



**PJSC "RUSSNEFT" PRESS SERVICE
PRESS-RELEASE**

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**PRESS-RELEASE
November 14, 2016**

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PJSC «RussNeft» Announces Intention of its Shareholder to Launch a Public Offering of Shares

Public Joint Stock Company «RussNeft» («RussNeft» or the «Company»), one of the largest oil companies by crude oil production in Russia, announces intention of the Company's shareholder, BELYRIAN HOLDINGS LIMITED, beneficially owned by members of the Gutseriev family, to launch an initial public offering («IPO» or the «Offering») of ordinary shares of RussNeft (the «Shares») on the Moscow Exchange.

- It is expected that the Offering shall comprise up to 20% of the total ordinary shares of the Company, which corresponds to approx. 15% of the Company's charter capital.

- The Offering is scheduled to take place in the fourth quarter of 2016. It will be executed through the infrastructure of the Moscow Exchange in accordance with the settlement procedures of CJSC «MICEX Stock Exchange».
- The Company expects that the Shares will be admitted to trading and included into the first (highest) quotation list of the Moscow Exchange prior to the Offering.
- Each of the Company and BELYRIAN HOLDINGS LIMITED intends to provide lock-up arrangements in relation to the issuance and sale of the Shares with certain customary exceptions for 180 days following the Offering. Glencore plc provided lock-up arrangements for 180 days from the date of signing on 31 October 2016.
- VTB Capital and Sberbank CIB are acting as Joint Global Coordinators and Joint Bookrunners of the Offering. Aton and BCS are acting as Joint Bookrunners of the Offering. EΦΓ Asset Management and Investment Company ITInvest are acting as Co-Lead Managers of the Offering. LECAP is acting as Legal Counsel to the Company in connection with the Offering.

Mikhail Gutseriev, Chairman of the Board of Directors:

Today RussNeft is the largest Russian private oil company, which shares are not listed, with a diversified portfolio of assets located in key Russian oil and gas provinces, including Volga Urals, Western and Central Siberian Province as well as international assets.

Unlike the largest Russian oil majors formed in the course of privatization, RussNeft has been developing via organic growth, having significantly expanded its resource base, which currently exceeds 200 mln tons. During last couple of years, RussNeft has optimized its asset portfolio, launched an operating efficiency program and optimized its capital structure, which allowed to substantially reduce company's leverage.

The Company's stable financial position and sustainable cash flows coupled with high reserve replacement ratios and significant growth potential lay foundation for the successful realization of RussNeft's strategy of further growth and stable development.

Listing on the Moscow Exchange would allow RussNeft to gain access to equity markets and would allow the Company to improve transparency and quality of its corporate governance as well as strengthen RussNeft's investment case. We believe that upcoming IPO would attract a wide range of investors, providing them with an opportunity to invest in a growing and independent oil company.

About the Company

RussNeft ranks among ten largest Russian oil companies by crude oil production in Russia.

RussNeft possesses a well-balanced asset portfolio located in key Russian oil provinces (West Siberia, Volga Urals and Central Siberia) as well as international assets in Azerbaijan.

Total 2P reserves exceed 200 mln tons (SPE) with total oil production in 2015 amounting to 7.9 mln tons including international assets in Azerbaijan.

RussNeft currently employs over 10,000 people.

75% of RussNeft's share capital (67% of ordinary shares) is owned by BELYRIAN HOLDINGS LIMITED and its subsidiaries, beneficiary owned by members of the Gutseriev family. 25% of share capital (33% of ordinary shares) is owned by Glencore plc and its subsidiaries.

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