Rosneft 12M 2014
IFRS Results

March 4, 2015

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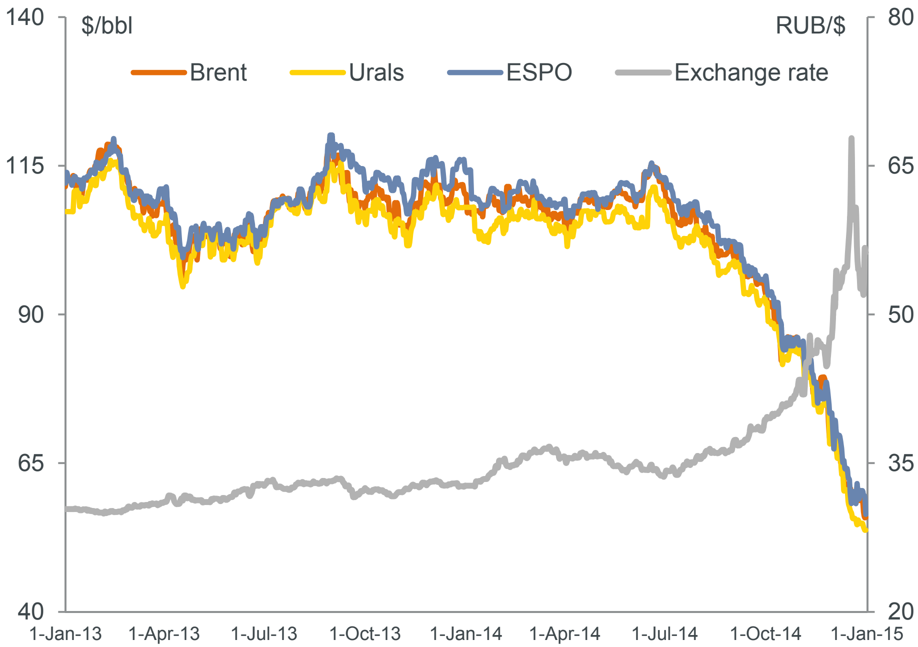
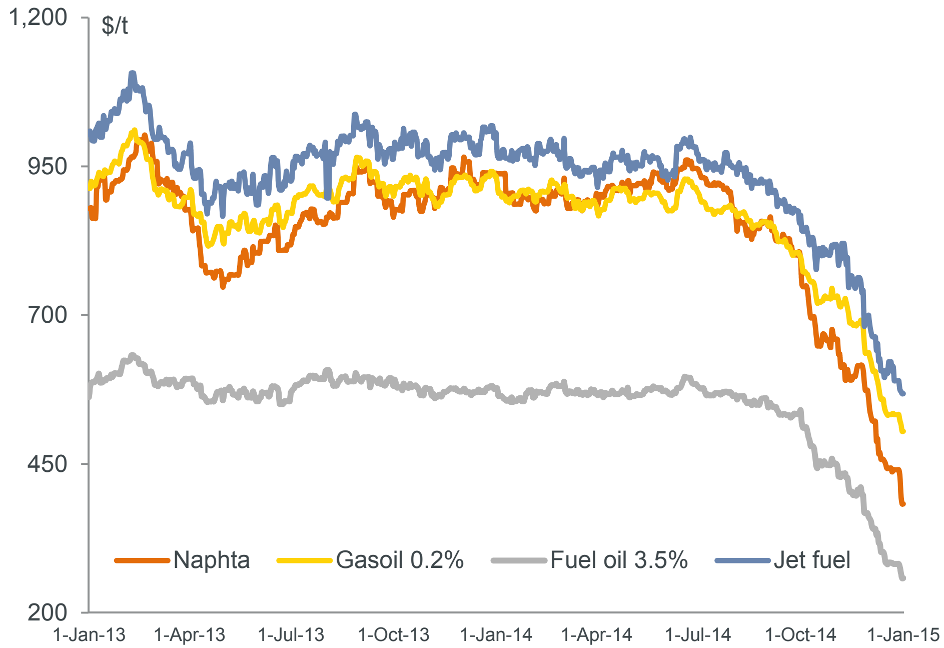
Market Environment

Crude prices and exchange rate[1]



Indicator	2014	2013	%[3]
Brent, $/bbl	**98.9**	108.6	(8.9)%
Urals, $/bbl	**97.6**	107.7	(9.4)%
ESPO, $/bbl	**100.3**	110.5	(9.2)%
Exchange rate, RUB/$	**38.42**	31.85	20.6%

Petroleum product prices[2]



Indicator	2014	2013	%[3]
Naphta, $/t	**818.3**	883.4	(7.4)%
Gasoil 0.2%, $/t	**830.4**	907.5	(8.5)%
Fuel oil 3.5%, $/t	**522.8**	582.7	(10.3)%
Jet fuel, $/t	**895.8**	977.2	(8.3)%

Source: Thomson Reuters

Note: (1) Quotation for Brent FOB North Sea, Urals – average FOB Primorsk/Novorossiysk, ESPO – FOB Russia, (2) Quotation for naphta – average FOB/CIF Mediterranean Sea, gasoil 0.2% – FOB North-West Europe, fuel oil 3.5% – average FOB/CIF Mediterranean Sea/North-West Europe, jet fuel – FOB North-West Europe, (3) Calculated from unrounded data

2014 Operating Results:
Record production of new projects, substantial growth of key indicators

Indicator	2014	2013	Δ	Comments
Hydrocarbon production, kboed	**5,106**	4,873	+4.8%	Growing oil production in new fields, sustained production in brownfields thanks to successful key well interventions, growing gas production
ABC1+C2 reserves, bboe	**129**	122	+5.7%	Effective exploration
Crude oil and petroleum product sales, mln t	**207.4**	192.9	+7.5%	Growing sales to the far abroad, expanding supplies to eastern destinations
Gas sales, bcm	**56.53**	39.07	+44.7%	Company's expanding contract portfolio, asset consolidation
Oil refining in Russia, kt/day	**237**	232	+2.2%	Faster scheduled refinery turnarounds and optimized technological processes

2014 Financial Results, RUB bln

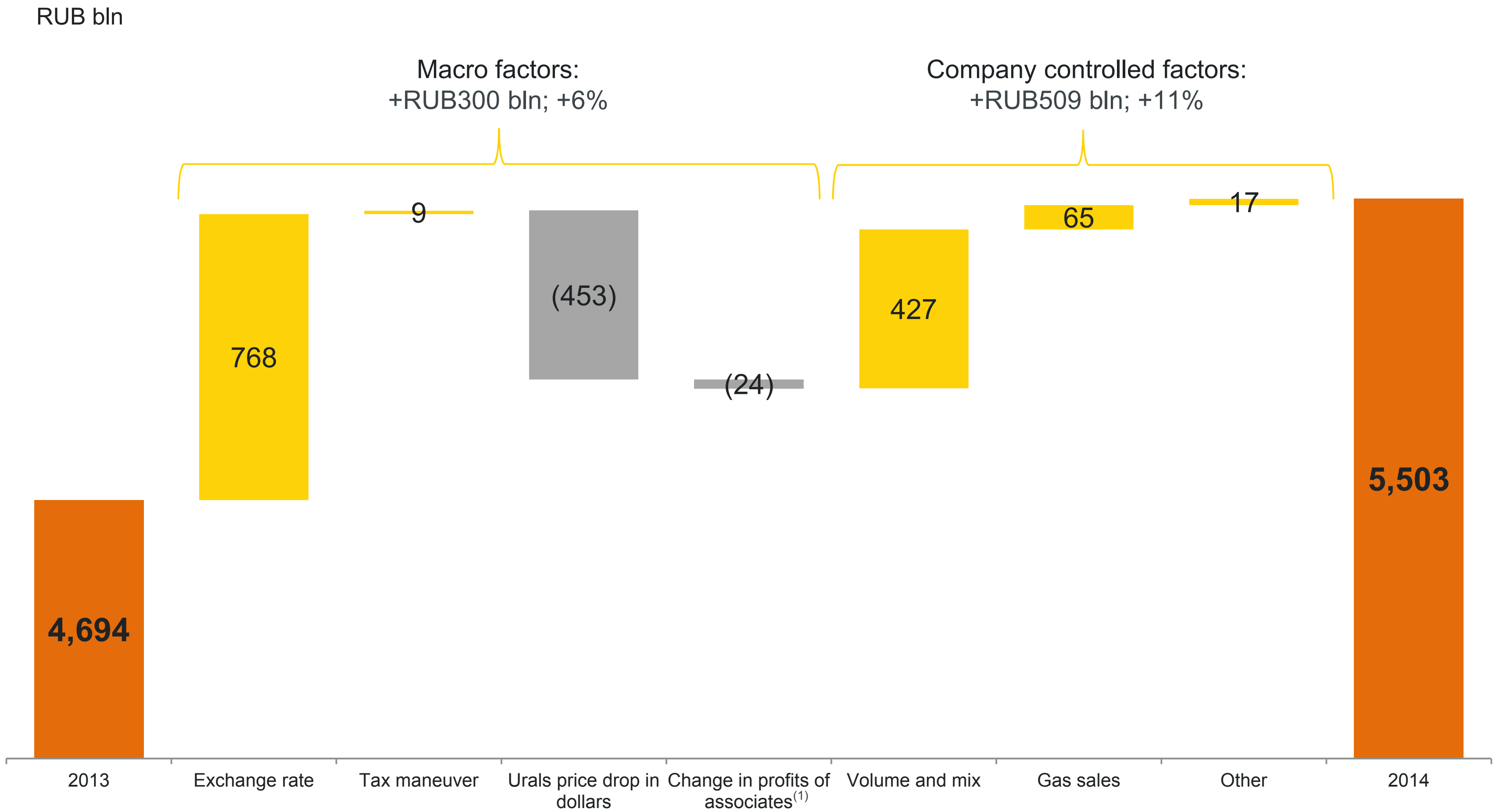
Strong results despite a dramatic slump in oil prices

