

STATEMENT
of the Internal Audit Committee about the audit of the Rosneft annual
financial statements

May 3, 2007

Moscow

The Internal Audit Committee of Rosneft composed of:

- chairman of the audit committee - M.G. Bondarenko;
- members of the audit committee A.I. Latsis, E.A. Solovieva;

guided by the authorities granted by the Federal Law on «Joint stock companies», the Charter of Rosneft Oil Company, the Regulation on the Internal Audit Committee of Rosneft as approved by the General Shareholders' meeting of 07.06.2006, has conducted the audit of the annual financial (accounting) statements of Rosneft for the period from January 1 through December 31, 2006, inclusive.

The Financial (accounting) statements of Rosneft are composed of:

- Accounting balance sheet, Form No. 1;
- Profit and loss account, Form No. 2;
- Statement of Changes in Equity, Form No. 3;
- Statement of cash flow, Form No. 4;
- Appendix to the Balance sheet, Form No. 5;
- Explanation notes (further all statements are referred to collectively as «financial (accounting) statements»).

The responsibility for preparation and presentation of the financial (accounting) statements lies with the executive body of Rosneft. The responsibility of the internal audit committee consists in providing an opinion about the reliability of the financial (accounting) statements in all material respects as well as about compliance of bookkeeping procedures with the laws of the Russian Federation, based on the results of the audit.

The audit is conducted in accordance with:

- Federal Law on «Joint Stock companies» of 26.12.1995 No. 208-FZ;
- Federal Law on «Bookkeeping» of 21.11.1996 No. 129-FZ;
- Bookkeeping Provisions «Bookkeeping in an organization» PBU 4/99, as approved by Order of the Minister of Finance of the RF of 06.07.99 No. 43H;
- Provisions for bookkeeping and financial (accounting) statements in the Russian Federation as approved by the order of the Minister of Finance of the RF of 29.07.98 No. 34H
- Provision for the «Internal Audit Committee of the OJSC «Oil Company «Rosneft», as approved by the General Shareholders' meeting of 07.06.2006.

The audit has been conducted on sample basis and involved the examination of numerical values of the financial (accounting) statements, the disclosure of business information in the reports and provided an opinion on adherence to rules and principles of bookkeeping used in preparing financial (accounting) statements.

Changes in the opening balance.

As of December 31, 2006 the «other non-current assets» line 150 of the balance sheet reflected capital investments in geological assets and in research and design works,

the opening balance of assets on which was reflected under line 130 of the balance sheet, i.e. «construction-in-progress».

In order to insure comparability of indicators and in compliance with approved standard forms of corporate statements adjustments have been made in the opening balance of the balance sheet:

thou. rubles.

assets	as of 31.12.05	change	as of 01.01.06
construction-in-progress	13 340 066	- 968 848	12 371 218
other non-current assets	702 242	968 848	1 671 090
liabilities			
loans and credits	49 213 647	-957 661	48 255 986
other short term liabilities	0	957 661	957 661

Events after the reporting date

February 2007: a credit agreement for 2.5 billion USD is signed with ABN AMRO as creditor and 8 international banks as joint arrangers. The credit has been used to repay the previous more cost intensive loans.

January 2007:

- Registered Pipeline consortium Burgas-Alexandropolis LLC, with OJSC AK Transneft owning 33.34 %; Rosneft Oil Company – 33.33 %; OJSC Gazrpomneft – 33.33 %;

- Acquired a stake of registered common shares of OJSC Okhinskaya Power Station, comprising 55 331 951 shares at 11.37 rubles each. The share in the OJSC Okhinskaya Power Station charter totals 85.61%;

- sold 2000 common shares of OJSC ANTEK-invest (16.53 % of the charter capital) for 49 216.2 thou. rubles.

March 15, 2007. The Board of Directors of Rosneft approves deals related to acquisition of a 13 billion USD loan and the granting of a guarantee to RN-Razvitie LLC (Rosneft indirectly owns 100% of equity), which is to receive a 9 billion USD loan. The loans are acquired in order to fund the purchase of core assets in the Russian Federation and abroad, including at the OJSC NK YUKOS auction.

Conditional business facts.

