

Opinion of the Internal Audit Commission on the results of the audit of the Annual Accounting Statements of Rosneft

City of Moscow

March __, 2009

Internal Audit Commission of Rosneft composed of:

- A.N. Kobzev, Chairman of Internal Audit Commission
- S.I. Zhuravlev, D.S. Logunov, V.V. Oseledko, A.S Fomin – members of the

Internal Audit Commission

guided by the authorities defined in Federal law No. 208 – FZ of 26.12.1995 “On joint-stock companies”, Charter of Rosneft, Regulations “On Internal Audit Commission of open-joint stock company Oil company Rosneft” as approved by the general meeting of shareholders of 07.06.2006, audited the annual financial statements of Rosneft for the period January 1, 2008 through December 31, 2008.

In the course of the audit the commission considered:

- annual financial statements of Rosneft for 2008;
- accounting policy for the purpose of financial and tax accounting of Rosneft for 2008;
- opinion of external auditor ZAO AUDITING AND CONSULTING GROUP BUSINESS SYSTEM DEVELOPMENT confirming reliability of Rosneft financial statements for 2008;
- other documents.

The annual financial statements of Rosneft include the following forms:

- accounting balance sheet, Form No.1
- profit and loss report, Form No.2;
- statement of capital changes, Form No.3
- cash flow statement, Form No.4;
- supplement to accounting balance sheet, Form No.5;
- explanatory note (hereinafter all the report jointly shall be referred to as “financial (accounting) statements).

The goal of the Internal Audit Commission was to assess the statements from the point of view of authenticity of the data contained therein and to inform the members (shareholders) of Rosneft of any facts testifying to failure to comply with the accounting policy and procedure for presentation of financial statements as set by the RF legislation and internal regulations.

The audit was planned and performed in such a way as to express an unprejudiced opinion as to the presence or absence of material distortions in the financial statements and included auditing thereof on a sample basis, confirming the numeric data and explanations contained in the financial statements.

The executive body of Rosneft is responsible for organization, state and authenticity of the Company’s financial accounting as well as for timely preparation and presentation of the financial (accounting) reports to the relevant bodies.

The audit was performed in accordance with regulatory documents setting the procedure for compiling financial (accounting) statements, including the following :

- Federal law “On joint-stock companies” of 26.12.1995, No. 208-FZ

- Federal law “On business accounting” of 21.11.1996, No. 129-FZ
- Regulations on business accounting “Business accounting of an organization” PBU 4/99, confirmed by a decree of the RF Finance Ministry No. 43H of 06.07.99
- Regulations on book keeping and financial statements in the Russian Federation confirmed by a decree of the RF Finance Ministry No. 34H of 29.07.98
- Regulations “On Internal Audit Commission of open joint-stock company Oil company Rosneft approved by the general meeting of shareholders 07.06.2006

The audit was performed on a sample basis and included study of the index numbers contained in the financial (accounting) statements, disclosure of information on financial and economic activity, compliance with accounting principles and rules employed in the process of preparing financial (accounting) statements.

The audit revealed

1. Adjustment of the initial balances of the accounting balance sheet (form No.1)

In accordance with changes in the accounting policy and to ensure comparability of accounting indicators, the initial balances of the accounting balance sheet was adjusted as follows:

- amounts of capital investments in exploration works and R&D are transferred from line 150 “Other non-current assets” to line 130 “Construction in progress”
- debts with respect to payment of taxes and dues are shown in accounts receivable and accounts payable, with a breakdown by budget levels:

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Assets	As of 31.12.2007	adjusted	As of 01.01.2008
130 Construction in progress	45 808 663	+ 8 289 002	54 097 665
150 Other non-current assets	9 175 092	- 8 289 002	886 090
240 Accounts receivable	208 116 386	- 6 522 241	201 594 145
TOTAL		-6 522 241	
Liabilities			
620 accounts payable, incl.	109 353 861	-6 522 241	102 831 620
625 debt to state and extra budgetary funds	1 506	-1 506	-
626 debt with respect to payment of taxes and dues	40 593 476	-6 520 735	34 072 741
TOTAL		-6 522 241	

2. Events after the balance sheet date

In accordance with PBU 7/98 information on the following events which occurred after the balance sheet date was disclosed in the statements:

On January 28, 2009 Rosneft signed a loan agreement for US\$ 1.35 bn between with a syndicate of international banks which includes BNP Paribas, Barclays, Calyon, Deutsche Bank, Societe Generale and Banco Santander. The loan was granted for a term of 15 months, to refinance the existing debt.

