

**Recommendations by the Rosneft's Board of Directors  
for annual (on 2017 results) General Shareholders Meeting of Rosneft on  
distribution of profit of Rosneft based on 2017 results including amount of  
dividends for shares of Rosneft for 2017 results and their payment procedure**

Recommend that the Rosneft Annual (on 2017 results) General Shareholder Meeting pass the following resolutions:

1. To approve the following distribution of the Rosneft profit based on 2017 financial year results:

	<b>RUB mln</b>
Revenues	4,892,934.39
General expenses	(4,532,977.31)
Balance of other income and costs	(276,850.20)
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	55,862.10
Net income	138,968.98
Expenditures out of net income, including dividend payout:	111,068.90
results for 1H 2017	40,591.02
results for 2017	70,477.88
Retained amount	27,900.08

2. To pay cash dividends based on 2017 financial year performance in the amount of 6 rubles 65 kopecks (six rubles sixty five kopecks) per one issued share.

To fix July 02, 2018 as the date when the entities entitled to dividends are determined.

Dividend payment to nominee shareholders and trustees being professional players in securities market who are recorded in the shareholders register shall be effected no later than July 16, 2018; payment to other entities registered in the register of shareholders to be effected no later than August 06, 2018.

**Information demonstrating the presence of conditions required for payment of dividends for Rosneft shares**

Rosneft meets the conditions for declaration and payment of dividends on the Company shares for 2017 in accordance with Article 43 of the Federal Law on Joint Stock Companies in view of the following expectations:

1) before the General Shareholders Meeting takes the decision to pay the dividends:

- 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”;

2) at the date when the General Shareholders Meeting takes dividends payment decision and at the dividends payment date:

- 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 31.12.2017 Rosneft's net assets value exceeded the Company charter capital and reserve funds by 1,684,263,777 thousand rubles).