PRESS RELEASE
APRIL 24, 2014

LUKOIL BOARD OF DIRECTORS APPROVES KEY ITEMS ON THE ANNUAL GENERAL SHAREHOLDERS MEETING AGENDA

A traveling meeting of the OAO "LUKOIL" Board of Directors was held in Burgas (Bulgaria) today to make decisions regarding the 2014 Annual General Shareholders Meeting.

It was resolved that the Annual General Shareholders Meeting will be held at 11:00 a.m. on 26 June 2014 at the Company's headquarters at the following location: 11, Sretensky bulvar, Moscow. Registration of participants will start at 9:30 a.m.

The list of shareholders entitled to participate in the Annual General Shareholders Meeting shall be prepared as of 12 May 2014.

The Board of Directors is going to recommend that the Annual General Shareholders Meeting resolve to pay dividends for the 2013 financial year, which may in total be 110 roubles per ordinary share, in the amount of 60 roubles per ordinary share (the interim dividends paid out earlier for the first six months of 2013 financial year were 50 roubles per ordinary share).

Thus, the total dividend amount payable for the 2013 financial year, including interim dividends distributed in October 2013, is expected to be 22.2% higher compared with the previous dividend amount (90 rubles for 2012).

The Board of Directors intends to recommend to the Annual General Shareholders Meeting to set 15 July 2014 as the date on which persons entitled to receive dividends based on the results of the 2013 financial year will be determined.

In addition it will be proposed to shareholders to vote on the following dividend payment period:

· Dividend payments to nominee shareholders and trust managers who are professional market participants registered in the shareholder register of OAO "LUKOIL" to be made within 10 business days after the date on which persons entitled to receive dividends are determined;

· Dividend payments to other persons registered in the shareholder register of OAO "LUKOIL" to be made within 25 business days after the date on which persons

entitled to receive dividends are determined.

The shareholders will also elect the Board of Directors of OAO "LUKOIL", consisting of 11 members, and the Audit Commission, consisting of 3 members. The list of candidates is based on the nominees put forward by shareholders who own at least two percent of the voting shares. The following candidates were nominated to the Board of Directors:

1. Vagit Yu. Alekperov, President of OAO LUKOIL;

2. Victor V. Blazheev, Rector of the O.E.Kutafin Moscow State Law University;

3. Valery I. Grayfer, Chairman of the Board of Directors of OAO RITEK;

4. Igor S. Ivanov, President of the Russian International Affairs Council (RIAC), former Minister of Foreign Affairs of the Russian Federation, Secretary of the Security Council of the Russian Federation;

5. Sergei A. Kochkurov, Vice President of OAO LUKOIL, General Director of OOO LUKOIL-Western Siberia;

6. Ravil U. Maganov, First Executive Vice President of OAO LUKOIL;

7. Richard H. Matzke, former Vice Chairman of Chevron Corporation;

8. Sergei A. Mikhailov, Chairman of the Board of Directors of ZAO Kapital Upravlenie aktivami [Kapital Asset Management];

9. Mark Mobius, Executive Chairman of Templeton Emerging Markets Group;

10. Guglielmo Antonio Claudio Moscato, Chairman and CEO of Gas Mediterraneo & Petrolio;

11. Ivan Pictet, Chairman of the UN Investments Committee of the UN Joint Staff Pension Fund Board (NY, USA), member of the International Advisory Board of Blackstone Group International Limited, AEA European Advisory Board, AEA Investors LP Global Advisory Board (NY, USA), member of the Board of Directors of Symbiotics, Chairman of the Board of PSA International SA, President of the Fondation pour Genève and Chairman of the Fondation Pictet pour le Développement;

12. Leonid A. Fedun, Vice President for Strategic Development of OAO LUKOIL.

The following candidates were nominated for election to the Audit Commission:

13. Mikhail B. Maximov, General Director of OOO LUKOIL-Regional Accounting Centre Perm;

14. Pavel A. Suloev, Internal Control and Audit Director of ZAO Management Centre Managing Company;

15. Alexander V. Surkov, General Director of OOO LUKOIL-Regional Accounting Centre Volgograd.

The materials of the Annual General Shareholders Meeting will be available on OAO "LUKOIL" websites www.lukoil.ru (in Russian) and www.lukoil.com (in English) from 16 May 2014.

