050,611	100.00	
LLC RN-Arkhangelsknefteprodukt	546,456	100.00	
LLC RN-Tuapsenefteprodukt	2,028,708	100.00	
LLC RN-VNP	97,910	100.00	
JSC Rosneft-Stavropolye	238,201	100.00	100.00
LLC RN-Bunker	10	100.00	
LLC RN-Kemerovonefteprodukt	10	100.00	
LLC RN-Krasnoyarsknefteprodukt	10	100.00	
LLC RN-Novosibirsknefteprodukt	10	100.00	
LLC RN-Chechennefteprodukt	10	100.00	
LLC RN-Ekaterinburgnefteprodukt	10	100.00	
LLC RN-Chelyabinsknefteprodukt	10	100.00	
LLC RN-Ingushnefteprodukt	100	100.00	
LLC RN-Aero	240,010	100.00	
LLC RN-Trade	480,010	99.9999	
JSC Rosneft – Kubannefteprodukt	612,569	89.50	96.61
JSC Rosneft – Kabardino-Balkarskaya Fuel Company	1,044,977	99.81	99.81

Name of entity	Actual value of financial asset as of 31.12.2013 (in RUB thousand) Stake in the charter capital (%)		Company's stake
		Stake in voting shares (%)	
JSC Rosneft – Kurgannefteprodukt	113,043	83.32	90.33
JSC Rosneft – Karachaevo-Cherkessnefteprodukt	57,161	85.99	85.99
JSC Rosneft – Smolensknfteprodukt	190,953	66.67	86.97
JSC Rosneft – Altaynefteprodukt	51,260	64.18	64.18
JSC Rosneft – Yamalnefteprodukt	48,622	49.52	49.52
JSC Rosneft – Murmansknefteprodukt	6,676	45.38	45.38
JSC Rosneft – ARTAG	30	38.00	50.67
LLC RN-Abkhazia	47	51.00	
LLC Yu-Kuban	9,215	49.00	
OTHER ENTITIES			
Holdings			
Rosneft Limited	1,707,564,188	100.00	100.00
Rosneft Industrial Holdings Limited	464	22.90	0.0
Sakhalin projects group			
CJSC RN-Shelf-Far East	32,124	100.00	100.00
LLC West Kamchatka Holding B.V.	3,040	60.00	60.00
LLC RN-Kaiganneftegaz	4,520	100.00	
CJSC RN-Astra	10	100.00	100.00
LLC RN-Shelf-Artika	4,950	99.00	
LLC Zapad-Shmidt Invest	4,950	99.00	
JSC Rosneft-Sakhalin	110	55.00	55.00
Foreign Projects Division			
LLC RN-Foreign Projects	17,250,743	100.00	
LLC RN-Foreign Investments	685,000	100.00	
LLC RN-Exploration	28,099	99.996	
LLC Rosneft Shell Caspian Ventures Ltd	316	51.00	51.00
LLC NPC	9,613,859	40.00	
Servicing entities			
LLC RN-Burenie	4,611,819	100.00	
LLC RN-Service	2,974,305	34.8625	
LLC RN-Energoneft	20	100	
LLC RN-Pozharnaya Bezopasnost	203,461	100.00	
LLC Dubininskoe	26,015,000	100.00	
CJSC RN-Mamontovo	9,952,145	100.00	100.00
LLC RN-Inform	10	100.00	
LLC RN-Uchet	10	100.00	
LLC RN-Story	192,310	100.00	
JSC Purnefteotdacha	309	61.54	61.54
LLC PSC RN-Okhrana	32,021	99.98	
LLC KNPZ-Service	30	100.00	
Financial institutes group			
JSC Russian Regional Development Bank	2,758,375	84.67	84.67
LLC Okhabank	23,489	33.40	
Scientific entities group			
LLC Arctic Scientific Center	300,000	66.67	
LLC RN-SakhalinNIPImorneft	33,799	100.00	
LLC RN-UfaNIPineft	77,010	100.00	
LLC Rosneft-NTC	81,751	100.00	
LLC RN-KrasnoyarskNIPineft	10	100.00	
Logistics and transportation			
LLC Rosneft-Mongolia	76,134	100.00	
CJSC RN-Trans	8,902,080	100.00	100.00
LLC Vostok Asia Transit	2,294	66	
CJSC Rosnefteflot	6,170	51.00	51.00
LLC TK-BA	374,337	33.33	
Other entities			
CJSC Sakhalinmorneftegaz-Shelf	3,750	100.00	100.00
CJSC Sakhalinmorneftegaz-AMK	10	100.00	100.00
CJSC Ordalia 2000	820	100.00	100.00
LLC FTT Service	2,325	100.00	
LLC PSC SKB	0,0001	100.00	
LLC YUKOS CIS Investment	28,787	100.00	
LLC RN-Shelf-Abkhazia	96	100.00	
JSC Okhinskaya Power Plant	1,288,499	81.99	81.99

Name of entity	Actual value of financial asset as of 31.12.2013 (in RUB thousand) Stake in the charter capital (%)		Company's stake	
			Stake in voting shares (%)	
LLC Val Shatskogo	264,992		85.86	
LLC Vostok-Energy	56,100		51.00	
LLC Pursatkom	1,742		49.00	
CJSC Rosshelf	248,326		26.42	26.42
CJSC Neftyanoe Khozyaistvo Publishing House	4		25.00	25.00
CJSC Ros&Neft	12		25.00	25.00
LLC Neftyanik Kubani Health Resort	3,670,467		96.20	
LLC RN-East Siberia	13,166,928		99.99992	
Liquidation and bankruptcy				
LLC Komsomolskneftegazvodremstroy	30		100.00	
Total:	2,054,877,595			

Table 19. Key operations related to acquisition and disposal of long-term financial assets (in RUB thousand)

List of financial assets	Actual value of financial asset at the time of acquisition or retirement	Equity stake, %
Acquired financial assets		
TNK-BP Limited (renamed as Rosneft Limited)	1,707,564,188	100.00
TNK Industrial Holdings Limited (renamed as Rosneft Industrial Holdings Limited)	464.2	22.90
PETROVICTORIA S.A.	4,167.4	40.00
Financial assets retired as a result of liquidation		
LLC Uchet i Otchetnost	0.0003	100.00
JSC Moscovskaya Gazovaya Kompaniya	50.0	50.00

The following changes in stakes and investments have occurred:

- LLC OGC Itera – financial investment growth by RUB 94,868,154 thousand, equity stake increase from 51.00% to 99.99%;
- LLC NPC – financial investment growth by RUB 6,007,105 thousand, equity stake increase from 20.00% to 40.00%;
- LLC Arctic Scientific Center – the financial investment has not changed; equity stake reduction from 100.00% to 66.67%;
- LLC RN-Service – financial investment growth by RUB 1,353,000 thousand; equity stake increase from 22.5855% to 34.8625%;
- LLC RN-East Siberia – financial investment growth by RUB 13,166,928 thousand; equity stake increase from 1.00% to 99.99992%.

Table 20. Information on long-term and short-term loans issued (in RUB thousand)

Granted loans	Balance as of 31.12.2012	Loans issued	Loans collected	Reclassified due to changes in the payment term	Balance as of 31.12.2013
Total, incl.	643,032,984	327,645,680	456,969,796	–	513,708,868
Long-term loans	109,684,998	214,128,812	97,974,248	36,242,814	262,082,376
Short-term loans	533,347,986	113,516,868	358,995,548	(36,242,814)	251,626,492

13. FINANCIAL DERIVATIVES ACCOUNTED AT FAIR VALUE THROUGH PROFIT AND LOSS

Derivatives are financial instruments that simultaneously meet the following criteria:

- the cost of a financial instrument changes in line with the changes in the applied interest rate, security price, cost of products, foreign currency exchange rate, price or interest rate index, credit rating or credit index or other 'basic' variables;
- acquisition of a financial instrument does not require investments or requires initial net investments but in amounts lower than for other instruments the price of which has a similar response to market factor changes; and other types of contracts that are expected to have a similar response to market factor changes;
- financial instrument calculations are performed in the future.

Derivatives accounted for at fair value within the statement of comprehensive income for the year ended December 31, 2013, include the following:

- forward transactions accounted at a fair value: short-term assets amounting to RUB 69,206 thousand and long-term assets amounting to RUB 773,849 thousand.

As a result of entering into forward transactions, the Company makes currency exchange transactions in approved volumes at an exchange rate fixed as of the transaction execution date. Thus, the Company acquires and/or sells currency required for fulfillment of respective liabilities and/or delivery of settlements. The sale-and-purchase rate shall be fixed at the time of the transaction, and the transaction settlements are effected as of a certain date in the future. This allows minimizing currency risks and planning financial flows.

Fair value estimation is performed on the basis of comparable quotes of forward contracts with regard to respective timeframes set by Bloomberg.

- Currency-interest swap transactions accounted at a fair value: short-term assets amounting to RUB 18,809 thousand and short-term liabilities amounting to RUB 5,688,020 thousand.

