PRESS RELEASE
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LUKOIL EBITDA REACHED $15.5 BILLION IN THE NINE MONTHS OF 2014, LIQUID HYDROCARBONS PRODUCTION INCREASED BY 6%

LUKOIL has published consolidated US GAAP financial statements for the nine months of 2014.

EBITDA1 (earnings before interest, taxation, depreciation and amortization) in the nine months of 2014 increased by 5.9% to $15,475 million. The Company's net income in the nine months of 2014 amounted to $5,742 million. Sales revenues were $112,907 million (+7.0% y-o-y).

Free cash flow in the nine months of 2014 amounted to $1,072 million. Capital expenditures, including non-cash transactions, in the nine months of 2014 were $11,680 million.

In the nine months of 2014, LUKOIL Group total hydrocarbon production available for sale increased by 4.6% y-o-y and reached 2,291 thousand boe per day. Crude oil and natural gas liquids production in the nine months of 2014 increased by 5.9% y-o-y to 1,975 thousand barrels per day. The increase was mainly due to the start of commercial production from West Qurna-2 project in Iraq. In addition, increase in crude oil and natural gas liquids production in Russia was 1.3% due to the production increase in Timan-Pechora (+4.3%), Ural region (+4.9%) and Volga region (+16.5%). Refined products produced at the Company's refineries in Russia increased by 0.9% mainly due to an increase in throughput at the Perm Refinery.

1 Adjusted for loss on disposal of assets and dry hole related write-offs.

Consolidated Statements of Income

	3rd quarter of		**9 months of**	
	2014	**2013**	**2014**	2013
	(millions of US dollars)			
Revenues				
Sales (including excise and export tariffs)	39,021	36,737	112,907	105,560

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Costs and other deductions				
Operating expenses	(2,726)	(2,514)	(7,593)	(7,480)
Cost of purchased crude oil, gas and products	(18,603)	(17,176)	(54,717)	(48,741)
Transportation expenses	(1,510)	(1,503)	(4,620)	(4,715)
Selling, general and administrative expenses	(994)	(979)	(2,865)	(2,817)
Depreciation, depletion and amortization	(2,788)	(1,545)	(6,785)	(4,358)
Taxes other than income taxes	(3,501)	(3,591)	(10,355)	(10,370)
Excise and export tariffs	(5,745)	(5,664)	(16,571)	(16,952)
Exploration expenses	(207)	(65)	(476)	(203)
Loss on disposals and impairments of assets	(87)	(43)	(501)	(33)
Income from operating activities	**2,860**	3,657	8,424	9,891
Interest expense	(171)	(127)	(466)	(345)
Interest and dividend income	74	62	194	181
Equity share in income of affiliates	154	133	427	430
Currency translation (loss) gain	(347)	57	(615)	(339)
Other non-operating (expense) income	(108)	71	(227)	252
Income before income taxes	**2,462**	3,853	7,737	10,070
Current income taxes	(828)	(325)	(2,174)	(1,629)
Deferred income taxes	(5)	(432)	203	(665)
Total income tax expense	**(833)**	(757)	(1,971)	(2,294)
Net income	**1,629**	3,096	5,766	7,776
Net (income) loss attributable to non-controlling interests	(9)	9	(24)	14

Net income attributable to OAO LUKOIL	**1,620**	3,105	5,742	7,790
Earnings per share of common stock attributable to OAO LUKOIL (US dollars):				
Basic	2.15	4.11	7.61	10.32
Diluted	2.11	4.02	7.46	10.10

Full version of US GAAP interim consolidated financial statements of OAO LUKOIL for the nine months ended September 30, 2014, is available on the Company's web sites: www.lukoil.com and www.lukoil.ru

These interim consolidated 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.