

**Recommendations of the Board of Directors
of Open Joint Stock Company RN Holding
in respect of the Voluntary Tender Offer of
Oil Company Rosneft**

1. On November 6, 2013, Open Joint Stock Company RN Holding (the “Company”) received a voluntary tender offer from Oil Company Rosneft (“Rosneft”) in respect of 1,918,701,184 ordinary registered uncertificated shares of the Company (state registration number of the issue 1-01-55034-E) (the “Ordinary Shares”) constituting about 12.79% of the total number of issued and outstanding ordinary shares of the Company, and 450,000,000 preferred registered uncertificated shares of the Company (state registration number of the issue 2-01-55034-E) (the “Preferred Shares”) constituting 100% of the total number of issued and outstanding preferred shares in the Company (jointly, the “VTO”). The VTO is marked by the Bank of Russia Financial Markets Service (the “SBR”) which confirms the submission of the VTO to the SBR on October 18, 2013 in accordance with the requirements of Article 84.9 of Federal Law No. 208-FZ “On Joint-Stock Companies”, dated December 26, 1995, as amended (the “JSC Law”). Under the VTO, the proposed tender offer price is fixed in the amount of RUB 67 (sixty seven rubles) per Ordinary Share (the “Ordinary Share Tender Offer Price”) and RUB 55 (fifty five rubles) per Preferred Share (the “Preferred Share Tender Offer Price”).

2. In accordance with the VTO, affiliates of Rosneft hold, as of the date of the VTO, 13,078,267,182 Ordinary Shares representing about 84.67% of the Company’s charter capital.

3. Eight out of nine members of the Board of Directors of the Company are employed by Rosneft and are members of the collective executive body of Rosneft which submitted the VTO. In the course of exercising their rights and performing their obligations as members of the Board of Directors all members of the Board of Directors act for the benefit of the Company and exercise their rights and perform their obligations with respect to the Company reasonably and in good faith.

4. The VTO contains the details provided for by Article 84.1(2) of the JSC Law and is supported by the bank guarantee for the amount of RUB 153,310,000,000 (one hundred fifty three billion and three hundred ten million rubles), which exceeds the aggregate purchase value of all Ordinary Shares and Preferred Shares being subject to VTO.

5. Pursuant to Article 84.3(1) of the JSC Law, the Board of Directors adopts the following recommendations in respect of the VTO, which are addressed to the holders of Ordinary Shares and Preferred Shares as follows:

5.1 Determination of the Ordinary Share Tender Offer Price

Considering that

- i. the Ordinary Share Tender Offer Price exceeds the weighted average price of one Ordinary Share determined upon the results of the organized trading at CJSC MICEX SE for the period of six months preceding the date of the submission of the VTO to the SBR (October 18, 2013), which amounts to RUB 51 according to the memo issued by CJSC MICEX SE of October 18, 2013;
- ii. in accordance with the VTO, neither Rosneft nor its affiliates have acquired or assumed any obligations to acquire the Ordinary Shares at a price exceeding the Ordinary Share Tender Offer Price, within six months preceding the date of submission of the VTO to the Company; and

- iii. the Ordinary Share Tender Offer Price has been determined based on the weighted average price of an Ordinary Share determined upon the results of organized trading at CJSC MICEX SE for the period of 18 months preceding September 26, 2013 (which is RUB 64.29), and exceeds by approximately 24.1% the quotation of an Ordinary Share at the organized trading at CJSC MICEX SE as at September 26, 2013 (which constituted RUB 54.00), i.e. immediately prior to the International Investment Forum “Sochi-2013”, that took place on September 27, 2013, where D. A. Medvedev, Chairman of the Government of the Russian Federation, in his speech recommended to Rosneft, as the company paying special attention to observing the shareholders’ interests, to purchase the shares of the Company from minority shareholders;

The Board of Directors also notes that the Ordinary Share Tender Offer Price exceeds the price of one Ordinary Share established at the organized trading at CJSC MICEX SE as at the close of business on November 13, 2013, and considers the Ordinary Share Tender Offer Price to be in compliance with the requirements of Article 84.2(4) of the JSC Law and reasonable.

5.2 Determination of the Preferred Share Tender Offer Price

Considering that

- i. the Preferred Share Tender Offer Price exceeds the weighted average price of one Preferred Share determined upon the results of the organized trading at CJSC MICEX SE for the period of six months preceding the date of the submission of the VTO to the SBR (October 18, 2013), which amounts to RUB 39.12 according to the memo issued by CJSC MICEX SE of October 18, 2013;
- ii. in accordance with the VTO, neither Rosneft nor its affiliates have acquired or assumed any obligations to acquire the Preferred Shares at a price exceeding the Preferred Share Tender Offer Price, within six months preceding the date of submission of the VTO to the Company; and
- iii. the Preferred Share Tender Offer Price has been determined based on the weighted average price of a Preferred Share determined upon the results of organized trading at CJSC MICEX SE for the period of 18 months preceding September 26, 2013 (which is RUB 52.14), and exceeds by approximately 25% the quotation of a Preferred Share at the organized trading at CJSC MICEX SE as at September 26, 2013 (which constituted RUB 44.00), i.e. immediately prior to the International Investment Forum “Sochi-2013”, that took place on September 27, 2013, where D. A. Medvedev, Chairman of the Government of the Russian Federation, in his speech recommended to Rosneft, as the company paying special attention to observing the shareholders’ interests, to purchase the shares of the Company from minority shareholders;

The Board of Directors also notes that the Preferred Share Tender Offer Price exceeds the price of one Preferred Share established at the organized trading at CJSC MICEX SE as at the close of business on November 13, 2013, and considers the Preferred Share Tender Offer Price to be in compliance with the requirements of Article 84.2(4) of the JSC Law and reasonable.

5.3 Possible Change of the Market Value of the Company's Shares

The Board of Directors recommends to the Company's shareholders, when deciding whether to accept the VTO, to consider that upon completion of the VTO the number of outstanding Ordinary Shares and/or Preferred Shares may significantly decrease (or free-floating thereof may cease). All that may result in decrease of the liquidity and market value of the Company's shares.

The market value of the Company's shares may vary in future within a wide range as affected by various factors, some of which are complex or impossible to predict and which are beyond the Company's control, including changes in the Company's operations and performance, changes in the level of income, effective legislation, as well as influence of general economic conditions, including the world economic situation and changes of hydrocarbon prices.

5.4 Assessment of Rosneft's Plans with Respect to the Company

The Board of Directors points out that the VTO contains the following plans of Rosneft with respect to the Company:

"If following this voluntary tender offer Rosneft together with its affiliates becomes the owner of more than 95% of shares in OJSC RN Holding, Rosneft intends to buy out all remaining ordinary and preferred shares of OJSC RN Holding upon the demand of Rosneft in accordance with Article 84.8 of the Federal Law "On Joint-Stock Companies". Even if Rosneft fails to effect the buy-out, or elects to forgo it, Rosneft intends to seriously consider the options for delisting with respect to the shares of OJSC RN Holding."

Taking a decision with regard to the VTO, shareholders should take into consideration the aforementioned plans of Rosneft with respect to the Company.

6. In view of the above, the Board of Directors recommends to shareholders to accept the VTO. Prior to taking such decision with regard to the VTO, the Company's shareholders should carefully review the VTO and the Company's information letter with respect to the same.