

Notification of a Material Fact
“Information Producing, in the Issuer’s Opinion, Material Influence on the Value
of its Equity Securities”

1. General Information	
1.1. The issuer’s full corporate name	<i>Public Joint Stock Company «Transneft»</i>
1.2. The issuer’s abbreviated corporate name	<i>Transneft</i>
1.3. The issuer’s principal place of business	<i>Moscow, Russian Federation</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. Notification Content
<p>2.1. Brief description of the event (action) the occurrence (taking) of which, in the issuer’s opinion, materially influences the value of its equity securities: <i>Adoption by the Issuer of the resolution on the term for sending of offers related to the Transneft documentary inconvertible interest-bearing exchange bonds in bearing form with mandatory central keeping, series BO-001P-05 (hereinafter — the “Exchange Bonds”) placed under Exchange Bond Programme with identification number 4-00206-A- 001P-02E dated April 06, 2016 (hereinafter — the “Exchange Bond Programme”), identification number of the issue and the international securities identification code (number) (ISIN): not assigned as of the date of disclosure.</i></p> <p>2.2. In case the respective event (action) is related to a third party — full business name (for non-profit organizations — the name), location, INN (if applicable), OGRN (if applicable) or the surname, first name, middle name of such a person: <i>The information is unavailable, as it is related to the potential acquirers of the Exchange Bonds of Transneft.</i></p> <p>2.3. In case the respective event (action) is related to the resolution adopted by the authorized management body of the Issuer or the third party — name of such a management body, date of adoption and content of the resolution adopted, date of execution and number of the meeting Minutes of the management body, in case the resolution is adopted by the collegial body of the respective person: <i>Resolution is adopted by the Sole Executive Body — the President of Transneft on January 25, 2017 (Order No. 15 dated January 25, 2017).</i></p> <p>Content of the resolution adopted: <i>“To place the Adoption by the Transneft documentary inconvertible interest-bearing exchange bonds in bearing form with mandatory central keeping, series BO-001P-05 (hereinafter — the “Exchange Bonds”) under Exchange Bond Programme with identification number 4-00206-A-001P-02E dated April 06, 2016 (hereinafter — the “Exchange Bond Programme”).</i> <i>To establish that the Exchange Bonds are to be placed by collection of the targeted requests of the buyers for acquisition of the Exchange Bonds at the fixed price and rate of the coupon for the first coupon period defined by Transneft in advance in accordance with the procedure and on the terms and conditions provided for by the Exchange Bond Programme (making up of Order Book).</i> <i>To establish that the offers to conclude the Preliminary Contracts, as this term is defined in the Exchange Bond Programme shall be sent to «Gazprombank» (Joint-stock Company).</i> <i>To establish that the deadline for sending of the offers to conclude the Preliminary Contracts</i></p>

with potential acquirers of the Exchange Bonds of series BO-001P-05, as this term is defined in the Exchange Bond Programme, containing the obligation to conclude in future with them or with the trading members acting in their interests the master agreements aimed at alienation thereto of the placed Exchange Bonds of BO-001P-05 shall start at 11:00 on January 26, 2017 and end up at 16:00 on January 26, 2017.”

Regarding: *Participation in placement of Exchange Bonds* of series BO-001P-05 of *Public Joint Stock Company «Transneft»*.

NOTE: YOU HAVE TO STUDY THE INFORMATION PROVIDED BELOW PRIOR TO TAKING ANY ACTIONS.

This notification shall apply to the information provided below and to the equity documents posted in the Internet at: <http://www.e-disclosure.ru/portal/company.aspx?id=636> (hereinafter jointly — the “Documents”), and you need to closely study the provisions hereof prior to taking any actions related to such Documents. When studying and taking of any actions related to the Documents, you shall undertake to comply with the terms and conditions provided below, including any amendments to such terms and conditions which may be consequently received by you from us, due to your studying of the Documents.

THIS NOTIFICATION AND THE DOCUMENTS SUBMITTED TO YOU SHALL NOT BE REGARDED AS AN OFFER TO SELL ANY SECURITIES AND ARE NOT INTENDED FOR STUDYING BY OR ACCESS OF THE PERSONS CURRENTLY STAYING IN THE UNITED STATES OF AMERICA, AUSTRALIA, CANADA OR JAPAN.