Currency-interest swap transactions are entered by Rosneft in order to ensure control over foreign currency and interest risks of the Company, which occur in case of attracting debt financing in currency other than USD. As the major part of the Company's revenue is denominated in USD, part of the USD revenue will have to be exchanged into the currency of respective liability. In case of such currency strengthening versus USD, the Company will have to spend more USD revenue to cover outstanding liabilities.

A transaction is an agreement under which one of the parties must pay interests and the principal amount in a certain currency within a certain period of time. In exchange, it shall receive interest and payments of the principal amount in another currency within the same period of time. The specified transactions serve as a tool to minimize currency-interest risks and are widely used in global practice.

Estimation of the fair value of currency-interest swap transactions is performed via the Super Derivatives system in line with market data and is based on the current discounted value of future cash flows.

14. CASH

The Cash item reflects the Company's cash available at bank accounts and in credit organizations, in operational and other cash offices, as well as deposits with a maturity period not exceeding 91 days.

The 'Cash and Cash Equivalents' item of the balance sheet includes cash equivalents for the amount of RUB 116 thousand.

Table 21. Information on the Company cash (in RUB thousand)

Cash	As of 31.12.2013	As of 31.12.2012	As of 31.12.2011
Cash	169,904,499	190,433,620	49,377,817
incl. restricted cash	–	335,466	–
Deposits less than 91 days	30,000,000	42,994,433	52,642,169

15. RECEIVABLES AND PAYABLES

Receivables and payables are accounted for and recorded in financial statements in accordance with the terms and conditions of respective signed contracts.

The provision for doubtful debts is made on the basis of settlements with other organizations and individuals for products, goods, work and services, advances issued and other receivables, and is recorded in the statement of comprehensive income as other expenses.

Short-term receivables and payables turn into long-term items in case payment periods under existing contracts are revised and increased and as a result exceed 365 days.

Long-term receivables and payables turn into short-term items in case the outstanding debt recovery period under existing contracts is 365 days or less.

Similarly, receivables and payables turn into short-term items if the debt under existing contracts is repaid by installments in different periods.

Table 22. Information on accounts receivable (in RUB thousand)

Accounts Receivable (types)	As of 31.12.2013	As of 31.12.2012	As of 31.12.2011
Accounts Receivable – total	847,683,278	418,546,528	621,048,304
Long-term accounts receivable	92,509,925	27,795,293	255,852,455
Other receivables, incl.	92,509,925	27,795,293	255,852,455
Loans issued to subsidiaries and associates	57,319,554	17,706,866	233,639,728
Interest receivable on long-term deposits and loans issued	26,090,172	5,984,052	20,313,657
Short-term receivables	755,173,353	390,751,235	365,195,849
incl. Buyers and customers	294,634,809	148,715,325	112,716,979
Advances issued	29,317,555	14,707,732	19,581,085
Other receivables, incl.	431,220,989	227,328,178	232,897,785
Receivables from budget and state non-budgetary funds	41,977,131	25,118,825	17,876,291
Loans and promissory notes issued to subsidiaries and associates	7,937,676	14,191,636	15,778,428
Settlements under commission agreements	75,256,457	26,498,419	127,638,767
Interest receivable on long-term deposits and loans issued	74,976,354	95,766,450	30,084,989

The Company's accounts receivables as of December 31, 2012, amounted to RUB 418,547 mln, including the provision for doubtful debts in the amount of RUB 6,393 mln. In 2013, accounts receivable increased by RUB 429,136 mln and amounted to RUB 847,683 mln as of December 31, 2013, including the doubtful debt provision amounting to RUB 11,771 mln. The increase in the accounts receivable was primarily resulting from the following:

- increase of the buyers' debt related to gas, crude oil and petroleum product supplies by RUB 145,919 mln, and increase of debt related to settlements under commission agreements by RUB 48,758 mln, which was mainly due to growing export sales volumes as a result of new asset acquisitions;
- increase of other receivables by RUB 155,135 mln (in addition to the aforementioned growth related to commission agreements), incl. contribution to the LLC OGC Itera charter capital in the amount of RUB 59,471 mln, as well as growth of debt related to the state budget and state non-budgetary funds by RUB 16,858 mln.

Table 23. Information on accounts payable (in RUB thousand)

Accounts Payable (types)	As of 31.12.2013	As of 31.12.2012	As of 31.12.2011
Accounts Payable	671,344,718	211,561,388	190,978,173
Suppliers and contractors	487,901,829	117,932,513	76,773,288
Accounts Payable to the Company employees	32,421	1,014	1,944
Accounts Payable to the state budget and non-budgetary funds	39,881,520	39,015,725	32,862,447
Advances received	53,736,812	14,943,775	18,210,981
Other accounts payable	89,792,136	39,668,361	63,129,513

The Company's accounts payable as of December 31, 2012, amounted to RUB 211,561 mln. In 2013, accounts payable increased by RUB 459,784 mln and amounted to RUB 671,345 mln as of December 31, 2013. The key reason for the increase of the accounts payable was the growing debt to subsidiaries with regard to purchased crude, operating services, processing services and shipment services related to new asset acquisitions.

16. LONG-TERM AND SHORT-TERM LOANS AND BORROWINGS, OTHER LIABILITIES AND SECURED COLLATERALS

Debt related to loans and borrowings is accounted for and recorded in financial statements in accordance with respective signed contracts.

The Company turns short-term debt into long-term debt in case payment periods under existing contracts are revised and increased and as a result exceed 365 days. The Company turns long-term debt into short-term debt in case the outstanding payment period is 365 days and less.

The interest amounts subject to payment under received loans and borrowings shall be accrued in a leveled manner, regardless of the loan (borrowing) provision terms and conditions. Additional expenses related to loans (borrowings) shall be accounted for as other expenses as a lump sum.

In order to capitalize interest on loans and borrowings as part of the cost of acquired asset, an asset shall be a property item subject to a lengthy (over 12 months) period of preparation for intended use and requiring a long time for acquisition, construction and manufacturing.

Investment assets include work-in-progress or construction-in-progress facilities, which will further be accounted for by the borrower and (or) customer (investor, buyer) as fixed asset.

Loans and borrowings drew down in 2013 were used for general corporate purposes and partially for financing of new asset acquisitions.

The amount of interest accrued on loans and borrowings is included in the balances of respective loans and borrowings in these financial statements as of the reporting date. Expenses related to loans and borrowings are included in 'other expenses' in the amount of RUB 9,574 mln.

The total amount of interest accrued under the Company loans and borrowings for the reporting period amounted to RUB 40,814 mln. The interest-related debt year-on-year increased by RUB 14,025 mln.

The amount of interest capitalized amounted to RUB 8,324 mln.

Table 24. Information on long-term and short-term loans and borrowings (in RUB thousand)

Loans and borrowings (types)	Balance at 31.12.2012	Received	Repaid	Reclassified	Balance at 31.12.2013
Long-term loans and borrowings, incl.:	905,695,447	1,818,387,793	472,339,705	(522,501,742)	1,729,241,793
long-term credits	705,396,817	1,266,808,089	284,743,153	(445,401,668)	1,242,060,085
long-term loans	168,675,303	436,294,375	184,635,286	(73,672,304)	346,662,088
long-term interest accrued under loan and credit agreements	2,326,336	4,587,947	264,666	(3,427,770)	3,221,847
own long-term promissory notes	8,940,859	–	2,528,248	–	6,412,611
long-term interest accrued under promissory notes	356,132	697,382	168,352	–	885,162
own bonds	20,000,000	110,000,000	–	–	130,000,000
Short-term loans and borrowing, incl.:	74,848,915	437,156,413	411,626,052	522,501,742	622,881,018
short-term credits	7,500,000	356,503,738	290,690,330	–	73,313,408
short-term loans	35,064,534	18,247,519	64,180,583	76,561,774	65,693,244

Loans and borrowings (types)	Balance at 31.12.2012	Received	Repaid	Reclassified	Balance at 31.12.2013
current portion of long-term loans and borrowings	23,979,090	2,920,271	30,802	442,512,198	469,380,757
current portion of long-term interest accrued under loan and credit agreements	675,544	45,893,071	45,315,113	(94,027)	1,159,475
short-term interest accrued under loan and credit agreements	7,328,173	8,142,274	6,911,724	3,521,797	12,080,520
interest accrued under own bonds (coupon profit)	301,574	5,449,540	4,497,500	–	1,253,614

In October 2012, the Company placed two issues of documentary interest-bearing non-convertible bearer bonds with a total nominal value of RUB 20 billion and the term of 10 years. Coupon payments are made on semi-annual basis of fixed rate of 8.6% p.a. for the first ten coupon periods.

In March 2013, the Company placed two issues of documentary interest-bearing non-convertible bearer bonds with a total nominal value of RUB 30 billion and the term of 10 years. Coupon payments are made on semi-annual basis of fixed rate of 8.0% p.a. for the first ten coupon periods.

