

APPROVED BY

Resolution of the Board of Directors
of OJSC Oil Company Rosneft
Minutes No. 5 dated October 18, 2008

**REGULATIONS ON AUDIT COMMITTEE
OF BOARD OF DIRECTORS
OF
OPEN JOINT STOCK COMPANY
OIL COMPANY ROSNEFT
(new version)**

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Article 1. Regulations on Audit Committee of Board of Directors

In accordance with the Civil Code of the Russian Federation, Federal Law "On Joint Stock Companies", other regulatory legislative acts of the Russian Federation, Corporate Governance Code and Charter of OJSC Oil Company Rosneft (hereinafter the "Company") these Regulations establish functions and the procedure of interaction with the audit bodies of the Company's Board of Directors (hereinafter "Audit Committee" or "Committee").

Article 2. General provisions on Committee

1. The Audit Committee shall ensure effective participation of the Board of Directors in exercising of control over the Company's financial and economic activities. In its activities the Committee assumes that professional awareness of the Board of Directors' members regarding the Company's financial and economic activities is necessary to enable the Board Directors to exercise control over implementation of the Company's budgets (financial and economic plans) and the effectiveness of performance of the system of internal control and management of the Company's risks.

2. The Audit Committee shall consist only of members of the Board of Directors, who are not executive Directors of the Company. An independent Director shall head the Audit Committee.

Article 3. Committee's Functions

1. The exclusive functions of the Committee are assessment of candidates for the position of the Company's auditor, evaluation of the auditor's opinion, evaluation of effectiveness of performance of the procedures of the internal control, risk management procedures of the Company, and preparation of proposals for improvement of them.

2. The Committees functions also include consideration and preparation of draft projects on the following issues within the competence of the Company's Board of Directors:

- preliminary approval of the Company's annual reports;
- approval of the Company's internal documents relating to the Committees functions;
- recommendations to the General Meeting of Shareholders as to the extent of the dividend on the shares and to the procedure of its payment;
- recommendations to the General Meeting of Shareholders as to the procedure of distribution of the Company's profits and losses on the basis the results of the fiscal year;
- price determination (pecuniary valuation) of property, price of placement and repurchase of issuable securities in the cases provided for by the Federal Law "On Joint Stock Companies";
- determination of the extent of payment for the auditor's services;
- approval of the Company's internal procedures regarding risk management, effectiveness of analysis of such procedures, ensuring their observance;
- approval of the procedures of internal control of the Company's financial and economic activities including approval of the regulations of the internal control, documentary verifications and audits;
- approval of major transactions in the cases provided for by chapter 10 of the Federal Law "On joint-stock companies";
- approval of transactions in the cases provided for by chapter 11 of the Federal Law "On joint-stock companies";
- adopting a decision on auditing by the Internal Audit Commission of the Company's financial and economic activities.

The Committee may be entrusted with preparing draft resolutions on other issues within the competence of Board of Directors.

3. The Committee shall supervise completeness and truthfulness of the Company's tax accounting, financial accounting and management accounting.

4. The Committee shall preview financial (accounting) reports of the Company prepared in accordance with International Accounting Standards (IAS) or US Generally Accepted Accounting Principles (US GAAP) and materials which contain information on the results of such reports disclosed to the Company's investors.

5. The Committee shall preview annual accounting reports (legal entity and consolidated statements) of the Company prepared in accordance with Russian accounting standards.

6. The Committee shall coordinate the work performed by the Company's auditor and the unit in charge of internal audit to ensure that audit coverage is complete and works are not duplicated.

7. The Committee shall give an estimate of the quality of the auditor's services rendered to the Company and meeting the requirements of the auditor's independence by it.

8. The Committee shall supervise the procedures of the internal control over the Company's financial and economic activities and evaluate their effectiveness.

9. The Committee shall control efficiency of work performed by the structural units in charge of internal control and internal audit of the Company.

10. The Committee shall bring to the attention of the Company's Board of Directors recommendations on any issues which in the opinion of the Audit committee require actions of the Company's Board of Directors.

11. The Committee shall ensure permanent interaction of the Board of Directors with:

- the Company's auditor (auditors);
- independent appraiser;
- Internal Audit Commission;
- executive bodies;
- Financial Department;
- Structural units of the Company in charge of internal control and internal audit.

Article 4. Committee's interaction with Company's Auditor

1. The Committee shall evaluate the opinion of the Company's auditor and furnish its opinion in writing to the Board of Directors. Valuation of the Company auditor's opinion prepared by the Audit Committee shall be provided to the Company's Annual General Meeting of Shareholders as materials.

2. The Committee shall assess the candidates for the position of the Company's auditor when holding an open tender for a contract on rendering auditor services to the Company and shall submit to the Board of Directors recommendations on the candidate for the position of auditor(s).

The Committee shall exercise control over the open tender for a contract for rendering auditor services to the Company.

3. The Committee shall submit for approval of the Company's Board of Directors the requirements that, once met, make possible qualifying the auditor as independent regarding the Company. In particular, the Audit Committee in a well-defined way shall specify the services which the auditor may provide to the Company without prejudice for his independence.

The Committee shall obtain from the auditor a written confirmation of meeting these requirements.

4. The Committee shall have a right to prepare proposals with respect to allowed types and scope of non-auditing services provided by the auditor and the amount of remuneration to be paid by the Company for such services.

