PRESS RELEASE
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LUKOIL NET INCOME DOUBLED IN THE SECOND QUARTER OF 2013 AND REACHED $2.1 BILLION, EBITDA AMOUNTED TO $4.4 BILLION

LUKOIL has published consolidated US GAAP financial statements for the second quarter of 2013.

In the second quarter of 2013 the Company's net income of $2,104 million increased 107% compared to the second quarter of 2012. EBITDA was $4,359 million, which is a 26% y-o-y increase. Sales revenue reached $35,053 million, which is a 8.2% y-o-y increase mainly due to an increase in trading operations.

Earnings per share in the second quarter of 2013 increased 108% y-o-y to $2.79. Net income per boe of hydrocarbon production increased 102% to $10.5. Therefore, the Company shows a high level of financial efficiency in the Russian oil industry.

LUKOIL strong financial position resulted in increasing of credit rating by Fitch to BBB, which is equivalent to the sovereign credit rating of the Russian Federation. High financial stability allowed the Company's Board of Directors to recommend 1H 2013 interim dividends in the amount of 50 rubles per share, which is a 25% y-o-y increase.

In the second quarter of 2013, LUKOIL Group total hydrocarbon production available for sale reached 199.5 million boe, which is a 2.3% increase y-o-y. Crude oil and natural gas liquids production of LUKOIL Group in the second quarter of 2013 increased 1.5% to 170.0 million barrels. Production of gas available for sale reached 5.02 bcm, which is a 7.1% increase. Lifting costs per boe of production in the second quarter of 2013 was $5.6.

Capital expenditures including non-cash transactions were $3,584 million. Free cash flow was $292 million in the second quarter of 2013.

In the second quarter of 2013 throughputs at the Company's own and affiliated refineries increased 1.7% to 16,442 thousand tonnes. Output of refined products by the Group in Russia increased 4.7%.

Measures aimed at higher efficiency and cost control allowed the Company to maintain high operating efficiency.

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CONSOLIDATED STATEMENT OF INCOME

	2nd quarter of		1st half of	
	2013	**2012**	**2013**	**2012**
	(millions of US dollars)			
Revenues				
Sales (including excise and export tariffs)	35,053	32,397	68,823	67,658
Costs and other deductions				
Operating expenses	(2,516)	(2,327)	(4,966)	(4,542)
Cost of purchased crude oil, gas and products	(16,462)	(14,416)	(31,565)	(30,784)
Transportation expenses	(1,562)	(1,497)	(3,212)	(3,102)
Selling, general and administrative expenses	(972)	(932)	(1,838)	(1,761)
Depreciation, depletion and amortization	(1,444)	(1,177)	(2,813)	(2,272)
Taxes other than income taxes	(3,396)	(3,461)	(6,779)	(6,939)
Excise and export tariffs	(5,787)	(6,090)	(11,288)	(11,667)
Exploration expense	(75)	(104)	(138)	(147)
Gain on disposals and impairments of assets	17	175	10	166
Income from operating activities	**2,856**	**2,568**	**6,234**	**6,610**
Interest expense	(121)	(160)	(218)	(321)
Interest and dividend income	58	66	119	132
Equity share in income of affiliates	139	163	297	344
Currency translation loss	(257)	(310)	(396)	(396)
Other non-operating income (expense)	168	(45)	181	(67)
Income before income taxes	**2,843**	**2,282**	**6,217**	**6,302**
Current income taxes	(658)	(1,105)	(1,304)	(1,592)
Deferred income taxes	(90)	(68)	(233)	52

Total income tax expense	**(748)**	**(1,173)**	**(1,537)**	**(1,540)**
Net income	**2,095**	**1,109**	**4,680**	**4,762**
Net loss (income) attributable to non-controlling interests	9	(91)	5	45
Net income attributable to OAO LUKOIL	**2,104**	**1,018**	**4,685**	**4,807**
Earning per share of common stock attributable to OAO LUKOIL (in US dollars):				
Basic	2.79	1.34	6.21	6.27
Diluted	2.73	1.32	6.08	6.15

Full consolidated US GAAP financial accounts of LUKOIL for the first half of 2013 are available on the Company's web sites: www.lukoil.com and www.lukoil.ru

These consolidated interim 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.