In June 2013, the Company placed three issues of documentary interest-bearing non-convertible bearer bonds with a total nominal value of RUB 40 billion and the term of 10 years. Coupon payments are made on semi-annual basis of fixed rate of 7.95% p.a. for the first ten coupon periods.

In December 2013, the Company placed two issues of documentary interest-bearing non-convertible bearer stock bonds with a total nominal value of RUB 40 billion and the term of 10 years. Coupon payments are made on semi-annual basis of fixed rate of 7.95% p.a. for the first ten coupon periods.

All the above mentioned bonds provide for early repurchase in five years at the request of a bond holder as set in the respective offering documents. In addition, the issuer, at any time and at its discretion, may early purchase/repay the bonds with a possibility of subsequent bonds circulation. Such purchase/repayment of the bonds does not constitute an early redemption.

On July 24, 2012, the Company issued and further sold 40 promissory notes with the nominal value of RUB 274 mln, each of such notes with quarter payments and the term of 10 years, with an interest rate of 9% per annum for a total value of RUB 10,976 mln. Some of the promissory notes were repaid in 2012-2013. As of December 31, 2013, the debt under these promissory notes (principal debt) amounted to RUB 6,413 mln.

The schedule of payments related to long-term promissory notes as of December 31, 2013, is as follows (mln RUB):

2014	–
2015	–
2016	101
2017	1,098
2018+	5,214
Total long-term debt:	6,413

In March 2013, the Company drew down four long-term unsecured loans from a group of international banks for a total of US\$ 31.04 billion (RUB 1,016 billion at the CBR official exchange rate as of December 31, 2013) to finance the acquisition of TNK-BP. The first debt agreement of US\$ 4.09 billion (RUB 134 billion at the CBR official exchange rate as of December 31, 2013) was entered into with the syndicate of foreign banks for 5 years at floating rates. The second debt agreement was entered into with the syndicate of foreign banks at floating rates in the amount of US\$ 12.74 billion (RUB 417 billion at the CBR official exchange rate as of December 31, 2013) for 2 years. The third debt agreement was entered into with the syndicate of foreign banks at floating rates for 2 years in the amount of US\$ 11.88 billion (RUB 389 billion at the CBR official exchange rate as of December 31, 2013). The fourth debt agreement in the amount of US\$ 2.33 billion (RUB 76 billion at the CBR official exchange rate as of December 31, 2013) was entered into with the syndicate of foreign banks for 5 years at floating rates. As of December 31, 2013 loans are drawn down in full. In December 2013 the Company repaid US\$ 5.1 billion (RUB 167 billion at the CBR official exchange rate as of December 31, 2013) of the long-term loan from international banks.

In June 2013, the Company drew down funds under long-term floating rate collateralized loan agreement with a foreign bank in the amount of US\$ 2.0 billion (RUB 65.5 billion at the CBR official exchange rate as of December 31, 2013). The loan is repayable within 16 years and secured by oil export contracts.

In November 2013, the Company drew down funds under floating rate unsecured long-term loan from an international bank in amount of US\$ 0.75 billion (RUB 24.5 billion at the CBR official exchange rate as of December 31, 2013) for 5 years.

In December 2013, the Company drew down funds under long-term floating rate unsecured loan from the group of international banks for a total amount of US\$ 0.5 billion (RUB 16.4 billion at the CBR official exchange rate as of December 31, 2013) for 5 years.

The schedule of long-term loan and borrowings repayment as of December 31, 2013, is as follows (mln RUB):

2014	484,485
2015	488,482
2016	174,207
2017	190,148
2018+	850,781
Total long-term debt:	2,188,103

Some loans within the portfolio are non-secured, some are secured with export crude supplies.

The total amount of the Company securities as of 31.12.2013 was RUB 50,673 mln, incl. \$1,175 mln and €218 mln at the RF Central Bank official exchange rate as of the transaction date. Distribution of such securities across respective security interests (collaterals) was as follows:

Security interests (collaterals)	Stake in the total securities value, %
Proceeds from crude and product sales	40,40
Surety	59,60

In 2013, within the framework of Cooperation Agreements between Rosneft and Eni S.p.A., Rosneft and Statoil ASA, Rosneft and ExxonMobil Oil Corporation, the following documents signed in 2012 came into force: Parent Guarantee Agreement, Guarantee for Commercial Discovery Bonus Payment (for projects implemented with Eni S.p.A in the RF offshore areas), and Parent Guarantee Agreement (for projects implemented with Statoil ASA in the RF offshore areas). The above guarantees are unlimited, unconditional and termless, and secure full unconditional and termless repayment of potential obligations by Rosneft within the framework of projects delivered by its affiliates in accordance with respective project documentation. According to such agreements, partners shall guarantee due and timely fulfillment of all obligations by their respective associates under signed agreements with a view to implement joint projects in the RF offshore areas, as well as payment of the commercial discovery bonus envisaged by shareholder and operational agreements.

In 2013, parent company agreements with ExxonMobil were signed for seven new projects in the RF offshore areas. Such guarantees are also unlimited, unconditional and termless. However, they are expected to come into force at the end of 2Q 2014.

In 2Q 2013, Rosneft provided unconditional unlimited termless guarantee (surety) with regard to the Government of Norway and Norwegian state authorities, which envisaged complete coverage of potential liabilities of RN Nordic Oil AS in terms of offshore operations in Norway. The parent guarantee under the RN Nordic Oil AS obligations with regard to environmental risks is an imperative requirement stipulated by the Norwegian legislation and shall be deemed as a prerequisite for issue of a license for RN Nordic Oil AS for operations at Norwegian offshore fields together with Statoil.

Table 25. Information on other long-term liabilities (in RUB thousand)

Other long-term liabilities (types)	Outstanding as of the beginning of the year	Received (accrued)	Recovered (paid)	Outstanding as of the end of the period
Other long-term liabilities, incl.:	–	470,151,376	–	470,151,376
Prepayment on long-term oil supply agreements	–	470,151,376	–	470,151,376

During 2013 the Company entered into a number of long-term crude oil supply contracts which involve receipt of prepayment. The total minimum delivery volume approximates 400 million tons of crude oil.

The contracts include the following main terms:

- prepayment amounts not to exceed 30% of the total contracted volume;
- the crude oil price is calculated based on current market quotes;
- the prepayment is reimbursed through physical deliveries of crude oil.

The prepayments will be reimbursed starting from 2015. The Company considers these contracts to be a regular way sale contracts which were entered into for the purpose of the delivery of a non-financial item in accordance with the Company's expected sale requirements.

17. ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

Changes in the foreign currency exchange rates (in particular, USD) have a material impact on the Company financial performance.

Table 26. Information on RUB/USD exchange rates

As of December 31	Exchange rate
2013	32.73
2012	30.37
2011	32.20

Differences in the exchange rates applied to the Company operations outside the territory of the Russian Federation (accounted in the reporting period within the framework of the additional paid-in capital) were as follows: positive exchange rate differences – RUB 1.9 mln, negative exchange rate differences – RUB 1.6 mln.

Transactions related to currency conversion are reflected in the Statement of Comprehensive Income in 'Other Income' and 'Other Expenses' items on a net basis. Only exchange rate gains or losses shall be deemed as income (expenses).

Exchange rate differences occurring within the year as a result of transactions involving assets and liabilities denominated in foreign currency as well as recalculations as of the reporting date were accounted as other income and other expenses.

Table 27. Exchange rate differences accounted as other income and expenses (in RUB thousand)

Exchange rate differences	2013	2012
Positive exchange rate difference	227,356,450	205,926,096
Negative exchange rate difference	305,276,499	196,209,069

18. TAX LIABILITIES

The Company's tax liabilities are reflected in financial statements on the accrual basis.

The rates of principal taxes paid in 2013 were as follows:

- income tax – 20 %;
- value added tax – 18 %.

In 2013, the number of participants of the consolidated taxpayer group with Rosneft responsible for income tax calculation and payment purposes, increased from 22 to 44 entities.

The mineral extraction tax (MET), included in the cost of products, goods, work and services, amounted to RUB 405,136 mln, and in 2012 – RUB 395,297 mln.

The 2013 export duty was accrued in the amount of RUB 1,101,609 mln, and in 2012 – RUB 864,881 mln.

Settlements with the budget and non-budgetary funds are presented in the table below:

Table 28. Settlements with the budget and non-budgetary funds (in RUB thousand)

	As of 31.12.2013	As of 31.12.2012	As of 31.12.2011
Receivables related to the budget and non-budgetary funds – total	41,977,131	25,118,825	17,876,291
VAT	33,120,119	17,685,760	12,160,983
Income tax	8,727,381	6,853,517	5,017,476
Other receivables related to taxes and charges	42,979	568,422	693,626
Debt of state non-budgetary funds	86,652	11,126	4,206
Payables to the budget and non-budgetary funds – total	39,881,520	39,015,725	32,862,447
Mineral extraction tax	35,993,842	32,359,258	31,343,354
Income tax	1,586,914	5,045,261	-
Property tax	2,021,339	1,519,401	1,457,645
Payables to state non-budgetary funds	1,071	506	84
Other debt related to taxes and charges	278,354	91,299	61,364

If compared to December 31, 2012, outstanding tax-related receivables increased by RUB 16,783 mln, which was mainly driven by the increase in the VAT subject to refund upon the 4Q 2013 performance, year-to-year, as well as the claim for refund the income tax withheld within former periods with regard to which tax control measures have been applied.

