

**Notification of a Material Fact
Information that Materially Influences, in the Issuer's Opinion, the Value of
Its Equity Securities**

1. General Information	
1.1. The issuer's full corporate name	<i>Oil Transporting Joint Stock Company Transneft</i>
1.2. The issuer's abbreviated corporate name	<i>Transneft, JSC</i>
1.3. The issuer's principal place of business	<i>57 Bolshaya Polyanka St., Moscow, 119180</i>
1.4. The issuer's OGRN (Primary State Registration Number)	<i>1027700049486</i>
1.5. The issuer's INN (Taxpayer's Identification Number)	<i>7706061801</i>
1.6. The issuer's unique code assigned by the registering body	<i>00206-A</i>
1.7. The address of the web page used by the issuer for the purposes of disclosing information	<i>http://www.e-disclosure.ru/portal/company.aspx?id=636 http://www.transneft.ru/</i>

2. Content of the Notification

2.1. Brief description of the event (action) the occurrence (performance) of which influences, in the Issuer's opinion, the value of its equity securities: ***Resolution of the issuer related to the period to submit offers for exchange documentary interest bearing inconvertible bonds in bearing form with mandatory central keeping, series BO-001P-01 of Transneft, JSC (hereinafter referred to as the "Exchange Bonds") being placed to the extent of the Exchange Bond Program under identification number 4-00206-A-001P-02E dated April 06, 2016 (hereinafter referred to as the "Exchange Bond Program").***

2.2. If the respective event (action) is related to or associated with a third party, the full corporate name (for non-profit institutions, the name), principal place of business, INN (if applicable), OGRN (if applicable) or the surname, name, and patronymic of such person: ***It is not possible to specify the information as it concerns potential buyers of Exchange Bonds of Transneft, JSC.***

2.3. If the respective event (action) is related to or associated with a resolution taken by the issuer's or a third party's competent management body, the name of such management body, the adopted resolution date and content, the drafting date and number of the minutes of the meeting (session) of the competent management body, if the resolution was adopted by the collegial management body of the respective entity: ***Resolution adopted by the President of Transneft, JSC on May 31, 2016 (Order No. 108 dated May 31, 2016). Adopted resolution content: "1. To place inconvertible interest bearing documentary exchange bonds in bearing form with mandatory central keeping, series BO-001P-01 of Transneft, JSC (hereinafter referred to as the "Exchange Bonds") to the extent of the Exchange Bond Program under identification number 4-00206-A-001P-02E dated April 06, 2016 (hereinafter referred to as the "Exchange Bond Program").***

2. To determine that placement of the Exchange Bonds will be performed by collection of targeted orders from buyers for purchase of the Exchange Bonds at a fixed price and coupon rate for the first coupon period determined in advance by Transneft, JSC according to the procedure and on the terms and conditions provided for by the Exchange Bond Program (Formation of the order book).

3. To determine that the offers for Preliminary Contracts, as defined in the Exchange Bond Program, shall be sent to the address of Gazprombank (Joint-stock Company).

4. To determine that the period to send the offers for Preliminary Contracts with potential buyers of the Exchange Bonds, series EO-001P-01, as defined in the Exchange Bond Program, containing the obligation to sign with them or with the trading participants acting in their interests the principal contracts aimed at alienation of the Exchange Bonds being placed, series EO-001P-01, in their favour in the future, shall start at 11:00 on June 01, 2016 and shall end at 12:00 on June 01, 2016.”

Subject: Participation in placement of Exchange Bonds of Oil Transporting Joint Stock Company Transneft, series EO-001P-01.

IMPORTANT: YOU NEED TO FAMILIARIZE YOURSELF WITH THE INFORMATION SPECIFIED BELOW BEFORE TAKING ANY ACTION.

This notification applies to the information specified below and the issuance documents published in the Internet at the address: <http://www.e-disclosure.ru/portal/company.aspx?id=636>, <http://www.transneft.ru> (hereinafter jointly referred to as «Documents»), and you need to familiarize yourself with the provisions of this notification before taking any action in connection with such Documents. Upon familiarizing yourself with the Documents and taking any action in connection with them, you accept the obligation to comply with the terms and conditions specified below, including any changes to such terms and conditions, which may be received by you from us following your familiarization with the Documents.

