

# **Slavneft Group**

Consolidated Interim  
Condensed Financial Statements (unaudited)

*as of and for the three and the nine months ended  
30 September 2017*

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## **Report on Review of Interim Financial Information**

To the shareholders and the Board of Directors of  
OAO NGK Slavneft

### **Introduction**

We have reviewed the accompanying consolidated interim condensed financial statements of OAO NGK Slavneft and its subsidiaries, which comprise the consolidated interim statement of financial position as at 30 September 2017, the related consolidated interim statement of comprehensive income for the three-month and nine-month periods then ended, consolidated interim statement of changes in shareholder's equity and consolidated interim statement of cash flows for the nine-month period then ended and other explanatory notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim financial information based on our review.

### **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Совершенствоуя бизнес,  
улучшаем мир

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*.

  
K.I. Petrov  
Partner  
Ernst & Young LLC

31 October 2017

### **Details of the entity**

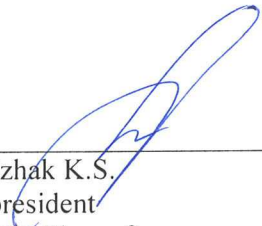
Name: OAO NGK Slavneft  
Record made in the State Register of Legal Entities on 30 September 2002, State Registration Number 1027739026270.  
Address: Russia 125047, Moscow, 4<sup>th</sup> Lesnoy side-street, 4.


### **Details of the practitioner**

Name: Ernst & Young LLC  
Record made in the State Register of Legal Entities on 5 December 2002, State Registration Number 1027739707203.  
Address: Russia 115035, Moscow, Sadovnicheskaya naberezhnaya, 77, building 1.  
Ernst & Young LLC is a member of Self-regulated organization of auditors "Russian Union of auditors" (Association) ("SRO RUA"). Ernst & Young LLC is included in the control copy of the register of auditors and audit organizations, main registration number 11603050648.

**Slavneft Group**  
**Consolidated Interim Statement of Financial Position (unaudited)**  
*(in millions of Russian Roubles)*

	Notes	30 September 2017	31 December 2016
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	321,700	302,117
Deferred tax assets		10,781	9,872
Other non-current assets	5	1,224	946
<b>Total non-current assets</b>		<b>333,705</b>	<b>312,935</b>
<b>Current assets</b>			
Inventories	6	7,262	7,664
Accounts receivable and prepayments	7	52,130	14,416
Income tax receivables		123	264
Cash and cash equivalents	8	3,444	4,333
Other current assets		17	161
<b>Total current assets</b>		<b>62,976</b>	<b>26,838</b>
<b>Total assets</b>		<b>396,681</b>	<b>339,773</b>
<b>Equity</b>			
Ordinary share capital		70	70
Retained earnings		50,518	41,613
Other reserves		—	(56)
Additional paid-in capital		54,812	54,812
<b>Total equity attributable to OAO NGK Slavneft's shareholders</b>		<b>105,400</b>	<b>96,439</b>
Non-controlling interest	22	98,758	91,776
<b>Total equity</b>		<b>204,158</b>	<b>188,215</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Non-current debt	9	87,840	42,876
Deferred tax liabilities		18,195	17,057
Decommissioning and environmental liabilities	10	17,622	16,722
Other non-current liabilities		2,475	2,808
<b>Total non-current liabilities</b>		<b>126,132</b>	<b>79,463</b>
<b>Current liabilities</b>			
Current debt and current portion of non-current debt	9	15,649	24,614
Trade payables	11	22,159	22,104
Advances received		191	372
Dividends payable		11	9
Taxes payable	12	25,749	22,803
Other current liabilities	13	2,632	2,193
<b>Total current liabilities</b>		<b>66,391</b>	<b>72,095</b>
<b>Total liabilities</b>		<b>192,523</b>	<b>151,558</b>
<b>Total equity and liabilities</b>		<b>396,681</b>	<b>339,773</b>

  
 Karabadzhak K.S.  
 Acting president  
 OAO NGK Slavneft

  
 Shuvaev A.A.  
 Chief accountant  
 OAO NGK Slavneft

31 October 2017

The accompanying notes are an integral part of these consolidated interim condensed financial statements (unaudited).

**Slavneft Group**  
**Consolidated Interim Statement of Comprehensive Income (unaudited)**  
*(in million of Russian Roubles)*

	Notes	Three months ended 30 September 2017	Nine months ended 30 September 2017	Three months ended 30 September 2016	Nine months ended 30 September 2016
<b>Revenue</b>	<b>15</b>	<b>63,135</b>	<b>174,545</b>	<b>53,594</b>	<b>157,601</b>
Production expenses		(11,991)	(33,778)	(11,126)	(33,744)
Selling, general and administrative expenses		(1,524)	(4,285)	(1,557)	(4,488)
Cost of other sales		(759)	(2,325)	(754)	(2,146)
Taxes other than income tax	<b>16</b>	(28,743)	(83,929)	(23,320)	(63,597)
Depreciation, depletion and amortization	<b>4, 5</b>	(9,771)	(27,571)	(8,642)	(24,455)
Exploration expenses		(117)	(590)	(105)	(386)
Impairment and gain/(loss) on disposal of assets		(204)	(301)	127	172
<b>Total operating expenses and costs</b>		<b>(53,109)</b>	<b>(152,779)</b>	<b>(45,377)</b>	<b>(128,644)</b>
Other operating income		245	728	118	406
<b>Operating profit</b>		<b>10,271</b>	<b>22,494</b>	<b>8,335</b>	<b>29,363</b>
Finance income	<b>17</b>	246	839	421	1,281
Finance expenses	<b>17</b>	(1,821)	(4,399)	(1,365)	(5,065)
Foreign exchange (loss)/gain		141	473	334	3,599
<b>Profit before income tax</b>		<b>8,837</b>	<b>19,407</b>	<b>7,725</b>	<b>29,178</b>
Income tax expense	<b>14</b>	(1,785)	(3,598)	(1,671)	(6,022)
<b>Profit for the year attributable to:</b>		<b>7,052</b>	<b>15,809</b>	<b>6,054</b>	<b>23,156</b>
– OAO NGK Slavneft's shareholders		4,060	8,859	3,341	13,532
– Non-controlling interest	<b>22</b>	2,992	6,950	2,713	9,624
<b>Other comprehensive income/(loss):</b>		<b>56</b>	<b>137</b>	<b>17</b>	<b>(122)</b>
<i>Items that may be subsequently reclassified to profit or loss</i>					
Currency translation differences		56	56	17	(122)
<i>Items that will not be reclassified to profit or loss</i>					
Remeasurement of post-employment benefit obligation and other long-term benefits		–	81	–	–
<b>Total comprehensive income attributable to:</b>		<b>7,108</b>	<b>15,946</b>	<b>6,071</b>	<b>23,034</b>
– OAO NGK Slavneft's shareholders		4,116	8,961	3,358	13,410
– Non-controlling interest	<b>22</b>	2,992	6,985	2,713	9,624
<b>Earnings per share attributable to OAO NGK Slavneft's shareholders:</b>					
Basic earnings (in Russian Roubles)		0.85	1.86	0.70	2.85
Weighted average number of shares outstanding (millions)		4,754	4,754	4,754	4,754

The accompanying notes are an integral part of these consolidated interim condensed financial statements (unaudited).