Due to the fact that federal laws No. 282-FZ of 29 December 2012 and No. 379-FZ of 21 December 2013 amended and supplemented the federal laws On Joint-Stock Companies and On Security Markets (thus considerably changing the applicable dividend announcement and payment procedure), the Board of Directors also approved the Amendments and addenda to the Regulations on the Dividend Policy of OAO "LUKOIL".

Specifically, new requirements to the payment (declaration) of dividends have been set, as well as new rules for compilation of the list of persons entitled to dividends, new calculation rules for the dividend payment period and a new dividend payment procedure to the shareholders whose rights to dividends are recorded either in the shareholder register or with nominee holders. The new procedure came into effect on 1 January 2014.

Therefore, the decision on dividend payment (declaration) will fix the date on which persons entitled to receive dividends will be determined rather than set the dividend payment period, while this date will be taken into account for dividend payment period calculation. According to the new procedure, the competency of approval of the date on which persons entitled to receive dividends will be determined will be transferred from the Board of Directors to the General Shareholders Meeting. From now on, this date will be determined by virtue of the decision on dividend payment (declaration) made by the General Shareholders Meeting but at the suggestion of the Board of Directors only. As a result, the dividend payment period shall be shortened and the respective calculation rules shall be changed. According to the new rules, the beginning of the dividend payment period will be linked to the date on which persons entitled to receive dividends will be determined rather than to the date when the decision on dividend payment (declaration) was made by the General Shareholders Meeting.

The Board of Directors has also taken into consideration the information submitted by OAO "LUKOIL" Vice-President, President of LUKOIL Overseas Holding GmbH Andrey Kuzyaev, regarding the commissioning of the West Qurna-2 field and new promising projects in the Republic of Iraq.

As previously reported, the first oil at the West Qurna-2 field was produced on 5 March 2014, while a daily oil production rate of 120,000 barrels was reached on 28 March 2014. The West Qurna-2 field includes two major oil and gas formations, Mishrif and Yamama. The field's total initial oil-in place comes to around 35 billion barrels.

The West Qurna-2 project will include four phases: Geologic Exploration, Early Oil, Mishrif Full Field Development, and Yamama Formation Development. Successful implementation of the Early Oil phase is a critical success factor for the

whole project and a guarantee of its target profitability and return on investments. According to an estimate of Independent Project Analysis, an international organization, project-related investments are comparable with the industry average indicators, while in terms of the implementation rate it surpasses similar global projects by more than 20% and is rated among the top 10% in the peer project group.

On 10 April 2014, LUKOIL started 2D seismic surveys at Block 10 in southern Iraq. The compulsory geologic exploration program for Block 10 provides for 5 years with the possibility of a 2-year prolongation and, in addition to 2D-seismics, provides for the drilling of one prospecting well, scheduled to be drilled in the first quarter of 2016.

Currently, LUKOIL is considering the possibility of joining new Iraqi projects.

A Memorandum of Understanding with the Iraqi state-owned Oil Exploration Company was signed on 4 April 2014 in Baghdad. The Memorandum provides for the possibility of geologic exploration at the Western Euphrates Block with an area of 17,000 square kilometers. Currently, appraisal is under way at the Block, and the appraisal outcomes will be taken into consideration when deciding whether to begin contract preparation. OAO “Zarubezhneft” will act as LUKOIL’s partner on the part of Russia.

LUKOIL is also considering the option of joining into a partnership with OAO “Zarubezhneft” to enter the bidding procedure for the Nassiriya integrated project providing for the development of a gigantic oil field and refinery construction.

Additionally, LUKOIL signed a Memorandum of Understanding with the Iraqi Ministry of Industry to estimate the outlooks for construction of a gas chemical plant to utilize the associated gas from the West Qurna-2 field.