THIS NOTIFICATION AND THE DOCUMENTS CANNOT BE SENT OR DISTRIBUTED IN OTHER WAY EXCEPT FOR IN ACCORDANCE WITH THE PROCEDURE DESCRIBED BELOW, AS WELL AS CANNOT BE REPRODUCED IN ANY WAY.

Neither «Gazprombank» (Joint-stock Company), nor Public Joint Stock Company «Transneft» (hereinafter — the “Issuer”) do hereby makes any offer of any securities sale, or takes any actions aimed at obtaining of some securities purchase offer from any persons/entities of any jurisdiction. This notification and the Documents submitted to you cannot be used for or in relation to preparation of any notification in any jurisdiction, or in any circumstances, where such a prepared notification is regarded inadmissible or illegal. The Issuer claims for each person obtaining access to this notification and Documents to study and comply with the restrictions. The documents submitted to you for studying are exceptionally informative and are not advertising or offer of any securities sale in any country.

Any securities of the Issuer cannot be offered for sale or sold in the United States of America without registration or obtaining of the registration relief in accordance with the USA Law on Securities, 1933 (as currently amended).

This notification and Documents are only intended for: (i) the persons/entities staying beyond the territory of the Great Britain, or (ii) professional investors falling under article 19(5) of Order (Financial Assistance) of 2005 under the Great Britain Law on Financial Services and Financial Markets of 2000 (hereinafter — the “Order”), or (iii) legal or other persons/entities having large net capital to whom such notification and Documents may be sent on the legal grounds, falling under articles 49(2)(a) - 49(2)(d) of the Order (all such persons/entities specified shall be

hereinafter jointly referred to as the “Corresponding Persons/Entities”). Any securities may be acquired and any invitation, offer or agreement for subscription, purchase or other acquisition of such securities may be accepted by such Corresponding Persons/Entities only. Any other person not being the Corresponding Person/Entity shall not be entitled to act in accordance with or otherwise rely on this notification and the Documents or any information contained in them.

Any public offer of the securities which may be deemed made on the basis of the fact of sending of this notification and Documents in any member state of the European Community adopted binding Directive 2003/71/EC (along with any other additional procedures for its application in such a member state it shall hereinafter be referred to as the “Directive on Prospectus”), addressed exclusively to the qualified investors of the EU Member State having the meaning defined in the Directive on Prospectus.

This notification and Documents are not the issue prospectus for the purpose of their interpretation in accordance with the procedures for the Directive on Prospectus application and other applicable laws. This notification and Documents, as well as the issue prospectus prepared in relation to the Issuer’s securities placement cannot be distributed in any country where such distribution requires compliance with additional requirements or breaches the laws of such country.

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

This notification is for information only and contains very limited information on investment in the Issuer's securities. Such investment shall be preceded by the prudent resolution, based, inter alia, on the thorough analysis of the Issuer, its affiliates, operations, financial condition, sales and revenues, state of the Russian economy as a whole and other risk factors.

Dear Investor,

Hereby you are informed of the opportunity to participate in placement of the documentary inconvertible interest-bearing exchange bonds in bearing form with mandatory central keeping, series BO-001P-05, of Transneft (hereinafter — the “Issuer”). «Gazprombank» (Joint-stock Company) (hereinafter — “**Gazprombank**”) shall act as the placement manager (hereinafter — the “Manager”). This notification is a proposal to make offers and is not an offer.

On April 06, 2016 Closed joint-stock company «MICEX Stock Exchange» assigned identification number 4-00206-A-001P-02E to the Exchange Bond Programme. Assignment of the identification number to the Exchange Bond Programme does not mean the actual information provided in the issue documents is accurate and reliable.

The Exchange Bonds of a certain issue shall be placed under the Exchange Bond Programme, identification number 4-00206-A-001P-02E dated April 06, 2016, by the Exchange Bonds purchase and sale transactions in Moscow Exchange. The Exchange Bonds placement is scheduled for February 03, 2017, but may take place on a different date. The final placement commencement date shall be established (defined) in accordance with the Exchange Bond Programme and the Prospectus for Securities (hereinafter — the “Equity Documents”). The Exchange Bonds may be paid for in specie only.

You may participate in the placement, having made the proposal, in accordance with the procedure established below, to conclude the preliminary contract for purchase by you of the Exchange Bonds (hereinafter — the “Purchase Offer”) according to the form established in the

Appendix hereto, in this case having got know the maximum total amount in rubles of the Russian Federation you wish and are ready to purchase the Exchange Bonds to, as well as the minimum rate of the first coupon under the Exchange Bonds you wish and are ready to purchase the Exchange Bonds at, to the amount specified.

