

**OPINION**  
**of Rosneft's Audit Commission following the findings of**  
**2017 Audit of Financial and Business Activities**

Moscow

«13» April 2018

The Audit Commission elected by the resolution of Rosneft's General Shareholder Meeting on 22.06.2017 (Minutes of 27.06.2017) represented by:

Chairman of Rosneft's Audit Commission:

Zakhar B. Sabantsev – Section Head, Finance Sector Monitoring, Organizational Support and Consolidated Work, Financial Policy Department, Ministry of Finance of the Russian Federation.

Members of Rosneft Audit Commission:

Olga A. Andrianova – Chief Accountant - Head of Financial and Economic Service of ROSNEFTEGAZ

Alexander E. Bogashov – Deputy Director, Corporate Governance, Pricing and Control and Audit Work in Fuel and Energy Complex Industries Department of the Ministry of Energy of the Russian Federation (Minenergo)

Sergey I. Poma – Vice President, National Stock Market Traders Association

Pavel G. Shumov – Acting Deputy Director of the Department of the Ministry of Economic Development of the Russian Federation,

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 (hereinafter Rosneft or the Company) in 2017.

The following documents of the Company for 2017 were reviewed by audit: accounting policy, accounting balance sheet, profit and loss report, Statement of changes in equity, cash flow statement, comments to consolidated financial statements for 2017; finding of external auditor OOO Ernst & Young confirming the reliability of accounting (financial) statement data; Annual financial and business activity report for reporting period, report on related party transactions signed by the Company.

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 (financial) principles and rules applicable to preparation of the financial statements, review of the key assessment indicators.

## **1. General Information**

The Company was created as per Decree of the President of the Russian Federation dated 01.04.1995 № 327 "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", it was included in the Single State Register of Legal Entities (certificate series 77 № 004856711 dated 12.08.2002), main state registration number 1027700043502.

Information about public status of the Company is reflected in its Charter and Single State Register of Legal Entities.

Registered office of the Company: Russian Federation, Moscow

The Company's mail address shall be: Russian Federation, 115035, Moscow, 26/1 Sofiyskaya embankment.

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. Priority activities of the Company correspond to the activities specified in the appropriate version of the Charter Capital of the Company.

As of 31.12.2017 the structure of management bodies of the Company fully corresponds to the Charter Capital of the Company with revisions No. 3 approved by the General Shareholder Meeting 29.09.2017 (minutes w/o number) and registered on 13.10.2017 with state registration number 8177748265291.

Owners of the Company shares as of 31.12.2017

- OJSC ROSNEFTEGAZ, 5,299,088,910 ordinary shares, 50.00000001 % of the total number of ordinary shares and 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 Charter Capital of the Company;
- QHG Oil Ventures Pte. Ltd., 2,066,727,473 ordinary shares, 19.50 % of the total number of ordinary shares and Charter Capital of the Company;
- NSD (National Settlement Depository, Non-Banking Credit Organization, Closed Joint Stock Company) (nominal shareholder central depository) 1,099,838,162 ordinary shares, 10.38 % of the total number of ordinary shares and Charter Capital of the Company;
- Other legal entities with stakes less than 1 %, 1,438,588 ordinary shares, 0.01% of the total number of ordinary shares and Charter Capital of the Company;
- Individuals - 38,072,053 ordinary shares, 0.36 % of the total number of ordinary shares and Charter Capital of the Company;

- The Russian Federation (through the Federal Agency for State Property Management) - 1 ordinary share, 0,000000009 % of the total number of ordinary shares and Charter Capital of the Company;

- Unknown, 112,533 ordinary shares which is 0.0011 % of the total number of ordinary shares and Charter Capital of the Company.

The quantitative and personal composition of the members of the Board of Directors of the Company meets the decisions approved by the extraordinary General Shareholder Meeting of the Company dated 29.09.2017 Executive bodies of the Company managing the current operations are set up in accordance with Charter Capital of the Company.

## **2 Annual accounting (financial) statements**

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

2017 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 of Russia Order No. 34n On Approval of Accounting and Accounting Reporting Regulations in the Russian Federation as of 29.07.1998, MinFin of Russia Order No. 66n 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 & Young, an audit company, provided their positive opinion of the Company's accounting (financial) statements prepared under the Russian Accounting Standards. In the auditors' opinion, the accounting (financial) statements fairly reflect in all material aspects the financial standing of Rosneft Oil Company as of 31.12.2017, the results of its financial and economic performance and its cash flows in 2017 in accordance with the Russian Accounting Standards.

As of 31.12.2017 the net assets of the Company amounted to 1,684 billion rubles which significantly exceeds its Charter Capital and demonstrates a stable financial position of the Company.

The Audit Commission noted that the Company's Annual Report for 2017 includes the information related to the legal entity Rosneft and 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 accounting (financial) statements as of 31.12.2017 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 accounting (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 of the Company.*

The Chairman of the Audit Commission:

Z.B. Sabantsev

Members of the Internal Audit  
Commission:

O.A. Andrianova

A.E. Bogashov

S.I. Poma

P.G. Shumov