PRESS RELEASE
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LUKOIL GROUP PROVED HYDROCARBON RESERVES TOTAL 17.4 BILLION BARRELS OF OIL EQUIVALENT PRODUCTION FULLY REPLACED BY PROVED RESERVES

OAO LUKOIL finished an evaluation and independent audit of its oil and gas reserves, as they stand on December 31, 2013. The evaluation was performed in accordance with the US Securities and Exchange Commission (SEC) standards until the economic limit of commercial production is reached.

The audit results by Miller and Lents, a US firm, suggest that the Company's proved hydrocarbon reserves as of December 31, 2013 came to 17.4 billion barrels of oil equivalent, including 13.5 billion barrels of oil and 23.6 trillion cubic feet of gas.*

Replacement of production by proved reserves increment in 2013 exceeded 100%.

Proved reserves increased due to geological exploration, production drilling and acquisitions, and totaled 822 million barrels of oil equivalent. The exploration operations in the conventional regions of the Company's operations, accelerated commissioning of the fields discovered in 2013, and the acquisition of assets resulted in the proved reserves increment. For the first time ever the estimated proved reserves per acquired assets (ZAO Samara-Nafta and the Imilorsko-Istochniy license area) totaled 178 million barrels of oil equivalent, unproved reserves and contingent resources reached 991 million barrels of oil equivalent. The Company's management expects a considerable increment in the proved reserves across the above assets, as progress is made developing the fields making up those assets.

The positive reinterpretation of the proved reserves in the amount of 116 million barrels of oil equivalent accounts for the improved development techniques of the operated fields, as well as the accounting of the tax privileges for the hard-to-recover and offshore reserves granted by the RF Government.

The Company also completed an estimate of the contingent resources according to the PRMS classification. Category 3C contingent resources totaled 12.2 billion barrels of oil equivalent as of December 31, 2013. A 15.6% increment in the contingent resources as compared to 2012 is attributable to the new acquisitions of the Company.

Press Centre PJSC "LUKOIL"
Phone:
E-mail: media@lukoil.com

The Company's management expects the oil and gas volumes classified as contingent resources to be transferred to reserves as their commissioning date approaches, a program to enhance volumes of gas utilization is implemented, pilot operations are completed, and new highly efficient techniques are applied, allowing it to develop the hard-to-recover reserves in a cost-effective way.

In summary, in terms of proved hydrocarbon reserves volume LUKOIL retains its leading positions among Russian and international companies.

LUKOIL Group Oil and Gas Reserves

As of December 31, 2013	**Oil**	**Gas**	**Oil + gas***
	million barrels	billion cubic feet	million barrels of oil equivalent
Proved reserves	**13,461**	**23,642**	**17,401**
including:			
Developed reserves	8,237	7,547	9,495
Undeveloped reserves	5,224	16,095	7,906
Probable reserves	**5,041**	**9,435**	**6,613**
Possible reserves	**3,087**	**3,053**	**3,596**

*Conversion ratio from cubic feet to barrels:

1 barrel = 6,000 cubic feet

Estimates of Cash Flows from Development of LUKOIL Group Reserves

As of December 31, 2013, million USD	**Proved**	**Probable**	**Possible**
Future revenue from sales of oil and gas	760,842	282,624	165,381
Future costs of oil and gas field production and development	515,207	197,484	132,586
Future non-discounted cash flow before income tax*	245,635	85,14	32,795
Discounting (10%)	141,406	66,998	28,178
Discounted cash flow before income tax*	104,229	18,142	4,617

* Income tax is included in the project calculation, where it affects the reserves volume