PRESS RELEASE
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LUKOIL BOARD OF DIRECTORS SUMMARIZES COMPANY 2014 PRELIMINARY PERFORMANCE AND SETS PRIORITIES FOR 2015

The LUKOIL Board of Directors held a meeting in Moscow today to summarize the preliminary results of the company performance in 2014 and set priorities for 2015 and the near term.

In 2014, as a result of prospecting, 14 fields were discovered, while 38 oil deposits were identified in the exploration areas and producing fields. In 2014, the company obtained 18 new licenses for subsoil use.

The estimated oil production increased by 7% and totaled 97.2 million tons, including 86.3 million tons in Russia and 10.9 million tons overseas. The increase in overseas oil production is attributable to the commissioning of West Qurna-2 oil field in Iraq.

The 2014 volume of retail sales of petroleum and gas products totaled 15.2 million tons. In Russia, the volume of retail sales of fuel increased by 6% and totaled 9.7 million tons.

The utilization coefficient of associated (petroleum) gas in the RF came to 89.9% in 2014, which is 2.2 percentage points higher than in 2013.

According to the preliminary estimates, the total sum of tax and customs payments to the consolidated budget of the Russian Federation in 2014 will total RUB 1.2 trillion, an increase of 7.9% over 2013, mainly due to the increase in the income tax, mineral-extraction tax and petroleum-product excise-tax payments.

The OAO LUKOIL Board of Directors also set a number of priorities for 2015, including the following:

§ to ensure the steady operation of the company, given the unfavorable macroeconomic conditions, and to preserve the company's competitive positions within the international and national sectoral markets in terms of operational efficiency;

§ to continue exploration in West Siberia, the Ural-Volga, the Timan-Pechora, and Romania in order to continue building up the company's resource base.

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