PRESS RELEASE
MAY 29, 2014

LUKOIL NET INCOME EXCLUDING WRITE-OFFS AMOUNTED TO $2.3 BILLION IN THE FIRST QUARTER OF 2014, EBITDA EXCLUDING WRITE-OFFS – $4.5 BILLION

LUKOIL has published consolidated US GAAP financial statements for the first quarter of 2014.

The Company's net income amounted to $1,733 million. EBITDA (earnings before interest, taxation, depreciation and amortization) reached $3,995 million in the first quarter of 2014. Sales revenues were $35,681 million (+5.7% y-o-y).

Net income for the first quarter of 2014 was negatively affected by a loss on the expected disposal of our share in Caspian Investment Resources Ltd. in the amount of $358 million as well as write-offs related to the exploration projects in Africa in the amount of $162 million.

Free cash flow in the first quarter of 2014 amounted to $179 million. Capital expenditures, including non-cash operations, decreased by 3.4% to $3,232 million.

Lifting costs per boe of production amounted to $5.23, down 9.0% from the fourth quarter of 2013.

In the first quarter of 2014, LUKOIL Group total hydrocarbon production available for sale increased by 0.8% y-o-y and reached 2,214 thousand boe per day. Crude oil and natural gas liquids production in the first quarter of 2014 increased 1.8% to 1,885 thousand barrels per day. Throughput at the Company's own and affiliated refineries increased by 3.5% to 16.1 million tonnes. Throughput at the Company's refineries in Russia increased 2.0%.

Consolidated Statements of Income

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	For the three months ended March 31, 2014 (unaudited)	For the three months ended March 31, 2013 (unaudited)
Revenues		
Sales (including excise and export tariffs)	35,681	33,770
Costs and other deductions		
Operating expenses	(2,309)	(2,450)
Cost of purchased crude oil, gas and products	(17,243)	(15,103)
Transportation expenses	(1,553)	(1,650)
Selling, general and administrative expenses	(856)	(866)
Depreciation, depletion and amortization	(1,512)	(1,369)
Taxes other than income taxes	(3,446)	(3,383)
Excise and export tariffs	(5,487)	(5,501)
Exploration expenses	(205)	(63)
Loss on disposals and impairments of assets	(415)	(7)
Income from operating activities	**2,655**	**3,378**
Interest expense	(140)	(97)

Interest and dividend income	57	61
Equity share in income of affiliates	182	158
Currency translation loss	(270)	(139)
Other non-operating (expense) income	(80)	13
Income before income taxes	**2,404**	**3,374**
Current income taxes	(805)	(646)
Deferred income taxes	138	(143)
Total income tax expense	**(667)**	**(789)**
Net income	**1,737**	**2,585**
Net income attributable to non-controlling interests	(4)	(4)
Net income attributable to OAO LUKOIL	**1,733**	**2,581**
Earnings per share of common stock attributable to OAO LUKOIL (US dollars):		
Basic	2.30	3.42
Diluted	2.25	3.35

Full version of US GAAP interim consolidated financial statements of OAO LUKOIL for the first quarter of 2014 isavailable on the Company's web sites: www.lukoil.com and www.lukoil.ru

These interim consolidated financial statements have been prepared by the Company in accordance with U.S. GAAP and have not been audited by our

independent auditor. If these financial statements are audited in the future, the audit could reveal discrepancies, and we cannot give any assurance that any such discrepancies would not be material.