The Purchase Offer shall be your offer to conclude the Preliminary Contract (as this term is defined below).

For the purpose of compliance with the requirements to the procedure for the Exchange Bonds placement, the Manager shall consider only the Purchase Offers appropriately executed and signed, as well as received in accordance with the procedure and on the terms and conditions set forth herein.

Procedure for Placement and Settlements

If you decide to participate in the Exchange Bonds placement, you are asked to confirm you consent with the procedure and terms and conditions of the Exchange Bonds placement set forth in the Equity Documents and this notification, by sending of the Purchase Offer appropriately executed and signed by you to Gazprombank (by a courier, or by fax, or by e-mail) to the address specified below, not later than by 16:00 Moscow time of January 26, 2017 (hereinafter — the “Book Closing Time”). In this case the Purchase Offer sent by a legal entity shall be executed on the letterhead of the legal entity, signed by the authorized person and sealed by its official seal. The Purchase Offer cannot be revoked after the Book Closing Time.

To avoid misunderstanding and any doubts, your attention is hereby especially draw at the fact that obtaining by the Manager of your Purchase Offer shall not guarantee it will be accepted. Neither Issuer, not the Manager shall undertake any obligations or make any representations or give any guarantees that your Purchase Offer will be accepted in full or in part.

Upon defining of the rate of the first coupon under the Exchange Bonds the Issuer shall adopt the resolution on acceptance or rejection of your Purchase Offer. Only in the case the resolution on acceptance of your Purchase Offer is adopted, Gazprombank, acting as the attorney, on behalf and at the expense of the Issuer, or as the commission agent on its own behalf and at the expense of the Issuer, shall send the written notice of your Purchase Offer acceptance (hereinafter — the “Notification of Acceptance”) to you (by a courier, by fax or to the e-mail address), to the address or the fax number, or to the e-mail address specified by you in your Purchase Offer. In case the Notification of Acceptance is sent by fax or by e-mail, it shall be deemed received by you at the moment of its sending. In case the Issuer adopts the resolution on rejection of your Purchase Offer, or the Issuer has not considered your Purchase Offer, or if no resolution is adopted in respect of it, the Manager shall not send any notification of this to you. Besides, the fact no such a notification is sent to you shall not assume your Purchase Offer has been accepted (silence shall not mean the acceptance).

NOTE! ACCEPTANCE OF YOUR PURCHASE OFFER SHALL MEAN YOU AND THE ISSUER SHALL CONCLUDE THE PRELIMINARY CONTRACT (HEREINAFTER — THE “PRELIMINARY CONTRACT”), IN ACCORDANCE WITH WHICH YOU AND THE ISSUER SHALL UNDERTAKE TO CONCLUDE THE MASTER AGREEMENT FOR THE EXCHANGE BONDS PURCHASE AND SALE (HEREINAFTER — THE “MASTER AGREEMENT”) ON THE EXCHANGE BONDS PLACEMENT COMMENCEMENT DATE ON THE FOLLOWING TERMS AND CONDITIONS: THE ISSUER SHALL UNDERTAKE TO SELL TO YOU, AND YOU SHALL UNDERTAKE

TO ACQUIRE FROM THE ISSUER (OR THE COMMISSION AGENT, ATTORNEY OR OTHER AGENT APPOINTED BY THE ISSUER) AND PAY FOR THE EXCHANGE BONDS IN THE NUMBER, AT THE PRICE AND AT THE COUPON RATE SPECIFIED IN THE NOTIFICATION OF ACCEPTANCE. BESIDES, THE NUMBER OF THE EXCHANGE BONDS SPECIFIED IN THE NOTIFICATION OF ACCEPTANCE SHALL DEPEND ON THE PLACEMENT PRICE, AMOUNT OF THE INTEREST RATE ON THE FIRST COUPON AND THE MARKET DEMAND FOR THE EXCHANGE BONDS. YOUR PURCHASE OFFER MAY BE ACCEPTED IN FULL OR IN PART. IF YOUR PURCHASE OFFER IS ACCEPTED IN PART, THE PRELIMINARY CONTRACT SHALL BE DEEMED CONCLUDED IN RESPECT OF SUCH PART OF YOUR PURCHASE OFFER ONLY, WHICH IS TO BE SPECIFIED IN THE NOTIFICATION OF ACCEPTANCE.¹ THE PROCEDURE FOR CONCLUSION OF THE MASTER AGREEMENT (PROCEDURE FOR EXCHANGE BONDS PLACEMENT), THE EXCHANGE BONDS PLACEMENT COMMENCEMENT DATE, PLACEMENT PRICE, RATE OF THE FIRST COUPON UNDER THE EXCHANGE BONDS AND THE PROCEDURE FOR SETTLEMENTS SHALL BE ESTABLISHED (DEFINED) IN ACCORDANCE WITH THE EQUITY DOCUMENTS.