THIS NOTIFICATION AND THE DOCUMENTS PROVIDED TO YOU SHALL NOT BE DEEMED AN OFFER FOR SALE OF ANY SECURITIES AND SHALL NOT BE INTENDED FOR FAMILIARIZATION OR ACCESS OF PERSONS SITUATED IN THE UNITED STATES OF AMERICA, AUSTRALIA, CANADA OR JAPAN.

THIS NOTIFICATION AND THE DOCUMENTS SHALL NOT BE TRANSFERRED OR DISTRIBUTED, EXCEPT ACCORDING TO THE PROCEDURE SPECIFIED BELOW, AND SHALL NOT BE REPRODUCED IN ANY WAY.

Neither Gazprombank (Joint-stock Company), nor Oil Transporting Joint Stock Company Transneft (hereinafter referred to as the “Issuer”) hereby make an offer for sale of any securities or take any action aimed at receipt of an order for any securities from any persons situated in any jurisdiction. This notification and the Documents provided to you shall not be used for or in connection with preparation of any notification in any jurisdictions and in any circumstances, when such prepared notification may be deemed inappropriate or illegal. The Issuer demands that every person receiving access to this notification and the Documents familiarizes itself and complies with such restrictions. The Documents provided to you for familiarization shall be deemed for information purposes only and shall not be deemed an advertisement or an offer for sale of any securities in any country.

No securities of the Issuer shall be offered for sale or sold in the United States of America without registration or receipt of exemption from registration according to the Securities Act of 1933 of the USA (as amended from time to time).

This notification and the Documents shall be intended exclusively for (i) persons situated beyond the United Kingdom or (ii) professional investors subject to Article 19(5) of the Order (Financial Cooperation) of 2005 under the Financial Services and Financial Markets Act of 2000 of the United Kingdom (hereinafter referred to as the “Order”) or (iii) legal entities or other persons with major net capital, who may legally receive such a notification and such

Documents and who are subject to Articles 49(2)(a) - 49(2)(d) of the Order (all such specified persons shall be hereinafter referred to as the “Appropriate Persons”). Any securities may be bought and any invitation, offer or agreement on subscription, purchase or other acquisition of such securities may be accepted by such Appropriate Persons only. Any other person, who is not an Appropriate Person, shall not act according to them or otherwise rely on this notification and the Documents or any information contained therein.

Any public offer for securities, which may be deemed made based on the fact of sending of this notification and the Documents in any member state of the European Union, which adopted for execution Directive 2003/71/EC (the Directive together with any additional procedures related to its application in any member country shall be hereinafter referred to as the “Prospectus Directive”) is addressed exclusively to qualified investors of the said EU member state as defined in the Prospectus Directive.

This notification and the Documents shall not be deemed an issue prospectus for the purposes of interpretation thereof according to the procedures related to application of the Prospectus Directive and other applicable laws. This notification and the Documents, as well as the issue prospectus prepared in connection with placement of the Issuer’s securities shall not be distributed in any country, where such distribution is subject to additional requirements or violates the laws of the said country.

OWNERSHIP OF EXCHANGE BONDS OR OTHER FINANCIAL INSTRUMENTS IS ALWAYS RELATED TO RISKS.

This notification is for information purposes only; it contains only limited information on investment in the Issuer’s securities. Such investment should be subject to a well-considered decision based on careful analysis of the Issuer, its affiliated persons, transactions, financial position, sales and income, condition of the Russian economy as a whole and other risk factors.

Dear Investor,

Hereby we would like to inform you that you can participate in the placement of exchange documentary inconvertible interest bearing bonds in bearing form with mandatory central keeping, series BO-001P-01 of Oil Transporting Joint Stock Company Transneft (hereinafter – the Issuer). Gazprombank (Joint-stock Company) (hereinafter — **Gazprombank**) acts as the issue manager (hereinafter — the Issue Manager). This notification is an invitation to make offers, and is not an offer.

On April 06, 2016, MICEX Stock Exchange CJSC assigned the Exchange Bond Program identification number 4-00206-A-001P-02E. Assigning the identification number to the Exchange Bond Program does not mean that actual data contained in the issuance documentation is accurate or error-free.