**Slavneft Group**  
**Consolidated Interim Statement of Changes in Shareholders' Equity (unaudited)**  
*(in million of Russian Roubles)*

Notes	Equity attributable to Group shareholders				Total	Non-controlling interest	Total equity
	Ordinary share capital	Additional paid-in capital	Other reserves	Retained earnings			
<b>At 1 January 2016</b>	<b>70</b>	<b>54,812</b>	<b>62</b>	<b>24,347</b>	<b>79,291</b>	<b>80,056</b>	<b>159,347</b>
Profit for the period	–	–	–	13,532	13,532	9,624	23,156
<b>Other comprehensive income</b>							
Currency translation differences	–	–	(122)	–	(122)	–	(122)
<b>Total comprehensive income/(loss)</b>	<b>–</b>	<b>–</b>	<b>(122)</b>	<b>13,532</b>	<b>13,410</b>	<b>9,624</b>	<b>23,034</b>
Dividends	–	–	–	–	–	(3)	(3)
Other	–	–	–	136	136	–	136
<b>At 30 September 2016</b>	<b>70</b>	<b>54,812</b>	<b>(60)</b>	<b>38,015</b>	<b>92,837</b>	<b>89,677</b>	<b>182,514</b>
<b>At 1 January 2017</b>	<b>70</b>	<b>54,812</b>	<b>(56)</b>	<b>41,613</b>	<b>96,439</b>	<b>91,776</b>	<b>188,215</b>
Profit for the period	–	–	–	8,859	8,859	6,950	15,809
<b>Other comprehensive income</b>							
Currency translation differences	–	–	56	–	56	–	56
Remeasurement of post-employment benefit obligation and other long-term benefits	–	–	–	46	46	35	81
<b>Total comprehensive income</b>	<b>–</b>	<b>–</b>	<b>56</b>	<b>8,905</b>	<b>8,961</b>	<b>6,985</b>	<b>15,946</b>
Dividends	–	–	–	–	–	(3)	(3)
<b>At 30 September 2017</b>	<b>70</b>	<b>54,812</b>	<b>–</b>	<b>50,518</b>	<b>105,400</b>	<b>98,758</b>	<b>204,158</b>

The accompanying notes are an integral part of these consolidated interim condensed financial statements (unaudited).

**Slavneft Group**  
**Consolidated Interim Statement of Cash Flows (unaudited)**  
*(in million of Russian Roubles)*

	Notes	Nine months ended 30 September 2017	Nine months ended 30 September 2016
<b>Operating activities</b>			
<b>Profit for the period</b>		<b>15,809</b>	<b>23,156</b>
<b>Adjustments to reconcile profit for the year to net cash provided by operating activities</b>			
Depreciation, depletion and amortization	4, 5	27,571	24,455
Impairment and financial result from disposal of assets		301	(172)
Finance income	17	(839)	(1,281)
Finance expenses	17	4,399	5,065
Foreign exchange gain		(473)	(3,599)
Income tax expense	14	3,598	6,022
Change in provisions and estimates		(67)	274
Other		(245)	(250)
<b>Cash flows from operating activities before working capital changes</b>		<b>50,054</b>	<b>53,670</b>
<b>Working capital changes</b>			
Increase in accounts receivable and prepayments		(38,556)	(4,683)
Pension paid		(193)	(143)
Decrease/(increase) in inventories		711	(735)
(Increase)/decrease in other current and non-current assets		(194)	257
Decrease in accounts payable		(1,638)	(736)
Increase in other current liabilities		198	50
Decrease in other non-current liabilities		(17)	–
Increase in taxes payable		2,768	5,774
Income tax paid		(3,051)	(2,503)
<b>Net cash from operating activities</b>		<b>10,082</b>	<b>50,951</b>
<b>Investing activities</b>			
Dividends received		–	15
Proceeds from sale of property, plant and equipment		134	270
Purchases of property, plant and equipment		(42,702)	(38,190)
Interest received		838	1,250
Changes in long term investments		4	(10)
<b>Net cash used in investing activities</b>		<b>(41,726)</b>	<b>(36,665)</b>
<b>Financing activities</b>			
Proceeds from current debt		2,800	–
Proceeds from non-current debt		77,645	44,180
Repayments of current debt		(1,150)	(250)
Repayments of non-current debt		(42,820)	(47,804)
Dividends paid		(1)	(2)
Interest payments		(5,742)	(6,454)
<b>Net cash from / (used in) financing activities</b>		<b>30,732</b>	<b>(10,330)</b>
<b>Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies</b>		<b>23</b>	<b>(103)</b>
<b>Net increase in cash and cash equivalents</b>		<b>(889)</b>	<b>3,853</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>8</b>	<b>4,333</b>	<b>8,078</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>8</b>	<b>3,444</b>	<b>11,931</b>

The accompanying notes are an integral part of these consolidated interim condensed financial statements (unaudited).



## **Slavneft Group**

### **Notes to the Consolidated Interim Condensed Financial Statements (unaudited)**

*(in million of Russian Roubles, unless noted otherwise)*

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#### **NOTE 1. GENERAL INFORMATION**

OAo NGK Slavneft (the “Company”) and its subsidiaries (jointly referred to as the “Group”) are engaged in oil exploration, development, production, refining and selling activities for oil in the Russian Federation.