Indicator	2014	2013	Δ	Comments
Revenue	**5,503**	4,694	17.2%	▪ Growing exports to eastern destinations and higher world prices in RUB terms ▪ Despite a dramatic slump in oil prices, dollar revenue stood nearly flat at **$146.7 bln**[(1)]
EBITDA	**1,057**	947	11.6%	▪ Successful delivery of the efficiency improvement program, cost control ▪ Dollar EBITDA was down just 1.7% to **$29 bln**[(1)], 20% EBITDA margin
Net profit	**350**	388[(2)]	(9.8)%	▪ Positive effect of higher EBITDA leveled out by higher tax burden and interest expense ▪ Dollar profit decreased 28.5% to **$9.3 bln** factoring in application of an FX risk management policy while RUB depreciated 72%
Free cash flow[(3)]	**596**	204	192.2%	▪ Lower days sales outstanding (21 vs 28), reduced CAPEX
Tax payments	**3,054**	2,720	12.3%	▪ Payment of export duties, MET, profit tax and other taxes at all levels

Note: (1) Calculated using average monthly Bank of Russia exchange rates for the reporting period , (2) Net of RUB167 billion revaluation effect of acquired TNK-BP assets, (3) Adjusted for prepayments under long-term oil supply contracts and operations with trading securities

Financial results

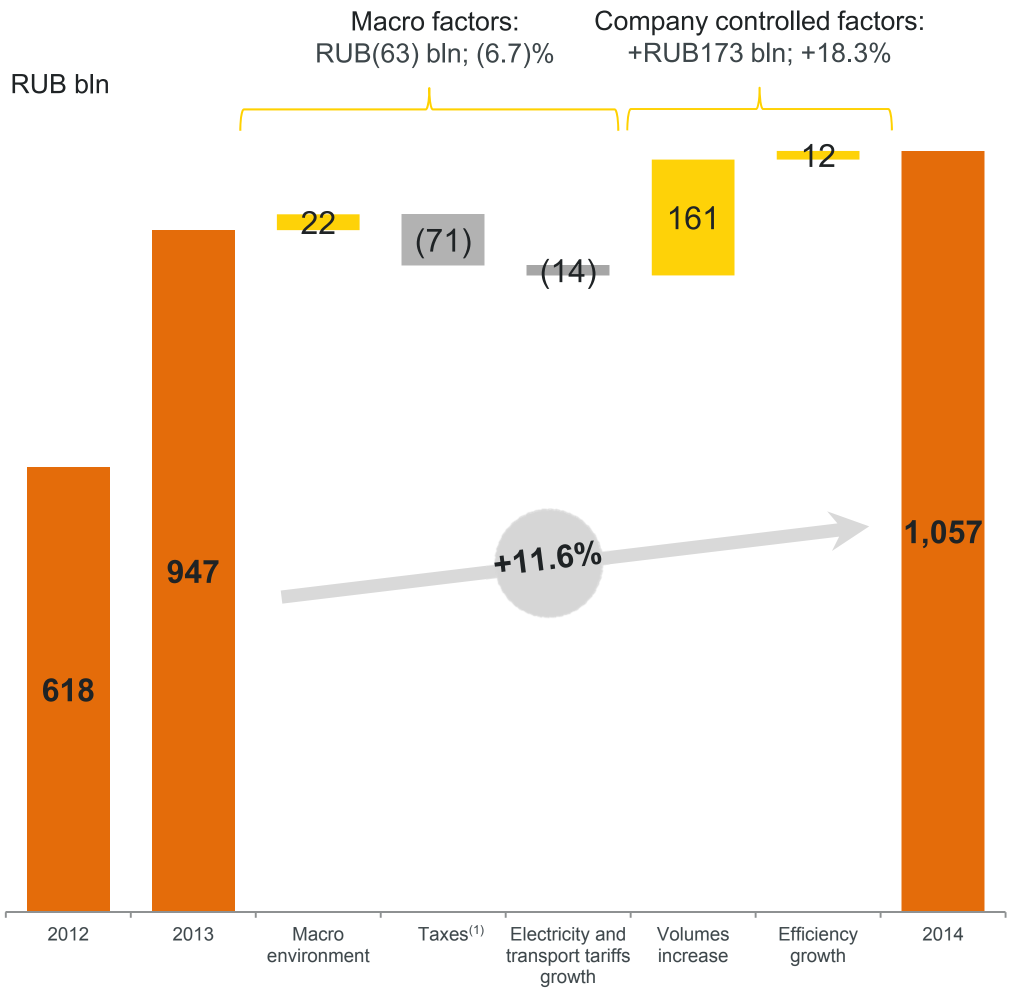
Revenue:
Use of premium marketing channels and growing gas sales



- Growing crude and petroleum product sales, effective sales mix management
- Growing gas production following new acquisitions, implementation of the APG utilization program

Note: (1) Including changes of equity share in profits of VChNG, TAIHU Ltd, NGK ITERA, NGK Slavneft, Saras S.p.A, Boqueron S.A., Petroperija S.A., PetroMonagas S.A. and other

