

APPROVED BY

Resolution of the Board of Directors
of OJSC Oil Company Rosneft
Minutes No. 6 dated May 17, 2006

**REGULATIONS ON DIVIDEND POLICY
OF OPEN JOINT STOCK COMPANY
OIL COMPANY ROSNEFT**

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Article 1. Regulations on dividend policy

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 basic principles of the dividend policy of the Company, the procedure of adopting a decision on payment (declaration) of dividends, and the procedure of calculating the extent of dividends.

Article 2. Terms and definitions

1. Terms and definitions used in these Regulations shall be applied in the meanings they are used in the Russian Federation’s laws on joint stock companies and securities unless otherwise provided by these Regulations.

2. The following terms and definitions are used for the purposes of these Regulations:

“**annual General Meeting of Shareholders**” is an annually held General Meeting of Shareholders which decides the issues of electing the Company’s Board of Directors, Audit Commission (Comptroller) of the Company, approval of the Company’s auditor, approval of the annual report (annual reports), annual financial statements, distribution of profit (including payment (declaration) of dividends with the exception of the profit distributed as dividends on the results of the first quarter, six months, nine months of a fiscal year) and the Company’s losses on the results of a fiscal year, and other issues;

“**person entitled to collect dividends**” is a person included into a list of persons entitled to collect dividends;

“**decision on payment (declaring) dividends**” is a decision of the General Meeting of Shareholders to pay out dividends to the persons entitled to collect dividends, which may be taken on the results of the first quarter, six months, nine months of a fiscal year, and (or) on the results of a fiscal year;

“**dividend payout period**” is the date of fulfillment of the obligations on payment of dividends or a period of time within which the obligation on payment of dividends should be fulfilled. The obligation to pay out dividends is subject to execution on the same day or at any time within such period. The dividend payout period is determined by the Company’s Charter or by the decision of the General Meeting of Shareholders on payment of dividends;

“**dividend payout form**” is the money or other forms of property subject to transfer to persons entitled to collect dividends. The form of dividend payout shall be determined by the decision on payment (declaration) of dividends. The form of dividend payout with the types of property other than money shall be permissible only in the cases prescribed by the Company’s Charter;

“**payment of dividends**” is remittal of corresponding amounts to the bank account (mailing address) of a person entitled to collect a dividend.

Article 3. General provisions on dividends

1. The dividend is a portion of the Company’s net profit to be distributed among shareholders in proportion to the number of the shares possessed by them.

2. Adopting a decision on payment of dividends on all categories (types) of shares is a right and not an obligation of the Company. The General Meeting of Shareholders is entitled not to take decisions on payment of dividends.

Payout of declared dividends is an obligation of the Company. The Company shall bear responsibility regarding the persons entitled to collect dividends for failure to exercise this duty in compliance with the applicable legislation of the Russian Federation.

The Company shall pay only declared dividends. In the absence of a decision on payment (declaration) of dividends the Company is not entitled to pay out the dividends and shareholders to demand paying out of them.

3. Dividends shall be paid out in the currency of the Russian Federation or in another currency provided it is not in contradiction with the applicable legislation.

4. The sole executive body of the Company shall ensure timely and complete payment of declared dividends.

Article 4. Principles of Company's dividend policy

1. The Company's dividend policy is based on the following principles:

- provided that it has profit, the Company shall annually channel a limited portion of it for payment of dividends using the profit remaining at the Company's disposal primarily for reinvestment, for the purpose of capitalizing the Company;
- optimal combination of the Company's interests and the interests of its shareholders;
- necessity to increase the Company's investment appeal and capitalization;
- respect for and strict observance of the shareholders' rights provided by the Russian Federation's current laws and the best practices of corporate conduct;
- transparency of procedures of determining the extent and paying-out of dividends.

2. When determining the extent of dividends recommended to the General Meeting of Shareholders, the Board of Directors shall be guided by the amount of the net profit on the basis of financial statements data of the Company drawn up according to the requirements of the Russian legislation.

The recommended amount of dividend payments shall be determined by the Board of Directors on the basis of the financial results of the Company's activities as of the year end, but, as a rule, shall be no less than 10% of the Company's net profit.

Article 5. Procedure of adopting decision on payment of dividends

1. Decisions on payment (declaration) of dividends including decisions on the extent of dividends and the form of their payment shall be taken by the General Meeting of Shareholders. The extent of the dividends may not exceed the one recommended by the Company's Board of Directors.

The Company is empowered to adopt decisions (declare) on payment of dividends on the outstanding shares based on the results of the first quarter, six months, nine months of a fiscal year and (or) on the results of a fiscal year unless otherwise established by the laws.

