

**Recommendations by the Rosneft's Board of Directors  
Annual (2016 results) General Shareholders Meeting of Rosneft on  
distribution of Rosneft profit based on 2016 results including amount of  
dividends for shares of Rosneft and their payment procedure**

1 To approve the following distribution of the Rosneft profit based on results for the fiscal year 2016:

|  | <b>mln. rubles</b> |
|--|--------------------|
| Revenue  | 3 930 139,85       |
| General expenses   | (3 895 658,84)     |
| Balance of other income and costs  | 49 898,45          |
| Profit tax, changes in deferred tax assets and liabilities, tax effect from other operations not included in the net profit (loss) for the period under review | 14 856,75          |
| Net profit   | 99 236,21          |
| Expenses paid out of net profit including:   | 63 377,10          |
| payment of dividends   | 63 377,10          |
| retained amount  | 35 859,11          |

2. To pay dividends in the cash form based on 2016 fiscal year performance in the amount of 5 rubles 98 kopecks (five rubles ninety eight kopecks) per one issued share.

To fix the date when the entities entitled to dividends are specified – July 3, 2017.

Dividends to nominee shareholders and trustees who are professional securities traders put into the Shareholders Register shall be paid out no later than **17 July 2017**; and to other shareholders from the Shareholders Register - no later than **07 August 2017**.

**Information on occurrence of conditions for payment of dividends  
on Rosneft Oil Company shares for the year 2016**

Rosneft Oil Company has the conditions for declaration and payment of dividends on the Company shares based on 2016 results and in accordance with Article 43 of Federal Law “On Joint-Stock Companies” considering the following expectations:

before decision on dividends payment:

- Rosneft Charter capital will remain paid for in full;
- Rosneft Oil Company will not effect the procedure of shares buyout in accordance with Article 76 of Federal Law “On Joint-Stock Companies”;

as of the dividends payment decision date and the dividends payment date by the Company made by the General Shareholders Meeting:

- Rosneft Oil Company will not be qualified for insolvency (bankruptcy) in accordance with the Russian Federation insolvency (bankruptcy) legislation and will not be thus qualified as a result of dividends payment;
- value of net assets of Rosneft will not be less than the Charter capital and reserve funds and will not be reduced below the latter amount as a result of dividends payment decision and the dividends payment (*as of 31.12.2016 Rosneft's net assets value exceeded the Company charter capital and reserve funds by 1,532,975,978 thousand rubles*).