The Company was established as an open joint-stock company in August 1994 in accordance with the Decree of the Government of the Russian Federation # 305, issued 8 April 1994, the Decree of the Council of Ministers of the Republic of Belarus # 589-r, issued 15 June 1994 and the Charter agreement from 27 June 1994. Under the provisions of the decrees and the Charter agreement, the Russian Federation transferred to the Company 60.5% of voting shares of OAo Slavneft-Megionneftegaz, currently the principal oil producing subsidiary of the Group, and 50.7% of voting shares of OAo Megionneftegazgeologiya, the Republic of Belarus transferred to the Company 17.6% of OAo Mozyrsky NPZ and another 15% of OAo Mozyrsky NPZ was transferred to the Company by a number of individuals in exchange for the Company’s shares. Upon formation of the Company, 86.3% of its share capital was owned by the Russian Federation, 7.2% by the Republic of Belarus and 6.5% by a number of individuals.

The authorized capital of the Company is 4,754,238,000 common shares with a par value of Russian Roubles 0.001 per share. The carrying value of share capital as at 30 September 2017 and 31 December 2016 differs from its historic value due to the effect of hyperinflation in the Russian Federation till 31 December 2002.

In a series of transactions through January 2003, including participation in privatization auctions in the Russian Federation and the Republic of Belarus, 99% of the Company’s shares were ultimately acquired together by OAo Siberian Oil Company (currently known as PJSC Gazprom Neft) and TNK-BP (subsequently acquired by PJSC Rosneft Oil Company). PJSC Gazprom Neft and PJSC Rosneft Oil Company (the “Primary Shareholders”) are the Primary shareholders and jointly control the Group.

#### **Registered address and place of business**

The Company’s registered address is 125047, Moscow, 4, 4<sup>th</sup> Lesnoy side-street, the Russian Federation. The Group’s principal place of business is Russian Federation.

#### **NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Statement of compliance**

The Consolidated Interim Condensed Financial Statements has been prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting*. IAS 34 for interim financial reporting does not require all disclosures that would be necessarily required by International Financial Reporting Standards (hereinafter – “IFRS”).

The Group maintains its books and records in accordance with accounting and taxation principles and practices mandated by legislation in the countries in which it operates (primarily the Russian Federation). The accompanying Consolidated Interim Condensed Financial Statements was primarily derived from the Group’s statutory books and records with adjustments and reclassifications made to present it in accordance with IFRS.

The Group does not disclose information which would substantially duplicate the disclosures contained in its audited Consolidated Financial Statements for 2016, such as significant accounting policies, significant estimates and judgements or disclosures of financial line items, which have not changed significantly in amount or composition. Management of the Group believes that the disclosures in this Consolidated Interim Condensed Financial Statements are adequate to make the information presented not misleading if this Consolidated Interim Condensed Financial Statements is read in conjunction with the Group’s Consolidated Financial Statements for 2016.

The results reported in this Consolidated Interim Condensed Financial Statements for the nine months ended 30 September 2017 and 30 September 2016 are not necessarily indicative of the results expected for the full year.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Basis of measurement**

This Consolidated Interim Condensed Financial Statements has been prepared on a historical cost basis, except for financial instruments that have been measured at fair value.

**Functional and presentation currency**

The functional currency of each of the Group's consolidated entities is the currency of the primary economic environment in which the entity operates. In accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates* the Group's management has analysed several factors that influence the choice of functional currency and, based on this analysis, has determined the functional currency for each entity of the Group. For the majority of the entities the functional currency is the local currency of the entity. This Consolidated Interim Condensed Financial Statements is presented in Russian Roubles, and all values are rounded to the nearest million, except when otherwise indicated.

**Foreign currency translation**

Monetary assets and liabilities, which are held by the Group entities and denominated in foreign currencies at the reporting date, are translated into Russian Roubles (hereinafter – “RR”) at the official exchange rates of the Central Bank of the Russian Federation (hereinafter – “CBR”) at that date. Non monetary assets and liabilities are translated at historical rates. Revenues, expenses and cashflows are translated into functional currency at average rates for the period or exchange rates prevailing on the transaction dates where practicable. Gains and losses resulting from the re-measurement into functional currency are included in the Consolidated Interim Statement of Comprehensive Income.

The following exchange rates determined by the Central Bank of the Russian Federation have been applied at 30 September 2017 and 31 December 2016 and for the nine months ended 30 September 2017 and 2016 (in RR):

	30 September	31 December	Average rates for the nine months ended	
	2017	2016	30 September	
			2017	2016
<b>For one currency unit to equivalent</b>				
<b>Russian Rouble</b>				
– US dollar (“USD”)	58.0169	60.6569	58.3344	68.3667
– Euro (“EUR”)	68.4483	63.8111	64.9319	76.2805

**Going concern**

The Group's management prepared this Consolidated Interim Condensed Financial Statements on a going concern basis. In making this judgement management considered the Group's financial position, current intentions, profitability of operations and access to financial resources, and analysed the impact of the situation in the financial markets on the operations of the Group.

Management believes that the current cash on hand, expected cash flows from operations and available standby credit facilities from financial institutions will be sufficient to meet the Group's working capital requirements and repay its short-term debts and obligations when they become due.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Changes in accounting policies, estimates and judgements**

The accounting policies, estimates and judgements applied by the Group in this Consolidated Interim Condensed Financial Statements are the same as those applied by the Group in its Consolidated Financial Statements as at and for the year ended 31 December 2016.

In order to improve the quality of disclosed information, the Company made reclassification between income and expenses in the Consolidated Interim Statement of Comprehensive Income and in the Consolidated Interim Statement of Cash Flows for the nine months ended 30 September 2016. These amendments did not have a material impact on the Group's Consolidated Interim Condensed Financial Statements for the three and the nine months ended 30 September 2017 and 30 September 2016, therefore additional disclosure was not made.

**NOTE 3. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS**

The accounting policies applied by the Group in this Consolidated Interim Condensed Financial Statements are the same as those applied by the Group in its Consolidated Financial Statements for the year ended 31 December 2016, except that the Group has adopted those new and amended Standards that are mandatory for financial annual periods beginning on 1 January 2017:

<b>Standards</b>	<b>Effective for annual periods beginning on or after</b>
IAS 7 (Amended) <i>Statement of Cash Flows</i>	1 January 2017
IAS 12 (Amended) <i>Income Taxes</i>	1 January 2017

Application of these standards and interpretations had no significant impact on the Group's financial position or results of operations.