5. The Committee shall consider the annual official written report of the auditor describing all relations between the auditor and the Company, including its business units and subsidiaries with a view to determine the circumstances which may affect the independence of the Company's auditor.

6. The Committee shall discuss with the Company's auditor the scope and time limits of the Company's audit, intermediate and final audit results, other issues which demand the committee's attention and/or are connected with implementation of audit procedures as well as the results of consulting and other services provided to the Company by the auditor.

7. On an annual basis the Committee shall consider the report of the Company's auditor assessing internal control procedures, essential disputed issues which arose in the course of recent check-ups and the ways to resolve them.

8. The Committee shall provide for interaction by the auditor with the Company's executives and structural units in charge of internal control and internal audit of the Company.

9. The Committee shall consider the auditor's requirements on convening an extraordinary General Meeting of Shareholders, and it shall furnish the Board of Directors with recommendations regarding the possibility of meeting this requirement.

10. The Committee shall put forward proposals and provide recommendations on settling any disputes which may arise between the auditor and the Company's executives.

Article 5. Committee's interaction with Company's Internal Audit Commission

1. The Committee shall hold joint meetings with members of the Internal Audit Commission. Such meetings are mandatory and shall be held to analyze:

- conclusions of the Company's Internal Audit Commission (internal auditor) on the results of auditing the Company's financial and economic activities for the year;

- conclusions of the Company's Internal Audit Commission (internal auditor) on the results of auditing the Company's annual accounting reports
- conclusions of the Company's Internal Audit Commission (internal auditor) on the reliability of the data contained in the annual report and annual accounting reports of the Company
- information submitted by the Internal Audit Commission which is not related to the results of auditing the Company's financial and economic activities for the year

2. The Committee shall recommend to the Board of Directors taking a decision on auditing by the Internal Audit Commission the Company's financial and economic activities.

3. The Committee shall consider the requirements of the Internal Audit Commission on convening an extraordinary General Meeting and shall furnish the Board of Directors with recommendations on the possibility to meet this requirement.

4. The Committee shall work out recommendations on introducing amendments and addenda into the Company's internal documents regulating the activities of the Internal Audit Commission.

Article 6. Committee's interaction with Company's executive bodies

1. The executive bodies shall furnish the Committee with necessary information, ensure the completeness of the above-said information and timeliness of furnishing it, display their own initiative in furnishing information without confining themselves to the replies to the enquiries of the Committee, with due account for the restrictions established by regulatory legislative acts of the Russian Federation, the Charter and internal documents of the Company.

2. The Committee shall interact on an ongoing basis with the Risk Management Committee under the Company's President with respect to risk management issues.

Article 7. Committee's interaction with structural units in charge of internal control and internal audit of the Company

1. The Committee shall develop proposals to improve the Company's internal control procedures in cooperation with the Company's executive bodies and structural units in charge of internal control and internal audit of the Company.

2. The Committee shall assess, classify and prepare proposals to minimize possible risks arising in the process of the Company's activities in cooperation with the Company's executive bodies and structural units in charge of internal control and internal audit of the Company.

3. In cooperation with the structural unit in charge of internal control the Committee shall develop recommendations on the approval of operations not included in the plans for financial and economic development of the Company (non-standard operations).

7.1. With regard to interaction with the structural unit in charge of internal control:

1. The structural unit in charge of internal control shall:

- Agree with the Committee on the annual action plan and submit information on its implementation;
- Submits a report on its operating results within the time limits set by the committee.

2. The Audit Committee shall:

- analyze the financial and economic activity of the Company in cooperation with the financial department and the structural unit in charge of internal control
- analyze the results of comprehensive audits and examinations of the Company's financial and economic activity performed by the structural unit in charge of internal control;
- provide to the head of the structural unit in charge of internal control access to the Committee Chairman and the Committee as a whole and vice versa.

7.2. With regard to interaction with the structural unit in charge of internal audit:

1. The Committee shall provide for independence of the structural unit in charge of internal audit from the Company's managers and controls its operating efficiency. Among other things the Committee shall:

- approve the annual audit plan and monitor its implementation;

- provide to the head of the structural unit in charge of internal audit direct access to the Committee Chairman and the Committee as a whole and vice versa.
- Consider reports on operating results, establish communication between the structural unit in charge of internal audit and the management of the Company
- Monitor the qualification and professional level of employees, resources, budgets and organizational structure of the structural unit in charge of internal audit; among other things, it approves resolutions on appointment / dismissal of the head of the structural unit in charge of internal audit and defines the terms of his/her labor contract, salary, bonuses and penalties within the framework of the Company's remuneration system.

2. The Company shall review the Regulations on the internal audit of the Company (on the structural unit in charge of the internal audit) and shall submit to the Board of Directors recommendations to approve the above-said document or introduce amendments to it.

3. The Committee shall charge the internal audit unit with monitoring the execution of the Committee's resolutions / commissions.

Article 8. Committee's interaction with Company's financial department

1. In cooperation with the Company's financial department the Committee shall develop requirements for standards of financial, fiscal, and management accounting accepted by the Company and shall perform spot tests for compliance of such standards with the established requirements.

2. Jointly with the Company's Financial Department, the Committee shall exercise control over the completeness and truthfulness of the Company's tax accounting, business accounting and cost and management accounting.