As of December 31, 2013, 2012 and 2011, the Company did not have any outstanding obligations in terms of taxes and charges.

In accordance with provisions of Chapter 14 "Tax Control" of the RF Tax Code, desk-top and on-site audits of tax and levy payers and tax agents can be held with regard to a period of 3 calendar years preceding the year of the audit. The Company's management believes that such audit results will not have a material impact on the financial status as tax liabilities have been estimated in accordance with tax legislation requirements.

19. CAPITAL

Share capital

The Company's share capital as of December 31, 2013, amounted to RUB 105,981,778.17 and was distributed across 10,598,177,817 ordinary shares with the nominal value of RUB 0.01 each.

Reserves and additional paid-in capital

The Company's capital also includes reserves and additional paid-in capital. The Company's reserves is represented by funds formed in accordance with the foundation documents and amounting to 5% of the share capital. As of December 31, 2013, the reserves were fully formed and amounted to RUB 5,299 mln.

The Company's additional paid-in capital as of December 31, 2013, amounted to RUB 113,277 mln (as of December 31, 2012, it amounted to RUB 113,277 mln).

Treasury shares

	As of December 31	
	2013	2012
Number, thou.	-	321,778
Amount, RUB, thou	-	68,216,969

In June 2012, the Company bought out 321,963,949 own shares for the amount of RUB 68,256 mln, i.e. RUB 212 per share.

In August 2012, the Company transferred 185,794 own shares for the amount of RUB 39 mln to the members of the Rosneft Board of Directors as a compensation for the period from June 10, 2011, through June 20, 2012, upon the decision of the Rosneft Annual General Shareholders Meeting.

In March 2013, the Company transferred 321,778,155 own shares to BP as the consideration for the acquisition of TNK-BP Limited and TNK Industrial Holdings Limited.

Net assets

The Company's net assets as of December 31, 2013, amounted to RUB 1,383,793 mln. Increase in the amount of net assets versus the former reporting date (RUB 1,264,601 mln) totaled RUB 119,192 mln, i.e. 9%. The Company's net assets as of December 31, 2013, exceed its charter capital by RUB 1,383,687 mln.

20. INCOME AND EXPENSES, RETAINED EARNINGS

Proceeds from product, work and service sales are accounted alongside with the product shipments, work delivery and service provision followed by submission of settlement documents to the buyers (customers).

The Company applies direct costing method, therefore, managerial expenses are fully written off as period expenses, i.e. are fully accounted in the reporting period, without distribution into product-in-progress and finished goods balance.

Expenses related to sales are distributed across sold products (goods) and shipped but unsold products, taking into account the remaining finished goods available in stock.

Expenses related to the Company's advertising campaigns in general (without specifying the types of products) are accounted as selling expenses.

Income distribution is reflected in accounting and reporting statements for the year following the reporting year, as resolved by the Shareholders Meeting. Part of income, which has not been paid as dividends upon the shareholders' resolution, is reflected in the reporting as 'Retained Earnings'. The use of such income for investment purposes does not reduce the outstanding balance under the 'Retained Earnings' item.

The value of retained earnings for previous years amounted to RUB 1,134,062 mln as of December 31, 2013, and to RUB 1,219,377 mln as of December 31, 2012. The change in this amount was due to accrued dividends was RUB 85,315 mln.

The following income and expenses impacted the value of retained earnings for the reporting period:

Table 29. The Company's income and expenses (in RUB thousand)

Indicators	2012	2013
Proceeds (net) from sales of goods, products, work, services (excl. VAT)	2,595,672,292	3,544,443,140
incl. core activities	2,095,343,778	2,862,999,133
procurement activity	498,510,952	679,186,708
agency business	1,817,562	2,257,299
Cost of goods, products, work, services sold:	(1,293,592,537)	(1,969,312,483)
incl. core activities	(1,027,068,960)	(1,604,911,146)
procurement activity	(266,523,577)	(364,401,337)
Gross profit	1,302,079,755	1,575,130,657
Selling expenses	(1,016,641,454)	(1,307,050,333)
General and administrative expenses	(28,564,368)	(39,985,741)
Exploration expenses	(13,866,463)	(19,689,828)
Operating income/(loss)	243,007,470	208,404,755
Other income and expenses	97,239,436	(53,625,109)
incl.:		
Interest receivable	77,515,765	57,949,838
Interest payable	(53,948,854)	(67,752,187)
Equity share in profits of joint ventures and associates	13,480,887	73,321,614
Tax payments	(7,142,502)	(8,203,310)
incl.:		
Property tax	(6,985,795)	(8,081,708)
Income resulting from sales or other types of retirement of other property assets	342,330,878	76,577,657
incl.: Income resulting from sales of short-term securities	231,680,277	65,008,345
Revaluation of the fair value of subsidiaries as part of contribution to the Charter capital	85,506,389	–
Expenses related to sales and other types of retirement of other property assets	(266,645,710)	(84,043,732)
incl.: Cost of retired short-term securities	(232,172,324)	(65,221,936)
Gain on changes in the fair value of financial derivatives	10,499,503	18,925,153
Loss on changes in the fair value of financial derivatives	(2,730,443)	(28,003,373)
Other income	231,092,891	287,293,195
incl.: Exchange rate differences	205,926,096	227,356,450
Excise recovery	13,031,593	21,404,252
Other expenses	(247,212,979)	(379,689,964)
incl.: Exchange rate differences	(196,209,069)	(305,276,499)

Table 30. The Company's costs by elements (in RUB thousand)

Indicators	2012	2013
Tangible costs	1,852,558,899	2,789,420,131
Payroll costs	8,391,387	11,427,350
Social security contributions	2,007,826	2,887,926
Depreciation	64,852,257	78,636,374
Exploration expenses	13,866,463	19,689,828
Other costs, incl. MET	410,987,990	433,976,776
Total costs	2,352,664,822	3,336,038,385

21. DEFERRED TAX ASSETS AND LIABILITIES, PERMANENT TAX ASSETS AND LIABILITIES

Accounting statements reflect permanent and temporary differences between accounted profit and taxable income within the reporting period. Temporary and permanent differences calculated via comparison of accounting and tax accounting data for the reporting period entail formation of 'Permanent Tax Liabilities and Assets' and 'Deferred Tax Liabilities and Assets'.

The Company calculates indicators reflecting accounting of income tax expenditure on a monthly basis.

The Company's accounting balance sheet provides a detailed overview of deferred tax assets and liabilities related to the income tax, in the format of noncurrent assets and long-term liabilities respectively.

The net amount of permanent tax assets (liabilities) is specified in the Statement of Comprehensive Income for reference.

The income tax rate used for calculation of deferred and permanent tax assets and liabilities amounts to 20%.

Table 31. Information on deferred and permanent tax assets and liabilities (in RUB thousand)

Name	Outstanding balance as of the beginning of the year	Accrued for the reporting year	Repaid for the reporting period	Outstanding balance as of the end of the year
Deferred tax asset	9,061,468	5,626,800	3,293,757	11,394,511
Deferred tax liability	19,196,992	28,715,345	4,176,345	43,735,992
Permanent tax asset	X	32,804,686	X	X
Permanent tax liability	X	25,798,703	X	X

Accounting income tax expense related to the income tax amounted to RUB 30,956 mln in 2013, and to RUB68,049 mln in 2012. Permanent and temporary differences resulting in adjustments of the accounting income (expense) related to the actual income tax are shown in the table below.

Table 32. Information on permanent and temporary differences resulting in adjustment of the accounting income (expense) related to the actual income tax (in RUB thousand)

Name	Outstanding balance as of the beginning of the year	Accrued for the reporting year	Repaid for the reporting period	Outstanding balance as of the end of the year
Positive permanent margins	X	128,993,515	X	X
Negative permanent margins	X	164,023,430	X	X
Deductible temporary margins	45,307,340	28,134,000	16,468,785	56,972,555
Taxable temporary margins	95,984,960	143,576,725	20,881,725	218,679,960

22. DIVIDEND PAYMENTS

Number and nominal value of shares

The shareholder capital is the Company's capital envisaged by foundation documents. The owners of ordinary shares are entitled to one voting right at the Shareholders Meeting per each acquired share.

The Company has placed 10,598,177,817 ordinary shares with the nominal value of RUB 0.01 each, for the total amount of RUB 105,981,778.17.

Dividend amount

The Company's net income in 2013 amounted to RUB 136,279 mln. Net income per share in 2013 amounts to RUB 12.86.