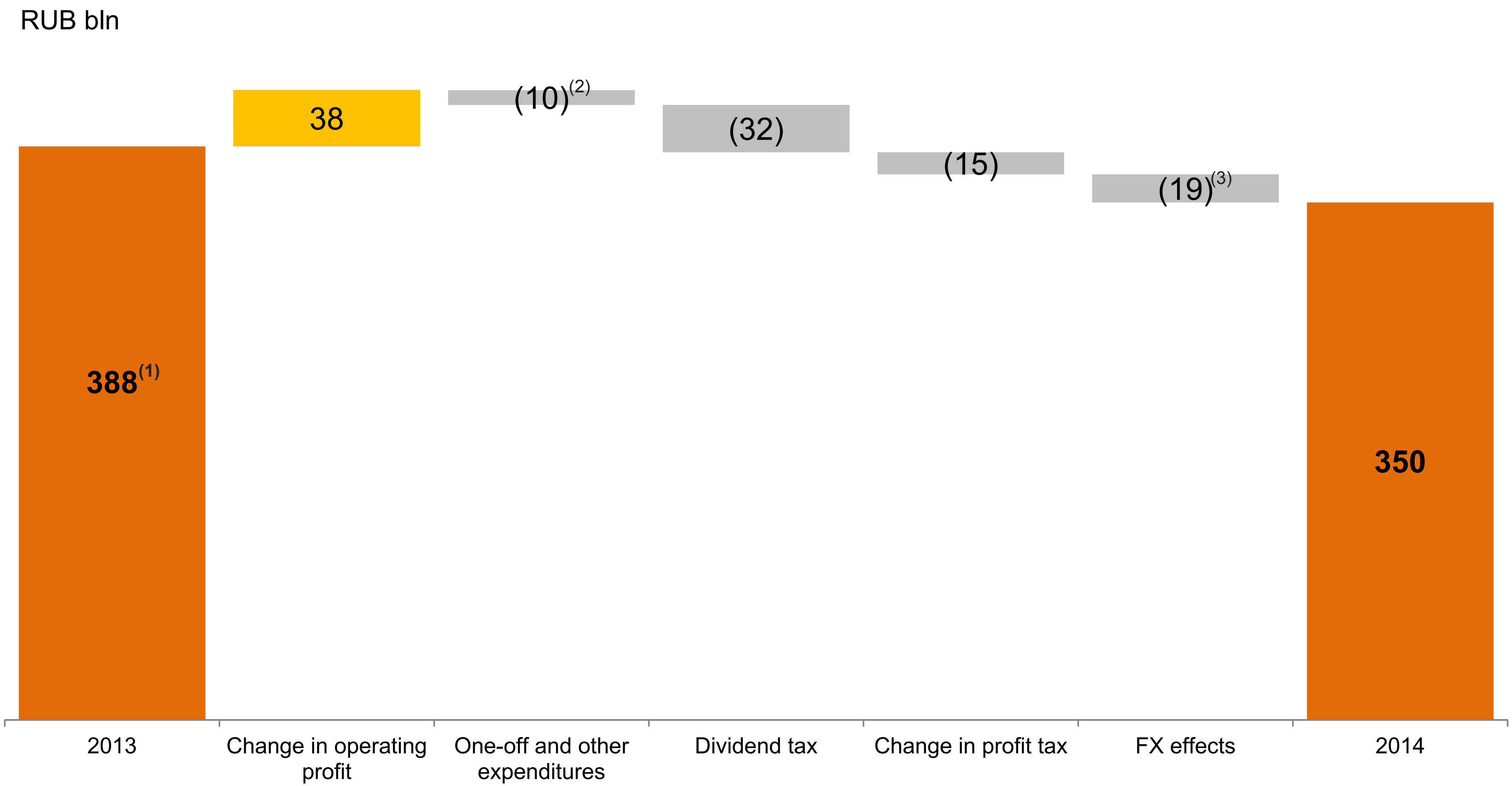
EBITDA:
Effective cost control and operating synergy



- CAGR of EBITDA exceeded 20% in the last 3 years
- General and administrative costs down RUB7 bln[(2)] due to effective management policy
- Total operating synergies in 2013-2014 was RUB42.5 bln

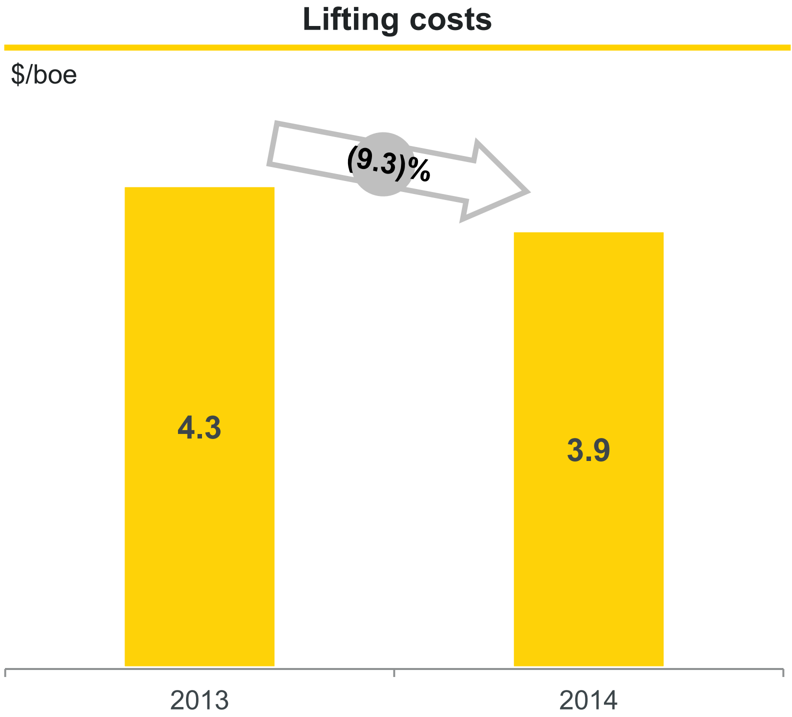
Note: (1) The "Taxes" factor includes the effect of a tax maneuver and repeal of MET benefits for VChNG, (2) Apr-Dec 2014 as compared to the 2013 respective period

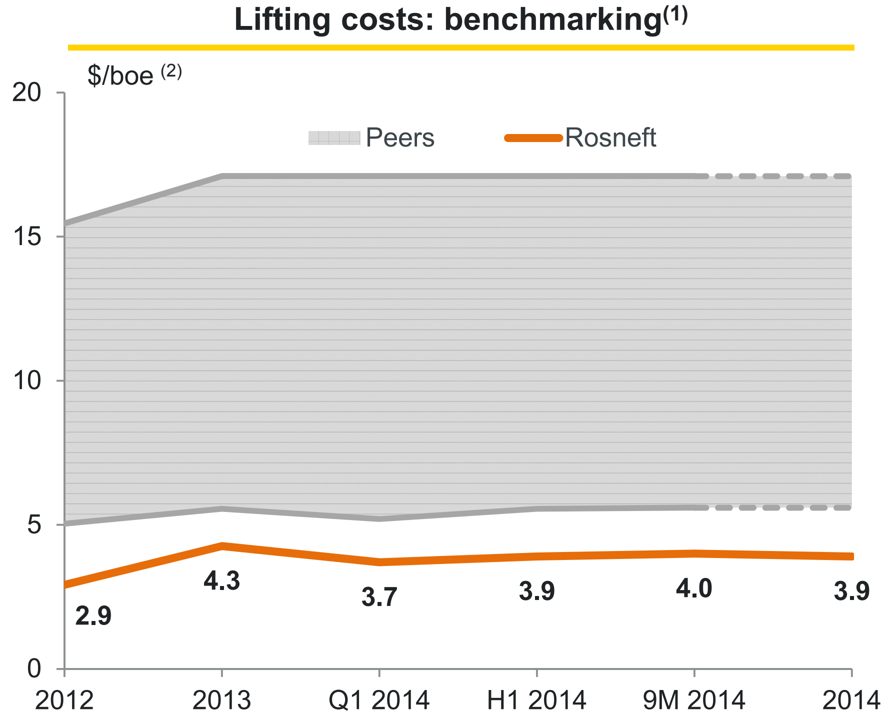
Net Profit:
Strong indicator on high operating earnings despite negative macro



Note: (1) Net of RUB167 billion revaluation effect of acquired TNK-BP assets, (2) Includes RUB38 bln income generated by the revaluation of the VChNG share and RUB56 bln of revenue from the sale of Yugragazpererabotka share in 1Q 2014 and other earnings in 2013, (3) Effective from October 1, 2014 the Company applies hedge accounting in accordance with IAS 39, Financial instruments: recognition and measurement

