PRESS RELEASE
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LUKOIL NET INCOME IN THE THIRD QUARTER OF 2013 REACHED $3.1 BILLION, EBITDA $5.5 BILLION, FREE CASH FLOW $1.6 BILLION

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

In the third quarter of 2013 the Company's net income of $3,105 million increased 48% compared to the second quarter of 2013. EBITDA was $5,472 million, which is a 26% q-o-q increase. Sales revenue reached $36,737 million, which is a 4.8% q-o-q increase mainly due to an increase in oil price and trading operations.

Earnings per share in the third quarter of 2013 increased 48% q-o-q to $4.11. Net income per boe of hydrocarbon production increased 47% to $15.5. Therefore, the Company shows a high level of financial efficiency in the Russian oil industry.

Free cash flow increased from $292 million in the second quarter of 2013 to $1,578 million in the third quarter of 2013. Capital expenditures including non-cash transactions and prepayments were $3,755 million in the third quarter of 2013. High financial stability allowed the Company to pay in October 2013 interim dividends for 1H 2013 in the amount of 50 rubles per share, which is a 25% y-o-y increase.

For the nine months of 2013, LUKOIL Group total hydrocarbon production available for sale reached 2.191 million boe per day, which is a 1.1% y-o-y increase. Crude oil and natural gas liquids production of LUKOIL Group for the nine months of 2013 increased 0.8% to 1.865 million barrels per day. Lifting costs per boe of production for the nine months of 2013 was $5.5.

For the nine months of 2013 throughputs at the Company's own and affiliated refineries increased 1.9% to 49.6 million tonnes. Output of refined products by the Group in Russia increased 3.3%.

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

CONSOLIDATED STATEMENT OF INCOME

	3rd quarter of	**9 months of**

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	2013	2012	2013	2012
	(millions of US dollars)			
Revenues				
Sales (including excise and export tariffs)	36,737	35,494	105,560	103,152
Costs and other deductions				
Operating expenses	(2,514)	(2,349)	(7,480)	(6,891)
Cost of purchased crude oil, gas and products	(17,176)	(16,343)	(48,741)	(47,127)
Transportation expenses	(1,503)	(1,523)	(4,715)	(4,625)
Selling, general and administrative expenses	(979)	(904)	(2,817)	(2,665)
Depreciation, depletion and amortization	(1,545)	(1,309)	(4,358)	(3,581)
Taxes other than income taxes	(3,591)	(3,309)	(10,370)	(10,248)
Excise and export tariffs	(5,664)	(5,591)	(16,952)	(17,258)
Exploration expense	(65)	(52)	(203)	(199)
(Loss) gain on disposals and impairments of assets	(43)	(29)	(33)	137
Income from operating activities	**3,657**	**4,085**	**9,891**	**10,695**
Interest expense	(127)	(109)	(345)	(430)
Interest and dividend income	62	62	181	194
Equity share in income of affiliates	133	64	430	408
Currency translation gain (loss)	57	(97)	(339)	(493)
Other non-operating income (expense)	71	41	252	(26)
Income before income taxes	**3,853**	**4,046**	**10,070**	**10,348**
Current income taxes	(325)	(613)	(1,629)	(2,205)
Deferred income taxes	(432)	37	(665)	89
Total income tax expense	**(757)**	**(576)**	**(2,294)**	**(2,116)**

Net income	**3,096**	**3,470**	**7,776**	**8,232**
Net loss attributable to non-controlling interests	9	39	14	84
Net income attributable to OAO LUKOIL	**3,105**	**3,509**	**7,790**	**8,316**
Earning per share of common stock attributable to OAO LUKOIL (in US dollars):				
Basic	4.11	4.65	10.32	10.91
Diluted	4.02	4.55	10.10	10.68

Full consolidated US GAAP financial accounts of LUKOIL for the nine months 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.