Recommendations to the General Shareholders Meeting with regard to the amount of dividends payable for 2013 will be preliminarily determined by the Company's Board of Directors in 1H 2014.

Based on the Company's 2012 performance, the Rosneft Annual General Shareholders Meeting on June 20, 2013 (Minutes w/o number as of June 25, 2013) resolved to allocate RUB 85,315 mln for payment of dividends related to Rosneft ordinary shares, which is RUB 8.05 per share. As of December 31, 2013, the Company had paid dividends in the amount of RUB 85,232 mln. Dividends were paid to all persons/entities included in the Rosneft security holders register, except those whose data were not fully provided by nominal holders and those who failed to provide timely information to the issuer's registrar regarding any changes in such person/entity data.

23. EVENTS AFTER THE REPORTING DATE

In January 2014, the Company received advance payment under long-term crude supply agreements from a number of buyers (see Note 16).

24. CONTINGENCIES. PROVISIONS

Contingent assets and liabilities

1. In 2006, YUKOS Capital S.a.r.l., former subsidiary of JSC NK YUKOS, initiated arbitration proceedings against JSC Yuganskneftegaz, which later on was integrated into the Company, in different arbitration courts with the claim that the entity was not fulfilling its obligations regarding four loans in RUB. The International Commercial Arbitration Court (hereinafter – ICAC) at the RF Chamber of Commerce and Industry delivered four decisions in favor of YUKOS Capital S.a.r.l. in view of the aforementioned loans for the total amount of c. RUB 12.9 bln.

In 2007, the Company successfully challenged the ICAC decisions, which were withdrawn by the Russian courts, including the Supreme Arbitration Court of the RF. However, YUKOS Capital S.a.r.l. filed an action to have the ICAC decisions recognized in the Netherlands. The district court of Amsterdam refused to enforce the above decisions on the territory of the Netherlands due to the fact that they had been duly canceled by an authorized court. YUKOS Capital S.a.r.l. lodged an appeal, and on April 28, 2009, the Court of Appeal of Amsterdam revoked the district court decision and allowed YUKOS Capital S.a.r.l. to put into effect the ICAC decision on the territory of the Netherlands. Rosneft filed a claim to the Supreme Court of the Netherlands for review of the decision of the Amsterdam Court of Appeal.

In early 2010, YUKOS Capital S.a.r.l. lodged another claim against the Company to the High Court of Justice in London in order to have the ICAC decisions recognized and implemented in England and Wales, as well as apply interest to amounts specified in the aforementioned decisions.

On June 25, the Supreme Court of the Netherlands delivered a decision stating that the Company's complaint regarding the decision of the Amsterdam Court of Appeal, which served as a basis to implement the ICAC decision in the Netherlands, shall not be subject to review. Despite the fact that the Company did not agree with the decisions of the above courts of the Netherlands, on August 11, 2010, it complied with the decisions and effected corresponding payments envisaged by the claim filed against the Company.

Apart from the aforementioned payments, YUKOS Capital S.a.r.l. was still urging the High Court of Justice in London to enforce payment of interest calculated with references to respective laws, in the total amount of c. \$160 mln as of the date of filing the claim.

On June 14, 2011, the High Court of Justice in London delivered an interim judgment regarding two preliminary matters which it agreed to review before delivery of a final judgment on the claim. Despite the fact that the court resolved both matters in favor of YUKOS S.a.r.l., it however provided the Company with a possibility to challenge the decision. On June 27, 2012, the Court of Appeal of England delivered a decision in favor of the Company regarding one of the aforementioned preliminary matters. Neither of the parties solicited further appeal proceedings. On February 27, 2013, the court delivered a procedural decision providing for hearings on further preliminary matters to decide whether the court possessed respective authority to put into effect the revoked ICAC decisions in accordance with the English common law and whether YUKOS Capital S.a.r.l. had a right to seek payment of interest on the amounts awarded pursuant to the ICAC decisions in English courts. The High Court of Justice scheduled the hearing regarding further preliminary matters on May 13-15, 2014. The Company intends to make all possible effort to defend its position within the framework of remaining court proceedings in England.

In 2007, claims were filed to the Arbitration Court of Moscow regarding nullity of loan-related transactions with YUKOS Capital S.a.r.l. Pursuant to the resolution of the Arbitration Court of Moscow as of July 11, 2012, the loans were canceled. Pursuant to the resolution of the 9th Arbitration Court of Appeal as of October 9, 2012, the decision of the first-instance court was left unchanged. Pursuant to the resolution of the Federal Arbitration Court of the Moscow District as of March 14, 2013, the above court rulings remained in force. On July 31, 2013, the Supreme Arbitration Court dismissed the YUKOS Capital S.a.r.l. claim to revise the court rulings of lower-level courts in exercise of supervisory functions.

2. In 2007, Glendale Group Ltd filed a suit to the court of Amsterdam (Netherlands) against Rosneft with a view to collect circa RUB 3.53 bln of principal amount of debt, interest, penalties and expenses. The basis was represented by 8 promissory notes of JSC Yuganskneftegaz issued in 2003. On November 21, 2012, hearings were held. Pursuant to the decision dated May 29, 2013, the claim was partially satisfied, but the court denied the Glendale Group Ltd claims regarding 2 out of the 8 promissory notes which constituted the subject of the dispute, while supporting Glendale Group Ltd claims regarding the other 6 promissory notes and obligating Rosneft to pay RUB 2.53 bln plus respective interest and penalties. The court allowed Rosneft to transfer the amount of debt to an escrow account while awaiting the decision on appeal. Rosneft filed an appeal for the court decision made on May 29, 2013. Complete grounding documentation backing the appeal is to be submitted by Rosneft by March 11, 2014.

3. Yukos International UK BV initiated proceedings against Rosneft and other codefendants non-related to Rosneft in the District Court of Amsterdam, claiming recovery of damages in the amount up to \$333 mln plus interest in the amount established by law, starting from February 7, 2011, as well as respective expenses. Within the framework of such proceedings Yukos International UK BV

made a statement about damage that was allegedly caused by the decision made by the court of Amsterdam in 2007 regarding seizure of a bank account, which, in the opinion of Yukos International UK BV, limited its capacity to invest certain funds on its discretion. On June 27, 2012, the first court hearing was held. In October 2012, Rosneft filed a counterclaim, which contained various grounds for defense, including the fact that the court had delivered the warrant on the account seizure in due manner and that Yukos International UK BV had not incurred any damages as a result of placing its funds at the selected interest-bearing account. The hearings took place on January 09, 2014, within the framework of which Yukos International UK BV was allowed to introduce changes into its claims under the lawsuit. As a result, Yukos International UK BV filed lodged claims against Rosneft, also on the corporate responsibility basis, with a view to impose assumed responsibility of one of the codendants onto Rosneft. The company will respond to the lodged claims on February 26, 2014.

4. Within the framework of judicial proceedings, a decision is being challenged which was made by the Interdistrict Inspectorate of the Federal Tax Service for Major Taxpayers No.1 upon the results of the on-site audit of Rosneft for the period of 2008-2009 (resolution No.52-18/18-1376p dated August 16, 2012; the challenged amount is RUB 468.5 mln of taxes and corresponding penalties (the amount has been reduced versus the originally declared one by RUB 18.9 due to partial release of claims)). No resolution regarding the dispute has been delivered as of the date of the report.

Pursuant to the decision of the Arbitration Court of Moscow, the claims were partially satisfied for the amount of RUB 173.8 mln. The amount of RUB 294.7 mln was dismissed. On July 04, 2013, the Company lodged an appeal. The hearing scheduled for August 19, 2013, was postponed several times. Pursuant to resolution of the 9th Arbitration Court of Appeal as of September 16, 2013, the court decision remained unchanged. Pursuant to the resolution of the FAS for the Moscow District as of January 30, 2014, court rulings in part of satisfaction of the Company's claims regarding unjustified accrual of RUB 2.6 mln and in part of refusal to meet the Company's claims regarding unjustified accrual of RUB 16.7 mln were dismissed. In other respects the court rulings remained unchanged.

5. In March 2013, the Khanty-Mansi Interdistrict Environmental Prosecutor's Office lodged claims against the Company and its subsidiary – JSC RN-Yuganskneftegaz, with a requirement to ensure utilization of associated petroleum gas in accordance with applicable licenses and design documentation (95 percent) for 5 license areas: Prirazlomnyi, Sredneugutskiy, Malobalyktskiy, Petelinskiy, Fainskiy. The prosecutor's claims were aimed at ceasing APG flaring in amounts above 5% of produced volumes. All the claims were satisfied by the court, and respective deadlines were set to comply with the court rulings. At present, the 95% utilization rate has been achieved at Fainskiy, Sredneugutskiy and Petelinskiy license areas, the court decisions have been met. For Malobalyktskiy license area, upon the Company's request, a deferment has been granted till August 30, 2014, and for Prirazlomnyi license area an additional request for deferment will be filed in order to take additional measures required to meet the court decisions.