## Slavneft Group

### Notes to the Consolidated Interim Condensed Financial Statements (unaudited)

(in million of Russian Roubles, unless noted otherwise)

#### NOTE 4. PROPERTY, PLANT AND EQUIPMENT

	Oil and gas properties	Machinery and equipment	Construction in progress and exploration and evaluation assets	Total
<b>Cost</b>				
<b>As of 1 January 2017</b>	<b>380,670</b>	<b>114,131</b>	<b>40,024</b>	<b>534,825</b>
Additions	580	–	47,922	48,502
Transfers	30,216	8,996	(39,212)	–
Change in decommissioning liabilities	(305)	–	–	(305)
Disposals	(1,006)	(881)	(1,114)	(3,001)
<b>As of 30 September 2017</b>	<b>410,155</b>	<b>122,246</b>	<b>47,620</b>	<b>580,021</b>
<b>Accumulated depreciation, depletion, amortization and impairment</b>				
<b>As of 1 January 2017</b>	<b>(187,526)</b>	<b>(44,371)</b>	<b>(811)</b>	<b>(232,708)</b>
Depreciation, depletion and amortization	(22,457)	(5,100)	–	(27,557)
Impairment	(23)	–	(15)	(38)
Disposal of impairment	34	–	341	375
Disposals	863	744	–	1,607
<b>As of 30 September 2017</b>	<b>(209,109)</b>	<b>(48,727)</b>	<b>(485)</b>	<b>(258,321)</b>
<b>Net book value as of 1 January 2017</b>	<b>193,144</b>	<b>69,760</b>	<b>39,213</b>	<b>302,117</b>
<b>Net book value as of 30 September 2017</b>	<b>201,046</b>	<b>73,519</b>	<b>47,135</b>	<b>321,700</b>
<b>Cost</b>				
<b>As of 1 January 2016</b>	<b>337,876</b>	<b>107,699</b>	<b>35,829</b>	<b>481,404</b>
Additions	398	–	40,996	41,394
Transfers	28,864	4,265	(33,129)	–
Change in decommissioning liabilities	(710)	–	–	(710)
Disposals	(2,608)	(651)	(142)	(3,401)
Other	–	249	–	249
<b>As of 30 September 2016</b>	<b>363,820</b>	<b>111,562</b>	<b>43,554</b>	<b>518,936</b>
<b>Accumulated depreciation, depletion, amortization and impairment</b>				
<b>As of 1 January 2016</b>	<b>(163,097)</b>	<b>(38,883)</b>	<b>(902)</b>	<b>(202,882)</b>
Depreciation, depletion and amortization	(19,723)	(4,697)	–	(24,420)
Impairment	(27)	–	(87)	(114)
Disposal of impairment	54	1	8	63
Disposals	2,422	504	–	2,926
Other	–	(167)	–	(167)
<b>As of 30 September 2016</b>	<b>(180,371)</b>	<b>(43,242)</b>	<b>(981)</b>	<b>(224,594)</b>
<b>Net book value as of 1 January 2016</b>	<b>174,779</b>	<b>68,816</b>	<b>34,927</b>	<b>278,522</b>
<b>Net book value as of 30 September 2016</b>	<b>183,449</b>	<b>68,320</b>	<b>42,573</b>	<b>294,342</b>

During the nine months ended 30 September 2017, borrowing costs of RR 2,516 million were capitalized and paid RR 2,518 million (during the nine months ended 30 September 2016 – RR 2,740 million and RR 2,617 million respectively).

**Slavneft Group****Notes to the Consolidated Interim Condensed Financial Statements (unaudited)***(in million of Russian Roubles, unless noted otherwise)***NOTE 5. OTHER NON-CURRENT ASSETS**

	<b>30 September 2017</b>	<b>31 December 2016</b>
Other intangible assets	1,171	891
Other non-current financial assets	12	16
Other non-current non-financial assets	41	39
<b>Total other non-current assets</b>	<b>1,224</b>	<b>946</b>

Intangible assets are stated net of accumulated amortization in the amount of RR 94 million as of 30 September 2017 (as of 31 December 2016 – RR 82 million). For the nine months ended 30 September 2017 accumulated amortization accrued in the amount of RR 14 million (for the nine months ended 30 September 2016 – RR 35 million).

**NOTE 6. INVENTORIES**

	<b>30 September 2017</b>	<b>31 December 2016</b>
Crude oil	3,315	3,655
Materials and supplies	2,880	2,479
Petroleum products	530	430
Other	545	1,123
Allowance for inventory impairment	(8)	(23)
<b>Total inventories</b>	<b>7,262</b>	<b>7,664</b>

**NOTE 7. ACCOUNTS RECEIVABLE AND PREPAYMENTS**

	<b>30 September 2017</b>	<b>31 December 2016</b>
Trade receivables	47,659	10,187
Other accounts receivable	1,881	1,528
Allowance for doubtful accounts	(724)	(709)
<b>Trade and other receivables, net</b>	<b>48,816</b>	<b>11,006</b>
Advances to suppliers and prepayments	1,767	1,989
VAT recoverable	1,547	1,421
<b>Tax prepayments and advances issued</b>	<b>3,314</b>	<b>3,410</b>
<b>Total trade and other receivables, net</b>	<b>52,130</b>	<b>14,416</b>

**NOTE 8. CASH AND CASH EQUIVALENTS**

	<b>30 September 2017</b>	<b>31 December 2016</b>
Cash held in banks – Russian Roubles	374	63
Cash held in banks – foreign currencies	294	973
Deposits – Russian Roubles	2,344	3,297
Deposits – foreign currencies	432	–
<b>Total cash and cash equivalents</b>	<b>3,444</b>	<b>4,333</b>

**Slavneft Group****Notes to the Consolidated Interim Condensed Financial Statements (unaudited)***(in million of Russian Roubles, unless noted otherwise)***NOTE 9. NON-CURRENT DEBT**

	Currency	30 September 2017	31 December 2016
JSC Gazprombank	RR	27,900	15,000
JSC Alfa bank	RR	20,004	14,338
PJSC Sberbank	RR	19,120	–
PJSC CREDIT BANK OF MOSCOW	RR	15,010	7,013
PJSC Bank Sankt Petersburg	RR	5,355	6,772
PJSC Sovcombank	RR	5,000	–
JSC Raiffeisenbank	USD	3,773	5,604
JSC UniCreditbank	USD	3,129	5,233
PJSC BANK URALSIB	RR	1,045	–
OJSC Zapsibkombank	RR	1,000	–
LLC Ekspobank	RR	500	5,500
PJSC VTB Bank	RR	–	8,030
Less current portion		(13,996)	(24,614)
<b>Total non-current debt</b>		<b>87,840</b>	<b>42,876</b>

Loan agreements contain a number of restrictive financial and other areas that the Company or its subsidiary as the borrower are obliged to fulfill. These covenants include maintaining certain financial ratios. As of 30 September 2017 and 31 December 2016 the Group complied with all restrictive financial and other covenants contained in the loan agreements.