The placement of the Series of Exchange Bonds under Exchange Bond Program 4-00206-A-001P-02E of April 06, 2016, will take place in the form of purchase and sale transactions on the MICEX Stock Exchange. The scheduled issuing date is June 10, 2016, however, it is subject to change. The final issuing date shall be set (determined) according to the Exchange Bond Program and the Securities Prospectus (hereinafter – the Issuance Documentation). The Exchange Bonds may only be purchased with cash.

You may participate in the placement after you execute a proposal to enter into a preliminary Exchange Bond purchase agreement (hereinafter – the Purchase Proposal) in the form of

Appendix hereto with an indication of the maximum total amount in Russian rubles for which you are willing and would like to purchase the Exchange Bonds, as well as the minimum first coupon rate on the Exchange Bonds at which you are willing and would like to purchase the Exchange Bonds.

The Purchase Proposal is your offer to enter into a Preliminary Agreement (according to the definition given below).

In order to comply with the requirements for the Exchange Bonds placement procedure, the Issue Manager shall only consider duly executed and signed Purchase Proposals submitted according to the procedure and on the terms defined herein.

Placement and Settlement Procedure

Where you are willing to participate in the Exchange Bonds placement, please, accept the procedure and terms of the Exchange Bonds placement stipulated in the Issuance Documentation and herein by submitting to Gazprombank (by courier, fax or email) to the address given below a duly executed and signed Purchase Proposal not later than June 1, 2016 12:00 (Moscow time) (hereinafter – the Register Closing Time). To this effect, a Purchase Proposal of a legal entity shall be executed on the letterhead, signed by the authorized representative and bear the corporate seal of such legal entity. The Purchase Proposal may not be revoked after the Register Closing Time.

For the avoidance of doubt, please, be aware that receipt of your Purchase Proposal by the Issue Manager does not mean its acceptance. Neither the Issuer, nor the Issue Manager assume any obligations, make any representations or warranties regarding acceptance of your Purchase Proposal in full or in part.

The Issuer will make a decision to accept or decline your Purchase Proposal after it sets the first coupon rate on the Exchange Bonds. Gazprombank in its capacity of the attorney, on behalf and for the account of the Issuer, or the agent, on its behalf and for the account of the Issuer, will only send you (by courier, fax or email) a written notification of acceptance (hereinafter – the Notification of Acceptance) of your Purchase Proposal to the address, fax number or email specified in your Purchase Proposal where a decision to accept your Purchase Proposal is made by the Issuer. Should the Notification of Acceptance be sent by fax or email, it shall be deemed to have been received by you at the time of sending. The Issue Manager will not notify you where the Issuer makes a decision to decline your Purchase Proposal, or fails to make any decision at all. To this effect, sending no notification does not mean acceptance of your Purchase Proposal (no tacit acceptance).

PLEASE, NOTE! ACCEPTANCE OF YOUR PURCHASE PROPOSAL MEANS ENTERING INTO A PRELIMINARY AGREEMENT (HEREINAFTER – THE PRELIMINARY AGREEMENT) BY AND BETWEEN YOU AND THE ISSUER UNDER WHICH YOU AND THE ISSUER ARE BOUND TO ENTER ON THE ISSUING DATE INTO A MASTER EXCHANGE BOND PURCHASE AGREEMENT (HEREINAFTER – THE MASTER AGREEMENT) ON THE FOLLOWING TERMS AND CONDITIONS: THE ISSUER SHALL SELL AND YOU SHALL PURCHASE FROM THE ISSUER (OR THE ATTORNEY OR AGENT APPOINTED BY THE ISSUER, OR OTHER AGENT) AND PAY FOR THE EXCHANGE BONDS TO THE NUMBER, FOR THE PLACEMENT PRICE AND AT THE COUPON RATE SPECIFIED IN THE NOTIFICATION OF ACCEPTANCE. TO THIS EFFECT, THE NUMBER OF THE EXCHANGE BONDS SPECIFIED IN THE NOTIFICATION OF