As a result of the failure to meet design documentation and license requirements in terms of associated gas utilization rates, the Company and subsidiary were held administratively liable. The total amount of penalties was insignificant for the Company's reporting.

6. Starting from September 2013, Rospirodnadzor (Federal Service for Supervision of Nature Resources) held a scheduled on-site audit with regard to Rosneft to check compliance with legislative requirements in terms of geological survey, rational use and protection of subsoil, as well as obligatory requirements of regulations related to environmental protection and use of natural resources. As a follow-up to the audit, a respective opinion was prepared (16.12.2013). As of February 20, 2014, administrative procedures following the audit deliverables have been partially completed, in particular, administrative procedures related to state geological supervision, no grounds for early termination, suspension or limitation of subsoil use rights were identified as a result of the audit. Resolutions regarding administrative liability have been prepared with regard to Rosneft. The total amount of applied penalties will not have a significant impact for the Company's performance or financial status. Administrative procedures related to state environmental supervision have not been completed.

7. In 2013, the arbitration court of Yamal-Nenets Autonomous District partially met the claim of LLC RN-Purneftegaz filed against Kecho Invest Engineering Gmbh regarding termination of the contract for facility construction – RUB 94 mln out of the claimed RUB 538 mln was satisfied, and the above amount was transferred to LLC RN-Purneftegaz (agent) and allocated to the Rosneft balance sheet (principal).

8. On October 09, 2013, Rosneft filed a claim to the Arbitration Court of Moscow against LLC Image Story (affiliated with Kecho Invest Engineering Gmbh) regarding recovery of unpaid advances and interest (art.395), as well as damages for the total amount of RUB 2.83 bln. The court proceedings are still underway, another court hearing is scheduled for February 28, 2014.

9. Individuals who are non-controlling shareholders of JSC RN Holding have lodged claims against Rosneft, a third party – JSC RN Holding, with an objective to oblige Rosneft to provide the JSC RN Holding shareholders holding the other shares of respective categories (types) and issuable securities convertible into such shares with a public offer regarding acquisition of such securities in the order envisaged by Russian laws. On October 25, 2013, the Arbitration Court of Moscow refused to satisfy the claims of the shareholders. In January 2014, such decisions were confirmed as valid by the court of appeal.

10. Rosneft is also included in the creditor register within the framework of JSC Sakhaneftegaz bankruptcy proceedings with a view to recover funds under certain loan and surety agreements, with the total loan cost amounting to RUB 891.4 mln; a provision has been formed for the total debt amount.

11. Rosneft has been involved in a number of other legal proceedings initiated in the course of business activity. In the opinion of Rosneft management, the final result of such legal proceedings will not have a material impact on the Company's performance or financial status.

12. In 2013, as part of the first phase of measuring contingencies related to environmental activities, certain facilities were identified at the Rosneft license areas where Rosneft is held liable due to violation of the original environmental state as a result of the Company's operations. However, for objective reasons, it is currently deemed impossible to assess the scope of such liability for certain facilities.

Provisions

Provision is the Company's liability of an indefinite value and (or) execution term. Provision can be recognized:

- on the basis of legislative and other regulations, court rulings, contracts;
- as a result of the Company's actions which, due to established former practices or statements made by the Company, indicate to other parties that the Company is taking certain obligations, and as a result, such parties have grounds to assume that the Company will deliver such obligations.

Provision is recognized in the accounting statements when:

- the Company has an obligation resulting from former business events, and the Company cannot avoid delivery of such obligation;
- it is probable that the Company will suffer reduction of economic benefits as a result of fulfilling such provisions (probability > 50%);
- the amount of provision can be estimated reliably.

In accordance with the Accounting Regulation "Provisions, Contingent Liabilities and Contingent Assets" (Accounting Regulation 8/2010) valid since the accounting period of 2011, the Company recognizes liabilities related to environmental activity.

The first phase of acknowledging liabilities related to environmental activities in the Company's accounting statements is reflected on a retrospective basis with historical statements restatement for the period of 2011-2012.

Liabilities related to environmental activities occurs as a result of violating the original environment state in the course of the Company's business operations.

The amount of provisions related to environmental activities is determined on the basis of estimating costs (planned costs) that the Company is assumed to incur during fulfillment of the obligation, i.e. remediation of land and water areas damaged as of the reporting date. The estimation is based on internal (managerial) reporting data of the company generating the environmental data base.

As a result of the first phase of recognising liabilities related to environmental activities, amounts recognized in RAS as of December 31, 2011 and December 31, 2012, were recorded in retained earnings of the Company in the amount of RUB 9,695,679 thousand as of December 31, 2012 or, depending on the liability nature, form part of the property, plant and equipment in the amount of RUB 172,736 thousand.

Information on the Company's contingencies is presented in the table below.

Table 33. Information on provisions (in RUB thousand)

Name	Summary of the provision	Period	Outstanding as of the beginning of the period	Accrued for the reporting period	Amount of the provision written down as costs or payables	Amount of provision written down due to redundancy or termination of provisions for its acknowledgement	Outstanding as of the end of the period
CONTINGENCIES FORMED AS A RESULT OF EXPENSES RELATED TO REGULAR OPERATIONS – TOTAL, INCL. BY TYPE:							
Total:		2013	15,854,946	9,266,405	7,078,148	–	18,043,203
		2012	12,569,029	9,533,725	6,247,808	–	15,854,946
Provision related to payment of annual compensation based on annual performance	Amount of planned compensations to employees as a result of annual performance, incl. insurance payments at an effective rate	2013	5,486,675	7,931,858	4,380,287	–	9,038,246
		2012	3,546,815	5,005,818	3,065,958	–	5,486,675
Provision related to future payments of leave allowances	The Company's liability with regard to employees in terms of leave allowance payments based on the number of leave days pending at the end of the reporting period, incl. insurance payments at an effective rate	2013	672,592	1,538,702	1,003,044	–	1,208,250
		2012	676,094	1,156,175	1,159,677	–	672,592

Name	Summary of the provision	Period	Outstanding as of the beginning of the period	Accrued for the reporting period	Amount of the provision written down as costs or payables	Amount of provision written down due to redundancy or termination of provisions for its acknowledgment	Outstanding as of the end of the period
Estimated liabilities related to environmental activities	Formed for all types of environmental commitments. Estimation is made for each site of occurrence. To be reflected in accounting statements on the basis of the present value index	2013	9,695,679	(204,155)	1,694,817	–	7,796,707
		2012	8,346,120	3,371,732	2,022,173	–	9,695,679
CONTINGENCIES RESULTING FROM AN INCREASE IN THE ASSET VALUE:							
Total:		2013	39,761,506	(3,933,100)	808,868	–	35,019,538
		2012	35,144,285	5,668,327	1,051,106	–	39,761,506
Contingency related to liquidation of property, plant and equipment	Formed for all types of immovable oil and gas assets. The estimation is made for each field. To be reflected in accounting statements on the basis of the present value index.	2013	39,588,770	(3,957,058)	808,868	–	34,822,844
		2012	35,086,451	5,553,425	1,051,106	–	39,588,770
Contingencies related to environmental activities	Liabilities subject to inclusion in the asset value (08*)	2013	172,736	23,958	–	–	196,694
		2012	57,834	114,902	–	–	172,736

The Table 33 column named 'Accrued for the reporting period' in part of provisions related to liquidation of property, plant and equipment in 2013 includes the following: accrual of provision related to liquidation of fixed assets commissioned in 2013, in the amount of RUB 8,187 mln, are reflected under the 'Other Noncurrent Assets' item; expenses related to discount depreciation and acknowledged in view of the forthcoming deadline for the contingency fulfillment, in the amount of RUB 3,001 mln, are reflected under the 'Interest Payable' item;

reduction of the provision related to liquidation of property, plant and equipment as a result of changes in estimate values of liquidation costs, rates and discount period, in the amount of RUB 15,145 mln are reflected under the 'Sales Prime Cost' item.

The Table 33 column named 'Accrued for the reporting period' in part of provision related to environmental activities takes into account accrual of provision for 2013, discount depreciation expenses, changes in the provision due to changes in estimate values, rates and discount period.

25. RELATED PARTY TRANSACTIONS

In the course of regular business activities, Rosneft enters into transactions with entities that are deemed as related parties in accordance with the Russian legislation.

The list of related parties has been formed on the basis of the subject matter of relations between the entities, assuming priority of the substance over form.

Among related parties, Rosneft also considers entities that are not deemed as affiliates in accordance with the Russian legislation but are considered as such in line with IFRS No.24 'Disclosure of Information on Related Parties' (companies controlled by the state as well as shareholders possessing a right to control over 10% and not more than 20% of voting shares).

The value of transactions and outstanding settlements with related parties are accounted separately for the following groups of related parties that have different kinds of relations with Rosneft:

- subsidiaries (companies consolidated by Rosneft as subsidiary companies);
- associates (companies consolidated by Rosneft as associated companies);
- majority shareholders (shareholders possessing over 20% voting shares);
- companies controlled by the Russian Government;
- entities involved in joint activities;
- other related parties.