Maintaining OPEX at Record Low Levels

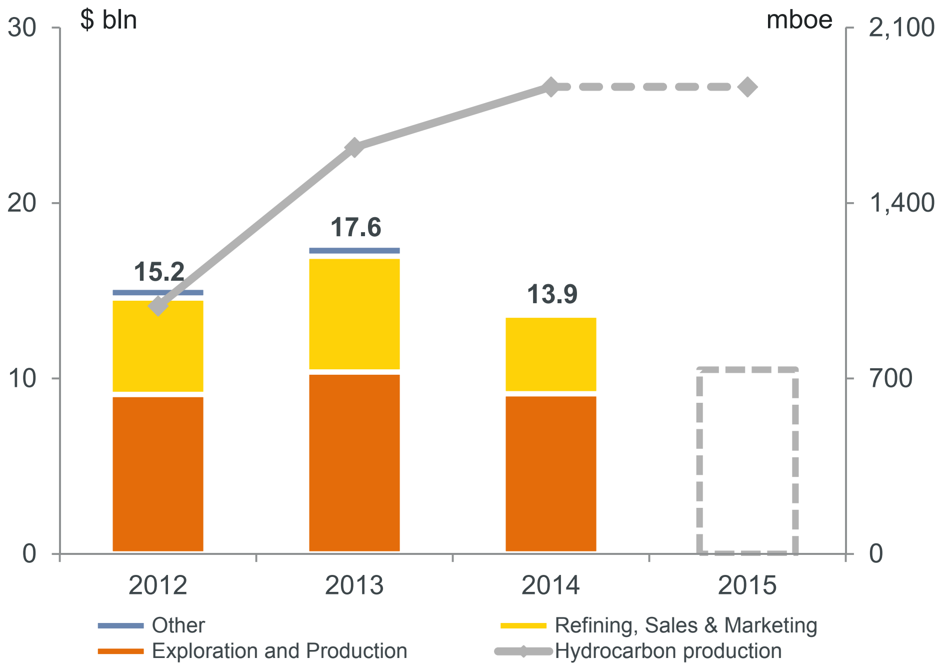


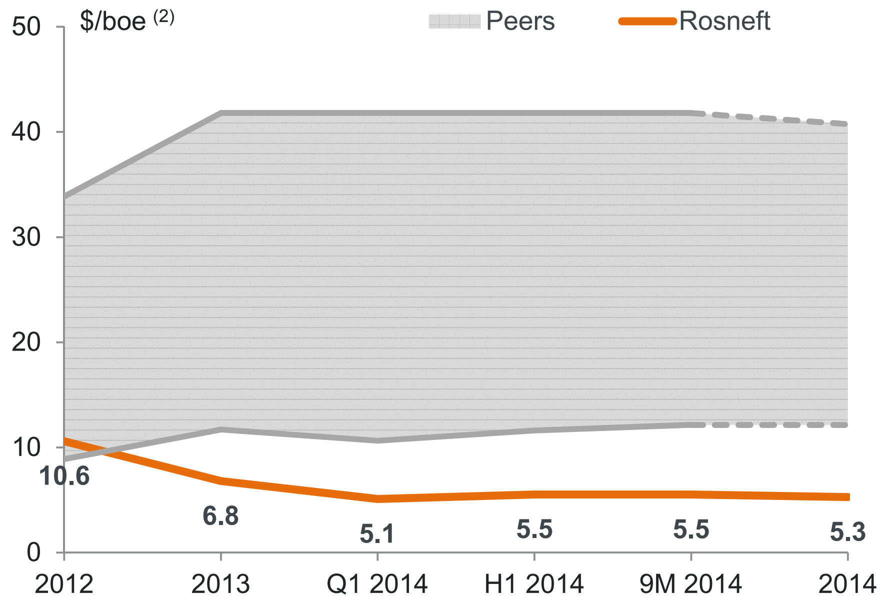


- 2014 lifting cost were $3.9 per boe which is best among Russian peers and 3-4 times better than international majors
- In 2015 Company plans to cut unit operating costs by not less than 3%
- In the mid-term Rosneft lifting costs will not exceed $5 per boe

Note: (1) Competitors include ExxonMobil, Chevron, BP, Shell, Statoil, Petrobras, PetroChina, Lukoil and Gazpromeft. Data for Exxon Mobil, Chevron, BP, Shell for Q1, H1, 9 and 12 months of 2014 is equated 2013 level, PetroChina data for 9 and 12 months of 2014 is equated to H1 2014, 2014 data for Petrobras, Lukoil and Gazpromeft is equated to 9 months of 2014, Statoil data for 2014, (2) Calculated using average monthly Bank of Russia exchange rates for the reporting period

Investment Program Flexibility



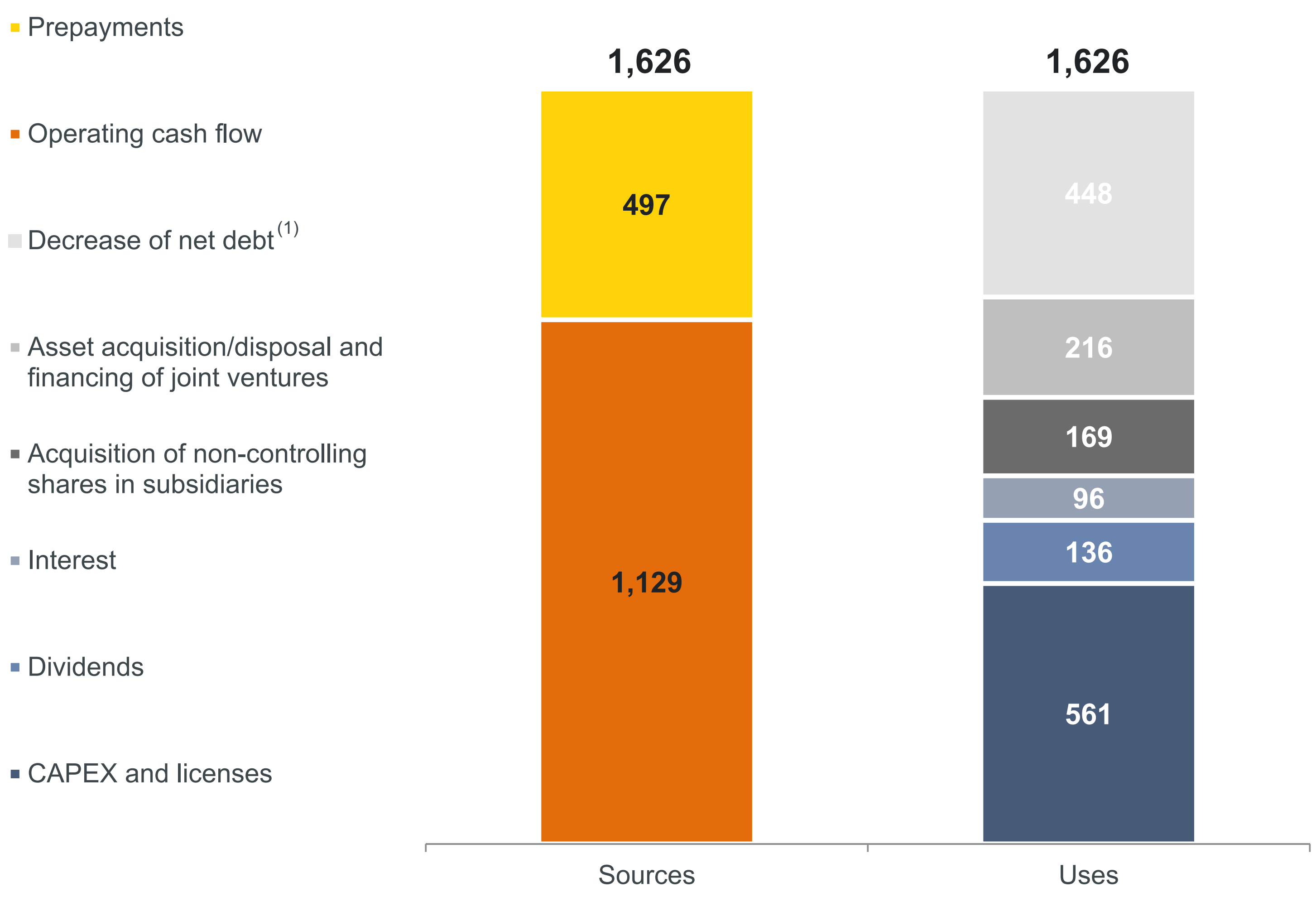


Investment program delivery in 2014:

- Kept leading positions in unit CAPEX efficiency: $5.3/boe
- Maintained production at brownfields
- Active infrastructure setup of greenfields: Srednebotuobinskoye, Yurubcheno-Tokhomskoye, North Chaivo, Arkutun-Dagi
- Vankor cluster field development (Suzun, Tagul, Lodochnoye)
- In-house OFS development
- Delivery of Company obligation to the state: exploration program, refinery upgrade (Technical Regulations) to supply oil to the East

Note: (1) Competitors include ExxonMobil, Chevron, BP, Shell, Statoil, Petrobras, PetroChina, Lukoil and Gazpromeft. Data for Exxon Mobil, Chevron, BP, Shell for Q1, H1, 9 and 12 months of 2014 is equated 2013 level, PetroChina data for 9 and 12 months of 2014 is equated to H1 2014, 2014 data for Petrobras, Lukoil and Gazpromeft is equated to 9 months of 2014, Statoil and Chevron data for 2014. (2) Calculated using average monthly Bank of Russia exchange rates for the reporting period