3. Contingencies

1. 19.09.2006 the International commercial arbitration court under the Chamber of Trade and Commerce of the RF recovered from OAO "Yuganskneftegaz" (predecessor of Rosneft) in favor of company Yukos Capital S.a.r.l. debt under 4 suits related to 4 loan agreements, including the loan in the amount of 11 233 000 thousand rub., interest in the amount of 1 702 858.5 thousand rub., arbitration fees and legal expenses in the amount of 857 507.26 US dollars.

OJSC Oil Company Rosneft filed with the Arbitration court of the city of Moscow claims on reversing the judgment made by the International commercial arbitration court under the Chamber of Trade and Commerce of the RF. In accordance with the resolution of the Arbitration court of Moscow of 23.05.2007, which was upheld by the resolution of the Moscow District Federal arbitration court of 13.08.2007, the judgment of the International commercial arbitration court under the Chamber of Trade and Commerce of the RF of 19.09.2006 was reversed. In accordance with the resolution passed by the RF Supreme Arbitration Court of 10.12.2007, company Yukos Capital S.a.r.l. was denied the right to transfer the case to the presidium of the RF Supreme Arbitration Court for revision of the above resolutions of the Arbitration courts. The term of loan repayment under the loan agreements was set as 31.12.2007.

A shareholder of Rosneft filed a claim with the Arbitration court of Moscow against Rosneft and Yukos Capital S.a.r.l. on recognizing the above-mentioned loans invalid. Resolution of the court is expected in the next accounting period.

In its turn Yukos Capital S.a.r.l. applied to the court in the Netherlands with a statement of recognition and execution of the above-mentioned Resolutions of the International commercial arbitration court under the Chamber of Trade and Commerce of the RF, however the application was dismissed by the court. On January 13, 2009 the Court of Appeal of Amsterdam considered the appeal filed by company Yukos Capital S.a.r.l. against the above-mentioned decision to refuse the enforcement of the resolutions of the International commercial arbitration court under the Chamber of Trade and Commerce of the RF. The court of appeal is expected to pass its decision within the following accounting period.

2. In May 2007 the court of Amsterdam satisfied the claim of company Glendale Group Limited on placing under security arrest the monetary funds and property held by company Yukos Finance B.V. which the latter will have to transfer to Rosneft in the course of existing or future legal relations between the companies. The claim was filed in order to secure the demands raised by company Glendale Group Limited to Rosneft on the basis of the promissory notes issued by OAO Yuganskneftegaz in 2003 for an amount of ca. 130 mln euro currently held by Glendale Group Limited. In October 2008 Rosneft filed an application on the lack of jurisdiction of the Netherlands court over the dispute. Resolution on this case is expected to be passed after the reporting date.

3. In the reporting period Rosneft filed claims with arbitration courts of various jurisdictions on contesting several decisions of the tax authorities in accordance to which the Company was denied reimbursement of the value added tax for a total amount of 4 731.5 million RUR. The Company's claims for an amount of 983.9 million RUR were upheld by the arbitration courts, however the tax authority appealed against the decisions to higher authorities (or such decisions may be appealed against in the following reporting period). The claim made by Rosneft for an amount of 822.6 million RUR was not upheld by the arbitration court, however the Company appealed against this negative court judgment. Claims for 2 925 million RUR were not materially considered within the reporting period.