2. Decisions on payment of dividends shall determine:

- the extent of the dividend on a per-share basis of a corresponding type without deduction of taxes,
- term of payment,
- form of payment.

3. A decision on payment of dividends on outstanding shares based on the results of the first quarter, six months, nine months of a fiscal year shall be taken by the General Meeting of Shareholders as a separate item of the agenda of the General Meeting of Shareholders.

A decision on the payment (declaration) of dividends based on the results of the first quarter, six months, nine months of a fiscal year may be taken within three months following the end of the corresponding period.

4. A decision on the payment of dividends on the outstanding shares based on the results of a fiscal year shall be taken by the General Meeting of Shareholders as a separate item of the agenda of the General Meeting of Shareholders, or as an integral part of the decision on distribution of the Company's profit based on the results of a fiscal year.

A decision on payment of dividends on the outstanding shares based on the results of a fiscal year shall be taken by the annual General Meeting of Shareholders.

5. When determining the recommended extent of dividends the Board of Directors shall be guided by the applicable legislation of the Russian Federation, the Company's Charter, these Regulations and recommendations of the Board of Directors' committees within their competence.

Recommendations of the Board of Directors should be drawn in the form of minutes, which (or the extract from which) shall be available to all the shareholders of the Company.

Article 6. Distribution of dividends

1. The source of paying out of dividends is the Company's profit after assessed taxes (net profit of the Company). The Company's net profit shall be formed on the basis of data of financial statements of the Company drawn up in accordance with the requirements of the Russian legislation.

2. Dividends shall neither accrue nor be paid out on the shares:

- not issued (not outstanding) ones,
- outstanding shares of the Company being in the Company's possession,
- in other cases provided by the legislation of the Russian Federation.

Article 7. List of persons entitled to collect dividends

1. A list of persons entitled to collect dividends shall be made out as of the date of making a list of persons entitled to participate in the General Meeting of Shareholders, which takes a decision on payment (declaration) of dividends.

2. A list of persons entitled to collect dividends shall include:

Shareholders registered in the shareholders register system as of the date of making the list;
other persons (pledgees, trustees, etc.) registered in the shareholders register system as of the date of making the list, to whom the rights as to shares are transferred, unless otherwise provided by a contract of such person with a shareholder;

shareholders in whose interests a nominee shareholder registered in the shareholder register system as of the date of making the list holds the shares.

To make out a list of persons entitled to dividends, the nominee shareholder shall furnish with the data the persons in whose interests he holds the shares.

Article 8. Dividend payout period

1. Dividends on the shares of all the categories (types) shall be paid out within the entire period specifies in the Company's Charter. When paying out the dividends, none of the shareholders has preferences in terms of payout period.

2. If the final day of the dividend payout period falls on a non-business day, then the last day of the period should be deemed the nearest business day following it.

3. The Company is entitled to fulfill the obligation on payout of dividends ahead of schedule.

4. The Company is entitled to fulfill the obligation on payout of dividends on any day during the dividend payout period.

Article 9. Restrictions on payment of dividends

1. When adopting a decision (declaration) on payment of dividends and paying out the dividends the Company shall follow the restrictions established by the Federal laws.

2. Given the circumstances provided by the Federal laws based on which the Company is not authorized to pay out the declared dividends on the shares, the Company must suspend paying out the dividends. Suspending paying out the dividends in the above-mentioned cases shall not suspend the shareholders' right to collect the declared dividends upon termination of the circumstances preventing them from being paid out. Upon cessation (elimination) of such circumstances, the Company must pay out to the shareholders the declared dividends within reasonable time.

Article 10. Informing shareholders on Company's dividend policy

1. The Company shall inform the shareholders on its dividend policy by the way of placing information on the web site of the Company in the Internet at the address www.rosneft.ru.

The information to be placed on the Company's web site shall include these Regulations and amendments made to it.

2. The Company shall inform the shareholders on its dividend policy concerning the extent, form, term and procedure of paying out the dividends by the way of placing information on the web site of the Company in the Internet at the address www.rosneft.ru.

3. The materials to be furnished to the shareholders for adopting decisions at the General Meeting of Shareholders shall contain information indicative of availability or lack of conditions necessary to pay out dividends.

4. Published announcement concerning adopting the decision on payment of dividends, their extent, form, term and procedure of payment shall unambiguously and expressly give to the shareholders an idea on these issues. At the same time, such information shall expound to the shareholders that they must inform the Company on changes in their banking prerequisites and mailing addresses, as well as on the consequences of failure to comply with this obligation.