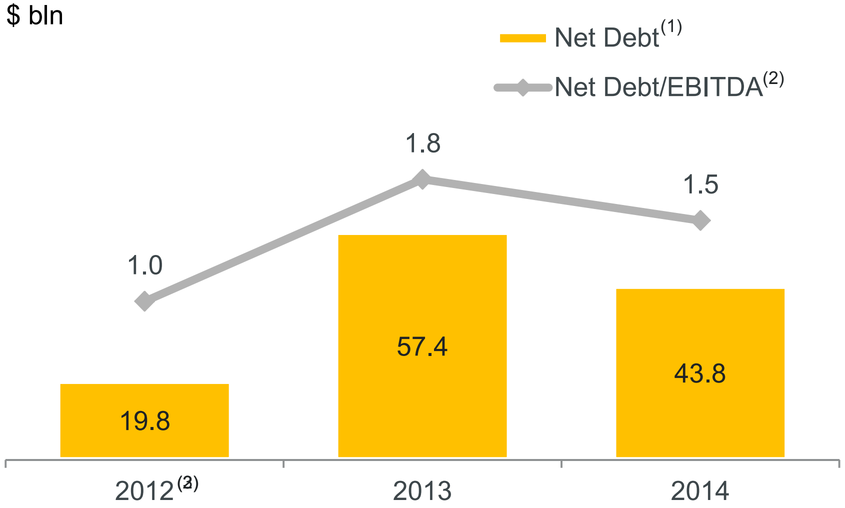
Uses of Cash in 2014, RUB bln



Note: (1) Shows decrease of net debt, net of FX gain/loss and loss from operations with derivatives

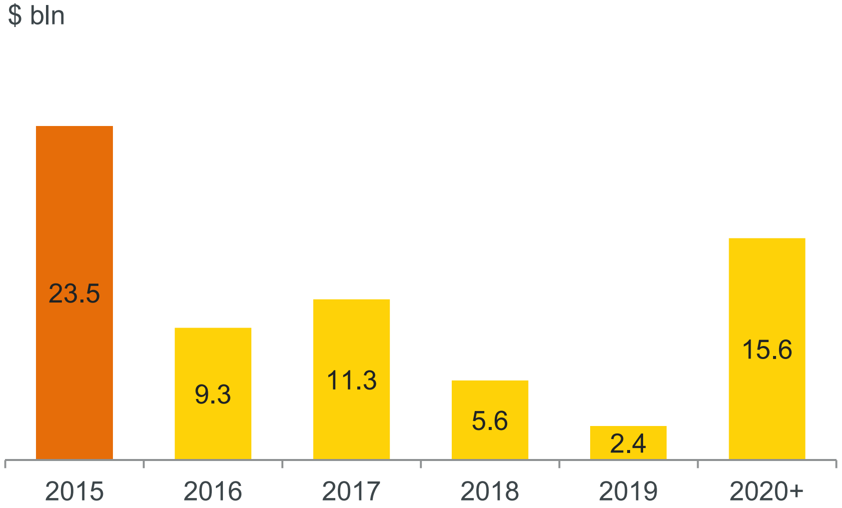
Gradual Debt Reduction

Net debt



- Gross debt decreased by **$12.4 bln** in 2014[1], and net debt by **$13.6 bln**[1]
- RUB-denominated gross and net debt growth in 2014 (by RUB1,021 and RUB589 bln, respectively) is a consequence of a weakening RUB
- Cash and short-term financial assets amounted to **$16.7 bln**[1] (RUB939 bln) by the end of 2014

Repayment schedule[4]

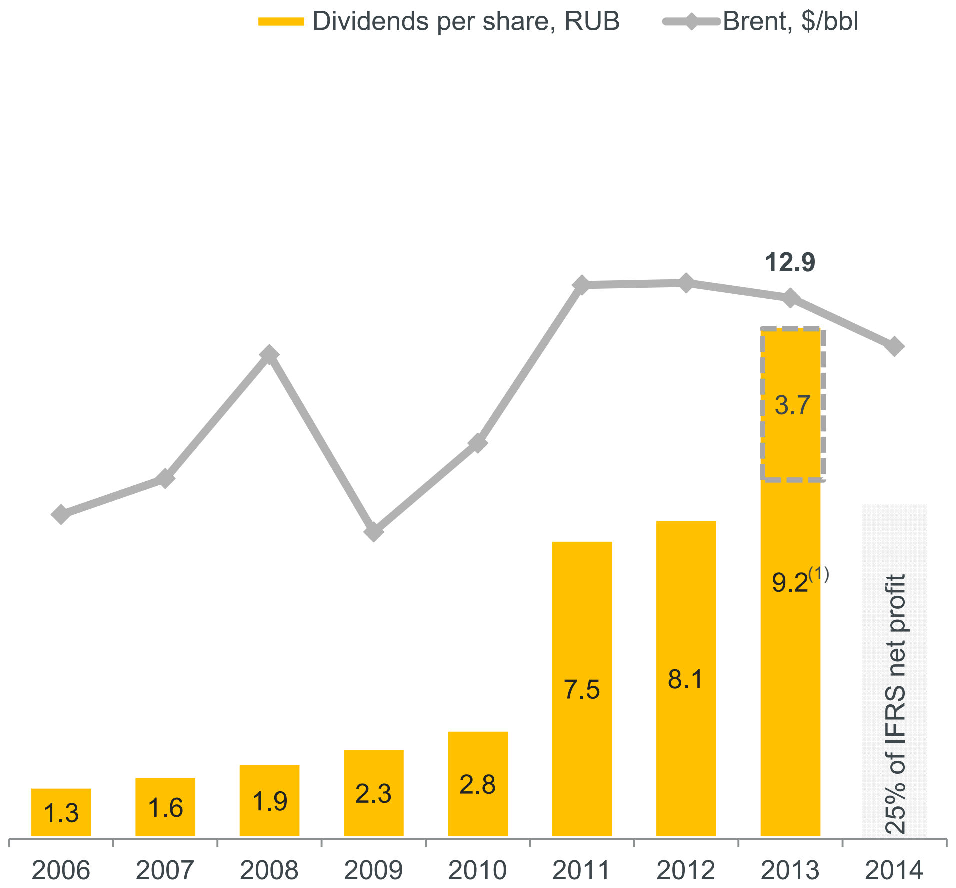


- In December 2014 and February 2015, bridge loans to acquire TNK-BP were fully retired; a total of some **$14.0 bln (RUB877 bln**[5]) repaid, net of interest accrued
- Operating cash flow enables to satisfy the financial obligations of 2015

Note: (1) Calculated on the basis of the Bank of Russia exchange rates effective at the end of the relevant period, (2) LTM EBITDA calculated at the Bank of Russia average monthly exchange rate, (3) Revised data, (4) Incl. future accrued interest at exchange rates and interest rates as of December 31, 2014 (excluding debt of other YUKOS Group companies), (5) At the Bank of Russia exchange rates effective on the dates of payment

Stable Dividend Payouts

Dividends and oil prices



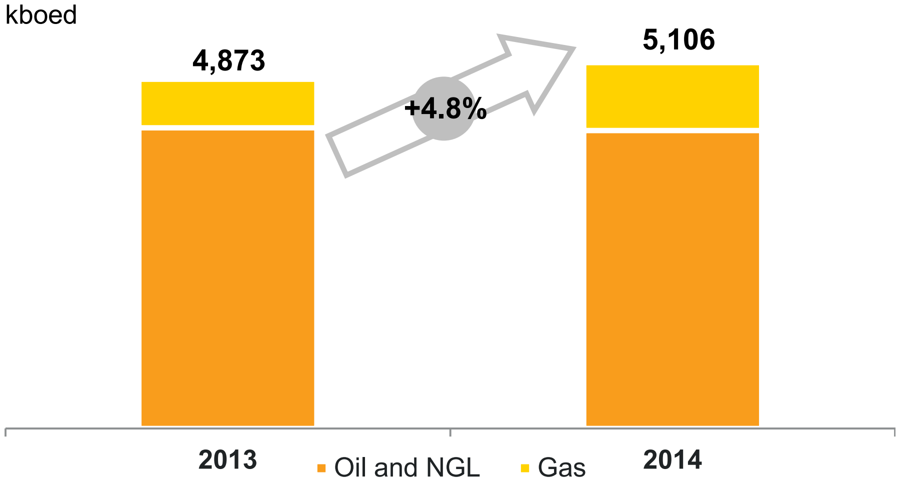
- Dividend payments totaled ~ **RUB500 bln** since the IPO
- CAGRof dividends since the IPO **>25%**
- Despite changes in the macro environment, the divident payout remains unchanged at **25%** of IFRS net profit
- **RUB87 bln** (**RUB8.2** per share) – dividends recommended by management for approval by the Board of Directors and General Shareholders Meeting

Note: (1) Adjusted for RUB167 billion revaluation effect of acquired TNK-BP assets

