



PRESS RELEASE

Rosneft Successfully Closes Strategic Deal for the Acquisition of 49% of Essar Oil Limited

- The Company has acquired a stake in a high-tech refinery equipped with all the necessary infrastructure (refining throughput - 20 mmt, Nelson index - 11.8, conversion rate – 95.5%)
- A platform for further development of international trading – entering the high-premium markets of the Asia-Pacific region and south-east Asia – has been created
- The Company has successfully entered the fast-growing Indian market

Rosneft successfully closed strategic transaction for the acquisition of 49.13% of shares of Essar Oil Limited (EOL) from Essar Energy Holdings Limited (EOL) and its affiliates. An investment consortium comprising Trafigura and UCP has also announced the closure of their acquisition of a separate 49.13% share of EOL. The price parameters are in line with the legally binding agreements signed previously.

The closing of the acquisition enables Rosneft to enter one of the world's fastest growing markets (29.8% cumulative GDP growth in India in 2013-2016).

Rosneft has acquired a stake in a first class asset with a significant development potential. The Vadinar refinery, located in the state of Gujarat, possesses high feedstock flexibility, with heavy grades from Latin America accounting for more than half of all feedstock processed. The refinery's configuration is one of the most technologically complicated in the Asia-Pacific region and has significant prospects for expansion in development of the petrochemical production. The availability of all the necessary infrastructure (a deep-water port, storage terminals and own power station are part of the transaction), as well as Rosneft's shares in upstream projects in Venezuela and working offtake contracts with PDVSA will provide Rosneft with significant operational synergies and help improve the refinery's economics. A further synergy will be derived from cross-supplies of oil products to Asia Pacific markets.

EOL has a vast retail network of over 3,500 Essar-branded fuel stations across India. This sales channel will further improve the asset's operational and financial performance thanks to the steadily growing local demand for high added value oil products and EOL's retail development strategy.

Commenting on the closing of the transaction, Rosneft's Chief Executive Officer Igor Sechin stated: "This day marks the beginning of a new chapter for EOL. Together with our partners we intend to support the company to significantly improve its financial performance and, in the medium term, adopt an asset development strategy. The closing of the deal is a remarkable achievement for Rosneft too: the Company has entered the high-potential and fast-growing Asia Pacific market. The acquisition of the stake in the Vadinar refinery creates unique opportunities of synergies with existing Rosneft-owned assets and will help improve efficiency of supply to other countries within the region."

Essar Founder Mr Shashi Ruia, said: "I congratulate Rosneft, Trafigura and UCP for investing in a world-class oil business, which we are proud to have built. For Essar, the closure of this landmark transaction ushers in a new phase of growth across our portfolio of businesses that hold great promise in India's enduring development story."

Notes for editors:

With its current throughput capacity of 20 mmta, Vadinar refinery is the second largest refinery in India, and in terms of complexity is one of the top ten refineries of the world (Nelson index – 11.8). The refinery is highly flexible in feedstock processing and can operate on heavy and ultra-heavy crude grades. The refinery has access to a deep-water port capable of receiving super large VLCC class tankers. The existing assets of the Company generate stable cash flow sufficient to meet all its liabilities and finance the development program. Essar Oil Limited also owns a network of over 3,500 gas stations all across India. Pricing deregulation of the India's retail market has opened up potential for efficient retail sales growth. According to the International Energy Agency, from 2000 onwards, motor fuel consumption in India grew on average 6.8% annually. IEA predicts that by 2040 India's automotive sector will be consuming 132 mmtoe of oil products annually (a growth of 306.8%).

Rosneft Information Division

Tel.: + 7 (499) 517-88-97

August 21, 2017

These materials contain statements about future events and expectations that are forward-looking in nature. Any statement in these materials that is not a statement of historical fact is a forward-looking statement that involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements expressed or implied by such forward-looking statements to differ. We assume no obligation to update the forward-looking statements contained herein to reflect actual results, changes in assumptions or changes in factors affecting these statements.