PRESS RELEASE
JUNE 10, 2015

LUKOIL NET INCOME WAS $0.7 BILLION IN THE FIRST QUARTER OF 2015, EBITDA WAS $2.8 BILLION, FREE CASH FLOW WAS $0.7 BILLION. LUKOIL AND SINOPEC AGREED ON $1,067 MILLION DEAL.

LUKOIL has published consolidated US GAAP financial statements for the first quarter of 2015.

The Company's net income in the first quarter of 2015 amounted to $690 million, which is a 60.2% y-o-y decrease. EBITDA (earnings before interest, taxation, depreciation and amortization) in the first quarter of 2015 decreased by 29.5% to $2,816 million. Sales revenue was $23,190 million (-35.0% y-o-y). The decrease in revenue, EBITDA and net income was mainly due to the decrease in the average Urals blend oil price by more than 50% y-o-y in the first quarter of 2015.

Capital expenditures, including non-cash transactions, in the first quarter of 2015 decreased 24.8% y-o-y to $2,430 million. Free cash flow in the first quarter of 2015 quadrupled to $728 million. Hydrocarbon lifting cost in the first quarter of 2015 decreased by 18.9% to $4.24 per boe in total and was $3.30 per boe excluding West Qurna-2 project.

In the first quarter of 2015, LUKOIL Group total marketable hydrocarbon production increased by 7.0% y-o-y to 2,369 thousand boe per day. Crude oil and natural gas liquids production in the first quarter of 2015 increased by 7.8% to 2,033 thousand barrels per day. The increase was mainly due to the start of commercial production from West Qurna-2 project in Iraq. Throughput at the Company's refineries in Russia decreased by 12.3% mainly due to a decrease in refining margins as a result of changes in tax legislation.

LUKOIL and Sinopec signed an agreement for the sale of LUKOIL's 50% interest in Caspian Investmen Resources Ltd. It will replace the previous sales and purchase contract signed on April 15, 2014. According to the agreement the sale price of the stake will be $1,067 million. The transaction's closing is subject to requisite governmental consents and approvals and is to occur by December 1, 2015. Arbitration procedures initiated by LUKOIL against Sinopec in London in February this year will be suspended for the period until completion.

Consolidated Statements of Income

	3 months of 2015	2014
	(millions of US dollars)	
Revenues		
Sales (including excise and export tariffs)	23,190	35,681
Costs and other deductions		
Operating expenses	(1,808)	(2,309)
Cost of purchased crude oil, gas and products	(11,238)	(17,243)
Transportation expenses	(1,303)	(1,553)

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Selling, general and administrative expenses	(665)	(856)
Depreciation, depletion and amortization	(1,819)	(1,512)
Taxes other than income taxes	(2,139)	(3,446)
Excise and export tariffs	(3,033)	(5,487)
Exploration expense	(79)	(205)
Loss on disposals and impairments of assets	(83)	(415)
Income from operating activities	**1,023**	**2,655**
Interest expense	(169)	(140)
Interest and dividend income	81	57
Equity share in income of affiliates	54	182
Currency translation loss	(37)	(270)
Other non-operating expense	(36)	(80)
Income before income taxes	**916**	**2,404**
Current income taxes	(338)	(805)
Deferred income taxes	119	138
Total income tax expense	**(219)**	**(667)**
Net income	**697**	**1,737**
Net income attributable to non-controlling interests	(7)	(4)
Net income attributable to OAO LUKOIL	**690**	**1,733**
Earning per share of common stock attributable to OAO LUKOIL (in US dollars):		
Basic	0.91	2.30
Diluted	0.91	2.25

Full version of US GAAP interim consolidated financial statements of OAO LUKOIL for the first quarter of 2015 is available 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.