ACCEPTANCE WILL DEPEND ON THE PLACEMENT PRICE, THE FIRST COUPON RATE AND DEMAND FOR THE EXCHANGE BONDS. YOUR PURCHASE PROPOSAL CAN BE ACCEPTED IN FULL OR IN PART. WHERE YOUR PURCHASE PROPOSAL IS ACCEPTED IN PART, THE PRELIMINARY AGREEMENT SHALL BE DEEMED VALID ONLY WITH REGARD TO THE ACCEPTED PART OF YOUR PURCHASE PROPOSAL SPECIFIED IN THE NOTIFICATION OF ACCEPTANCE.¹ THE PROCEDURE FOR ENTERING INTO THE MASTER AGREEMENT (EXCHANGE BONDS PLACEMENT PROCEDURE), THE ISSUING DATE, THE PLACEMENT PRICE, THE FIRST COUPON RATE ON THE EXCHANGE BONDS AND THE SETTLEMENT PROCEDURE SHALL BE SET (DETERMINED) ACCORDING TO THE ISSUANCE DOCUMENTATION.

¹ The Notification of Acceptance will specify the number of the Exchange Bonds based on the placement price, and the relevant cash amount indicated in your Purchase Proposal as the maximum amount for which you would like to purchase the Exchange Bonds.

This notification, the Purchase Proposal and the Notification of Acceptance (if any) shall be an integral part of the Preliminary Agreement.

Any disputes related to entering into, the validity and performance of the Preliminary Agreement shall be referred to the Moscow Arbitration Court.

To accept the above-mentioned Exchange Bonds placement terms and procedure, please, send your Purchase Proposal by courier to Gazprombank office located at 7 Korovy Val Ul., 119049 Moscow (for the attention of Semen Odintsov) with a copy to Semen.Odintsov@gazprombank.ru.

Yours sincerely,

Oil Transporting Joint Stock Company Transneft

[ON THE INVESTOR'S LETTERHEAD]

To Bank GPB (JSC)

7 Korovy Val Ul., 119049 Moscow

Fax: (495) 983-17-63

For the attention of Semen Odintsov

E-mail: Semen.Odintsov@gazprombank.ru

OFFER FOR PRELIMINARY PURCHASE AGREEMENT

We have reviewed the conditions and procedure for participating in placement of series BO-001P-01 exchange documentary inconvertible interest bearing bonds in bearing form with mandatory central keeping, which are to be placed by public offering under the Bond Program (Bond Program ID 4-00206-A-001P-02E dated April 06, 2016) (hereinafter referred to as the 'Exchange Bonds'), as specified in the Issue Resolution, part one (Bond Program) and the Securities Prospectus of Transneft, JSC (hereinafter referred to as the 'Issuer').

Having carefully analyzed financial, economic, legal and other risks and consequences of Exchange Bonds purchase and ownership, we hereby undertake to enter into master agreements for purchasing Exchange Bonds from the Issuer on the start date of Exchange Bonds placement according to the Issue Resolution, part one (Bond Program) and the Securities Prospectus under the following conditions:

Maximum amount we are ready to pay for	Bonds first coupon rate (% per annum)
--	---------------------------------------

Bonds (in rubles)*	
[please specify]	[please specify]

This offer is valid until June 10, 2016 inclusively.

Please send a notice of accepting this offer to the following details: in case of transfer by courier [please specify your office address], in case of transfer by fax [please specify your office fax number], in case of transfer by email [please specify email of your office's contact person].

Best regards,

Name:

Position:

(if the person acts under a power of attorney, please specify particulars)

L.S.

*This amount excludes costs related to Exchange Bonds purchase and payments.

2.4. If the respective event (action) is related to or may influence materially the value of the issuer's certain equity securities, the type, category (kind) and other identification features of such equity securities of the issuer:

- *series BO-001P-01 exchange documentary inconvertible interest bearing bonds in bearing form with mandatory central keeping under the Bond Program (Bond Program ID 4-00206-A-001P-02E dated April 06, 2016).*

2.5. Date of occurrence of the respective event (performance of the action) and, if the respective event occurs with respect to a third party (the respective action is performed by a third party), also the date when the issuer learned of occurrence of such event (performance of such action): **June 01, 2016.**

3. Signature

3.1. Vice President, Transneft, JSC

Acting under Power of Attorney No. 94 dated March 01, 2016 _____ R.R. Sharipov
(signature)
(L.S.)

3.2. Date: June 01, 2016