**Current debt and current portion of non-current debt**

	30 September 2017	31 December 2016
Current debt – Russian Roubles	1,653	–
Current portion of non-current loans – Russian Roubles	8,389	19,190
Current portion of non-current loans – foreign currencies	5,607	5,424
<b>Total current portion of non-current debt</b>	<b>15,649</b>	<b>24,614</b>

**NOTE 10. DECOMMISSIONING AND ENVIRONMENTAL LIABILITIES**

The table below presents movement of decommissioning and environmental provisions:

	Three months ended 30 September 2017	Nine months ended 30 September 2017	Three months ended 30 September 2016	Nine months ended 30 September 2016
<b>Decommissioning and environmental provisions, opening balance (including current portion)</b>	<b>17,761</b>	<b>17,094</b>	<b>14,104</b>	<b>13,895</b>
Additions	236	534	73	318
Disposal	(10)	(13)	(180)	(331)
Change in estimates	(103)	(309)	(201)	(810)
Unwinding of discount	306	884	369	1,093
<b>Decommissioning and environmental provisions, closing balance</b>	<b>18,190</b>	<b>18,190</b>	<b>14,165</b>	<b>14,165</b>
Less current portion	(568)	(568)	(260)	(260)
<b>Decommissioning and environmental provisions, closing balance (non-current portion)</b>	<b>17,622</b>	<b>17,622</b>	<b>13,905</b>	<b>13,905</b>

**Slavneft Group****Notes to the Consolidated Interim Condensed Financial Statements (unaudited)***(in million of Russian Roubles, unless noted otherwise)***NOTE 11. TRADE PAYABLES**

	<b>30 September 2017</b>	<b>31 December 2016</b>
Payables to suppliers and contractors	12,601	12,812
Payables for purchased non-current assets	9,558	9,292
<b>Total trade payable</b>	<b>22,159</b>	<b>22,104</b>

**NOTE 12. TAXES PAYABLE**

	<b>30 September 2017</b>	<b>31 December 2016</b>
Value added tax	9,746	7,997
Mineral extraction tax	9,271	8,599
Excise	3,978	3,585
Property tax	979	933
Income tax allowance	758	826
Social payments	539	575
Income tax	382	192
Personal income tax	87	82
Other	9	14
<b>Total taxes payables</b>	<b>25,749</b>	<b>22,803</b>

**NOTE 13. OTHER CURRENT LIABILITIES**

	<b>30 September 2017</b>	<b>31 December 2016</b>
Accrual for bonus payments	803	491
Accrual for vacation payments	596	619
Environmental liabilities (current portion)	568	372
Wages and salaries	451	452
Accrued liabilities	25	17
Other	189	242
<b>Total other current liabilities</b>	<b>2,632</b>	<b>2,193</b>

**NOTE 14. INCOME TAX**

The Group calculates the income tax expense for the period based on the tax rate that will be applied to the expected total profit for the year. The main components of income tax expense in the Consolidated Interim Statement of Comprehensive Income were as follows:

	<b>Three months ended 30 September 2017</b>	<b>Nine months ended 30 September 2017</b>	<b>Three months ended 30 September 2016</b>	<b>Nine months ended 30 September 2016</b>
Current income tax expense	1,637	3,683	1,199	3,754
Deferred tax expense	106	229	359	1,748
Income tax allowance	43	(68)	110	676
Income tax adjustments for previous periods	(1)	(246)	3	(156)
<b>Total income tax expense</b>	<b>1,785</b>	<b>3,598</b>	<b>1,671</b>	<b>6,022</b>

**Slavneft Group****Notes to the Consolidated Interim Condensed Financial Statements (unaudited)***(in million of Russian Roubles, unless noted otherwise)***NOTE 15. REVENUE**

	Three months ended 30 September 2017	Nine months ended 30 September 2017	Three months ended 30 September 2016	Nine months ended 30 September 2016
Crude oil	54,392	150,324	45,296	133,738
Processing services	7,339	20,041	6,986	19,616
Other sales	1,307	3,890	1,208	3,944
Associated gas	97	290	104	303
<b>Total revenue</b>	<b>63,135</b>	<b>174,545</b>	<b>53,594</b>	<b>157,601</b>

**NOTE 16. TAXES OTHER THAN INCOME TAX**

	Three months ended 30 September 2017	Nine months ended 30 September 2017	Three months ended 30 September 2016	Nine months ended 30 September 2016
Mineral extraction tax	27,014	78,550	21,600	58,241
Property tax	988	3,038	1,022	3,059
Social payments	710	2,240	674	2,208
Other	31	101	24	89
<b>Total taxes other than income tax</b>	<b>28,743</b>	<b>83,929</b>	<b>23,320</b>	<b>63,597</b>

**NOTE 17. FINANCE INCOME AND EXPENSES**

	Three months ended 30 September 2017	Nine months ended 30 September 2017	Three months ended 30 September 2016	Nine months ended 30 September 2016
Interest income	246	838	413	1,250
Other income	–	1	8	31
<b>Total finance income</b>	<b>246</b>	<b>839</b>	<b>421</b>	<b>1,281</b>
Interest expenses	(1,430)	(3,227)	(944)	(3,801)
Unwinding of discount on decommissioning and environmental liabilities	(306)	(884)	(369)	(1,093)
Expenses on pension liabilities	(50)	(149)	(46)	(139)
Bank commissions and charges	(36)	(137)	(3)	(23)
Other	1	(2)	(3)	(9)
<b>Total finance expenses</b>	<b>(1,821)</b>	<b>(4,399)</b>	<b>(1,365)</b>	<b>(5,065)</b>
<b>Total finance expenses, net</b>	<b>(1,575)</b>	<b>(3,560)</b>	<b>(944)</b>	<b>(3,784)</b>

**NOTE 18. RELATED PARTY TRANSACTIONS**

For the purposes of this Consolidated Interim Condensed Financial Statements, parties are generally considered to be related if one party has the ability to control the other party, or can exercise significant influence or joint control over the other party in making financial and operational decisions. Related parties may enter into transactions which unrelated parties might not, and transactions between related parties may not be effected on the same terms as transactions between unrelated parties.