Operating results

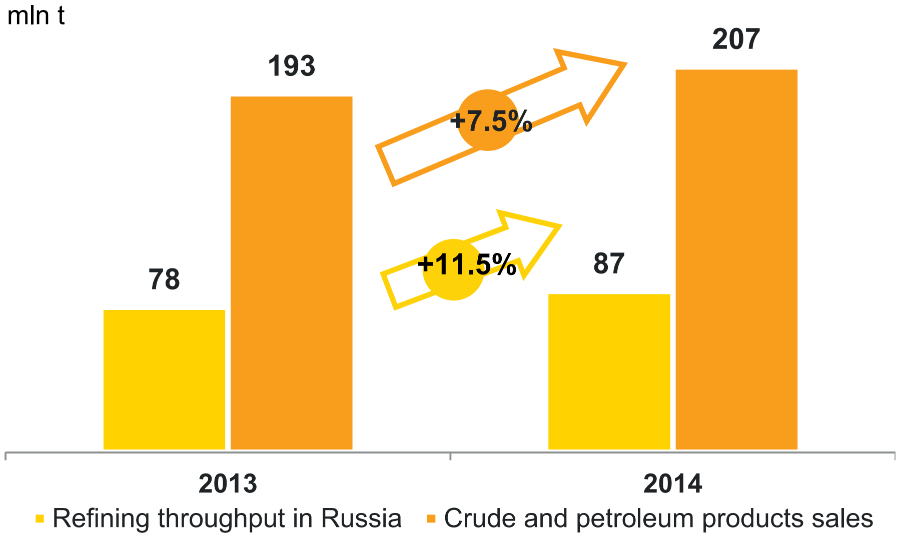
Key Operating Results of 2014

Hydrocarbon production



- Oil production growth at new assets (Uvat group, Vankor, Verkhnechonsk) and Sakhalin Island, brownfield production maintaining thanks to successful well work operations; the share of greenfields in production is 20%
- Faster daily gas production growth (+40% YoY) thanks to increased production at new projects, successful integration of new assets, delivery of an APG utilization improvement program

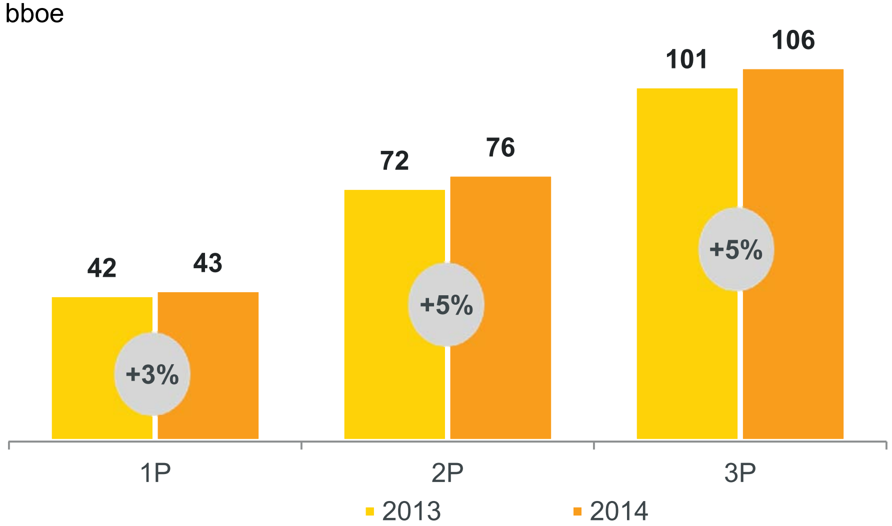
Refining, logistics and sale of crude and products



- Increased refining throughput thanks to faster scheduled refinery turnarounds and optimized technological processes
- Growing crude and product sales to the far abroad, expanded supplies to eastern destinations under existing contract obligations

Growing Resource Base

PRMS: Oil and Gas Reserves



Key characteristics

ABC1+C2 reserves	129 bboe
Proved SEC reserves	34.0 bboe
incl. liquid HC[2]	25.4 bboe
SEC hydrocarbon reserves replacement ratio	154%

Major achievements

- 2014 geological exploration results:
  - **100**[1] exploration wells drilled (incl. **3** off-shore)
  - **5** new fields discovered (incl. **2** off-shore)
  - **64** new deposits found at existing fields
  - The exploration drilling success rate is **80%**[1]
- Shelf operations are one of the Company's strategic priorities:
  - **50** off-shore licenses
  - Recoverable resources ~**309 bboe**[3]
  - **15** large geological structures identified
  - Pobeda Field discovered in the Kara Sea (recoverable reserves – 130 mln t of oil and 396 bcm of gas)

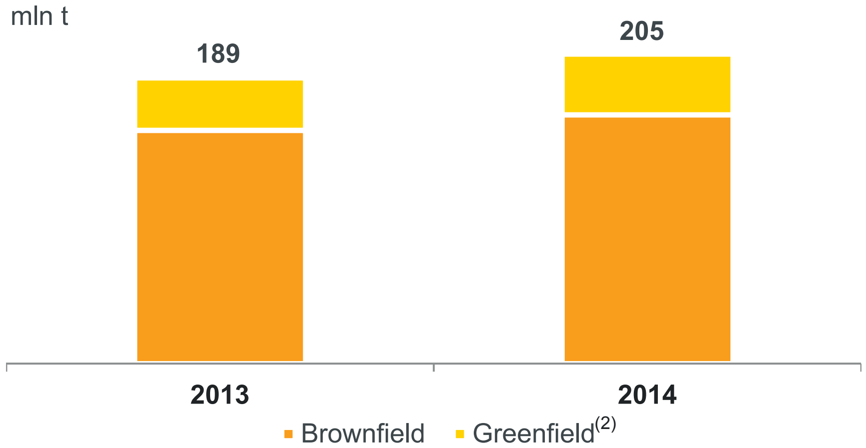
Note: (1) Including international projects and joint ventures, (2) Liquid HC – oil, condensate, NGL, (3) DeGolyer&MacNaughton estimate plus Company evaluation for East-Siberian 1, Pritaymyrsky, Amur-Limansky

Stable Liquid Hydrocarbon Production

2014 achievements

- Brownfield production decline rate[1] slowed down to **3%–5%**
- Vankor reached **22 mln t plateau**
- Verkhnechonsk: record high daily production (**23.5 kt/day**)

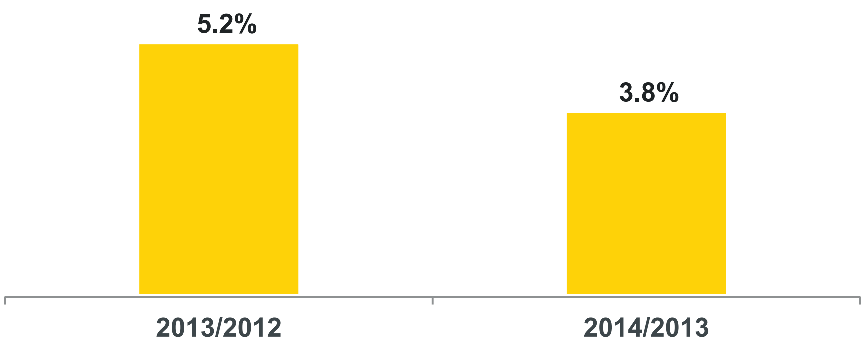
Liquid hydrocarbon production



Plans for 2015

- Total hydrocarbon production maintenance (toe)
- Maintain greenfield production[2] at **more than 40 mln t**
- Labaganskoe field in the Nenets Autonomous District put on stream to reach more than **1 mln t** in 2016
- The Uvat Group to attain a **10 mln t** oil production plateau

Decline rates stabilized at acquired brownfields[1]