1. In 2006 the International commercial arbitration of the Chamber of trade and commerce of the RF recovered from OJSC Yuganskneftegaz (predecessor in title of Rosneft oil company) in favor of Yukos Capital S.a.r.l. debts under loan agreements, including a 11 233 000.0 thou. ruble loan and 1 702 858.5 thou. rubles in interests; arbitration and legal costs of 857.5 thou. USD. The Company believes to have grounds for these decisions to be cancelled and is planning to appeal to the Arbitration court of Moscow for the 2007 arbitration awards of the of the International commercial arbitration of the Chamber of trade and commerce of the RF to be cancelled.

2. In May 2005, Moravel Investment Limited, a YUKOS affiliate, filed a claim against OJSC Yuganskneftegaz with the London International arbitration with the view to recover 662 million USD under the guarantee agreement granted to OJSC NK YUKOS in respect to a 1 600 million USD loan. The hearings finished in July 2006, and the award is expected in 2007.

The Company believes the Moravel Investment Limited claim to be unjustified, since in March 2006 the Moscow Arbitration declared the guarantee agreement invalid under the law of the Russian Federation. The courts of cessation and appeal upheld this award.

3. In October 2003 the Czech Kyklop spol S r.o. filed a claim with the Arbitration court of the Zurich Chamber of Commerce to recover from OJSC Yuganskneftegaz a debt on payments for spare parts delivered under a Supply contract of 27.10.1994 No. 114-01-797, totaling 3 900.8 thou. USD (105 300.0 thou. rubles), plus a 5% interest. The Company believes this claim to be unjustified and will continue to defend its legitimate rights and interests.

4. In October 2006 the Moscow arbitration declared as invalid the decision of the interregional inspectorate of the Federal Tax agency of Russia about major taxpayers No.1 of 12.05.2006 No.52/554/1 with regard to the refusal for OJSC Yuganskneftegaz to increase losses for 2002 by 163 111 thou. rubles. The Tax agency is expected to appeal.

5. On 13.09.2005 the interregional inspectorate of the Federal Tax agency of Russia decided (decision No. 52/668 on major taxpayers No.1) to refuse OJSC Yuganskneftegaz 2001 income tax recovery of 1 186 064.5 thou. Rubles, and increased the amount of the 2001 income tax by 1 044 373.5 thou. Rubles.

OJSC Yuganskneftegaz made the following appeal to the Moscow Arbitration:

- declare invalid the decision of the Tax agency to increase the income tax amount by 1 044 373.5 thou. Rubles;

- compel the Tax agency to recover the income tax unduly paid by OJSC Yuganskneftegaz for 2001, in total amount of 1 186 064.5 thou. Rubles.

On 18.09.2006 the court of appeal upheld the OJSC Yuganskneftegaz appeal, revoked the decision of the court of first instance and declared the decision of the Tax agency invalid. The Tax agency is expected to appeal.

Under the first claim the Moscow arbitration suspended proceedings, pending the examination of the cessation appeal under the second claim.

6. The Moscow arbitration court is examining a claim by Rosneft Oil Company to declare invalid the Order of the interregional inspectorate of the Federal Tax agency of Russia No.1 of 25.11.2005 No. 765 about payment of fines charged upon the OJSC Yuganskneftegaz tax debts for the second half of 2004 in the total amount of 955 101.4 thou. Rubles. The Court of cessation referred the case for a new trial by the court of first instance. The new trial will take place in 2007.

Status of bookkeeping and reporting.

The status of bookkeeping of Oil Company Rosneft OJSC, in all material respects, complies with the requirements of the Federal Law of 21.11.1996 No. 129-FZ «On Bookkeeping». The bookkeeping methods are in accord with the Russian laws, corporate rules and legal documents. The bookkeeping principles and methods are stated in the Accounting policies of OJSC «Oil Company «Rosneft».

The Bookkeeping reports are compiled in accordance with requirements of the law of the Russian Federation and local legal documents of OJSC «Oil Company «Rosneft».

Based on the results and taking into consideration the opinion of the CJSC Audit firm «Center of the Accountant and the Auditor», the Internal Audit Committee has the following opinion:

The Financial (accounting) statements have been prepared by the Management of OJSC «Oil Company «Rosneft» in accordance with the requirements of the laws of the Russian Federation as regards the preparation of the financial (accounting) statements and gives a true reflection in all material respects of the financial status of the Company as of 31.12.2006 and its business results from 1 January through December 31, 2006.

Chairman of the Internal Audit Committee
of OJSC «Oil Company «Rosneft»

M.G. Bondarenko

Members of the Internal Audit Committee
of OJSC «Oil Company «Rosneft»:

A.I. Latsis

E.A. Solovieva