4. The Company is also challenging in a judicial procedure decisions taken by tax authorities based on field and cameral tax inspections of Rosneft for a total amount of 1 701.6 million RUR. The claims of Rosneft were satisfied in the amount of 406 million RUR, however such favorable court decisions were contested by the tax authorities, with the contesting procedure to be completed within the following reporting period. Claims for an amount of 1 205.6 million RUR are being considered by the arbitration court of 1st instance, decision on the claims is expected to be taken within the following reporting period.

5. In December 2008 OOO Energotrade filed with the Arbitration court of the city of Moscow two claims on recovering from Rosneft debt, interest and penalty for a total amount of 2 184 million RUR under 2 notes issued by OAO Yuganskneftegaz in 2003. As of the date of the present report the claims were not materially considered.

Earlier the Republic of Mordovia represented by State institution "Property Fund of the Republic of Mordovia" filed two claims with the Arbitration court of Moscow on recovering from the Company a debt in the amount of 1 464 million RUR with respect to the two above-mentioned notes. In July and August 2008 Arbitration court of 1st instance satisfied these claims and recovered from Rosneft 1 464 million RUR. However in October and November 2008 such decisions were cancelled by an Arbitration court resolution, claims made by the Republic of Mordovia were dismissed.

6. In November 2008 the Arbitration court of Moscow passed a resolution dismissing the claim made by OOO Yu-Mordovia on recovering from Rosneft of debt, interest and penalty for a total amount of 728 million RUR with respect to another note issued by OAO Yuganskneftegaz in 2003. As of the reporting date the decision passed by the court was not challenged, however the time period for filing an appeal has not yet expired.

7. In September 2008 Irkutsk regional Department of the Federal Antimonopoly Service passed a resolution imposing on Rosneft an administrative fine in the amount of 229 million RUR, which was contested in a judicial procedure. Claims made by Rosneft were not upheld by the arbitration court of 1st instance, however the Company contested the negative court decision in an appeal procedure, consideration of the case is not yet completed. As of the reporting date the decision of the Irkutsk regional Department of the Federal Antimonopoly Service imposing an administrative fine on the Company has not come into legal force.

In December 2008 the Federal Antimonopoly Service of Russia passed a resolution imposing on Rosneft an administrative fine in the amount of 1 508.7 million RUR for violations of the antimonopoly legislation, which was contested by the Company in a court procedure. As of the reporting date the case was not materially considered by the court, resolution imposing the fine has not come into legal force.

4. State of accounting and authenticity of the financial statements for 2008

The state of accounting with Rosneft in all material respects complies with the requirements of the Federal law of 21.11.1996 No. 129-FZ “On business accounting”. The accounting methods applied comply with the legislation of the Russian Federation as well as with corporate rules and acts. Accounting principles and methods are fixed in the Accounting policy of Rosneft.

Changes in the accounting rules and standards and compilation of financial reports were on the whole reflected in the accounting and reporting of the Company.

In the process of the audit the Audit commission considered compliance by the Company with the current RF legislation with respect to performing financial and economic transactions and reflecting them in the accounting, with a view to reveal possible distortions in financial statements.

Book keeping and compilation of financial statements was performed in accordance with the legislative requirements and legal acts regulating accounting and taxation in the RF and the Accounting policy approved by the Company for 2008. The Audit commission performed audit of book keeping and did not reveal material breaches of the established procedure for book keeping and preparation of financial statements which could have a material effect on the authenticity of the financial statements.

The annual financial statements of the Company are drawn up in full scope in accordance with the Forms approved by the RF Ministry of Finance.

In accordance with the obtained results and under consideration of the opinion of the closed joint-stock company Auditing and consulting group Business system development, the Internal Audit Commission claims that:

Financial (accounting) statements were prepared by the managers of Rosneft in accordance with the requirements of the RF legislation with respect to preparing financial (accounting) statements and reflects authentically and in all material aspects the financial

position of the Company as of 31.12.2008 and the results of its financial and economic activity for the period January 1 through December 31, 2008.

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A.S. Fomin

V.V. Oseledko

S.I. Zhuravlev

Members of the Internal Audit Commission, Rosneft

D.S. Logunov

Secretary of the Internal Audit Commission