Subsidiaries

This section contain information on transactions with subsidiaries in which Rosneft directly or indirectly owns over 50% of ordinary voting shares or executes other types of control.

Table 34. Information on transactions with subsidiaries (in RUB thousand)

	2012	2013
PROCEEDS FROM SALES AND OTHER INCOME		
Oil and gas sales	156,900,691	317,487,576
Petrochemical and petroleum product sales	382,977,426	737,455,102
Proceeds from property lease	85,143,607	102,811,702
Other sales (incl. goods) and income	73,475,557	73,871,257
	698,497,281	1,231,625,637
COSTS AND EXPENSES		
Oil and gas purchases	230,789,950	811,806,402
Petrochemical and petroleum product purchases	4,631,868	6,653,225
Logistical services and transportation expenses	62,056,794	106,511,625
Oil and gas production services	191,040,003	217,297,226
Processing costs	68,615,580	138,124,670
Other expenses	52,298,070	56,473,106
	609,432,265	1,336,866,254
OTHER TRANSACTIONS		
Property, plant and equipment acquisition	45,467	–
Provided credits/loans	136,349,762	301,746,123
Repayment of credits/loans	55,949,091	445,068,109
Incoming short-term loans and borrowings	24,339,088	17,276,580
Repayment of short-term loans and borrowings	43,214,999	47,561,398
Incoming long-term loans and borrowings	37,110,201	392,693,617
Repayment of long-term loans and borrowings	29,299,165	174,394,923
Placed deposits	1,600,000	–
Recovered deposits	1,600,000	–
Interest receivable	53,173,516	40,173,676
Interest payable	5,606,697	912,374
Received dividends	13,456,209	72,611,593

Table 35. Assets and liabilities in transactions with subsidiaries (in RUB thousand)

	Outstanding balance as of 31.12.2012	Outstanding balance as of 31.12.2013
ASSETS		
Cash and cash equivalents	12,626,778	22,810,148
Receivables, incl.:	195,141,576	443,670,888
long-term	50,983,715	24,781,657
short-term advance payments	1,964,895	53,831,491
value of provision related to doubtful debts as of the end of the reporting period	432,258	8,914,436
Short-term and long-term financial investments	873,661,223	2,530,428,620
incl. long-term	344,270,789	2,297,449,410
	1,081,429,577	2,996,909,656
LIABILITIES		
Short-term accounts payable	134,230,063	566,748,616
Short-term and long-term loans and borrowings (incl. interest payable)	103,668,758	299,433,908
Incl. long-term	77,556,232	228,415,037
	237,898,821	866,182,524

Associates

This section provides information on transaction with associated companies in which Rosneft directly or indirectly owns over 20% but less than 50% of ordinary voting shares, and exercises significant influence.

Table 36. Information on transactions with associates (in RUB thousand)

	2012	2013
PROCEEDS FROM SALES AND OTHER INCOME		
Oil and gas sales	1,445,701	2,673,111
Proceeds from property lease	114,563	710
Other income	34,604	566,007
	1,594,868	3,239,828
COSTS AND EXPENSES		
Oil and gas purchases	29,698,542	53,741,238
Logistical services and transportation expenses	4,001,712	8,617,238
Property lease expenses	29,342	101,324
Processing cost	–	5,052,757
Other expenses	1,070,929	154,945
	34,800,525	67,667,502
OTHER TRANSACTIONS		
Provided loans and borrowings	1,306,371	2,032,665
Repayment of loans and borrowings	1,128,151	69,385
Incoming long-term loans and borrowings	–	4,571,469
Repayment of long-term loans and borrowings	–	2,660
Interest receivable	582,429	696,699
Interest payable	118	9
Received dividends	16,073	596,258

Table 37. Assets and liabilities in transactions with associates (in RUB thousand)

	Outstanding balance as of 31.12.2012	Outstanding balance as of 31.12.2013
ASSETS		
Accounts receivable, incl.	3,082,711	5,742,117
long-term	1,071,394	3,187,711
short-term advance payments	346,961	1,347,784
value of provision related to doubtful debts as of the end of the reporting period;	778,525	778,525
Short-term and long-term financial investments,	23,371,534	24,032,915
incl. long-term	17,982,220	21,722,722
	26,454,245	29,775,032
LIABILITIES		
Short-term accounts payable	6,652,788	3,627,032
Short-term and long-term loans and borrowings (incl. interest payable)	1,043	4,580,451
incl. long-term	970	4,579,409
	6,653,831	8,207,483

Information on compensations related to key managerial personnel

For information disclosure purposes, key managerial personnel shall include the following positions: President of the Company, Vice Presidents, members of the Board of Directors, members of the Management Board, members of the Audit Commission, heads of independent structural units (departments and divisions) as well as other officials that possess respective authorities.

Short-term compensations for the key managerial personnel in 2013, including salary, bonuses and severance pay, amounted to RUB 7,951,188 thousand. This amount includes the individual income tax and contributions to non-budgetary funds.

The Company also ensures medical insurance for the key managerial personnel. The amount of voluntary medical insurance payments in 2013 amounted to RUB 21,102 thousand.

Majority shareholders

The amount of dividends paid to the majority shareholder in 2012 for the period of 2011 was RUB 59,983 mln, and the amount paid in 2013 for the period of 2012 was RUB 59,295 mln.

Companies controlled by the Russian Government

Table 38. Information on transactions with companies controlled by the Russian Government (in RUB thousand)

	2012	2013
PROCEEDS FROM SALES AND OTHER INCOME		
Oil and gas sales	174,503,936	139,011,675
Petrochemical and petroleum product sales	32,935,266	60,444,723
Proceeds from operations with term transaction financial instruments	12,492,887	2,179,918
Other income	967,956	755,773
	220,900,045	202,392,089
COSTS AND EXPENSES		
Oil and gas purchases	52,761,114	26,654,291
Logistical services and transportation expenses	156,263,468	194,653,165
Customs duties	945,608,526	1,273,993,137
Property lease expenses	704,114	720,650
Expenses related to operations with term transaction financial instruments	12,500,000	280,665
Other costs	4,016,863	2,536,414
	1,171,854,085	1,498,838,322
OTHER TRANSACTIONS		
Incoming short-term loans and borrowings	62,090,140	305,913,063
Repayment of short-term loans and borrowings	62,350,156	281,803,940
Incoming long-term loans and borrowings	129,328,200	–
Repayment of long-term loans and borrowings	31,514,600	–
Placed deposits	2,228,412,435	1,448,709,288
Repaid deposits	2,259,638,886	1,403,872,618
Interest payable	4,199,508	1,163,836
Interest receivable	2,382,774	1,182,399
Granted guarantees and securities	25,306,991	2,475,138

Table 39. Assets and liabilities in transactions with companies controlled by the Russian Government (in RUB thousand)

	Outstanding balance as of 31.12.2012	Outstanding balance as of 31.12.2013
ASSETS		
Cash and cash equivalents, incl. deposits with the term not exceeding 91 days	172,853,475	142,634,386
Accounts receivable, incl.	21,637,443	31,983,074
long-term receivables	–	1,906
short-term advance payments	9,496,187	17,146,958
value of provision related to doubtful debts as of the end of the reporting period;	310,727	306,039
Short-term and long-term financial investments,	21,514,565	36,440,345
incl. long-term	2,401,581	929,163
	216,005,483	211,057,805
LIABILITIES		
Short-term accounts payable	15,023,286	20,014,878
Short-term and long-term credits and loans (incl. interest payable)	100,118,033	124,343,528
	115,141,319	144,358,406

Entities involved in joint activities

There are no transactions with companies involved in joint activities with Rosneft for the period of 2012-2013.

Other related parties

'Other Related Parties' include the non-state pension funds and insurance companies serving the interests on the Company's employees.

Table 40. Information on transactions with other related parties (in RUB thousand)

	2012	2013
PROCEEDS FROM SALES AND OTHER INCOME		
Oil and gas sales	227,439	–
Other income	72,181	403
	299,620	403
COSTS AND EXPENSES		
Insurance-related expenses	915,219	445,052
Expenses under non-state pension provision agreements	311,080	343,964
	1,226,299	789,016

Other transactions

Provided loans	93,240	–
Interest receivable	210	–

Table 41. Assets and liabilities in transactions with other related parties (in RUB thousand)

	Outstanding balance as of 31.12.2012	Outstanding balance as of 31.12.2013
ASSETS		
Accounts receivable	19,744	56,719
incl. short-term advance payments	25	9
Short-term and long-term financial investments,	93,240	–
incl. long-term	–	–
	112,984	56,719
LIABILITIES		
Short-term accounts payable	250	17,345
	250	17,345

For the reporting period, Rosneft mainly used the monetary terms for settlements with related parties.

