PRESS RELEASE
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LUKOIL BOARD OF DIRECTORS SUMMARIZES COMPANY PERFORMANCE IN FIRST HALF OF 2013

The OAO LUKOIL Board of Directors has reviewed the preliminary results for the first half of 2013 and investment program realization progress in 2013, in Moscow today.

The geological exploration completed within the reporting period enabled LUKOIL to enjoy a boost in oil reserves in the amount of 6 million tons of reference fuel, reaching its planned targets. Over the reporting period, four oil fields have been discovered: Severo-Vatjeganskoye, Vostochno-Kayumovskoye in Western Siberia, Michaelskoye in Komi Republic and Omarskoye in the Republic of Tatarstan.

The recoverable reserves increment, as a result of asset acquisitions in Russia, came to 89 million tons of reference fuel.

Hydrocarbon production by LUKOIL Group over the first six months of 2013 totaled 57.6 million tons of reference fuel, which exceeded last year's result for the same period by 1.2%. Its oil output in the Russian Federation totaled 42 million tons, while abroad the figure came to 2.7 million tons.

The gas output (both natural and associated petroleum gas) for the reporting period reached 12.9 billion cubic meters, which is 5.3% higher than last year’s total. In Russia, the company experienced an 8.5% growth in gas production.

The associated gas utilization rate at the company’s enterprises in Russia came to 87.7%.

LUKOIL has continued to introduce and test new technologies. It has become the first company in the world to implement the Steam-Assisted Gravity Drainage (SAGD) projects for the system of horizontal wells located in Lyaelskaya area of Yaregskoye high-viscosity oilfield. The company continued to drill horizontal wells with multi-path completion, including horizontal wells with multi-zone hydrofracturing, multibranch and multilateral wells.

Oil processing at the company’s refineries (including mini-refineries, stakes in ISAB, Zeeland foreign complexes and also the Odessa refinery sale) rose by 0.6% against the corresponding period last year and totaled 32.0 million tons, including

22.1 million tons at Russian refineries and 9.9 million tons abroad.

Within the reporting period, the company's Russian refineries raised their production of high-octane gasoline by 1.2% as compared with the first half of 2012; their share in the overall production volume of automobile gasoline reached 100% over the reporting period. The share of EURO-compliant gasoline at the company's Russian refineries rose to 99.95%.

Investment expenditures by LUKOIL Group (excluding acquisitions) over the first six months of 2013 totaled USD 6.4 billion, exceeding last year's result for the same period by 38.5%.

LUKOIL Group organizations have contributed RUR 526 billion in taxes and customs fees to the Russian Federation budget, which is 7% less than last year's total. This is associated with the decrease in world crude oil prices, leading to the reduction of Mineral Extraction Tax and export customs duties for oil and petroleum products.