

OPINION
of Rosneft's Audit Commission following the findings
of the audit of financial and business operations
for 2016

Moscow

April, 24, 2017

The Audit Commission elected by the resolution of Rosneft's General Shareholder Meeting on 15.06.2016 (Minutes unnumbered) represented by:

Chairman of the Audit Commission:

Zakhar Borisovich Sabantsev – Section Head, Bank Sector Monitoring, Consolidated and Analytical Work Section, Financial Policy Department, Ministry of Finance of the Russian Federation (Minfin of Russia)

Members of the Audit Commission:

Viktor Viktorovich Mamin – Director, Corporate Governance, Pricing and Control and Audit Work in Fuel and Energy Complex Industries (Minenergo Russia) Department

Alexei Anatolyevich Afonyashin – Head of Long-Term Strategy Division of PAO Gazprom Neft

Sergey Ivanovich Poma – Vice President, National Stock Market Traders Association

Oleg Sergeevich Zenkov

in accordance with the requirements of the Federal Law on Joint-Stock Companies, the Rosneft Charter, the Regulations on the Audit Commission of Rosneft, and in accordance with the Recommended practice on the organization of the audit process for the Audit Commissions of joint-stock companies with the participation of the Russian Federation, carried out the audit of financial and business operations of Rosneft in 2016.

The following documents of the Company for 2016 were reviewed by audit:

- Rosneft Accounting Policy;
- Balance sheet;
- Profit and Loss Account;
- Statement of changes in equity;
- Cash Flow Statement;
- Comment to Balance Sheet and Rosneft's Profit and Loss Account for 2016;

- Opinion made by external auditor OOO Ernst and Young confirming the reliability of Rosneft accounting statements;
- Annual report of Rosneft on the results of financial and economic operations over the reporting period;
- Report on related party transactions entered into by Rosneft and other documents.

The sample audit included a review of tests of financial statements numbers and disclosure of information on financial and business operations, assessment of compliance with accounting principles and rules applicable to preparation of the financial statements, review of the key assessment indicators.

1. General Information

Public Joint Stock Company Rosneft Oil Company was established under Decree No. 327 of the President of the Russian Federation dated 01.04.1995 "On primary measures on development of the oil companies' operations" and on the basis of Resolution of the Government of the Russian Federation No. 971 dated 29.09.1995 "On reorganization of the state enterprise Rosneft into Open Joint Stock Company Rosneft Oil Company" and reorganized into the Public Joint Stock Company on 08.07.2016.

Rosneft Oil Company is registered with the Unified State Register of Legal Entities (certificate series 77 No. 004856711 as of 12.08.2002), Primary State Registration Number is 1027700043502.

The Company's location; Moscow, Russian Federation.

The Company's de facto address: 26/1, Sofiyskaya Embankment, Moscow, Russian Federation, 115035

The Company operations are within the framework of the Charter.

The core activities are: to ensure the search, exploration, extraction, processing and refining of oil, gas, gas condensate as well as sales of oil, gas, gas condensate and refined products to consumers in the Russian Federation and abroad and any associated activities.

As of 31.12.2016 the holders of Rosneft shares were:

- OJSC ROSNEFTEGAZ - 5,299,088,910 ordinary shares; 50.00000001% of the total number of ordinary shares and the Charter Capital of the Company;
- BP Russian Investments Limited, 2,092,900,097 ordinary shares; 19.75% of the total number of ordinary shares and the Charter Capital of the Company;
- QHG Shares Pte.Ltd, 2,066,727,473 ordinary shares; 19.50% of the total number of ordinary shares and the Charter Capital of the Company;
- NSD (National Settlement Depository, Non-Banking Credit Organization, Joint Stock Company) (nominal shareholder central depository) 1,098,600,619 ordinary shares, 10.37% of the total number of ordinary shares and the Charter Capital of the Company;

- Other legal entities with stakes less than 1%, 1,492,677 ordinary shares; 0.01% of the total number of ordinary shares and the Charter Capital of the Company;
- Individuals - 39,256,385 ordinary shares; 0.37% of the total number of ordinary shares and the Charter Capital of the Company;
- Russian Federation (through the Federal Agency for State Property Management) - 1 ordinary share; 0,000000009% of the total number of ordinary shares and the Charter Capital of the Company;
- Unknown - 111,655 ordinary shares which is 0.001% of the total number of ordinary shares and the Charter Capital of the Company.

2. Annual Financial Statements of Rosneft

Rosneft accounting is compliant with the regulatory requirements governing accounting and accounts preparation in the Russian Federation and Rosneft's Accounting Policy.

2016 Accounting (Financial) Statements of the Company are compliant with the requirements set forth in Federal Accounting Law No. 402-FZ as of 06.12.2011, MinFin Order No. 34H “On Approval of Accounting and Accounting Reporting Regulations in the Russian Federation” as of 29.07.1998, MinFin Order No. 66H as of 02.07.2010 “On the Accounting Formats of Organizations” as well as other regulatory acts included in the accounting and reporting regulations in the Russian Federation.

The annual inventory of property and liabilities of the Company is completed timely and in full.

The system of internal control over preparation of accounts and financial statements is in place in the Company.

OOO Ernst and Young, an audit company, provided their positive opinion of the Company's financial statements prepared under the Russian Accounting Standards. According to the auditors, the Company's financial statements adequately reflect the substance of the underlying financial position as of 31.12.2016 and results of financial and business transactions for the period January 1 – December 31, 2016 under the Russian Accounting Standards.

As of 31.12.2016 the net assets of Rosneft amounted to 1,533.1 billion rubles which significantly exceeds its charter capital and demonstrates a stable financial position of the Company.

The Audit Commission noted that the Company Annual Report for 2016 includes not only the information related to the legal entity Rosneft, but also the information on the Rosneft Group entities. The report is prepared with the use of IFRS statements information of the Rosneft Group entities.

3. Opinion of the Audit Commission

Following the audit of Rosneft's financial and business operations, the Audit Commission of the Company confirms that the information presented in the annual report and annual financial statements as of 31.12.2016 is adequate.

Following the audit of the Report on related party transactions entered into by Rosneft in the reporting year, the Audit Commission of the Company confirms that the information presented in it is adequate.

No evidence has been identified of any non-compliance with the regulatory acts of the Russian Federation governing procedures for accounting and preparation of financial statements as well as no non-compliance with the regulatory acts of the Russian Federation in the course of financial and business operations of the Company.

This Opinion shall be considered together with all formats of reports forms and the explanatory note being an integral part of the Annual Report.

Commission Chairman

Z.B. Sabantsev

Commission Members:

A.A. Afonyashin

O.S. Zenkov

V.V. Mamin

S.I. Poma