26. SEGMENT INFORMATION

The Company, its subsidiaries and associates (hereinafter – Rosneft Group) arrange activities as a vertically integrated business. The key types of the Rosneft Group operations are oil and gas exploration, development, production and sales, as well as production, transportation and sales of products resulting from refining/processing operations in the Russian Federation and abroad. Managerial information, which is regularly analyzed by persons possessing respective authorities in the Company in terms of decision-making on resource allocation in the Company and further performance evaluation, is prepared for the Rosneft Group business on the whole. Given the fact that the business of the Company as a legal entity is an integral part of the Group management, managerial decision-making and resource allocation shall be performed by duly authorized persons at the Group level; certain managerial reporting statements reflecting financial performance, asset value and segment-wise liabilities, which refer only to the Company operations and are not related to the Group in general, shall not be prepared for business streams. Therefore, segment information is fully reflected in the Rosneft Group consolidated IFRS reporting.

Below one can find information on proceeds across business segments as these data are provided to the Company authorized representatives on a regular basis. Segments are identified taking into account, potential economic risks, currency risks, credit risks and price risks.

Table 42. Information on proceeds from segment sales (in RUB thousand)

Name of segment	Net income for the reporting year		
	Total	External market	Domestic market
Oil	1,900,376,680	1,649,140,657	251,236,023
Gas	50,881,426	–	50,881,426
Petrochemical and petroleum products	1,476,935,016	814,421,527	662,513,489
Other sales	116,250,018	–	116,250,018
Total:	3,544,443,140	2,463,562,184	1,080,880,956

'Other sales' include sales of materials, property, plant and equipment, proceeds from property, plant and equipment lease, etc.

27. OTHER ASPECTS OF THE COMPANY BUSINESS

Environmental protection aspects

Oil and gas business is always related to environmental risks. The Company's management believes that its activity complies with the legislative requirements in terms of environmental protection, and therefore, the Company has no risk of significant liabilities in this area, except those already revealed and reflected in this reporting documentation.

Insurance

The Company continues the practice of insuring property, motor transport, cargoes, shipments, construction works and liability of its officials.

Energy resources

Information on aggregate costs related to energy resources used in 2013¹ is provided below.

Table 43. Information on the use of resources (in RUB thousand)

N°	Name of the energy resource	Amount
1	Electrical energy	41,113
2	Heat energy	5,279

1. Requirement pursuant to Article 22 of Federal Law No.261-FZ dated November 23, 2009 "On Energy Saving and Increasing Energy Efficiency and Amendment of Certain Legislative Acts of the RF". In accordance with Art. 2 of Federal Law No.261-FZ, an energy resource shall be deemed as an energy carrier that is used or can be used for economic and other activity, as well as type of energy (atomic, heat, electrical, electromagnetic or other type of energy).

GENERAL INFORMATION ABOUT ROSNEFT

Date of state registration and registration number of Oil Company Rosneft:

- Date of state registration of the Company as a legal entity: December 7, 1995;
- Number of State Registration Certificate of the Company: 024.537;
- Date of entry in the Uniform State Register of Legal Entities about a legal entity established prior to July 1, 2002: August 12, 2002;
- Series and number of Certificate of Entry in the Uniform State Register of Legal Entities about a legal entity established prior to July 1, 2002: Series 77 No. 004856711;
- Primary State Registration Number under which entry about establishment of the Company is made in the Uniform State Register of Legal Entities: 1027700043502.

Constituent entity of the Russian Federation in whose territory the Company is registered: Moscow.

Main types of operations of the Company: geological prospecting and geological exploration work aimed at oil, gas, coal and other minerals search; extraction, transportation and processing of oil, gas, coal and other minerals and timber; production of oil products, petrochemicals and other products, including electric power, woodworking products, fast moving consumer goods and provision of services to the public; storage and sale (including sale in the domestic market and export sale) of oil, gas, oil products, coal, electric power, woodworking products, and other hydrocarbon and other derivatives.

Pursuant to Decree of the Government of the Russian Federation dated August 20, 2009, No. 1226-r, Rosneft has been included into the list of strategic enterprises charged with implementation of uniform public policy in those branches of economy where such entities operate.

Pursuant to Decree of the President of the Russian Federation dated May 21, 2012, No. 688, Rosneft has been included into the list of strategic enterprises and strategic joint stock companies.

GLOSSARY

2D seismic – a seismic survey which produces a two-dimensional image of the subsurface.

3D seismic – a seismic survey which produces a three-dimensional image of the subsurface.

Associated petroleum gas (APG) – a natural gas found with oil, either dissolved into it or as a cap of free gas above it. APG contains significant quantities of ethane, propane, butane and other saturated hydrocarbons. APG can be utilized in two areas:

- a) energy – to produce power for oil field purposes
- b) petrochemistry – refined to produce dry gas (supplied to main pipeline), natural gasoline, natural gas liquids and liquefied gas for domestic consumption.

bbl – barrel (1 bbl = 0.134 metric tons)

boe – barrels of oil equivalent. Boe is a measurement of gas by its thermal equivalent in barrels of crude oil.

Condensate – light hydrocarbons produced with natural gas. Condensate condenses into a liquid at normal temperatures and pressures.

EBITDA – earnings before interest, taxes, depreciation and amortization.

ESP – electric submersible pump.

Industrial accident –

- a) destruction of a construction and/or technical equipment used at a hazardous facility, uncontrollable explosion and/or release of hazardous substances;
- b) dangerous man-caused incident creating at a facility, on a certain territory or in water zone a threat to life and health of people, leading to destruction of buildings, constructions, equipment and vehicles, affecting operating and transportation processes as well as causing damage to environment.

Industrial incident – a failure or damage of a technical device, used at a hazardous production facility, abnormal operation, violations of the provisions of the Federal Law # 116-FZ on Industrial Safety of Hazardous Facilities, other federal laws and regulations of the Russian Federation, as well as regulatory technical documents, prescribing work rules at a hazardous facility.

Inhibition – the action of treating pipelines with chemicals (inhibitors) to slow down metal corrosion.

Inorganic capital expenditure – capital expenditure on acquisitions. Lost time injuries rate is calculated in accordance with the OSHA (Occupational Safety and Health Administration) regulations as the total number of injuries (including fatalities) relative to the total time worked, multiplied by 200,000.

Net debt – long-term and short-term debt less cash and cash equivalents.

Organic capital expenditure – capital expenditure excluding acquisitions.

Possible reserves – reserves that may exist but are less well-defined by well control than probable reserves. Possible reserves include:

- a) reserves based on log interpretation and other evidence of hydrocarbon saturation in zones behind the pipe in existing wells
- b) possible extensions to proven and probable reserve areas where indicated by geophysical and geological studies
- c) those to be recovered by enhanced recovery methods where data is insufficient to classify the reserves as proven or probable.

Probable reserves – reserves that are based on reasonable evidence of producible hydrocarbons within the limits of a structure or reservoir above known or inferred fluid contacts. They have been

defined to a lesser degree of certainty than proven reserves because of limited well control and/or the lack of definitive production tests.

Proved reserves – estimated quantities of crude oil, and/or natural gas which, based on geological and engineering data, with reasonable certainty, can be recovered in the future from known reservoirs under existing economic and operating conditions.

PRMS – Petroleum Resources Management System, formerly Society of Petroleum Engineers (SPE); a methodology that provides a reflection of the total resources available to be managed over the whole life of a field. PRMS guidelines rely to a large extent on continuity of reservoir geology rather than production.

Remediation – the action of removing pollution or contaminants from soil, groundwater, sediment or surface water to protect public health and the environment or from a brownfield site intended for redevelopment.

Reserve replacement ratio – ratio of total proven reserves added in a given year to that year's production.

ROACE – return on average capital employed. This is calculated as the ratio of net income to average capital employed; average capital employed is calculated as the average sum of total shareholder equity, minority interest, long-term and short-term debt at the beginning and end of a period.

SEC – the U.S. Securities and Exchange Commission. The standard for proven reserves requires that continuity of production be demonstrated.

SEC LOF (life of field) – our total proved reserves are quoted according to SEC criteria taken to the economic life of the field rather than license expiration.

ABBREVIATIONS

2P (reserves) – proved and probable (reserves)

3P (reserves) – proved, probable and possible (reserves)

APG – associated petroleum gas

HSE – health, safety and environment

LOF – life of field

OGP – The International Association of Oil and Gas Producers

PRMS – Petroleum Resources Management System

SEC – US Securities and Exchange Commission

UNITS

bbl – barrel (1 bbl = 0.134 metric tons)

bcm – billion cubic meters

bcma – billion cubic meters per annum

b/d – barrels per day

bn – billion

boe – barrel of oil equivalent

cub. m – cubic meters

ft. – feet

ha – hectare

km – kilometer

mb/d – thousand barrels per day

mboe/d – thousand barrels of oil equivalent per day

mln – million

mmbbl – million barrels

mmb/d – mln barrels per day

mmboe – million barrels of oil equivalent

mmboe/d – mln barrels of oil equivalent per day

mmcm – million cubic meters

RUR – rouble

sq. km – square kilometer

th. – thousand

tons/d – tons per day

USD – US dollar

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Abbreviated Name:

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