¹ The Notification of Acceptance shall specify the number of the Exchange Bonds calculated on the basis of the placement price, as well as the respective part of the cash amount specified in your Purchase Offer as the maximum cash amount you are ready to purchase the Exchange Bonds to.

This notification, Purchase Offer and Notification of Acceptance (if any) shall make an integral part of the Preliminary Contract.

All the disputes related to conclusion of the Preliminary Contract, its validity and performance shall be settled in the Arbitrazh Court of Moscow.

If you agree with the terms and conditions set forth above and the procedure for participation of the Exchange Bonds placement, you may send the Purchase Offer by a courier to the Gazprombank office at the address: 7 ulitsa Koroviy Val, Moscow, 119049 (for the attention of Semen Odintsov), with a copy of the Purchase Offer sent by e-mail to: Semen.Odintsov@gazprombank.ru.

Sincerely,

Public Joint Stock Company «Transneft»

[ON THE LETTERHEAD OF THE INVESTOR]

To Bank GPB (JSC)
7 ulitsa Koroviy Val, Moscow, 119049
Fax: (495) 983-17-63
For the attention of: Semen Odintsov
E-mail: Semen.Odintsov@gazprombank.ru

OFFER FOR CONCLUSION OF PRELIMINARY CONTRACT FOR PURCHASE AND SALE

We have studied the terms and conditions and the procedure for participation in placement of the documentary inconvertible interest-bearing exchange bonds in bearing form with mandatory central keeping, series BO-001P-05, placed by open subscription under the Bond Programme (Bond Programme identification number: 4-00206-A-001P-02E dated April 06, 2016)

(hereinafter — the “Exchange Bonds”) set forth in the Resolution on Securities Issue, Part One (Bond Programme) and the Prospectus for Securities of Transneft (hereinafter — the “Issuer”). Having thoroughly analyzed the financial, economic, legal and other risks and consequences of acquisition and ownership of the Exchange Bonds, we do hereby undertake to conclude the main contracts for purchase and sale with respect to acquisition by us of the Exchange Bonds from the Issue, on the Exchange Bonds placement commencement date, in accordance with the Resolution on Securities Issue, Part One (Bonds Programme) and the Prospectus for Securities on the following terms and conditions:

Maximum amount we are ready to purchase the Exchange Bonds to (in rubles)* [please specify]	Minimum coupon rate for the first coupon period under the Exchange Bonds (in % per annum) [please specify]
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This offer shall be effective till February 03, 2017, inclusively.

You are requested to send the Notification of Acceptance of this offer using the following details: for sending by a courier: [specify your office address], for sending by fax: [specify your fax number], for sending by e-mail: [specify the e-mail address of the Responsible Employee of your office].

Sincerely,

Name:

Position:

(if the person acts on the basis of the Power of Attorney, specify the document details)

L. S.

* This amount shall not include the expenses related to acquisition of the Exchange Bonds and settlements procedures.

2.4. In case the respective event (action) is related or may produce material influence on the value of certain Issuer’s equity securities — type, category (class) and other identification attributes of such Issuer’s equity securities:

- ***documentary inconvertible interest-bearing exchange bonds in bearing form with mandatory central keeping, series BO-001P-05 under Exchange Bond Programme (identification number 4-00206-A- 001P-02E dated April 06, 2016).***

2.5. The date of the respective event (action), and if the respective event happens to the third party (the respective action is taken by a third party) — also the date on which the Issuer as become aware of the specified event (action): ***January 25, 2017***

3. Signature

3.1. Vice President of Transneft
acting on the basis of Power of Attorney No. 94 dated
March 01, 2016.

R. R. Sharipov

(signature)

3.2. Date 25 January 2017

L.S.