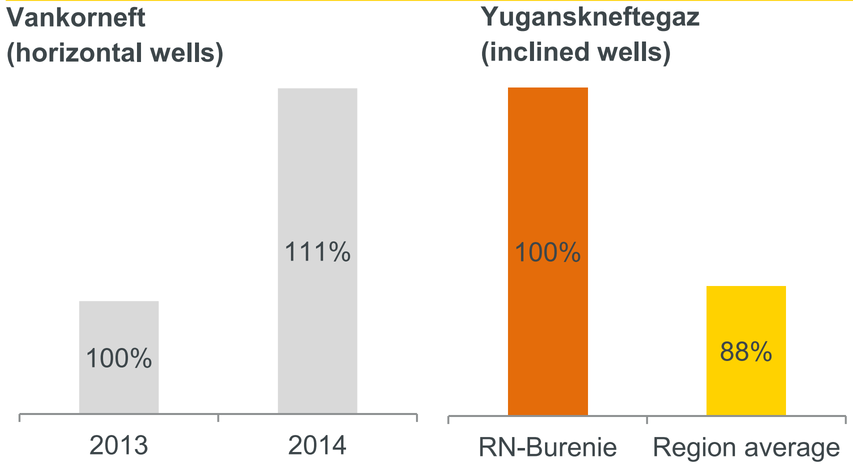


Note: (1) Gross production at Samotlorneftegaz (incl. RN-Nizhnevartovsk), Varyoganneftegaz, RN-Nyagan, (2) Factor includes Vankor, VChNG and Uvat Group production

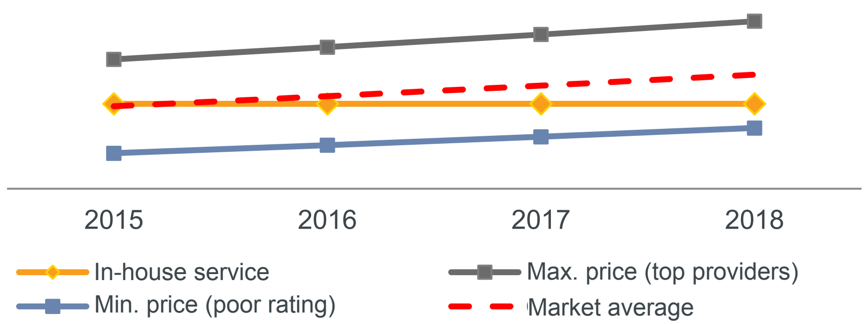
Strategic Development of Drilling Services

- **Improvement of the drilling technologies**
  - Optimized well design (2-column design adopted at Vankor in 2014 provided a 11% increase in commercial ROP)
  - Casing drilling technology replicated at Rospan (the construction cycle shortened by 4 days and the risk of permafrost accidents in complicated gas wells reduced)
- **Expanding in-house services based on RN-Burenie**
  - Financial transparency and efficiency (third-party contractor costs 5-9% higher)
  - Improved mobility and timely relocation as required
- **Integration of new rigs and oilfield service assets completed (Weatherford, ODC)**
  - Rig fleet grew ~3 times, to 213
  - The number of in-house crews increased 4 times
  - The plan for 2015 is 230 drilling crews
- **Drilling footage to grow by 7-10% annually in the next 5 years**
- **Target percentage of in-house drilling services is 75-80%**

Drilling Rate



Expected service cost dynamics[(1)]



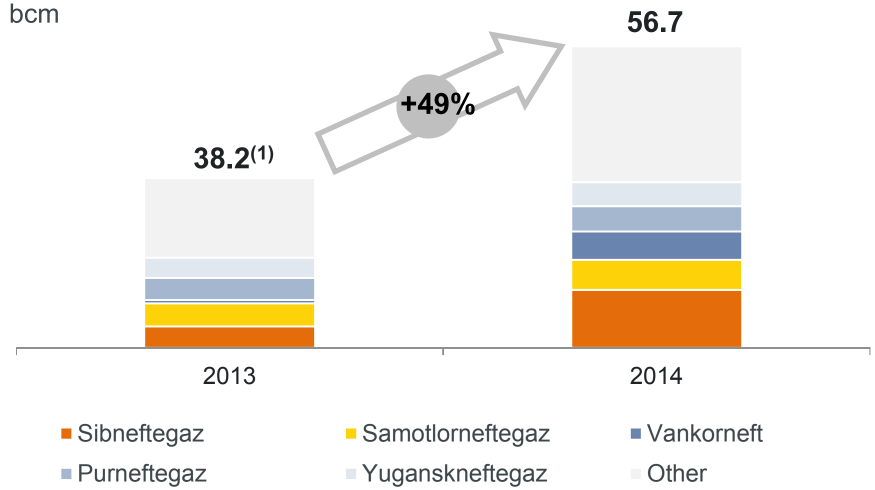
Note: (1) Daily rate dynamics for drilling rig 320t (Volga-Urals region)

Gas Business: Effective Production Buildup

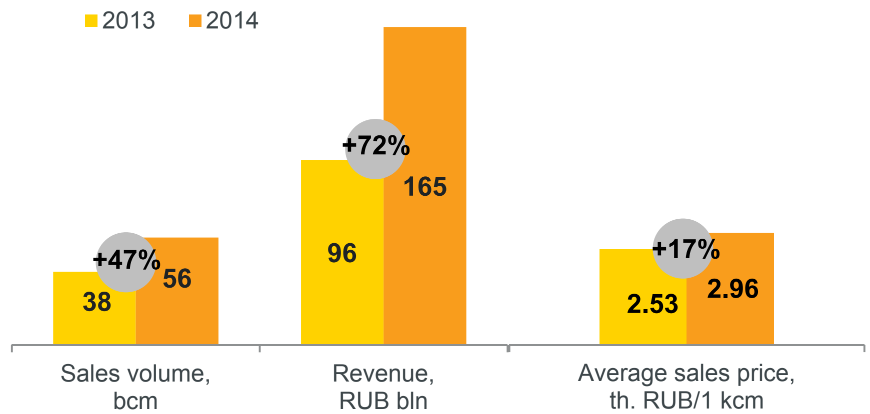
Key achievements in 2014

- **Gas reserves growth:**
  - by **18%**, to **3.6 tcm**, 2P PRMS
  - by **10%**, to **7.2 tcm**, ABC1+C2
- **APG utilization grew up to 81%** (70% in 2013) as a result of a new system launched to collect, process and transport gas at Vankorneft, Yuganskneftegaz and Purneftegaz fields
- The deal to sell a 49% share in Yugragazpererabotka to SIBUR closed, long-term contracts signed with SIBUR to supply APG (10 bcma) and buy processed dry topped gas
- Long-term supply contracts were signed in 2014 with RUSAL, EvroSibEnergo and EuroChem totaling more than **30 bcm**. Sales of 100% planned gas production in the mid-term is secured by the contracts already made
- Since gas trading started on the Saint Petersburg Commodity Exchange, Rosneft has been active in each trading session

Gas production



Gas sales in Russia

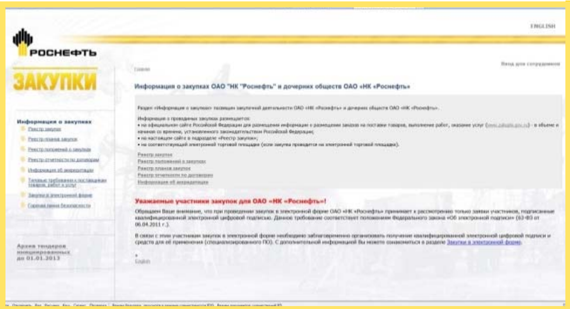


Note: (1) Since the acquisition date

Availability of Services and Materials

Contracted Materials and Services

- 2014 plan of materials and services procurement is 99% delivered
- Long-term contracts amounted to over 40% of total costs



Materials

- Materials supplies plan for 2014 is 99% delivered (RUB153 bln)
- Equipment and materials supplies by foreign subcontractors under foreign currency contracts amounted to 10% (RUB15.5 bln)
- Switched to supplies from South-East Asia: in January 2015 the Chinese suppliers submitted tender bids for a total of RUB38 bln

Prospects

- For critical items purchased abroad, arrange the production of analogues at Russian manufacturing plants
- Expand access for small and mid-size businesses to Rosneft procurement
- Invite manufacturers from India, China and South-East Asia to cooperate: set up working groups

Improved Refining Efficiency

- 2014 results
  - Record refining throughput in Russia ~**87 mln t**
  - 5 units construction completed at the Kuybyshevsky, Novokuybyshevsky and Ryazan refineries
- The most extensive upgrade program among Russian companies:
  - 40 mln t of refining capacities to be built/renovated in the next 5 years
  - the effect on EBITDA of the Russian refineries is estimated at **RUB190 bln per annum**
  - By 2018 EBITDA/barrel refined is expected to **triple** against 2014
  - Modernization CAPEX in 2015 is estimated at 2014 level **(~RUB150 bln)**