The Group's principal related parties for the nine months ended 30 September 2017 were the Primary Shareholders (Note 1) and their subsidiaries (Rosneft Group and Gazprom Neft Group).



**Slavneft Group****Notes to the Consolidated Interim Condensed Financial Statements (unaudited)***(in million of Russian Roubles, unless noted otherwise)***NOTE 18. RELATED PARTY TRANSACTIONS (CONTINUED)**

Remuneration of key management personnel of the Group (members of the Board of Directors and the Management Board of OAO NGK Slavneft, OJSC Slavneft-Megionneftegaz, OJSC Slavneft-Yaroslavnefteorgsintez) was as follows:

	<b>Three months ended 30 September 2017</b>	<b>Nine months ended 30 September 2017</b>	<b>Three months ended 30 September 2016</b>	<b>Nine months ended 30 September 2016</b>
Short-term employee benefits	193	307	38	115
Long-term bonus scheme and other long-term employee benefits	6	9	–	1
<b>Total</b>	<b>199</b>	<b>316</b>	<b>38</b>	<b>116</b>

Sales (including other sales) to related parties were as follows:

<b>Customer</b>	<b>Description</b>	<b>Three months ended 30 September 2017</b>	<b>Nine months ended 30 September 2017</b>	<b>Three months ended 30 September 2016</b>	<b>Nine months ended 30 September 2016</b>
Entities of Rosneft Group	Crude oil	27,189	74,987	22,644	66,723
Entities of Gazprom Neft Group	Crude oil	27,189	74,987	22,645	66,723
Entities of Rosneft Group	Processing services	3,671	10,024	3,493	9,808
Entities of Gazprom Neft Group	Processing services	3,671	10,024	3,493	9,808
Other	Other	1,270	3,782	1,185	3,535
<b>Total</b>		<b>62,990</b>	<b>173,804</b>	<b>53,460</b>	<b>156,597</b>

For the nine months ended 30 September 2017 the Group incurred operating expenses with related parties representing purchases in the amount of RR 372 million (for the nine months ended 30 September 2016 – RR 281 million).

Receivables from related parties were as follows:

	<b>30 September 2017</b>	<b>31 December 2016</b>
Entities of Rosneft Group	23,490	4,190
Entities of Gazprom Neft Group	22,933	4,070
Other	–	5
<b>Total</b>	<b>46,423</b>	<b>8,265</b>

Accounts payable to related parties were as follows:

	<b>30 September 2017</b>	<b>31 December 2016</b>
Entities of Gazprom Neft Group	1,805	2,135
Entities of Rosneft Group	1,106	748
<b>Total</b>	<b>2,911</b>	<b>2,883</b>

Dividends payable to Primary Shareholders were as follows:

	<b>30 September 2017</b>	<b>31 December 2016</b>
Entities of Gazprom Neft Group	5.5	4
Entities of Rosneft Group	5.5	4
<b>Total</b>	<b>11</b>	<b>8</b>

## **NOTE 19. CONTINGENCIES AND COMMITMENTS**

### **Capital expenditure commitments**

The Group has approved contractual capital expenditure commitments for construction and fixed assets acquisition as of 30 September 2017 in the amount of RR 27,621 million (31 December 2016 – RR 14,270 million).

### **Litigation**

Neiborz Drilling International Limited LLC has filed a lawsuit against OOO Slavneft-Krasnoyarskneftegaz for the recovery of pre-term cancellation of the contract for the amount of USD 4.2 million (RR 242 million). The claim will be considered at the ICAC at the Chamber of Commerce and Industry of the Russian Federation, the date of consideration determined on 16 August 2017. At present, the Company is awaiting a decision by the court, the probability of a positive outcome is estimated at 50 percent or more.

The Group has a number of other insignificant claims and litigations relating to regular business activities and insignificant fiscal claims. The Group's management believes that none of these claims, individually or in aggregate, will have a material adverse impact on the Group.

### **Taxation contingencies in the Russian Federation**

Russian tax and customs legislation is subject to varying interpretations and changes, which can occur frequently. Management's interpretation of such legislation as applied to the transactions and activities of the Group may be challenged by the tax authorities.

Currently the Russian tax authorities are taking a more assertive position in their interpretation of the legislation and assessments and, as a result, it is possible that transactions and activities that have not been challenged in the past may be challenged. It is therefore possible that significant additional taxes, penalties and interest may be assessed. Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year of review. Under certain circumstances reviews may cover longer periods.

Management believes that the Group has paid or accrued all taxes that are applicable. Where uncertainty exists, the Group has accrued tax liabilities based on management's best estimate of the probable outflow of resources embodying economic benefits, which will be required to settle such liabilities.

Amended Russian transfer pricing legislation took effect from 1 January 2012. The new transfer pricing rules appear to be more technically elaborate and, to a certain extent, better aligned with the international transfer pricing principles developed by the Organization for Economic Cooperation and Development. The new legislation provides the possibility for tax authorities to make transfer pricing adjustments and impose additional tax liabilities in respect of controlled transactions (transactions with related parties and some types of transactions with unrelated parties), provided that the transaction price is not arm's length. The Group's management has implemented internal procedures to be in compliance with the new transfer pricing legislation. The Group's management believes that its pricing methodology is in compliance with the transfer pricing legislation and applied intra-Group prices are arm's length.

Given that the practice of implementation of the new Russian transfer pricing rules has not yet developed, the impact of any challenge of the Group's transfer prices cannot be reliably estimated; however, it may be significant to the financial conditions and the overall operations of the Group.

### **Operating environment**

Russia continues economic reforms and the development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the Russian economy is largely dependent upon these reforms and developments and the effectiveness of the economic, financial and monetary measures taken by the Government.

A decline in oil prices and sanctions imposed on Russia by some countries have a negative impact on the Russian economy. Interest rates of borrowings in Russian Roubles remain high. The combination of these factors led to a decrease in the availability of capital and increase of its value, as well as to an increase in uncertainty about future economic growth, which may adversely affect the financial position, results of operations and business prospects.

**NOTE 19. CONTINGENCIES AND COMMITMENTS (CONTINUED)**

The Group's management is taking necessary measures to ensure sustainability of the Group's operations. However, the future effects of the current economic situation are difficult to predict and management's current expectations and estimates could differ from actual results.