Light product yield

55% – light product yield in 2014

Crude oil conversion rate

65% – conversion rate in 2014

Euro-4,5 production

21 mln t of Euro-4,5 gasoline and diesel fuel produced in 2014

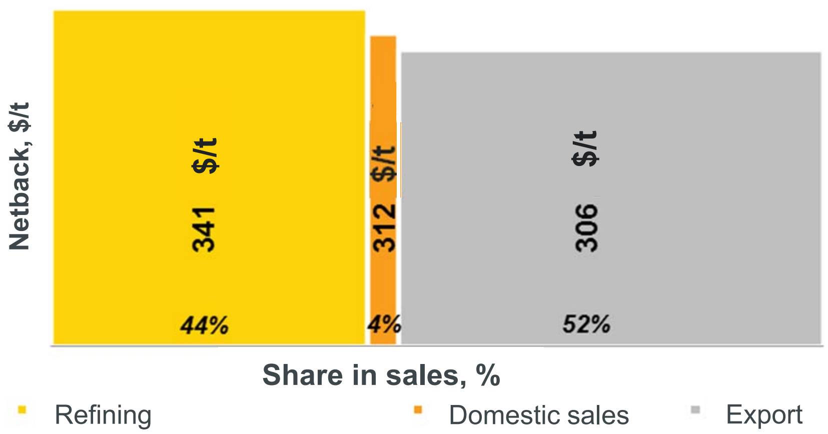
Gasoline production

11 mln t of gasoline produced in 2014

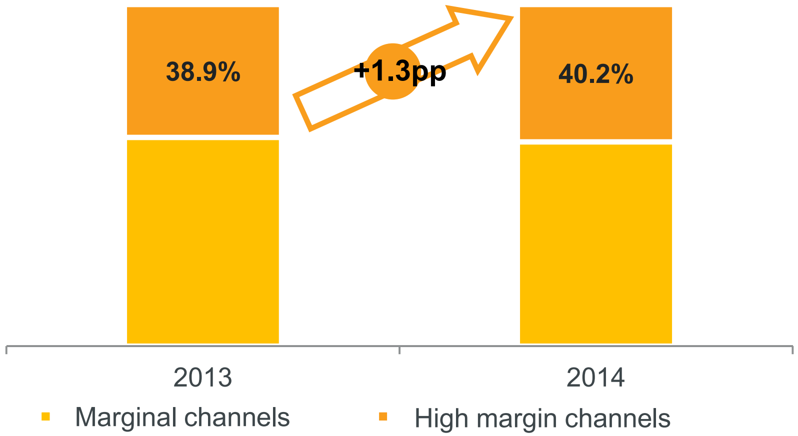
2014 | XX target level | increment to 2014

Crude and Product Sales

Crude monetization channels in 2014



Crude sales



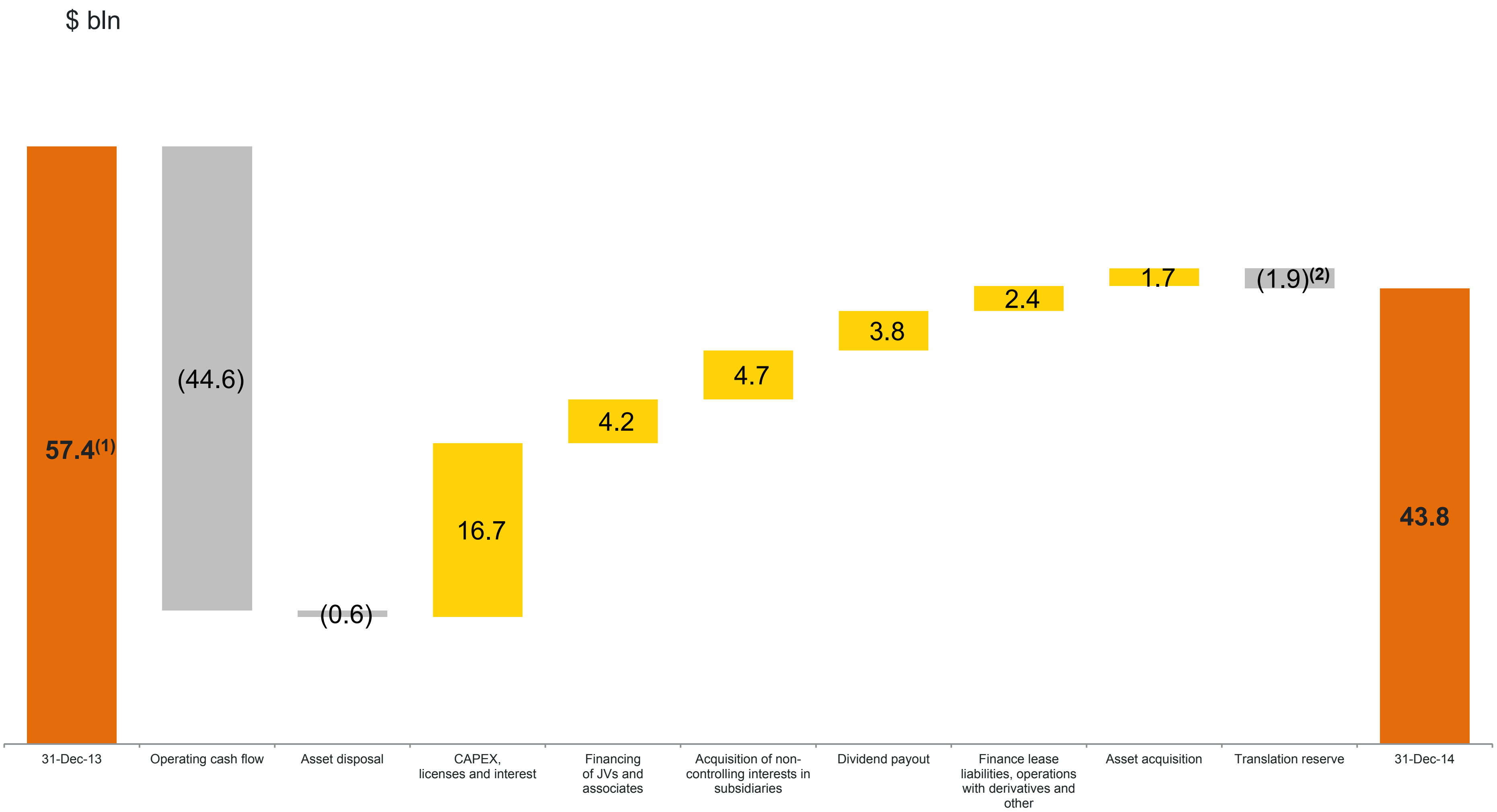
- **Diversifying crude oil supplies:**
  - supplies to eastern destinations – 33.5 mln t in 2014 (+41% YoY)
- **Growing supplies under long-term contracts, expanding presence in the high-margin developing markets of the Asia-Pacific region:**
  - Essar agreement to supply up to 100 mln t of crude and products over 10 years
- **Expanding international footprint and diversifying supply destinations:**
  - ambitious efforts to enter and expand on the Transcaucasus and Central Asia markets
- **Increasing product supply channels' efficiency:**
  - record high product transshipment in Nakhodka terminal (~7.2 mnl t) to increase supplies to the Asia-Pacific region
- **Improving the efficiency of a high-margin retail network:** a large-scale reorganization program to reduce inefficient assets and optimize costs

Improving Performance

Operating costs control	Retaining sector leadership in unit lifting costs (~**$5/boe** in the mid-term) Control over procurement prices and procurement efficiency
Optimized investment program	Lowest F&D costs among competitors Focused on projects generating greatest economic return: ▪ brownfield production stabilized ▪ new major fields put on stream and kept on plateau
Solid financial position	Consistent reduction of the debt burden (target – **1.3x** net debt/EBITDA) 2015 Business Plan based on 3 price assumptions (Brent prices of 60/**50**/40 $/bbl) with a continued positive free cash flow
Optimized asset portfolio	Establish a high-tech OFS business (target – 75-80%) Participated in auctions to obtain licenses to replace the resource base Disposal of assets not meeting the corporate efficiency criteria.
Taxation and the RUB exchange rate	A supporting effect of the RUB devaluation on the unit production margin (costs are RUB-denominated) Progressive MET and export duty scale (insurance against falling oil prices)

Appendix

Net Debt



Notes: (1) Including finance lease liabilities and liabilities related to derivatives, (2) A translation reserve is due to an evaluation of periodic parameters at average monthly USD exchange rates and net debt - at exchange rates at the end of the relevant period

Questions and Answers