In the normal course of business the Group is exposed to the following financial risks: market risk (including foreign currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk. The Group has introduced a risk management system and developed a number of procedures to measure, assess and monitor risks and select the relevant risk management techniques.

Risk management is carried out by the Management Board on a monthly basis. The Company's Management Board and the Management Boards of subsidiaries jointly with the Boards of Directors provide principles for overall risk management, as well as policies covering specific areas, such as foreign currency risk and interest rate risk.

**NOTE 20. FINANCIAL RISK MANAGEMENT**

**Market risk**

The Group is exposed to market price movements relating to changes in commodity prices such as crude oil, foreign currency exchange rates, interest rates, stock prices and other indices that could affect the value of the Group's financial assets, liabilities or expected future cash flows. The measures taken by the Group's management to optimize revenues and expenses help to reduce the impact of this risk.

**Foreign currency risk**

The Company undertakes transactions nominated in foreign currencies and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and euro. Foreign exchange risk arises from assets, liabilities, commercial transactions and financing nominated in foreign currencies.

The carrying amounts of the Group's financial instruments by currencies they are denominated are as follows:

	<b>RUR</b>	<b>USD</b>	<b>EUR</b>	<b>BYR</b>	<b>Subtotal for foreign currency</b>	<b>Total</b>
<b>30 September 2017</b>						
<b>Current assets</b>						
Trade accounts receivable	48,250	–	565	1	<b>566</b>	<b>48,816</b>
Cash and cash equivalents	2,718	621	94	11	<b>726</b>	<b>3,444</b>
Other current assets	17	–	–	–	–	<b>17</b>
<b>Non-current liabilities</b>						
Non-current debt	(86,546)	(1,294)	–	–	<b>(1,294)</b>	<b>(87,840)</b>
<b>Current liabilities</b>						
Current debt	(10,042)	(5,607)	–	–	<b>(5,607)</b>	<b>(15,649)</b>
Trade accounts payable	(21,447)	(10)	(701)	(1)	<b>(712)</b>	<b>(22,159)</b>
<b>Total, net</b>	<b>(67,050)</b>	<b>(6,290)</b>	<b>(42)</b>	<b>11</b>	<b>(6,321)</b>	<b>(73,371)</b>

## Slavneft Group

### Notes to the Consolidated Interim Condensed Financial Statements (unaudited)

(in million of Russian Roubles, unless noted otherwise)

#### NOTE 20. FINANCIAL RISK MANAGEMENT (CONTINUED)

	RUR	USD	EUR	BYR	Subtotal for foreign currency	Total
<b>31 December 2016</b>						
<b>Current assets</b>						
Trade accounts receivable	9,971	–	1,032	3	<b>1,035</b>	<b>11,006</b>
Cash and cash equivalents	3,360	814	119	40	<b>973</b>	<b>4,333</b>
Other current assets	12	–	–	149	<b>149</b>	<b>161</b>
<b>Non-current liabilities</b>						
Non-current debt	(37,464)	(5,412)	–	–	<b>(5,412)</b>	<b>(42,876)</b>
<b>Current liabilities</b>						
Current debt	(19,190)	(5,424)	–	–	<b>(5,424)</b>	<b>(24,614)</b>
Trade accounts payable	(20,728)	(8)	(1,332)	(36)	<b>(1,376)</b>	<b>(22,104)</b>
<b>Total, net</b>	<b>(64,039)</b>	<b>(10,030)</b>	<b>(181)</b>	<b>156</b>	<b>(10,055)</b>	<b>(74,094)</b>

The impact of the 20% appreciation/(depreciation) of the Russian ruble against foreign currencies on the Company's income before income tax would be the following:

	Nine months ended 30 September 2017			Nine months ended 30 September 2016		
	USD	EUR	BYR	USD	EUR	BYR
Effect on pre-tax profit	-/+ 1,258	-/+ 8	+/- 2	-/+2,932	-/+72	+/-45

#### Commodity price risk

The Group's overall commercial trading strategy in crude oil and related products is centrally managed. Changes in commodity prices could negatively or positively affect the Group's results of operations. The Group sells substantially all its crude oil and related products to the Primary Shareholders.

#### Interest rate risk

Loans and borrowings raised at variable interest rates expose the Company to interest rate risk arising from the possible movement of variable elements of the overall interest rate.

The interest rate profile of the Group's interest-bearing financial instruments is as follows:

	30 September 2017	31 December 2016
Bank deposits	2,776	3,297
Non-current debt	(19,120)	(11,043)
Current portion of non-current debt	(2,045)	(11,579)
<b>Fixed rate financial instruments, net</b>	<b>(18,389)</b>	<b>(19,325)</b>
Non-current debt	(68,720)	(31,833)
Current portion of non-current debt	(13,549)	(12,975)
<b>Variable rate financial instruments</b>	<b>(82,269)</b>	<b>(44,808)</b>

The Group's management analyzes its interest rate exposure, including by performing scenario analysis to measure the impact of an interest rate shift on annual income before income tax.

The table below summarizes the impact of a potential increase or decrease on the Company's profit before tax, as applied to the variable element of interest rates on loans and borrowings. The increase/decrease is based on management estimates of potential interest rate movements.

**NOTE 20. FINANCIAL RISK MANAGEMENT (CONTINUED)**

A 5% change in interest rates at the reporting date would have the following effect on profit before tax:

	<b>Nine months ended 30 September 2017</b>	<b>Nine months ended 30 September 2016</b>
Effect on profit before tax	2,603	2,209

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The sensitivity analysis is limited to variable rate loans and borrowings and is conducted with all other variables held constant. The analysis is prepared with the assumption that the amount of variable rate liability outstanding at the reporting date was outstanding for the whole year. The interest rate on variable rate loans and borrowings will effectively change throughout the year in response to fluctuations in market interest rates.

The impact measured through the sensitivity analysis does not take into account other potential changes in economic conditions, that may accompany the relevant changes in market interest rates.

**Credit risk**

Credit risk is the risk that a counterparty may default or not meet its obligations to the Group on a timely basis, leading to a financial loss to the Group.

The Group is dependent on a limited number of customers, the top trade debtors of which are entities associated with the Primary Shareholders. Therefore the probability of repayment of non-discounted debts of buyers and customers as of 30 September 2017 is not considered as a significant risk, as the debtors (Primary Shareholders and other companies) in the past has not violated the terms of the arranged agreements.

The carrying amount of financial assets represents the maximum credit risk exposure.

**Liquidity risk**

Liquidity risk is the risk that the Group will not be able to settle its financial liabilities as they fall due. Prudent liquidity risk management includes maintaining sufficient cash, the availability of funding with committed credit facilities and the ability to close out market positions.

As of 30 September 2017 net current liability position of the Group totally was RR 3,415 million (31 December 2016 – RR 45,257 million). Positive cash flow from operations for the nine months ended 30 September 2017 was RR 10,082 million (for the nine months ended 30 September 2016 – RR 50,951 million). As of 30 September 2017 the Group has an equity to total asset ratio of 51% (as of 31 December 2016 – 55%).

The Group's Management ensures flexibility in funding by maintaining availability of credit line facilities. The unused portion of committed credit lines as of 30 September 2017 was RR 24,212 million (as of 31 December 2016 – RR 17,095 million). The unused portion of uncommitted credit lines as of 30 September 2017 was RR 2,350 million (as of 31 December 2016 – RR 16,760 million).

The Group's Management expects that the major sources of the Group's liquidity in 2017 will be cash generated from operations and additional financing for investments in order to refinance the existing loans and to optimize finance costs.

## **NOTE 21. FAIR VALUE OF FINANCIAL INSTRUMENTS**

### **Fair value measurement**

There were no transfers between the levels of the fair value hierarchy during the nine months ended 30 September 2017 year. There are no significant assets or liabilities measured at fair value categorised within Level 1 and Level 3 of the fair value hierarchy. Borrowings are within Level 2 of the fair value hierarchy.

#### ***Cash and cash equivalents, short-term bank deposits, accounts receivable and accounts payable***

The carrying amounts of these items are a reasonable approximation of their fair value.

#### ***Non-current debt***

Loans under bank arrangements have variable and fixed interest rates that reflect currently available terms and conditions for a similar debt.

The fair value of non-current debt differs from its carrying value and amounts to RR 103,512 million as at 30 September 2017 (as of 31 December 2016 – RR 68,129 million).

**Slavneft Group**
**Notes to the Consolidated Interim Condensed Financial Statements (unaudited)**
*(in million of Russian Roubles, unless noted otherwise)*
**NOTE 22. NON-CONTROLLING INTEREST**

The table below presents information regarding non-controlling interest (hereinafter – “NCI”) as of 30 September 2017 and as of 31 December 2016, and for the nine months ended 30 September 2017 and 30 September 2016.

Subsidiaries	Core activity	30 September 2017		Nine months ended 30 September 2017	
		NCI, %	NCI in net assets	NCI in net profit/(loss)	NCI in net comprehensive (loss)/income
OAO Slavneft-Megionneftegaz	Oil and gas development and production	43.58%	60,573	3,690	3,725
OAO Slavneft Yaroslavnfteorgsintez	Petroleum refining	60.17%	33,969	2,870	2,870
OAO Ob'neftegazgeologiya	Oil and gas development and production	19.76%	2,706	223	223
OOO MUBR	Field survey and exploration	43.58%	1,230	98	98
OAO Slavneft-Megionneftegazgeologiya	Oil and gas development and production	5.28%	108	(6)	(6)
OOO MegionEnergNeft'	Field survey and exploration	43.58%	141	17	17
OOO Megion Geologiya	Field survey and exploration	11.87%	(43)	21	21
Other	–	–	74	37	37
<b>Total</b>			<b>98,758</b>	<b>6,950</b>	<b>6,985</b>

Subsidiaries	Core activity	31 December 2016		Nine months ended 30 September 2016	
		NCI, %	NCI in net assets	NCI in net profit/(loss)	NCI in net comprehensive (loss)/income
OAO Slavneft-Megionneftegaz	Oil and gas development and production	43.58%	56,848	5,580	5,580
OAO Slavneft Yaroslavnfteorgsintez	Petroleum refining	60.17%	31,102	3,372	3,372
OAO Ob'neftegazgeologiya	Oil and gas development and production	19.76%	2,484	595	595
OOO MUBR	Field survey and exploration	43.58%	1,132	55	55
OAO Slavneft-Megionneftegazgeologiya	Oil and gas development and production	5.28%	113	(47)	(47)
OOO MegionEnergNeft'	Field survey and exploration	43.58%	124	8	8
OOO Megion Geologiya	Field survey and exploration	11.87%	(64)	11	11
Other	–	–	37	50	50
<b>Total</b>			<b>91,776</b>	<b>9,624</b>	<b>9,624</b>

**Slavneft Group****Notes to the Consolidated Interim Condensed Financial Statements (unaudited)***(in million of Russian Roubles, unless noted otherwise)***NOTE 23. PRINCIPAL SUBSIDIARIES**

The most significant subsidiaries of the Group and the ownership interest are presented below:

Subsidiaries	Core activity	30 September 2017		31 December 2016	
		Preferred and common shares	Voting shares	Preferred and common shares	Voting shares
OAo Slavneft-Megionneftegazgeologiya	Oil and gas development and production	94.72%	94.72%	94.72%	94.72%
OAo Slavneft-Megionneftegaz	Oil and gas development and production	56.42%	56.42%	56.42%	56.42%
OAo Ob'neftegazgeologiya	Oil and gas development and production	80.24%	80.24%	80.24%	80.24%
ZAO Ob'neftegeologiya	Oil and gas development and production	100%	100%	100%	100%
OOO Slavneft'-Nizhnevartovsk	Oil and gas development and production	100%	100%	100%	100%
OOO Slavneft'-Krasnoyarskneftegaz	Field survey and exploration	100%	100%	100%	100%
OAo Slavneft Yaroslavnefteorgsintez	Petroleum refining	39.83%	51.46%	39.83%	51.46%

**NOTE 24. DIVIDENDS**

The Company did not declare and did not pay dividends during the nine months ended 30 September 2017 or until the date of issuance of this Consolidated Interim Condensed Financial Statements.

The Company did not declare and did not pay dividends during the nine months ended 30 September 2016.

**NOTE 25. EVENTS AFTER THE REPORTING PERIOD**

There were no significant subsequent events which have or may have an impact on the Group's financial position, cash flows or operating results which took place during the period between reporting date and date of signing of the Group's Consolidated Interim Condensed Financial Statements prepared in accordance with IFRS.